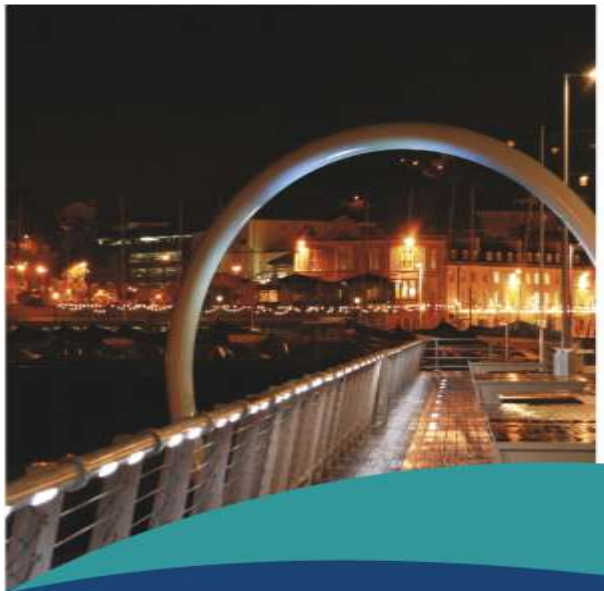
# Jobs & Homes: Behind the headlines



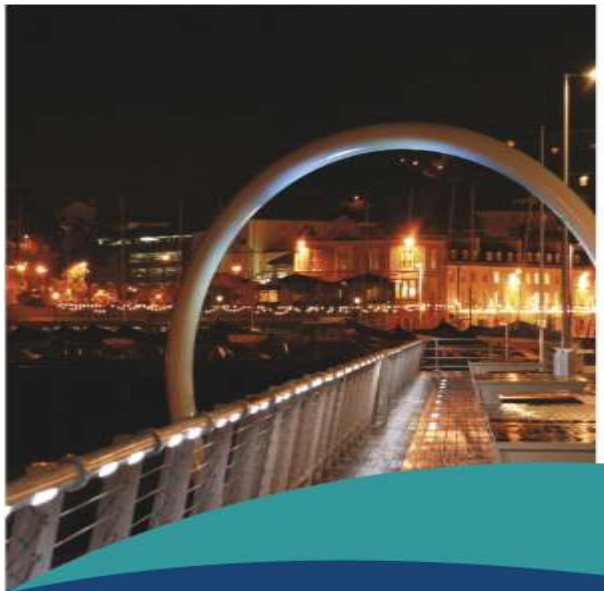
TORBAY COUNCIL

www.torbay.gov.uk

# A landscape for success

- Clue is in the title  - landscape and environment highly valued
- Goose that lays the Golden Eggs:
- Assets: Geopark, AONB, SAC, SSSI, protected species, biodiversity
- Foundation of the tourism industry
- Supports investment
- Huge (low cost) recreation, education and health benefits
- Green spaces and local pride
- Tackling climate change
- Environment is at heart of Local Plan

# A Landscape for Success:
# Where are all the jobs coming from?



TORBAY COUNCIL

www.torbay.gov.uk

# Summary

- Ambition to secure 750 jobs a year is realistic and deliverable.
- View of ‘tip of the iceberg’, and not at job creation within the core economy, shows that over 5000 new jobs are deliverable over the next 5 years or so.

# Tip of the Iceberg

- Next five years.
- Only what we know
- Many new jobs and businesses expansions fall below the radar.
- Examples below are the exception, rather than the ‘norm’.
- Icing on the cake of jobs growth in the core of the economy of Torbay.
- Represent just a small percentage of jobs being created in the Bay.

# Critical to success:

A Positive environment for investment:

**Already in place:**

- completion of the South Devon Link Road, in December 2015,
- a fantastic environment;
- labour force stability;
- not heavily unionised;
- large population catchment;
- salaries are relatively low (which is attractive to investors);
- skills levels are increasing.

