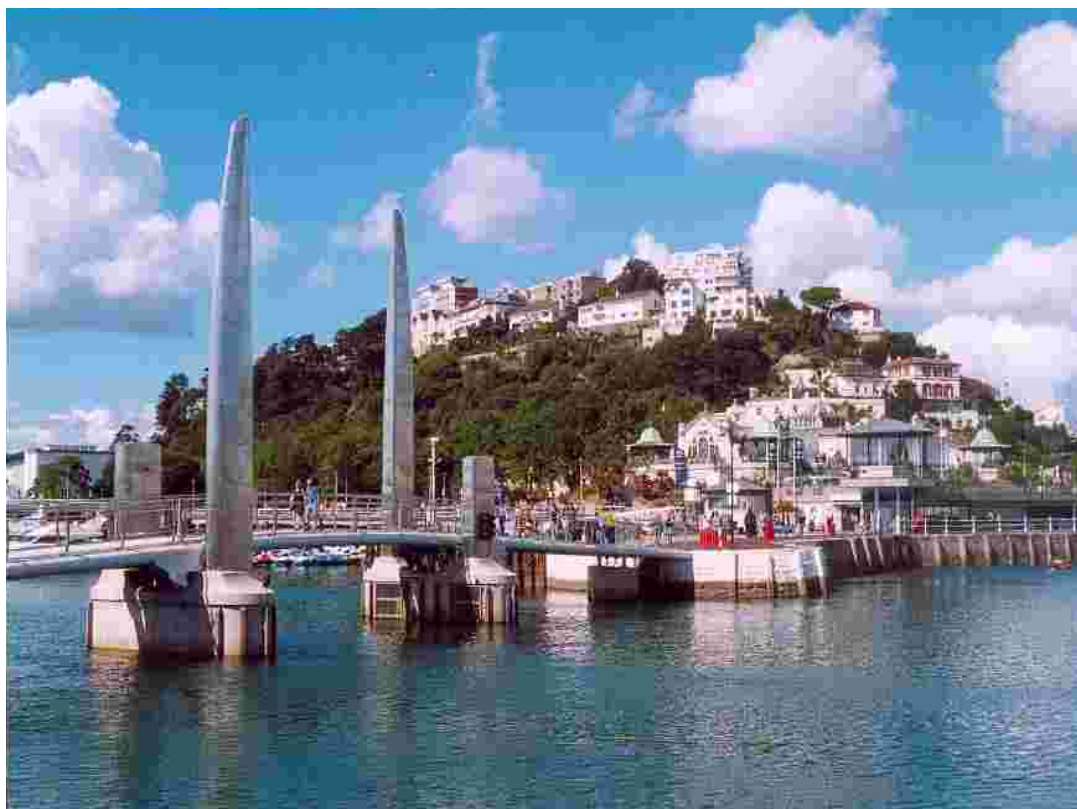


Torbay Council:
Environmental Policy Division
Torbay Development Agency

**New Growth Points Initiative
The View from Torbay**

**Initial Response to DCLG's
Questions of 21st June 2006**



July 2006



TORBAY DEVELOPMENT AGENCY

The New Growth Points Initiative – The View from Torbay

1. Torbay's response to the Government's Growth Points Initiative: Summary

- Torbay is a strong supporter of the Government's Growth Points Initiative and the Sustainable Communities agenda. We feel strongly that we in Torbay can deliver and play our full part in achieving the Government's aims, as expressed in Yvette Cooper's Growth Points announcement.
- Torbay recognises the national need to achieve a step change in housing supply, as highlighted in the Barker Housing Review. This is also reflected in Torbay in terms of a pressing need for affordable housing and economic regeneration.
- We have signalled our commitment to achieving a growth in housing numbers at an increase of 42% above the existing Structure Plan level of provision.
- Whilst recognising the economic and cultural value of tourism, Torbay, like many Victorian seaside resorts, faces a pressing need to diversify and adapt.
- Regeneration is needed to increase economic activity and reduce welfare dependency – 25.6% of Torbay's working age population is on benefits, and reducing this figure will have large social as well as economic benefits.
- We have committed ourselves to an ambitious jobs target of 500-600 new jobs pa. Clearly the economy is key to a sustainable future for Torbay, and the latest GVA figures [2003] showing Torbay to have the second lowest GVA in England [behind the Wirral in the North West] means that our economic situation is a major challenge to us.
- We are confident that we can achieve our housing and economic aspirations, and independent consultants that we have commissioned in the fields of urban capacity and economic development have confirmed that our aims are realistic.
- We have been networking with our neighbouring authorities to submit a joint sub-regional response to the emerging Regional Spatial Strategy – the joint document submitted to the Regional Assembly was signed up to by all the South Devon authorities. We are currently teaming up with Devon County Council, Exeter City Council, Teignbridge, Mid Devon and East Devon District Councils and the Dartmoor National Park Authority to prepare a Housing Market Assessment.
- Clearly, the provision of appropriate infrastructure is a key factor in Torbay's economic fortunes, and aspects such as improved skills, better connectivity and accessibility, affordable housing and serviced employment site are all critical elements in assessing the local picture and the way forward for our community.
- Naturally, we are disappointed at failing to make the shortlisted areas mentioned in Yvette Cooper's announcement. We do realise that

Government has hard decisions to make and has to prioritise, sometimes painfully. However, we are heartened by Henry Cleary's letter of 21 June 2006, which invites us to provide further evidence, with the possibility of making it back into the short list.

