



# Torbay Economic Strategy 2010-2015

## Accepting the Challenge

[www.torbaydevelopmentagency.co.uk](http://www.torbaydevelopmentagency.co.uk)



**Torbay  
Development  
Agency**

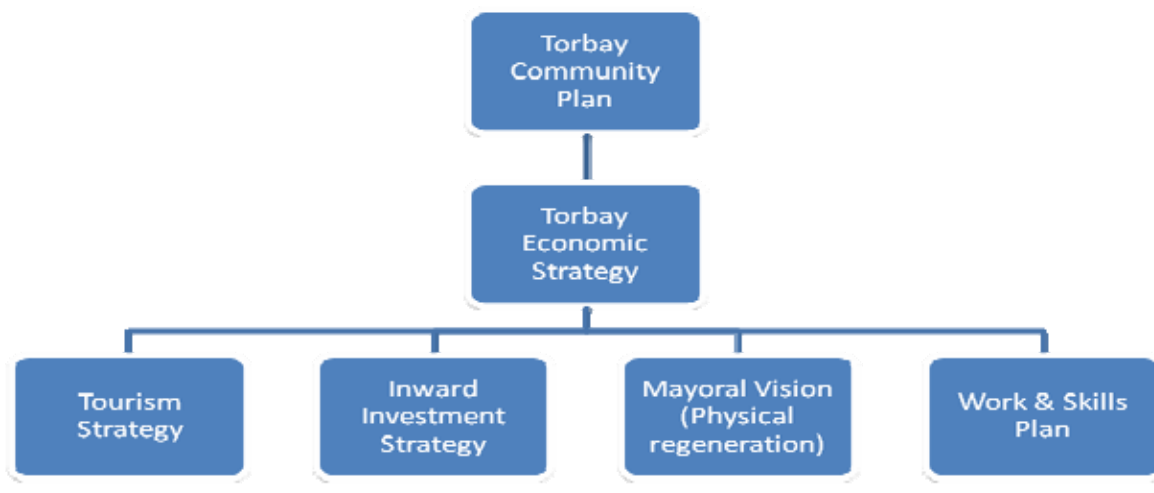
This document can be made available in other languages and formats. For more information please telephone 01803 208674

# Contents

<b>Contents .....</b>	<b>3</b>
<b>SUMMARY .....</b>	<b>4</b>
<b>TORBAY TODAY – THE CONTEXT FOR REGENERATION .....</b>	<b>7</b>
Torbay .....	7
Economic Geography .....	7
Business and Enterprise.....	9
People and Communities .....	13
Sustainable Economic Growth .....	16
Economic Resilience & Competitiveness .....	17
Potential of the Torbay Economy .....	19
Torbay Economy SWOT Analysis .....	21
<b>STRATEGY .....</b>	<b>23</b>
Vision and Strategic Themes.....	25
Stimulating and Attracting Investment.....	26
Improving Business Performance.....	27
Raising Skills & Improving Opportunities.....	29
<b>DETAILED ACTION PLAN .....</b>	<b>32</b>
Stimulating & Attracting Investment.....	32
Improving Business Performance.....	34
Raising Skills & Improving Opportunities.....	35
<b>PERFORMANCE MANAGEMENT .....</b>	<b>39</b>
<b>KEY RISK ASSESSMENT .....</b>	<b>40</b>
<b>LINKS TO RELEVANT LOCAL AND REGIONAL STRATEGIES .....</b>	<b>42</b>
Torbay Community Plan .....	42
Torbay Tourism Strategy .....	43
Torbay Inward Investment Strategy.....	44
Torbay and South Devon Employment and Skills Plan .....	45
Torbay Strategic Investment Framework (SIF).....	45
Torbay Investment Plan.....	46
Local Development Framework.....	46
Torbay Climate Change Strategy .....	46
Regional Economic Strategy .....	47

# SUMMARY

1. The economic reality for Torbay is daunting. For the past decade the local economy has been in decline with
  - o Disposable household income at 88% of the regional average, 86% of the national average
  - o Workplace earnings at 78% of the regional average, 72% of the national average
  - o Productivity measures at 61% of the English average and 71% of the European Union average
  - o Rate of key out of work benefit claims at 17.2% of the population and one in ten claiming incapacity benefit
  - o 23.6% of all children in poverty<sup>1</sup> against an English average of 21.6%
  - o Government ranking the economy as 47<sup>th</sup> most economically deprived out of 354 local authority areas<sup>2</sup>
2. It is also apparent that the recession has made the situation worse, despite the successful delivery of a number of regeneration projects across Torbay in recent years, and that it will require a long term and co-ordinated response. This strategy provides that response and it sets out that for Torbay to be prosperous we need to accept the challenges and support the development of economy to bring about growth in jobs and earnings and equality within Torbay. It is an overarching document supported by other more detailed plans for attracting investment and new businesses to Torbay, for the key sector of Tourism<sup>3</sup> and for the development of skills and reduction of unemployment in Torbay as set out in Figure 1 below.



**Figure 1 Strategic Hierarchy**

<sup>1</sup> The proportion of children living in families in receipt of out of work benefits or tax credits where their reported income is less than 60% median income

<sup>2</sup> Tracking Neighbourhoods: The Economic Deprivation Index 2008

<sup>3</sup> Available from [www.torbaydevelopmentagency.co.uk/uploaded\\_documents/452\\_revisedStrategy.pdf](http://www.torbaydevelopmentagency.co.uk/uploaded_documents/452_revisedStrategy.pdf)

3. The overarching vision for this plan is

***To bring about the physical and economic regeneration of Torbay and deliver the benefits to the local community***

4. Specifically successful delivery of the economic strategy will reverse comparative economic decline and increase speed of growth in line with regional performance by 2010 and national performance by 2025. That goal may seem straightforward however reaching it presents significant challenges. It will mean Torbay's economy growing faster than the region's economy as a whole but without some of the advantages which places like Swindon, Bristol, Taunton and Exeter enjoy.
5. The long term vision and commitment of the plan will be set against a changing political background and therefore there must be momentum so that local and national administrations will support its general direction. In creating a local solution that is relevant to our economy and our community this strategy requires the support of political, business and other community leaders. Those leaders and those responsible for delivery need to be prepared to be flexible and intervene to stop delivery if actions are showing signs of not working or being counterproductive. Being prepared to be flexible on the strategy and concentrating on the outcomes is likely to lead to greater innovation and cooperation from the delivery organisations.
6. Delivery will also be set against a challenging local context which sees some parts of Torbay as being acutely disadvantaged while other areas are relatively affluent. Therefore this plan is not simply about economic growth but also development and equality. We are seeking to close the gap between Torbay and the U.K. and the South West region but also between most and least well off in Torbay.
7. Reaching the goal requires the creation of wealth, growing businesses and higher levels of full time employment. Torbay needs to develop a comprehensive approach to enterprise development from working with schools to develop experience of business and skills for work and aspirations to supporting people in later stages of life with ideas that need encouragement. Developing the type of environment which creates higher levels of enterprise leading to demand for higher levels of talent and a broader economy is critical in achieving the goal. Businesses and business leaders in Torbay have a crucial role here in promoting success and attracting new companies and investment in Torbay.
8. Torbay needs to support its existing economic strengths and maximise their contribution to the economy while creating an environment which is favourable to businesses and investment and fosters economic growth. Critical success factors in generating that environment include;

- A culture of ambition and entrepreneurship
- A pro-investment business climate
- A skilled workforce with continually improving attainment
- Improved connectivity and infrastructure – transport links, next generation broadband and premises
- Ensuring that there is a genuine partnership approach to delivery of this strategy with major influencers including the business community, elected Councillors and MPs generating a stronger identity for Torbay
- A public sector prepared to take risks
- Promotion of success

9. We need to be able to put in place short-term and measurable responses to the current economic conditions. We also need longer term structural change to the economy and investment in the key tools which will enable the local economy to compete better and provide better opportunities for the area. Importantly Torbay needs velocity, a pace of change which supports achievement of the vision and key actions include;

- Delivery of the South Devon Link Road (Kingskerswell Bypass)
- Delivery of the “Western Corridor” transport improvements in particular between Tweenaway Crossroad and Long Road
- Delivery of the Mayoral Vision key sites including Torquay and Paignton Town Centres
- Completion of the Brixham Regeneration Programme
- The creation of new commercial space
- Accessing next generation broadband and ensuring local businesses exploit this.

10. It will also be important to ensure the public sector works better collectively with partners to deliver a flexible action plan focused on outcomes. This means increasing the number of private, public and community and voluntary organisations involved with responding to this strategy and supporting its delivery. The actions which follow are focused on responding to those critical success factors and moving Torbay into a position where it holds a strong position in the regional and national economy and provides better opportunities for its community.

## TORBAY TODAY – THE CONTEXT FOR REGENERATION

11. The evidence for this strategy is set out in the Interim Torbay Economic Assessment prepared by the Torbay Development Agency for Torbay Council. The Assessment is a comprehensive overview of information setting out the geographic linkages of the local economy, the sectoral breakdown of the economy, skill levels, earnings and household income and a variety of other data.
12. A brief summary of the sections from the Assessment is set out below. For the complete Assessment please contact Torbay Development Agency.

### Torbay

13. Situated within the stunning, rolling hills of South Devon, Torbay has a beautiful coastline, and was recognised as a Global Geopark in 2007. The Bay consists of three towns, Torquay, Paignton and Brixham, which together make up a diverse and lively resort. Traditionally a tourism driven resort, declining visitor numbers<sup>4</sup> have required a revaluation of Torbay's identity in order to take the economy forward.
14. Torbay's natural and historic environment is its biggest selling point for both visitors and residents alike, key to this are 18 sandy beaches along the 22 miles of coastline which make up Torbay. Coupled with this are seafront gardens, Victorian and Georgian architecture and two country parks at Cockington and Berry Head.
15. The total population of Torbay is currently estimated to be 134,000, making it one of the larger urban economies within the South West.

### Economic Geography

16. Torbay's economy is unusual, in that it is a largely urban space in the heart of rural South Devon. It neighbours the Districts of Teignbridge and South Hams which form part of Devon County Council's jurisdiction and links between Torbay and these districts, as well as the wider Devon area are clear. Exeter and Plymouth are the largest conurbations within the area, and as such influence commuting patterns for residents of Torbay.
17. Commuting patterns taken from the Annual Population Survey show that in 2008 84.8% of jobs within the Torbay local authority boundaries are filled by Torbay residents, this is an increase of just over 10% since 2001. The rest of the jobs in Torbay are predominantly filled by residents of the neighbouring

---

<sup>4</sup> Turning the Tide for Tourism in Torbay – Torbay Tourism Strategy 2009

districts of Teignbridge and the South Hams. 10% of workers live in Teignbridge (down from 13.7%), and 4.3% in the South Hams. The South Hams figure has reduced by 5.7% from 2001 suggesting these residents are now less likely to work in Torbay.

18. This proportion of residents who live and work in the same area is also described as self-containment. As demonstrated above, Torbay has a high level (85%) of self-containment within its workforce. This is similar to the percentage in the Devon, Cornwall and Somerset county council areas, but significantly higher than the other, more urban areas of Plymouth, Bristol and Exeter. It is not unusual for larger area to have a higher percentage of self-containment, as there is more scope for residents to travel within the authority's boundaries to work. However, as shown in the other urban areas compared here, they are more likely to have a lower self-containment score as although there may be more jobs within a small area there are also more people so commuting is higher. If the region is split down into unitary and district areas, Torbay has the highest self-containment score in the South West region, making its economy rather unusual.
19. In 2008 77.7% of residents of Torbay also worked there, with the rest travelling out to Teignbridge, South Hams, Exeter and Plymouth. This suggests that some residents choose to live in Torbay for the quality of life, but cannot find sufficiently highly paid work in the area so commute elsewhere. This reflects the importance of economic success in the wider area.
20. The map below demonstrates that there is a link in terms of earnings between Torbay and parts of neighbouring Teignbridge as both have significantly lower levels of income than elsewhere in South Devon. The red areas prevalent in Torbay represent an income of between £410 and £560, while the pink is £560 to £620. Elsewhere the pale blue is £620 to £680, the purple £680 to £760. Caution must be taken as the size of wards and lower super output areas in more remote areas are bigger, but there does also appear to be a link between proximity to major road links i.e. M5 and A38 and income with those areas more remote from good road links demonstrating lower levels of income.

