PLYMOUTH'S PLAN FOR ECONOMIC GROWTH

2020-2025

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POLICY CONTEXT

As 2020 approached, Plymouth City Council (PCC) undertook a review of its **Local Economic Strategy (LES)** for 2014–2019 and started work on the new Strategy. At the start of 2020, work on the LES to cover the five years from 2020 was nearing completion. Final amendments were being made, including an increased focus on the Climate Emergency, when the Covid-19 pandemic struck. Work on the new LES was brought to a halt as the focus switched to dealing with the immediate impact of the pandemic on the city. Over the spring and summer of 2020, PCC worked with stakeholders across Plymouth to design an economic recovery plan that would first stabilise and then build back a more inclusive and resilient economy. The result is **Resurgam.**[1]

Resurgam has two objectives a 'strong recovery' and a 'better future'. These are underpinned by six key pillars:

- **Build 4 Plymouth**: We can help stimulate recovery by accelerating big construction, building and infrastructure projects that will create jobs and build foundations for future prosperity.
- **City centre renaissance**: Covid-19 has accelerated existing trends, the clear direction of travel is towards a mixed-use city centre and a more locally distinctive offer for all the people of Plymouth.
- **Recovery beacons**: These are the transformational projects that will symbolise our recovery and set the direction for positive change in the local economy and life of the city.
- **Sector action plans**: Every sector will have unique challenges. We have set up sector taskforces to work with sector leaders and groups to deliver focused and tailored support.
- **Skills 4 Plymouth**: We need to help our people to gain the skills they need to meet the demand of our local employers and sectors as an aid to recovery and to address future skills demands.
- **Spend 4 Plymouth**: By focusing on the importance of spending our pounds in Plymouth and maximising the benefits generated from our spending, not only to the economy, but to the society and environment (Social Value) in Plymouth we can support local jobs and grow our City.

The pillars are central to the delivery of Resurgam. For example, working through the Resurgam Sector Hub, and led by our external Sector Stakeholders, we are supporting the delivery of individual action plans for each of our 11 key economic sectors to support recovery and growth. This means individual plans for retail, defence, health and care, marine, manufacturing, digital, creative industries, tourism and hospitality, construction and built environment, transport and distribution and fishing. We are proud of our strong base of existing Plymouth partnerships across these sectors and will work together to assess, identify and deliver the support that each sector needs.

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[1] https://www.resurgam.uk/

Moreover, supporting the local economy has been at the heart of the Council's Procurement policy for a number of years but in light of the pandemic the Council has committed to increase its level of local spend by an additional 10% over 2 years and to consider social value in all its Procurement activity. Through Spend 4 Plymouth the Council has challenged public, private and third sector partners across the City to do the same and is collaboratively implementing a number of initiatives to make it easier for Plymouth buyers to buy local, increase opportunities for Plymouth suppliers and maximise social value. Initiatives include: uniting organisations behind a **Resurgam Charter**, publishing a public sector capital pipeline, delivering programmes of training for buyers and supplier, ensuring policies and procedures are accessible, flexible, efficient and local and SME supplier friendly and setting up a Plymouth Supplier Directory. It is the intention that whilst many of these initiatives were conceived in light of the pandemic, they will form the basis of future local economic Procurement strategy.

The role of the Resurgam Charter is central to our aim to 'Build Back Better', growing a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of all the people of Plymouth. The recently launched Charter is building on the six pillars with five new action areas:

- Spend – 'Buy locally and to benefit our city';
- Upskill – 'Support everyone to develop their skills, helping them access great jobs and live fulfilling lives'
- Environment – 'Be environmentally responsible, responding proactively to the Climate Emergency'
- Employ – 'Provide fair, flexible work opportunities that enable everyone to thrive'
- Community – 'Support community activities to improve quality of life'

Since the summer of 2020, Resurgam has been driving forward Plymouth's response to and recovery from the impact of the pandemic. At the start of 2021, we have turned our attention back to the LES and have aligned the strategic intent of the LES with the economic recovery of Resurgam. The Strategy that follows addresses the needs of the local economy prior to the pandemic and aligns it with our goals as we emerge from the pandemic. The LES that follows is the successor to the Strategy for 2014-2019.

In spite of the pandemic, the challenges faced by Plymouth prior to the pandemic remain. Therefore, improving **Productivity** with a focus on the six **Flagships** remains the main driver of the current LES, aligned to delivering Resurgam. In aligning the strategy of the LES with the operation of Resurgam, it is important to take stock of the economic recovery at regular intervals. This must also reflect the growing impact of the Resurgam Charter and the need to reengineer the economy so that Low Carbon and Inclusive Growth are not simply policies, but fundamental and key objectives of the local economy. For this reason, we are committed to a mid-point review of the LES. This will commence in the second half of 2022 for adoption in the first half of 2023. A full refresh will take place in 2025 for the next five-year period commencing in 2026.

EXECUTIVE SUMMARY

As a coastal city and the largest urban area south of Bristol, Plymouth is home to a thriving and established advanced manufacturing, marine, and defence industry, and to a young and fast-growing digital and creative sector. It is a place with enormous potential in its distinctive natural and cultural assets, its businesses, and its people, and it is on the cusp of transformational change.

The city has seen significant regeneration over the course of the 2014-2019 Local Economic Strategy, driven under the vision of Britain's 'Ocean City'. Mayflower 2020 has been a powerful catalyst for this growth, celebrating and promoting the city's connection to the Ocean – the opportunities that this brings for business, as well as the quality of life and the cultural heritage that attracts visitors and prospective workers, and that our residents can enjoy. The benefits of our projects are only beginning to show, and we aim to capitalise on the work set in train by the previous LES to deliver lasting, transformational change that: enables our businesses and our people to thrive in a changing, data-driven economy; builds the resilience in adapting to new demands; ensures that economic benefits are felt by everyone; and supports the city's carbon neutrality (by 2030) objective, and HotSW's related Clean Growth ambition to decouple emissions growth from economic growth and establish a national Clean Growth trailblazer.

These are benefits arising out of the commitment to deliver lasting and transformational change. Recently, the Covid-19 pandemic has had a significant impact on the nation, leading to changes in the approach taken by Government and HotSW LEP through their 'Build Back Better' strategies and locally, through the City's economic recovery plan, 'Resurgam'. Resurgam is the recovery strategy for Plymouth but within this it has many elements which look to create lasting benefit to the city. The six pillars of Resurgam address elements from procurement and local spend through Spend 4 Plymouth and the Resurgam Charter to specific Sector Action Plans. Our LES has aligned closely with the strategic intent of Resurgam to create lasting benefit to the city's economy. This strategy incorporates the work done through the Covid-19 pandemic whilst acknowledging the pre-existing challenges faced by Plymouth.

The six flagship interventions are the delivery method for the strategic objectives and are underpinned by the cross-cutting themes of sustainable development and Inclusive Growth. Within each flagships are priority interventions which highlight the areas of greatest challenge and opportunity for Plymouth.

Productivity helps define both the scope for raising living standards, and the competitiveness of an economy. Over the long term, increased productivity is the key determinant of economic growth and, together with higher, and better quality employment, is the primary route to higher living standards. Productivity is, therefore, the main focus of this Strategy. This Strategy outlines our vision for economic growth, setting out our challenges and opportunities, and the strategic direction we aim to follow in driving **productivity** and **prosperity** for all, as we emerge from the Covid-19 pandemic and redouble our efforts to become carbon neutral by 2030. At the heart of this are the needs of our businesses whilst, at the same time, we aim to maximise the returns to business growth and investment on our environment and our communities and encourage **sustainability** and **Inclusive Growth**.

Our objectives, at a glance:

PRODUCTIVITY & PROSPERITY

BUSINESS

Improve business competitiveness and resilience, innovate, and reach new markets

Attract high-value business investment

Encourage (social) entrepreneurship and scale-up growth, through tailored business support

Enhance local supply chains and connect SMEs to high-value opportunities

Improve business resilience and support sustainable growth in changing, data-driven and creative knowledge economy

Ensure business activity is environmentally-responsible and supportive of Clean Growth

INCLUSIVE GROWTH

Ensure economic benefits are felt by all members of our society

Connect local residents to employment opportunities, making access to high-value jobs equitable for local residents

Prepare local residents for the jobs of the future

Promote fairer pay

Lead by example in public procurement, growing engagement with Plymouth SMEs and micros, and promoting social benefits

Promote citizen responsibility towards the environment

INFRASTRUCTURE

Commercial capital & land

Transport

Housing

Cultural capital

Strategic capital – HMNB, historic assets

Natural capital & the environment

Digital infrastructure

PEOPLE & SKILLS

Grow and upskill existing pool

Match with employer demand

Prepare for jobs of the future

Encourage (social) entrepreneurship

Attract new talent

CULTURE & HERITAGE

Enhance and promote the 'Ocean City'

Grow our visitor economy, through a year-round visitor offer

Improve the quality of life and connect communities

Promote citizen engagement and a sense of pride in our heritage

INTRODUCTION

Plymouth is one of the UK's key cities and the most significant urban agglomeration of the far South West. As Britain's Ocean City, few places can rival its rich cultural, natural and built assets.

Compared to other city economies, our industrial base has traditionally been described as being comparatively 'light' on higher value knowledge-based sectors, and 'heavy' on public sector. In addition, rates of productivity have generally been lower than average across most of our industries, and Plymouth's productivity in 2019 stood at 86% of the Great Britain average. The 2014 LES Review has therefore focused on productivity-led growth, and this is no less important today.

Regionally, and nationally, the productivity underperformance has 'puzzled' policy-makers, and this was first addressed in the UK's Industrial Strategy, as well as through the development of Local Enterprise Partnership (LEP)-led Local Industrial Strategies (LIS). This work has been continued in Government's revised approach to economic growth, following the COVID-19 pandemic and the regional "Build Back Better" plan developed by HotSW LEP and the HotSW Joint Committee, which this strategy for Plymouth identifies with.

Our approach to driving economic growth in Plymouth is centred on the needs of our businesses. **Under the strategic direction of the newly refreshed Plymouth Plan to 2034, and in line with the Plymouth and South West Devon Joint Local Plan to 2034, the Plymouth Visitor Plan 2020 – 2030, and the STEM Plymouth Strategic Plan 2016 – 2022, this Plan for Plymouth's economy seeks to address the needs of the city's businesses in a sustainable and inclusive way that benefits all members of our society. It also reflects the immediate response to the Covid-19 pandemic, through the Resurgam economic recovery plan and the aligned Sector Action Plans**. At a high level, it seeks to **improve firm-level productivity** across our 'long-tail' of businesses; **support our scale-ups**, as well as our existing high-productivity businesses and sectors to achieve their economic potential and compete internationally; and **attract additional high-value investment** to the city.

Our Plan aligns with regional and national priorities, as set out in the **Heart of the South West Productivity Strategy**, its **Local Industrial Strategy** and **Build Back Better plan**, as well as the **Great South West** partnership's vision and **the UK's national Plan for Growth to 'Build Back Better'.** The Plan therefore aims to address the Government's three pillars of investment (infrastructure, skills and innovation) and the Transformational programmes of the regional Build Back Better plan, by working in partnership with others that face similar challenges to us and complement our industrial strengths. It will also aim to ensure that economic growth benefits our communities, and we will commit to supporting the **Inclusive Growth** agenda alongside the productivity agenda of this flagship, through: **support for our low-productivity sectors** such as tourism, social care, or fishing; **targeted support for our social enterprises, cooperatives, and mutuals**; **supply chain development**; and **the creation of high-paid jobs**.

To close our productivity gap with the UK average and maximise the benefits to our community, the city needs to create a strong and vibrant business culture characterised by high rates of start-ups and investment (both amongst our existing businesses and by those choosing to locate here), where our most aspirational and 'cutting-edge' businesses are able to develop new products and exploit new market opportunities internationally. To support this, businesses need the right climate where advice, intelligence and networks are available to help them make informed decisions about their growth ambitions; and they need the right infrastructure and skills base to enable them to thrive. This is important for businesses of all shapes and sizes – SMEs and micros, which make up the bulk of the city's stock, and larger businesses which – although smaller in number, make a significant contribution to our employment[2].

This Plan will build on the achievements of the previous LES, and will go further to ensure an economy resilient and prosperous. We will also work to increase our profile in our key sectors of competitive advantage and cutting-edge technologies, so as to create a re-enforcing image for Plymouth as a place to invest in.

The city has seen many exciting changes over the last few years, and the benefits of our work are just beginning to show. The latent potential of our people and assets is vast and presents businesses with a wealth of opportunities.

The purpose of this Plan

The Plymouth Local Economic Strategy (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. For the public sector, it describes how, by overcoming market failures, it can create the right conditions for sustainable growth and development. For the private sector, it provides clarity about local priorities and the economic challenges and opportunities that exist.

In short, the LES sets out Plymouth's shared economic priorities, providing a clear framework to guide and influence activity, resources and investment. **This Plan outlines how we will deliver economic growth and prosperity for the City of Plymouth, as our contribution for the next 5 years to the vision of the Plymouth Plan.**

Why it has been refreshed

This Plan, as a successor to the LES, will continue to be led by the Plymouth Growth Board (PGB) and project managed by Plymouth City Council's Economic Development service. The Plan development was prompted by several key drivers:

- The LES 2014-19 has primarily been delivered. We must now look towards the future.

[2] Businesses by employees: Sole Traders (0 employees); Micros (0-9 employees); Medium-sized (10-249); Large (250+)

- To serve as our alignment and contribution to the Heart of the South West (HotSW) LEP Productivity Strategy, HotSW Local Industrial Strategy (LIS) developments and HotSW 'Build Back Better', as well as to the Great South West vision and the UK Plan for Growth, 'Build Back Better'.
- To serve as our commitment to integrating Inclusive Growth into policy and strategy development.
- To integrate the strategy of the Plymouth Plan and the Plymouth & South West Devon Joint Local Plan into the LES;
- To ensure Plymouth can meet its commitments to achieve carbon neutral status by 2030;
- To deliver the Resurgam economic recovery plan, as we emerge from the Covid-19 pandemic
- To align with emerging strategies such as the Plymouth Culture Plan or the Plymouth Visitor Plan.

Refresh – Refocus – Reenergise

Our Plan considers that, broadly, the city's Local Economic Strategy (LES) remains a strong basis for economic development in Plymouth in terms of its overall vision, long-term economic drivers and strategic priorities. It does, however, recognise that to have the greatest economic impact, it needs to refocus the delivery end of the strategy on a smaller number of transformational interventions.

It details both challenges and opportunities for the city's economy. While much progress has been made, Plymouth continues to experience a 'productivity gap' with other stronger performing city economies, and is therefore yet to fully realise its potential as the urban driver of the wider south west peninsula. The Covid-19 pandemic has affected this progress, however, the ongoing 'productivity gap' remains the greater concern over the longer term. While significant strides have been made to build diversification and resilience into the Plymouth economy, there is still an over dependence on the public sector for employment. Since the financial crisis, the number of public sector jobs in the city has steadily decreased. Since employment reached near full-employment levels during the post-recession recovery, employment growth has slowed. Plymouth's future growth potential therefore is more likely to lie in productivity led growth with a focus on the 'quality' of the jobs created. This means increased private sector jobs over public sector jobs and the creation of more high-productivity jobs; it also means improving business products and processes, innovating and competing on a larger scale.

Therefore, at the heart of this Plan are the overarching objectives of raising average productivity across the city's sectors, and rebalancing economic activity in favour of business investment and exports. The review acknowledges significant areas of opportunity. In spite of the Covid-19 pandemic, Mayflower 2020 has been a catalyst 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.

STRATEGIC OVERVIEW

In creating a more thriving economy, Plymouth needs to continue to play to its strengths. It needs to take account of what makes the city 'stand out' in an increasingly crowded global marketplace to foster and attract enterprise and investment. Our **vision** remains the same. The previous vision had an exclusive focus on the opportunity presented by Mayflower 2020 as a major milestone in the reinvention of Plymouth as Britain's Ocean City. **We will now look beyond 2020, to continue to build on this legacy and on our maritime heritage, and develop Plymouth as a cultural, innovative and creative city that delivers growth and prosperity for the people of Plymouth.**

OUR VISION

'Britain's Ocean City: One of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone'

The LES set out a series of **flagships** through which our strategic objectives were aimed to be delivered. This structure is retained by our renewed Plan. Supporting each of these flagships are a set of **strategic objectives** to guide our interventions, and a set of **actions** which will be subject to regular review to ensure the delivery of our ambitions remains flexible and responsive to both opportunity and need.

By 2025, we will have delivered an exciting package of flagship interventions to help raise our competitive position:

OUR SIX FLAGSHIPS	
Inclusive Growth	Ensuring growth in prosperity is achieved in a way that reduces inequality, and is sustainable
Ocean City Infrastructure	Accelerating infrastructure delivery, creating the right environment for, and accelerating growth and investment
Business Growth & Investment	Developing a coherent support offer to enable our businesses to become more enterprising, innovative and productive, excelling in global markets
Defence	Capitalising on our strategic strengths and innovative defence capabilities to safeguard Devonport Naval Base and Dockyard's economic role, and promote Plymouth as a leader in cutting-edge defence manufacturing, autonomy and cybersecurity, and maximise the benefits to the wider economy.

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
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

Underpinning our flagships will be a commitment to **sustainable development and Inclusive Growth**. 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. We also recognise the importance of making sure that the opportunities created by economic growth are shared fairly among the city's residents.

Priority Interventions

Within the flagships, our review has identified a number of areas of challenges and opportunities which should be given the highest priority for delivery. These are:

Business Support to Start-up and Grow

Plymouth has a high proportion of SMEs and micro businesses, and has traditionally struggled on measures of business competitiveness and innovation. Plymouth's business start-up rate relative to the city's working age population is nearly half the UK average, and the total business population in Plymouth has grown 17% between 2011 and 2018, compared with 28% nationally. Plymouth has also traditionally suffered from a high dependency on its public sector, with private sector growth lagging. To improve the city's resilience to outside economic shocks, there is a need to drive high-value private sector growth, productivity, and innovation. The city's HEIs could play a significant role in this, if ideas could be turned into solutions. In addition, there is a need for a visible eco-system of physical and virtual support for new entrepreneurs.

Effective management, driven by solid business planning, drawing on networks of business peers and leaders in the industry, and engaging in 'growth' behaviours, such as exporting and innovating is key to driving firm-level productivity. A coherent and accessible business support provision that businesses can tap into for access to finance, exporting, engagement with HEIs to find market solutions, or simply to create a business plan, is key in supporting the bulk of our business community to realise their productive potential, and would be a channel to address Plymouth's long-standing poor business survival rates beyond 5 years of activity. As it stands, business support via our Growth Support Programme has had low take-up rates, though higher than in other parts of the region, the cause of which we need to understand through direct feedback from businesses.

A recent mapping study carried out across the Heart of the SW LEP region has identified a number of 'scale-up' businesses in our city, with ambitious plans and potential for growth, which can be strategically supported to reach their potential. An on-going awareness of who these businesses are, as well as their needs and the barriers that they are facing locally, would go a long way towards understanding both the potential, and the challenges of our business environment. Linking in with the Heart of the South West Growth Hub, we aim to help these high-value businesses take advantage of the opportunities that become available in the city, encourage them to work with our HEIs to bring ideas to market and create constructive and positive disruption to industry, encourage cross-sector collaboration with our marine, defence, and health opportunities, and support supply chain development across all sectors of our economy.

Strategic Infrastructure and Connectivity

A fit-for-purpose strategic and commercial infrastructure that is responsive to evolving business needs can be a key enabler for business growth; the lack of it, on the other hand, can be a significant barrier to business. Having a sufficient supply of employment land lowers rents and attracts investment, and is a minimum requirement if the city is to grow. The retail revolution demands the urgent re-imagining of local high streets, the mix of uses, and the role of city centres. Within this, we need to consider Plymouth's role as a regional shopping and leisure destination, and ensure that our accommodation offer also caters for visitor demand, and increase the availability of quality hotels. At the same time, whilst reviving and adding vibrancy to the city centre and the waterfront is key to improving the destination and leisure offer for outside visitors, as well as for our residents, reducing dependency on this part of the city for leisure and events is also key to accommodating for population growth in other parts of the city, such as the northern corridor.

In addition to growing the employment and retail land, housing is also key to accommodating growth and improving affordability. A suitable housing supply is also a key consideration for attracting workers, and there is a particular need to cater for the high-skilled workers that our businesses desperately need.

Moreover, our transport connectivity with the rest of the region and the country has been a challenge to both the movement of goods, and the movement of people – and has been a significant focus of regional asks and strategies. The re-development of the Plymouth Railway Station (Brunel Plaza) will, therefore, be key in unlocking city and regional productivity.

Whilst our digital infrastructure has so far had one of the highest coverage in the country, with 90% of premises currently achieving up to 300Mbits/s and above, we must continue to keep up with the digital revolution and continue to upgrade our infrastructure to respond to evolving business needs. We must also encourage digital utilisation and investment in new technologies, which has traditionally been low in the city. To an extent, this can offset the barriers to productivity stemming from poor transport connectivity; however, both play a significant role to business competitiveness and to attracting business investment. Our recent successful bid for Local Full Fibre Network roll-out across Plymouth's public sector sites will be a catalyst for private sector investment in gigabit-capable connectivity, lowering costs for our businesses. Going forward, we must keep ahead of the curve with continuous investment in our digital infrastructure in order to enable our businesses to innovate and adopt Industry 4.0 technologies, and compete on international markets.

Inclusive Economy

Productivity is closely linked to household income and measures of wellbeing such as health and education. Traditionally, increases in productivity are reflected in an increase in real wages. However, research shows that productivity is beginning to uncouple from wage growth, particularly where low wages have stagnated and workers in lower paid occupations increasingly compete with machines.

Inequality is a major and growing challenge to Economic Growth and sustainability in many cities. While inequality challenges often materialise as persistent low wages, low productivity and below average hours worked, the underlying causes are complex and inter-related. Issues of equality, connectedness, opportunity, health and market failures can be self-perpetuating and difficult to overcome at both the individual and strategic levels.

