

Scarborough Borough Council

**Towards 2020
The Renaissance of the Yorkshire
Coast**

**Economic Development Strategy
for Scarborough Borough**

October 2006

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1. Introduction

Although UK Plc is the fourth largest economy in the world there are disparities in the distribution of that wealth. North Yorkshire, as a whole, is a prosperous County and the Borough of Scarborough has enjoyed steady if unspectacular economic growth. However, it needs to be recognised that there are some significant structural economic problems which are constraining the future growth of the Borough. Under the theme of “**Renaissance**” (*born again, a new birth, a revival of learning and the arts*), the Borough Council is committed to addressing these problems and promoting a new era of progress.

Working within the national context of the UK Government’s economic policies and sub-regionally, those of Yorkshire Forward, the Council is working to implement our priority projects. Whilst the Council’s Regeneration Service provides a key coordinatory role in delivering the Renaissance agenda, it is the work of all the Council’s Services and those of our stakeholder partners which will ensure the ultimate success of our strategy. The Borough Council’s main areas of contribution to this agenda will be through our key outward facing service areas; regeneration, environmental health, tourism and leisure, engineering and planning.

In the delivery of this Strategy, the Council is therefore committed to working with our partner agencies and organisations, local residents, and our corporate partners to improve the economy and quality of life in the Borough.

One of the key themes of the Renaissance agenda is that targeted public sector investment can help stimulate and be a catalyst for private sector investment. It is recognised that only through significant increases in private investment can the ambitions of the Borough be achieved. It is therefore paramount that the Borough demonstrates an enthusiastic and welcoming approach to potential investors and ensures that public sector support is maximised.

The previous Strategy focused on the period 2003 – 2006 and highlighted priority aims and actions. This updated Strategy revises our priorities for the next 3 years. The Strategy also sets out the economic and strategic context which provides the framework for our proposed actions.

It should be noted that this is a Strategic document and should be considered in conjunction with the internal Business Plans of each of the Councils Services which provide greater detail on individual projects.

2. Critical Success Factors

- Delivery of the Urban Renaissance programme in Scarborough, specifically:
 - Extension of Scarborough Business Park
 - Delivery of Wood End Creative Industries Centre
 - Redevelopment of the Rotunda Museum
 - Redevelopment of the Futurist site
 - Scarborough Spa refurbishment

- Delivery of Whitby Renaissance Projects, specifically
 - Whitby Harbour Improvements
 - Green Lane Neighbourhood Centre
 - New premises for Whitby Musicport

- Establishment of a Neighbourhood Management pilot in Eastfield

- Support North Yorkshire Network (NYNET) to deliver next generation broadband across the Borough and implement a feasibility study on the Wireless Scarborough project.

- Work with the Learning & Skills Council and local training providers to establish a supported recruitment scheme in Scarborough to be piloted in Eastfield.

3. Economic Context

It is imperative that the Borough's strategy and plans of action are based on good analysis of the political and economic influences which affect the health and vitality of the local economy. The Strategy has therefore been developed taking into account the European, national and local contexts.

European:

The aim of the European Union, set out in the "Lisbon Agenda", is for Europe to overtake the USA to become the world's leading economy by 2010. The Lisbon Agenda sets the goal of making the EU "the most competitive and dynamic knowledge based economy in the world, capable of sustainable economic growth with more and better jobs and greater social cohesion".

This process is being driven by the European Union's pan European macro economic management policies particularly in relation to fiscal controls and harmonisation which are intended to provide a stable economic framework within which national economies can grow.

National:

Britain has the world's fourth largest economy, and there has been consistent economic growth for ten years resulting in more wealth being created both in the public and private sectors. High rates of employment have been accompanied by low levels of inflation enabling individuals and businesses to plan effectively for the longer term. The key headline figures are;

- Unemployment has decreased from nearly 10% (1995) to 2.6% currently
- Interest rates are low and stable (UK 4.75%/EU 3.0%)
- A dynamic economy has developed, especially in the Creative and Digital Industries which is likely to provide the motor for growth
- Production industries are likely to continue to be important, but not for employment growth

Local:

Scarborough has enjoyed steady if unspectacular economic growth with unemployment falling in line with the national average. However, there are some significant structural economic problems underlying the economy which have the potential to constrain future growth. It is therefore necessary to look under the skin of the local economy at some of the headline figures:

Employment

- The unemployment rate in July 2006 was 2.8% (1689 people), nearly twice the North Yorkshire average and higher than the national average
- High long term unemployment – 38% (30% for North Yorkshire)
- 1160 residents are on income support
- 5840 residents are in the receipt of incapacity benefit

Skills Deficit

- Over 17% of adults between 16 – 60 have no formal qualifications (14.3% nationally)
- The Borough has the lowest levels of literacy and numeracy in North Yorkshire
- Only 20% of adults have degree level qualifications (26.5% nationally)

Business Sectors

- For the Borough to reach the average business density it would require a net increase of 765 new businesses
- Employment in distribution/ hotels and restaurants is higher than the national average
- Employment in manufacturing is just above the national average
- Employment in the creative, cultural, digital, finance and professional services (i.e. the key national growth sectors) is below the national average but growing
- Below national and regional average business start up and survival rates
- The commercial property market had been flat for many years but is showing increasing buoyancy
- Levels of self employment are above the national average
- There are low levels people who are economically active in the Borough.