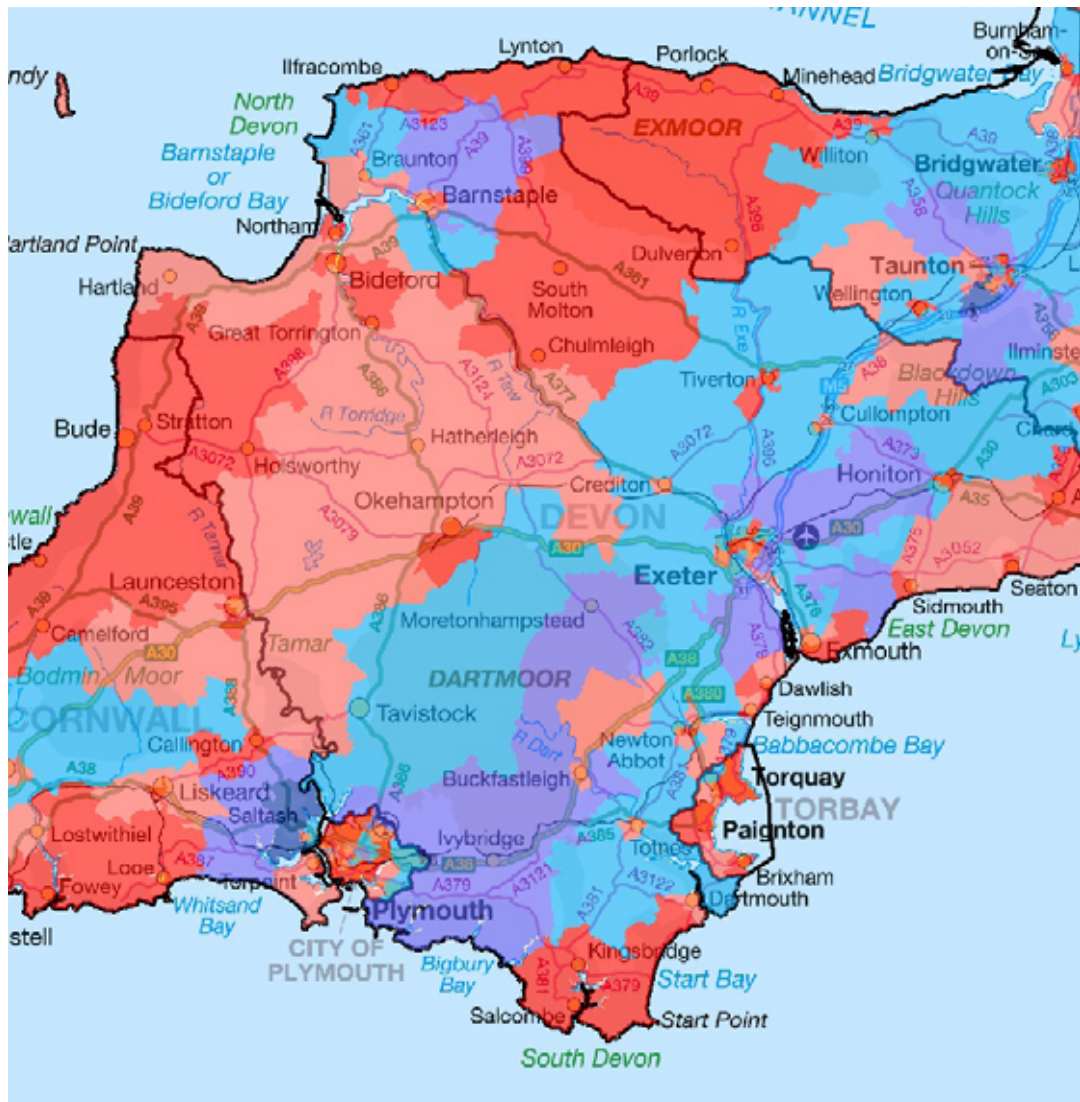


Figure 2 Weekly income levels

## Business and Enterprise

21. This section gives a breakdown of the Torbay economy, including key sectors and their trends, productivity and earnings. Torbay currently has the 6th lowest Gross Value Added (GVA) per head in England<sup>5</sup>, and the lowest in the South West region, partly as a result of a steady decline in productivity over the last ten years. In 2000 Torbay's GVA per head was 78% of the South West average, and 70% of the English. By 2007 this had dropped to 69% of the South West and 61% of the English. In comparison GVA for the South West as a whole has only reduced by 0.4%, from 89.5% of the English average in 2000, to 89.1% in 2007.

### GVA per head

<sup>5</sup> Office for National Statistics, 2009

	Torbay GVA	Year on year % growth	South West GVA	Year on year % growth	England GVA	Year on year % growth
<b>2000</b>	10254		13144		14686	
<b>2001</b>	10432	1.74%	13844	5.33%	15411	4.94%
<b>2002</b>	10444	0.12%	14564	5.20%	16223	5.25%
<b>2003</b>	10688	2.34%	15422	5.89%	17160	5.78%
<b>2004</b>	11198	4.77%	16204	5.07%	18021	5.02%
<b>2005</b>	11633	3.88%	16679	2.93%	18589	3.15%
<b>2006</b>	12115	4.14%	17473	4.76%	19496	4.88%
<b>2007</b>	12506	3.23%	18235	4.36%	20458	4.93%

Source: ONS NUTS3 GVA data

22. More recent figures<sup>6</sup> demonstrate the challenges in a European context and set out that Torbay's productivity per head has now fallen below 75% of the EU average. This information is a sharp reminder to private and public economic leaders of the scale of the task and a key action for Torbay is to ensure that all layers of Government and its agencies are aware of the acute nature of the challenge facing Torbay.

#### South West GDP per inhabitant as a percentage of EU average

Region	2003	2004	2005	2006	2007
City of Bristol	173.9	169.5	163.7	160.5	156.8
Bath and NE Somerset, N Somerset and S Gloucestershire	135.6	133.5	133.6	130.1	122.1
Gloucestershire	132.9	136.1	123.8	116.8	117.4
Swindon	186.1	185.5	180.8	179.8	181.4
Wiltshire CC	106.9	110.9	108.8	103	102.4
Bournemouth and Poole	114.8	113.2	120	121.4	117.4
Dorset CC	85.4	85.3	88.1	90.2	84.8
Somerset	97.8	101.5	104.5	101.6	95.5
Cornwall and Isles of Scilly	77	77.6	76.1	77.1	75.2
Devon (NUTS 2 level)	89.5	95.7	92.7	93.5	88.6
Torbay	73.2	81.8	79	76.8	71.8
Devon CC	90	96.7	93.1	94	89

23. Low GVA levels can be attributed in part to the sectoral breakdown of the Torbay economy. Heavy reliance on low paid, seasonal work, combined with a relatively small manufacturing sector keeps both productivity and earnings significantly below the regional and national averages. Increasing over

<sup>6</sup> South West UK Brussels Office & Eurostat

reliance on the public sector where Torbay is the 9<sup>th</sup> most dependent area on public administration, education and healthcare, is also a concern particularly with spending cuts imminent.

### Sectoral Structure of Torbay economy by number of employees – 2003/2008 comparison

Industrial Sector	Torbay 2003	Torbay 2008	South West 2003	South West 2008	Engl and 2003	Engl and 2008
Manufacturing	8.0 %	5.2 %	12.5%	10.7%	12.6 %	10.1 %
Construction	5.0 %	4.0 %	4.4 %	4.4 %	4.4%	4.6%
Distribution, hotels and restaurants	35.8 %	32.8 %	27.4%	25.2%	24.8 %	23.5 %
Transport and communications	2.4 %	3.2 %	4.7 %	4.8 %	6.1%	6.0%
Banking, finance and insurance	11.0 %	12.5 %	17.0%	19.1%	20.2 %	22.7 %
Public admin, education & health	32.4 %	36.7 %	27.3%	28.7%	25.3 %	26.4 %
Other services	4.7 %	5.0 %	4.6 %	4.7 %	5.2%	5.3%

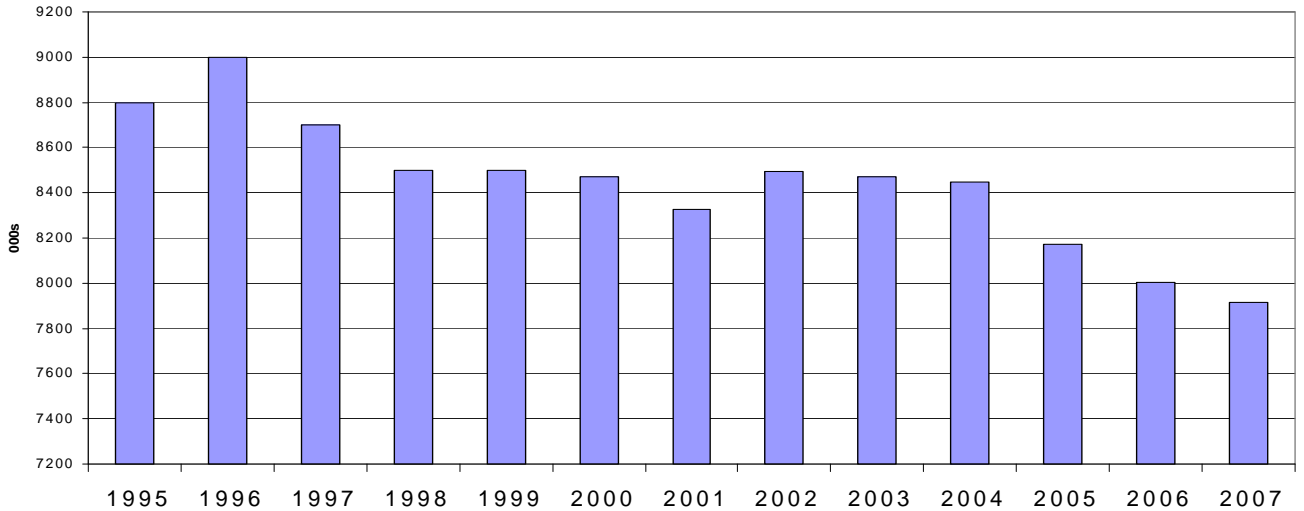
Source: ABI employee analysis 2008, NOMIS

24. Torbay continues to be a popular visitor destination although recent trends mean it is necessary to improve our visitor economy. For the past two decades Torbay has experienced a gradual but persistent decline in visitor numbers and associated declines to spend per head. During this period there has been a dynamic globalisation of the tourism industry, combined with a revolution in consumer expectations and communications, which until recently Torbay has failed to recognise.

