

# Cabinet



Date of meeting:	11 March 2024
Title of Report:	<b>Plymouth Economic Strategy 2024-2034</b>
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	Anthony Payne (Strategic Director for Place)
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Your Reference:	
Key Decision:	Yes
Confidentiality:	Part I - Official

## Purpose of Report

Presenting the update on the approach to Plymouth's Economic Strategy.

## Recommendations and Reasons

1. Cabinet to agree the revised Plymouth Economic Strategy (attached) subject to final approval by the Leader of the Council

The current Local Economic Strategy is now out of date as it was developed in 2014. As part of the folding-in of the Local Enterprise Partnerships (LEPs), Government has asked for Local Authorities to produce an Economic Strategy. With the folding-in planned for April 2024, we have tight schedule to develop this.

## Alternative options considered and rejected

1. Do not refresh Plymouth's Economic Strategy – Our previous Local Economic Strategy was developed in 2014 and is out of date now. As part of the folding in of Local Enterprise Partnerships (LEPs), Government has asked for Local Authorities to produce an economic strategy. As such, doing nothing is not an alternative option.
2. Refresh Plymouth's Economic Strategy later – The folding in of the LEP is subject to a tight schedule, with folding in planned for April 24. As such, it is vital that this work is done in time for this.

## Relevance to the Corporate Plan and/or the Plymouth Plan

The Plymouth Economic Strategy strategically sits under the Plymouth Plan and helps to provision economic development targets to meet the City's vision for growth. As a requirement for folding in of the LEPs, Government has asked for a refreshed economic strategy. The Economic Strategy will underpin the Plymouth Plan.



**Sign off:**

Fin	CH 27.02.24 1521	Leg	LS/00001312/ AC/27/2/24.	Mon Off	NA	HR	NA	Assets	NA	Strat Proc	NA
Originating Senior Leadership Team member: Anthony Payne (Strategic Director for Place)											
Please confirm the Strategic Director(s) has agreed the report? Yes											
Date agreed: 28/02/2024											
Cabinet Member approval: Councillor Tudor Evans OBE ( <i>Approved verbally</i> )											
Date approved: 27/02/2024											

## **Context and Reason for Update:**

The current Plymouth Economic Strategy ([Delivering Economic Growth 2020-2025](#)) was written pre-pandemic. A brief refresh of the plan in 2020 added the relevant documentation and strategies of the time including the six 'Flagships' and Resurgam. The plan was built on solid logic and well-reasoned economic evidence but is now noticeably out-of-date. We are not looking to throw-out this plan but to evolve it, updating the evidence base and projects and realigning to more current challenges and aims.

Anticipating a national focus on the climate emergency and reaching net zero, we are incorporating this agenda throughout the plan. As innovation and sustainability is important to the city, we want to make sure that Plymouth is positioned most appropriately, in order to see the maximum gains of new potential funding.

This plan is a successor to the Plymouth Economic Strategy 2020 and the Local Economic Strategy 2014, it will continue to be led by the Plymouth Growth Board and managed by Plymouth City Council's Economic Development service. Refreshing this Plan has been driven by several reasons:

- With the folding-in of Heart of the South-West Local Enterprise Partnership (LEP) functions, it is vital Plymouth has the latest economic evidence and a refreshed strategic direction to achieve growth for the city.
- Since the release of the previous Plan, an enormous amount has been achieved. Through a refresh, we can look to the future and build on this momentum.
- To integrate the strategic direction of the Plymouth Plan and South-West Devon Joint Local Plan into our economic growth.
- To align with emerging issues such as climate change and net zero.
- To provide co-ordination support and alignment for other plans and strategies such as the Plymouth Visitor Plan, Plymouth Culture Strategy, Green Skills Action Plan.
- To present a clear direction and ambition for the city in terms of its economic growth.

These reasons have also significantly accelerated the pace by which an update to the plan needs to be completed. Due to this, we couldn't adopt a meaningful strategy before the end of March so are looking at a clear two-phase approach. The first phase is an evidence base refresh for the city to be completed by 31 March 2024. Phase two can then occur over the following year starting in April 2024, this will involve developing pipeline documents of public and private sector investment priorities around our four key pillars.

When considering the update of this plan, we are ensuring we are aligning with the other plans and strategies developed, this includes building on the regional economic policies Build Back Better and the Local Industrial Strategy. In approaching this, we have engaged across the Council and incorporated the suggestions of the stakeholders and experts. In addition, we have worked with the team updating the Joint Local Plan to ensure consistency with this document.

## **Proposed Plan Structure:**

Due to the timelines surrounding the Economic Strategy update, we have split this document into a clear two-phase approach.