Inclusive growth expands the notion of economic policy, incorporating investment in social infrastructure—including education and skills, affordable childcare, physical, mental and public health—as drivers of prosperity. It will require businesses and civic organisations to work together to create stronger institutional foundations in our towns and cities. The creation of quality jobs are at the heart of this. Local businesses need to be directly engaged by local anchor institutions (universities, hospitals, colleges and other major employers) to drive up productivity and stimulate demand, particularly in the low-paid sectors such as hospitality, care, warehousing and logistics which constitute much of the long tail of low productivity in the UK. At a local level, this means an approach based on: deep understanding of local assets; connecting people to quality jobs; resourcing place regeneration as well as business investment; and helping businesses keep ahead in the context of the UK's exit from the UK.

In Plymouth, economic deprivation is often associated with the communities of the 'western arc' but even within these, an above average turnover of residents, can make it difficult to see the benefits of positive interventions beyond the personal journeys of individuals. The Centre for Progressive Policy (CPP) Inclusive Growth Index sees Plymouth ranking as one of the least inclusive local authorities in the UK, as well as within the Heart of the South West LEP area. According to the 2019 Index for Multiple Deprivation, Plymouth also has 28 LSOAs (lower super output areas) in the most deprived 10% in England. These LSOAs are home to 46,075 residents (17.6% of the population). At a local authority district level Plymouth ranks 64th (out of 317) using the average score summary measure. This places Plymouth within the 20% most deprived districts in England.

While employment has been relatively high in Plymouth, the quality of jobs and the upskilling of occupations to more knowledge-intensive roles (particularly for those roles at risk from automation) are ever-more important in driving not only productivity and wages, but also a high sense of financial security, participation in the labour force, life satisfaction and wellbeing amongst our residents. Better jobs, improved infrastructure, learning and talent development and thriving specialist sectors across the city need to systematically address the challenges of inequality so that the benefits of economic growth are felt by everyone. Unless no-one is left behind, everyone is less prosperous than they could be. By moving away from a "grow now, redistribute later" approach, Inclusive Growth can create the conditions for broad-based productivity and prosperity, and "make the economy work for everyone."

Finally, in recognition of the importance of an inclusive economy, the Resurgam Charter[3] was launched in March 2021. Supporting the 'build back better' agenda, the Charter's aim is to grow "… a prosperous economy that reduces inequality, is sustainable and truly serves the wellbeing of all of the people of Plymouth." Individual businesses and projects can sign up to the Charter and use the Resurgam Chartermark to demonstrate commitment to Plymouth. The Charter has five action areas:

- Spend – buy locally and to benefit the city;
- Upskill – support everyone to develop their skills, helping them access great jobs and live fulfilling lives;
- Environment – be environmentally responsible, responding proactively to the Climate Emergency;
- Employ – provide fair, flexible work opportunities that enable everyone to thrive;
- Community – support community activities to improve quality of life.

Oceansgate

Our work on the Peninsula City Deal has evolved over the recent years, promoting Plymouth as the UK leader in marine manufacturing. The unlocking of South Yard has led to the development of 'Oceansgate', which occupies a 35 hectare site on the southern edge of Devonport Dockyard, one of the largest dockyards in Europe. It is a unique complex of industrial buildings and docks for commercial use, with direct deep water access to the English Channel and an unrivalled location for a wide range of marine businesses. It is co-located with the luxury yacht manufacturer Princess Yachts International, and adjacent to one of the largest marine companies in the UK, Babcock Marine. The site will provide 25,000 sqm of flexible employment space for the marine and advanced manufacturing sectors, under the umbrella of the first exclusively marine Enterprise Zone in the UK.

Oceansgate also houses Plymouth's new Marine Business Technology Centre (MBTC), which represents a major new collaboration between Plymouth City Council, Plymouth University, Exeter University, Plymouth Marine Laboratory and the Marine Biological Association (MBA). The MBTC will support marine businesses to innovate and test 'near to market' products by providing seamless access to 'in sea test' facilities in Plymouth Sound and to the expertise of the various knowledge partners. The aim of the project is to place Plymouth at the forefront in the development of new technologies such as; marine autonomy, alternative propulsion, sensors and instrumentation, and advanced manufacturing. This can only be enhanced by the creation of a 5G network within the inner Plymouth Sound. The recent designation of Plymouth as one of the UK's eight new Freeports will also provide considerable opportunities for businesses located in and around the City.

[3] https://www.resurgam.uk/resurgam-charter

Freeports have been established by UK Government as "secure customs zones located at ports where business can be carried out inside a country's land border, but where different customs rules apply. They can reduce administrative burdens and tariff controls, provide relief from duties and import taxes, and ease tax and planning regulations."[4] Following the announcement in the March 2021 Budget that Plymouth was one of the new Freeports, work is now underway with partners to launch the 'Plymouth and South Devon Freezone' in 2022. The new Freezone will directly target key growth areas such as marine manufacturing, wind and wave energy and marine autonomy. It will generate thousands of new jobs and over £100 million pounds of new investment over the next 10 years, bringing long-term benefits to the local economy.

Creative & Cultural City

Plymouth is home to an eclectic and diverse cultural and creative industries sector, which includes creative and digital media, audio-visual, design TV and film production, visual arts, music technology and games development. Made up of a vibrant mix of cultural businesses including the award winning Theatre Production centre TR2, a rich programme of arts and cultural performances across the year and a growing number of artists and creators driving forward the city's reputation as a centre for high quality creative industry. 2021 will see the return of the British Art Show in Plymouth, which is run every five years and was previously held in Plymouth in 2011. This will present a significant opportunity to put Plymouth on the map in this space, building the momentum further from Mayflower 400.

Creative industries are increasingly becoming an important ingredient to enhancing productivity in Plymouth's traditional key sectors such as marine, manufacturing, medical and healthcare through the integration of creative technologies from enhanced design, to computer modelling, artificial Intelligence and gamification to improve productivity. Significant investment has been made over the lifetime of the previous LES in the creative and cultural economy in Plymouth, with key developments such as The Box, the redevelopment of Bretonside into The Barcode, the Devonport Market Hall Immersive Dome, and various regeneration projects aimed at reviving Plymouth's key visitor attractions linked to the city's maritime history. This has presented an opportunity for business within the sector, as well as developed Plymouth's cultural and visitor offer. The alignment of our LES with Plymouth's new Culture Plan presents a clear and cohesive direction for this sector, both addressing the considerable impact of the Covid-19 pandemic and focusing on the ambitious cultural vision for the city. The Culture Plan acknowledges the considerable impact of the pandemic but identifies the key drivers and priorities that will allow for the development of a diverse and resilient creative and cultural sector and ultimately, to position itself as a driving force for economic and social prosperity in Plymouth.

The £6m iMayflower project funded by the Cultural Development Fund and DCMS is a dedicated project aimed at coordinating support and capitalising on existing strengths to develop on the emerging opportunities around digital fabrication and immersive technologies, AR and VR, creating the business support environment, partnerships, and networks conducive of start-ups

[4] https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/878352/Freeports_Consultation_Extension.pdf

and scale-ups in the sector. A key part of this is the University of Plymouth's 'The Bridge' project, which works at the interface of the University, businesses and organisations across the creative and cultural industries using Open Innovation and Knowledge Exchange mechanisms to stimulate innovation and spin-offs, and grow the creative economy. A further opportunity identified on the back of this, which DCMS and NESTA are keen to test in Plymouth is enhancing the TV & film location offer, presenting Plymouth as a 'film-friendly' city. In addition to this, and separate from this project, we are looking to build on successful music events such as MTV Crashes Plymouth and develop the music offer within Plymouth.

In addition, Plymouth has recently been the first UK city to join the Fab City network, building on the existing Fab Lab at the Plymouth College of Art, and drawing on a wider partnership across the city. The Fab City Network's tagline, "locally productive, globally connected self-sufficient cities" chimes with many of our strategic objectives, using creativity and problem-solving to provide solutions to global and local problems alike through cross-industry collaboration and digitally-driven innovation, supporting an Inclusive Economy, environmental sustainability, and local supply chain development and procurement.

There is an identified need for Plymouth to further develop its popular culture activity and high-end entertainment, particularly around the music scene, in order to add vibrancy to the heart of the city and position Plymouth as a key destination within the region for young people and talent. There is also scope to encourage business start-ups, innovation, and cross-sector collaboration to drive technology-focused business growth and enhance the profile of our key competitive advantages in other sectors such as marine, fisheries, health and defence through digital means.

Digital Economy

Technology is rapidly changing the world as we know it, and presents enormous opportunity to underpin and drive, as well as challenge our strategic objectives. It is fundamental, therefore, for achieving our productivity objectives, that we adapt, and there are many opportunities which the city can benefit from by supporting a data-driven, digital economy. Plymouth has one of the highest proportions of premises with ultrafast broadband connection in the country, yet digital utilisation by both business and the wider population is presenting a challenge. Raising awareness, training, and encouraging digital utilisation is, therefore, key. Capital investment by the private sector could also be enhanced through better information and training in the use of digital technologies and digital infrastructure. In addition, supporting SMEs and micros to engage with our thriving primes in industries such as marine autonomy, defence manufacturing, health technologies, and other, could further encourage the use of digital technologies.

Moreover, and crucially, our high-value industries already at the forefront of innovation in their respective areas would be significantly held back if our digital infrastructure does not evolve and keep up with the latest upgrades. Plymouth has recently secured DCMS funding to support the roll-out of full fibre broadband coverage across public sector sites across the city; this is aimed to encourage further private sector investment and take-up. However, 5G is already a reality, and the opportunities that it presents for all industries in the city are far-reaching, from unmanned vehicles used in defence applications, cybersecurity, robotics, seabed mapping, immersive technologies, or health-related technologies, 5G promises significant boosts in productivity and innovation, which could enable Plymouth to boost its competitiveness nationally and internationally, where physical connectivity previously held back investment and growth. The recent investment by the LEP, through the Local Growth Fund, to create a 5G network within the inner part of Plymouth Sound is a first important step in this direction and should aid growth in the marine and maritime sector.

The Plymouth Smart City group led by the University of Plymouth could also play a key role in enabling city-wide conversations around how the city could benefit from 5G. The transition to a digital economy can also be a key avenue to achieving Clean Growth and tackling the climate emergency, and enable us to build the 'economy of the future', a globally connected 'City of Makers' and 'Fab City', which produces more of what it consumes in the future. In a digitally connected world, where location is less of a factor for living, working, or trading, there is significant opportunity for Plymouth to position itself as a thriving, vibrant and prosperous city where a good quality of life is enjoyed by everyone.

At the same time, we must ensure that our workforce, and our pipeline of young people, are fully-equipped to take up the jobs of the future, and that our businesses are not held back by critical skills gaps. This requires a coordinated approach between local policy-makers, as well as Higher and Further Education Institutions, training providers, and schools, engaging with the business community and its representatives early on to identify needs and align education provision to the needs of the future.

Digital technology is a cross-cutting economic enabler, and it is therefore critical that Plymouth is prepared to embrace the digital transformation. The Heart of the South West LEP's recent Digital Strategy states its ambition to "ensure that HotSW increases its productivity, grows its businesses, develops inclusive communities, protects and enhances the natural environment and attracts investment by embracing technology, maximising adoption and impact, being recognised as one of the UK's foremost digital leaders…". Plymouth has a role to play in this, and we aim to explore both the opportunities, and the impact of the global digital transition in order to maximise the benefits for our businesses and our communities, improve Plymouth's competitiveness in its key industries, ensure a workforce prepared for the future, adaptable, and productive, and minimise the environmental externalities of doing business in Plymouth.

Clean Growth and Net Zero

Much of Plymouth's economic success, as well as its structural challenges, goes back to the natural capital – the city is surrounded by the Dartmoor Area of Outstanding Natural Beauty in the North, and the ocean in the West; its marine and defence sector (including Europe's largest Naval Base, and the city's new Marine Enterprise Zone), making up more than a 5th of the city's economy, is dependent on the ocean. Its coastal location, in a predominantly rural peninsula, has been both a point of attraction for residents and visitors, offering a high quality of life, and a challenge for business due to peripherality, and a transport connectivity vulnerable to flooding.

The climate emergency poses further risks in the future to the city's connectivity with the rest of the country, and our natural capital can deteriorate unless protected. At the same time, we must do our bit to help reduce carbon emissions and transition to an economy where growth is

Clean, and where economic prosperity can be enjoyed not at the detriment of our natural environment, but as a result of protecting it. This Plan, therefore, aims to support the city's Climate Emergency Action Plan to help achieve net zero status by 2030; we aim to lead by example and engage in a city-wide conversation with business partners on how we can make this transition. As part of the Resurgam plan, the identification of key recovery beacons will energise current and future strategic projects, kick-starting our Green economy while building on our strong marine credentials. We will explore opportunities to contribute to the Heart of the South West Clean Growth trailblazer, and look at how business support provision and networking can encourage and support all businesses in the city to move in this direction. We will also work with all flagship leads for this Plan to consider how our city-wide ambition for carbon neutrality can be supported, work to embed this through their strategic objectives, and emphasise the responsibility that we must all take towards this.

We will also aim to support the Transformational Programmes in the HotSW LEP and Joint Committee Build Back Better plan.

Energy, Engineering and Digital Futures:

As a coastal city, with significant assets, research capabilities, and commercial specialisations, Plymouth is well positioned to lead the way in innovations in research and mapping of the marine environment, with autonomous technologies, as well as sensor and satellite capabilities that can be applied in environmental monitoring.

Being home to the largest naval base in Western Europe, HMNB & Dockyard Devonport has been the bedrock of the local economy for many years. HMNB Devonport is the only facility in the UK licensed to undertake critical competence in the deep maintenance of nuclear submarines. There is also a growing expertise in nuclear technologies that is invaluable to the wider UK economy, as indicated in the Government's Industrial Strategy. This culture of expertise forms part of the critical mass that has built up over the years and has contributed to the agglomeration of expertise, facilities and capabilities in nuclear submarines, ASWs, hydrography and amphibiosity, thus presenting an opportunity for a significant return on any investment by building upon this critical mass.

HMNB Devonport has borne and nurtured a complex ecosystem of approximately 400 local suppliers and catalysed our world class marine and advanced manufacturing sector. It has drawn in highly specialised firms such as Thales who last year opened their £1m Maritime Autonomy Centre at Turnchapel Wharf, and MSubs, a US firm that develops specialist submarines for defence applications.

The launch of the new Marine Business Technology Centre at Oceansgate saw the announcement of the Plymouth Smart Sound, a unique validation and demonstration environment for innovative marine technologies covering 200 square miles of water. This will be an integral element of the emerging National Marine Park status for Plymouth.

The MBTC is generating a strong relationship with businesses not just in Plymouth but across the UK and abroad to consider Plymouth as a location for testing and investment. Locally this is coordinated through the FAST (Future Autonomy at Sea Technologies) Cluster group which includes businesses such as Thales, Sonardyne, Msubs, Valeport and Seiche. Strong links are also made with Maritime UK South West, a strategic collaboration between key south locations including Plymouth, the Solent, Weymouth and Cornwall.

Within the SCMC, Plymouth is a key location not only for marine autonomy and marine manufacturing, but also for offshore renewable energy. Plymouth is the only region with all renewable energy resources (wave, wind, tidal and solar) located close to major ports and infrastructure. Testing and deployment sites include Wave Hub (the world's largest, technologically advanced test site), the North Devon Tidal Demonstration Zone, Fabtest site and Perpetuus Tidal Energy Centre. Supported by a strong network of developers and an extensive supply-chain. The University of Plymouth designs and tests marine energy devices.

Exceptional capability in emerging technologies in Big Data and environmental monitoring – such as sensors and satellites, with significant levels of expertise and facilities. The Marine Biological Association in Plymouth has led scientific excellence since 1884. Satellite Applications Centres of Excellence work with companies across the South Coast. The centre partnership includes GES Ltd, the Met Office, Plymouth University, Falmouth University, PML, Rothamsted Research and has extensive commercial partner backing. The National Oceanography Centre addresses global challenges e.g. sea-levels. Plymouth Marine Laboratory; world's 8th in Reuters oceanography research. SAHFOS at the Plymouth Marine Laboratory surveys 20,000km ocean pm.

Whilst the Health Technology sector in Plymouth as such is still comparatively nascent, the potential to the city is enormous. Health Technology plays a pivotal role in enabling Healthy Ageing across the board – from transport and housing considerations, to health inequalities, deprivation, isolation and loneliness and leisure activities. It has the potential to deliver benefits to the city beyond the economic outcome of productivity improvements: well targeted technological solutions also free up resources within our frontline services, increases efficiency in service provision and can help to reduce the skills gap.

Key opportunities and assets in Health Technologies and Healthy Ageing within Plymouth include:

- The University of Plymouth is developing talented individuals in a range of fields relevant to Healthy Ageing. In 2017/2018 the university employed over 1000 academic staff and over 9000 students were enrolled across the Health Professions, Nursing & Midwifery, Psychology, Medical, Dental and Biomedical Sciences
- The Plymouth Health Technology Campus uniquely co-locates two universities, Plymouth Science Park, Plymouth International Technical Park, University of Plymouth Hospitals NHS Trust and more than 25 health-related businesses.
- Plymouth has a notable strength in the digital and tech innovation fields. Plymouth Science Park is home to a host of tenants working in the life sciences and tech innovation fields. A full list of tech companies based at Plymouth Science Park can be found here.

- Universities and colleges with a large student footprint in the clinical and life sciences, health professions and digital & computing disciplines as well as research intensive universities, ensuring a strong supply of talent
- Health Technology Alliance comprised of businesses, NHS trusts, local authorities, third sector organisations and academics
- Plymouth Health Technology Campus, co-locating UoPHNT, one of the largest teaching hospitals in Europe, Plymouth Science Park and the Medical and Technical Park with 28 Health Technology businesses between them, the University of Plymouth Medical and Dental Schools, The Peninsula Clinical Trials Unit, Marjon University and the Peninsula Allied Health Centre
- Healthy Innovation in Ageing is a joint project with Devon County Council that is supporting home grown companies (including start-ups) in eHealth through direct support from UoP teams and ERDF funding. This includes some AI based developments, which are being developed in partnership with GPs, patients, care homes and NHS trusts.
- Centre for Digital Health Research and the South West Innovation and Technology Consortium in Health (SWITCH) are currently being established. This will create an ecosystem that facilitates the development and adoption of innovations originating from businesses in the health, technology and advanced manufacturing industries in the South West. The centre will seek to use the expertise within the partnership to accelerate the adoption of R&D capabilities into the marketplace to drive economic growth across the region.
- VOYAGE Research Group – an inter-disciplinary initiative that harnesses research and innovation in the field of ageing, bringing together more than 60 academics and a range of external partners.
- The Big Data group – brings together researchers and students across a range of disciplines to 'develop novel research methodology in BIG DATA to solve problems of international importance in biomedicine, engineering and epidemiology to name a few. One promising new area centres around dementia detection via routinely collected data and machine learning, which is an application of artificial intelligence (AI) where systems automatically learn from experience.

PLYMOUTH'S ECONOMY

With a population of 263,100, a real economic output of £5.23 billion and 104,000 FTE (Full-Time Equivalent) jobs, Plymouth is the most significant urban agglomeration on the South West peninsula.

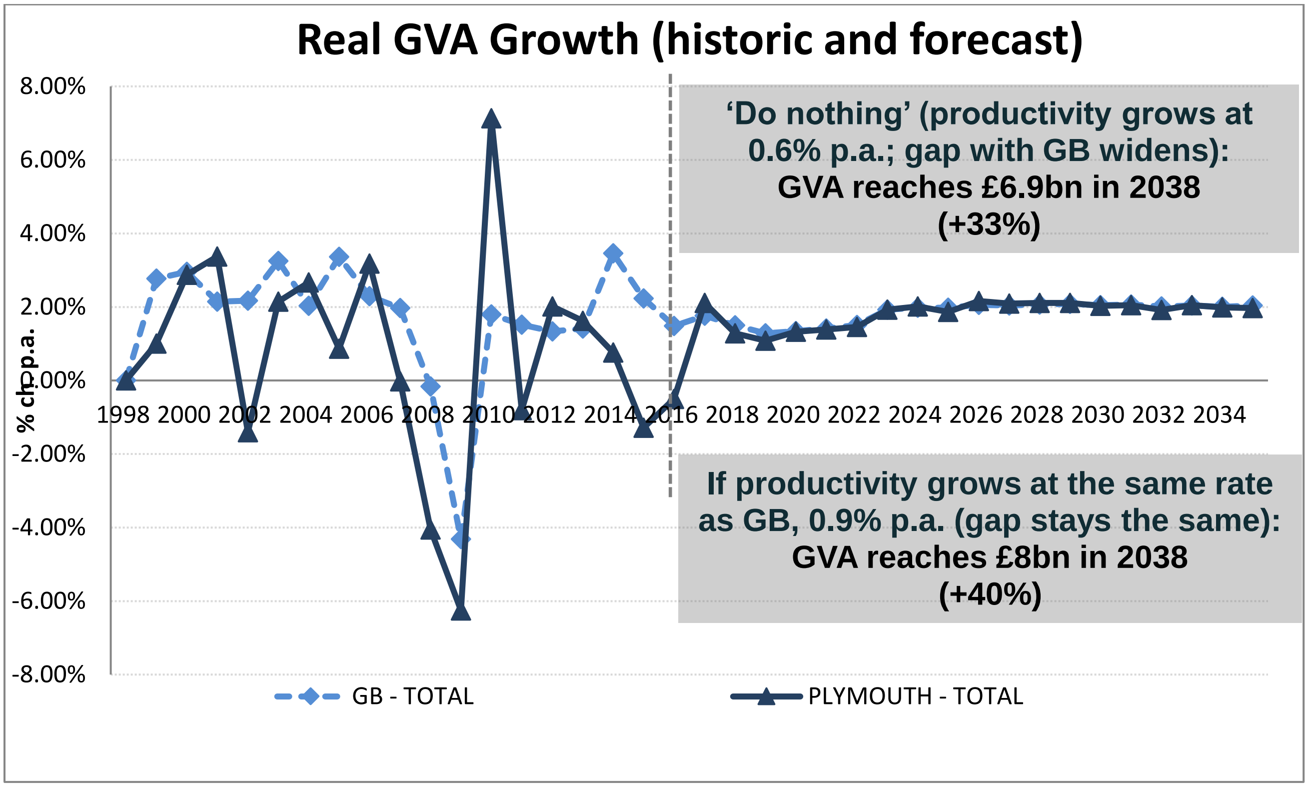
Compared to other city economies, Plymouth's industrial base has traditionally been described as being comparatively 'light' on higher value knowledge-based sectors and 'heavy' on public sector. In addition, rates of productivity have generally been lower than average across all of our industries, and Plymouth's productivity in 2019 stood at 86% of the Great Britain average.