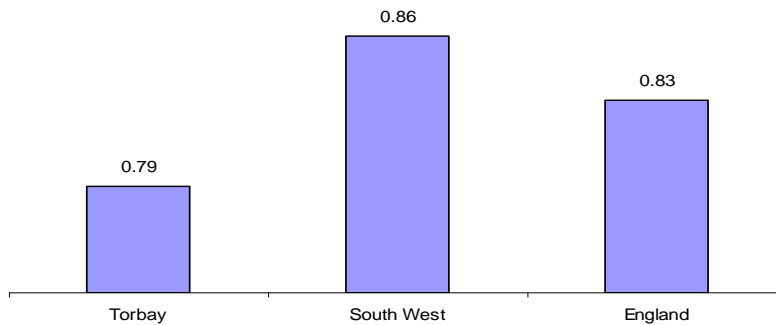
25. Traditionally the English Riviera resort was a weekly and two weekly holiday destination but this had declined to 7.6 nights in 2003, and then reduced sharply to 4 nights by 2007. Although the day visitors have increased in recent years, many other emerging destinations offering city or rural breaks have increased at a much faster rate than Torbay<sup>7</sup>.

<sup>7</sup> Source: Torbay Council Visitor & Residents Services

**Torbay Tourist Nights 1995-2007**  
Source: Devon Trends



26. Stimulating growth in all sectors is important to Torbay. This is because of the density of employment in the area which is behind the regional and national average.



**Figure 3 Job density levels**

27. It is likely that that the extent of part time employment, set out below and far in excess of the national and regional averages, together with the sectoral structure of the economy is one of the principal causes of low earnings and lower productivity in the area. Local residents have also identified the need for more full time employment in the Place Survey of 2008. For the vision of this strategy to be achieved Torbay needs to generate additional full time employment.

	<b>Torbay</b>	<b>South West</b>	<b>Great Britain</b>
	<b>(%)</b>	<b>(%)</b>	<b>(%)</b>
Full-time	58.3	64.7	68.8
Part-time	41.6	35.3	31.2

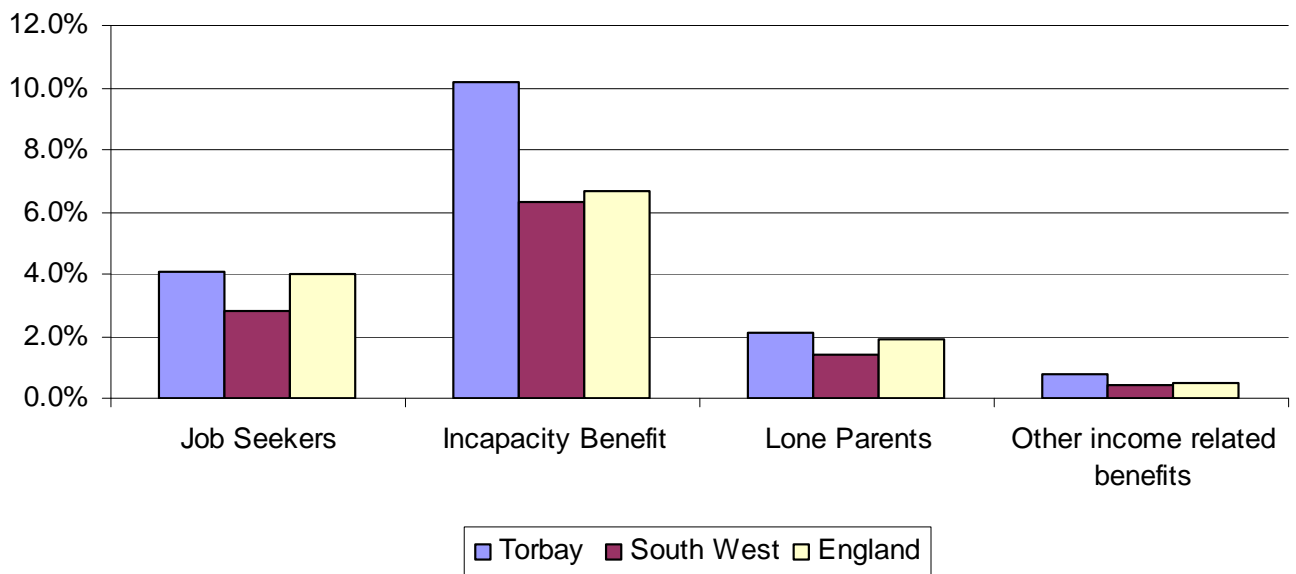
28. Torbay's unique geography is both an asset and a challenge. The coastline and beaches which make the Bay an attractive visitor location also in some ways hamper its economic growth. Businesses regard the area as a tourist destination, not a business centre, and this makes the task of encouraging big businesses to invest a challenging one. As a result Torbay has high numbers of small and medium enterprises, with an above average proportion of the workforce in self employment (19%). While enterprise is a strength for Torbay both business density and business turnover have fallen in recent years. The challenge here is to create more jobs and stop the decline in business density by ensuring new and growing businesses have access to markets, skills, premises and investment.
29. In early 2010 Torbay Development Agency launched its Business Barometer. This rolling survey is designed to find out how local businesses feel about market trends and the economy and the challenges and opportunities of doing business in Torbay. The intention is to use the results to shape TDA, Torbay Council and strategic partners activity and ensure that the wider public sector is aware of the steps that need to be taken to help the Torbay economy be competitive. It is clear local businesses have been impacted on by the recession, with 36.2% of respondents seeing business turnover decrease in the three months preceding the survey 22% experiencing a fall in domestic orders.
30. There is some encouragement however, as 50% of businesses expect to see turnover improve over the next three months. 41.5% expect domestic orders to also increase. It will however, take time before this confidence filters down into employment and wider investment as the bulk of businesses reported that they expect to see staff numbers, capital investment and research & development remain at the same level over the next quarter.
31. In terms of business support, the survey suggests that for the majority of businesses their own accountant is the first port of call for advice (51.9%), closely followed by banks (28.8%) and Business Link (26.9%). This suggests that the TDA and other organisations such as Business Link need to work closely with these services in order to ensure businesses have access to all the information and support available to them

## People and Communities

32. The urban nature of Torbay as a local authority is in contrast to the county in which it sits. Made up of the three towns of Brixham, Paignton and Torquay, Torbay lacks the cultural and retail centres common in large urban areas, but suffers the problems of deprivation and worklessness associated with big cities. In 2009, 20.6% of the Torbay population were claiming benefits, with one in ten in receipt of incapacity benefit. This total is 5% above the national average, and 7% higher than the regional figure.

33. Of particular concern is the number of working age people claiming key out of work benefits. The figure of 17.2% for Torbay is considerably higher than the South West average of 11%, and the national total of 13.2%. As shown below, in 2009, Torbay was level with the English average in terms of job seekers, with 4.1% claiming this benefit, compared to 4.0% nationally. However, this was still higher than the regional figure of 2.8%. Lone parent and other income related benefits were also slightly higher than the regional and national average, but not significantly.

### Working age population claiming key out of work benefits - 2009



Source: DWP Claimant information, NOMIS

34. Torbay has relatively high levels of deprivation and is currently ranked as the 71<sup>st</sup> most deprived area in England out of 354 by the Indices of Deprivation (IMD) 2007<sup>8</sup>. The IMD also identifies 10 of Torbay’s lower super output areas as within the top 10% in England, and 4 within the top 10-20%. These most deprived areas are concentrated primarily within the Tormohun and Roundham with Hyde wards, and to a lesser extent within Blatchcombe, Ellacombe, Watcombe and Wellswood. Focus is needed on these areas as the next round of IMD are due shortly, and it is unlikely Torbay’s position will have improved.

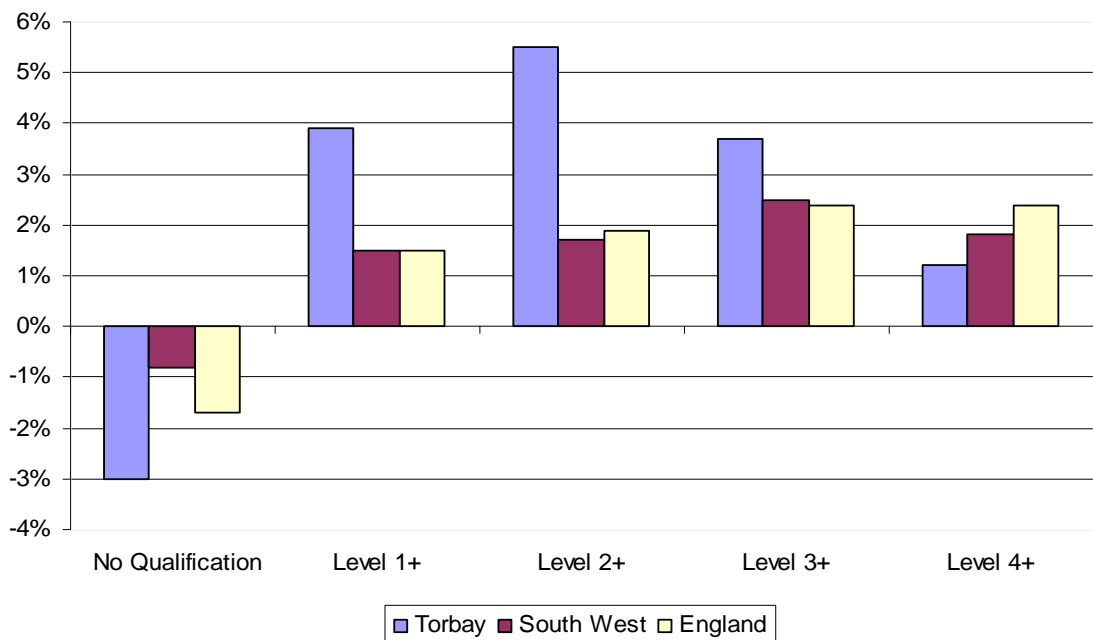
35. Part of this deprivation stems from a reliance on predominately low paid, low skill jobs within the tourism sector which have resulted in wages in Torbay being significantly lower than the regional average. Of concern is the downward trend in median earnings for both residents and workers in Torbay as a percentage of the South West total. Between 2006 and 2009 resident earnings decreased from 90% to 81% of the regional total, and workplace earnings by 10% to 78%.

<sup>8</sup> Dept for Communities & Local Government, 2008

36. Although these statistics paint a challenging picture of the local economy, there is evidence to suggest that Torbay residents are relatively satisfied with the area in which they live. The Place Survey, carried out in autumn 2008, found that 82% of Torbay residents were very or fairly satisfied with their local area. That this compares favourably with the national average of 80% is most likely related to the high quality of life afforded by the natural local environment and geography.

37. Skill levels in Torbay are also below average for levels 3 and 4, something which may be another contributing factor to low earnings. While there are fewer people of working age in Torbay with no qualifications (8.2% compared to 9% regionally and 12.3% nationally), there are also fewer qualified to Level 4 (22.2% compared to 28.3% regionally and 28.7% nationally). Torbay has the second lowest percentage of working age population qualified to level 4 in the region, only Plymouth has a lower proportion. Positively, however, the percentage increase in level 1, 2 and 3 qualifications have increased faster in Torbay than the national average, suggesting that this issue is being addressed. However there is a concern about skills and talent and whether the community can develop, attract and retain enough of it to be competitive and this positive trend needs to be encouraged.

#### Percentage change in skills attainment - 2005-2008<sup>9</sup>



Source: Annual Population Survey 2008, NOMIS

38. Housing affordability is a key local issue and is measured by the government as a ratio of the lowest quartile house prices to the lowest quartile earnings. For example, in 2000, a house in the lowest 25% of the market would have

<sup>9</sup> Annual Population Survey and Learning & Skills Council

cost 3.97 times the salary of someone in the lowest 25% of earnings. The ratio of lower quartile house prices to lower quartile earnings in Torbay has followed a fairly similar trend to the rest of the region and England since 2000. However the ratio of 5.22 was significantly higher than the national average of 3.98 to begin with and this gap has not reduced. In line with median house prices, the affordability ratio peaked in 2007 at 9.43, and has since dropped back to 8.15 in 2009. However, with the ratio in Torbay still at 30% higher than the national average, and 7% above the South West average, it is clear that affordable housing in Torbay is in short supply and wages don't support the value of property in the area.

