

PLYMOUTH CITY COUNCIL

Subject:	Local Economic Strategy Review 2013/14
Committee:	Cabinet
Date:	25 March 2014
Cabinet Member:	Councillor Evans
CMT Member:	Anthony Payne (Strategic Director for Place)
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Ref:	
Key Decision:	Yes
Part:	I

Purpose of the report:

The review of the city's Local Economic Strategy (LES) led by the Plymouth Growth Board (PGB) has been carried out over a number of months, engaging a range of stakeholders to reflect on progress since adoption of the LES in 2006, enduring challenges, and future growth opportunities.

The LES review will form a key building block in the emerging Plymouth Plan – the overarching framework for growth and development in the city – while also shaping the city's contribution to wider Heart of the South West Local Enterprise Partnership (HotSW LEP) strategy developments. It sets out Plymouth's economic priorities to 2020 and will act as a framework to guide activity, resources and investment.

This report describes the background to the LES review, its key findings, and a refreshed set of objectives and actions designed to build on progress set in train by LES 2006 and take the city to a new level of focus and ambition.

The Brilliant Co-operative Council Corporate Plan 2013/14 -2016/17:

Pioneering Plymouth

Recognising the significant changes in the economic delivery landscape since LES 2006, the LES review has sought to refocus efforts on the areas that will reap the greatest economic and social returns. In addition to being an integral part of the ambitious Plymouth Plan project, the review has been carried out alongside wider HotSW LEP strategy developments. Subsequently, there exist strong synergies across these documents with the necessary 'hooks' for effectively delivering our LES priorities embedded within the LEP's Strategic Economic Plan (SEP).

The priorities recommended by the LES review directly support the following Corporate Plan outcomes:

- *Plymouth's cultural offer provides value to the city:* including a specific flagship 'Visitor Economy and Culture' which aims to build on the Britain's Ocean City branding and the Mayflower 2020 opportunity to raise the city's economic profile in international markets.

- Pioneering in reducing the city's carbon footprint and leading in environmental and social responsibility: through a cross-cutting commitment to Sustainable Development and specific actions designed to build on the opportunities presented by a low carbon economy.

Growing Plymouth

The LES review sets out the city's refreshed economic priorities to 2020 designed to deliver productivity and employment growth, thereby raising the city's relative competitiveness. Through six flagship areas it will directly contribute to delivering the outcomes: *a strong economy creating a range of job opportunities and ensuring Plymouth is an attractive place for investment.*

Caring Plymouth

In setting its priorities, the review has drawn on evidence generated through the Fairness Commission's *Summer of Listening*. The *People, Communities and Institutions* flagship has the overarching goal of 'harnessing the economic potential of the city's people and communities – connecting them to local assets, resources and support to create employment opportunities'. In direct response to the Fairness Commission's recommendations, it proposes actions designed to boost local procurement and connect residents to opportunities arising from major developments and inward investments.

Confident Plymouth

At the heart of the LES review is the overarching goal of rebalancing economic activity in favour of business investment and exports. This is predicated upon Plymouth playing a greater role on the global economic stage, with the city's businesses become less insular and focussed on domestic demand, to tap into new global markets and secure new sources of income.

Through an extensive consultation process, the review has garnered support from a wide range of stakeholders, drawing in groups previously disengaged from economic strategy work. There exists solid momentum and buy-in which can be carried forward into implementation, ensuring that Plymouth can confidently deliver on its ambitions.

Implications for Medium Term Financial Plan and Resource Implications: Including finance, human, IT and land

The LES review recommends a series of strategic priorities and associated actions to 2020 and beyond. Co-ordinated and performance managed by the Plymouth Growth Board, it is a key document for all those involved in economic development, regeneration and promoting enterprise across the city and beyond.

The document captures activity already happening/funded, while also highlighting potential new areas for focus. As such, it is likely to have an influence over the Council's resourcing for economic development activity over the coming years; however, at this stage this is not defined. Therefore, any specific projects or investments arising from the LES/Plymouth Plan, which may have a financial or resource implication, will be subject to separate Cabinet reports.