Phase 1 - Update to the evidence base and economic context for Plymouth. Identifies the city's economic objectives and Key Pillars.

Phase 2 – Develop Plymouth's top public and private sector investment priorities, one for each Key Pillar, working with the Plymouth Growth Board.

The document will have clear messaging about the current state of the economy and its ambitions; with clear linkages to the highlighted opportunities and threats to the city and evidenced through extensive contextual analysis. The overall Plymouth Economic Strategy broad structure:

- Introduction – objective and vision
- Achievements and Economic USP's and what is unique about our economy what strengths are we building on
- Opportunities for strategic direction across the region
- Economic overview and benchmarking data review and rationale (this needs to be an infographic)
- 8 - 10 pages the 4 pillars (2 each)
  - o Productive Growth/high value jobs
  - o Inclusive Growth
  - o Sustainable Growth
  - o Civic Pride and Regeneration
- Governance
- Outputs and measures of success and impacts

Accompanying this proposed policy document, we would look to develop separate pipeline documents - Plymouth's top public and private sector investment priorities. These could be updated more frequently (three years) and would provide a set of deliverables to achieve the objectives set out in the plan.

## SWOT Analysis – Plymouths Economy

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>- Growing workforce with more full-time employees in the city</li> <li>- Highly developed bedrock sectors of Marine, Defence, Manufacturing and Health</li> <li>- Lower than national average unemployment rate</li> <li>- Developed Higher/Further Education sector with 3 universities in the city</li> <li>- Significant improvement in numbers of individuals with no qualifications – lower than national average.</li> <li>- Significant creative and cultural sector with world class facilities</li> <li>- Plymouth Charter</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>- Overall population growth is slow</li> <li>- There is a high number of economically inactive residents due to long-term sickness</li> <li>- Lower than national average wages across workforce</li> <li>- Large amounts of inequality across the city – 29% of LSOAs in the top 2 deciles for index of multiple deprivation (IDM)</li> <li>- Strategic approach to support businesses adapt to Climate Change</li> <li>- Below national average levels of higher qualifications</li> <li>- Low housing stock and lack of social, affordable housing</li> <li>- Distance/access to markets</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>- Floating Offshore Wind Technology (FLOW)</li> <li>- Net Zero port development</li> <li>- PSNMP</li> <li>- Freeport</li> <li>- Heat networks</li> <li>- Naval Base Investment</li> <li>- Automation/Artificial Intelligence</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>- Tight labour market and rising numbers of job vacancies could lead to the economy overheating</li> <li>- Automation/Artificial Intelligence</li> <li>- Shifting Global Macroeconomics</li> <li>- Changing Landscapes (LEP fold-in)</li> <li>- Climate Emergency – cost to the economy.</li> <li>- Construction Inflation</li> </ul>

### Rationale for Four Key Pillars

Based on a robust analysis of the statistical evidence and new opportunities including the incorporation of the political priorities. Four key pillars set out below form the basis of this Plymouth Economic Strategy:

#### Productive and High Value Jobs

Growing Plymouths productivity is the foundation for improving prosperity for all residents. Through supporting our higher value sectors, we will look to increase wages, create additional highly productive jobs and attract new businesses and investment into the city. Focusing on productive growth puts the emphasis on higher-value and higher-quality jobs, supporting both the economy and workforce. We are at effectively full-employment in Plymouth so in order to increase productivity, it is vital we work to create new high-value opportunities and routes for individuals to upskill.

#### Inclusive Growth

Inclusive Growth focuses on growing a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of local people. Without targeted actions and a focus on specific areas and groups, there is a risk that too many people find it difficult to access the work opportunities that make the most of their talents. Through actions such as the Plymouth Charter, businesses are committing to a fairer, greener future for Plymouth.

## Sustainable Growth

Devoting resources to the green revolution is very important to the long-term survival of Plymouth's economy. Whilst sustainable growth (i.e., one that does not negatively affect the environment) is, and should continue to be, a priority within the economic progression of the city, the unique selling point of Plymouth is as a marine focused city. This pillar is particularly important to ensure we are aligned with the ever-growing significance of the Climate Emergency and Net Zero agenda.

## Civic Pride and Regeneration

Plymouth prides itself on being Britain's Ocean City and is one of Europe's most vibrant waterfront cities. Supporting strong communities and a sense of place is essential to the cultivation of a vibrant and attractive city to live, work, study and stay in.

## National guidance on economic strategies

Government has published guidance on folding in LEPs, which includes minimum requirements for economic strategies:

- Analysis of the main underlying competitive advantages and strengths of your area, as well as opportunities for strategic connections across regions
- Opportunities for growth over the next 10 years, and your vision for what would happen if these opportunities were successfully grasped in this period. Outputs and measurables should include the base line data and targets for growth.
- Your top public and private sector investment priorities - this has to be in the pipeline documents and will be reviewed on a 3-year rotation, but looking at the guidance this will need to be accelerated.