39. The unique geography and unusual demography of Torbay are the economy's biggest strength, but also contribute towards some of the problems it faces. The population of Torbay makes it a significant urban economy, but as residents are spread in and around three towns in close proximity to each other it is not usually perceived to be a big city. At the same time the area is not rural meaning there are some instances where Torbay fits neither the rural nor the urban agenda and is to an extent overlooked. Broadband provision is an example of this, the market will not provide next generation broadband for the whole of Torbay as it is not economically viable, but it is unlikely to qualify for the support promised to rural areas.

### Sustainable Economic Growth

40. This section covers a number of topics, from carbon footprint to housing & infrastructure and the natural environment. We have tried, where appropriate to draw links between this economic assessment and the emerging Local Development Framework (LDF).
41. Torbay is a naturally beautiful area, and this is its biggest draw for both businesses and visitors. While the visitor element of the economy already works to capitalise on this, there are opportunities which could be taken to promote the area and the lifestyle to businesses looking for an investment opportunity. The coastal nature of Torbay as an economy lends itself to particular sectors, in addition to the tourism economy namely environmental and marine technology. The Bay is already home to Brixham Environmental Laboratory, a leading industrial environmental science facility and part of Astra Zeneca, a globally renowned pharmaceutical company. The success and investment in this facility can be held up as an example of a multi national business working in Torbay.
42. The low carbon economy is important in developing a sustainable and higher value economy, and as such the government has put in place ambitious plans to reduce CO2 emissions. Between 2005 and 2007 Torbay achieved a 7.3% reduction, higher than both regional and national averages. Per capita emissions were also significantly lower in 2007, at 5.0 tonnes per resident, compared to the South west average of 8.2 tonnes. Tellingly 44% of Torbay's emissions come from a domestic source, and 33% from industry and

commerce. Across the rest of the country industry emissions form a significantly higher percentage of emissions, providing more evidence of the lack of industry in Torbay. The low carbon economy presents a huge opportunity for Torbay to develop new and lasting skills in emerging industries. The market for low carbon environmental goods and services currently employs 910,000 people in the UK, with that number expected to rise by over a million as quickly as 2015<sup>10</sup>. As a priority sector the government is supporting skill developments in these industries, and it is essential that Torbay takes advantage of this.

43. In terms of infrastructure, it is clear that local businesses believe Torbay's poor transport links are holding them back with the South Devon Link Road cited to the Torbay Development Agency in meetings with businesses during the research on this plan. The lack of a dual carriageway all the way in to Torbay causes heavy congestion and is a disincentive to businesses that require a large supply chain. However, the natural beauty of the area and the high quality of life means Torbay could be an ideal location for more knowledge based industries that rely less on physical infrastructure.

### Economic Resilience & Competitiveness

44. Analysis carried out by EKOS<sup>11</sup> in 2009 supports the information set out above. Using their economic resilience model EKOS assessed the Torbay economy against the following criteria

- **Industry Mix** (diversity, vulnerable sectors etc)
- **The Workforce** (skills and flexibility)
- **Enterprise** (self employment, densities etc)
- **Labour Market** (the size and quality of the available labour-force)
- **Economic Dynamism** (the combined effects of local population, income and employment).

45. The analysis demonstrates that Torbay's challenges in relation to improving its resilience are similar to those faced by other coastal towns who share common issues around peripherality, lack of diverse business base and skills and in some respects the picture is one of Torbay as a "typical" coastal town with typical economic challenges however the wider evidence suggests that the extent of the challenge is one shared by a relative handful of resort towns.

46. Within the South West region the report sets out the importance of raising levels of skills and the danger that lower skill levels within the labour force may hamper the ability of the local economy to respond quickly to improved economic conditions. The report also demonstrates that Torbay is not an economic island, and in the context of South Devon, it is accessible to those

---

<sup>10</sup> Source: LGIU – Meeting the Low Carbon Skills Challenge policy briefing

<sup>11</sup> Torbay's Economic Resilience

who may live outside the area, providing a more flexible wider pool of labour to support growth.

47. This further reinforces the need to ensure better connectivity between Torbay and other towns and concentrations of employment. Torbay also faces stiff competition from Exeter and Plymouth and will need to ensure that it has a strong offer to new and growing businesses, including the provision of the right kind of business space, with the supporting infrastructure to attract and grow dynamic knowledge intensive businesses. The EKOS regional resilience index is set out below.

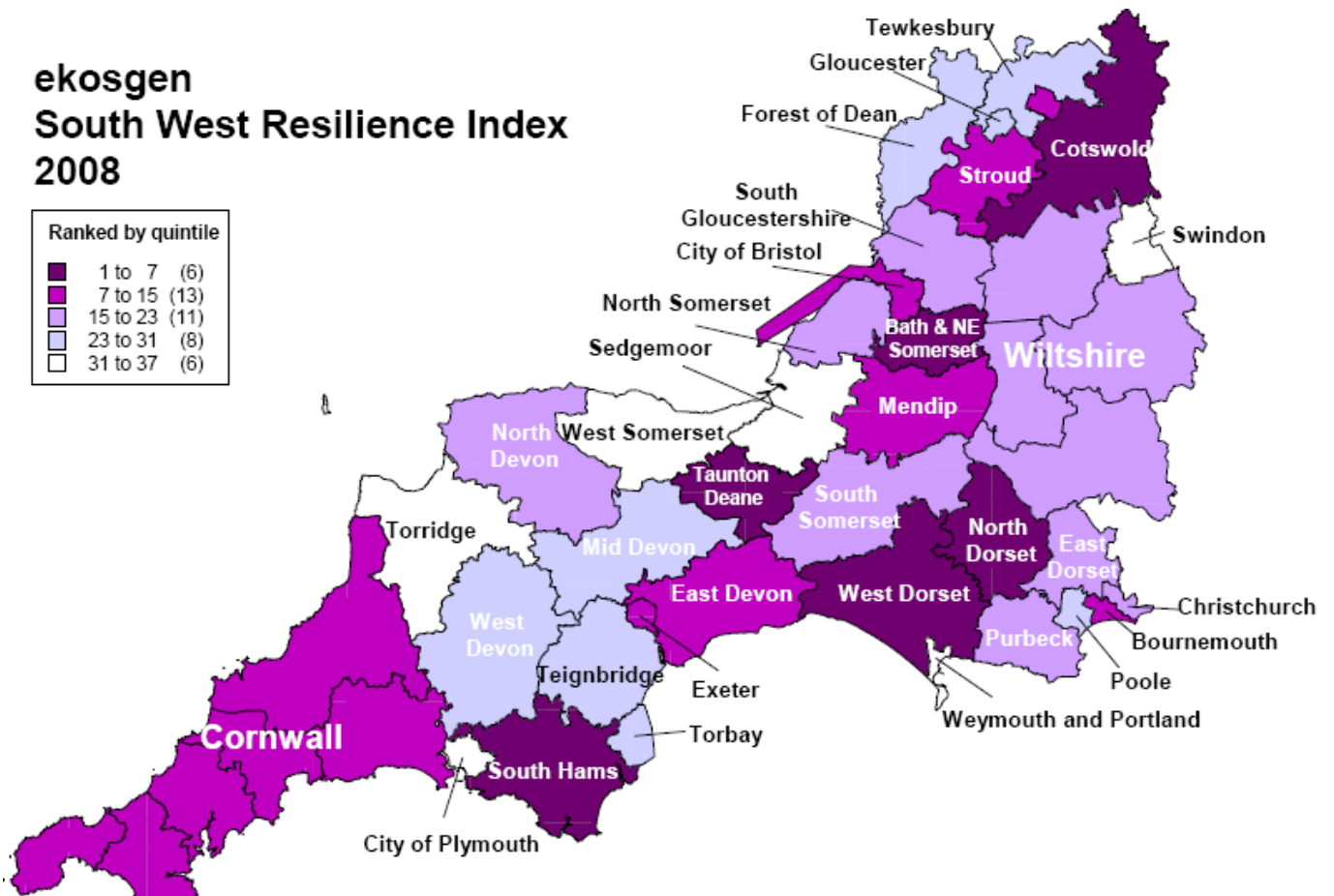


Figure 4 Economic Resilience in the South West

48. A broader comparison with other coastal resorts demonstrates that Torbay's greatest strength when compared with economies outside the South West is its levels of enterprise. However it is recognised that this is partially a feature of the large number of micro-enterprises in the tourism industry, and that this reliance makes it more vulnerable to economic downturn, especially as this results in less discretionary spending.

## Potential of the Torbay Economy

49. The evidence base set out here and in detail in the economic strategy demonstrates the challenges which face the local economy. It also indicates the potential to develop sectors and broader competitive advantage for Torbay. As this plan has already set out the generation of wealth through growing businesses, full time employment and attracting investment is crucial. Torbay therefore needs to have a clear focus and a realistic understanding of the prospects for attracting investment and developing sectors where there is future potential by encouraging local expansions and start ups.
50. Torbay has a small but impressive group of advanced electronics companies many of which exist as a result of the legacy from the Nortel investment. The remaining electronics industry is small but highly specialised and Torbay and the wider South Devon area can point to a number of very high quality companies including US based Oclaro and Spirent. Fortune 500 company Motorola is in nearby Ashburton; Norwegian owned Eltek Semiconductor is in Dartmouth.
51. Torbay's focus going forward should be to encourage the development of electronics businesses engaged in higher end activities such as design, product development or higher value, lower volume production.
52. Torbay is also at the heart of a strong sub-regional health research 'corridor' running from Exeter through Torbay to Plymouth. The corridor includes University research and the Peninsula Schools of Medicine and Dentistry. As part of this concentration of health care research and provision Torbay has particular opportunities for inward investment and the development of the sector. Torbay is also one of the UK's premier retirement areas so local hospitals have significant experience and data from caring for the older population.
53. There is potential to support better marine science, engineering and leisure in Torbay given that the area is ideally situated for marine industries. It is home to a cluster of entrepreneurial businesses while the local South Devon College delivers courses in marine engineering.
54. The retail sector in Torbay can develop further as an analysis by CACI in 2009 demonstrates that within a twenty minute drive time of the area is an above average consumer catchment of affluent consumers. In particular there are higher than usual groups of consumers categorised as Comfortably Off.
55. Torbay is situated in one of the most attractive coastline locations in Britain with access to excellent seafood and fish stocks. The area has been home to a fishing industry for centuries with Brixham synonymous with the British fishing tradition. Building on this sea access, tradition and reputation there is scope for the development of fish and seafood farms and local value added

processing which would support the aims of the tourism strategy in developing a higher value proposition for visitors.

56. A comprehensive programme of physical regeneration is planned under the Vision framework which will result in significant investments in a number of important locations in Torbay. This programme will provide new facilities for local residents and local businesses and will support the reinvigoration of the resort of Torbay with newer attractions and accommodation. With regard to employment land, land is allocated through the planning process however the depressed nature of the property market in Torbay has seen a limited number of quality developments come forward. Seeking ways to facilitate the supply of premises requires Torbay to use a number of tools which may include planning and finance measures such as gap funding from the public sector necessary to ensure that growing businesses have access to premises.
57. Transport infrastructure has been identified consistently by businesses as a critical issue in growing their business in Torbay. The South Devon Link Road remains vital to changing the perception of Torbay as a business location. Inside Torbay there is a programme of improvements planned to improve connectivity north to south which will see traffic flow more easily. Rail links are improving to London and key regional locations and there is potential for improvement in the physical environment of the stations meanwhile the growth of Exeter airport provides Torbay with good European connections.
58. South Devon College was graded 'Outstanding' by Ofsted in 2009 and awarded prestigious 'Beacon Status' by the Learning and Skills Improvement Service. It is also the first college in the South West to receive the Training Quality Standard, which makes it easier for firms to identify high quality training providers. South Devon College offers the widest range of courses in the South West and provide the latest state-of-the-art facilities at their award-winning multi-million pound campus. So when it comes to teaching quality, range of courses, tutor support and student lifestyle, there are few better places to study.
59. Torbay has good numbers of people educated to NVQ2 and equivalent and the most recent statistics demonstrate an improving trend. Wage costs are below the South West England regional average and very competitive with London and the South East. The location allows easy access to London, property costs are competitive and there is a strong service culture and employee base in the area.