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

No direct implications. The LES review will form an integral part of the emerging Plymouth Plan. Its priorities are also aligned with the Heart of the South West LEP's Strategic Economic Plan and European Structural and Investment Fund Strategy (ESIF).

Equality and Diversity

Has an Equality Impact Assessment been undertaken?

No. This was not undertaken for the original LES adopted in 2006. The review will form part of the Plymouth Plan which will be subject to an EIA in due course.

Recommendations and Reasons for recommended action:

It is recommended that the Cabinet:

1. Agrees the new approach set out in Plymouth's Local Economic Strategy review and recommends adoption by Full Council.

Reason: The strategy review has been co-designed with a comprehensive range of stakeholders. It sets out a refreshed set of objectives and actions designed to build on progress set in train by LES 2006 to take the city to a new level of focus and ambition. It clearly articulates Plymouth's economic ambitions for the purpose of informing the Plymouth Plan and wider LEP activity.

2. Agrees that officers work with the Plymouth Growth Board to further define the detailed action planning and performance management arrangements required to deliver on the objectives set out in the review.

Reason: The actions need to be worked up into more detail with partners across the city and beyond. A significant level of buy-in and momentum has been generated through the review process which needs to be built upon as the emphasis shifts to delivery.

3. Agrees that the strategic objectives outlined are fully integrated with the Plymouth Plan.

Reason: The Plymouth Plan will provide the overarching framework for growth and development in the city. The LES review provides a solid, evidence-based contribution to this project.

Alternative options considered and rejected:

Not to undertake a review and continue with current Local Economic Strategy:

Given significant changes in the economic development delivery landscape since 2006, the strategy required a comprehensive review to provide a strong evidence base for the Plymouth Plan and for directing future delivery. The review, led by the Growth Board, has proved to be a hugely valuable exercise in refreshing and refocusing our priorities and influencing wider strategy developments across the Heart of the South West.

Background papers:

Local Economic Strategy review DRAFT 2013/14

Sign off: comment must be sought from those whose area of responsibility may be affected by the decision, as follows (insert references of Finance, Legal and Monitoring Officer reps, and of HR, Corporate Property, IT and Strat. Proc. as appropriate):

Fin	CR/DB PlaceF EDC1314 015	Leg	DVS/ 1982	Mon Off	DVS/ 1982	HR		Assets		IT		Strat Proc	
Originating SMT Member: David Draffan													
Has the Cabinet Member(s) agreed the contents of the report? Yes													

1.0 Introduction

- 1.1 This report describes the background to the LES review, its key findings, and a refreshed set of objectives and actions designed to build on progress set in train by LES 2006.
- 1.2 The LES, first published in 2006, provided a single shared vision for the development of the city's economy into one that was more competitive, diversified, balanced, and well-connected. It serves as a key document for all those involved in economic development, regeneration and promoting enterprise across the city and beyond.
- 1.3 The LES review was prompted by three key drivers:
- The profound changes in both the economy and economic development delivery landscape since 2006;
 - To inform the development of the emerging Plymouth Plan;
 - To serve as our contribution to Heart of the South West (HotSW) LEP strategy developments.
- 1.3 The review was led by the Plymouth Growth Board and project managed by its Economic Intelligence Sub group. It has engaged a range of stakeholders to reflect on progress since adoption of the LES in 2006, enduring challenges, and future growth opportunities.

2.0 Review Process

2.1 Evidence base review

The review began with a comprehensive assessment of the economic evidence, drawing on a range of data and research sources to assess performance against the Critical Success Factors (CSFs) set out in the original LES. This was consolidated by other sources of evidence where appropriate, for example, from the Fairness Commission's 'Summer of Listening' and Plymouth Plan 'Pop-up shop'. A high-level summary of the evidence is available on the Council's website – a more detailed report will be published alongside the final LES review.

2.2 Stakeholder workshops

A number of workshops were held during the review, bringing together a variety of partners (from public, private and voluntary sectors – see Appendix I) to reflect on new evidence, lessons learned since 2006, and to consider the overarching priorities and themes for a refreshed strategy. Workshop sessions were independently facilitated by Third Life Economics.

