

I. Progress so far

We have continued to make strong progress in 2018/19 in delivery of all areas of the ED business plan, despite a worsening economic climate nationally and internationally. The following highlights are particularly worthy of mention:

- **2018/19 Corporate Plan Performance**

We continue to perform strongly against regional and national measures:

- **Jobs** created and facilitated by the Council: **2584 direct and 3127 indirect**
- **Inward Investment** facilitated by the Council: **£208m**
- **Businesses supported** by the Council: **832**
- Citizens engaged by the Council in our **cultural offer**: **114,500**

- **GVA Growth**

Latest figures (2017) show Plymouth is outperforming the UK, SW and HOTSW in real terms.

- **Plymouth** GVA growth – **+2.5%**
- **UK** GVA growth – **+1.9%**
- **SW** GVA growth – **+1.1%**
- **HOTSW** LEP GVA growth - **+1.3%**

- **Construction FTE Employment Growth**

The Council's focus on directly delivering and funding major capital projects has had a very positive impact on the growth of our construction sector.

- **Plymouth** Construction FTE employment growth 2011 to 2016 - **+24%**
- **National** Construction FTE employment growth 2011 to 2016 - **+4%**

- **Budget Performance**

The ED department will generate £16.9m income in 2018/19 and we are forecasting £18.9m in 2019/20. **We have increased departmental income generation by £10m since 2015.**

Our success in driving income means that our net budget in 2018/19 is just £447k and is forecast to be £45k in 2019/20. When these numbers are adjusted for exceptional items and one offs the ED budget will make a positive contribution to the Council's overall budget of £1.3m in 2018/19 and £925k in 2019/20.

Our current budget monitoring for 2018/19 shows we are forecasting a £672k underspend as a result of better than forecast income generation.

Departmental Summary:	YR1	YR2	YR3	YR4	YR5
	15/16	16/17	17/18	18/19	19/20
	Budget	Budget	Budget	Budget	Draft Budget
	£	£	£	£	£
Gross spend	9,406,317	10,512,459	14,464,251	16,908,703	18,976,124
Gross Income	-8,942,454	-9,692,910	-13,086,709	-16,461,370	-18,932,603
Total Net Budget	463,863	819,549	1,377,542	447,333	43,521

Above Budgets less Exceptional items:					
- Mayflower 2020		-484,609	-339,858	-441,336	-485,129
- South Yard		-100,000	-15,000	150	3,713
- Airport Estate Maintenance			-130,000	-130,000	-130,000
- Support Services 13/14 only					
- One off grant carried forward		-3,106	-1,653,965	-	- 357,426
Net budget excluding Exceptional items	463,863	231,834	- 761,281	-1,344,153	925,321

- **Asset Investment Fund**

Since the establishment of the AIF, 11 investment assets have been acquired which are forecast to deliver a net income of c. £2.9m in financial year 2018-19, (after all finance and property costs), above the MTFs target of £1.6m. It should be noted that in financial year 2019-20 this net figure will fall to £1.4 m as borrowing costs become payable for recently acquired assets.

- **Projects Update**

City Centre

- £150m of City Centre projects now on site - completing: in September 2019 **Derrys** redevelopment (500 student flats and 110 bed hotel), November 2019 **Drake Circus Leisure** (Imax 12 screens and 12 restaurants) and April 2020 **The Box** (11 galleries, shop and café)
- PCC secured the second **House of Fraser** deal in the UK with Mike Ashely working closely with British Land.
- PCC has committed to a £26m enabling package for the **railway station regeneration project**. This will enable a new larger car park, improved concourse, enhanced public realm and improved access. Significant announcements will follow on key development plots in January with start on site in 2019.
- A major City Centre **Public Realm** investment decision planned for early 2019 along with confirmed new investment from **British Land** focussed in Old Town Street/New George Street. A £40m investment package.
- Good progress working with Urban Splash on the **Civic Centre** and a start on site is targeted for 2019.
- We are in close dialogue with the government on the new **High Street fund** announced in the budget and plan to make a substantial EOI in the New Year.

Oceansgate and Marine Technology Business Centre

- **MBTC** - The Marine Business Technology Centre in Oceansgate was launched in December. It is ERDF funded with Plymouth City Council as the lead partner working with the Universities of Plymouth and Exeter, Plymouth Marine Laboratory, Marine Biological Association (MBA). The programme will assist advanced marine businesses to develop new products and technologies offering access to an in-sea test range off Plymouth Sound.
- **Phase 1** - Endeavour House and Endurance Court were completed in May 2018. This £7.7m development will see the creation of 177 jobs and includes both office and light industrial space. Demand from marine businesses for the 26 units has been strong and to date we

have let or have under offer 18 of the 26 units. Tenants currently in occupation include the MCA, Trend Marine and Surejust.

- **Phase 2** - The £13.4m Phase 2 scheme will see the development of four office and light industrial units. Planning approval for the development was received in December with construction due to commence in May 2019 with completion anticipated in the summer of 2020.

Range UK Head Office

- The Range Head Office started on site in 2017 enabled by the Council's proactive land deal. The Head Office and store will open in 2019 creating over 500 new jobs.