## Torbay Economy SWOT Analysis

60. The analysis above and the evidence set out in the economic assessment highlight strengths, weaknesses, opportunities and threats

<b>Strengths</b>	<b>Weaknesses</b>
<ul style="list-style-type: none"> <li>○ Business services growth</li> <li>○ Enterprising economy</li> <li>○ Attractive natural location – the maritime environment and proximity to Dartmoor</li> <li>○ Quality of life</li> <li>○ Reputation as a tourism destination</li> <li>○ Active business community influencing the public sector</li> <li>○ Programme of business support from local and regional partners is coherent</li> <li>○ Clear vision for physical regeneration of the area</li> <li>○ Outstanding South Devon College, already providing some courses linked to identified growth sectors.</li> <li>○ Cost advantages to businesses</li> <li>○ High quality healthcare and research through the hospital</li> <li>○ Creation of Economic Development Company and approval of use of public assets can generate speed in delivery of regeneration</li> </ul>	<ul style="list-style-type: none"> <li>○ Peripheral location</li> <li>○ Coastal location limits size of market for local services</li> <li>○ Transportation links in particular by road and specifically the absence of a South Devon Link Road</li> <li>○ Low levels of flexibility &amp; skills in local labour market, particularly higher level skills</li> <li>○ Lack of serviced premises for employment</li> <li>○ Too few businesses growing past VAT threshold/lifestyle businesses</li> <li>○ Low GVA per head, linked to the decline in higher value employment and manufacturing</li> <li>○ Increasing levels of deprivation and worklessness – in particular child poverty</li> <li>○ Low levels of job density</li> <li>○ Ageing population</li> <li>○ Lack of R&amp;D and weak links with universities</li> <li>○ Reputation as holiday destination rather than a business centre</li> <li>○ High levels of economic inactivity and benefit claimants</li> <li>○ Housing affordability</li> </ul>

Opportunities	Threats
<ul style="list-style-type: none"> <li>○ Development of key sectors in particular high tech engineering and healthcare</li> <li>○ Develop retail offer</li> <li>○ Implementation of tourism strategy</li> <li>○ Improvement to rail and other forms of public transport</li> <li>○ Green economy</li> <li>○ Skills development</li> <li>○ Growth of Higher Education within the Bay &amp; the development of stronger links with Universities for knowledge transfer and graduates</li> <li>○ Development of speculative employment space i.e. Castle Circus for key sectors</li> <li>○ Use of Innovation Centres to foster new growth</li> <li>○ Utilise demands of ageing population to develop healthcare further</li> <li>○ Knowledge and expertise from an older more experienced population</li> <li>○ Independent traders – less reliance on big chains</li> <li>○ Support the language schools in promoting the area and establishing links with new places</li> <li>○ Develop private sectors ability to supply public sector</li> <li>○ Better promotion of Torbay’s success stories to encourage investment and growth</li> <li>○ Potential collaboration with Exeter and Plymouth</li> </ul>	<ul style="list-style-type: none"> <li>○ Continued decline of Tourism &amp; Hospitality sector</li> <li>○ Inability to increase full time employment</li> <li>○ Increasing sectoral reliance on public sector (37% of workforce) and potential for public sector cuts</li> <li>○ Knowledge drain – higher median earnings for those who live in Torbay, than those who work in Torbay – commuting out.</li> <li>○ No university means a lack of 18-30 workers</li> <li>○ Resident resistance to change</li> <li>○ Competition from other areas of the region, e.g., Exeter, Newton Abbot, Plymouth and Taunton, particularly in relation to inward investment</li> <li>○ Climate change and flood risk</li> <li>○ Reduced funding for regeneration &amp; economic development</li> <li>○ Political instability</li> <li>○ Lack of investment in transport links</li> <li>○ Lack of investment in town centres</li> <li>○ Lower wage costs overseas</li> <li>○ Investment incentives on offer elsewhere</li> <li>○ Concentration by RDA on other areas in the South West</li> </ul>

## STRATEGY

61. The Torbay Development Agency will be the lead delivery organisation and will be principally held to account for the achievement of the vision of this strategy which has been formulated on the basis of
- The Torbay Economic Assessment and complementary research and analysis
  - Local issues
  - Regional, National and European policy frameworks
  - Views of partners including the Torbay Business Forum, Torbay Economic Partnership and others
62. The economic strategy is the overarching document setting out the direction Torbay wishes to see the economy move. It is expected that the economic strategy will be used to
- Set the strategic direction for economic prosperity in Torbay
  - Influence and inform policy and investment priorities which affect Torbay including those made by Torbay Council and its partners, regional, national and European bodies
  - Maximise collective action and partnership working to support the economy
  - Ensure Torbay Council has a strong narrative to underpin its civic leadership role and increasing accountability for economic development and regeneration working with private, community and voluntary, and other public sector partners
  - Inform the actions and priorities of the Torbay Economic Development Company
63. Underneath the economic strategy are a number of more detailed strategies and actions plans dealing with the inward investment offer for Torbay, the challenges facing Torbay in skills and worklessness and the Tourism strategy for Torbay. Summaries of the inward investment strategy and the tourism strategy are included in the later section on links to other strategies. In summary the inward investment strategy seeks to develop full time employment in Torbay by capitalising on existing sector strengths and looking to exploit the offer of Torbay as a business destination. The Tourism strategy seeks to develop the tourism sector in Torbay by steadying visitor numbers and attracting higher spending visits. It will do this through development of the “offer” and in particular it is seeking to develop Accommodation, Attractions, Events, Festivals and Exhibitions, Food and drink and supports transport improvements.

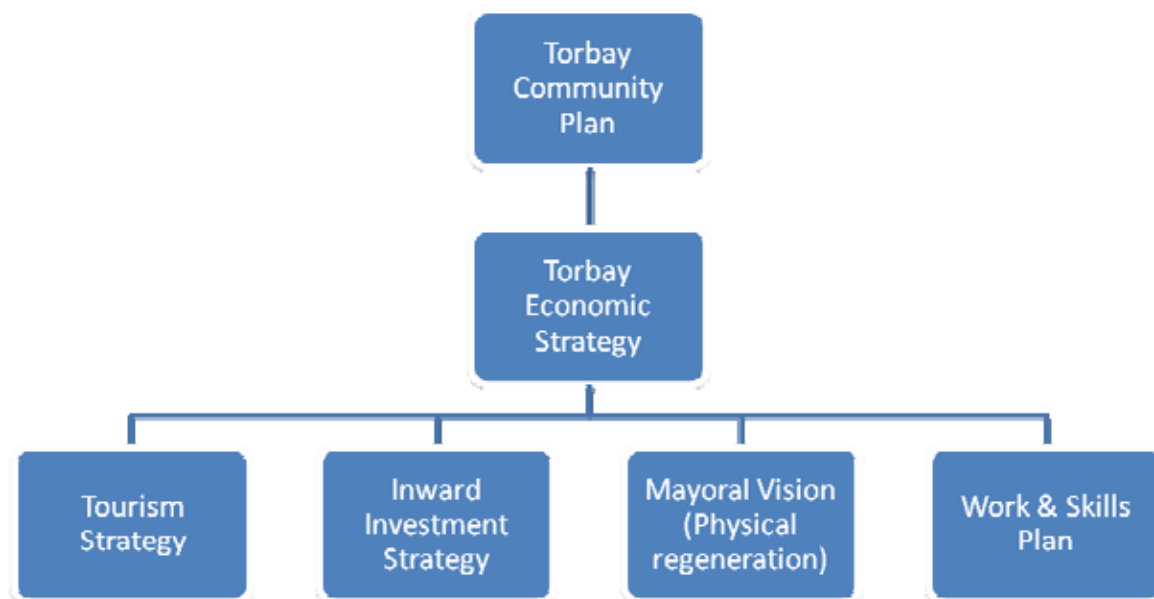


Figure 5 Strategic Hierarchy

64. The action plan which follows sets out a range of initiatives which generally fall into two categories. There are initiatives which can be delivered with existing resources and responsibilities or which have a clear process to gain resources and the means to deliver. There are also a number of more aspirational initiatives where further work is required to identify the resources required and to assess the benefits that will be obtained however they are included because of their fit with the vision for this strategy. This also reflects that economic development is an inherently risky activity and that there are no guarantees that a specific initiative will succeed.

65. We are also seeking to balance in the economic strategy the absolute need for economic growth in Torbay with the need to ensure that the economy is developed so that the gaps which currently exist within the area between areas of affluence and deprivation are not made worse by chasing growth. The strategy sets out that this approach responds to specific evidence in the Torbay Economic Assessment which sets out the need for Torbay

- to raise its productivity rates (as measured by Gross Value Added)
- to increase full time employment
- to improve rates of business growth,
- to stimulate or identify new markets for Torbay businesses to provide goods and services for
- to stimulate the need for a higher level of skills within the economy
- to develop new commercial, retail and other types of employment space
- to increase earnings
- to improve the transport links to and within Torbay to facilitate movement of goods, services and people and to encourage investment
- to raise skill levels so that individuals improve their chances of employment

- and their productivity in work
- to ensure that the economic development of Torbay creates new opportunities for individuals and communities and reduces deprivation
- to ensure that all business sectors are developing their workforce

### Vision and Strategic Themes

***To bring about the physical and economic regeneration of Torbay and deliver the benefits to the local community***

66. This means that Torbay needs to create an environment for success, where enterprise, talent and investment is nurtured and encouraged and is not wasted. Within the strategy three themes are proposed to create that environment and to drive economic prosperity in Torbay. They are set out below.