Low wages

- The average income in the Borough is £21,470, the lowest in North Yorkshire & significantly below the national average
- 29% of the Borough's workforce earn less than £13,000 pa

Conclusions:

The headline messages from this analysis are:

- Although the economy has grown it is not growing fast enough or creating enough quality jobs
- There are a significant number of hard to reach people on job seekers allowance, income support and incapacity benefit who need to be assisted back into the jobs market
- Employment opportunities are below the national average in some of the key knowledge based growth sectors
- There is a significant skills deficit which needs addressing

The conclusion drawn from this analysis is that:

- The Borough needs to ensure that existing businesses in established sectors become more competitive and that new sectors are introduced into the economy focused increasingly on the high growth/knowledge based industries.

- That opportunities presented by existing skills in the local workforce are fully exploited and where there are gaps, provision is made to meet both existing and future requirements
- That because of problems of physical accessibility and the decline of traditional industries (fishing, farming and long stay tourism) over many years, the area suffers from an investment deficit which can only now be filled by targeted public funding which encourages and facilitates private sector investment.

An holistic approach is therefore required which takes into account skills development, business support, inward investment, sites and premises development and improved accessibility. Moreover, it is recognised that a previous concentration by local agencies on indigenous growth of local businesses alone is now no longer seen as a sustainable response to the difficulties encountered by the area.

The Council, and partners, plan to achieve the required “step change” in the local economy through the delivery of the Renaissance agenda which, through the implementation of key public sector funded initiatives, is acting as a catalyst for private sector investment, business development and job growth. This strategy is already demonstrating its success with increasing levels of business and investor confidence in the Borough and in excess of 200 million pounds of private sector investment planned.

In developing this strategy the central focus has been to build on the Borough’s strengths in terms of the advantages that the area offers, in particular its quality of life and environment, and on initiating a process of innovation in which the key to success is being receptive to new ideas.

4. Strategic Context

The delivery of the Borough Council's aspirations in relation to local economic growth are dependent on a range of factors, particularly maximising resources (public and private) for investment, and creating effective partnerships with the Regional Development Agency, other public agencies, businesses and the local community.

Success is very much dependent on the strategies and plans of our partners at a European, national, regional & district level.

As stated previously at a European level, the Lisbon agenda provides the framework for economic growth. The UK Government's National Strategic Reference Framework for the EU Structural Funds Programme interprets the Lisbon agenda for the UK economy and sets 6 priorities:

- Innovation and knowledge transfer
- Enterprise and successful businesses
- Sustainable development
- Building sustainable communities
- Extending employment opportunities
- Developing a skilled workforce

The Borough has profited significantly from European funding in recent years through both the Objective 5(b) and Objective 2 programmes. However, the continuing enlargement of the European Union means that although the Borough is likely to be eligible for some funding, we are unlikely to be a significant benefactor. Nevertheless, our strategy will be to maximise funding opportunities to build on the previous investments.

At a national level the key economic policy for this region is the Northern Way (see www.thenorthernway.co.uk) with the three northern RDA's aspiring to place the north of England as:

“an area of exceptional opportunity combining a world class economy with a superb quality of life”

The Northern Way strategy seeks to close the £30bn output gap between the north and the rest of the UK. However, the Northern Way is very much based on the development of the “city region” concept and as such Scarborough Borough is geographical poorly placed and peripheral to the main drivers. It is imperative that partnerships and linkages with the Leeds / York / Harrogate “golden triangle” are worked upon to maximise benefit for the Borough.

Regionally, Yorkshire Forward's Regional Economic Strategy (RES) 2006-2015 is a ten year blueprint for economic development in Yorkshire and the Humber providing a framework for investment.

The Strategy's six objectives are:

- More businesses that last
- Competitive business
- Skilled people benefiting business
- Connecting people to good jobs
- Transport Infrastructure and Environment
- Stronger Cities, Towns and Rural Communities

The Regional Economic Strategy is underpinned by a number of other key strategies especially the Spatial, Housing and Transport Strategies. The Regional Spatial Strategy recognises the potential investment needs of the Coast and Scarborough Town specifically.