- This paper is our response to Henry Cleary's invitation to provide more evidence. It may just be the first step in a dialogue with DCLG and GOSW, but it represents a serious attempt to answer the fundamental questions posed in Henry Cleary's letter. We accept that the questions posed by Government are important and require satisfactory answers if the Growth Points Initiative is to be realistic.

2. Our Vision and a bit about ourselves.

- We are clear where we want to go; the Mayor's vision, under the strap line 'Turning the tide' and which is now integral to the emerging new Community Plan, is for Torbay to be economically strong and a good place to live, work and visit. Economic prosperity is viewed as central to driving forward our key themes of Pride in the Bay, Learning for the Future, Safer and Stronger Communities and the New Economy. This vision and its related themes form the starting point for the Torbay Local Development Framework [LDF]. Our shared vision leaflet is included with this submission.
- Perhaps a few facts about ourselves will set the scene:
 - **A small unitary:** Torbay is a small unitary authority, made up of 3 towns [Torquay, Paignton and Brixham] which hug a bay on the south coast of England to the south west of Exeter.
 - **Principal Urban Area:** Together, the 3 authorities comprise one the 11 Principal Urban Areas in the South West, as defined in the South West Regional Planning Guidance.
 - **A major coastal resort:** Torbay remains a premier resort but has to adapt to meet the needs of the 21st century.
 - **Poor connectivity:** We are a peninsular [between the sea and the Dart Estuary] off a peninsular [Devon and Cornwall], resulting in a 120° catchment; market opportunities are further limited – but not closed off completely – by an Area of Outstanding Natural Beauty [AONB] and locally designated landscapes; accessibility is limited by a combination of rolling topography and remoteness – the nearest Core City, Bristol, is 2 hours away by road and rail.
 - **A mirror of the South West:** We are a microcosm of the far South West in a number of ways, presenting us with some big economic issues, especially tourism, fishing and our once healthy IT sector.
 - **A low wage economy:** Torbay has a low wage economy – Torbay's wages averaged £16,963, compared to £20,754 for the South West and £23,756 for England and Wales [ASHE, 2005].

- **Gross Value Added:** Our low gross value added [GVA] puts Torbay at 63% of the England and Wales figure – the second lowest in England and Wales.
- **Economic Growth:** However, we are not a ‘lame duck’ economy. Growth over the last ten years has been about the national rate [UPE, 2006].
- **Unemployment:** is low in Torbay, despite the significant job losses [6,000 from Nortel alone].
- **Statistical Overview:** The leaflet ‘Torbay Economy and Deprivation Overview’, which sets out the key statistics for Torbay, is included with our submission.