## Stimulating and Attracting Investment

67. It is clear from the analysis and consultation that there are significant strategic infrastructure issues which have inhibited economic growth within Torbay. To stimulate faster levels of growth in the local economy this priority seeks to improve transport and communications infrastructure and therefore improve accessibility to the area and to markets and it seeks to develop and promote quality sites and premises.
68. With regard to transport the main arterial route into Torbay is via the A380 from Exeter to the North. This is easily accessed from the M5, and generally runs freely as a dual carriageway as far as the Penn Inn roundabout at Newton Abbot, located 6 miles from Torquay. At this point the road becomes single carriageway and begins to struggle with the volume of traffic; this is particularly bad at peak commuting times and during the holiday season. Routes between the three towns that make up Torbay also become heavily congested, making it difficult to move around the area and adding costs to businesses moving goods in and out of the area. Businesses are unequivocal in their desire to see this addressed through the South Devon Link Road believing that benefits including swifter flow of traffic and the changed perception that the road will bring makes this the number one action that will support economic growth in Torbay.
69. To compound the isolated image of Torbay, there are no mainline railway stations. Although there are two local stations in Torquay (Torre & Torquay) and one in Paignton, these are not connected to the main rail network, and to gain access to the rest of the country travellers must change at Newton Abbot. While there is potential for better use of these stations for those wishing to move around Torbay itself, they are unlikely to prove a draw for businesses (and therefore an improved contribution to the economy) unless they are linked to the mainline with regular, reliable services.
70. Turning to the physical environment the case for change has been set out in the “The New English Riviera” plan commissioned by the TDA in 2008. Commonly known as the Mayoral Vision the plan sets out the challenges which face Torbay to reinvigorate its town centres and public realm and identifies a number of sites for regeneration. Research<sup>12</sup> estimates that delivery of the key sites would see an increase of 9% in the available commercial space in Torbay and over 5.5% of new retail space to breathe new life into the town centres in Torbay. This space would generate an estimated 2,000 new jobs.
71. Key actions include
- Establishing the feasibility of simplified or accelerated planning zones
  - Applying for pilot status for Accelerated Development Zone financing

---

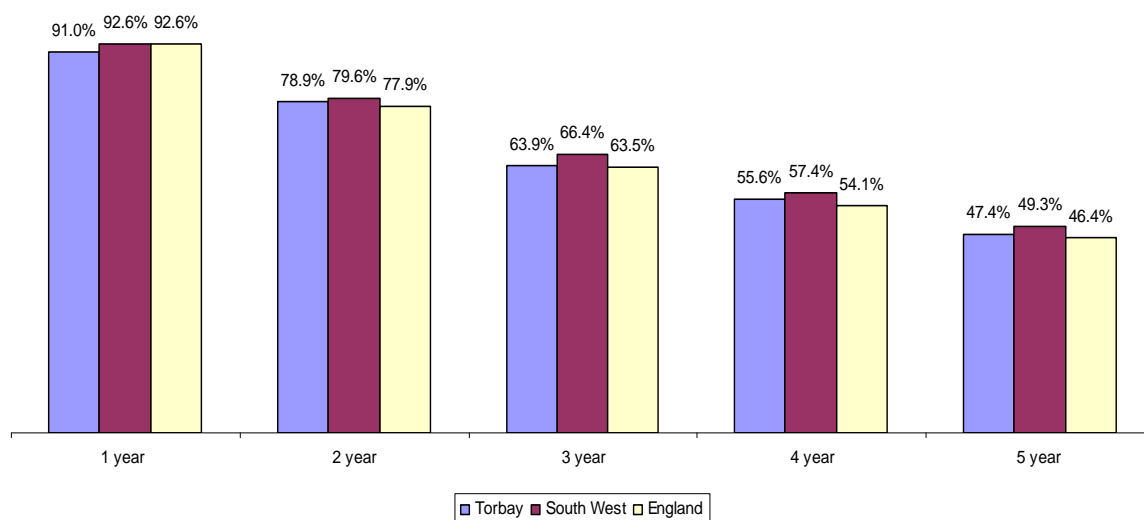
<sup>12</sup> Torbay Mayoral Vision Economic Appraisal of Priority Sites. ERS 2009

- Delivering the Torbay Inward Investment programme targeting sectors including advanced electronics, healthcare & research, marine science, business processing facilities and government department relocations
- Identifying how the green economy can support Torbay both in terms of improved resource efficiency and lower costs for business alongside the potential jobs boost from a greener economy
- Working with partners including South Devon College and Torbay Hospital to determine how healthcare and research can be developed
- Supporting partners in bringing forward development at Whiterock Business Park
- Delivery of the Mayoral Vision programme
- Delivery of regeneration sites through the Local Asset Backed Vehicle
- Delivery of the Torbay Tourism Strategy<sup>13</sup>
- Lobbying for the South Devon Link Road
- Supporting delivery of the Western Corridor road improvements
- Developing proposal for next generation broadband access in Torbay to include stimulating demand from business users

## Improving Business Performance

72. It is clear that Torbay has a positive culture which supports enterprise particularly at the start up stage however there are weaknesses with business failure rates behind the regional average and with the level of VAT deregistrations increasing. Improving business performance and survival rates will lead to increased competition between businesses for sales and staff.

### Business Survival Rates – 2003 start ups



Source: ONS Business Demography 2008

<sup>13</sup> <http://www.englishriviera.co.uk/site/trade/tourism-strategy-2009>

73. Torbay has limited financial support for growing businesses and that can be translated into poorer economic vitality and dynamism particularly when considered against the size and sectoral composition of the business base within the area. The availability of finance is important in fostering an environment which nurtures small business growth and develops the economy. It will be important to connect entrepreneurs with investment whether loans, grants or venture capital. Improving connections between investors and local businesses is important particularly in the current environment where investors are increasingly selective.
74. This strategy therefore seeks to improve the business support partnership in place in Torbay, in particular ensuring that private sector professionals for instance accountants, lawyers and bankers are informed of the range of public sector support available.
75. The ambition of this priority is to increase business formation and survival rates, encourage increases in productivity, help businesses develop and access new markets and supporting key sectors in Torbay. This means actions which will include
- Developing the business mentoring programme
  - Supporting the incubation of new businesses
  - Bringing forward new commercial space (i.e. Castle Circus and Innovation Centre Phase 3)
  - Improving the support network for priority sectors and large businesses in Torbay
  - Working with banks and other lenders to improve the lending environment and connect entrepreneurs with capital better
  - Establishing the feasibility of a local enterprise fund
  - Working with the professional services locally to increasing the numbers of local businesses using public business support services such as UK Trade & Investment services
  - Improving local purchasing and tendering activities for public sector and large private sector companies
  - Identification of business twinning opportunities to access new markets.
76. Putting in place a coherent business development programme which allows businesses in Torbay to know where to turn to for support with business advice, training, mentoring and for other support needed to build or expand their business is essential for the future economic prosperity of Torbay.
77. Priority sectors for Torbay include;
- Advanced electronics
  - Tourism
  - Retail
  - Professional services
  - Medical / Healthcare Research / Technologies

## Raising Skills & Improving Opportunities

78. As set out in Torbay Today economic development of the area cannot be separated from workforce development. Successful and sustainable economic growth will depend on increasing the demand for higher level skills from businesses (Improving Business Performance) and ensuring that skill and knowledge levels within the workforce continually improves. This priority therefore seeks to address barriers to work in Torbay, improve skills and employability and stimulate continued development of the workforce.
79. The percentage of the working age population with level 1 qualification (83.8) is level with the region, and 5% higher than the national average (78.8%). Level 2 qualification levels are also above the national average at 67.2% compared to 64.6%, although at this level the area falls below the regional average of 68.1%. This gap between the regional average and Torbay's figure (44.3% against 48.8%) grows at level 3, and at this point skill levels in the Bay are also below the national average of 46.5%. As level 2 qualifications are usually considered to be the minimum for employability, this suggests the lack of level 3 and 4 qualifications could be holding Torbay's economy back.
80. This lack of higher level skills is also raised as a contributing factor to Torbay's low economic resilience score. This report highlights the shortage of residents qualified to level 4 and above, particularly when compared to the neighbouring districts of Teignbridge (28.5%) and South Hams (31.8%). This could be due in part to higher skilled workers choosing to commute into Torbay from the surrounding area, but it puts pressure on the economy if higher skilled jobs cannot be filled locally, and could affect the speed at which the Torbay economy would recover from an economic downturn<sup>14</sup>.
81. Further skills analysis is available from the National Employer Skills Survey 2009 (NESS). This is a nationwide survey of businesses designed to highlight skills gaps and shortages. The survey highlights some positive findings, suggesting that Torbay has the second lowest number of employers reporting skills gaps in their workforce in the region.

---

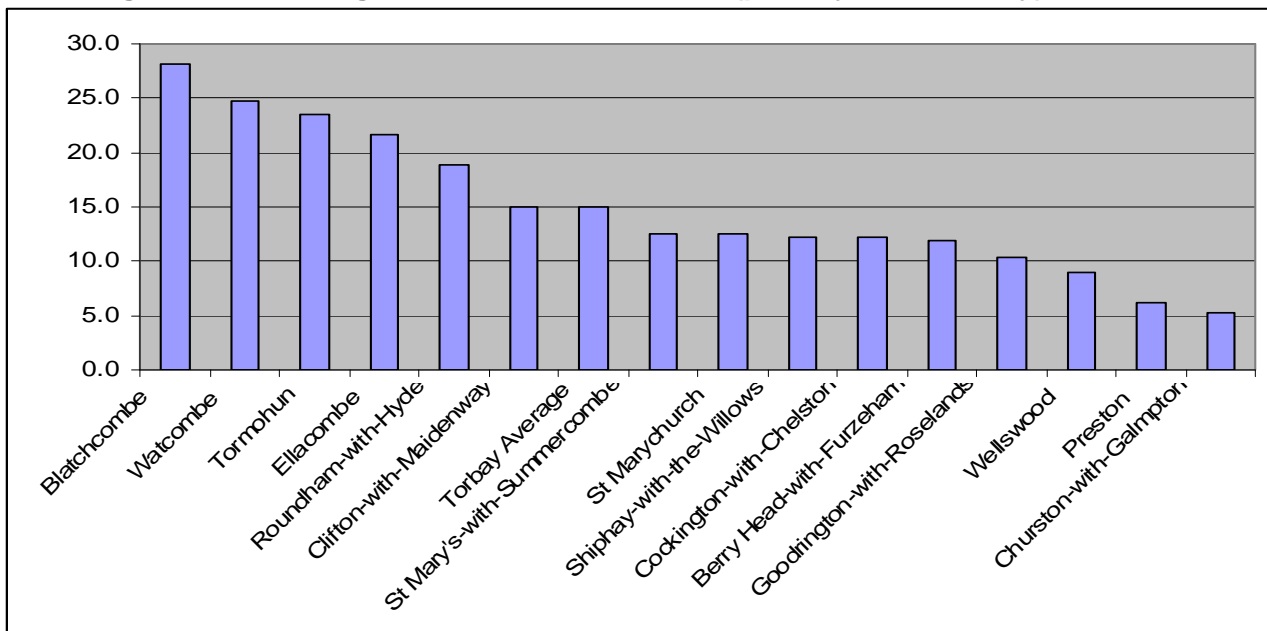
<sup>14</sup> Source: Ekosgen – Torbay's Economic Resilience, August 2009

82. Economic deprivation is typified by high levels of worklessness and low skills, which undermine economic resilience and limit the size and quality of the available labourforce. Torbay has relatively high levels of deprivation and is currently ranked as the 71st most deprived area in England out of 354 by the IMD 2007. This is a 23 place drop from the last results in 2004<sup>15</sup>. Compared to its local authority neighbours of South Hams (230), and Teignbridge (179) Torbay fares badly, but is more in line with other large urban centres in the region such as Plymouth (76), and Bristol (64).

83. Within Torbay there are extremes of deprivation with acutely deprived places within Torbay which rank in the top 10% of most deprived places in England<sup>16</sup> alongside significantly more affluent areas. This means that there are disparities between educational attainment, aspiration, life expectancy and other indicators that reflect the deprivation within Torbay. This leads to higher costs for the public sector in the form of benefit payments and healthcare costs, reduces available talent in the labour market alongside the huge impacts on individuals and their opportunities. The extent of worklessness and the challenges of deprivation are perhaps the most striking feature of Torbay’s “resilience scorecard”, and this points to a need for urgent action in this area.

84. That the wards of Tormohun, Roundham with Hyde, Blatchcombe, Ellacombe and Watcombe are the most deprived in the Torbay area is further supported by free school meal data. The percentage of children receiving free meals within these wards is significantly higher than the Torbay average of 14.9%.