**Additionally:**

- Positive planning – strategic plan clear and positive; less red tape
- Financial support
- Sites and infrastructure

TORBAY COUNCIL

# Business Barometer

- TDA - Business Barometer + 2 full years survey data. Insight into the views of businesses
- Shows an increase in business turnover in the previous three months has increased, from 26% in 2010 to 38% in the latest survey (Spring 2012).
- Businesses cautiously optimistic about the future, with 54% expecting turnover to increase in the next 3 months, compared to 46% two years ago and 38% last year.
- More are also expecting to see staff numbers increase, but there is caution around capital investment.
- This may be because businesses are struggling to secure finance, or that they are choosing not to invest because of market uncertainties.
- Nat West/HSBC – SME lending/4.5M apps

# Success so far…

Torbay is home to some very successful businesses:

Astra Zeneca, Sutton Seeds, Oclaro, Bays Brewery, EMCAS, Hymid, Motorhome Direct, Select Group, Michael Pavey Group, Elektron, Creative Foods, Egglestone, Gooch & Housego, Syntech, Kitsons, Spirent, Francis Clark and Interline

# Key facts

- Torbay has a high level of self-containment – 77% of residents also work in the Bay;
- Nearly 85% of Torbay jobs are filled by Torbay residents, up 10% from 2001.
- Home based businesses are the fastest growing part of the Torbay workplace, with around 4,000 businesses based at home
- The South West Observatory project jobs growth in Torbay to be just over 700 per year between 2012 – 2031

TORBAY COUNCIL

# Tourism

- 13,000 full time jobs (about 20% of full time jobs)
- 3 million visitors a year; 1 million staying visitors and 2 million day visitors.
- Attract more staying visitors, using high quality bed space and increasing footfall and spend in our town centres.
- The English Riviera - very strong brand.
- Recent implemented planning permissions for new hotels and hotel extensions (such as Travel Lodge, Torquay; Premier Inn, Torquay; Middle Park, Paignton; Premier Inn, Goodrington; Premier Inn, White Rock) - provide between 175 – 250 new full time jobs.
- Knock on benefits - the new Premier Inn, Goodrington, has increased business at the Redcliffe Hotel.

# Public Sector

- Health, education and public administration account for just over 36% of Torbay's jobs.
- Whilst some parts of the public sector are shrinking, there is still huge potential for local employment.
- Torbay Hospital

  - 3,800 full time equivalent jobs

  - Capital expenditure budget of around £5M per annum

  - £4M is linked to local trades – from architects to decorators.

  - hugely reliant on local food producers and has a very strong commitment to local food sourcing.

  - Plans for further significant investment, with the majority of £50M per annum over the next 5 years being spent on Torbay Hospital.

# New Development – next 5 years

**White Rock**: 1135 new jobs — Running total: 1135
**Pharmaceutical Manufacturing Unit (PMU)**, Yannons Farm: 15 new jobs — Running total: 1150
**Oldway Mansion**, Paignton**:** 70 new jobs — Running total: 1220
**GA Building** , St Marychurch: 50 new jobs — Running total: 1270
**Torwood St**, Torquay: 203 new jobs — Running total: 1473
**SDC College Energy Centre**: Generates 16 jobs directly and around 400 jobs through training provided to new and existing businesses. — Running total: 1889
**South Devon Link Road**: Generates a core of 70 – 80 jobs and a 'high of around 400 jobs on site. Assumed 350 jobs. — Running total: 2239
**Existing Innovation Centres / NEA:** 500 jobs — Running total: 2739

# In the pipeline……

**The Select Group, Paignton**, + 100 new jobs over — Running total: 2839

**The Grand Hotel, Torquay,** + 100 jobs. — Running total: 2939

**Pavilion Harbour Hotel**, Torquay: 100 jobs in the hotel; 70 jobs in the ground floor commercial space and 90-100 construction jobs — Running total: 3199

**Tesco, Brixham**: Generates around 150 jobs — Running total: 3349

**Elektron, Woodland Rd, Torquay**: This relocation will create 70 – 80 jobs — Running total: 3419

**Gooch and Housego** are looking to add a further 40 jobs to their operation — Running total: 3459

**Start ups / Innovation Centres**

- **Outset:** Outset have seen 400 people and started 100 businesses over the last 12 months or so. This trend is likely to continue over the next 5 years. Assuming each business creates 1 new job, 500 jobs will be created over the next 5 years.

Running total: 3959

- **Proposed Innovation Centre, White Rock**: TDA is in the planning and fund-raising process for a 3rd Phase Centre to be located on the new multi-use park at White Rock Business Park, next door to the new Premier Inn. The new centre will focus on the advanced engineering, electronics and photonics sectors complementing other hi-tech centre businesses and South Devon College's Energy Centre in the nearby area. The plan is to accommodate up to 70 companies in the first few years of opening, bringing an estimated 220 new skilled jobs to the area.

Running total: 4179

TORBAY COUNCIL

# Construction: Research

- Every £1 on construction equates to £2.84 in total economic activity.
- Every £1M spent on constructing new homes will generate 12 net new jobs for a year (7 direct and 5 indirect).
- 100 owner occupied family homes creates 324 jobs during construction and 53 jobs when occupied.
- 100 private rented apartments create 122 construction jobs and 32 local jobs when occupied.

