

Natural Infrastructure and Growth Scrutiny Panel



Date of meeting:	29 October 2024
Title of Report:	Plymouth Economic Strategy – Delivery Plans
Lead Member:	Councillor Tudor Evans OBE (Leader)
Lead Strategic Director:	Karime Hassan (Interim Strategic Director for Growth)
Author:	Toby Hall and Lauren Paton
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Your Reference:	Click here to enter text.
Key Decision:	Yes
Confidentiality:	Part I - Official

Purpose of Report

Providing an update on progress so far in developing Plymouth's Economic Strategy and presenting the proposed approach for developing the Delivery Plans.

Recommendations and Reasons

To consider our approach to developing the Plymouth Economic Strategy Delivery Plans:

- Endorse the approach and titles of the 4 proposed Delivery Plans. These are:
 - o Heart of the City
 - o The Waterfront and Maritime
 - o The North of the City
 - o Defence and Devonport
- Endorse the approach that these delivery plan will be refreshed every 2/3 years in order to accurately reflect the current investment priorities of the city.
- Endorse that the approach for the delivery plans will prioritise projects already in train.
- Endorse that we will develop a pipeline and bring forward new projects.

Alternative options considered and rejected

1. Do not develop Delivery Plans – A project pipeline is necessary to ensure we can seek funding from future sources. As such, doing nothing is not an alternative option.
2. Refresh Delivery Plans later – Funding announcements are expected before March 2025. As such, it is vital that this work is done in time for this.
3. One long-list of projects, broken down by pillars – best projects cover multiple pillars.

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, we need a refreshed economic strategy. The Plymouth Economic Strategy will underpin the Plymouth Plan.

Implications for the Medium Term Financial Plan and Resource Implications:

The Plymouth Economic Strategy itself does not have any implications for the Medium Term Financial Plan. Any projects stemming from this will be subject to individual decisions.

Financial Risks

The Plymouth Economic Strategy itself does not carry any financial risks. Any projects stemming from the Plymouth Economic Strategy will be subject to individual decisions.

Carbon Footprint (Environmental) Implications:

The Plymouth Economic Strategy itself does not carry any environmental implications, as any projects will be subject to individual decisions. It is noteworthy, that one of the pillars of the Plan will support sustainable growth including regenerative growth and therefore aims to create positive implications for Plymouth’s carbon footprint.

Other Implications: e.g. Health and Safety, Risk Management, Child Poverty:

** When considering these proposals members have a responsibility to ensure they give due regard to the Council’s duty to promote equality of opportunity, eliminate unlawful discrimination and promote good relations between people who share protected characteristics under the Equalities Act and those who do not.*

The Plymouth Economic Strategy itself does not carry any other implications. Any projects stemming from the Plymouth Economic Strategy will be subject to individual decisions.

Appendices

**Add rows as required to box below*

Ref.	Title of Appendix	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
		1	2	3	4	5	6	7
A	Plymouth Economic Strategy Refresh - Report							

Background papers:

**Add rows as required to box below*

Please list all unpublished, background papers relevant to the decision in the table below. Background papers are unpublished works, relied on to a material extent in preparing the report, which disclose facts or matters on which the report or an important part of the work is based.

Title of any background paper(s)	Exemption Paragraph Number (if applicable) <i>If some/all of the information is confidential, you must indicate why it is not for publication by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 by ticking the relevant box.</i>						
	1	2	3	4	5	6	7

Sign off:

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Originating Senior Leadership Team member: Karime Hassan

Please confirm the Strategic Director(s) has agreed the report? Yes

Date agreed: 10/10/2024

Cabinet Member approval: Councillor Tudor Evans (*Approved verbally*)

Date approved: 09/10/2024

Plymouth Economic Strategy – Delivery Plans



Context and Reason for Update:

The previous 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 was noticeably out-of-date. Our refresh to the Plymouth Economic Strategy did not throw-out this plan but evolved it, updating the evidence base and realigning to more current challenges and aims. Plymouth's Economic Strategy 2024 is a successor to Delivering Economic Growth 2020 and the Plymouth 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. In 2024 the Heart of the South West Local Enterprise Partnership closed and the function of economic strategy was transferred to the Upper Tier Local Authorities

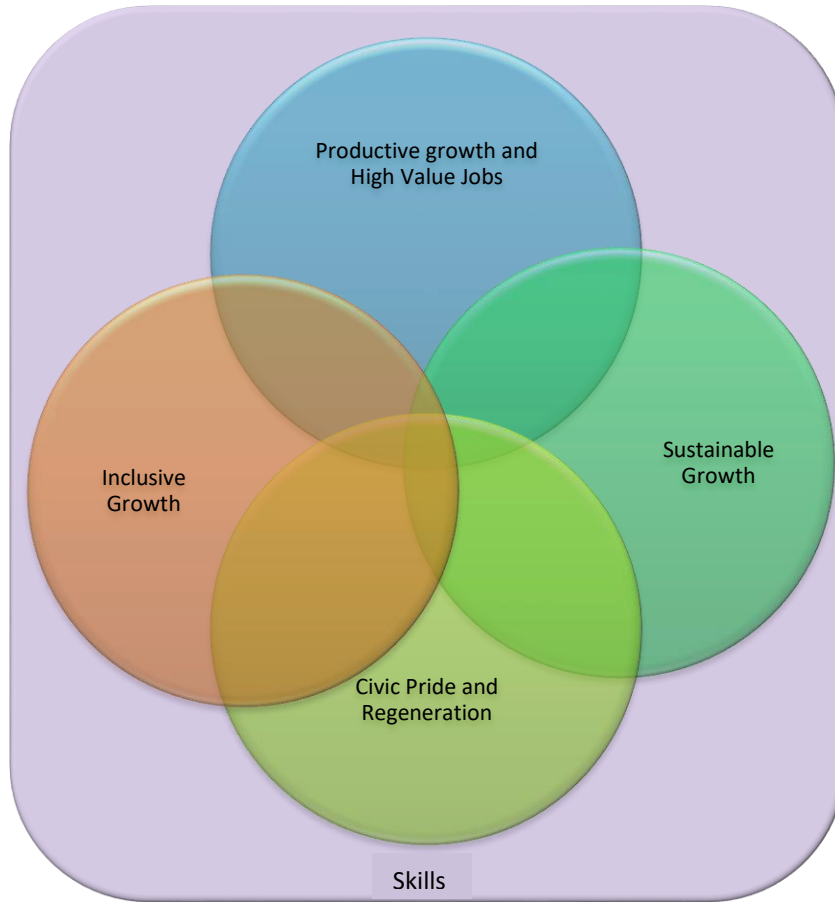
Phase I: Plymouth's Economic Strategy

This Economic Strategy sets out how Plymouth will build on its distinctive assets, which include: the largest naval base in western Europe; a successful manufacturing and engineering sector employing over 13% of the workforce; a vibrant creative and cultural sector; one of only 16 critical care teaching hospitals in the UK and the associated Plymouth Science Park; as well as our newly created National Marine Park

Strategic Framework

The Plymouth Economic Strategy is structured around four key pillars, with skills development as a cross-cutting theme. These high level pillars set the ten year strategy and ensure that any projects deliver the required outcomes

1. **Productive Growth and High Value Jobs** - Growing Plymouth's productivity is the foundation for improving prosperity for all residents. Through supporting our higher value sectors where we have a natural advantage.
2. **Inclusive Growth** - Inclusive Growth focuses on growing a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of local people.
3. **Sustainable Growth** - Sustainable growth is growth which does not negatively impact the environment, promotes social inclusion, well-being and will help to drive a green economic revolution. For Plymouth, this means developing our blue economy and focusing on the progression within marine focused industries.
4. **Civic Pride and Regeneration** - Plymouth prides itself on being Britain's Ocean City and 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, visit and attract investment.