At a North Yorkshire level, the Sub Regional Investment Plan (SRIP) provides a more detailed, spatial context to the delivery of RES objectives within North Yorkshire and the Borough Council is currently involved in working groups developing this Plan. A Strategic Economic Assessment (SEA) has been carried out which provides up-to-date analysis on the sub-region's economic performance and will be used to inform investment planning in North Yorkshire. The SEA identifies Scarborough Town as a priority for investment. The SRIP will cover the medium term (7-10 years) and will identify priority outcomes to be achieved. It is likely that the SRIP will be signed off in March 2007.

For the Borough to be successful in achieving its aspirations it is imperative that the objectives developed in our own Economic Development Strategy reflect and compliment the objectives and priorities outlined above, whilst also advocating the factors which make this area unique. Work currently being undertaken on preparing the Local Development Framework Core Strategy and economy development plan will facilitate the delivery of the strategy.

One of the key messages coming from both the European Union and Yorkshire Forward is that future targeting of resources should be on areas of opportunity and economic growth rather than addressing weakness. The Renaissance programme and the projects the Council and its partners are delivering across the Borough are now re-positioning ourselves so that we will increasingly be seen as an area of opportunity and therefore an area to invest in.

5. The Borough's Strategic Vision

The Borough Council's Strategic vision is:

“to achieve the renaissance of the North Yorkshire Coast by 2020”

The Council's Corporate Plan has identified 5 key priority areas:

- Developing Safer and Stronger Communities
- Building Prosperous Communities
- Creating Healthy and Vibrant Communities
- Creating Quality Environments
- Improving the Council

The Corporate Plan is evidence based by the borough-wide Community Strategy developed by Scarborough Borough Community Partnership. The Economic Development Strategy contributes directly to the “Building Prosperous Communities” aim of both strategies.

Within this overall context, Regeneration Service's mission statement is:

“Scarborough Borough is to become a major player in the economic regeneration of the Yorkshire and Humber Region by securing the Yorkshire Coast as a first class place to live and work”.

The overall aim of the Service is to strengthen the local economy by creating an environment favourable for growth and investment and by broadening the area's economic base. To succeed in this aim, the Service has developed six strategic objectives:

- To enhance cultural provision and the environment in order to rebuild the image of the area as a quality and dynamic place to live, work and invest.
- To improve connectivity to the Borough.
- To diversify the economic base of the area through continued expansion of high value added advanced manufacturing, the knowledge based and service industries.
- To enhance business performance in the tourism sector and increase expenditure by building on the areas strengths
- To improve the skills and the educational attainment of the local population and workforce.
- To target action at specific neighbourhood areas which are economically and socially disadvantaged.

6. Key Services

The main functions of the Regeneration Services are as follows:

Policy and Strategy

The local authority has a key strategic role to play in economic regeneration. This includes influencing European and UK Government policies that affect the Borough, securing external resources to regenerate the area and the development and servicing of partnerships.

This role is fulfilled through representation on regional and sub-regional groups, panels and forums with the objective being to ensure that the structural economic problems of the coastal economy are recognised by these bodies. The key work at the current time is influencing the development of the new Sub Regional Investment Plan. Other area-based partnerships have also been established to deliver neighbourhood regeneration projects funded through both Europe and the UK Government.

Business Support

The provision of quality business advice and support is key to the economic development of the area. The Service works in partnership with Business Link York and North Yorkshire and jointly with Ryedale District Council, the Borough Council has established a limited company; North Yorkshire Moors and Coast Business Advice Agency (NYMAC) to deliver business support. The Borough Council's policy is to signpost the services of other agencies and only to provide direct services where they are not provided by other agencies including the private sector.

Direct services provided by the Service include financial assistance and the publication of a Property Register and Business Directory.

The Service liaises with Scarborough Business Park Association in relation to the specific infrastructure needs of this key employment location.

External Funding

The ability of the Council to deliver its Corporate Objectives, particularly in relation to developing the economy, protecting the environment and delivering a renaissance of the area are critically dependent on access to external resources. One of the key roles of Regeneration Services is to prepare external funding bids and lead in project delivery. This includes financial and project management, monitoring and review of progress and the processing of grant claims. With the establishment of a Project Development Team within Regeneration Services, the Service is providing a coordinatory role for the Council in the development and delivery of key projects.

Regeneration Services has been very successful in this process as illustrated by four successful Single Regeneration Budget bids and numerous other successful bids for European Union, Government and Yorkshire Forward resources (resulting in total

investment of over £100 million). These include the Castle Pride, Falsgrave, Filey and Spirit of Staithes Investment Initiatives. In relation to European Funding, the Council is the lead body for both Priority 3 (Community led Economic and Social Renewal) and Priority 4 (Infrastructure Development) funding. As a consequence of this, significant progress has been made in investing in the people and assets of the Borough which could not otherwise have been achieved.