# Construction - Torbay

Based on research:

- 70 owner occupied homes (0.7 x 53) = 37.1
- 30 affordable homes (0.3 x 32) = 10.24

  Total 47.3

If 400 homes are built in Torbay every year (on average), this equates to a total of about 190 jobs per annum, or 950 for a 5 year period.

**Running total: 5129**

# Conclusion

- Ambition to secure 750 jobs a year is realistic and deliverable.
- View of ‘tip of the iceberg’, and not at job creation within the core economy, shows that over 5000 new jobs are deliverable over the next 5 years or so.
- Policy (E4) re local labour, training & apprenticeships…via procurement and new development. Work through Employment & Skills Board

# A Landscape for Success: The new Local Plan & new homes

# Balance

- Environment
- Employment
- Population
- Migration
- Household size
- Household projections
- Politics
- NPPF requirements
- Age structure
- Etc, etc

**Simple**

- Need, demand, capacity
- Outcomes

# Numbers!

| | |
|---|---|
| RSS – Panel Recommendation | 1000 homes p.a. |
| Objectively assessed needs | 820 homes p.a. |
| RSS – Proposed changes | 750 homes p.a. |
| Objectives assessed needs (10% migration fall) | 670 homes p.a. |
| Latest DCLG household projections (13,051) – Scotts Meadow | 652 homes p.a. |
| Draft RSS | 500 homes p.a. |
| Historic Council position (2005) | 500 homes p.a. max |
| Average since 2000/01 | 482 homes p.a. |
| Housing waiting list (excl. Market housing) | 426 homes p.a. |
| **New Local Plan – 1st 5 years** | **400 homes p.a. (+ / - 25%)** |
| **New Local Plan – 20 years** | **400 – 500 p.a.** |
| **Unsound** | **Less than 400 p.a.** |
| 'Old' Torbay Local Plan | 395 homes dpa |
| Open market demand | 317 homes p.a. |
| Demographic projections (alone) | 250 homes p.a. |

# Outcome 1: Human rights

- Basic human right: everyone should have a roof over their head

# Outcome 2: Meet needs....so far as possible

- NPPF: “meet full objectively assessed needs for market and affordable housing, so fair as consistent with NPPF’s policies.”
- 820 homes p.a. – SHMA 2011
- 652 homes p.a. – DCLG 2010
- 500 - 600 homes p.a. – DCLG 2013?
- Popn projections: constantly changing so be very cautious:

  75+: up 9000

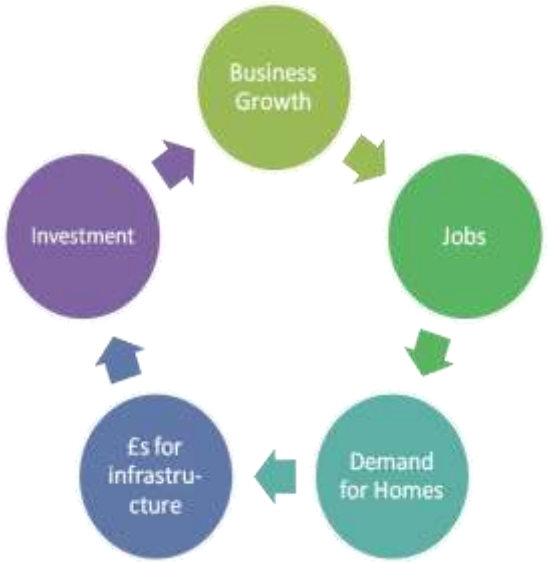
  65 – 75: up 3000

  Working age: down 5000

  U18s: down 1000 – 1700
- Local Plan: keep working age and U18s

# Outcome 4: Stay within capacity

- NPPF: carefully balance environment, social needs and economy.
- Superb **environment** – very high quality assets (Geopark, AONB, etc).
- Local Plan: Protect and enhance goose that lays the golden egg.
- Creaking **infrastructure**, of all sorts: capacity can just cope with 500 dpa.
- Biggest pressure on A380, A385.
- Significant funding gap – where does £ come from?
- **Duty** of Local and Neighbourhood Plans is to identify those areas / sites providing the most sustainable, viable solutions for development – this duty cannot be ducked