3. Our detailed response to Henry Cleary’s letter of 21 June 2006

- Four important points are made in Henry Cleary’s letter of 21 June 2006; we take these to be at the crux of whether Government has the confidence to invite Torbay in to the final list, which we understand will be in October this year:

(1) Clarification of the long term scale of housing growth in the Torbay area and its deliverability, given constraints on available land and the absence of any large site proposals in the Draft RSS

- Torbay is committed to a rate of housing growth which is considerably in excess of the existing Devon Structure Plan rate [based on the existing RPG 10] of 290 dwellings pa [2110 – 2016].
- The level of Torbay’s proposed increase is 42%, to a completion rate of 500 dwellings pa.
- ***Is this target deliverable, given Torbay’s circumstances? We believe it is, for the following reasons:***

- i) **Urban Capacity:** Recent urban capacity work, carried out by independent consultants [Scott Wilson, 2005] suggests that Torbay has a brownfield/previously developed land capacity of 364 dwellings pa over the period 2004 – 2016. This largely arises from small sites. This estimate accounts for 72% of the Draft RSS housing provision of 500 dwellings pa for Torbay.

Experience teaches us that urban capacity estimates under-estimate the likely dwelling yields in urban areas, and this has been true in relation to the previous Torbay Urban Capacity Study [1998], which formed the basis for the Devon Structure Plan provision for Torbay.

- ii) **Greenfield Land Potential:** Our assessment of housing land supply indicates that there is an adequate potential supply of greenfield housing land, i.e. land that could be utilised if brownfield sites under perform in relation to the Urban Capacity Study. Appendix 1 is a summary of available housing land within Torbay, excluding possible large urban expansion areas.
- iii) **Housing Densities:** Government policy [Draft PPS3, Appendix C] is likely to continue to encourage authorities to plan for higher density developments, and the RSS [Development Policy E] proposes average housing densities of 50 dwellings per hectare in all the main urban areas, including Torbay.
- iv) **Strategic Options for Torbay:** The RSS housing provision still leaves Torbay having to find the balance of 140 dwellings pa on greenfield sites, after the Urban Capacity Study brownfield estimate is taken into consideration. The emerging Torbay Local Development Framework [LDF] has been addressing this important issue through its Core Strategy Options [April 2006]. The Core Strategy, which has recently been out to consultation, sets out three scenarios, based on the Draft RSS:
 - i. **Option 1: Low Growth** – Constrained Development Approach, envisages no new housing development on greenfield areas
 - ii. **Option 2: Medium Growth** – Urban Regeneration Approach, envisages RSS housing provision as a broad basis of provision, with no additional greenfield allocations beyond existing Local Plan allocations
 - iii. **Option 3: High Growth** - Sustainable Communities Approach, envisages the RSS housing provision as a minimum, and may include a planned urban extension

At the Core Strategy general issues and options stage [Reg. 25] consultation, 35 comments were received. There was recognition among the statutory bodies that made comments, of the need for an accelerated rate of housing and employment [either option 2 or 3 above].

Further LDF consultation on the Council's preferred option [Reg. 26] will take place in October-December this year. The Torbay Strategic Partnership [around 55 participants from across the community spectrum] held a workshop on 17 July 2006, which considered these options in more detail. 5 of the 6 groups supported Option 3 [the remaining group supporting Option 2], in the interests of improving the economy, providing more

affordable housing and achieving greater retention of young people and household forming age groups.

- v) **Urban Extensions:** Henry Cleary's letter refers to urban extensions. It is early days yet to state with certainty what the Council will decide in terms of strategic options, but the clear message from all sections of the Torbay Strategic Partnership is to go for Option 3, which includes the possibility of planning for an urban extension.

We have carried out a desktop exercise on the likely availability of land for housing. In summary [see Appendix 1], our estimate is that brownfield capacity, existing committed sites (with planning permission) and proposed H1 housing sites, are likely to provide ample capacity to provide 500 new dwellings per year to 2016.

There appears to be adequate land within or on the edge of the built up area to meet the target of 500 dwellings per year to 2026. This approximates most closely with Option 2 noted in paragraph (iv) above. However, this "piecemeal" approach would involve the loss of sites of local amenity value and could lead to town cramming. The growth strategy would also be vulnerable to the non-completion of sites.

For these reasons it may well be more sustainable to identify a larger area for a planned urban extension. This would provide development as part of a properly planned sustainable community with the provision of a range of facilities as well as housing and a planned programme of environmental protection measures.