Significant resources have also now been secured through the Urban Renaissance, Rural Renaissance and Objective 2 programmes to deliver priority projects including Scarborough Business Park, the Futurist, Spa development, the Rotunda and the Creative Industry Centre. The priority for the Service is to ensure these projects are delivered during the next four years.

A key role for local authorities is to provide lead body and accountable body status. Both the Government Office (for EU funding) and Yorkshire Forward require this role to be fulfilled by an external organisation with extensive experience of project and financial management. In the field of regeneration, the Borough Council is best placed to provide this service.

Investment and Property

The purpose of the investment and property service is to ensure that the necessary infrastructure (communications, workspace and land) is in place to enable business growth and wealth creation.

Public sector intervention is required in key investments where market failure has resulted in an undersupply of serviced land and business workspace. For example, in the case of Scarborough Business Park, the high cost of off-site highways and drainage works made this project commercially unviable. Public Sector intervention has therefore been required to enable this project to happen. The project is being delivered in partnership with Caddicks Construction and £4m worth of public funding (European & Yorkshire Forward) has been secured to ensure project delivery. The Borough Council has also been involved in direct developments such as, Scarborough Business Centre, Filey Evron Centre, Falsgrave Community Resource Centre, Robin Hoods Bay Workshop Units and Staithes Gateway Centre.

The key workspace initiative currently being delivered is the Creative Industry Centre at Wood End. A rolling programme of workspace development has been delivered in recent years, funded through the Property Grants Scheme, including the Eastfield Link Regeneration Centre and Wykeham office space. In relation to Scarborough Business Park work will start on site during the next few months.

The Borough Council is the only public organisation with an inward investment remit solely for the Borough of Scarborough. Yorkshire Forward, Business Link and North Yorkshire County Council have regional and sub-regional roles. Private sector developers are keen to work in partnership with the Borough Council to promote their own sites and premises but there is a clear expectation that the Borough Council should co-ordinate overall inward investment activities both in relation to marketing and facilitating the development of sites and premises. A new partnership has now

been established with York-england.com (the Inward Investment Agency for North Yorkshire) to market the Borough as a place to invest in.

Neighbourhood Regeneration

UK Government and EU policy is to target resources at disadvantaged communities. This work is delivered through a series of area regeneration, community and neighbourhood partnerships. A multi agency approach is adopted which is transparent and inclusive. The work is facilitated by a partnership involving Scarborough District Council for Voluntary Services, Whitby and District Voluntary Action and the Yorkshire Rural Community Council with the support of North Yorkshire County Council. The purpose of this work is to improve the economic, social and environmental conditions of residents living in disadvantaged communities. This revolves around empowering communities to help themselves, investment in skills training to improve the abilities of residents to compete in the job market, and addressing health, housing, environmental and community safety issues. Key stakeholder organisations and local delivery agencies are represented on these partnerships which also include representatives of the voluntary, community and private sectors.

These Neighbourhood Partnerships have coordinated the delivery of a range of key projects including a network of Community Resource Centres across the Borough.

Town Centre Management

The Town Centre Management Unit was established in 1999 as a partnership between the public and private sectors and is aimed at promoting the vitality and viability of the Town Centre.

The Unit employs a Town Centre Manager with administrative support. In order to deliver its objectives the partnership has developed a range of key services:

- Marketing and promotional activities
- Working with potential inward investors
- Liaison with property developers
- Events and activities in the town centre

The overall objective of the Unit is to provide a vibrant, safe and secure town centre with improved access and a quality urban environment.

Yorkshire and Humber Seafood Group

Building on the previous work of the Yorkshire and Humber Fishing Forum a new company has been established to deliver fisheries support and diversification initiatives. £1.7m has been secured from Yorkshire Forward to implement a 3 year Action Plan.

7. Strategic Objectives

Objective 1: To enhance cultural provision and the environment in order to rebuild the image of the area as a quality and dynamic place to live, work and invest.

Key Issues

The North Yorkshire Coast and the North York Moors is one of the most attractive parts of the Region and one of its principal playgrounds. It has regional and national significance as a tourist destination and is used to help sell the Region to foreign investors. The image of moorland, fishing villages, historic seaside resorts and coastal scenery is a strong one and can be used positively to promote the area. This image also hides, however, the reality of a lack of investment in the areas built and natural heritage and pockets of real urban and rural deprivation. The Renaissance agenda is seeking to project a more youthful, dynamic and exciting image that will secure new sources of tourism income and a new generation of businesses.