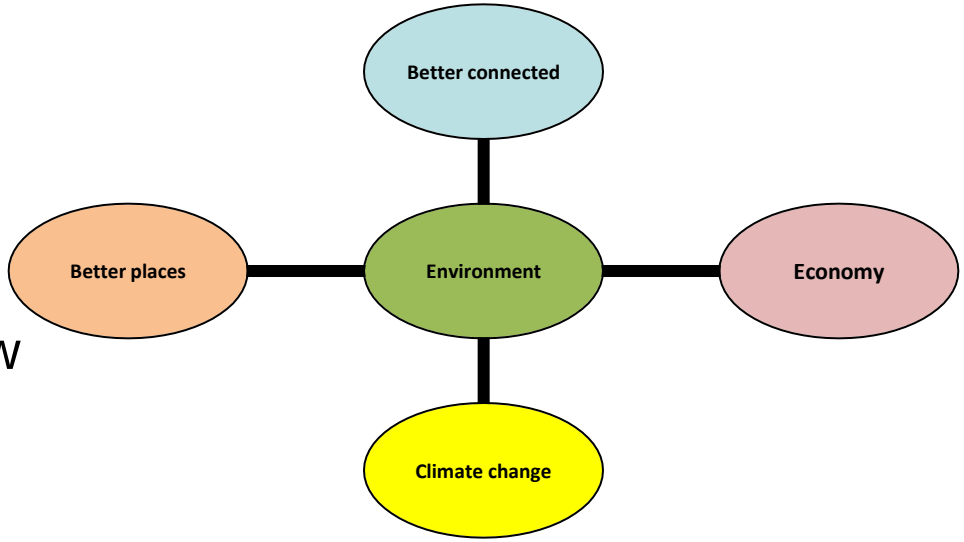


# Outcome 5: Respond to demand

- Demand is different to need
- Credit crunch
- Double dip recession
- New homes delivery down
- Logical: 5 year housing land supply to reflect market appetite
- Hence Local Plan 400 dpa +/- 25% for first 5 years
- Plan for success, not stagnation or decline. Economic recovery = demand for new homes; investors look at housing stock; healthy supply of new homes needed.
- Important: track demand /market performance
- Warning: NPPF – integrate jobs and housing, but do no make direct linear link. i.e cannot say no to housing on basis of lack of jobs in area. BANES.

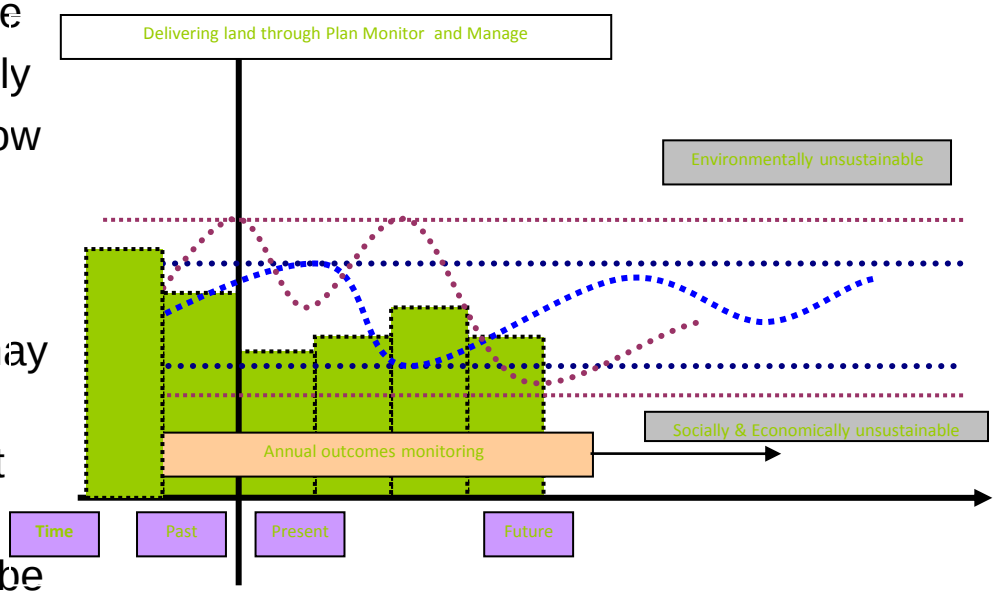
# Outcome 6: Constrained, balanced

- Local Plan approach
- Change and growth must reflect environmental and infrastructure capacity
- But we are required to grow – need to make case for right level, right balance
- Jobs growth = demand for new homes
- No surprises in 1st 5 years: PPs, allocations, windfall.
- Empty properties (150 pa), brownfield, LOTS etc
- Limited greenfield