Plymouth Economic Strategy aims

Within the evidence-base of the Plymouth Economic Strategy, aspirational goals have been set and agreed. These aspirations represent the change that could occur if the strategy is implemented and have been chosen specifically to depict a variety of focus variables across the city.

<p>1,000 New Businesses</p> <p>We will increase the business stock (enterprises) of SMEs, from 6,300, by 2% per annum; meaning an additional 1,000 enterprises will be added.</p>	<p>8,000 New Jobs</p> <p>We will increase the number of FTE jobs, from 116,000, by 8,000.</p>	<p>Grow the Value of Plymouth's Economy</p> <p>We will grow the value of Plymouth's economy (from a GVA value of £5.44bn) by £1 Billion over 10 years.</p>	<p>Create A Highly Skilled Workforce</p> <p>We will reach parity with the national average for the number of residents with RQT level 4+ qualifications (increase from 38.9% to 45.7%)</p>
<p>Lift 3,000 people out of poverty</p> <p>We will lift at least 3,000 people in Plymouth out of living in the most deprived decile in England.</p>	<p>Help 5,000 People Get Work</p> <p>We will reduce the number of people who are economically inactive (from 25% of overall population) to align with national figures.</p>	<p>Bring 50 Vacant Buildings back into Use</p> <p>We will halve the number of vacant/derelict buildings in the city centre in order to build a vibrant city centre.</p>	<p>Net Zero Carbon City</p> <p>We will reduce carbon emissions and become a carbon net zero city by 2030.</p>
<p>Help People With No Qualifications</p> <p>We will reduce the number of residents who have no formal qualifications, from 10.7%, to below national average levels (UK average is currently 6.8%)</p>	<p>Make the City More Fun</p> <p>We will increase the percentage of the local population engaged with cultural, heritage and sport activities (subject to ONS producing data)</p>	<p>Increase Plymouth's Productivity</p> <p>We will aim to increase the city's productivity (GVA per filled job) from £44,930 to £55,000.</p>	<p>Build 5,000 New Homes</p> <p>We have an ambition to build at least 5,000 new homes.</p>

The first stage of the strategy development, an evidence-based review, has been approved by Cabinet and was published earlier this year. The next phase involves the development of a delivery plan; this plan will be completed in 2025 and refreshed every two-three years.

Consultation with the Plymouth Growth Board have helped identify over 100 projects, valued at over £300 million. These projects, ranging from ongoing initiatives to conceptual proposals, will be sorted into four investable themes in the first delivery plan with skills cross cutting.

This report sets out the broad investment areas within each theme rather than any specific projects at this stage. The detailed pipeline of capital and revenue projects will be continuously developed on a rolling 5-year basis with projects at varying stages of development from concept to fully costed proposals with planning where appropriate. As ever the city must remain agile and ready to move as opportunities arrive within a flexible framework.

To ensure democratic and broad city-wide ownership, each of the 4 Pillars has 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.

National Policy Shifts

Since the publication of the Plymouth Economic Strategy 2024-2034, significant national changes have occurred. Following the July general election, Labour emerged as the leading party. The new government has announced five national missions to “rebuild Britain”:

1. Secure the highest sustainable growth in the G7
2. Make Britain a clean energy superpower
3. Built an NHS fit for the future
4. Make Britain’s streets safe
5. Break down the barriers to opportunity at every stage

These policy changes will influence the direction of Plymouth’s local economy and strategic planning.

Plymouth’s Defence Sector and Workforce Needs

His Majesty’s Naval Base Devonport, located in Plymouth, is the largest naval base in Western Europe, contributing 14% of the city’s economic output (GVA). The base is integral to the UK’s Continuous At Sea Deterrent (CASD) and is the only site in the country capable of providing deep maintenance for CASD submarines. Devonport is vital for supporting both the current Vanguard-class submarines and the future Dreadnought-class submarines, with operations expected to extend into the 2070s.