The diverse character of the Borough is one of its principal strengths and attractions. The individual character and assets of each part of the Borough needs to be developed and built on with new ideas:

- The quiet Edwardian charm of Filey with its strong environmental assets including the beach and promenade; Filey Brigg and Country Park; and the town centre. Much has been achieved in recent years through the Filey Bay Regeneration Initiative to establishing a much stronger and attractive identity for Filey by enhancing its basic character. Amtree Park, the long standing environmental issue for Filey has also now been partly resolved with a third of the site being redeveloped by Haven Leisure and outline planning permission granted for a holiday village on the remainder.
- The outstanding heritage and cultural assets of Whitby including its associations with Captain Cook and its maritime history. The development of the Whitby Abbey Headland Project, environmental improvements in the harbour area and the visits of Endeavour have done much to enhance the profile of Whitby as an historic town and visitor destination. In addition over £3m is currently being invested at Abbey House creating new youth hostel facilities.
- The size and diversity of Scarborough, which enables it to act as the principal economic dynamo within the coastal economy. The environment of Scarborough is both attractive and diverse but of all the resorts has perhaps suffered most in terms of out of date and run down tourist infrastructure. The Castle Pride and Falsgrave SRB Programmes started to tackle these issues, but the Urban Renaissance Programme is providing a major opportunity to restore economic momentum to the town through public realm improvements, economic diversification projects and the development of cultural assets.

- The North York Moors National Park and Heritage Coast are the Borough's other key environmental assets which are important in forming the character of the area and which provide major visitor attractions while being sensitive environments. The National Park's key strategy is to use the natural resources of the area (landscape, geology, forestry) as the key economic driver.

Within the resort areas, the legacy of Victorian and Edwardian tourist infrastructure, the parks, gardens and promenades, provide the basis for the resorts attractions, but increasingly these are expensive to maintain and many are now out of date and require improvement or renewal. However, the South Bay Pool and Royal Opera House sites have now been redeveloped and through Urban Renaissance, key sites such as the Futurist Theatre will be a priority over the next 3 years.

There is therefore a need for reinvestment in the environment of the area to protect and to conserve the high quality of the environment which is the areas biggest asset, and encourage a process of innovation. There is also a need to reinvigorate the image presented by the area so that it is seen as a go ahead area with investment potential and an area which is looking forward to the future with confidence and a spirit of adventure. The arts, cultural, natural and built heritage of the area will be important tools in promoting the strong "quality of life" image which needs to be presented. The Renaissance process is playing a key role in changing the image and outdated perceptions of the area. The new Borough Marketing Strategy, the Sea Scarborough Change campaign and the new Inward Investment Prospectus all contribute to this.

Priority Aims and Actions 2007- 2010

- Implement the Urban Renaissance programme in Scarborough including delivering major public realm improvements and the redevelopment of key sites such as the Spa development, redevelopment of the Rotunda, redevelopment of the Futurist, West Pier redevelopment, and environmental improvements at the Harbour, Sandside, St Nicholas Gardens, Royal Albert Park, Valley and Crescent Gardens and the Wave.
- Implement the Whitby Renaissance Programme including the redevelopment of key sites such as the Marina development, Pannet Park and Whitby Skate Park.
- Continue to raise the image of the Borough as a quality place to live in, do business and invest through new marketing initiatives in partnership with York-england.com
- Develop the arts, cultural and heritage assets of the area to provide a quality image for residents and visitors alike through investment in key sectors including creative industries, festivals, outdoor adventure and museums.
- Implement a feasibility study into the future use of the Endeavour Wharf site in Whitby

- Establish a Groundwork Trust in Scarborough to support community led environmental improvement projects.

Objective 2: To improve connectivity to the Borough.

Key Issues

Because of its coastal location the Borough has only “half” a catchment area, is remote from large urban areas and is served by a relatively poor road infrastructure. The increasing dependence of the whole country on road transport and the increase in car ownership has emphasised the problems of the coasts “peripherality”. Unlike many parts of the Region the coast has suffered from a lack of investment in roads, particularly improvements to key routes such as the A64, A165, A171, and A174. There are few major resort towns as poorly served by roads as the North Yorkshire resorts. As the resorts become more dependent upon short stay and day visitors, the area’s accessibility by car will become more important. Local business, particularly manufacturing also depends upon the road infrastructure to transport raw materials and finished goods and the current situation can place these businesses at a competitive disadvantage.

To be set against these major constraints are the benefits which flow from the area having generally less congested roads than the urban areas in South and West Yorkshire, which can result in lower costs and a better quality of life.

To overcome these problems, the Council continues to lobby Government in relation to the upgrading of the road infrastructure. In 2005, a joint study commissioned with Ryedale District Council and North Yorkshire County Council, justified the need for a full dualling of the A64 on traffic and safety and, more importantly economic regeneration grounds. However, whilst the draft Regional Spatial Strategy includes a priority to improve strategic accessibility to the Coast, the A64 is currently its lowest priority (Band C). Whilst the Borough Council and partners will continue lobbying to increase the priority for the A64, it is unlikely that any significant progress will be made in the medium term future. The interim Strategy must therefore be to seek the upgrade/bypass schemes which are currently included in the Route Management Scheme. Better news is that the Scarborough Integrated Transport Strategy has recently been approved by Government securing circa £30m which will enable the delivery of key schemes such as The Sands and Middle Deepdale.