# Outcome 7: Stay flexible

- Past fluctuations – jobs, homes, population etc – will continue in future
- Impossible to predict future accurately
- Growth / change that is too high or low is unsustainable – won't achieve the right outcomes for Torbay
- Current market conditions provide challenge for next 3 – 5 years, but may change
- Over next 20 years fluctuations must fit within bandwidth
- With positive planning, trend should be towards upper end of bandwidth
- Smart annual monitoring to ensure pace is right



# Outcome 8: Be sound

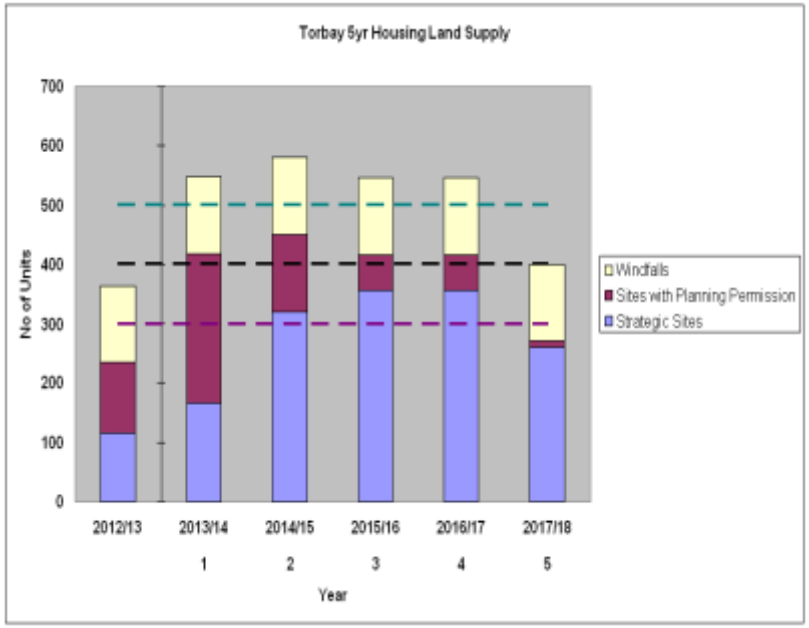
- NPPF:  biggest test of soundness: new homes
- Duty to co-operate
- Failure = back to drawing board
- Neighbourhood Plans = also unsound
- Open season for development sites
- Best outcome: submit sound Plans in March 2013.
- Torquay:

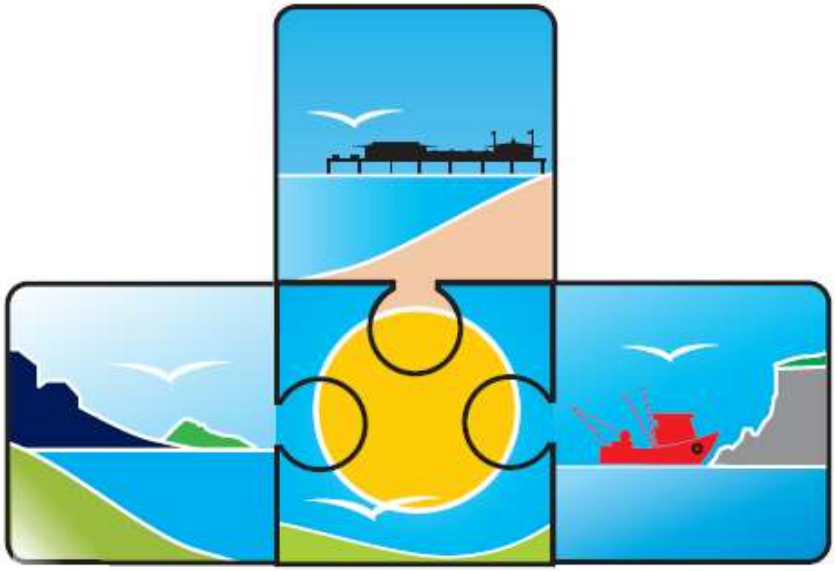
  2000 – 2012 average: 300 dpa

  Sites (PP, allocations, windfall):1475

  Next 5 years: 295 possible

  New Local Plan: 150 – 200 (Note: 375 jobs pa)



# Outcome 9: Neighbourhood Planning

- NPs add detail and value to Local Plan
- NPs must equal or exceed Local Plan provision (not an excuse to ‘go low’)
- NPs to identify sites
- Local Plan – 1st five years: PP, allocations.
- NPs: where else in 1st five years?
- 5 – 10 years?