No detailed work has been undertaken on the preferred location for an urban extension for Torbay. A couple of suggestions were made by the Torbay Strategic Partnership [TSP] at its 17 July Workshop, and will be considered in the Core Strategy Preferred Options Stage in the autumn of 2006. Officers will shortly be assessing the potential for an urban extension in Torbay of around 500-750 dwellings, together with additional employment land and community facilities. Initial indications are that in purely technical terms, there are around a dozen or so areas that could accommodate this scale of growth, although some of these would impact on the AONB and all the remaining locations are on or adjacent to locally designated landscapes.

It is perhaps worth stating that the scale envisaged for a possible urban extension is about one third of the size of the Scotts Bridge/ Barton development, which is gradually coming to completion on the northern edge of Torquay.

- vi) **Rate of Housing Development:** A good indication of the realism of projections is to look at the rate over the recent past. The rate of housing completions in Torbay over the last 5 years indicates that the RSS provision would be achievable.

(2) More detailed explanation of specific interventions/actions that would be necessary to deliver the new economic strategy, its deliverability and its impact on employment and wealth creation prospects in the area

This is a multiple question and we have considered seven aspects in our response.

i) Wider interventions/actions needed to deliver the economic strategy.

There is considerable conviction among our partners in Torbay that the local economy requires a concerted focus to address the areas where it is currently failing. Torbay Development Agency's emerging Economic Strategy notes that it is important to nurture and add value to the current key sectors while simultaneously looking to develop a stronger, more varied and mobile knowledge-based economy. This means that not only is there a need for a step change to move towards being a high-quality tourist destination, but also that much more widely, there is a need to stimulate economic development, retain or attract younger people to address the imbalance in existing demographics, increase wage levels and reduce deprivation and disparities.

Despite its economic problems, Torbay does enjoy a number of significant advantages; in particular, its outstanding environment is capable of being a key driver of the economy, coupled with a high awareness of Torbay as a destination. In the recently relocated and improved South Devon College, we have a first class education facility with strong links to industry. There are pockets of high value activity and under exploited skills across the Bay. These can be developed, particularly in marine science and environmental technologies, hi-tech engineering and in the medical arena, where the Primary Care Trust has exciting plans for the development of Torbay Hospital.

Although Torbay is clearly unable to compete with China or India in terms of low wages, the Employment Land Review notes that low local wage rates do give Torbay a national competitive advantage.

ii) Regional Economic Strategy [RES]

The RES has identified that Torbay is an area in need of “significant, co-ordinated regeneration work”. It acknowledges that current productivity levels lag behind and have a negative trend. It goes on to suggest that key actions include;

- Providing new employment land including space for Small and Medium Enterprises [SMEs]
- Improving the physical fabric and perception of Torbay
- Developing transport infrastructure in support of regeneration

Each of the RES’s key actions is included within our key actions. However, we are constrained because of a lack of resource and match funding - both areas where Growth Points designation could benefit Torbay and act to significantly encourage earlier achievement of the economic goals noted above.

iii) Regional Spatial Strategy

The draft RSS not only recognises Torbay has a strategically significant area, but has a clear priority to support regeneration in Torbay which emphasises that the Region recognises that a thriving Torbay has an important role to play in addressing regional inequalities. In common with the RES and the Economic Framework, it identifies that investment in strategic transport infrastructure is an important requirement.

iv) Torbay Employment Land Review

An Employment Land Review (ELR) has been carried out by Urban Property Economics (UPE) (2006), consultancy linked to the University of Reading with extensive experience in the field of urban economics and planning policy.

The report found that Torbay has a diverse economy that allowed it to recover well from the loss of around 600 manufacturing jobs in 2002. The ELR’s core forecast is for growth to continue at around the national rate (2.75%) over the next 15 years. Its core forecast is for around 545 new jobs in Torbay per year.