The overarching aim of LES 2006 was to achieve an improved competitive position for the city by raising rates of productivity (economic output per hour worked, or per FTE job); a series of success factors and actions were geared towards this objective[5]. The city's economic performance up to the onset of the global financial crisis and subsequent recession of 2008/9, showed some signs of improvement particularly in terms of nominal Gross Value Added (GVA), relative GVA per job/hour, and employment growth. However, even pre-recession there were concerns about the sustainability of that growth given its reliance on public sector job growth, a construction-led housing boom, and the relative weakness in higher value financial, professional and business services. The recession was deeper and more enduring in Plymouth than elsewhere and, whilst Plymouth has recovered, its productivity growth has not been keeping up with national growth.

The Cities Outlook 2021[6] report created by the Centre for Cities identified Plymouth as having a need for levelling up which existed even before the Covid-19 pandemic. Through evaluation of the Claimants' Count, which is used to represent the inequalities of job opportunities across the country, they identified Plymouth as being below the national average pre-pandemic. This represents the pre-existing need for levelling up in the city.

Policy neutral forecasts suggest population growth to continue to slow, particularly in the middle age bracket, with the population over 65 being the predominant source of growth; the productivity gap with Great Britain to widen from 86%, to 80%, and GVA to grow at rates below the national average to 2038. In other words, in the absence of new interventions, the 'productivity gap' is likely to widen given relatively weak performance across the majority of our industries.

[6] https://www.centreforcities.org/reader/cities-outlook-2021/covid-and-levelling-up/



Key Productivity Drivers:

Enterprise & Entrepreneurship

Enterprise is a key driver of productivity – in the form of new entrants to the marketplace it increases competitive pressures necessary for business churn and growth. Currently, the city underperforms on this measure, recording comparatively low business birth and death rates.

➢ **The Plan for Economic Growth 2020-25 should consider what measures it can take to assist businesses of all shapes and sizes to access the finance and support required to start-up, innovate and expand.**

Indigenous & Inward Investment

Physical investment in capital is an essential ingredient in helping businesses produce more and higher quality output. Equally, inward investment – in the shape of new businesses locating in the city –supports growth by bringing in new jobs, skills and ideas.

➢ **The Plan for Economic Growth 2020-25 should seek to explore how the city can foster investment and employment growth among its indigenous businesses while, at the same time, positioning itself to attract investment from further afield.**

Innovation & the Knowledge Economy

Innovation relates to the successful exploitation of ideas and the introduction of new products and processes. Innovative firms grow twice as fast in terms of employment and turnover. Our aspirations for a balanced, diversified and knowledge intensive business base remain.

- **The Plan for Economic Growth 2020-25 should explore how the city can continue to build its innovative capacity, drawing on the significant intellectual capital of its Higher Education Institutions (HEIs). This should also include the innovation required to underpin our Inclusive Growth objectives.**

Employment & Skills

Despite its broadly positive ranking on labour market indicators, the recession and Covid-19 pandemic has had a damaging impact on the city's labour market, exacerbating long-standing issues of youth and long-term unemployment. Full-time opportunities remain scarce with many individuals underemployed or locked out of the jobs market altogether.

- **The Plan for Economic Growth 2020-25 should consider how to support people back into work, including those furthest from the labour market and living in the city's most deprived communities.**

Skills are important drivers of productivity, both directly in terms of improving individual performance and, indirectly, by providing the tools to generate new ideas and practices. Despite improvements, Plymouth remains behind its competitors in terms of the proportion of its workforce with higher-level qualifications.

- **The Plan for Economic Growth 2020-25 should consider how it can nurture, attract and retain talent locally.**

Management Excellence

Effective management practices drive productivity and competitiveness amongst businesses. Firms grow by being aspirational, generating new ideas, taking risks, and allocating resources efficiently. Alongside barriers related to the business environment and infrastructure, poor management practices can be reflected in low propensities to innovate and export, low business start-up rates, and poor business survival rates.

- **The Plan for Economic Growth 2020-25 should consider how the city can encourage a culture of management excellence amongst our businesses, as well as networking, peer-to-peer learning, and exchanges of ideas so as to increase business competitiveness.**

Connectivity

High density and productive linkages between businesses, individuals and institutions in urban areas bring distinct advantages for economic development. Productivity is positively affected by proximity to urban 'mass'. The city's physical peripherality means businesses tend to be sheltered from the competitive forces that drive innovation and growth. Digital connectivity could mitigate this barrier to growth to some extent; it, nevertheless, remains critical for the city of Plymouth.

- **The Plan for Economic Growth 2020-25 should seek to maximise 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.**

OUR KEY SECTORS

The Resurgam economic recovery plan is co-produced with the city's Sector Stakeholders. This has resulted in individual action plans for each of the 11 key economic sectors to support recovery and growth. These are grouped together as **Sector Action Plans**[7] reflecting the strong base of existing partnerships in Plymouth across these sectors. These plans will be updated collaboratively, as we work together to assess and identify the support that each sector needs. Sectors will be given the support they need as the city emerges from the Covid-19 pandemic, whether they are in critical shock, stable or capable of high growth.

Construction and the Built Environment

Summary

A bedrock sector which supports significant and diverse employment, creates well-paid jobs with ongoing training and progressive career opportunities, which makes it easily accessible for the average resident as it provides far more opportunity for social mobility than other industries. Additionally, the Sector supports 500+ Built Environment jobs such as architecture, quantity surveying, and specialised engineering design, head office/management etc.
The sector has remobilised well following lockdown, however is vulnerable to levels of investment and demand, along with high cash-flow pressure due to payment in arrears system. There is a well-established local community with positive momentum through the Council-led Building Plymouth partnership.

- **7,982 FTE jobs** (7.5% of PLY employment)
- **£40,640 GVA per FTE** (82% of PLY average)
- **Productivity 86% of GB average**
- **GVA output of £314m** (6% of Plymouth GVA)

Opportunities / Challenges to address

- Sector urgently calling for visibility of the committed city's capital project pipeline to build confidence in the continuity of forward workload over the next two years
- Plymouth facing high demand for new, affordable and specialist housing for local people
- For every £1m spent on construction locally there is a £3m improvement in the local economy – there is an huge opportunity for the city to increase spend with both local consultants and contractors, as well as small to medium size enterprises
- Improving local - spend in construction will result in increased local skills investment, sustainable employment (both protecting and creating jobs), and additional social value
- Need to assess the skills and employment real-time Labour Market demand against the city's committed capital project pipeline

[7] https://www.resurgam.uk/sector-action-plans March 2021

- Adoption of digital and manufacturing technologies to transform the industry's performance including net zero and building safety

Identified courses of action

Action	Outcome
Map city wide public sector capital project pipeline	Give sector confidence to protect existing jobs, create new jobs and invest in skills and increase capacity and capability of local supply chain
Delivery of Joint Local Plan housing sites and Plan for Homes initiatives for the new and improved homes Plymouth people need. Engage with partner housing providers on pipeline of opportunities to stimulate industry	Increased engagement with present partner housing providers and investment for new development, estate regeneration and refurbishment of existing housing stock thus protecting existing and creating more jobs, whilst creating more inclusive housing stock
Create Building Plymouth Expertise Directory to promote routes to market and maximise local spend opportunities	Increased local procurement spend through improved awareness of local expertise available and clients better informed about routes to market options
Analyse realistic new job pipeline and collate real-time Labour Market Intelligence to identify skills gaps and skills shortages (feed into Skills4Plymouth Pillar). Securing skills funding investment to respond to demand	Targeted skills investment and recruitment efforts to create new employment opportunities for residents whilst helping to overcome the sector's big people issues including an ageing workforce, poor image and diversity, and to address significant skills gaps/shortages
Promote careers in construction and support employers to attract, recruit and retain new entrants	Increase Apprenticeship starts and completions, set up more traineeships and Kickstarts, create more new graduate opportunities
Support the industry with the skills needed to enable the adoption of digital and manufacturing technologies to transform the industry's performance including net zero and building safety	Improved productivity and performance with demand informed local training provision and skills investment to create a new skilled/upskilled workforce
Feasibility study into Plymouth's opportunity for new offsite manufacture capability	New skills and new jobs created, attracting inward investment
Promote city's response to the national 'Green Deal'	Improve energy efficiency of homes and buildings. Create new jobs, increase local upskilling and retraining opportunities
Capitalise on the expected outcomes of project specific Employment and Skills Plans. Generate greater Social Value through	New entrants supported to join the industry with a stronger focus on inclusive growth. Wider social value impact monitored and delivered (including environmental agenda),

increased weighting and improved assessment through procurement	with non-compliance issues managed effectively

Creative Industries

Summary

A sector that is capable of accelerating growth but currently a large proportion of it is in critical shock. It is a young, but growing sector. There is specific potential around immersive technologies, built around the Devonport Market Hall, but also to enable continuous improvements in our cultural offer to appeal to younger generations. Creative industries offer the potential for innovation, particularly when embedded with digital. iMayflower has an important role to play in developing a world-class niche market around immersive technologies

- 2,933 FTE jobs (2.8% of city employment)
- Productivity £51,560 (4% above Plymouth average but 89.3% of GB sector average)
- GVA output £153m (2.9% of Plymouth GVA)

Opportunities / Challenges to address

- Indoor venue based performance decimated as result of Covid-19 pandemic
- Culture requires new type of investment and income streams
- Risk of significant and irreversible talent drain
- Audience confidence in returning to venues and cultural events

Identified courses of action

Action	Outcome
Create alternate outdoor programme	Build a unique offer across the city, profiling the cities natural assets, that reconnect with audience, rebuilds confidence and generates income for the sector
Create and launch a new annual Cultural Investment Fund for the city	Pilot new partnership approach and models of working that will help build a better future
Create new month long 'Immersive Futures Festival' post pandemic	Encourage micro business survival and new start-ups. Retain and grow talent pool, attract inward investment, support business and job retention/growth
Progress British Art Show	Provide a platform for new and all voices and developing an approach that brings high quality art/culture to all communities
Progress a free Saturday Art Club offer in line with the 'Great Day Out' concept	Renegade young people in creative activities that provide enjoyment, discussion and career opportunities

Digital

Summary

A young, but accelerating sector, which has seen high growth in recent years. TechNation recognises it as one of the fastest growing clusters in the country.

- 2,032 FTE jobs (1.9% of city employment)
- GVA output of £129m (2.5% of Plymouth GVA)
- Productivity £64,680 (31% above city average, 82.6% of GB average)
- High growth of 52% between 2009-18

Opportunities / Challenges to address

- Businesses often young and lean with limited resources but looking to grow sales pipeline
- Need for visible ecosystem such as co-working spaces, shared facilities to support talent pipeline, start-ups and growing businesses. Mapping the start-up landscape, funding & investment opportunities and support networks
- Covid-19 pandemic has forced businesses to quickly pivot to digital delivery
- Opportunity to support innovation in traditional sectors in Plymouth
- Local procurement and collaborations

Identified courses of action

Action	Outcome
Working through Resurgam Procurement Pillar Plymouth ensure digital companies registered on Plymouth Supplier Directory	Increase local procurement ultimately to protect existing jobs and create more locally
Understand talent pipeline, map and promote co-working spaces and shared facilities	Visible, supportive eco-system to support new start-ups and grow existing businesses ultimately protecting and growing jobs
Facilitate cross sector innovation. Create and deliver specific cross sector workshops	Increase innovation in traditional sectors to remain competitive, protect jobs and encourage local procurement
Promote and unlock funding opportunities. Connect with investment bodies/channels. Showcase Plymouth investment opportunities	Drive investment into Plymouth digital businesses to protect and grow high value jobs
Link into new Beacon opportunities such as National Marine Park, 5G Smart Sound etc.	Grow local procurement and innovation input

Defence

Summary

A bedrock sector anchored by HMNB & Dockyard Devonport. Beyond the naval base and dockyard, Plymouth is home to world-leading innovation in both key defence primes such as Babcock, Thales, and UTC Aerospace in addition to globally recognised SMEs such as MSubs, Artemis Optical and Chess Dynamics.

- 11,548 FTE jobs (11.5% of PLY employment)
- £59,300 GVA per FTE
- Productivity 20% above Plymouth average and 6% above GB average
- GVA output of £685m (13% of Plymouth GVA)

Opportunities / Challenges to address

- Lack of innovation
- Lack of collaboration
- Raising the profile of defence in Plymouth, nationally and internationally
- Benefits of upcoming capital investment need to be shared locally

Identified courses of action

Action	Outcome
Explore the development of a Plymouth defence cluster	Generate greater collaboration and innovation amongst Plymouth defence businesses. Professional facilitated workshop planned to harness sector capability and interest
Create greater online presence for the local defence sector	Raise the profile of defence in Plymouth to government and businesses seeking to invest
Work with DIT on Marine Autonomy High Value Proposition	Increase FDI and Inward Investment
Arrange meeting with primary contractor for Dockyard capital investment	Industry Briefing session planned for 14 Dec – further info will be posted here as details are confirmed
Welding college at City College Plymouth	Funding approved from SW Institute of Technology – now engaging with specification and design to ensure local skill gaps are addressed
Supply secondment for DASA SW Regional Defence Cluster	Raise the profile of the region's capabilities in defence, encourage greater regional collaborations and support the sector in accessing public funding

Hold a Devonport Task Group and present at Defence Select Committee	Raise the profile of the city and address specific issues with MPs

Fishing

Summary

Plymouth has a long fishing tradition, with over 80 commercial species landed in the area here. Plymouth Fish Market is a crucial element of the regional fishing industry and is vital for the sustainability of some of the smaller fishing communities who send their catch through the Market. The sector has started to show signs of recovery, but is a long way from pre-Covid19. More than 80% of output depends on international markets. The Government provided an intervention around controlling price by securing the price of fish that was previously sold to European markets, to offset the impact of this market collapse; this European demand was of a different form than replacement demand from the UK (UK end-users require processed, filleted fish, as opposed to EU restaurants taking whole fish, so pressure on processes). A flexible pot of funding around innovation will be needed to enable bespoke new solutions in supporting the sector (building on Call4Fish) and helping this sector stay viable.

- 397 vessels (14% of England fleet)
- 750 fishers
- 8,863 tonnes landed in Plymouth 2019 (8.5% of all England)

Opportunities / Challenges to address

- The fishing industry is hit hard by Covid-19 pandemic. Foreign markets collapsed, supermarkets stopped selling fresh fish, the supply chain was severely disrupted, some auction houses closed, a good number of the medium sized processors/buyers mothballed their businesses and fish prices dropped dramatically and some areas such as Shellfish saw their market collapse
- Awaiting outcome of Brexit fishery negotiations
- Vulnerable to international trade as more than 80% of output depends on international markets
- Vulnerable to demand and impact seen by decrease in tourism/hospitality
- Demand for merchants in larger scale from restaurants now replaced by end-user, smaller quantity demand
- Angling charters that are solely passenger vessels and do not sell fish to the market are falling through the gaps on Government support.
- Assess options for remodelling of Plymouth Fish Quay and Market
- Promote a strengthened local and regional supply chain which supports the whole chain including the processors and merchants
- Minimum standards of safety and wellbeing for workers on fishing vessels as social distancing for crew on smaller vessels a distinct challenge

- Enabling Plymouth to derive optimum benefit from fishing opportunities at the end of the Transition Period

Identified courses of action

Action	Outcome
Complete fish quay feasibility study, including consultation with sector	Ready to bid for funding for build when it becomes available
Continue to support Call4Fish	Stable route to market should another lockdown occur and/or demand falls after EU transition period
Supporting the sector to access public and other local bulk procurement contracts	Drive up demand for local product, reduction in air miles. Investigate Flash freezing facility
Support ILO188 training	Ensure minimum standards of safety and wellbeing at sea
Review the quota and other fishing opportunity needs of the vessels landing to Plymouth and appraise the potential gains and risks arising when the UK leaves the CFP	Ready to respond to Government consultation on quota
Make representations to the UK Government on behalf of Plymouth and its fishing industry, and stand ready to respond to consultation exercises launched by the Government	Plymouth receives its fair share of quota allocation, balancing economic and environmental benefits

Health and Care

Summary

Health and Care is a bedrock and accelerating sector, with high volume activity under pressure from an ageing demographic. The sector also includes a high value niche Health Tech sub sector employing nearly 1,000 people. Plymouth has major NHS facilities and a presence of key international private sector companies with globally relevant products/services.

- Employs c. 17,000 (16% of the city employment)
- GVA output of £582m
- Health Tech is significantly higher productivity (x2.5) than the city average at £112,170 GVA/FTE

Opportunities / Challenges to address

- Skills shortage
- Low awareness locally of health tech strengths to attract further inward investment and recruit staff for exciting careers

- Need for new technological solutions and visible innovation ecosystem
- Transparency of capital projects

Identified courses of action

Action	Outcome
Working through Skills Launchpad Plymouth create local talent pipeline	More vacancies filled locally
Progress Plymouth Health Innovation Alliance	Agree and articulate health tech strengths to attract inward investment
Pursue new Health Technology Incubation Hub	Visible, supportive eco-system to meet innovation needs and create/grow businesses
Create Register of Major Capital Projects	Increase local procurement ultimately to protect existing jobs and create more

Manufacturing

Summary

Manufacturing is a bedrock sector. It is a high-scale, but also high-value activity that requires continuous technology deployment. Manufacturing is a key enabler of defence and marine activity, large export potential and large supply chain contribution. The sector is dominated by a few large organisations, but there is also a significant number of highly productive SMEs. A considerable number of manufacturers within the city are FDI (Foreign Direct Investors).

- 14,715 FTE jobs (13.9% of PLY employment)
- £70,512 GVA per FTE
- GVA output of £849m (16.2% of Plymouth GVA)
- Productivity 40% above city average

Opportunities / Challenges to address

- Persistent skills shortages
- SMEs need assistance to diversify into new markets; UK or overseas
- Help required to increase supply chain resilience
- Need to innovate using Industry 4.0 principles
- Possible redundancies post furlough/government support schemes

Identified courses of action

Action	Outcome
Analyse realistic new job pipeline and feed into Skills4Plymouth and local talent retention project activity	Support relevant skills delivery including upskilling employees vulnerable to redundancy. Match local people to local jobs

Understand and promote existing and new export assistance schemes	Grow sales, protect existing jobs and create new jobs
Progress possibility of regional resource to map local supply chain	Ultimately to increase supply chain resilience and local procurement
Progress possibility of regional version of Made Smarter support	Heightened digital capability for the medium to longer term
Increase Sector innovation to increase productivity and competitiveness with public sector support	Future proof the sector by safeguarding existing jobs and creating new knowledge intensive jobs

Marine

Summary

Marine is an accelerating sector, with 81% of all jobs sitting with large companies (250+ employees). Globally, the key opportunities are in marine autonomy and clean propulsion. Plymouth is a prime location for marine technology and innovation. Plymouth has the impressive Future Autonomous at Sea Technology (FAST) innovation cluster. This globally recognised cluster leverages the unique Smart Sound Plymouth testing facility which will soon be one of the first 5G connected 'at sea proving grounds' for marine technology. The Department for International Trade (DIT) has recently named Plymouth as a High Potential Opportunity (HPO) city for Marine Autonomy. Other leading areas of focus in the marine sector gives Plymouth unique competitive advantages, with high potential to attract investment if presented as a programme of sector activity. Our target markets for these solutions are Offshore Renewable Energy, Aquaculture, Marine Science and Smart Shipping. These are key markets for new technologies and present high potential to drive innovation; high-value supply chain in digital technologies, specifically around satellite technologies, robotics/ autonomous systems, cybersecurity, and advanced manufacturing. This sector builds on our natural assets and bedrock defence activity, and has the potential to grow and compete in global markets.

- 10,669 FTE jobs (10.3% of PLY employment)
- £53,630 GVA per FTE
- GVA output of £572m (11.1% of Plymouth GVA)
- Productivity 7% above city average

Opportunities / Challenges to address

- Organisation for Economic Co-operation and Development predicts the Ocean Economy will double by 2030 to $3 trillion
- Marine Autonomy is growing at 12% per year and global market worth $160 billion – UK and Plymouth can have a significant market share
- Clean propulsion and maritime decarbonisation 2050 targets
- Mapping Ocean floor in partnership with UK Hydrographic Office
- Celtic Sea floating offshore wind farm poses a real opportunity for Plymouth and SW

- Oceansgate Phase 3 funding gap challenge
- Need to assess skills and employment demand and align to skills/talent provision
- Progression and evolution of key assets/projects such as the Smart Sound proving ground and National Marine Park

Identified courses of action

Action	Outcome
Further develop local and regional marine innovation and investment initiatives and network	Take the Future Ocean Institute (FOI) collective SW marine innovation concept with Plymouth as key hub to next stage with co-design involving central government officials. To raise funds for 2021 capital and revenue projects. Internationally, it will boost collaboration with other leading Marine and Maritime Clusters around the world, allowing the UK to more effectively attract inward investment and economic growth
Leverage the High Potential Opportunity for marine autonomy	Global exposure to Sector to attract inward investment
Leverage the success of Marine Business Technology Centre (MBTC) programme. MBTC ERDF funding comes to end in Q3 2021. Building on the marine innovation programme, its partners are in full flow with new R&D test facilities in place and well-honed knowledge transfer processes	Marine sector has a prime opportunity to leverage this R&D platform during (prepping trials) and post COVID (performing trials). There are also some innovation grant funds still available for SMEs in Devon
Design, obtain funding, and initiate new marine innovation programme (to extend/replace MBTC in Q3 2021)	Create £5m innovation and skills programme. Specifically focused Marine Autonomy and Clean Propulsion and developing skills thereof. Leverage MBTC partners but add in others. City College Plymouth and Industry. It's hoped these programmes will provide grant funding
Deliver a larger Marine Tech Expo in Plymouth in July 2021	Host in similar timeframe to British 2021 Sail GP to bring international focus on the Plymouth marine sector. Global exposure to Sector, ultimately to attract inward investment. Tie in Future Ocean Institute, High Potential Opportunity and Innovation Hub initiatives
Analyse realistic new job pipeline and feed into Skills4Plymouth activity through supporting relevant skills delivery, upskilling residents and matching local people to local	Support development of jobs and careers within the marine sector for local people

jobs. Supporting curriculum development and PhD research programmes in key sector focus areas	
Deliver Smart Sound Connect project	Marine 5G connected R&D testing area installed Q1 2021. Use case projects in play Q2 2021 onwards. Increase Sector asset base, support innovation, new skills and inward investment. Look at further phases on long-range ocean connectivity. Look at deliberate collaboration with land based fibre and 5G installations
Design, Win Funding and Initiate Smart Sound Digital Simulation project	Submit bid or FOI plan for funding
Design, Win Funding and Initiate Smart Sound EV charge point project	Submit bid or FOI plan for funding
Create long-term development plan for Oceansgate Phase 3 and address funding gap. Revisit masterplan; create high quality physical employment and innovation assets. Co-design funding solution with government and industry	Attract new inward investment to continue to grow the Sector and jobs
Obtain funding and develop detail plans for Oceansgate Phase 3.1 (the next stage) identifying early funding and opportunities	Leverage the detail designs and cost from 2020 feasibility plan

Retail

Summary

The retail sector is in critical shock. It is a high-scale, low-value sector that supports significant employment, particularly matching the skills and qualifications of the average resident, which makes it one of the more accessible sectors that could lift people out of unemployment and support recovery.