Babcock Future Workforce Demands

Babcock, the operator of the Devonport dockyard, employs 7,300 people and contributes around £511 million annually to the local economy. To maintain operations, Babcock will need 5,500 new recruits over the next decade, as well as an additional 2,000 construction jobs. There is a projected investment pipeline of circa £400 million per year for the next 10 years in the Base. The needs of the Devonport development require a diverse and well-trained workforce, with initiatives to grow the workforce.

Phase 2: Investable themes:

In presenting projects to potential funders, we need to place them in coherent framework. Whilst the Economic strategy pillars are focussed on outcomes over a ten-year horizon.

The investment themes are areas of focus for the next 5 years, reflecting current priorities. The investment themes will deliver economic strategy pillar outcomes.

Through consultation, four initial investable themes have emerged, with Skills acting as a cross-cutting foundation -we anticipate significant workforce development activity linked to the defence and Devonport theme. Each theme contains a wide array of projects areas that will be categorised and prioritised for investment, supporting Plymouth's long-term growth and sustainability and delivering benefits across the city. Any project will be assessed against the delivery of the outcomes associated with the 4 Economic strategy pillars

These four investable themes are set out below.

1. The Heart of the City Centre
2. The Waterfront and Maritime
3. The North of the City
4. Defence and Devonport

Below are example lists list to inform development plans and will be solidified through consultation with Plymouth Growth Board and partners. They build on existing projects that are stalled or need competition as well as new project areas.

The Heart of the City Centre

The current city centre must be transformed in order to attract and retain residents and workers, both as a place to live and work and help retain people across within the wider city. This attraction and retention of the top talent is particularly important for high-growth sectors that rely on the recruitment of graduates and apprentices. To achieve this, the city centre should instil a sense of pride, safety and desirability as a place to live, work and visit. A comprehensive reimagining is a crucial step that is necessary in order to reach this goal. This transformation will take potentially two decades to complete and will require a carefully managed rolling programme of projects to ensure its success. The aim should be to deliver a high density, mixed used centre that strengths Plymouth as the regional centre. The goal should be to deliver a liveable city centre that supports at least 5,000 homes and provides the quality of experience to match the world class quality of the marine environment and reflecting the distinctive competitive strength of Plymouth as a location for marine based activities.

Within the first iteration of the delivery plans (the next 3 years) we will aim to:

- Explore ways in which to attract private investment to deliver residential accommodation at pace and scale
- Deliver a heat network for the City Centre utilising sustainable sources of energy
- Improve liveability and the public realm, including completing Armada Way, and Brunel Plaza.
- Bring the Civic Centre back to life, working with City College to develop a Blue Green Skills Centre
- Work with existing community economic development organisations to increase inclusion and diversity.
- Get more people living in and around the City Centre through accelerating the process of planning and delivering a minimum of 5,000 homes
- Continue our work on cultural placemaking to make the city centre a desirable destination to live, work and play; working with key anchor institutions such as TRP, The Box, AUP, Plymouth University and the wider network of cultural and community economic development activators.
- Make people feel safe who live and work and visit the city centre
- Activate the nighttime economy, working with partners including through supporting cultural destinations including the Box, TRP, existing and new venues, such as the Guildhall and developments on Union Street.

- Work with university partners to improve student experience and build civic engagement to increase student commitment to the city, contributing to graduate retention.
- Continue to deliver support for those furthest from the labour market in a City Centre location including through Skills Launchpad Plymouth, Building Plymouth and with other partners.
- Improve access to health care by building an accessible Community Diagnostics Centre This will increase foot fall and help people overcome health barriers and move into work
- Working with partners, we will support start up and entrepreneurial support

We will look to:

- Work with the University of Plymouth to develop a conferencing facility, specifically targeting conference market linked to research specialisms
- Complete the Co-ops strategy and look to develop new delivery models