However, whilst improving road infrastructure remains a major priority for the Borough, the changing nature of business means that Information & Communication Technologies are now as, if not more important particularly to support the growing creative, cultural, and digital industries. The new sectors which the Borough needs to stimulate to create the required step change, and associated economic growth and job creation, are dependent on the latest state of the art ICT infrastructure to be competitive. Next Generation Broadband and wireless options need to be researched and implemented. “Wireless” Scarborough could bring a significant competitive advantage to the town and help change perceptions of doing business in the area.

In relation to rail travel, the aim is to encourage increased passenger use of the three rail routes serving the Borough i.e. the Whitby to Middlesbrough line; the Scarborough to York line and the Scarborough to Hull line and create opportunities for the transfer of freight from road to rail.

The region's airports continue to develop and expand, and these provide useful, if distant, facilities for air passengers. Humberside Airport's relative accessibility from Scarborough and Teesside Airport from Whitby offer particular advantages. The Borough itself, however, lacks any form of air transport facilities though limited, low cost facilities (e.g. a helipad) could be a solution for business travellers.

The Borough's location on the eastern side of the country and its closeness to Humberside and Teesside ports provide the area with a competitive advantage in European terms.

Priority Aims and Actions 2007- 2010

- Research opportunities to pilot wireless options (wi-fi and wi-max) in Scarborough town and develop a roll-out plan across the Borough
- Work in partnership with North Yorkshire Network (NYNET) to deliver Next Generation Broadband across the Borough.
- Deliver the Scarborough Integrated Transport Strategy
- Lobby the recently established Regional Transport Board to increase the prioritisation of the A64 upgrade as a regional priority.
- Promote the take up of ICT in business.
- Research the viability of developing a local air transport/helipad facility.
- Create additional car parking facilities to serve the resorts needs through the provision of park and ride/tour facilities.
- Work with the Strategic Rail Authority and local rail franchisees to secure improvements to rail services.
- Work with the North York Moors Railway, the Esk Valley Rail Partnership, the County Council and the National Park to establish the scope for developing rail facilities to secure sustainable improvements to the economy of the Esk Valley.
- Work with North Yorkshire County Council to implement improvements to the A171 Scarborough to Whitby road.

Objective 3: To diversify the economic base of the area through continued expansion of high value added advanced manufacturing, the knowledge based and service industries.

Key Issues

Whilst there has been a decline in long stay tourism, this has been partially compensated for by the growth of the advanced manufacturing, knowledge based and service industries in recent years. This process must be supported to stimulate continuing economic growth and job creation. Resources and support will need to be targeted at these key growth sectors.

This approach requires support to both indigenous businesses and inward investment projects and seeks to reorientate the economic structure of the town by facilitating the development of those existing businesses which offer the greatest prospects for future growth. These include advanced manufacturing (precision engineering, and environmental technologies), food manufacture (including frozen food and fish products) and the digital, creative and cultural industries. This can only be achieved through enhanced business support e.g. through the development of NYMAC, through financial support (e.g. Enterprise Support Grant and Business Development Fund) and crucially through the development of sites and premises at Scarborough Business Park and in Scarborough and Whitby towns.

The development of new sectors is also envisaged either through business start-ups or inward investment. This work needs to be facilitated by a greatly enhanced level of inward investment activity, through the partnership with York-england.com and by greater links with the University of Hull, Scarborough Campus (utilising IT graduate skills and by the development of a graduate enterprise/support strategy) and most importantly by the development of new accommodation including office suites and incubator units to cater for knowledge and information businesses. The two key flagship projects are Scarborough Business Park which will open up 130 acres of new land for business development and the Creative Industries Centre at Wood End which will provide units, support and advice for the growing Cultural and Creative industries.

Associated with these developments is the need to improve the skills of the workforce to meet the needs of local businesses and be adaptable to change.

In the rural areas and in the fishing communities there is a particular need to address the problems created by the decline in agriculture and fishing. The limited business base of these areas together with particular problems of accessibility and cost of development, make them vulnerable to future changes, for example, in relation to the effects of European Union Policy. The alternative business base of these areas needs to be developed through service industries, including retail; by developing their tourism potential; through the development of modern technology businesses and by using their environmental assets as a basis for creating new businesses and jobs. Rural land and other natural resources could be used in a more creative way for economic benefit: renewable energy for example presents opportunities.

Wherever possible, opportunities need to be seized to create new types of workspace through new build or conversion and planning policy needs to continue to be sensitive to the wider social needs of rural communities to develop their economic base.