- 13,740 FTE jobs (12.9% of city employment)
- £33,100 GVA per FTE
- GVA output of £584m (11.2% of Plymouth GVA)
- Productivity 67% of city average, 69% of GB average

Opportunities / Challenges to address

- Reduced city centre footfall/spend and accelerating changing consumer patterns require retailers to innovate
- Large city centre footprint with growing number of vacant units requires new and different uses of physical space

- Successful and well established City Centre and Waterfront Business Improvement District Companies
- Survival risk of businesses who were already vulnerable pre-pandemic
- Key inward investment by significant private sector stakeholders
- Business rates and other high overheads providing a barrier to future occupancy

Identified courses of action

Action	Outcome
Create and launch a 'Welcome Back' campaign	Encourage shoppers back into retail places and give Covid secure confidence
Develop 'meanwhile uses' and other uses for vacant units and property	Improve vibrancy of retail places to enhance shopper experience
Complete West End improvements and branding	Improve vibrancy of retail places to enhance shopper experience
Create and launch a 'Buy Local' campaign	Protect local retail and jobs. Boost business survival. This will be delivered online via the newly created Shop4Plymouth web platform and social media channels
Create and launch 'Market on the Piazza'	Provide free space on the Piazza for City Centre traders
Develop and submit Future High Streets Fund (FHS) bid	Investment funding to revitalise and reimagine the Civic Centre area. Create a visible symbol of confidence and ambition
Promote and capitalise on all major developments e.g. The Box	Improve vibrancy of retail places to enhance shopper experience

Tourism and Hospitality

Summary

A sector that is in critical shock. Through co-ordinated effort by Destination Plymouth and other stakeholders, Plymouth has had experienced excellent positive visitor growth in recent years. The South West of England is one of the leading tourism destinations in the UK representing the second highest GVA in the sector outside of London.

- 8,977 FTE jobs (8.5% of city employment)
- GVA output of £179m (3.8% of Plymouth GVA)
- Productivity 75% of GB sector average
- 5.2m visitors each year, generating over £331m spend (15% of all Devon county)

Opportunities / Challenges to address

- Many tourism and hospitality businesses struggling as a result of Covid-19's negative impact on visitor numbers, spend and confidence. Others will not survive the winter period unless sufficiently supported by national Government
- Risk of eroding the city's positive tourist volume and value performance been built up carefully in recent years
- To remain competitive there is a need for innovation and enhanced user experiences deploying latest digital/creative technologies
- First class customer service skills required

Identified courses of action

Action	Outcome
Survey to understand sector position financially and ability to survive. Feed into DCMS for CSR input and use as base for ongoing decision making	Use as evidence base to continue to lobby for additional national support
Publish 10 year Visitor Plan to clarify key projects and enabling priorities	Prioritise and progress distinct projects for the sector, to retain/grow visitor numbers/spend value and thus protect businesses and jobs
Highlight 9 'Star Projects' such as National Marine Park, Brunel Plaza, etc. and assess delivery resources required	To continue to build visitor product offer, asset base and physical welcome environment
Build digital marketing materials to promote Destination	Sector and business innovation to remain competitive thus protecting/growing jobs. Kickstart grants for businesses to support digital skills development
Identify where key job losses will be and try to link to vacancies/re-training via Skills Hub. Also consider talent retention e.g. chefs/management	Jobs retained or employees transferred into new work placements
Market Plymouth as an 'off peak' destination to drive demand through winter	Businesses continue to trade over off peak winter/Christmas season therefore remain viable
Kick start 2021 season to ensure visitors book early for domestic holidays	Encourage maximum visits early into 2021 season again to reduce 'off peak' scenario and build cash flow early season

Transport and Distribution

Summary

The Transport and Distribution sector is in critical shock, its primary focus is keeping Plymouth moving and enabling the visitor economy.

- 5,264 FTE jobs (5% of PLY employment)
- £42,480 GVA per FTE
- Productivity 87% of city average and 93% of GB average
- GVA output of £211m (4% of Plymouth GVA)

Opportunities / Challenges to address

- Drastic fall in demand effects viability of services and transport companies
- Many workers still need to travel on public transport
- 'Do not leave home' messaging during lockdown may have lasting damage to perception of safety in using public transport
- Acceleration of previous long term trends towards on-line retail and working from home is having a profound impact on traditional travel patterns and public transport markets
- Disadvantaged young people cannot afford travel costs to travel to employment and training venues
- Lockdown has visibly shown everyone how reduced traffic congestion can improve environment, nature and air quality. However cannot go back or above traffic levels pre-Covid as infrastructure cannot cope.
- Need to change travel behaviour longer term to avoid a car based economic recovery
- Increase walking exercise as part of the bus journey making bus a key part of the network of walking and cycling, and reduce the number of premature deaths arising poor air quality each year.

Identified courses of action

Action	Outcome
Create and launch campaign to rebuild 'Covid Secure' confidence in public transport. The message is sanitise hands, wear a face covering and avoid travel at busy times of the day, possibly as part of wider 'Welcome Back' city wide campaign	Get people back using bus, rail and local ferry transport to reverse rising traffic congestion, reverse worsening air quality and reduce the amount of public funding required to prop-up public transport services
Reconfiguration of Royal Parade through Transforming Cities Fund and Emergency Active Travel Fund Tranche 2 (awaiting confirmation of funding from Government)	Improve service reliability, improve air quality, improve access to buses for the mobility impaired, improve public realm to support city centre economic recovery

Create and launch 'discounted fares' campaign targeted at young people	Assist disadvantaged young people to access employment and training opportunities
Longer term, develop and deliver Transport Capital Programme (using Transforming Cities Fund) to create Mobility Hubs that complement public transport. Implement bus priority	Encourage new additional users of public transport especially bus. Reduce traffic congestion and reduce negative environmental impacts
Find resource capacity to undertake campaigns and community engagement to support public transport usage and other active travel modes	Change travel behaviours. Reduce emissions and improve air quality
Create joined up evidence based lobbying for sustained government support as necessary	Sustain local transport services throughout pandemic impacts
Find an alternative to bus operator capital expenditure, which is now limited with continuing financial losses during COVID, to invest in zero emission vehicles. A new leasing model is needed to increase the fleet of zero emission buses as part of a green economic recovery. Need to drive passenger growth through bus priority and demand management	Avoid clean congestion by increasing bus passengers travelling

INCLUSIVE GROWTH

'Ensuring growth in prosperity is achieved in a way that reduces inequality, and is sustainable.'

Cities face two key economic challenges: creating and sustaining economic prosperity, and ensuring that the benefits from this are enjoyed by all our residents and communities. Inequality is a significant, and growing challenge to economic growth and sustainability in many cities, and there is a perceived trade-off between wellbeing and economic success, which has to be carefully navigated. While inequality challenges often materialise as persistent low wages, high unemployment and economic inactivity, and high rates of part-time and zero-hour contracts, the underlying causes are complex and inter-related. Issues of equality, connectedness, opportunity, and health and market failures can be self-perpetuating and difficult to overcome at both the individual, and strategic levels.

Inequality is a major and growing challenge to Economic Growth and sustainability in many cities. While inequality challenges often materialise as persistent low wages, low productivity and below average hours worked, the underlying causes are complex and inter-related. Issues of equality, connectedness, opportunity, health and market failures can be self-perpetuating and difficult to overcome at both the individual and strategic levels.

Inclusive growth expands the notion of economic policy, incorporating investment in social infrastructure—including education and skills, affordable childcare, physical, mental and public health—as drivers of prosperity. It will require businesses and civic organisations to work together to create stronger institutional foundations in our towns and cities. The creation of quality jobs are at the heart of this. Local businesses need to be directly engaged by local anchor institutions (universities, hospitals, colleges and other major employers) to drive up productivity and stimulate demand, particularly in the low-paid sectors such as hospitality, care, warehousing and logistics which constitute much of the long tail of low productivity in the UK. At a local level, this means an approach based on: deep understanding of local assets; connecting people to quality jobs; resourcing place regeneration as well as business investment; and helping businesses keep ahead in the context of Brexit.

In Plymouth, economic deprivation is often associated with the communities of the 'western arc' but even within these, an above average turnover of residents, can make it difficult to see the benefits of positive interventions beyond the personal journeys of individuals. The Centre for Progressive Policy (CPP) Inclusive Growth Index sees Plymouth ranking as one of the least inclusive local authorities in the UK, as well as within the Heart of the South West LEP area. According to the 2019 Index for Multiple Deprivation, Plymouth also has 28 LSOAs (lower super output areas) in the most deprived 10% in England. These LSOAs are home to 46,075 residents (17.6% of the population). At a local authority district level Plymouth ranks 64th (out of 317) using the average score summary measure. This places Plymouth within the 20% most deprived districts in England.

The number of claimants of health related benefits is still stubbornly high and above regional and national levels. Plymouth's pay gap with the national average has reduced, but there is still work to be done to encourage employers to pay the National Living Wage for low-skill occupations, and to offer sustainable contracts as opposed to zero-hour contracts. In addition, given productivity differences between our key sectors and their national counterparts, there is a pay gap for the highest-skilled between Plymouth and similar economies, which can act as a deterrent for high-skilled migration into the city. Across all pay scales, job security is proved to lead to greater wellbeing and lower anxiety and, in turn, employers can benefit from increased staff motivation and loyalty.

Better jobs, improved infrastructure, learning and talent development and thriving specialist sectors across the city need to systematically address the challenges of inequality so that the benefits of economic growth are felt by everyone. Unless no-one is left behind, everyone is less prosperous than they could be. By moving away from a "grow now, redistribute later" approach, inclusive growth can create the conditions for broad-based productivity and prosperity, and "make the economy work for everyone."

KEY FACTS: Pre Covid-19, whilst the claimant unemployment rate was at one of its lowest points, the proportion of Plymouth residents claiming Employment Seekers Allowance (ESA) remained stubbornly high. At nearly 7% of the working age population, the ESA rises to as much as 12% in the St Peter & Waterfront ward, 11% in Devonport, and 10% in Honicknowle. Moreover, Plymouth's economic inactivity rate is above the SW and UK average (20.4% v. SW 18.9%) – we have 34,500 economically inactive residents, 12,500 of which want jobs; so is the city's part-time employment rate (27.4% v. UK 24.9%), and its rate of non-permanent employment (5.8% v. UK 4.8%), which also partly explain Plymouth's wage gap. (ONS, 2018)

The Inclusive Growth Commission recommends place-based economic strategies that deliver business-led productivity and quality jobs. Inclusive growth will require businesses and civic organisations to work together to create stronger institutional foundations in our towns and cities. The creation of quality jobs is at the heart of this. Local businesses need to be directly engaged by local anchor institutions (universities, hospitals, colleges and other major employers) to drive up productivity and stimulate demand, particularly in the low-paid sectors such as hospitality, care, warehousing and logistics which constitute much of the long tail of low productivity in the UK. At a local level, this means an approach based on: a deep understanding of local assets; connecting people to quality jobs; resourcing place regeneration as well as business investment; and helping businesses keep ahead in the context of Brexit.

2014-2019

Under an 'economic inclusion' theme, LES 2006 set out to achieve a virtuous circle whereby a more competitive city economy would bring about significant improvements in the circumstances of those living in the poorest wards, reinforcing economic growth through greater participation, higher skills levels and higher incomes.

The previous 'People, Communities & Institutions' flagship continued to strive for this between 2014 and 2019, and focussed on specific actions designed to support the connection of local people to physical assets and financial resources that lead directly to the creation of new employment opportunities. The Plymouth Plan has subsequently sought to integrate the structures, services and relationships that knit individuals and communities together with place. It sought to enable partners to support livelihoods, build social capacity and improve outcomes for the most marginalised communities.

The 2014 LES focussed on the following strategic objectives:

- Effective community enterprise and employment support
- Support the growth of social enterprises
- Connect businesses and individuals to local procurement opportunities.

OUR APPROACH

Our challenge going forward lies in raising productivity across all our sectors, and promoting equality in the distribution of income and prosperity. We therefore aim to explore ways in which the two work together, rather than as substitutes. We also aim to grapple with the best ways to measure Inclusive Growth so as to efficiently monitor progress in our objectives, working off recommendations from the Inclusive Growth Commission.

In addition, population trends show a challenging demographic shift in the city. With population ageing faster than nationally, our young population growing, but not being retained locally, and our middle-aged population ever-decreasing, existing skills gaps are expected to be further exacerbated locally, unless this problem is addressed. Healthy Ageing poses an opportunity for Plymouth, where vacancies in health and care continue to grow, and clusters of advanced medical business solutions and technologies are forming. Employment in caring and leisure occupations has seen the largest growth in the past decade, and this reflects the growing demand from an ageing population. Solutions are being developed in e-health, and there is a potential market for this in Plymouth, which presents an opportunity to address the challenges of an ageing society through innovation in technologies, processes and system design in health. We aim to position Plymouth at the frontline of these developments, as a potential test bed for digital health solutions.

We will continue to work to connect local residents to newly created employment opportunities, and to encourage an inclusive approach to recruitment and development whereby all our residents are given a fair chance to participate and contribute to economic growth. We will continue to strengthen local supply chains through our investment, and review Plymouth City Council's procurement targets for local spend and SME spend in a second phase to this work; Through our Resurgam Charter, we will both stimulate recovery and strengthen the local economy through focusing in-part on local spending and we will step up to encourage National Living Wage minimum pay through our suppliers.

Ensure recruitment, retention, and development of all sections of society

To create a growing and fair economy, we need to support and empower communities to develop the economic opportunities most suited to their need. Individuals living in our most deprived areas often face a multitude of barriers to participating in the economy. Those who have been disengaged from the labour market for some time, require more intensive support to help them re-connect. It is therefore imperative that our employment and skills interventions are responsive to this.

We also need to make sure that people in work are supported to stay in work and maintain, or increase productivity. This means that highly skilled workers make the most of their qualifications and that associate professional and skilled trades are upskilling to more knowledge intensive roles – particularly where those roles are commonly off-shored or automated.

To support this objective we will:

- Develop a **campaign to promote** inclusive growth across those sectors with very low wages to **encourage adoption of living wage**.
- Support businesses and **social enterprises** to go further than a standard **corporate social responsibility** programme to grow.
- Encourage clustering of businesses to increase skills, **enable career progression, and increase average wages.**
- Work with influencers across the city to ensure that policy is assessed for the **impact on the lowest earners.**

Integrate Inclusive Growth in policy

To show our commitment to driving Inclusive Growth, we aim to integrate this into every policy, and encourage policy design through the lens of Inclusive Growth. This will go further than considering Inclusive Growth as a stand-alone issue to address in parallel with other objectives, to embedding it into every decision, as a thread through everything we do. To that end, we have a new, dedicated team of four and an Inclusive Growth manager in September 2018, with responsibility for driving Inclusive Growth, Co-operative Development, and Community Economic Development.

To support this objective we will:

- Integrate Inclusive Growth through **strategic projects** in the city – in their planning, design, delivery and legacy.

Embed Inclusive Growth in procurement and commissioning across the City

Feedback from the Fairness Commission Select Committee in 2014 indicated concern about local procurement and highlighted the potential for small businesses to have a visible role in influencing policy in this area. This has been taken on board in our 2014 LES, with an aim to ensure that SMEs have the knowledge and skills required to access local procurement and tendering opportunities.

Furthermore, we will continue to work to ensure that employment opportunities arising from developments and investments are available to our residents. This applies to major developments both within the city, as well as across the Travel to Work Area and wider SW peninsula, such as Sherford and Hinkley. We will work to encourage high productivity sectors to engage with, and procure from local SMEs. This would require increased competitiveness from these SMEs, which would encourage productivity improvements down the local supply chains through innovation, investment and skills development (transfer of the Apprenticeship Levy to other employers in a supply chain or cluster).

To support this objective we will:

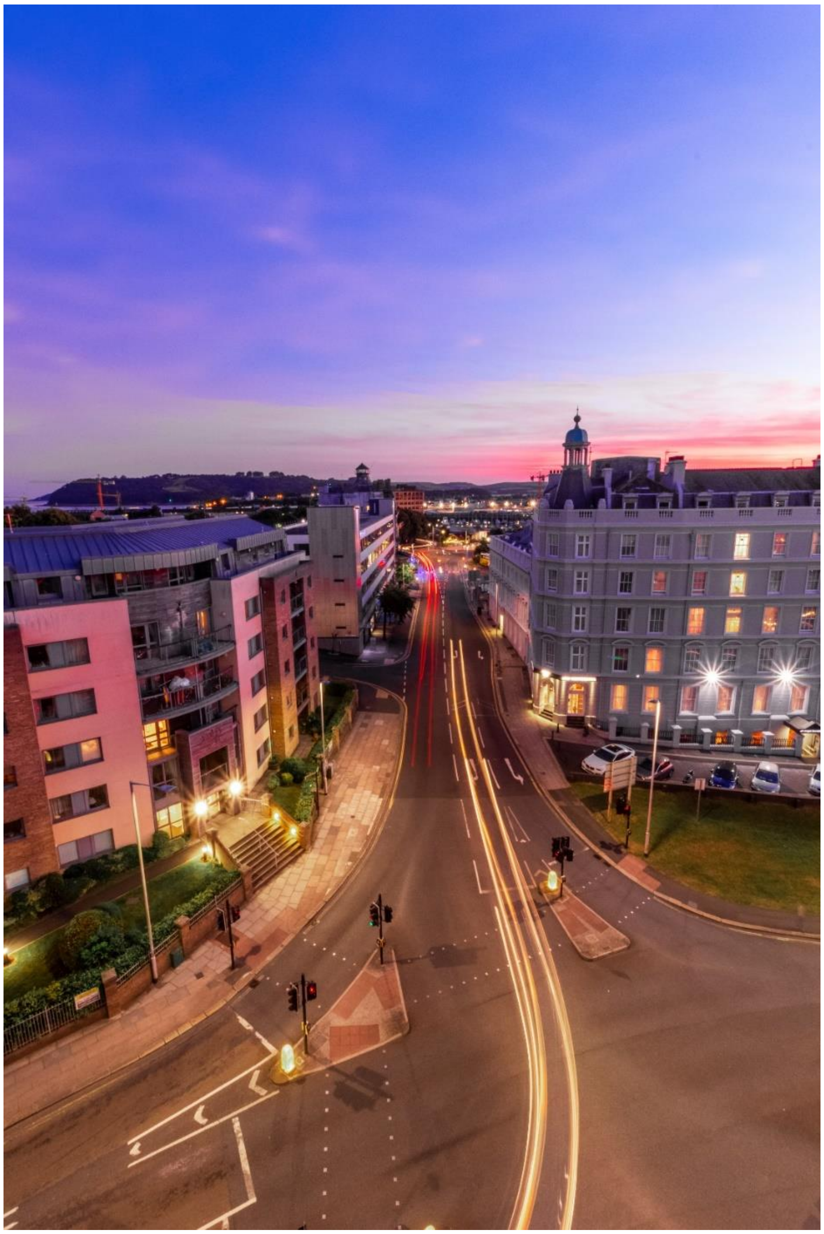
- Ensure that **leadership** for Inclusive Growth is embedded across the City.
- Create a **Resurgam Chartermark** that businesses and other organisations can apply for to demonstrate their commitment to delivering Inclusive Growth.

Cross-cutting themes

Flagship	Inclusive Growth
Ocean City Infrastructure	• Through procurement, design, construction/delivery and legacy • E.g. the City Centre Diversification Programme talks about the high proportion of retail workforce and planning resilience, transport needs to talk about low wage economy reliance on shift work and public transport.
Business Growth & Investment, Defence	• Ensure that our residents in our more deprived communities have suitable support to start and grow their businesses; • Improve productivity in our low wage sectors where the majority of our workforce are; • Promote and support more inclusive models of business ownership such as co-operatives and mutuals, so that the benefits of that productivity are better distributed. • Digital inclusivity and problems of digital information ownership.
Visitor Economy & Culture	• This is a low wage sector with national evidence of non-compliance with minimum wage legislation (possibly linked to split shift working). • The new Visitor Plan considers engagement of local people in facilities and activities and working with businesses to use skills development to support productivity gains.
Learning & Talent Development	• The Inclusive Growth Commission suggests for consideration the labour spectrum and mechanisms to build resilience through skills: • Outside labour market – long term unemployed: wrap around support • Working low skilled – cycling in and out of low paid, low security and low skilled jobs: living wage, responsible contracts, quality jobs and progression, social value procurement, inclusive industrial strategy • Employed medium skilled – hollowing out and skills mismatch: procurement/ demand for job quality in high-volume, low wage sectors; proactive re-skilling, vocational routes • Employed high skilled – skills underutilisation and reduced public sector employment: nurturing clusters, livability of cities, stop ‘brain-drain’, management practice across all sectors and sizes of firms.