2.3 Drafting groups

To ensure co-design, ownership and wide buy-in, a number of drafting groups were convened to test the content for a number of 'flagship' priorities identified. For example, drafting of the 'Visitor Economy & Culture' flagship (see below) involved bringing together representatives from Plymouth Culture Board and Destination Plymouth to shape the narrative.

2.4 PCC engagement

Through the LES review, the Council's Economic Development team has worked closely with colleagues across PCC departments. The 'Learning & Talent Development' flagship, for example, has been jointly led by colleagues in People and Place, while 'Ocean City Infrastructure' made strong links to city transport and housing agendas. A workshop was held with CMT/SMT in February to further strengthen these connections. The review has drawn regular input from Cabinet Members through a combination of individual portfolio briefings, Cabinet Planning sessions and workshops.

2.5 **Stakeholder consultation**

A draft LES review [Discussion Document](#) was circulated to stakeholders in December 2013 by the Chair of the Plymouth Growth Board, inviting feedback on the suggested direction of travel. This was targeted at key partners and business network leads across the city. A number of detailed responses were received, including from: Plymouth Manufacturers' Group, Federation of Small Businesses, Plymouth Chamber of Commerce and Industry, Plymouth University, University of St Mark and St John, and Plymouth Climate Change Commission, among others.

3.0 **Evidence Base**

- 3.1 A comprehensive review of the evidence base concluded that while the city saw tangible improvements across some of the strategy's critical success factors, a number of long-term structural challenges remain.
- 3.2 Against other cities, Plymouth has tended to perform better on labour market indicators such as unemployment and skills attainment. Indeed, the city saw progress at both ends of the 'skills spectrum' between 2006 and 2012 – convergence with the national average on proportion of workforce with degree level qualifications (Level 4 and above) and continued reductions in individuals with no qualifications. There remain, however, long standing issues of youth unemployment, underemployment and economic inactivity.
- 3.3 It is on productivity and its drivers (particularly business start-ups, density and knowledge based employment) where the city continues to experience a significant performance gap with other more competitive urban economies.
- 3.4 Based on the evidence, the review highlighted six 'pointers' to inform a refreshed approach:
 - **Enterprise & Entrepreneurship:** assisting businesses of all shapes and sizes to access the finance and support required to start-up, innovate and expand.
 - **Indigenous & Inward Investment:** fostering investment and employment growth among indigenous businesses while, at the same time, positioning the city to attract investment from further afield.
 - **Innovation & the knowledge economy:** continuing to build our innovative capacity, drawing on the significant intellectual capital of our Higher Education Institutions (HEIs).
 - **Employment & skills:** supporting people back into work, including those furthest from the labour market and living in the city's most deprived communities. Nurturing, attracting and retaining talent locally.
 - **Economic rebalancing:** encouraging private sector jobs growth and a greater level of business engagement in international markets.

- **Connectivity:** maximising Plymouth's role as the economic driver of growth and development across the south west peninsula, building its effective density and links to other areas.

4.0 New Approach

- 4.1 Beneath the overarching vision of 'Britain's Ocean City: One of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone' the LES review recognises the importance of Mayflower 2020 as a major milestone for the city. It suggests that if designed and delivered to be a dynamic and innovative event, Mayflower 2020 has the potential to drive forward many aspects of the city's economy – business growth in marine and related industries; the visitor economy; the culture of the city in its broadest sense; and raising the 'Ocean City' profile and reputation in global markets.
- 4.2 The LES review sets out a series of flagships, strategic objectives and proposed actions. The latter will be subject to regular review to ensure the 'delivery-end' remains flexible and responsive to both opportunity and need.
- 4.3 By the time of Mayflower 2020, the city will have progressed an exciting package of flagship interventions aimed at raising its competitive position:
- **Ocean City Infrastructure:** *Accelerating infrastructure delivery, creating the right environment for growth and investment.*
 - **Digital Economy:** *Delivering the demand stimulation and business opportunities to make the most of the city's strong digital connectivity.*
 - **Business Growth & Investment:** *Developing a coherent support offer to enable our businesses to become more enterprising, innovative and productive, excelling in global markets.*
 - **Learning & Talent Development:** *A major civic approach to learning and skills development – driven by individuals, businesses and institutions, and supported by providers and civic society.*
 - **People, Communities & Institutions:** *Harnessing the economic potential of the city's people and communities – connecting them to local assets, resources and support to create employment opportunities.*
 - **Visitor Economy & Culture:** *Building on the Mayflower 2020 opportunity and the city's cultural and visitor offer to raise its profile and reputation in global markets.*
- 4.3 Appendix 2 to this report summarises the strategic objectives associated with these six flagships.
- 4.4 Running across these flagships will be a commitment to **sustainable development**. Cities that proactively respond to the business challenges and opportunities presented by the shift to a low carbon economy will be more competitive and resilient in the long term. In addition, the LES review recognises the importance of making sure the opportunities created by economic growth and development are shared fairly among the city's resident population.
- 4.5 The review has identified a number of transformational opportunities which should be given the highest priority for delivery:

- **Strategic Infrastructure**

Recognising the crucial role that large scale capital investment and infrastructure delivery play in creating the conditions for economic growth, it prioritises a number of ‘big ticket’ interventions: A Marine Industries Production Campus (MIPC) at South Yard to support marine and advanced manufacturing growth; a City Centre Diversification Programme to create a modern fit-for-purpose City Centre; and through Tamar Science Park Phase 5 and a new City Centre Innovation Centre, investment to support high-value, knowledge-based growth.

- **GAIN Growth Hub**

The Growth Acceleration and Investment Network (GAIN), founded by Plymouth University, with Plymouth City Council and Tamar Science Park, is a Growth Hub bringing together business infrastructure, world-class research facilities and expertise. Building on GAIN, the LES will draw together resources from across the city to provide a clear and accessible offer for all businesses looking for start-up support, advice, guidance and signposting.

- **Deal for Young People**

To ensure Plymouth’s residents are productively employed and the needs of the local economy met, there is a need to create an ‘employer-led’ skills system which is both flexible and responsive. The strategy will build on the momentum generated by the Plymouth and Peninsula City Deal, to develop a skills matching service with an associated physical ‘hub’ in the city and web portal. This will integrate and simplify all existing support and use local labour market intelligence to better understand the nature of future employment and skills demand.

- **Mayflower 2020**

Mayflower 2020 provides a unique, once in a lifetime opportunity to present Britain’s Ocean City to the world and maximise the impact of the city’s assets. Proposed actions will establish a joint level of ambition with the US and a Mayflower executive function to take these plans forward. Through capital investment aimed at boosting Plymouth’s visitor and cultural ‘offer’, the development of new trade links, and a major events programme, the LES will ensure the huge economic benefits on offer are fully captured.

- **Social Enterprise City**

Building on Plymouth’s unique strengths and assets is at the heart of the new approach. Capitalising on the city’s Social Enterprise City status, proposed actions include working with residents, communities and institutions to drive economic growth and community regeneration.

5.0 Governance, Performance Management and Communications

5.1 The strategic objectives and flagships identified by the review of the Local Economic Strategy will be taken forward as key components of the Prosperity and Affordability Theme of the Plymouth Plan and their implementation will be co-ordinated and performance managed by the Plymouth Growth Board.

5.2 While the flagships identified by this review will serve as the ‘umbrella’ for economic development delivery in Plymouth, it is recognised that, increasingly, the resources available for delivery are being delegated to Local Enterprise Partnerships (LEPs). For the city to achieve its ambitions it will need to work collaboratively with the HotSW LEP and other strategic bodies. The LES review has been developed alongside the LEP’s Strategic Economic

Plan (SEP) and the EU structural and investment fund investment strategy (EU SIF), with many of our priorities embedded within these documents.