Priority Aims and Actions 2007- 2010

- Implement the Urban Renaissance Programme in Scarborough including key economic development projects such as Scarborough Business Park and the Creative Industries Centre.
- Implement the Whitby Renaissance Programme including key economic diversification projects such as Whitby Marina development, Green Lane Neighbourhood Centre and new media facilities and a new office base / recording & performing studio for Whitby Musicport.
- Raise the profile and image of the area as a place to invest in through the partnership with York-england.com, the inward investment agency for North Yorkshire.
- Focus business support on the advanced manufacturing, cultural, creative and digital sectors.
- Secure funding to develop an innovation centre at the Business Park in partnership with the University of Hull and NYMAC
- Secure an extension to the Property Grant Scheme and market to landowners/estates to ensure the delivery of workspace in the rural areas.
- Implement a feasibility study into the future use of the former gas showroom site in Filey.
- Ensure a range of appropriate office accommodation/managed workspace is available in Scarborough, Whitby and Filey towns.

Objective 4: To enhance business performance in the tourism sector and increase visitor expenditure by building on the areas strengths.

Key Issues

In order to compete with the great range of demands on individual's leisure time and money a visitor offer of high quality is essential. This includes all elements of the tourism product including accommodation and cultural / leisure pursuits such as shopping, eating and drinking, night time entertainment, heritage and the arts and sports – both traditional and adventure. Services such as taxis, post offices, local shops and public transport also contribute to the quality of experience that visitors receive. Scarborough Borough has key strengths in these areas including outdoor adventure, the arts and heritage sectors. The overall cultural offer requires some strengthening however in order to create a competitive, year round tourism product.

Accommodation quality remains a key issue within the Borough with 50% of all serviced accommodation providers being non-inspected and no hotel with a quality rating above three stars. The introduction of the inspected only Holiday Guide, the Local Inspection Scheme and Coastal Tourism Initiative have helped a number of accommodation providers to achieve a rating although many accommodation providers still experience difficulties achieving minimum standards.

The introduction of the VAQAS scheme (Visitor Attraction Quality Assurance Scheme) creates the opportunity for attractions to achieve a recognised quality assurance rating.

In relation to visitor patterns and changing demand, 55% of visitors to the Borough are regular visitors indicating high levels of customer satisfaction and loyalty while 84% of visitors have visited the Borough before. A successful tourist economy needs to be constantly replenished by new visitors and new markets and therefore a sustainable balance of new and old needs to be achieved. New visitors can also mean new, higher value, market segments and this is also important in developing a tourist economy that has inherent strength and sustainability resulting in better quality more secure local employment opportunities.

Differences identified between existing and first time visitors is encouraging, indicating a widening appeal in new markets. Changes in accommodation stock away from traditional serviced accommodation reflects the need for independence and accommodation which suits families and larger groups. It also reflects increasingly demanding consumer expectations.

It is apparent that different areas within the Borough have different appeal, attracting differing visitor types. Similarities exist between Whitby and the Moors and between Filey and its rural hinterland both of which differ slightly from Scarborough's typical visitor. This would indicate that a one-size fits all approach to tourism development across the Borough will have only limited impact.

The quality of the environment is also a key component of the visitor experience. Within Scarborough Borough this is particularly important as the natural and built

environments are key elements of the areas appeal and are a key selling point for the Borough and its surrounding areas of Ryedale and the North York Moors National Park. Developing environmentally sustainable tourism products will be essential particularly in the National Park and this is a challenge for all of tourism. Within Scarborough Borough there is a significant amount of public open space to manage and this presents a constant and demanding challenge.

As visits become shorter in duration the need for appropriate visitor management increases. Visitors who are time limited need to arrive at their destination with a minimum of fuss and become immediately orientated within their destination. In this way they can derive the greatest enjoyment and satisfaction from their visit though it may be only for one or two days.

Traffic management plans have been developed for both Scarborough and Whitby in order to reduce congestion and improve visitor access to these towns. Visitor management measures have been introduced to Whitby and Filey with some success although Scarborough lacks a comprehensive visitor management and orientation system.

The vision for tourism in the Borough is one of...

...an environmentally world class, authentic tourist destination with well preserved and interpreted heritage,

.... a tourism product that is culturally vibrant and activity rich with wide appeal that delivers interest and entertainment throughout the year,

.... an overall quality of product that can compete strongly in an international market, provide the highest standards of customer service and surpass the expectations of the Borough's visitors.

The mission of the Scarborough Borough Tourism Strategy is:

to work in partnership to develop a sustainable year round tourism product with broad market led appeal generating high levels of expenditure and increasing business performance within the sector.