OCEAN CITY INFRASTRUCTURE

'Accelerating infrastructure delivery, and creating the right environment for growth and investment'



Plymouth is a significant hub for the far South West, having an economic influence beyond its administrative boundaries. The concentration of

businesses and people in a single place creates a range of economic benefits – larger and more diverse labour markets, knowledge 'spill-overs' between businesses, and lower costs in terms of market access.

The city's economy can only grow, however, with the right economic infrastructure to support it. When businesses make decisions to invest in markets, the reliability, cost and quality of local infrastructure (including housing and transport) are major considerations. Likewise, the quality of place is a critical factor in attracting and retaining talent.

While the city's outstanding natural assets have the potential to attract investment, on the flipside, its physical peripherality means businesses are sheltered from the competitive forces that drive innovation and growth. It is estimated that every one hundred minutes travel time from London reduces productivity by six per cent[8].

KEY FACT: 'GVA per head' is often used as a proxy for productivity; however, 'GVA per hour' is the purest measure, accounting for differences in commuting patterns, economic inactivity and part-time working between places. In 2017, Plymouth's GVA per hour worked was 83.7% of the UK average (ONS).

The recession of 2008/9 and its legacy have constrained the flow of investment to support medium and large-scale infrastructure developments. However, the 2014 LES has seen an acceleration in developments across the city, catalysed by the Mayflower 2020 vision. We must keep this up beyond 2020, as we Build Back Better, in order to achieve the growth ambitions that we have set out in the Strategy, and position Plymouth as the key urban driver for the South West peninsula.

2014 – 2019

Plymouth's overarching Vision, set out in the Plymouth Plan 2014 - 2034, is to be "one of Europe's most vibrant waterfront cities where an outstanding quality of life is enjoyed by everyone". The Plan identifies strategic objectives setting out how this vision can be achieved. These include delivering sustainable growth to 300,000 residents and contributing towards the creation of over 26,000 new homes and an additional 20,400 jobs. To help achieve this sustainably, the Plymouth and South West Devon Joint Local Plan, which outlines the wider infrastructure, land, housing, and commercial capital investment needs, identifies the need to deliver growth in 3 key areas in the city: Plymouth's city centre and waterfront; Derriford and Northern corridor; and Eastern corridor. In order to enable growth and investment in Plymouth's marine and defence sector, the commercial infrastructure, as well as the physical and digital connectivity in the West of the City (including Devonport and Oceansgate) are also crucial areas for development recognised by this Plan.

Our strategy focusses on transforming the East – West corridor (which includes key employers such as Babcock, MoD, Princess Yachts and Oceansgate) and the North-South Corridor (which includes the Science Park, Plymouth Marjon University, Becton Dickinson, Plessey, Derriford

[8] Meeting the productivity challenge (2005) University of West of England and University of Bath

Hospital, Peninsula Medical School and the University of Plymouth). This approach will enable the council to improve the transport offer between key employment sites, housing sites and areas of deprivation, by reducing journey times and providing new transport choices, and therefore address the key transport challenges identified by leading businesses.

This approach addresses one of the most significant constraints to business growth – transport connectivity, connecting Plymouth's key Growth Areas and enabling business growth within these identified key areas. Plymouth has been successful in securing a share of the Transforming Cities Fund to invest in improving public transport around the city, and secured further funding in the second tranche announced in 2020. In addition, key strategic transport developments are taking place that aim to improve Plymouth's connectivity to the rest of the region and the UK, and further investments are made to continually improve Plymouth's digital infrastructure and maintain the city's competitiveness through digitally-led innovation and growth. Our recent success in securing DCMS funding towards rolling out full-fibre (>1GBps) network across the city's public sector sites, will also potentially see overall lowering costs and encourage private sector investment in fibre capable to support emerging technologies of the future in sectors such as marine, defence, advanced manufacturing, and health technologies.

Crucially, we will continue to work to unlock employment land and develop the commercial property offer needed for business investment, including through the development of commercial and innovation capital in the North of the city – the Plymouth Science Park and International Medical Park, the Derriford Commercial Centre, and Plymouth Airport; in the East, primarily at Sherford and Langage; the West – Devonport and Oceansgate; and the City Centre & the Waterfront. And finally, we will aim to unlock retail and cultural space outside of the City Centre & the Waterfront to cater to residential and employment growth in other parts of the city, such as the North, and work with partner stakeholders to identify existing assets and potential to immediately address gaps in this offer.

OUR APPROACH

Retaining the east-west/ north-south focus set out in the JLP, our 'Ocean City Infrastructure' flagship will focus on the following strategic objectives:

- Unlock critical infrastructure for high-value sector growth
- Optimise the economic potential of the City Centre and the Waterfront
- Realise the potential of the Derriford and Northern Corridor as a regionally significant growth hub
- Create the conditions for knowledge-based business growth
- Ensure Plymouth is 'well connected', through physical transport links as well as digital means.

Unlock critical infrastructure for marine and defence sector growth

The city and wider peninsula's marine and advanced manufacturing sectors represent areas of clear competitive advantage contributing around 14% of national sector employment. We are recognised for our strengths across these industries, with global companies and world-leading research institutions (including Plymouth University and Plymouth Marine Laboratories) already based here. Plymouth's status as a Freeport city, announced in early 2021, also provides clear opportunities for those operating in this sector. Despite these strengths, availability of appropriate employment space for expansion or supply-chain co-location is limited, and transport connectivity to the rest of the city and the surrounding region currently falls short of business needs. Providing the right infrastructure and linking this to the city's knowledge-base, is at the heart of our marine and defence growth ambitions.

Much work has been done towards this since the 2014 LES, including the unlocking of key, underutilised employment land that is perfectly suited for marine activities at South Yard and major subsequent developments such as Oceansgate. This has attracted significant demand from specialist companies which value the natural assets available at these sites.

The Marine Industries Production Campus (MIPC) was the flagship project of the Plymouth & South West Peninsula City Deal. It comprises the phased transfer of 8ha of underutilised Ministry of Defence (MoD) land in South Yard, Devonport, to Plymouth City Council (PCC), for redevelopment for industrial use, with a focus on the marine and advanced manufacturing sectors. The MIPC project has been subsequently re-branded to **Oceansgate**, with a new logo, a new website, and a new vision statement: "to bring together marine based businesses to create a world class hub for marine industries, with opportunities for research, innovation and production in a collaborative environment". Oceansgate has been designated as the first exclusively marine Enterprise Zone in the UK. The Enterprise Zone will benefit from 25 years of investment, supported by business rates discounts worth up to £275,000 per business over a five year period, enhanced capital allowances on new plant and machinery, and superfast broadband. Above all, Enterprise Zone designation raises the profile of the Oceansgate development with Government and business, both nationally and internationally.

The **Oceansgate** development continues to progress; the industrial units in Phase 1, which was completed in May 2018, are filling rapidly with businesses such as Plymouth's own Lang and Potter taking on space to accommodate its expansion. The recent completion of Phase 2 in March 2021 has been met with significant interest, providing further light industrial and office space and enabling businesses to benefit from locating there. . Phase 3, which incorporates the waterfront area, is the largest and most challenging phase of the development. The Council's strategy is to attract a strong presence of innovative marine businesses that require access to in-sea test facilities along with a managing marine business who can act as port authority for the dock facilities in Phase 3.

The success of these developments and the demand that they have generated is evidence that the city's natural assets and current industry strengths located in the West of the city have the potential to position Plymouth at the forefront of marine and defence innovation, presenting opportunities for supply chain development and significant business investment. To enable these industries to thrive, we need to recognise Devonport as a key growth hub for the city and ensure that the infrastructure is fit for purpose. This includes a cluster of modern commercial space and capital to enable innovation and industry collaboration, continuous investment in digital infrastructure to enable development of future technologies, and improvements in transport connectivity.

The recently announced Freeport status for Plymouth and South Devon will introduce a secure customs zone for the City bringing benefits to companies operating within them. Launching in 2022, the 'Freezone' will generate thousands of new jobs and over £100 million pounds of new investment over the next 10 years, bringing long-term benefits to the local economy.

To support this objective we will:

- Continue to **develop** and **expand** the commercial offer at the Oceansgate Enterprise Zone to support marine, defence, and advanced manufacturing growth, innovation, and technological developments across the SW Peninsula, and accommodate cross-sector supply chain co-location
- Support the development and launch of the Plymouth and South Devon **Freezone**
- Improve the **physical connectivity** of the Western corridor of the city to the Waterfront, the City Centre, the Northern corridor and key transport routes to the rest of the region in order to enable the smooth movement of people and goods to and from this area of the city
- Encourage investment in **digital connectivity** in this growth area through city-wide quality connectivity of public sector sites, such as fibre gigabit-capable broadband
- Deliver increased capacity for **Cruise ships**, with improved facilities
- Continue to support and drive the **delivery** of key infrastructure that enables growth in our marine and defence industries.

Optimise the economic potential of the City Centre and Waterfront

The City Centre and Waterfront area is vital to the success of our economy, providing high quality retail, higher education facilities, knowledge based and professional services employment, and serving as a cultural centre for driving growth and attracting visitors. Technological developments have shaped the role of city centres in the wider city growth, and will continue to influence consumer demand and, hence, the type of business investment that it is likely to draw. Recent retail trends have raised the need to reconsider the use of our high streets, and Plymouth has a significant cultural offer which can be fostered and grown, supporting our young and growing cultural, digital, and creative industries. This requires not only the safeguarding of our cultural assets, but also the redevelopment of commercial space left vacant by the reduced demand for a physical space from the retail sector, into a modern office environment. The city centre renaissance proposed as part of the Resurgam recovery plan has further accelerated the reinvention of the city centre through the introduction of new diverse non-retail uses. This will breathe new life into the city centre while also providing interventions to the immediate impact of Covid-19.

Alongside this, the accommodation offer of the City Centre and the Waterfront needs to be grown in order to accommodate emerging trends in city centre living, as well as growth in our visitor economy, with a diverse hotel and B&B offer to suit all types of visitors.

The JLP vision suggests that the City Centre and Waterfront Growth Area will have been transformed through major investment and community-led improvement, delivering a vibrant mixed-use regional shopping centre, an attractive visitor destination, high quality jobs and places to live, and a cherished natural and historic environment.

Support will be given for cultural development proposals and proposals which protect existing cultural facilities within the city's three cultural hubs: Royal Parade, the Hoe and historic waterfront (including Royal William Yard, Millbay, and the Barbican/ Sutton Harbour); North Hill/ Tavistock Place (including the area around Plymouth University, College of Art, Museum and The Box); Devonport (centred around Devonport Guildhall, Market building, and Plymouth Music Zone and Music Hub).

To support this objective we will:

- **Establish and reinforce** the City Centre's role as a **regional centre** for shopping, employment, leisure, a university centre, a strategic transport hub, and a sustainable community in its own right
- **Deliver** a vibrant mix of **commercial uses** to diversify the City Centre and revive local high streets, to include delivering regionally significant office uses and the coordination of public sector investment as a catalyst for transformational change
- **Capitalise** on developments in recent years, such as The Box and The Barcode to continue to deliver a City Centre and Waterfront regeneration programme, prioritising key strategic infrastructure to unlock economic growth
- **Develop and diversify** the City Centre's **accommodation** into a vibrant city centre living environment and drive forward the employment offer of the city centre as a vibrant business district
- **Rejuvenate and re-focus** the City Centre's high streets and use of commercial space to ensure resilience in face of the retail and digital revolution, as well as recovery from the Covid-19 pandemic.

Create the conditions for knowledge-based business growth

Modern city economies rely increasingly on knowledge and innovation. Infrastructure plays an important role in supporting knowledge-based growth, creating the conditions for so-called 'clustering' and the exchange of ideas. A distinctive sense of place is a key factor in attracting talent, investment and visitors. As Britain's Ocean City, Plymouth needs the right infrastructure to support its ambitions and deliver a vibrant and successful visitor and investor offer beyond Mayflower 2020.

The city's HEIs represent a significant pool of knowledge and innovative potential. The Plymouth Science Park has been expanded and developed, and is home to a cluster of high-value medical technologies businesses, forming part of a wider Medical Technologies Campus in the North of the city. A digital infrastructure fit for the future is key to enabling the productive potential of this activity, revolutionising healthcare provision through e-health and attracting inward investment.

The Derriford and Northern Corridor Growth Area will have been transformed through community-led improvements and major investment, with its high-value economy, high-quality medical and healthcare facilities, and a new commercial centre in Derriford to create a high-quality, distinctive, and vibrant mixed-use heart for the north of the city. Radical improvements to transport and facilities, including natural infrastructure, will have been delivered alongside significant additional jobs and homes, including the major residential extension to Woolwell. The Derriford Transport Scheme has been completed, and further works on Forder Valley Link Road and Interchange, as the main connection to the rest of the South West peninsula, are expected to be completed by the end of 2021.

Growth in our marine and defence sector, through innovations in marine autonomy, marine manufacturing, environmental research and applications in marine, and cybersecurity, will also require significant improvements to the transport connectivity of the West of the city, as well as cutting-edge digital infrastructure.

To support this objective we will:

- **Deliver** new commercial and digital infrastructure to foster business innovation
- **Facilitate** further high-value employment growth in Plymouth's Medical Technologies Campus and Oceansgate
- Support the **delivery** of full-fibre, gigabit-capable digital infrastructure throughout the key Growth Areas of the city.

Ensure Plymouth is 'well connected'

Investment in transport infrastructure is fundamental to economic success – good connectivity supports the effective functioning of our economy, enabling residents to access employment opportunities and linking businesses to markets for skills, customers and supply-chains. Plymouth is the most significant urban area on the SW peninsula yet it is cut off from the Strategic National Corridors and has relatively poor rail and air services. The A38 is of crucial strategic importance, connecting Plymouth to the rest of the region, and to the M5. Making sure that this is fit for purpose is a key priority for the city.

Climate change is likely to lead to more extreme weather events in the future, placing considerable pressure on the regional transport links and weakening our physical connectivity. In recent times, major flooding events and strong winds have caused disruption to the functioning of our economy, with businesses experiencing significant economic costs. We need work with sub-regional partners to invest in new resilient and 'future proofed' infrastructure.

A new and modern Plymouth Coach Station has been developed and completed in September 2016. Further investment in improving Plymouth's Railway Station as the main gateway to the city will also go a long way towards improving our connectivity. Plymouth Railway Station is located on the edge of the City Centre within a 1960s built environment with poor connectivity to the City Centre. The need to improve this first impression of the City when arriving by train is widely recognised, and most recently is identified as a 'major intervention' in the City Centre Masterplan (2016).

Plymouth is the busiest station in the south west peninsula after Bristol. As a regional hub, the station is an important gateway for the whole region. There is a need to improve walking and cycling access to the station and in particular pedestrian access from and to the City Centre which is currently indirect and unintuitive, as well as accessible public transport and supporting transport interchange. The Build 4 Plymouth plan has a particular focus on enabling people and goods to move in and around Plymouth through a programme of transport improvements.

Land at the Plymouth's Brunel Railway Station is allocated for a mixed-use regeneration scheme that delivers a high quality gateway and arrival point into the city and increases the capacity of the station to accommodate increasing numbers of passengers. Uses which will be supported include offices, education facilities, commercial, hotel, small-scale retail development, residential and student accommodation. Provision is made in the order of 4,800 sqm of B1a offices as part of the mix of uses. This is a more intensive form of development which makes better use of vacant and underused space, with retention and refurbishment of Intercity House. It will also use landmark buildings to provide a widely visible presence to the station, and a direct public pedestrian and cycle route connecting it to Armada Way, as well as to Central Park.

Moreover, a fit-for-purpose digital infrastructure is key to enabling innovation and business competitiveness, and has the potential to unlock significant productivity gains for the city and attract investment away from London and the South East in an increasingly digital economy. The recent success in bringing gigabit-capable full fibre network into the public sites across the city has the potential to encourage additional private sector investment. We need to continually look to keeping pace with upgrades in infrastructure, and bringing 5G into the city is an immediate and essential next step in this direction.

To support this objective we will:

- Work to continually **attract and encourage investment** in the latest digital connectivity
- **Lobby** for reduced rail journey times, electrification, track and signalling enhancements, and improved capacity, along with sub-regional partners
- **Improve** resilience of strategic road and rail routes to and within the peninsula
- **Redevelop and enhance** the presence of the Railway Station to create a welcoming, 21st century arrival point into the city, which is efficiently connected to the city centre and the waterfront, and to create a mixed use business space.

BUSINESS GROWTH & INVESTMENT

'Developing a coherent support offer to enable our businesses to become more enterprising, innovative and productive, excelling in global markets'

Long term economic success is built on the productivity of our businesses and workers. Productive businesses, including social enterprises, create more employment opportunities at higher levels of pay, produce higher quality goods and services, and generate the lion's share of wealth for the city.

KEY FACT: Plymouth's performs poorly on measures of entrepreneurship. Business density in 2018 was 54% of the UK average, and its business base has grown 17% since 2011, compared with 28% nationally. Plymouth's business survival rate also decreases from 90% after the 1st year of operation, to 36% after 5 years – compared to 43% nationally, and 46% regionally.

2014-2019

The Business theme of our LES 2014 set out to address the critical success factors: 'improve productivity and competitiveness', 'create a diverse and growing business base' and 'a high proportion of knowledge based activities and innovation within businesses'. Activity was aimed at building on the momentum generated by the City Deal, to boost inward investment by improving Plymouth's investor offer; and support our businesses in becoming more enterprising, innovative and productive.

We have worked in partnership to effectively engage our businesses and ensure resources were targeted where the greatest returns could be achieved. The Heart of the South West Growth Hub service brings together business support services into a single gateway (mostly in the form of a virtual platform rather than a physical space) that diagnoses and signposts to a network of service providers. Plymouth has had the highest rate of engagement with the Growth Hub within the sub-region; however, there is still work to be done to raise awareness of the Growth Hub within the business community and engage harder to reach SMEs. Demand also suggests additional resources being required to target towards intensive, face-to-face, advisor support. On-going "intelligence-gathering" to map and understand the provision available to businesses continues to be reported as key stakeholder feedback, though the supply of business support is not controlled by the Growth Hub. It was, however, suggested that joining activities together more coherently and contextualising them through economic intelligence and business surveys could be a powerful tool to inform strategy development and support the simplification agenda.

We have capitalised on our natural assets and unlocked enabling commercial land and infrastructure to support our thriving marine sector and bring investment into Oceansgate; and we have grown our wider knowledge-based industries through Science Park extensions and redevelopments, which have revealed significant additional strengths in the high-value market for health technologies. Our Economic Development Capital Programme is estimated around £231m expenditure between 2014/15 and 2018/19, with a further £500m in the development pipeline to create and unlock much-needed commercial capital and infrastructure and improve physical and digital connectivity. A further £274m of inward investment has also been attracted in 2019, alongside public sector funding of £46m secured for key developments.

OUR APPROACH

Our productivity objective can be achieved through three channels. The first is through increasing firm-level productivity across our entire business base, regardless of size, industry, or ownership. The second is through increasing investment in those existing businesses, and those sectors and technologies which are most productive; here, we define scale-ups as businesses with significant growth and innovation potential and ambitions, and we identify our advanced manufacturing & engineering, marine and defence, and digital and creative industries as our most productive sectors, and marine autonomy, cybersecurity, and health technologies as technological strengths for our city. The third channel is through attracting additional investment that is particularly productive. We aim to use a combination of these approaches to reduce our productivity gap.

In addition, factors external to the firm, such as the business environment that they operate in, also have an impact on how far business productivity can improve. As a coastal, peripheral city, Plymouth has struggled with its transport connectivity to the UK's major centres of economic activity, and this has been a significant barrier to drawing in business investment[9], and has reportedly hampered growth for our existing businesses. Investment in digital infrastructure is likely to reduce this impact; however, physical connectivity will remain crucial to enabling a smooth distribution of goods in and out of Plymouth, and to allowing the more flexible (and more productive[10]) working practices that the digital revolution is bringing. Finally, people are at the centre of business. Ensuring that our businesses have access to the skills that they require is key to unlocking productivity. If the local supply of skills is not adequate for business needs, workers are sourced from elsewhere. Our Plan aims to support local communities by ensuring that skills match demand. These issues are being addressed in separate flagships; however, it is important to point out that a joined up approach which integrates our work across skills and talent development – business and inward investment interventions – and marketing campaigns is key in achieving a meaningful impact on our businesses and our communities and in achieving sustainable growth. A key consideration, alongside skills gaps and the role that skills play in attracting business investment, is also the impact of automation and business investment on local skills. A recent Centre for Cities report[11] suggests that Plymouth is likely to see a cca. 20% reduction in jobs by 2030 due to automation, as demand for skills has shifted towards interpersonal and analytical skills.

This flagship will focus on creating the right environment for business growth and investment, and enabling innovation and entrepreneurship. We will continue to unlock growth in high-value sectors and markets, with targeted support towards our scale-up businesses, whilst also encouraging productivity gains in our self-employed and 'lifestyle' businesses, and our lagging, yet significant sectors such as tourism and hospitality. We will work to position Plymouth at the forefront of investment in marine autonomy, offshore renewables, and marine manufacturing, as well as in health technologies and life sciences, and our digital and creative sectors. And we will promote supply chain development, clustering, and cross-sector networking so as to maximise the benefits to our economy across all sectors, and encourage cross-fertilisation of ideas and practices of management excellence.

We will focus on the following **strategic objectives**:

- Increase firm-level productivity
- Increase the number of start-ups and scale-ups, and extend survival rates
- Attract and support new business investment and FDI
- Encourage digital absorption and adoption of new technologies
- Support our social enterprises to thrive in order to maximise the economic returns for our communities.

[9] Ernst & Young – *UK Attractiveness Survey*, 2018

[10] Regeneris – *The economic impact of full fibre infrastructure in 100 UK cities*, March 2018

[11] Centre for Cities – *Can cities outsmart the robot*, October 2018

Increase firm-level productivity

There are a number of ways in which firm-level productivity can be raised – innovation, exports, digital utilisation, and management excellence[12]. These are widely recognised by research studies, and apply for businesses of any size, operating in economies of any size, rural or urban, mainland or coastal, and of any sectoral make-up, and regardless of the local infrastructure and skills base.

