

# Executive Summary

## Plymouth: City of Opportunity

*“By 2020, Plymouth will be one of Europe’s finest, most vibrant waterfront cities, where an outstanding quality of life is enjoyed by everyone, where all can be “healthy, wealthy, safe and wise”.*

The Local Development Framework (LDF) and Local Transport Plan (LTP) provide the strategic framework for the spatial development of the city. This economic strategy identifies the key economic development priorities which are necessary to deliver the step change in economic performance to 2026.

In moving towards this Vision, the Plymouth Local Economic Strategy seeks to realise the following aspirations:

- A highly competitive City, well recognised and branded on the global economic stage;
- A City with a balanced, diversified and knowledge intensive business base;
- A City Region with well connected and inclusive communities;
- A City with an adaptable and skilled workforce which is constantly learning;
- A City where strong stakeholders and agencies work effectively together to deliver shared priorities;
- A City where a genuine commitment to sustainable development reinforces a set of unique environmental assets.

The Vision for Plymouth is nothing less than Plymouth becoming the **best** it can be.

## Plymouth: City of Ideas

The “city of ideas” is a central concept within the economic strategy. By 2020 Plymouth will be distinguished by a set of key physical and economic features, by a particular social and economic mix and by a specific cultural climate and a set of culturally-held values. The key features will include:

- Knowledge creation (world class university and technology transfer infrastructure);
- Good skills levels throughout the workforce;
- Cluster(s) of growing knowledge industries;
- Transport links (especially airport with high connectivity) both to and within the city;
- Quality of life (good service/cultural industry presence);
- Effective local leadership (local government and other agencies);
- Appropriate degree of political and economic autonomy (cash, planning, strategic decisions, etc)

To achieve these goals requires strategic thinking, in which the locational, knowledge and cultural assets of the city are viewed as a whole.

## **Plymouth's assets**

Plymouth has many positive factors on which to build, most notably an outstanding natural waterfront setting and a new and exciting physical vision for the city centre (the Mackay Vision). These assets together with a growing education infrastructure and established specialisms in Advanced Manufacturing, Medical Sciences, Arts and Creative industries (e.g.: Plymouth Arts Festival), Sustainability and Environmental sciences, and Marine Sciences (e.g.: Plymouth Marine Institute) provide a platform to achieve the City's vision. The University of Plymouth is a key driver for the expansion of the City's knowledge economy and a critical influence on the future economic prosperity of the city. Private sector investment in the City is also increasing, as demonstrated by the successful track record of Tamar Science Park and its impact in clustering high value added, knowledge intensive businesses. The challenge is how to scale up from this base and provide similar incubation and start up space located in close proximity to other centres of intellectual capital.

## **Plymouth's challenges**

At present Plymouth is a fragile and underperforming economy. Plymouth must improve its economic performance, become more competitive and diversify its economic base in order to raise incomes and tackle economic and social exclusion. It must provide a more supportive culture for its business community and intellectual property, and provide the opportunity for small and medium sized companies to flourish without having to leave Plymouth to do so. It must change its perception of peripherality through better connectivity with other core cities and regional urban centres in Cornwall and Devon, improve its image by promoting its cultural drivers and the City's attractions as a place to live, work and play.

## **The Economic Strategy**

EDAW Plc and PriceWaterhouseCoopers LLP were commissioned to produce a new long-term economic strategy and action plan for the Plymouth sub-region to ensure that it can deliver a step-change in economic performance to dovetail with the City's new spatial planning vision.

The overarching aim of the strategy is to achieve a significantly improved competitive position for the city of Plymouth and to transform it into a competitive, diversified, balanced and well-connected economy. A city where strong leadership drives economic success whilst ensuring development remains inclusive and sustainable.

The Plymouth Economic Strategy identifies seven critical success factors that will be essential to bring about economic transformation and success, these are:

- Productivity & Competitiveness
- Business & Enterprise
- Knowledge & Technology
- Skills & Learning
- Key centres
- Participation
- Leadership

These factors are determinants of economic performance in all cities and will become Plymouth's indicators of success over the next decade.