The Employment Land Review makes several specific recommendations for spatial planning policy. These are:

- Need for a pro-active and positive employment land use planning policy
- Employment strategies should focus on building on existing areas of success.
- Torbay needs to “make a bigger splash” within the National, Regional and Sub-Regional planning environment.
- Torbay is well placed to benefit from the opportunities arising from improved ICT.

v) Torbay Economic Regeneration Framework

This document was prepared by GHK Consultants in 2006, for the Torbay Development Agency. It complements the Torbay Employment Land Review in that it sets a wider vision and a detailed action plan for regeneration. The framework is currently out for consultation. However, it is unlikely that the basic tenets will change. In response to a broad range of information which maps the Torbay economy, a dual approach has been developed. This approach will see that steps are taken to support and develop the key sectors of the Torbay economy while also seeking ways in which to diversify the economy, and in particular from higher value activities. The aims of the framework include:

- To reduce overall levels of unemployment;
- To increase the value of employment by the creation of higher value jobs;
- To build on core sector strengths such as tourism, fishing, electronics, medical;
- To exploit knowledge-based opportunities as far as possible via the stimulation of an improved business aware culture and by the exposure of young people to commercial life;
- To create and stimulate new indigenous companies and to promote the high growth of existing companies;

Copies of the suite of documents (summary, strategy, action plan and evidence base) have been provided to Government Office for the South West under separate cover and additional copies are available.

vi) Job Creation and key actions to enable delivery of the Economic Framework

Land

Within Torbay there several sites that developers would like to bring to market for employment uses but are not able to because of the cost of developing the land against its likely rental value. An initial assessment using a composite jobs density of one job per 35 square metres¹ suggests that enabling development of the following key sites over a period of ten years would realise in excess of 8,000 jobs having taken into account necessary site infrastructure. Depending on the mix of uses the density could be lower, resulting in a higher number of jobs.

- Long Road South (Paignton)
- Yalberton Road (Paignton)
- Edginswell (Torquay)
- Browns Bridge Road (Torquay)
- Kerswell Gardens (Torquay)

¹ Using English Partnerships guidance

The sites are all proposed for development in the Adopted Torbay Local Plan. However, development has been constrained by issues such as the type of proposal that has been made, low return on capital invested and infrastructure issues. The Employment Land Review acknowledged that there is a need for additional pump-priming to make employment development viable. This could either arise through external funding or by allowing a limited amount of higher value uses (such as retail) on employment sites.

There are major regeneration proposals for Torquay and Brixham Harbourside and Waterfront areas.

In addition to these major sites other windfall sites may come forward, enabling the achievement of the aspirations set out in the submission and the targets as laid down in the draft Regional Spatial Strategy. In particular, the Torbay Local Plan identifies a range of 'Business Investment Areas', which are existing employment areas where there is scope for regeneration to improve the employment potential.

vii) Labour Market

In addition to the land availability, labour supply will influence jobs growth. While unemployment is not currently at a significant level there remain problems with both underemployment (high levels of part time employment) and seasonal employment. There is also a very high degree of benefit dependency figures: 25.6% of Torbay's working age population claims one or more benefit (excluding working families' tax credit). These suggests that there could be a relatively high level of elasticity in the labour market and that raising the current low economic activity rates will have large economic and social gains, and will reduce the level of welfare dependency.

The emerging Economic Regeneration Framework has a clear focus on improving the level of skills and working with educational establishments to better equip local learners for the workplace.

There is growing evidence that the poor affordability of housing – particularly good quality lower quartile houses for sales – is harming the labour market by discouraging young people, particularly graduates from living in the area.

vii) Transport Infrastructure Developments

Research has shown that the South Devon Link Road will be an important tool in delivering the scale of planned growth for the area. Currently it acts as a restraint to new investment and constrains the success of existing business who must plan for logistical difficulties as a consequence of the current bottlenecks.

An independent study into the South Devon Link Road (Kingskerswell Bypass) commissioned by Devon County Council, Torbay Council and RDA, concluded that:

- Three quarters of local businesses believe that the link road's construction would benefit them.
- The net impact of the scheme could be 7,700 new jobs within 5 years of the completion of the bypass.
- The effect on Torbay's tourism industry could be an increase of £167.6m in gross value added within 5 years.
- There would be significant qualitative improvements to a range of tourism, leisure, retail facilities and a general improvement in the quality of life of residents.
- There would be significant opportunities for improved public transport facilities and integrated transport measures.

Transport infrastructure is also essential to enable early development in the four key sites highlighted above.

(3) The extent to which Torbay's housing and jobs aspirations are part of a shared agenda with neighbouring authorities and/or the Exeter area

Torbay has engaged on a sub-regional basis in several ways. **Regional Planning Guidance Note 10. (RPG 10) Policy SS16** recognises the need for regeneration in Torbay.