There is a large and growing body of evidence that suggests that better management practices are associated with higher productivity. Most recently, data from ONS (2018) examining management practices in British production and services industries has shown a strong link between management practice score and labour productivity. On a 0-1 scale, a 0.1 increase in management score was associated with a 9.6% increase in GVA per worker. In general, high productivity businesses are more likely to[13]:

- Be aware of their own and relative performance;
- Regularly review their performance and practices;
- Have structured management practices in place (monitoring, incentives, and targets);
- Be part of a peer-to-peer network;
- Have effective relationships with their supply chain;
- Utilise a wide range of external advice and support, particularly strategic advice;
- Have a clear vision for the business and an up-to-date business plan;
- Have higher levels of employee engagement and job satisfaction;
- Have more highly skilled managers and staff;
- Provide training to improve the skills of managers and staff;
- Adopt new technology and utilise digital tools to improve efficiency;
- Take part in behaviours associated with growth (e.g. export, innovation, strategic decision-making).

Innovation relates to the development of new products and processes and is a key driver of productivity. Research has found that growth rates of innovative businesses are significantly higher than non-innovative ones[14]. Successful innovation requires a supportive physical space and the creation of networks in which knowledge and ideas can be shared. The 2017 Science & Innovation Audit for the South West region has identified innovation strengths in Plymouth in advanced engineering, new energy systems – offshore renewables, and digital innovation. Moreover, the 2018 Smart Specialisation framework suggested strong, distinctive strengths and research capabilities in marine, nuclear, and healthy ageing technologies; and the 2018 Tech Nation report identifies a digital technologies cluster in Plymouth. Recent research (2018) by Chimera into the potential for a health cluster in Plymouth also looks at the REF (Research Excellence Framework) results for medical courses at the University of Plymouth, and finds strengths in research comparable with Cambridge University in certain specialisations, such as biomedical engineering

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[12] BEIS Business Productivity Review 2018

[13] BEIS Business Productivity Review, May 2018

[14] BIS Analysis Paper No 2: SMEs: The Key Enablers of Business Success and the Economic Rationale for Government Intervention. December 2013

and pharmacology. On patent applications, however, according to the Centre for Cities, Plymouth ranks somewhere in the middle amongst the UK's Key Cities; this suggests a potential problem arising around the adoption of innovation, and hence the translation of ideas into new or improved business products and processes. We have also identified a need for better reach into our business base for Innovate UK opportunities, with best practice showcased widely to encourage business take-up.

Our innovative potential in marine and renewable energy (linked to the Marine Innovation Centre (MARIC) and world-class research institutes such as Plymouth Marine Laboratories, the Marine Business Association, and SAHFOS) is at the heart of our marine specialisations. Oceansgate and the new Marine Business Technology Centre (MBTC) is an excellent example of bringing together natural assets, research institutions and capabilities, and business in order to bring innovative ideas to life.

The MBTC, which is headquartered in Phase 1 of Oceansgate represents a major a new collaboration between Plymouth City Council, Plymouth University, Exeter University, Plymouth Marine Laboratory and the Marine Biological Association (MBA). The MBTC will support marine businesses to innovate and test 'near to market' products by providing seamless access to 'in sea test' facilities in Plymouth Sound and to the expertise of the various knowledge partners. The aim of the project is to place Plymouth at the forefront in the development of new technologies such as; marine autonomy, alternative propulsion, sensors and instrumentation and advanced manufacturing. The MBTC is generating a strong relationship with businesses not just in Plymouth but across the UK and abroad to consider Plymouth as a location for testing and investment. Locally this is coordinated through the FAST (Future Autonomy at Sea Technologies) Cluster group which includes businesses such as Thales, Sonardyne, Msubs, Valeport and Seiche. MBTC was fully launched in January 2019. The launch of the MBTC also saw the announcement of the Plymouth Smart Sound, a unique validation and demonstration environment for innovative marine technologies covering 200 square miles of water. This will be an integral element of the emerging National Marine Park status for Plymouth.

Finally, businesses that export tend to experience higher levels of productivity, improved competitiveness in domestic markets, and by tapping into global markets, greater incentives to innovate[15]. We see this in the success of our advanced manufacturers, whose productivity is 29% above the Plymouth industry average: 8.6% of Plymouth producers (compared with 4% across the South West region) export goods internationally, amounting to approximately 12% of Plymouth's GVA. Through stimulating digital absorption, we aim to encourage other businesses to expand into new markets, thus becoming more competitive and productive, and generating additional exports of services.

To support this objective we will:

- **Grow our capital investment** programme to enable high-value business growth – commercial/ employment land and incubation centres/ Enterprise Zones/ Science Parks;

continue to develop on the success of Oceansgate and deliver a Marine Business Technology Park

- **Support innovation and knowledge-based growth**; develop the market around Innovation in Healthy Ageing & Health Technologies
- Raise the proportion of businesses **exporting**
- Increase **digital** absorption and adoption of digital technologies within our existing businesses (Digital/ Connected Plymouth; Digital Utilisation project), and connect our key sectors with digital markets to explore new uses and improve products and processes
- Increase investment in our competitive advantages and **key sectors**
- Stimulating a culture of **management excellence** across our businesses
- Develop **clusters** around our high-value, key sectors, with established status which businesses can identify with and can attract new business investment, and supply chains that local industries can support; continue to work in partnership with Maritime UK South West.
- **Sector deals** with Government around our high-value, key sectors – such as tourism
- **Support vulnerable sectors**, such as our fishing industry, and enabling sectors such as construction through bespoke support.

Increase the number of start-ups and scale-ups, and extend survival rates

Plymouth has historically recorded low rates of business births reflecting a (generally) less entrepreneurial and more risk averse business culture[16]. The city tends to see more sole-trader start-ups than other cities, but these businesses are rarely growing to the point where a significant contribution to employment is made. Creating an environment more conducive to start-ups will help drive the competitiveness forces necessary for productivity and employment growth. We need to grow our aspirations for enterprise to ensure starting a business is considered a viable career path for our residents regardless of background and circumstance.

The business support landscape has changed rapidly in recent years and much has been done in recent years to address the perceived fragmentation of provision. The HotSW Growth Hub is offering businesses a one-stop signposting service. This is complemented by a suite of business support programmes, ranging from Start-Up advice to Peer Networks and Scale-Up support to support businesses with significant growth potential. The Chamber of Commerce also plays a significant role in supporting our businesses to succeed, and solid business networks built on trust and a sense of community have proven benefits of driving improved business outcomes, innovation, and better management practices.

We will draw together resources from across the city and region to provide a clear and accessible offer for all businesses looking for start-up support, advice, guidance and signposting, and we will look to identify the gaps in specialised support for our social enterprises and cooperatives. We will help unlock the potential of our SMEs and work proactively with larger businesses to encourage them to grow and reinvest locally. Furthermore, we will ensure businesses have access to the necessary information to respond positively to the challenges and opportunities presented by the transition to a low carbon economy.

In addition, our approach will build on the assets, talent and expertise of our HEIs.

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[16] See for example Plymouth's Economic Review Issue 2 (2012) Plymouth Growth Board

To support this objective we will:

- Work with partners to **facilitate** an integrated and accessible business support offer for SMEs and scale-up – not only to improve business survival rates, but to support them to thrive –, building on our successful Growth Hub resource and existing business representatives and partnerships across the city
- Work with partners to encourage entrepreneurship and provide **start-up support**, ensuring young businesses acquire the resilience to survive beyond the support programme that they receive
- Work to **maintain working relationships** with our key business players, to enable conversations to take place in situations where their success in the city is threatened by outside factors
- Work with partners to simplify **access to finance**: signposting and investor readiness
- Connect businesses with existing **research and innovation** capabilities
- Encourage business-to-business **mentoring.**

Attract and support new business investment and FDI

Attracting new businesses to the city delivers clear economic benefits in terms of new employment and output creation. We will work with partners across the Peninsula, adopting a proactive and co-ordinated approach to securing new inward investment. In doing so we need to sell our strengths as Britain's Ocean City, where our quality of life, low carbon/marine credentials, social enterprise strengths and extensive talent pool, represent significant hooks for new investment.

Business survey evidence suggests that access to finance remains a key barrier to business growth, exacerbated by the credit crunch and subsequent recession of 2008/9. Our approach will be to support ambitious businesses already located in the city find the necessary finance to invest and become more productive.

To support this objective we will:

- High-value **inward investment and FDI**
- Develop **clusters** around our high-value, key sectors, with established status which businesses can identify with and can attract new business investment, and supply chains that local industries can support
- **Sector deals** with Government around our high-value, key sectors.

Support our social enterprises

Social enterprises and cooperatives make a valuable contribution to the local economy both in terms of output and employment. In addition, they deliver benefits to the overall 'wealth' of the city's economy through a range of social and environmental objectives. Whilst operating in competitive markets like any business, social enterprises demand a more bespoke level of support to help them become more sustainable.

Plymouth's social enterprise strengths were recognised by being awarded Social Enterprise City status. In addition, Plymouth University was the first institution in the world to be awarded the Social Enterprise Mark in recognition of its long-standing history of support for the sector, and Plymouth Marjon University is also a current holder of this badge, awarded for their outstanding community engagement work, and support for students coming from disadvantaged backgrounds.

We will continue to build on our 'Social Enterprise City' status, and develop our business support offer in order to help them maximise their impact on our city. This is the primary route for achieving Inclusive Growth in our approach to economic development.

To support this objective we will:

- **Create** an integrated and accessible business support offer tailored to the specific needs, e.g. around legal structures and social investment, of social enterprises
- **Support** and **promote** business excellence
- **Co-ordinate** innovative funding opportunities, targeted at local bottom up economic initiatives and social enterprises.

DEFENCE

'Capitalising on our strategic strengths and innovative defence capabilities to safeguard Devonport Naval Base and Dockyard's economic role, and promote Plymouth as a leader in cutting-edge defence manufacturing, autonomy and cybersecurity, to maximise the benefits to the wider economy.'

Overview

Defence products and services represent the largest export market for the UK. Defence makes a major contribution to the UK's economy through the national security it provides, by creating and sustaining high-skilled jobs (associated with higher earnings), investing in apprentices, and exporting equipment and services globally. Plymouth's Marine & Defence sector directly contributes nearly £1bn to Plymouth's economic output, amounting to approximately a 5th of the economy; the sector is 7 times more concentrated in Plymouth than nationally, and its productivity is 17% above the city's average industry, and in line with national productivity in the same sector.

Plymouth has unique autonomous systems expertise and is home to major UK Defence Primes and their associated supply chains; providing leading technological developments such as: Babcock's digitisation aspirations and proactive innovation programme; and the first unmanned mine warfare system at Thales' Maritime Autonomy Centre in Turnchapel.

The city's physical defence assets include: Devonport's largest naval base in Western Europe with nuclear submarine refitting facilities (the only such facility in the UK); FOST (world Centre of Excellence); Oceansgate Enterprise Zone and Turnchapel Wharf (Thales) supported by Plymouth HEI sector; Smart Sound Plymouths deep water facilities (essential for trialling unmanned systems); amphibious capabilities with niche design and supply of military vehicles; and MOD infrastructure footprint (bases, barracks etc.).

Plymouth's anchor institution is the HM Devonport Naval Base & Dockyard (HMNB Devonport). As well as home to the Royal Navy in the South West, Devonport is also the centre of specialisation for deep-water maintenance of surface ships and submarines with a highly skilled industrial workforce.

The HMNB plays a vital role in the Plymouth and wider regional economy directly supporting 10.1% of Plymouth's total Full-Time Equivalent (FTE) employment and 14.1% of its economic output, i.e. Gross Value Added (GVA, 2017). In terms of jobs, in 2019, in Plymouth alone the Naval Base and Dockyard provides 14,384 jobs rising to 16,185 in Devon and Cornwall (direct and indirect) this equates to an economic output of £770m in Gross Value Added (GVA) for Plymouth (out of £5.2bn) rising to £839m within Devon and Cornwall. The Naval Base & Dockyard is a significant source of business, with 269 suppliers of goods and services to Babcock across the SW Peninsula – 62.5% of which are in Plymouth. Babcock's supply chain spend in Plymouth makes up 45.5% of their total contracted spend for marine & technology activities, rising to 73% across the SW Peninsula.

HMNB Devonport is the only facility in the UK licensed to undertake critical competence in the deep maintenance of nuclear submarines. Of equal importance is the valuable contribution to national security made by the vessels docked at Devonport. There is also a growing expertise in nuclear technologies that is invaluable to the wider UK economy, as indicated in the Government's Industrial Strategy. This culture of expertise forms part of the critical mass that has built up over the years and has contributed to the agglomeration of expertise, facilities and capabilities in nuclear submarines, ASWs, hydrography and amphibiosity, thus presenting an opportunity for a significant return on any investment by building upon this critical mass.

Devonport is also home to the amphibious fleet (HMS ALBION AND HMS BULWARK), Hydrographic vessels and all of the Royal Navy's Anti-Submarine Warfare Frigates (Type 23s) in addition to being the operational training hub of the front line fleet and the Royal Navy's Amphibious Centre of Excellence at Royal Marine Tamar. The Royal Marines' amphibious capability is a key component of ensuring that the UK has an up-to-date, modern and adaptable naval capability. The MoD has previously recognised the significant role and value that the amphibious capability brings with a £30m investment in RM Tamar in 2013 to build the Amphibious Centre of Excellence and the recent regeneration of HMS ALBION in 2017 costing £85m.

Our approach

The Defence sector has a longstanding economic and strategic role for the city of Plymouth outweighing that of any other sector or institution in the city. It is at the centre of our high-value marine activity, as well as marine manufacturing and autonomous technologies, supporting innovation and productivity. It is also at the centre of our maritime heritage. This makes defence – our assets and our economic activity, a unique selling point in attracting investment in the city, and driving productivity-led growth.

Much work has been done to safeguard defence in Plymouth; however, for this to be sustainable over the long-term, as well as for us to maximise the benefits to our economy and our communities, we need to position defence at the forefront of our investor offer, as well as the digital revolution that is taking place everywhere. We need to engage our local businesses with the opportunities that our strengths in defence present, strengthening local supply chains and encouraging cross-sector collaboration and cross-fertilisation of ideas. Linking together our defence, our manufacturing and engineering, the digital and creative economy, and the research capabilities at our HEIs and research centres in marine, robotics, autonomous systems, sensors and satellites, artificial intelligence, and other – would foster an integrated hub of activity centred around defence and marine, and would present to the world a thriving environment for business, research, and innovation.

To support this activity, our business environment needs to cater to the needs of these interrelated activities. We need to ensure a fit-for-the-future supply of high-value skills, particularly STEM skills; we need to have the right commercial, transport, and digital infrastructure to enable growth; and we need to have the right support network and platforms for collaboration and innovation.

Additional support is also required with exporting and post BREXIT resilience, specifically for foreign owned companies.

To achieve this, we will focus on the following ***strategic objectives****:*

- Develop and strengthen cross-sector collaboration and supply chains, particularly supporting SMEs to engage with the sector
- Develop Plymouth's reputation as a world class site for innovation in defence
- Grow and expand the talent pool and create a workforce which is fit for the future
- Work alongside the Naval Base and key partners to deliver their future vision of the HMNB: Devonport 2100.

Develop and strengthen cross-sector collaboration and supply chains

Defence-related investment has a multiplier effect for UK prosperity and exports as well as dual-use innovation, providing a seed bed for new ideas and technology. Expenditure with industry and commerce is vital for the region due its enduring role in the provision of in-service support to the Royal Navy, including the refitting of Trident submarines and surface warships and specialist ship design capabilities.

Cross-sector collaboration, and a strengthening of the sector's local supply chain, would ensure that the economic benefits to our city and the region are maximised. It would also create the image of an integrated ecosystem of business and innovation catering to the UK's key location for marine autonomy and manufacturing, and nuclear decommissioning, and reinforce Plymouth's case to Government for the safeguarding of the Devonport Naval Base & Dockyard.

This is in line with Philip Dunn's recent recommendation to mature the relationship between defence and the private sector, and explore opportunities for innovation.

To support this objective we will:

- Develop a **world class engineering supply chain** across civil and defence sectors
- Build on the recommendations of the ongoing HOTSW Defence and Security Mapping Research.
- Support the **Maritime Autonomy Centre** at Turnchapel which provides access to trial areas for the development of cutting-edge maritime autonomous systems.
- Continue to support **Marine Business Technology Centre** in providing the conditions for **innovation** and supporting the city's defence and security **supply chain**, as well as their work with **Smart Sound** Plymouth.
- Continue to support the **South West Regional Defence & Security Cluster**, which provides an opportunity to generate greater collaboration and innovation amongst Plymouth defence businesses.

Develop Plymouth's reputation as a world-class site for innovation in defence

There are four clear strategic growth areas within the defence sector, all of which fall broadly under the auspices of Industry 4.0 and the Industrial Internet of Things (IIoT): (i) Autonomous Systems and Remote and Automated Systems (RAS); (ii) Cyber Security and secure wireless connectivity; (iii) Human-Machine Learning – Data, AI and Robotics; and, (iv) High Value Design Capability. Our region lacks the benefit of a Catapult centre and has one of the lowest success rates for innovation investment, with both DASA and Innovate UK (IUK) confirming the region is underrepresented. Plymouth needs to be positioned at the centre of innovation in defence, and strive to be at the forefront of the digital revolution.

Plymouth benefits from leading research capabilities and assets, such as the University of Plymouth, the Plymouth Marine Laboratories, and the Marine Biological Association. Plymouth University's Autonomous Marine Systems (AMS) Research Group possess expertise in AI, optimisation techniques and advanced control systems.

Moreover, the UK Hydrographic Office have shown interest in expanding their activities in Taunton into Plymouth – with an aim to create a Marine Innovation Centre and link in with, and utilise the testing facilities at Marine Autonomy Centre in Turnchapel. The UKHO is a Centre of

Excellence in seabed mapping and marine geospatial information, and their vision is to promote data sharing across the globe and unlock the use of geospatial data (GD) so as to stimulate private sector growth and support government more widely. This presents further opportunity for Plymouth in marine autonomy, which offers a specific specialisation that cannot be found elsewhere in the region – with the potential to tap into, and collaborate with, the research potential all across Maritime UK South West.

We are working to create a Centre of Excellence for marine autonomy in Plymouth – linked to our defence capabilities, and working with our private sector partners through the FAST (Future Autonomy at Sea Technology) cluster, MPs, skills providers, the MoD and Babcock, to develop a city-wide case. This will build on our physical assets in Oceansgate, the Marine Autonomy Centre in Turnchapel, Smart Sound and other. The case is currently being developed, and will be presented to ministers shortly.

To support this objective we will:

- Continue to support and develop our physical assets as they provide our conditions for innovation at Oceansgate and Turnchapel Wharf. Potential for future sites.
- Build upon our world class reputation in anti-submarine warfare and nuclear deep maintenance and decommissioning, whilst establishing a reputation as a Centre of Excellence in marine autonomy.
- Support and deliver on the findings and recommendations of the Heart of the South West LEP's Productivity Strategy, their Local Industrial Strategy, and the Great South West manifesto.

Grow and expand the talent pool and create a workforce which is fit for the future

Our geographic location struggles to attract and compete for a sufficient pipeline of talent, causing a growing skills gap – particularly in STEM subjects. The average age of a Babcock engineer is 55, thus approaching retirement, and the company are working hard to train and recruit their workforce of the future. We need to do more to promote career paths in STEM, particularly amongst girls and women, and we also need to work to attract skilled STEM workforce in their middle age – as Plymouth's population in this age group continues to decline.

The Devonport Task Force continues to work to support the skills agenda; Plymouth's STEM Forum, with representation from members of the Devonport Task Force, is similarly working with our HEIs, schools, and colleges, to promote careers in STEM. With the renewed focus on Plymouth becoming a Centre of Excellence for marine autonomy, Plymouth City College and the University of Plymouth will also unveil the UK's first degrees in autonomy.

Plymouth also has a young, but growing, cybersecurity cluster. *On top of the strategic assets that Plymouth has to offer, it also boasts a growing and thriving digital industry.* The risk of Cyber Crime is not to be underestimated, and we recognise the risks and opportunities posed in the National Cyber Security Strategy. Plymouth University's Cyber SHIP (Security, Hardware, Information and Protection) lab will create a national resource for research and training, encouraging opportunities for ongoing maritime-cyber consultancy and research to safeguard the sector going forward. This is linked to the University's Maritime Cyber Threats research group. Furthermore, Plymouth's superfast broadband connectivity and commitment to developing wireless technology leaves it well placed as a SMART city; however, whilst the digital infrastructure is key to a growing cybersecurity industry, digital skills are also at the centre of this.

Partners across Plymouth have joined forces to ensure we generate a pipeline to meet the future needs of our cyber security industry, grow the supply of STEM skills in the city and promote the opportunities available in our defence sector and its supply chain.

To support this objective we will:

- Grow and widen the talent pool, creating a work-force which is flexible, agile and fit for the future. With the City College set to develop the UK's first Autonomous Degree we will look to build on best practice.
- Cyber SHIP Lab: provision of test facility at the University of Plymouth for ship security hardware including a physical and synthetic ship's bridge. This will provide a focal point for businesses to engage and improve info protection and resilience to cyber-attacks.

Work alongside the Naval Base and key partners to deliver their future vision of the HMNB: Devonport 2100

The 'Modernising Defence' Programme was published late 2018, which put forward recommendations to upgrade the workforce and the infrastructure to prepare for a modernised Armed Forces. This was a high-level document with major decisions likely to be postponed until post-Brexit. Prior to this publication, Philip Dunne published his *Growing the Contribution of Defence to UK Prosperity* review, which highlighted the significant contribution that Defence makes to UK Prosperity, particularly the South West, the region with the highest MOD expenditure. These recommendations will be taken into consideration in the publishing of the *Devonport 2100* Vision of the MoD.

Also contributing to this will be the recent announcement that HMNB & Dockyard Devonport will base-port the Type 26s strengthens our position as a Centre of Excellence for Anti-Submarine Warfare. The Devonport Task Group will continue to campaign and lobby to secure the through-life maintenance of the Type 26s, and establish a case for the through-life support, infrastructure, and training for the Type 31s. The infrastructure to support future work streams for through-life support for Dreadnought and Astute is also needed.