The Waterfront and Maritime

Plymouth is proudly recognised as Britain's Ocean city, home to the UK's first national marine park and is home to a strong community of world-class businesses, leading research institutions and a strategically valuable and unique port infrastructure. However, in order to fully harness and effectively capitalise from the growing opportunities in sectors, such as Floating Offshore Wind and other maritime innovations, continued investment is essential. This means not only developing our existing infrastructure but also ensuring our assets are future proofed to meet the demands of an evolving economy. At the same time, we need to tackle barriers that prevent significant numbers of Plymouth's residents developing skills and accessing the new high-quality jobs. By doing so, we will encourage long-term economic growth by attracting new industries and solidifying our role as a key hub for innovation and sustainable development.

We will:

- Continue to support the work of NMP to improve and reimagine facilities, including the Mount Batten Watersports and Activity Centre and Tinside Lido, increasing access to the waterfront for all residents and inspiring future generations to work in the maritime sector
- Support increased productivity around sea freight and short sea shipping moving towards greener freight through the Freeport programme.
- Support innovation in key areas, including marine autonomy and the Autonomy Cluster in Turnchapel.
- Ensure our Port Operators move towards Net Zero
- Develop and enhance the Smart Sound Testing facilities, including sub-sea autonomy testing facilities
- Work with partners to ensure our businesses can benefit from the opportunities from Floating Offshore wind focusing on survey vessels, marine autonomy, Cyber Security, Training and Research and Development and the employment opportunities of Floating Offshore wind are visible and accessible to Plymouth residents in all areas of the city.
- Support the fishing sector, specifically how they access markets
- Support the Freeport to bring forward Hydrogen at Language
- Work with the University of Plymouth, Plymouth Science Park and the Freeport to develop their Marine Growth and Acceleration Through Innovation programme..
- Work with education providers, HE, FE and businesses to ensure that our workforce is equipped to access the new jobs being created in key sectors removing barriers including disengagement, skills, health, childcare and poverty.

- We will use cultural programmes to increase awareness of the climate emergency and inspire people to take positive steps to protect the environment.
- Continue our work on cultural placemaking to make the waterfront a desirable destination to live, work and play; working with key anchor institutions

We will look to explore:

- Future port development specifically around freight and autonomy
- Clean Maritime research and business engagement, working with the University of Plymouth, Plymouth Marine Laboratories and others
- Support the evolution and development of both the Freeport and NMP

The North of the City

The north of Plymouth plays an important part in the city's economic landscape; it serves as a location for key institutions such as Derriford Hospital, Marjons University and Plymouth Science Park. It is also a hub for our manufacturing sector, which represents a vital key sector of the city's economy. Focusing investment in this area is essential to support the growth of these industries, ensuring they can continue to thrive and attract highly skilled workers. By enhancing infrastructure and facilitating the development of innovation and expansion, we can strengthen these institutions within a national and global context. Positioning Plymouth at the forefront for healthcare, research and manufacturing will not only boost the local economy but also generate more balanced, sustainable and fair growth across the city, particularly in communities that are struggling

We will:

- Reimagine the Science Park as part of a city wide and regional innovation eco system, including new developments such as the Life Sciences Accelerator Facility, working with the University Hospital Trust, Plymouth University and others.
- Work with the University Hospital Trust to support their supply chain specifically around construction, working with Building Plymouth and others.
- Support Community Economic Development to make sure local communities benefit from growth,
- Increase our capacity to grow Health & Care Skills Partnership, working with Launchpad and others. th
- Develop a dedicated support programme for the manufacturing sector
- Working with partners, we will support start up and entrepreneurial support
- Continue our work on cultural placemaking to make the north of the city a desirable destination to live, work and play; working with key anchor institutions and activating the nighttime economy.
- Ensure that we work with education providers, HE, FE and businesses to ensure that our workforce is equipped to access the new jobs being created in key sectors removing barriers including disengagement, skills, health, childcare and poverty.