Policies SR36 and SR37 of the Emerging Regional Spatial Strategy contain regeneration proposals for Torbay.

Torbay and South Devon Joint Sub-Regional Study (JSA): Torbay Council, Teignbridge District Council, South Hams District Council and Devon County Council carried out a Joint Sub-Regional Study in 2004 – 2005. This had member and officer involvement from the local authorities and officer advice from Government Office and the Regional Assembly.

The JSA work involved a structured postal questionnaire across the sub-region and a general public consultation exercise. Three Expert Panels were held on the environment economy and social aspects of sustainable development. These took advice from a range of stakeholders, including the Environment Agency, RDA, Stagecoach, the development industry and amenity groups. The JSA also held a panel hearing with Regional Assembly representatives.

(4) More detail on the particular early investments and interventions that would require support and their significance to unlocking growth

The need for specific interventions is set out in Section 2 above. Key matters that would require early investment include:

a) Transport Infrastructure

- South Devon Link Road and Western Corridor (Torbay Ring Road).
- Development of Torbay Vision
- Investment in the rail infrastructure to improve train services to Torbay.
- Feasibility study for alternative transport i.e. extra rail and ferry services Enabling development of employment sites noted above.
- Public Realm support – Brixham Lanes and Torquay Harbourside.
- Complete strategic cycle route in Torbay
- Continue to improve bus services and related infrastructure, both within Torbay and between Torbay and Newton Abbot

b) Employment Infrastructure

- Promotion of employment development and regeneration through the Local Development Framework, including development briefs or area action plans for town centre regeneration and the implementation of development of employment sites.
- “Grow on” space for businesses developed as part of TDA and College’s workspace programme.
- Gap funding towards on site infrastructure.
- Maritime Centre of Excellence – Feasibility & Design
- Develop joint employment land register with South Hams & Teignbridge & marketing pack for Torbay as place to come and do business
- Support for social enterprise training

c) Housing Infrastructure

- Public subsidy (whether from the Housing Corporation or other sources) for the provision of affordable housing.

d) Community Facilities Infrastructure

- A new police headquarters will be required in the RSS Plan Period.
- Provision of local centres and local health/ community safety facilities.
- Provision of a new central library and one additional library in Torquay

These actions fit within the local strategic context and would enable appropriate economic growth, attract additional investment and contribute to a more vibrant economy and more attractive destination for people moving to the area.

4. Our commitment to deliver

- We are committed to taking the Growth Points Agenda seriously, in order to help meet the Government’s step change in housing provision and to meet the needs of the community of Torbay.
- If there are further issues requiring clarification, we will attempt to provide the necessary further information. We would in fact welcome this.
- Our contact details are:

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Appendix 1: Summary of Available Housing Land within Torbay (excluding possible large urban extension areas).

The table below is an assessment of the likely stock all known sources of housing land (brown and greenfield) currently known. Sites where the Council consider there to be no potential for housing due to landscape or other constraints have been excluded, so the assessment does not refer to an “unconstrained” Torbay Rather it refers to the “piecemeal” availability of known sites within or on the edge of the built up area.

This suggest that there is likely to be sufficient capacity to provide 500 dwellings per year to at least 2016, without a planned urban extension. However, as noted in the main report,there are sustainable development gains that could be achieved through identifying a larger area for a planned urban extension.

Table 6: Summary of Available Housing Land

Source of Housing Land	Low Forecast	Core Forecast	High Forecast
Brownfield (Urban Capacity Study)	3990	4370	4410
Employment Land Review	180	300	900
Large Greenfield committed sites	560	560	560
Uncommitted Adopted Torbay Local Plan Sites (H1)	715	1060	1420
Omission Sites	240	640	940
Other known Greenfield sites within or on the edge of the built-up area	240	620	1290
Total Supply	5925	7550	9520
Equal to Supply per year 2006 – 2016	592	755	950
Equal to supply per year 2006 – 2026	295	360	480)*

Notes. It is difficult to extrapolate these figures to 2026 because brownfield potential is uncertain post 2016 and it is possible that other greenfield sites not considered above could be considered developable after 2016. This has an estimate of potential and therefore no account has been taken of non-completion.