**Percentage of children eligible for free school meals (primary & secondary)**



Source: Torbay Council

<sup>15</sup> <http://www.communities.gov.uk/communities/neighbourhoodrenewal/deprivation/deprivation07/>

<sup>16</sup> CLG Index of Deprivation 2007

#### 85. Key actions include

- Increasing the number of Torbay residents qualified to NVQ level 2 & 3 (or equivalent)
- Increasing the use of the Train to Gain service by Torbay businesses
- Working with regional Universities to increase the take-up of graduate placement and internship programmes
- Working with local School and other partners to encourage Graduates back to Torbay and South Devon
- Working with partners including the Skills Funding Agency and South Devon College to ensure that the skills offer is responsive to the needs of priority sectors
- Aligning Education and Economic Development Strategies in particular at the 14-19 age range
- Promotion of Apprenticeship programme in Torbay
- Implementation of the economic participation plan
- Increasing opportunities for training and employment for over 50s
- Promote the provision of affordable housing & improve quality of private rented stock
- Work with partners to ensure better public transport links to centres of employment
- Reduce financial exclusion within the area
- Work with partners to determine the feasibility of and pilot a community economic development trust in one of the most deprived areas in Torbay
- Work with Housing Associations & other landlords to improve the flow of information to tenants on employment and skills opportunities
- Support social enterprise and community led development in particular for most disadvantaged areas
- Develop and implement a worklessness strategy & action plan

## DETAILED ACTION PLAN

While the strategy is based on a solid evidence base and will go through a robust challenge and consultation process Torbay must be more committed to achievement of the outcomes for the economy which are set out rather than committed to the strategy. If actions are showing signs of not working or being counterproductive economic leaders within the area should be encouraged to challenge or stop that delivery. Being prepared to be flexible on the strategy and concentrating on the outcomes is likely to lead to greater innovation and cooperation from the delivery organisations.

Stimulating & Attracting Investment				
Action	Rationale	Output	Lead Organisation	Likely Partners
Establish the feasibility of a simplified/accelerated planning zone or similar model	Speculative development is often not viable in Torbay and leading to undeveloped allocated employment land. Therefore tools need to be adopted to remove costs and time from the process	Feasibility report	TDA	Council Private sector
To seek pilot status for alternative regeneration funding tools i.e. Accelerated Development Zones	Development in Torbay is often marginally viable and requires gap funding. Following the recession such funding is not available and alternative methods need to be adopted.	Application made	TDA	Torbay Council
To deliver the Torbay Inward Investment programme targeting sectors including advanced electronics, healthcare & research, marine science, business processing facilities and government department relocations	Torbay has a strong proposition in certain sectors and can generate new employment and broaden the economy with inward investments.	Enquiries/conversion rate	TDA	UK Trade & Investment Business Forum

Supporting partners in bringing forward development at Whiterock Business Park	There is a shortage of serviced premises and higher quality business space reported in Torbay	Sq metres of space developed Sq metres of space occupied	TDA	private sector
Delivery of the Mayoral Vision programme	The Vision sets out the challenges facing Torbay in its physical regeneration. There is a need to bring forward better town centres including improved retail commercial facilities for the community.	Sqm of commercial, retail and residential developed	TDA	private sector, Council, HCA
Delivery of regeneration sites through the Local Asset Backed Vehicle	The LABV is required to lever in private sector funding for the schemes.	Sqm of commercial, retail and residential developed	TDA	private sector, Council,
Lobbying for the South Devon Link Road	The Link Road is the top issue reported by businesses as being a constraint.	Road improvements	Torbay Council	TDA
Supporting delivery of Western Corridor road improvements	Improving the flow of traffic along the Ring Road to Paignton is important because of the concentration of businesses in the Yalberton and Whiterock areas	Road improvements	Torbay Council	
Developing proposal for next generation broadband access in Torbay to include stimulating demand from business users	Business surveys demonstrate inconsistent take up and use of ICT in businesses in Torbay	Development of ICT programme for small businesses	TDA	FSB, Chamber, Forum
Phase 3 innovation centre		Sqm of space, job creation	TDA	Council

## Improving Business Performance

Action	Rationale	Output	Lead Organisation	Likely Partners
Put in place improved business development programme including Business Boost, support for UKTI, mentoring & networking	VAT registered businesses low	Business supported Businesses attending Boost courses Number of businesses showing signs of growth	TDA	Business Link UK trade & Investment Sth Devon College
Delivery of EU funded Strategic Investment Framework	Need to increase business starts particularly in most deprived areas	Number of businesses assisted Number of new businesses Number of new jobs	Economic Partnership	TDA, SWRDA
Develop with College and local Universities a knowledge transfer programme	Need to increase innovation and encourage product & market development	Businesses assisted	TDA	Forum, Universities
Develop the image and brand of Torbay as a business location	Need to ensure business understands Torbay offer	Priority sector networks established Identification of business champions	TDA	Business Forum FSB Chambers
Developing resource efficiency green technology sector within Torbay	Opportunity for businesses to reduce costs and develop new services leading to higher value employment	Number of businesses receiving advice Feasibility into appropriate sectors	TDA	Council, TSP
To work with partners including South Devon College and Torbay Hospital to determine how	The demographics of Torbay combined with the facilities at the College and Hospital.	Feasibility into appropriate Development		

healthcare and research can be developed				
Feasibility and funding for an enterprise support fund	Accelerated growth requires investment	Feasibility completed	TDA	
Public sector procurement – strategic partnership agreeing common approach and enabling local businesses to compete	The public sector is a major buyer of goods and services locally and nationally.	Clearer public sector procurement process Increased public spend in TQ postcodes Improved ability to compete	TDA	
Delivery of the Tourism strategy <sup>17</sup>	The tourism strategy demonstrates the falling numbers and visitor nights for the resort	value (£) of visitor economy number of staying visitors (m) and average spend number of day visitors (m) and average spend	English Riviera Tourism Company	TDA Private sector Council
Establish feasibility of business twinning with places in EU and elsewhere	A requirement to develop new markets for Torbay businesses.	Feasibility completed Twinning arranged	Torbay Business Forum	TDA

Raising Skills & Improving Opportunities				
Action	Rationale	Output	Lead Organisation	Likely Partners
Increasing the number of residents qualified to NVQ level 2 & 3 (or equivalent)	Because levels of attainment are behind the regional and/or national average	Increase in number of people qualified		

<sup>17</sup> The tourism strategy sets out a number of product gaps, skills requirements and business support needs

Work with regional Universities to improve the level of graduate placements and internships with Torbay Businesses.	To introduce more university level talent into local businesses and labour market	Numbers of individuals/numbers of businesses	TDA	Universities of Plymouth & Exeter, South Devon College Employment & Skills Board, Business Forum Federation of Small Businesses
Determine feasibility of a Graduate re-attraction programme looking to bring back to Torbay graduates and return their potential to the local economy.	Torbay has some excellent schools and consequently exports high numbers of young people.	To be determined	TDA	
Increase the use of Train to Gain services by Torbay businesses	While reported skills gaps are low maintaining a skilled and adaptable workforce has links to productivity.	Increase in Torbay referrals to train to Gain	TDA	Skills Funding Agency, Employment & Skills Board Private sector
Ensure that the skills needs of priority and growing sectors in the local economy are being met.	The growth of sectors including advanced electronics, healthcare, creative businesses requires new types of skills	Reducing level of skills gaps reported	TDA	Skills Funding Agency Sth Devon College Employment & Skills Board
Aligning Education and Economic Development strategies in particular for 14-19 yr olds.	A need to ensure that the needs of key sectors are being identified and supported by the school system	To be determined	TDA	Torbay Council
To develop a young enterprise programme for Torbay.	There are inconsistent levels of exposure to enterprise within Torbay and gains including higher aspiration can be made	Programme designed Number of schools signed up	TDA	Torbay Council, Schools, Devon EBP, Young

				Enterprise
With partners increase the number of Apprentices in Torbay	Low numbers of apprentice places compared to the region and national averages	Apprentice numbers	Torbay & Sth Devon Employment & Skills Board	Connexions National Apprenticeship Service
Implement the economic participation plan	To address benefit dependency and improve numbers of people finding employment	Increase in employers	Torbay Development Agency	Public sector employers Jobcentre Plus Skills Agencies
Increasing opportunities for training and employment for over 50s	Demographics of Torbay	Number of people attending workshops	TDA	Business Link Employment & Skills Board Private sector
Promote the provision of affordable housing & improve quality of private rented stock	Affordable Housing remains an issue for Torbay	Reduced housing waiting list, Reduced inequalities in Torbay	Housing Partnership	TDA, Council, HCA
Ensure that public transport links people with current and planned centres of employment			Torbay Council	TDA Transport providers
Reduce financial exclusion	High levels of debt advice		Torbay Council	
Skills provision to be better aligned with Housing Associations & others	Need to improve skill levels and increase access to training		TDA	Housing Partnership
Work with partners to determine the feasibility of and pilot a community economic development trust in one of the most deprived areas in Torbay	Level of deprivation in certain parts of Torbay and success of this model elsewhere	Feasibility completed and if appropriate Trust taken forward	TDA	Torcom Community Partnerships
Support social enterprise in particular for most disadvantaged areas	Levels of deprivation and inequality within Torbay	Increase in number of social enterprises in Torbay	TDA	Torcom Co-active

Develop and Implement a Work and skills plan.	Levels of deprivation and the levels of skills within Torbay	Provide local evidence to assist in improving mechanisms for informing and influencing national policies Identify appropriate responses to reduce worklessness in the Bay Increase level 2 and 3 qualifications of working age population of the Bay	TDA	Employment & Skills Board partners
---	--	--	-----	------------------------------------

## PERFORMANCE MANAGEMENT

The strategy will be reported against to the Torbay Economic Partnership who will fulfil the monitoring role for Torbay Council and the Torbay Strategic Partnership. The Economic Partnership meets bi monthly and will receive an update at every other meeting. The update will be against specific actions with annual reviews of key economic indicators which will include;

- Gross Disposable Household Income
- Average Earnings against regional and national targets
- Skill level attainment
- Jobseekers Allowance Claimant rates aiming to be in line with regional performance
- Percentage of full time employment locally

Other indicators which are important include

- Total Gross Value Added
- Gross Value Added per head
- Sectoral breakdown of economy
- Business registrations
- CO2 emissions
- Percentage of people claiming key out of work benefits
- Childhood poverty

Torbay Development Agency, as the lead delivery organisation, will be principally held to account for the achievement of the objectives set out in this strategy. The Agency will ensure that the local community remains informed of the delivery against this strategy and will work with the business community and others to ensure that the outcomes of the strategy are understood and that engagement with the plan remains high.

## KEY RISK ASSESSMENT

Key risks to outcome delivery	Likelihood	Impact	Actions proposed to minimise negative impacts and / or support positive impacts
Delivery is compromised due to lack of funding	Medium	High	<p>Council and its partners to continue to identify ways for public sector to spread costs</p> <p>Effective project planning system identifying costs and sources of funding</p> <p>Ensure strong partnership working to spread costs/share resources.</p> <p>Identify and seek sources of external funding.</p> <p>Identify surplus public sector assets which can be used to support regeneration</p> <p>Work with Government on new funding models such as accelerated development zones.</p> <p>Lobbying regionally and nationally to ensure that Torbay's case is understood</p>
Wider economic challenges i.e. recession make work plan ineffective	Medium	Medium	<p>Action plan developed against adverse economic climate</p> <p>Project proposals and delivery subject to effective appraisal, monitoring and review.</p> <p>Flexibility of work programme built into strategy in order to respond to current market conditions</p>
Negative impact of external political, environmental factors (e.g. change of Government, BSSP, deprivation indices)	Medium	Medium	<p>Work effectively with Government and its agencies to plan ahead</p> <p>Maintain good network with all stakeholders.</p> <p>Flexibility of work programme built into strategy in order to respond to current social conditions.</p>

			Ensure review of progress and risks at least annually to take account of external change.
Project delivery is compromised due to lack of partnership working	Medium	High	Obtain commitment of partnership organisations at an early stage through consultation and develop of partnership agreements where appropriate. Communicate and promote benefits to all partners of joint working. Project proposals and delivery subject to effective appraisal, monitoring and review.
Economic success compromised by competition from other locations	Medium	Medium	Generating momentum and delivery against this strategy Develop Torbay's selling points Work better with business community to champion Torbay Develop or facilitate a range of premises suitable for business use in the area.