We will look to explore:

- Work with Marjon University to develop accessible adult learning spaces throughout the city and innovate public service initiatives in health, social care and education.
- Support the development of a Health and Social Care training facility, led by City College Plymouth

Defence Sector and Devonport

Devonport and the wider defence support impacts extend beyond the city boundaries. Currently, the Defence sector creates 14% of the city's economic output and the Naval Base is the daily workplace for 11,600 workers. The UK's National Nuclear Strategic Plan for Skills has forecast additional national nuclear skills requirements; this includes an increase of 40,000 new roles by 2030. We propose working across government departments to capitalise on the investments in HMS Devonport Dockyard, looking at good practice from other large investments such as the Olympic games in London and Hinkley in Somerset. This is nationally significant and links to investments in Barrow in Furness and Derby. Both the supply chain and the workforce extend into Cornwall, Torbay and Devon.

At the same time, the impacts also need to positively affect the communities of Devonport and the others that sit alongside the dockyard, transforming them from some of the most deprived areas of the city into great places to live and work.

We will:

- Develop supply chain initiatives to help businesses to access MOD, Babcock and other prime contracts, underpinned with a social value alignment campaign and tools and support such as umbrella bidding vehicles and support to meet compliance (cyber security)
- Build 2 Innovation Barns at Oceansgate, putting them at the heart of a defence innovation eco system, working with HE, Innovate UK and DASA, building on the lessons learnt from BattleLab in Dorset
- Work with the MOD and Freeport to attract new businesses into Oceansgate (behind the wire)
- Support and strengthen the Defence and Security Cluster activity which already has 400 businesses across the SW
- Working with the HE sector, strengthen the interface between manufacturing and defence SME's and research institutions (e.g. student placements, funded PhDs)
- Actively promote and support good business models (e.g. Plymouth Charter) and community economic development to ensure communities alongside the dockyard are connected with and benefit from new supply chain business opportunities, including wider service industries.
- Working with partners, support a range of activities to increase the visibility of opportunities in defence and manufacturing and build effective pathways for all, particularly focusing on deprived wards, recognising transferable skills and attracting talent for future workforce needs
- A step change in the quality and the scale of delivery of skill and workforce development particularly targeting the skills needs of future employers, this includes STEAM, Nuclear and construction looking at best practice from Hinkley
- Working with the Armed Forces covenant to support veterans to overcome challenges and access opportunities
- Continuing to support Skills Launchpad Plymouth, Building Plymouth and other partners working to increase the breadth and depth of the talent pipeline.
- Working with partners, we will support start up and entrepreneurial support
- Continue our work on cultural placemaking to make Devonport and the west of the city a desirable destination to live, work and play; working with key anchor institutions and activating the nighttime economy.
- Work with education providers, HE, FE and businesses to ensure that our workforce is equipped to access the new jobs being created in key sectors removing barriers including disengagement, skills, health, childcare and poverty.
- Work with major employers and partners to develop a city-wide social value programme covering major government investment, building on the Plymouth Charter. We will maximise the value of CSR and Local procurement. Support the development of creative industries in Devonport, working with Real Ideas, Plymouth Community Homes, AUP, Plymouth University and others, recognising the need to increase visible businesses and jobs as so many defence jobs are 'beyond the wire'.

Governance

The economic strategy delivery is governed by the Growth Board, which is Nolan principal complaint. The Growth Board is responsible for the delivery of the economic strategy, monitoring its progress and developing the delivery plan. 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 is responsible for the joining up of 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 current Champions for each Key Pillar.

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

Next Steps

We are seeking feedback from the growth and scrutiny panel about our broad approach and the investment themes and indicative investment areas. This will then be considered by the Growth Board and be presented to Cabinet to adopt the delivery plans in the new year.

This will then provide a strong platform for future engagement with Government on investment opportunities, grant funding, local growth deals and devolution.

It should also be noted that the Economic Development team also currently in receipt of £100m grant funding which needs to be committed by 2026 including the Freeport, National Marine Park, Levelling Up Fund, Future High Streets Fund, Youth Investment Fund and many others.