## Scopes:

Based on the national guidance, we have developed scopes for each of the 4 pillars. Skills will be included as a cross cutting theme throughout all 4 Pillars. The Scopes for each Pillar can be seen below:

### I. Productivity and High Value Jobs

Productive growth focuses on growing the number of high-value jobs. These sectors are marine, manufacturing and health, with specific focus on marine autonomy, clean maritime and health tech and immersive digital. The City will build on its existing national and global competitive advantages. These are broken down into bedrock sectors;

- Marine and defence – Plymouth has the largest naval base in western Europe, with the only national capability for base-porting nuclear submarines.
- Health and care – Plymouth is home to the largest teaching hospital in the South West Region with 48,000 people walking through its entrance each week.

And accelerating sectors

- Marine Autonomy
- Creative Digital (immersive)

We have key infrastructure, institutions and organisations which are critical for supporting high productivity.

- Port operators providing international connectivity
- Test facilities in the Sound for Marine Autonomy
- Large teaching hospital located next to the science park

- 3 Universities and 2 globally recognised marine research institutes (PML and MBA)
- Plymouth and South Devon Freeport

We will provide businesses with the right infrastructure and innovation ecosystems to help them grow. This includes helping businesses to strengthen their supply chains, apply automation, capitalise on artificial intelligence, autonomy and digitalisation and respond and adapt to societal changes.

## 2. Inclusive Growth

Growing Plymouth's productivity should "grow a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of local people". Without targeted actions and focus on specific areas and groups, there is a risk many people find it difficult to access the work opportunities. The aim of this pillar is to create the economic conditions that work for everyone. We will achieve this through:

- Understanding inequality the particular challenges of different groups and how local and national circumstances affect them.
- Targeted focus – putting our resources into the geographic areas and groups which are the most disadvantaged in the economy.
- Good Growth Business Models - Helping our businesses to implement the tools for good growth.
- Accessing employment opportunities - Working with individuals and employers to overcome barriers, such as health issues, caring responsibilities, experience and skills which affect access to employment opportunities.

We look specifically at how different workforce groups are affected by inequality. For example: looking at different LSOAs in Plymouth and the distribution of Index of Multiple Deprivation figures within these areas, health issues; caring responsibilities; and various barriers to skills access.

## 3. Sustainable Growth

Since 2019, Plymouth City Council has declared a status of 'climate emergency' and has begun work on actions that help combat climate change through the transition to net zero. This will involve a shift in how energy is produced, which includes floating offshore wind, heat networks, hydrogen production and how it is stored which includes battery technology. The University of Plymouth expertise is internationally recognised. The Economic Strategy will focusing resources on the following three main elements:

- Attracting new investment into the city in green jobs, specifically around new and emerging energy production and storage
- Business support business, helping businesses adapt to climate change and move to net zero emission.
- Decarbonise the current economy, including retrofitting the existing commercial building stock and opportunities.

We also will align our project pipeline and sustainability focused public and private investment priorities with the Green Skills action plan, Plan for Green Jobs and the Net Zero Action Plan. By aligning the focus of sustainable economic growth with these documents, it can help the city efficiently identify and match the supply and demand of green skills, in order to maximise the efforts made towards this green blue economy development.

## 4. Civic Pride and Regeneration

Plymouth prides itself on being Britain's Ocean City and is one of Europe's most vibrant waterfront cities. Supporting strong communities and a sense of place is essential to the cultivation of a vibrant and attractive city to live, work, study and stay in.



Regeneration building on natural economic advantages is a key to both improving the environment and building a sense of pride. It is not just about buildings and spaces, it is also what happens in the buildings and spaces. It needs the following components:

1. A strong cultural offer
2. An attractive vibrant City Centre
3. National Marine Park
4. High quality employment space
5. A port City with a strong trading identity
6. Strong brand and identity

There is a very strong connection between Plymouth and its blue-grey-green landscapes, in order to position the city, to attract people to live, work and visit, we must look at the characteristics that make Plymouth unique. This is its connection to the sea and the Ocean. Plymouth is a naval city, a port city, flanked by the moors, the South Hams and Cornwall.

### **Output measures:**

In order to measure the success of the actions presented in the paper, it is important that we keep account of some indicator variables and measure their trends and changes. Each proposed pillar will have a unique set of variables that would be appropriate to use as proxies for pillar improvement. Below, we have listed some examples of suggested variables by pillar that should be considered and monitored as key performance indicators. Every quarter we will publish this data on the Growth Board website circulate it to key partners, Scrutiny Panel and the four lead Councillors. Base line data will be from the latest available data in March 2024.