- 5.3 Throughout the review, stakeholder's expressed considerable frustration with the challenge of staying on trajectory for job creation targets (especially in light of the recession of 2008/9) and of continuing GVA convergences with national performance and with better comparator cities. The 'macro' nature of these indicators was far removed from delivery on the ground and therefore inappropriate for judging success at a project level.
- 5.4 Recognising the critical importance of these aspects of LES delivery, a refreshed approach to performance management is set out:
- Continued delivery of Plymouth's Economic Review (PER) series which draws on a variety of data and research sources to paint a picture of current economic conditions in the city. The PER series will develop and maintain a **Plymouth Growth Dashboard** based on a basket of economic indicators covering each of our flagships and the twenty two 'Key Cities';
 - The development of a **Monthly Monitor** which will draw together a suite of 'real time' economic intelligence indicators, bridging the gap between Economic Review issues and providing a more up to date and accessible product;
 - Through the development of an **Implementation Plan** to include strategic leads, project teams, action plans and accompanying success measures for each of the six flagships. This will ensure all partners are working together towards a coherent set of economic objectives, prioritising resources and delivery where appropriate.
- 5.5 It is important to recognise that the actions prioritised by the LES review are not static, nor do they reflect all activities undertaken by partners in delivering economic development. Successful strategies must remain fleet of foot in responding to new challenges and opportunities; therefore, the action plans developed will be subject to periodic review.
- 5.6 **Communications** on progress against the strategies objectives and actions will be co-ordinated by the Plymouth Growth Board to ensure city-wide buy-in. Individual project communications will be managed on a case by case basis. The Council's Corporate Communications team will work alongside the Economy, Enterprise and Employment team to raise awareness of the opportunities available to the city's residents through particular LES interventions.

Appendix I: Key organisations consulted as part of the review

Careers SW
City College Plymouth
Destination Plymouth
Federation of Small Businesses
Heart of the SW LEP
NHS
Plymouth City Council
Plymouth Growth Board
Plymouth Chamber of Commerce and Industry
Plymouth Climate Change Commission
Plymouth University
Plymouth Business School
Plymouth Social Enterprise Network
Plymouth Culture Board
Plymouth Learning Trust
Plymouth Community Homes
Plymouth Manufacturers Group
Plymouth Community Healthcare
Plymouth College of Art and Design
Plymouth Social Enterprise Network
Plymouth Area Business Council
Social Enterprise – University Enterprise Network
Tamar Science Park
University of St Mark and St John
Working Links
Zebra Collective

Appendix 2: Flagships and Strategic Objectives

LES flagships	Description	Strategic Objectives
Ocean City Infrastructure	<i>Accelerating infrastructure delivery, creating the right environment for growth and investment</i>	<ul style="list-style-type: none"> ➤ Unlock critical infrastructure for marine sector growth and Mayflower 2020 ➤ Optimise the economic potential of the City Centre and Waterfront ➤ Create the conditions for knowledge-based growth ➤ Enhance the city's commercial and residential property offer ➤ Ensure Plymouth is well-connected
Digital Economy	<i>Delivering the demand stimulation and business opportunities to make the most of the city's strong digital connectivity</i>	<ul style="list-style-type: none"> ➤ Unlock barriers to digital connectivity among businesses and residents ➤ Support development and retention of digital skills and entrepreneurs ➤ Exploit new digital technologies and innovations
Business Growth & Investment	<i>Developing a coherent support offer to enable our businesses to become more enterprising, innovative and productive, excelling in global markets</i>	<ul style="list-style-type: none"> ➤ Create an integrated and accessible business support offer ➤ Increase the number of business start-ups ➤ Support innovation and knowledge-based growth ➤ Raise the proportion of city businesses exporting ➤ Attract and support new business investment
Learning & Talent Development	<i>A major civic approach to learning and skills development – driven by individuals, businesses and institutions, and supported by providers and civic society</i>	<ul style="list-style-type: none"> ➤ Drive entrepreneurship and innovation ➤ Match skills with demand ➤ Improve core skills ➤ Prepare for work and address worklessness
People, Communities & Institutions	<i>Harnessing the economic potential of the city's people and communities – connecting them to local assets, resources and support to create employment opportunities</i>	<ul style="list-style-type: none"> ➤ Effective community enterprise and employment support ➤ Support the growth of our social enterprises ➤ Connect businesses and individuals to local procurement opportunities
Visitor Economy & Culture	<i>Building on the Mayflower 2020 opportunity and the city's cultural and visitor offer to raise its profile and reputation in global markets</i>	<ul style="list-style-type: none"> ➤ Raise the profile of 'Britain's Ocean City' in global markets ➤ Grow the city's visitor economy ➤ Unlock the potential of the city's creative sector and cultural heritage