## Proactive Interventions

The Plymouth Economic Strategy responds to these critical success factors through a series of themes and the Strategy's value added is rooted in the interaction of key ideas across each of the themes. The most important ideas suggested by the Plymouth Economic Strategy are:

1. **Focus on key sectors for which Plymouth has competitive advantage:** Six priority clusters have been defined by Plymouth Business Growth as the means to building on Plymouth's competitive advantages. Our assessment of these sectors has suggested that the original Plymouth Business Growth Strategy choice of sectors remains valid, but:
  - Special priority should be given to financial and business services, creative industries, and tourism and leisure in terms of new investment/job prospects;
  - Public sector relocations should also be included as a key target sector;
  - The advanced engineering, marine industries, and medical and healthcare sectors are important but primarily from the viewpoint of retaining and expanding the existing economic base.
2. **Establish a clear brand and marketing strategy for Plymouth tailored to different target audiences:** The Action Plan identifies two areas in which Plymouth should focus its branding and marketing efforts. The first is the Plymouth High Technology Hub to help target the investor offer at high tech and knowledge based sectors. The second is Plymouth: the national events capital, an initiative that will position the marine and lifestyle assets of the city as a cornerstone of a brand, which promotes national and international visiting and event tourism.
3. **Increasing levels of entrepreneurship through an Economic Strategy branded investment fund and competition:** Entrepreneurship is an essential part of any competitive and sustainable economy. The strategy suggests the creation of Plymouth's Dragons' Den – a branded investment fund that would help to stimulate the rate of new business ideas coming forward and promote Plymouth as a more entrepreneurial city.
4. **Encourage Market Focused Research & Development (R&D):** Plymouth should use its large education and skills infrastructure to encourage innovation and a more market focused research base. Fostering relationships between private sector companies and investors and the academic research base can help to move more research into commercial products and processes.
5. **Enhance the tourism offer:** Plymouth needs to build on its waterfront location and heritage but also attract flagship marine initiatives and 'high quality' branded schemes that would step up the quality of tourism and leisure facilities in Plymouth. Additionally, it has to link with the city's marketing efforts to make sure that there is a link between what is actually communicated and what is really on offer from a tourism point of view. The potential measures to improve Plymouth's tourism offer include:
  - Encourage the development and awareness of a greater breadth of heritage attractions;
  - Improve linkages between the waterfront and the rest of the City;
  - Promote a regular international festival of the sea and attract national marine events;
  - Encourage improvement and expansion of the hotel stock (attract branded chains) and investigate the opportunities for developing conference facilities.
6. **Develop Plymouth's property offer, and in particular enhance the office accommodation to support business services:** The focus should be around developing a rolling programme of investment in advanced office schemes, linked closely to the regeneration programme. Three types of office are likely to be required: multi-occupancy offices (e.g. 30,000 - 50,000 sq ft with scope for sub-divisions of say 5-10,000 sq ft), standalone offices of 10,000 - 50,000 sq ft and

serviced offices of 1,000 - 5,000 sq ft. The waterfront area, particularly Millbay, the City Centre, Sutton Harbour and Derriford represent the best opportunities to deliver the necessary range of office accommodation.

7. **Transform Plymouth into a true 'learning city'.** Building on Plymouth's relatively large learning infrastructure and expanding it to promote specialized research in key sectors and increase high level academic research and post graduate learning. In parallel to this the strategy proposes a substantial uplift in the provision of community learning and outreach in disadvantaged areas, as well as extending the school campus agenda to tackle the skills deficit below NVQ3 level.
8. **Achieving well connected complementary growth.** Plymouth will bring about a step change in economic performance by encouraging well connected mutually reinforcing economic centres. The strategy promotes the complementary development of the two primary economic centres, the City Centre and Derriford, through better connectivity, high quality speculative office accommodation at Millbay and high quality mixed used development on waterfront locations.
9. **Achieving effective and unconstrained participation in the labour market.** Achieving inclusion for all communities and high levels of economic activity across the City requires highly targeted action based on a first class evidence base. The development of the City Observatory will revolutionise the collection, use and sharing of information by all partners to enable better and more effective intervention. This will be underpinned by the development of a Skills Board to ensure access and take up of basic skills across the City and a new approach to tackling economic inclusion through mobile multi-agency teams.
10. **Establish a new Local Delivery Vehicle (LDV) for Plymouth:** The strategy proposes a City Development Company that would oversee the implementation of the new Plymouth Local Economic Strategy and the long term realisation of the City's regeneration objectives. The delivery vehicle will focus on delivery not strategy and will:
  - Give the private sector a driving, rather than advisory role in the regeneration of the City;
  - Secure and maximise the effectiveness of infrastructure and other public sector investment;
  - Harness development benefits (and value where appropriate) that can be used to support investment in infrastructure and realise other community benefits;
  - Champion economic development at a City region level;
  - Secure effective engagement of partners and stakeholders, and align their investment programmes, behind an agreed set of priorities; and
  - Attract new private and public/private investment partners into the city and maximise benefits to the city from regional funds, UK state aid and European programmes