Direct Development – 216,000sq ft supporting 543 jobs

The Council is continuing its proactive strategy to provide industrial and office accommodation through speculative direct development:

- **Herder Court Phase 1** – 30,000sq ft, £2.7m high quality employment development, completed July 2015, let to Dartmouth Foods safeguarding 70 local FTE jobs and creating a further 100 jobs.
- **Herder Court Phase 2** – 30,000sq ft; £3m high quality employment scheme - completed October 2018, circa 50% let or under offer to create/support circa 80 FTE jobs.
- **Herder Court Phase 3** – 25,000sq ft; business case under preparation for a further £2.9m scheme to support/create 68 FTE jobs.
- **Broadley Park** – 22,500sq ft, business case approved for £2.6m scheme to create/support 62 FTE jobs, due for completion Spring 2020.
- **Plymouth International Medical & Technology Park** – 19,350sq ft of hybrid industrial and office accommodation. Business case approved for £3.2m scheme to create/support circa 56 FTE jobs, due for completion Summer 2020.
- **Langage** - working with private sector to deliver circa 90,000sq ft of new employment accommodation to create/support circa 245 FTE jobs.

Cultural/Destination Management

- Mayflower programme has now been launched and can be found here – <https://www.mayflower400uk.org/news/2018/november/plymouth-s-2020-mayflower-400-programme-revealed/>
- We hosted the **Arts Council national Council** in Plymouth in September.
- The City council Events team has successfully secured the **Fastnet** for 2019 against stiff competition from France
- The City Council through The Box has secured the **British Art Show 9** for Plymouth in 2021 and recently won the **Frieze Art Prize** for The Box programme.
- The Council has just secured a further £600k from ACE for **'Art of the Possible'** including a major project with the British Museum
- We have successfully got through to the second round of **Coastal Communities** and the **Creative Development Fund** (£1.3m focussed on Mayflower programme and creative industries business support) and expect an announcement on both early in the New Year.
- We continue to work on the refresh of the **Visitor Plan** ahead of adoption in 2019
- We have appointed **The Hub** as **The Box** exhibition fit out contractor and **ISO Design** as AV software provider. Fit out commences in April 2019 and will last 12 months

Co-operatives and Mutual Business Support

Plymouth City Council is the first council in the country to commit to doubling the size of its cooperative economy – helping local people to take more control of jobs, livelihoods and to keep more money in the city; creating the right environment for organisations to be established that are owned and run by their own staff and customers – signalling a return to the city's cooperative's roots. Plymouth City Council has launched its strategic action plan that outlines how we will double the co-operative economy by 2025. The plan focuses on creating the right conditions for co-operative formation, promoting and supporting pathways into co-operation for local businesses/organisations. There is also a specific focus on health and social care in terms of encouraging and supporting co-operative approaches in the wellbeing economy.

Plymouth Science Park

The Science Park completed its £8m phase 5 in 2017 and recruited a new CEO in 2018. The board has adopted a new 5 year strategic plan focussing on the Health and Medi-tech sectors. As part of this process a new London based advisory board has been created bringing experts together from across

the UK. The focus for 2019 is to create a Health campus working with the University and Derriford Hospital.

Fishing sector infrastructure development and support

Following a scrutiny select committee in August, funding has been sought from the EMFF for a study into the infrastructure requirements of the fishing sector along with plans to employ a fishing co-ordinator. In addition a scheme to keep fishing boat crews safer at sea has proved so successful the Council is hoping to expand the project. A total of 250 life-jackets with personal locator beacons were given to people who earn their living at sea and contribute to Plymouth's economy as part of a scheme to help reduce loss of life and accidents within the local fishing industry. The project has cross-party support as well as support from the Inshore Fisheries Conservation Authorities, RNLI, Maritime Coastguard Agency and the fishing communities. The Council was awarded £77,000 from the European Maritime and Fisheries Fund and the Maritime Management Organisation (MMO) to help fund the project which includes personal fitting and training carried out by supplier MarineCo. A second opportunity for applications has been held and the Council received a further 59 applications. A quote for 60 units and the list of applicants has been submitted to the MMO who have welcomed an extension to the original programme.

The Council has received enquiries from several organisations across the UK about how our scheme has worked and we have shared information which has been well received

Pipeline

- We continue to work on the following schemes: **Colin Campbell Court regeneration, Bath Street housing scheme, Quality Inn, Civic Centre, Range Head Office, Elizabethan House refurbishment, Melville, Railway regeneration**
- We are currently working on a significant public sector relocation and hope to be able to update further in the New Year.

2. Key actions remaining

There are a few outstanding actions/millstones targeted for quarter 4 including:

- Range Head Office topping out ceremony and store opening
- Drake Circus Leisure topping out ceremony
- New George Street and Old Town Street co-investment with British Land
- Appointment of Fishing co-ordinator

- Adoption of refreshed Visitor Plan
- Langage Phase 3 Business case approval
- Announcement of Cultural Development Fund
- Announcement of Oceansgate Phase 2 contractor

3. Focus 2019/20

The ED Business plan was written as a 3 year plan and our focus will therefore remain on our 5 objectives and our 16 star projects listed below. However our priority in 2019 will be preparing fully for the Mayflower celebrations and new attractions opening in 2020.

1. Economic growth that benefits as many people as possible
2. Quality jobs and valuable skills
3. Increased investment
4. Enhanced vibrant cultural & visitor offer
5. Driving income & funding
 - a. *Co-operatives and Mutuals Action Plan*
 - b. *Co-operative Business Investment Fund*
 - c. *Fishing sector infrastructure development and support*
 - d. *Oceansgate*
 - e. *Plymouth Science Park*
 - f. *Direct Development*
 - g. *Range HQ*
 - h. *City Centre Developments*
 - i. *Hotel Development*
 - j. *Plymouth Station*
 - k. *Mayflower 400*
 - l. *The Box*
 - m. *Mount Edgcumbe*
 - n. *Visitor Plan refresh*
 - o. *Growth Dividend*
 - p. *Asset Investment Fund*