Moreover, we will explore opportunities for the submarine recycling at Devonport to be linked up with the Civil Nuclear Programme for decommissioning, which would free up valuable space within the Dockyard to be used more productively. This space could be used for the future classes of submarines coming through.

To support this objective we will:

- Lobby for type 26 through life maintenance
- Lobby for through life maintenance of the type 31s and to become training hub
- Continue to fight to retain a significant footprint of royal marines in the city
- Develop the infrastructure and capabilities needed to support future work streams.

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'

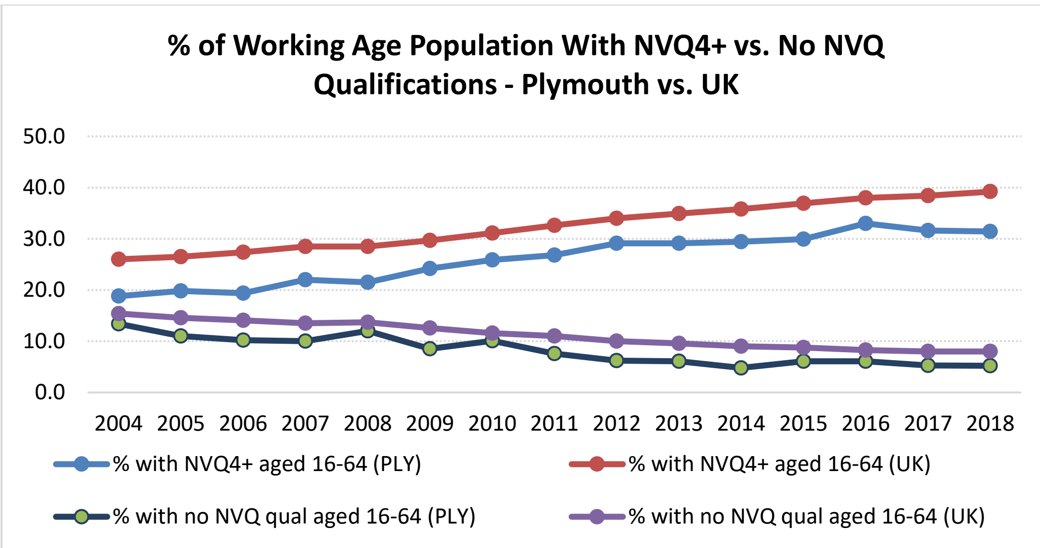
There is a wealth of evidence that medium and high-level skills, particularly in STEM sectors, are significant drivers of productivity, both directly in terms of improving individual performance and, indirectly, by equipping people with the tools to generate new ideas and practices. Skills raise levels of innovation, in turn, unlocking new markets and driving up the competitiveness of our businesses.

The knowledge-based value added economy of the future, however, requires a solid foundation of people with basic skills who are able to make the most of rapid technological and process change. Therefore, the productive employment of all individuals across the skills chain is fundamental to the city's long-term growth prospects.

Our evidence review reveals considerable progress made since 2014 on a range of employment and skills indicators. The proportion of the city's workforce qualified to level 4 (degree equivalent) or above rose significantly, while the proportion of workers with no qualifications fell over the same period. An indication of this has been the take-up of apprenticeships at level 4 and above.

In 2014, the proportion of apprenticeship starts at level 4 was 2% of our total starts; 2018 data indicates that this has risen to 10% of the total as degree-level apprenticeships have developed, and our training provider base has responded to the need to make a wider offer for both employers, and new entrants.

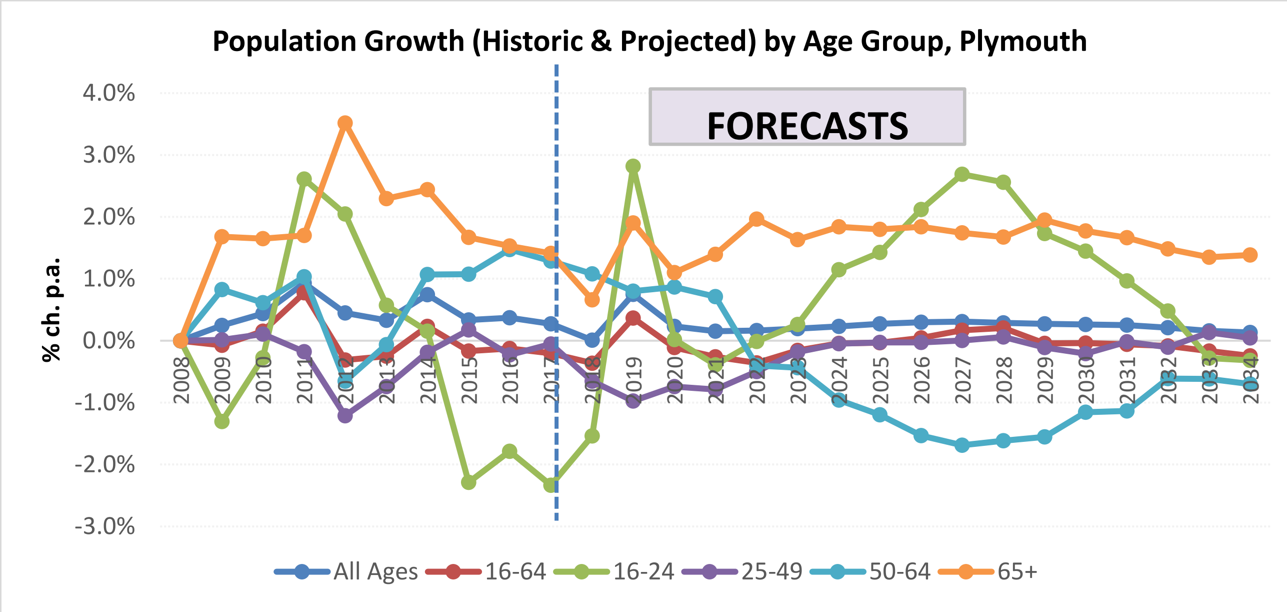
Despite this progress, however, our proportion of residents qualified to NVQ4+ remains below the national average (32% v.38%), our student population has declined by 21% from 2015 to 2019, and our graduate retention remains low, at 19%. This is arguably reflected in our productivity performance, skills being a key driver for productivity and, further reflected in the wages for high-skills jobs in the city falling short of the national average, which potentially suggests that high-level skills are not being productively employed.



Source: Annual Population Survey, Office for National Statistics, 2019

Research has shown a continued 'leakage' of graduates from the city to other labour markets, and a recent Centre for Cities study showed that young people in Plymouth could earn up to 53% more by moving to London, and up to 15% more by moving elsewhere in the country. At the other end of the spectrum, Plymouth's young people are consistently showing significant underperformance in their GCSE attainment, with only 38.4% of pupils achieving a 9-5 pass grade (grade 5+) in Maths & English, compared with 43% across the South West region and 40% nationally. Employability skills are also reported as a major issue for the city at all levels (school leavers to graduates), and remain a key focus of this flagship.

The population of school leavers has now begun to increase following the bottom of the demographic dip of 2018/19. This partly compensates for the consistent decline of the 25 to 49 age bracket over the last 10 years which is expected to continue beyond 2030. On the flip side, growth in the 50-64 and 65+ has been positive and strong, contributing to a concerning structural change in the city's population, and an exacerbation of current skills gaps if nothing is done. This is a challenge that is being shared by the surrounding region, and has been recognised as more pronounced than nationally.



Source: Population Estimates, Office for National Statistics 2019

Moreover, our Joint Local Plan population projections to 2034 are currently not being met. This presents concerns in terms developing our investor offer and drawing in business, where a skilled young and middle-aged population is a key consideration. We must, therefore, have a joined-up approach to attracting skills and talent to the city – one which draws on business and investor needs, as well as up-skilling and developing our local pool of talent, and addressing school underperformance.

We must continue to grow and embed into the education system real time, demand led labour market intelligence, which show cases the variety of career opportunities and entry-level jobs which will lead to productive careers, effectively matching pupil career interests with local demand from an early age. Developing an extensive school engagement programme with inspiring industry ambassadors at every key stage of education, along with developing a work readiness programme so that young person can confidently transition into the world of work are key priorities. Examples include the annual joint Apprenticeship Fair with Building Plymouth and the Plymouth Manufacturing Group held as part of the National Apprenticeship Week, British Science week and other impactful high footfall, high profile events.

KEY FACT: A significant body of research shows a clear link between skills acquisition and utilisation, as well as skilled migration – and productivity, and argues that investment in skills has a positive impact on productivity and wages.

Globalisation, automation and technology, Brexit, climate change, Coronavirus pandemic and an ageing workforce are rapidly shaping the local labour markets, and understanding and addressing skills mismatch is a critical priority. This will be achieved through Skills 4 Plymouth an ambitious transformation programme, that has been co-designed with local employers and businesses, skills providers and wider stakeholders. Designed to make sure people have the right skills now and in the future to get a job and progress in work and employers have people with the right skills they need for recovery and growth. The short-term skills recovery actions have been developed and delivered under the Resurgam programme, established during the Covid-19 pandemic to enable the city to recover and build back better. The medium to long-term skills actions align to the Plymouth strategic plan. The Skills 4 Plymouth key aim is to close the skills gaps and shortages that have been holding Plymouth back economically. As a city, we do not have enough engineers, technicians, construction workers, health or social care professionals, to meet the demand of our local businesses. Employers report recruiting difficulties in these areas as a key constraint and redressing this is critical to improving productivity, competitiveness and growth. Skills 4 Plymouth is demand led and demand informed by real time labour market intelligence, with employers being positioned at the heart of defining local skills needs and at the heart of developing post 16 skills provision, ensuring that technical education and training aligns to what employers want and need today and in the future.

2014-2019

Concurrent to our 2014 review, a Skills Partnership Task and Finish Group was set up to establish an Employment and Skills Board (ESB) for Plymouth, who have recently refreshed their Terms of Reference. An employer-led partnership, the ESB will provide local strategic leadership in setting the city's priorities for employment and skills provision. Our 'Learning & Talent Development' flagship has been delivered through Plymouth's Plan for Employment and Skills (2014-20). Skills 4 Plymouth reports to the ESB and sub groups will be created for Demand, Supply and Education accountable to the ESB when formed, its focus will be on understanding long-term future job and skills demands, creating and sustaining workforce aligned to demand and a future pipeline including the production of high quality pathways of learning and opportunity across schools, FE, HE and training providers.

The Plymouth Employment and Skills Board has grown in strength and developed business sector representation across our growth sectors in addition to membership from HE, FE and schools, and supported by the local authority.

The current ESB objectives are:

1. Building real time labour market intelligence direct from employers to understand current and future jobs and skills
2. Ensuring that our skills and training environment is responsive, training is demand led and training gaps have been addressed to meet the needs of local businesses, so that we close skills gaps and skills shortages, match supply to demand and improve productivity and innovation
3. Simplifying the offer to enable all individuals, from all communities to make informed choices to access skills and training they need to achieve their potential, with a particular focus on basic skills English, maths, digital and STEM skills.
4. Build enterprise skills to create a more enterprising workforce and more start-ups
5. Develop a skills portal and a skill one-stop shop (Skills Launchpad Plymouth) to support individuals and young people leaving education.

6. Increase apprenticeships and industry qualifications, particularly in growth sectors such as health, care, marine, defence, manufacturing and construction and built environment, clean green energy to meet future demands. Including developing clear progression pathways for HE/FE
7. Expand local provision and for traineeships, T-Levels and Kickstarts to transition into apprenticeships or other opportunities
8. Encourage lifelong learning to upskill the existing workforce to improve productivity, innovation and competitive advantage for our local businesses
9. Embed from Early Years, Primary through to Secondary School an effective schools programme that informs young people, their parents / carers and educators of the jobs that will exist when they leave their educational journey aligned to LMI. With clear progression routes for students aligned to employers future demands and an effective work readiness programme to enable young people to confidently transition into the work of work
10. Embed Careers education, advice, information and guidance from early years through to post 16, raising aspirations and broadening horizons of Plymouth's young people. Including an agreed coordinated citywide high foot, high profile events with impact

The Board will also represent Plymouth at the newly formed Skills Advisory Panel (SAP) for the Heart of the South West (HotSW) LEP. This will enable our Board to have representation both at regional and national levels, and make the case to Government for greater skills investment across the LEP region and Plymouth.

The Learning, Skills and Employability Group that has been established and accountable to the ESB and the Children and Young People's Partnership, has focussed on the creation and sustainment of high quality pathway of learning and opportunity across schools, FE, HE and training providers, and our stakeholders including DWP.

To-date, the group have mainly focussed on the following strategic objectives:

- Match skills with demand
- Grow, keep and attract STEM talent in Plymouth to drive productivity across our city and our region
- Delivered Skills Launchpad Plymouth, which includes a skills portal, adult hub, youth hub, employer hub and education hub to support local businesses and residents
  - Help local residents equip themselves with the skills and confidence to play a part in the city's future
  - Support those who are facing redundancy or changing careers through the Adult Hub
  - Provide targeted support for young people including those with additional needs through the Youth Hub
  - Enable local employers to better navigate the complex skills and employment landscape

- Deliver extensive outreach, including a city wide education model, curriculum relevant resources and engagement with children and young people in the education system, including aadditional Interventions for the most vulnerable and disadvantage students as part of levelling
- Develop the CEIAG offer so as to drive informed career decisions amongst our young people and promote local career opportunities
- Preparing for work and tackling unemployment (thereby helping to support the Inclusive Growth flagship).

In 2017, a Plymouth STEM Strategy was published, with the key aim to grow, retain, and attract STEM talent in the city. The strategy was developed following extensive city-wide partnership consultation, referencing regional and national perspectives including the Industrial Strategy and an identified need to increase the number of people taking up STEM related subjects leading to jobs and careers. The vision of Plymouth's STEM Strategy is that by 2031 Plymouth is seen as a thriving, innovative, international ocean city with STEM driving the region's growth & productivity. The key aim of the strategy, launched in 2017, is to grow, keep & attract STEM talent.

Underpinning this, the STEM delivery plan for Plymouth sets out a '5E' Education model to achieve its strategic aims to grow & keep STEM talent. The model has been developed and based on research from Engineering UK that demonstrates if young people receive 4 quality STEM interventions over the course of their educational lifetime they have a much higher likelihood of going onto pursue STEM qualifications & STEM careers.

In 2017, a STEM Board was established with city wide representation of stakeholder and partners including employers (PMG, Plymouth Employment and Skills Board, Medical and Health, Defence, Plymouth Science Park, schools, FE and HE, to oversee the strategy and develop and agree key performance indicators.

With a focus on attracting talent to the City, there are clear links to Invest Plymouth and provide an offer from Plymouth to the rest of the UK (and wider) in order to promote the availability of the jobs and careers that we have and will need in the city and sub region to support the attraction of new talent.

Building Plymouth was developed to help support the skills demands from the Construction and Built Environment sector. This award winning initiative is a true public private sector partnership that has membership from industry sponsors and supports the Building Plymouth Skills Co-ordinator and more recently the Building Plymouth Liaison Officer as wider demand for profile raising events, school engagement, understanding supply and demand for skills and working with private FE and HE providers continues.

Throughout 2019 and 2020, Building Plymouth and the local authority worked with other key city public sector partners to understand the capital pipeline picture across the whole of the City currently is estimated to be between £2bn and £3bn over the next 5 years. This is in addition to our housing profile and Sherford as part of the Joint Local Plan.

We will continue to develop this partnership, share good practice and endeavor to maximize the benefit of this pipeline via social value to help local people enter the sector and increase our capacity to deliver this programme with local supply chains.

As Building Plymouth, we will now be undertaking a strategic regional project by delivering the Construction Theme Group on behalf of the Heart of the South West LEP based on the recognised good practice we have developed here in Plymouth.

These two examples illustrated demonstrate that working in partnership to co-design strategic approaches and delivery action plans works.

Work has commenced with the hospitality and visitor economy for Plymouth, Health Care and Health Tech and the marine and maritime sectors.

The South West Institute of Technology represents a further significant opportunity for Plymouth, with a £2 million local investment enabling City College Plymouth to create new facilities and purchase cutting-edge equipment to deliver an innovative new curriculum of higher-level technical courses (Level 3, 4, 5 and 6) within the Marine, Engineering, Manufacturing and Digital Sectors, all city priority sectors. SW IoT offers a strategic collaborative opportunity to unite employers, education providers and strategic agencies, all focused on improving the South West's technical skills, ambition and talent. It will provide the highly skilled, qualified and adaptive workforce that is fundamental to our region being able to fully benefit from and contribute to the new industrial revolution; and release the potential of our digital and marine sectors to deliver transformational productivity growth.

OUR APPROACH

Our approach has been designed to make sure people have the right skills now and in the future to get a job and progress in work and employers have people with the right skills they need for recovery and growth.

- Demand: matching labour market skills demand with training and education supply: ensuring all individuals are productively employed and the offer is right across the sub region; and
- Supply: Up-skilling / reskilling Plymouth's workforce and those seeking to enter the labour market: maximising participation for all of the city's residents.
- Future Pipeline: Embedding careers information into the education system: so young people, their parents/carers and educators are fully informed about current and future opportunities that will exist when they leave education.

Match skills with demand

Skills mismatches can occur when the educational and skills system is unresponsive to local demand. This results in skills gaps and shortages which weaken the labour market. Therefore, to ensure our residents are productively employed and the needs of the local economy met, we need an 'employer-led' system which is both flexible and responsive.

To support this objective we will:

- **Identify the current and future demand for job and skills** direct from employers and growth sectors, building an evidenced based, demand led approach for skills planning and skills investment
- Produce an annual Plymouth Skills Analysis every year to help **inform skills gaps** and **curriculum development** and help us understand demand and supply of skills across sectors
- Continue to engage with **growth sectors and growth businesses** on demand for future skills
- Increase the development of **world class learning facilities** that support and respond to the needs of our workforce and employers (IoT, University of Plymouth, Skills Academies for example)
- **Increase apprenticeships and industry qualifications**, particularly in growth sectors such as health, care, marine, defence, manufacturing and construction and built environment, clean green energy to meet future demands. Including developing clear progression pathways for HE/FE
- **Expand local provision and for traineeships, T-Levels and Kickstarts** to transiton into apprenticeshps or other opportunities
- Encourage **lifelong learning** to upskill the existing workforce to improve productivty, innovation and competitive advantage for our local businesses

Grow, keep and attract talent in Plymouth to drive productivity across our city and our region

Modern city economies rely increasingly on knowledge and innovation – to remain 'cutting-edge', businesses need to continually develop their products and services. In addition, science, technology, engineering and mathematics (STEM) skills are crucial to innovation and productivity-led growth. Studies have shown that innovation-active enterprises employ higher proportions of graduates in general and, in particular, a higher proportion of STEM graduates than their non-innovative counterparts. The role of STEM graduate and post-graduate employment has been shown to reduce the costs and increase the economic benefits of innovation as a result of good problem solving skills.[17]

Working through the CEIAG offer and careers providers across the city, we will demonstrate where STEM related Careers and Opportunities are available locally through apprenticeships, entry from vocational entry and HE.

In addition, we must recognise diverse aptitudes and the increasing demand for creative and digital skills, as well as critical non-STEM skills such as negotiation, leadership, and soft skills, which are applied in all industries. Technology is transforming the world of work. Demand for physical skills is declining, while analytical and interpersonal skills, coordination and critical thinking – skills that complement machines – are becoming increasingly important. The OECD predicts that only

[17] UK Commission for Employment and Skills – *The supply of and demand for high-level STEM skills*, 2013

workers with very strong literacy and numeracy skills will be more proficient than computers in 10 to 20 years' time. Yet nine million adults in the UK lack basic literacy or numeracy skills, and participation in English and Maths courses that develop these essential skills has fallen in every city, on average by around a quarter.

According to a 2018 report by the Centre for Cities[18], demand for interpersonal skills in UK cities grew by 52 per cent between 2006 and 2016, and demand for analytical skills grew by 18 per cent. In contrast, overall demand for physical skills in cities declined by 40 per cent over the same period. Cities with higher demand for analytical and interpersonal skills tend to have a lower demand for physical skills. More significantly, cities with higher demand for analytical skills tend to be more productive. This is because analytical skills tend to play a big part in many knowledge-intensive services jobs, and these jobs tend to be more productive. Plymouth's labour market has traditionally been skewed towards skilled trades and engineering, given the high proportion of manufacturing jobs in the city. However, technological trends have led to significant reductions in employment in the industry, with productivity and output growing through capital investment instead. This means that, despite historical skills gaps experienced in the sector due to a high proportion of its workforce being due to retire, the future will see a reduction in the demand for physical jobs. This is likely to be experienced in the construction sector as well, which has also traditionally struggled to fill vacancies in the city. Future education and career advice and guidance will need to reflect emerging trends in the future of work, and encourage the continuous re-skilling and up-skilling of workers of all age groups to ensure adaptability to changes in the way we work. This will require a joined-up approach early on between HEIs, FEs, schools, employers, and public sector leaders.

To support this objective we will:

- Through the Employment and Skills Board STEM Board and delivery partners work alongside our education partners to **highlight the jobs and careers available locally** and entry routes to them
- **Promote and attract STEM, creative and digital excellence** enabling our key high-value industries to thrive and increasing Plymouth's national and international standing.
- Develop an **Education Hub** (Skills Launchpad Plymouth) to host curriculum aligned resources which showcase the depth and variety of careers and employers in the city
- **Attract and retain more highly skilled graduates**, particularly in STEM)including a graduate recruitment and retention programme to fill short to medium skills gaps, particularly in STEM sectors

[18] https://www.centreforcities.org/publication/can-cities-outsmart-robots-future-skills-uk/

Develop the CEIAG offer so as to drive informed career decisions amongst our young people and promote local career opportunities

Part of our commitment is to develop a more skilled and productive city workforce working with our educators and training providers to embed curriculum resources and CEIAG which is responsive to employer demand, nationally and locally.

The Heart of the South West (HotSW) Careers Hub is a vital resource in this respect and we have developed productive working relationships to achieve key milestones as part of the activity and awe have an Enterprise adviser in each school to help support this along with an extensive educational outreach programme.