## LINKS TO RELEVANT LOCAL AND REGIONAL STRATEGIES

The strategy, when approved, forms part of the Torbay Policy Framework and sits alongside the Community Plan, Local Development Framework (LDF) and sits alongside other thematic strategies including the Housing and Culture Strategies, Children and Young Peoples Plan and Local Transport Plan.

In April the TDA facilitated a session with Torbay Council and the Improvement & Development Agency (IDeA) reviewing the Council perception of how its different business units understand the economy, how the economic strategy applies to different areas of work and how business and other economic actors should be engaged. This is the start of work between the Council and the TDA to identify how the Council's wider responsibilities and activity can be better integrated with economic development delivery.

### Torbay Community Plan

The Community Plan is the umbrella under which all the other strategies and plans within Torbay, including this Economic Strategy, sit. The latest plan was formed by the Torbay Strategic Economic Partnership and sets out a vision for the Bay over the next 10-20 years. Four clear priorities are laid out in the Community Plan, all of which should combine to create improved community and economic prosperity:

- Learning and Skills for the Future
- Pride in the Bay
- Stronger Communities
- The New Economy

The themes set out within this Economic Strategy of improving business performance, stimulating and attracting investment, raising skills and closing the gap all link closely to the vision laid out in the Community Plan. In February 2010 as part of the development of the refreshed plan the Torbay Community Plan forum set out the priorities they see for Torbay, the table below links those priorities to the themes of the economic strategy.

<b>Community Forum</b>	<b>Economic theme</b>
○ Ensuring that the infrastructure e.g. premises, transport, road links and communications is in place to support economic growth.	○ Stimulating & attracting investment
○ Increase major regeneration to build on partnership working with the private sector.	○ Stimulating & attracting investment
○ Encourage sustainable business growth.	○ Improve Business Performance
○ Raise and retain skills levels within the Bay increasing the number of higher value jobs in existing and new sectors.	○ Raise Skills & Improve Business Performance

○ Commit to social enterprise units	○ Closing the Gap
○ Commit to employment of older people (50 plus), recognising the skills that this age group can offer to the workforce.	○ Closing the Gap & Improve Business Performance
○ Make economy more inclusive – Encourage business development from traditionally more excluded groups.	○ Closing the Gap & Improve Business Performance
○ Deliver the inward investment programme which will encourage the injection of money from external sources into the Bay.	○ Stimulating & Attracting Investment

## Torbay Tourism Strategy

Tourism related industries such as hotels, restaurants and retail currently account for 16.7%<sup>18</sup> of jobs within Torbay. The importance of the tourism industry and linked visitor economy is identified in this strategy and recognized as a priority sector. The Economic Strategy supports the principles of the Tourism Strategy which offers more detail on how the future of the sector in Torbay will be developed. “Turning the Tide for Tourism” is a strategy designed to rejuvenate the tourist offer and reduce the declining number of visitor nights in Torbay. It has three key objectives listed below, and covers the period 2010-2015, mirroring the economic strategy:

- To reduce the decline in visitor numbers and spend
- To increase the value of tourism to the Torbay economy
- To reposition the English Riviera as a leading and inspirational UK destination

The strategy identifies a number of key challenges which include increasing competition, continuing decline in the appeal of traditional seaside resorts, reducing durations negatively impacting total visitor spend and the need to attract new visitors. It proposes a number of actions to achieve its objectives which are summarised below.

### Accommodation

- more national and international branded hotels
- spa, boutique and themed hotels
- quality inns and restaurants with rooms
- 5 star self catering including boat/yacht hire
- quality touring pitches providing hard standing

### Attractions

- quality pedestrianised shopping
- national iconic attraction
- family farm attraction

<sup>18</sup> ABI employee jobs by industry analysis 2008

attractions visitor passport  
sufficiently large enough stage to accommodate big musicals/concerts

### **Events, Festivals and Exhibitions**

major summer festival  
major food festival

### **Food and drink**

availability of local Brixham fish  
al fresco waterfront restaurants and bars serving local produce  
quintessentially English eating houses such as tea rooms and ice cream parlours  
Michelin star restaurants and celebrity chef restaurants  
buy local food and drink campaigns (for both visitors and businesses to help reduce food miles and develop more sustainable supply chains) This gap has started to be addressed with the opening of Occombe Farm.

### **Transport**

lack of water based transport choices  
limited cycle hire and connectivity to Devon cycle path network

## **Torbay Inward Investment Strategy**

The Torbay Inward Investment Strategy responds to a need set out in both the Community plan and previous Economic Strategy to bring about faster economic growth through new investment. Stimulating and attracting investment remain a key focus of this 2010-15 Economic Strategy meaning that the Inward Investment Strategy is crucial to its success.

There are also links between the priority sectors identified in the Regional Economic Strategy and the industries targeted for inward investment. Sectors such as advanced electronics, healthcare and environmental science have all been identified for potential development in the Torbay economy. They are highly productive sectors, which to a lesser extent already exist, and with the right inward investment support could develop further and help build the Torbay economy for the future. Key sectors that will be targeted are as follows;

#### **Advanced Electronics:**

Build on the concentration of communications related businesses in Torbay and nearby.

#### **Healthcare Research & Technology:**

The hospital has a growing reputation (including internationally) in key areas of medicine. There is an opportunity to partner with the hospital to attract companies and organisations active these areas.

#### **Environmental Science/Marine Technology**

The Astra Zeneca laboratory in Brixham is world class. There is an opportunity to leverage the proximity to the high quality research in Plymouth (Marine Lab) and Exeter (University).

### Marine Engineering

The marine engineering industry in Torbay is a cluster of small businesses. However there appears to be a skills base which is supported by courses at South Devon College.

### Fish/ seafood: Aquaculture and Processing

The Bay is a wonderful asset but local production and added value processing is limited. Opportunities for seafood and possible fish farming should be explored. Enhancement of the Brixham brand will be important.

### Public Sector Relocation

With Government committed to reviewing the national public sector estate and where civil servants are based Torbay can present a strong case for relocations based on the criteria anticipated to be used by government departments.

### Business Process Outsourcing

BPOs (or customer support centres) provide good employment in good working conditions. The jobs created will not be highly skilled or paid but will provide employment for many in Torbay who are unlikely to find opportunities in knowledge based businesses

## Torbay and South Devon Employment and Skills Plan

The Torbay and South Devon Employment and Skills Board (ESB) was set up in 2009 with a vision of raising the skills, aspirations and productivity of the local workforce. Within the Economic Strategy raising skills is seen as a strategic theme without which sustainable economic growth will not happen. The key priorities identified by the ESB include raising skill levels and aspirations of the both the current workforce and of young people, and reducing economic inactivity. These dovetail with the aims of this Strategy which are to increase the levels of Torbay residents qualified to NVQ level 2 and 3, improve links with schools, South Devon College and Universities in the region and to encourage work based training within businesses.

### Torbay Strategic Investment Framework (SIF)

The Strategic Investment Framework for Torbay provides the context, vision, strategy and delivery mechanism to support the enhancement of business support and the building of an enterprise culture. It recognizes that Torbay's economy has fallen behind other areas of the South West and seeks to reverse this. SIF will be funded through the Urban Enterprise strand of the European Regional Development Fund's (ERDF) Competitiveness Programme.

The main priority identified by SIF to improve Torbay's economic performance is better connectivity. This could be through better links between businesses and support providers, businesses and customers and business to business. All of these things are supported by Economic Strategy's vision of improving business performance.

## Torbay Investment Plan

The Torbay Investment Plan was written by the Torbay Strategic Partnership and has been developed to act as a strategic overview of the jointly agreed priorities of the Homes & Communities Agency, South West of England Regional Development Agency and the Torbay Strategic Partnership. It will highlight key interventions required in Torbay and is a delivery focused document which builds on the clear evidence base in place for Torbay. It will also support the delivery of objectives sought by the Torbay Strategic Partnership in the Community Plan developed in 2007.

The plan sets out an ambition for Torbay to be:

- A prosperous area known to be a great place to live and learn and grow up in.
- An area where we compete on a world stage in our traditional industries of tourism and fishing.
- An area where communities know and support each other and enjoy some of the best services in England.
- An area that widens opportunities and provides high quality employment and retains our young people in the Bay.
- An area that celebrates the differences in the three towns, builds on the strengths of these towns and brings back the feel-good factor.

This Strategy will form the basis of the economic improvement measures of the Investment Plan, and has fed into the formation of the document.

## Local Development Framework

The Local Development Framework (LDF) is a set of documents designed to guide planning and development within local areas. It will also provide guidance on the amount of employment and housing land which should be made available which will have a crucial impact on the progression of elements of the strategy such as inward investment.

The key aims of the LDF are to regenerate Torbay and increase economic prosperity through the spatial planning system. This includes providing physical, social and economic infrastructure as well as protecting the natural environment. The Framework suggests that while B class (manufacturing) jobs are among the most productive it is unlikely that all the new employment in Torbay will come from them. As such it suggests a flexible approach to mixed use sites. Retail is also key to the Framework, and a 'town centre's first' approach is deemed to be the best way forward to support growth in this area. Housing could be provided by reducing the boundaries of Principal Holiday Accommodation Areas, however care must be taken not to undermine the tourism sector.

The LDF and planning implications of this are key to many of the aims of the Economic Strategy, not least developing new commercial and retail employment space and improving infrastructure. If this land is not available to develop and infrastructure is not improved it will be difficult to stimulate and attract investment, and this will have an effect on the goal of increasing household income.

## Torbay Climate Change Strategy

Torbay Council's Climate Change Strategy was launched in 2008 and will be supplemented by the Torbay Strategic Partnership's Carbon Action Plan due to be finalized by June 2011. The strategy aims to help minimise the economic, social and environmental cost of climate change in the Bay by facilitating Torbay's adaptation to the likely impacts and opportunities of inevitable climate change.

This Economic Strategy also seeks to develop the economy while having a positive impact on the environment. Increased skills levels are also a key contributor to growth, and if these skills are to remain relevant in a changing world the low carbon sector must be considered. The market for low carbon environmental goods and services currently employs 910,000 people in the UK, with that number expected to rise by over a million as quickly as 2015. If the growth targets in the strategy are to be met Torbay needs to ensure it is a part of this sectoral growth and that the overall strategy links into the climate change policy to facilitate this.

## Regional Economic Strategy

This Strategy links closely with the Regional Economic Strategy (RES). The RES is the key economic policy driver in the South West and sets out a vision of an economy in the region where aspirations and skills of residents are combined with the quality of the physical and cultural environment to provide a high quality of life and sustainable prosperity for everyone. Torbay has defined pockets of deprivation, and, in line with the RES this Strategy is not purely about economic growth, it also focuses on closing the gap between not only Torbay and the rest of the region, but also between the best and worse off in Torbay. The RES vision will be delivered through three economic drivers, innovation, skills and environment, and these have also been identified throughout the strategy as being the drivers for an improved economy in Torbay.

The RES also sets out 8 key growth sectors for the region, including Advanced Engineering, ICT, Marine, Food and Drink, Tourism, Creative Industries, Environmental technologies and Bio-medical. It is important that the Economic Strategy links into these in order to buy into the wider regional strategy and as a result these sectors are well represented in this strategy.