Some examples of output measures include:

1. Productivity and High Value Jobs:
  - Grow Productivity (GVA per hour worked and GVA per filled job)
  - Increase the number of businesses in the city.
  - Increase High Level Qualification attainment levels.
2. Inclusive Growth:
  - Decrease Deprivation (Index of Multiple Deprivation)
  - Reduce Economic Inactivity
  - Increase the number of residents with formal qualifications.
3. Sustainable Growth:
  - Net Zero city by 2030
4. Civic Pride and Regeneration:
  - Reduce building vacancy in the City Centre
  - Grow Civic Pride
  - Continue growing job numbers.

### **Where are we now & Consultations:**

The approach has been built on the existing strategies (the Local Industrial Strategy, Build Back Better). These strategies had extensively consultation processes. Our initial focus has been on engaging relevant stakeholders to support us in developing the four Key Pillars. We circulated and worked on

first drafts for each pillar, ensuring we are aligning with all relevant plans and are not missing key content. We have attended EDMT to talk through these, engaged with members of the Plymouth Growth Board and relevant other groups such as the Inclusive Growth Group and Low Carbon Plymouth team. We have also attended CMT and Scrutiny in 2024, receiving comments and feedback which we have implemented into the latest versions. Through-out 2024, we have also completed extensive consultation more widely, including many private sector partners. We have completed a Consultation Registry to record all of this.

## Governance

The economic strategy delivery will be over seen by the Growth Board, which is Nolan principle complaint. The Growth Board will be responsible for the delivery of the economic strategy, monitoring its progress and developing pipeline documents. The Growth Board is the City's voice of business as the public private partnership and chaired by the Chamber of Commerce. The Economic Strategy and the Growth Board will be responsible for joining up other economic strategies and initiatives including; County Combined Authority Economic Strategy, Great South West plans, Plymouth and South Devon Freeport and Plymouth plans such as the Culture Strategy, the Visitor Plan, City branding work and skills delivery. As other initiatives are developed the Growth Board will ensure integration and alignment.

To ensure democratic and broad city-wide ownership, each of the 4 Pillars will have the following

- A nominated elected member champion
- A minimum of 2 champions from the Growth Board (a lead and a supporting member)
- A minimum of 2 Council Officers or publicly funded roles to provide technical support and champion delivery.

The table below sets out the proposed leads

LES Chapter	Cabinet Lead	Plymouth Growth Board – Lead	Plymouth Growth Board - Support	PCC Staff - Lead	PCC Staff - Support
<b>Productivity and High Value Jobs</b>	Tudor Evans	Richard Stevens	Jonathan Cowie & Gareth Hart	Nina Sarlaka	David Lea
<b>Inclusive Growth</b>	Chris Penberthy	Lindsey Hall	Claire Taylor	Anna Peachey	Ellie Tighe
<b>Sustainable Growth</b>	Tom Briars Delve	Judith Petts	Stuart Elford	Amanda Ratsey	Kat Deeney John Green
<b>Civic Pride and Regeneration</b>	Jemima Laing	James Mackenzie-Blackman	Paul Fieldsend-Danks David Bayliss	Matt Ward	Hannah Harris, Amanda Lumley Victoria Pomeroy Emma Hewitt
<b>Skills (crosscutting theme)</b>	Sally Cresswell	Jacqui Grubb	Charlie Heard	Tina Brinkworth	Emma Hewitt

### **Plymouth Growth Board & pipeline documents.**

The Plymouth Growth Board will be assuming ownership of the Plymouth Economic Strategy

To ensure the effective execution of the Plymouth Economic Strategy, dedicated project teams and strategic leads will be assigned to each Pillar.

- A dedicated member/members of the Plymouth Growth Board will act as Champion and work directly with the PCC officer for each of the four Key Pillars.
- A PCC officer will be designated under each of the four pillars to liaise with specific partnerships (therefore including private businesses) and support the Growth Board Champion.

Pipeline Documents - Plymouths top public and private sector investment priorities

- Driven by specific partnerships, the Plymouth Growth Board will develop documents that outline the public and private investment priorities for each Pillar, outlining actions and progressive steps to address key challenges highlighted in each pillar.
- While the overarching strategic framework will remain stable, the actions themselves will be more fluid, subject to periodic review and tweaked to incorporate new opportunities/interventions as they emerge.

### **Timeline moving forward:**

<b>Action</b>	<b>Date</b>
Cabinet	11 <sup>th</sup> March 2024
Deadline for publishing	31 <sup>st</sup> March 2024
Phase 2: Delivery Plans publishing	March 2024-2025