The Gatsby Benchmarks are an example framework for good career guidance developed to support schools and colleges in providing students with the best possible careers education, information, advice, and guidance. This will contribute to our Inclusive Growth agenda, as well as minimise skills gaps and skills mismatches which have historically held some of our key businesses back.

To support this objective we will:

- Continue to support and develop the **Plymouth Careers** Hub as part of the wider Heart of the **South West Careers Hub**
- Working to the **Gatsby benchmarks** and Careers Education Company and the Careers Hub, will provide our young people and employers with a more **informed careers offer** that helps them make the decision that they need for future careers and job opportunities
- **Embed from Early Years, Primary through to Secondary School an effective schools programme** that informs young people, their parents / carers and educators of the jobs that will exist when they leve their educational journey aligned to LMI. With clear progression routes for students aligned to employers future demands and an effective work readiness programme to enable young people to confidently transition into the work of work
- Embed Careers education, advice, information and guidance from early years through to post 16, **raising aspirations and broadening horizons** of Plymouth's young people. Including an agreed coordinated citywide high foot, high profile events **with impact**
- Through the Employment and Skills Board, Careers Hub and Plymouth Challenge, we will work with schools to **raise awareness** and understand the opportunities that are available

Prepare for work and addressing worklessness

It is imperative that our future pipeline are equipped with the skills demanded by businesses across the city. Employers frequently cite the need for greater 'job-ready' skills such as team-working, problem-solving, and customer and communication skills, among young people leaving education. Our approach, therefore, is to support the overarching goal of improving the work readiness of all leaving education and supporting the journey to employment.

To support this objective we will:

- Every primary and secondary student in the city will have a meaningful encounter with an **inspiring industry ambassadors at every key stage of their education**
- Work with our local delivery partners to **reduce the number of those who are NEET and not known**
- It will also through its strategic objectives support **Careers Education Information Advice and Guidance Activity** the work to make this happen
- Through our Building Plymouth **work with public sector procurement pipeline partners, adopt social value and ensure we maximise the opportunities available to get more people into work**
- Ensure that we are integrated with our **Inclusive Growth** Flagship as part of this

Optimise Government initiatives and programmes such as the **National Retraining Scheme for local needs.**

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'

The role of culture-led regeneration and creativity remains a defining feature of successful waterfront cities. Mayflower 2020 has acted as a powerful catalyst for Plymouth's regeneration, the benefits of which are expected to be huge, both in economic terms, and in societal wellbeing and our quality of life. In spite of the impact of the Covid-19 pandemic, the event has acted as a key milestone/enabler for the city's visitor and investor profile and reputation in global markets, and for driving the city's economy. We need to ensure that the Mayflower legacy continues well beyond 2020, using it as a springboard to focus on 'Britain's Ocean City'.

Quality of life and 'place making' play important roles in influencing local labour markets and competitiveness. Highly skilled workers and businesses are attracted to areas with a strong cultural offer and with a high proportion of people working in creative occupations. Strong and distinctive branding boosts inward investment – enabling a city to stand out in an increasingly competitive marketplace. 'Britain's Ocean City' has provided this hook for Plymouth.

The visitor economy in Plymouth contributes significantly to the city's wealth, supporting over 8,000 of its jobs (7 per cent of total). Visitor spend boosts local demand, effectively raising business export revenue and generating multiplier effects through supply-chains and local spending of tourism wages.

Productivity in tourism and hospitality, however, has traditionally lagged behind other sectors – both in Plymouth, and nationally. This has been raised as a key issue in the recently agreed UK Tourism Sector Deal, and has been picked up as a key focus of the Heart of the SW's Productivity Strategy, tourism being recognised as one of the region's core sectors. Plymouth's Visitor Plan has recently been refreshed, and highlights the need to focus on growing our visitor economy through increased average visitor spend – therefore by attracting more overseas visitors and UK overnight staying visitors, supporting year-round employment through a year-round cultural and entertainment offer. In order to do this, however, our accommodation offer needs to keep pace, particularly in terms of 4/5-star hotels.

Going beyond 2020, we need to capitalise on the legacy of Mayflower 400, enhancing and promoting cultural offers such as The Box, the biggest regional theatre (Theatre Royal Plymouth), the Devonport Market Hall Immersive Dome and Ocean Studios. We also need to expand this offer beyond the City Centre and the Waterfront, and explore opportunities such as those presented by the performing arts and community spaces offered by Plymouth Marjon University to cater for population growth in the North of the City and neighbouring districts. The British Arts Show returning to Plymouth in 2021 presents an opportunity to further build a national and international profile for our visual arts & crafts and galleries offer, and examples of UK and European Cities of Culture could be replicated in Plymouth to further grow promote and grow our cultural heritage.

Moreover, the city has a relatively young but dynamic and fast growing creative sector with huge opportunities for further business creation and entrepreneurship. The digital and creative sector is projected to grow 58% over the next 20 years, and investment in the city's digital infrastructure will position Plymouth at the forefront of digital technologies in marine and health, through use of artificial intelligence, robotics, sensor and satellite technology. Within the creative, leisure and tourism sectors, Plymouth has significant strengths in audio and visual arts publishing, and leisure and sporting facilities, reflecting the presence of 'household names' such as the Theatre Royal Plymouth, TwoFour Productions, BBC South West, and Denham Productions.

KEY FACT: There is an estimated 3,252 FTE jobs in Plymouth's digital and creative sector, which represents 3.1% of the city's employment, compared with 2.2% of UK employment. The sector generates approximately £180m in Gross Value Added, and is 11% above the city average productivity. Nevertheless, its productivity is 84% of the respective Great Britain average for the same sector. (Advanced Modelling for Regional Economies – Plymouth Bespoke Economic Modelling Tool, 2018)

2014-2019

In the previous LES and Plymouth Visitor Plan, Mayflower 400 has acted as a powerful catalyst and its legacy will continue well beyond 2020. Our star projects have been successful and have largely been delivered. Commercial Wharf and Royal William Yard have both been successfully re-developed. The 'Mayflower Trails' project is complete. Linked into this, The Box will provide a step change in the visitor offer in the city.

Plymouth now has a very strong events programme punctuated by nationally significant events including MTV Presents, British Fireworks, Armed Forces Day, FlavourFest, and key sporting events including SailGP, British Diving Championships and British Swimming Masters.

With an aim to promote Plymouth as a maritime city, the 'Britain's Ocean City' branding was developed and there has been significant success in growing the reach of the city's marketing activities helped by £1 million of Visit England and government grant funding over the past two year for Mayflower 400. US marketing activity – Audience reach £728 million (trade), £17 million (AVE) PR reach.

We have been working to develop Plymouth's cruise market – work commenced in 2017, and 4 cruise liners were booked in 2018, 5 to-date in 2019 with a total of 12,500 passengers on board. Moreover, a hotel demand study was commissioned in 2014 and demonstrated demand in the market and the need to develop further our accommodation offer. One hotel is currently being built Derrys Premier Inn (110 rooms)) and another has recently been finished (Coxside Premier Inn and a 14 bed boutique hotel has recently opened in Royal William Yard. Other hotel developments are in the pipeline and are in the process of being brought forward. A further study has been undertaken (in 2018) and has demonstrated continuing strong demand in the sector.

OUR APPROACH

Our targets to grow our visitor economy over the 2014 to 2020 period have been successfully reached, with visitor numbers growing by 25% so far - above our 20% target, and the number of jobs generated from this has reached nearly 3,200 (also above our target of 2,800 jobs). On the other hand, our targets on raising average visitor spend have yet to be achieved: average visitor spend has grown by 17.5% to 2018, below our target of 25%; as a result of this, and reflecting the sector's low productivity, the GVA generated by the 3,200 jobs created has increased by £40m over the same period, well below our target of £84m. This is believed to be associated with our tourism sector being mostly seasonal, as well as with an overall below-average visitor spend. This gives us two areas of focus going forward: one is around growing our visitor numbers during shoulder seasons; and the second is around increasing visitor spend all-year-round. Growing average spend per visitor is expected to raise productivity and wages in the sector, and generate larger benefits in GVA.

Despite the impact of the Covid-19 pandemic, Mayflower has acted as a real driver of many aspects of the city's economy – business growth in marine and related industries/services; the visitor and creative economy; the culture of the city in its broadest sense; and raising the 'Britain's Ocean City' profile and reputation in global markets.

The Visitor Plan will contribute towards this LES' ambitions for economic growth, through promoting Plymouth's brand; through increasing the value of spend in the city; through raising productivity across our tourism and cultural businesses in the city; and creating quality, 'year-round' jobs.

The new Visitor Plan commits to exploring ways to build on this momentum and capitalise on our Mayflower projects to-date and our partners' commitment to the 'Ocean City' brand, to create a legacy and develop Plymouth as an international visitor destination, both for leisure and for business. This is focused on high value markets to drive productivity in the sector that can translate into quality, year-round jobs for Plymothians. That means international and overnight leisure and business visitors who will visit throughout the year and manifests in our targets which grow value at a faster rate than volumes of visits. Delivering our refreshed Visitor Plan will generate a further 1,000 new jobs in the city over the next 10 years. It has five clear targets:

- To grow visitor spend by **30% from £347 million to £450 million** in a decade
- To increase the total visitor numbers by **15% from 5.4 to 6.2 million** by 2030
- Make international tourism worth **£60 million a year spend** in the city, that's **65% growth** by 2030
- Grow UK staying visits by **25% to achieve £150 million spend**, focusing on leisure short breaks
- Make business meetings and conference tourism worth **£25 million a year** in spend to the city, a **55% increase** in a decade, using Plymouth's industry strengths to create a strong positioning

Delivery will focus on star projects under three themes:

- **Our Blue-Green City** – Ocean Playground, Stories of the Ocean: Plymouth Sound National Marine Park, National Marine Park Gateway
- **Our Brilliant Culture and Heritage** – The 'Box' Effect, Après Sea: Developing Plymouth's Night Time Economy, Celebrating Our Marine and Naval Heritage
- **Premier Destination** – City Conference Campus, Brunel Plaza (at Plymouth train station), Plymouth Cruise and Ferry Port

Complementing the new Visitor Plan is the new Culture Strategy, which also covers the decade up to 2030. The Strategy has identified three key drivers that sit at the heart of all decision-making to ensure the strategy works to create a greener, fairer sector and city.

Community - We will use culture and creativity to nurture community engagement, building happy, healthy, empowered and connected communities.

Environment - We will be a city of culture with green credentials, using culture and creativity to tackle the climate emergency.
Inclusive Economy - We will position culture as an economic driver, growing and sustaining a diverse ecology of creative individuals and organisations.

The Strategy is framed by five **Ambitions**. We will:

- Embrace our unique blue-grey-green landscapes, unlocking assets in our built and natural environments to create memorable experiences only imaginable in Plymouth.
- Make cultural encounters part of the everyday for everyone.
- Develop an exemplary model of co-creation where our audiences are active participants, making our cultural offer authentic and relevant.
- Be the UK's leading city for immersive cultural experiences, recognised for our ability to use digital technology to engage communities and build cross-sector connections.
- Embed equality at every level of the sector to actively support diversity of voice and celebrate the creativity in everyone

With both the Visitor Plan and Culture Strategy launched in March 2021, we will continue to focus on the following strategic objectives, ensuring alignment with our objectives:

- Raise the profile of 'Britain's Ocean City' branding in global markets
- Grow the city's visitor economy
- Unlock the potential of the city's creative and digital sector, and its cultural heritage
- Drive productivity improvements.

Raise the profile of 'Britain's Ocean City' in global markets

A city's brand plays a crucial role in showcasing to the world the city's unique strengths and aspirations. Few cities can rival Plymouth's rich seafaring heritage, its stunning waterfront and natural harbour, its vibrant cultural life and its close proximity to some of the most beautiful countryside in the UK. Mayflower 2020 presented 'Britain's Ocean City' to the world and maximised the impact of our assets, and we will continue to capitalise on the profile of our marine and maritime developments in the city, and create a diary of events showcasing Plymouth's anniversaries and emphasising the city's maritime heritage. The previously published Visitor Plan also commits to developing Plymouth as a *'UK top ten city break'* and the *'the cultural capital of Devon and Cornwall*'.

The Visitor Plan sets out to highlight the city's vision to create the first UK National Marine Park (NMP), with an aim to expand our vision for Plymouth as a 'Green and welcoming City', to a 'Green and Blue' welcoming city, building further on our brand as 'Britain's Ocean City'. The NMP will be co-designed with Government – the MMO and Defra, and will aim to connect residents and visitors to the ocean and our maritime heritage, creating outcomes across three areas: 'planet' – enhance and safeguard our marine environment, raise awareness through education and management of climate change and the impact on our oceans, and bring together marine and related research into an integrated research group for Plymouth Sound; 'people' –

increase community engagement, participation, and citizenship with our marine environment, promote 'blue' health and wellbeing, and connectedness to nature, ocean literacy, and maritime culture; and 'economic performance' – safeguard and build on our defence activity, and innovation in marine and defence technologies, enhance our coastal, tourism and heritage regeneration, develop a sustainable and responsible fishing industry, and grow our pool of STEM skills. We are positioning ourselves at the forefront of the promotion, safeguarding, and roll out of similar designations across the UK, and raise our profile further as a 'blue city', with a civic pride in our maritime heritage and our responsibility towards the environment.

To support this objective we will:

- Position **Plymouth as key visitor destination** in UK within the Cornwall/Devon holiday offer
- Capitalise on the profile of **maritime and marine** developments in the city
- Build **legacy from** the **Mayflower 400** programme
- Sustain development of the UK's first **National Marine Park**.

Grow the city's visitor economy

Today's visitors are footloose, sophisticated, well-travelled and looking for distinctive and new experiences. Our maritime heritage and history has given us a clear focus for our visitor offer, and we will continue to work to align our ambitions for Plymouth as a visitor destination with our ambitions for Plymouth as a place to invest in, recognising that the two go hand in hand. We will work to present an integrated picture between our connection to our history, our natural environment, our bedrock industrial strengths, and our emerging and growing high-value industries. Our infrastructure and our skills are an integral part of this, and achieving a thriving 'Ocean City' in economic and cultural terms could help position Plymouth as a key place to work, live, and invest, with a high quality of life, a thriving business environment, and a civic and urban spirit linked to a pride in the city's heritage.

There is an immediate need to raise productivity across tourism and leisure sectors through capital (digital/technology) investment. Technological advancements will be used increasingly to segment and understand customers and offer them more relevant choices. Investment in the city's digital infrastructure is key to enabling growth in our digital and creative sector, and in connecting residents and visitors to the city's maritime story. There is opportunity to use our cutting edge technology to showcase the experiences that we have in the city and allow our visitors and our residents to visualise, and connect with the history and heritage of Plymouth through use of virtual reality and immersive technologies. Our creative and digital sector is growing and ambitious, productive and innovative, and must be nurtured. We must also ensure that our digital infrastructure is fit for purpose and keeping up with improvements and upgrades nationally.

In order to accommodate growth in our visitor economy, we need to ensure that we have a diversified, quality supply of accommodation to enable growth in overnight visitors from elsewhere in the UK, and overseas, and to accommodate business visitors. This includes 4/5-star hotels, as well as bed & breakfast; student accommodation can be used as BnB provision over the summer, and accommodate conference visits. The Visitor Plan sets out its ambition to "*prioritising new hotels that create world-class quality and a distinctive offer including independent hotels and accommodation of character that become part of the Ocean City experience, for example on the waterfront or on the water.*"

There is further opportunity to target key niche markets and grow our conferencing offer in order to help us achieve growth through our shoulder seasons and fill hotel beds during off-peak seasons.

To support this objective we will:

- **Growing visitor numbers** in shoulder seasons (period between peak and off-peak seasons) through
- **Grow overseas visitors** through international activity
- **Increase visitor spend**
- **Develop** further **the accommodation offer**, particularly 4/5-star hotels
- **Grow the shoulder seasons** through conferencing/ meetings and targeting key niche markets.

Unlock the potential of the city's creative and digital sector, and its cultural heritage

Plymouth is recognised as having a diverse and vibrant creative industries which includes creative and digital media, audio-visual, design, TV and film production and visual arts, music technology and software games development. Growing strengths in immersive technology, virtual reality, robotics and cybersecurity also present an opportunity to explore new ways of engaging our communities and our visitors with our history, our natural environment, and our thriving industrial developments.

The cultural and creative economy provides jobs, supports the visitor economy, and helps shape the city's identity and profile. Our research shows that the city has particular strengths in creative industries (including digital and visual art) and that these have among the highest potential for employment growth. Tech Nation 2018 has identified a growing digital technologies cluster in Plymouth.

Currently, the digital and creative sector represents 3.1% of total employment and 3.5% of total output, compared with 2.2% (and 2%, respectively) for Great Britain. Its productivity is 11% above the Plymouth average, and baseline projections show the sector to grow further by 58% over the next 20 years. The sector also supports a high-value supply chain, with a further £54m in GVA and 1,100 FTE jobs across a range of production and services sectors – mainly around professional, scientific & technical services, administration & support service activities, and information & communication.

The sector therefore presents significant potential for high-value growth in the city, and driving the local productivity agenda. It also contributes towards raising average wages and creating sustainable, non-seasonal employment. Moreover, a 'year-round' cultural offer for the city will help achieve our ambitions of growing average visitor spend, and growing our off-peak visitor numbers.

To support this objective we will:

- **Refocus and explore** new opportunities to grow our visitor offer, through delivery of our Visitor Plan 2020 - 2030
- **Support** creative and digital industries start-ups and scale-ups, including through investment in the Devonport Market Hall and its Immersive Dome, and investment in our digital infrastructure
- **Leverage the city's cultural offer/ night-time economy** off the back of recent developments in the city's cultural infrastructure, such as Mayflower 400, our 'world class' history centre – The Box, and our new iMax cinema and leisure complex
- **Develop the city's music entertainment offer** by capitalising on events such as MTV Crashes Plymouth and the availability of year-round venues such as the Pavilions.

LEADERSHIP & DELIVERY MANAGEMENT

The flagship interventions recommended by this review have been designed to refocus the city's resources on a smaller number of impactful interventions. By the time of Mayflower 2020, a whole package of projects designed to take the city's economy to a new level of focus and ambition had already been delivered. Going forward, we need to capitalise on our recent success and on the legacy created by Mayflower to deliver a thriving cultural, creative and digital city, with innovations in high-tech manufacturing and engineering, as well as marine, defence, and health technologies, and Clean Energy.

Reaping maximum economic returns from these opportunities requires strong leadership, institutional and personal buy-in, and robust action planning and performance management. Our approach to this review has been one of co-design, working through the Plymouth Growth Board (PGB) to engage a range of stakeholders across the city and beyond. The positive energy and momentum generated needs to continue into delivery.

Governance

ONE Plymouth will provide the overarching strategic leadership for the implementation of the Plymouth Plan. The flagships identified by this review build on the 'Growing' and 'International' components of the Plymouth Plan, and draws on the overall strategic direction of the Joint Local Plan. The Strategy will be co-ordinated and performance managed by the Plymouth Growth Board.

Plymouth Growth Board

The Plymouth Growth Board is a private sector led partnership with membership drawn from the private, public and community sectors. Its purpose is to drive forward the economic priorities and the growth agenda for Plymouth by ***reviewing, co-ordinating*** and ***performance managing*** the Plymouth Local Economic Strategy (LES).

In addition, the Growth Board is the local delivery vehicle for the Heart of the South West Local Enterprise Partnership (LEP). The LEP helps decide what the priorities should be for economic investment, which are outlined in the EU Structural and Investment Fund (EUSIF) and the Strategic Economic Plan (SEP).

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 Strategy, therefore, has been written in alignment with regional priorities drawn out in the Heart of the South West Strategic Economic Plan (SEP), the HotSW Productivity Strategy, and the HotSW Local Industrial Strategy. It also draws the links to national priorities outlined in the UK's Build Back Better, with a view to contributing more widely, beyond city boundaries, and showing ambition to lead in areas of key competitive strengths, and compete for UK Shared Prosperity Fund resources.

Performance Management

To ensure effective delivery of the LES, project teams and strategic leads will be assigned to each Flagship. A Performance Framework will also outline our approach to monitoring progress on delivery linked to specific operational outputs, as well as to monitoring the overall state of the economy through a set of strategic KPIs, and estimating the outcomes and wider impacts of our Strategy. This will be in accordance with standard practices in policy evaluation, as recommended by the Government's advisory body – the What Works Centre for Local Economic Growth.

It is important to recognise that the actions prioritised by this review are not static, nor do they reflect all activities undertaken by partners in delivering economic development. Therefore, 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.

To support effective leadership and delivery, a granular approach to performance management is proposed:

- Continued delivery and development of Plymouth's Economy Dashboard (PED) series, which draws on a variety of data and research sources to paint a picture of current economic conditions in the city, including Resurgam and the LES Flagships. The PED series will develop and maintain a basket of economic indicators relevant to monitoring business growth, and underlying issues of interest that are measurable and which can be reported on an on-going basis over time.

This will be managed by the Economic Intelligence Sub-group of the Plymouth Growth Board, operated within the Economic Development Service of Plymouth City Council.

Guiding principles

To add real value, our projects needs to be 'fleet of foot' to guarantee limited resources achieve the greatest economic returns. We will only intervene in the economy when confident it will not do any harm. When we need to prioritise our investments we need to ask the following:

Does it fit the strategic priorities outlined in the Plymouth Plan**?** The strategic fit of any new intervention is an important consideration to ensure resources are aligned and targeted at the greatest areas of opportunity. Is the fit at a city and/or LEP, national level?

Does it address a market failure? There are occasions when the free market fails to deliver optimal returns to society, and removing these failures help markets work more efficiently.

Do the benefits outweigh the costs? What are the expected economic returns in terms of wealth and job creation and do these exceed the costs of delivering the intervention?

Is the project deliverable? We should consider clarity over timescales and milestones and likelihood of project succeeding. What is the level of risk?

Does it provide Value for Money? What is the added private sector leverage generated by public sector intervention.

What are the profile and reputational benefits?

Does it achieve a social objective? Intervention justified on equity grounds to include alleviating market failures affecting skills and labour market, or targeting equity, health and low carbon objectives.