Priority aims and actions 2007 – 2010

- Redevelopment of the Spa Venue as a modern entertainment, conference and events venue.
- Development of a new Destination Management System and enhanced visitor management across the Borough in conjunction with the Moors and Coast Area Tourism Partnership.
- Development of the North Bay Sands project

- Redevelopment of the Rotunda
- Redevelopment of the Art Gallery
- Redevelopment of the West Pier
- Development of, and support for, festivals and events.
- Promote business tourism through the Conference Bureau.
- Implement Scarborough / Whitby traffic management schemes
- Whitby Marina improvements
- Whitby Youth Hostel Development
- Improvements to Filey Evron Centre Concert Hall
- Proposed Casino Investment

Objective 5: To improve the skills and the educational attainment of the local population and workforce.

Key Issues:

The traditional local skills base has been orientated towards service industries related to tourism and to the primary industries of agriculture and fishing.

Educational attainment is also relatively low compared with the rest of North Yorkshire and the relative lack of professional and skilled job opportunities in the area has resulted in the out-migration of young people.

The skills base of the area has, however, developed over the last twenty years with an increase in manufacturing activity and jobs in related service industries. This expansion in the range of local types of industry has created new opportunities but has also placed new demands on the workforce. It is essential, if local businesses are to remain nationally and internationally competitive, for both the general level of educational attainment and specific workplace skills to be improved.

In particular, employment statistics indicate a strong service sector in Scarborough; in tourism, administration, business services and health and social work. The nature of Scarborough's manufacturing industry is changing with growing light industries and businesses increasingly dependent on technology. Furthermore, the global economy means that businesses increasingly face pressures from competitors and are expected to conform to new legislation and changing customer demands. Employment patterns and the high number of small and micro-businesses indicate that there will be increased demand for higher level and management skills, and employers are increasingly seeking non-vocational, personal skills such as motivation and communication, to support the qualifications of new recruits. The Borough is lagging behind the rest of North Yorkshire in the level of training and people development. Although investment in businesses is encouraging, particular attention needs to be made to improving the employability of young people and to encourage employers to employ candidates with level 4 qualifications. The following key areas for improvement have been identified to address these issues:

- Management skills for businesses to adapt to changed market conditions.
- Innovation and entrepreneurial skills.
- ICT skills.
- Generic workforce skills for existing businesses.
- Customer Service skills.
- Basic numeracy and literary skills.
- Trade, craft and building skills.

Improving links between education and business will be important in matching skills needs to personal aspirations and in helping to motivate young people. There is a particular need to raise the aspiration of children and young people in the community and promote progression to higher levels of education and skill development. Also, work to improve the confidence, skills and motivation of those people living in disadvantaged neighbourhoods are seen as a priority in order to develop the business and personal skills required to link these communities with job opportunities.

The construction of a new campus for Yorkshire Coast College provides a major opportunity to work with the college and the business community.

Priority Aims and Actions 2007-2010

- Through the North Yorkshire Learning Partnership and the Area Learning Partnership, work with the Adult Learning and Skills Task Group to develop a 3 year local area adult learning plan which meets the needs of individuals, families, communities and employers.
- Work with the Learning and Skills Council to foster clients between the business community and the learning provider community.
- Through the Area Learning Partnership's 14-19 Task Group, develop actions to raise aspirations, encourage participation in higher education and vocational learning, and improve links with the business community.
- Work with the University of Hull to Yorkshire Coast College and Scarborough Sixth Form College to improve links and identify collaboration between academia and the business community.
- Build upon the Eastfield Neighbourhood Management pilot to develop an agreed action plan with the Learning and Skills Council and local training providers to address the skills deficit in Eastfield which can be rolled out to other disadvantaged communities.
- Develop a recruitment initiative to link residents in Eastfield to employment opportunities at the Business Park including potentially the establishment of an Eastfield Job Shop and an Eastfield Training Portfolio.
- Work with employers and further/higher education providers to encourage the retention/return of graduates and other higher skilled people to the Borough.
- Develop family learning centres in targeted areas (such as the Community Resource Centre in Falsgrave and the Eastfield Link Centre).
- Work with Yorkshire Coast College to ensure that the curriculum of the new college meets the future skills needs of local employers

- Explore Construction Training initiatives with building contractors for Middle Deepdale.
- Develop the skills base within the tourism sector, in particular, in relation to management, customer Service and IT training.

Objective 6: To target action at specific neighbourhood areas which are economically and socially disadvantaged.

Key Issues:

While the Borough as a whole is relatively prosperous, there are parts of the Borough which suffer particular social and economic disadvantage. In order to secure significant improvement in these areas it is necessary to target resources and develop holistic programmes which tackle, often multiple, causes of deprivation.

Examples of previous initiatives locally have included the Castle Pride Initiative, Falsgrave Community Investment Initiative and the Spirit of Staithes initiative.

The need for such programmes is a continuing one and the availability of external funding from such sources as Europe through Objective 2 and Yorkshire Forward are crucial to their successful implementation.

The Indices of Deprivation 2004 measures disadvantage across the whole of England and Wales. In the overall results, Scarborough has seven Super Output Areas (SOAs each with circa 1500 people) in the worst 10% in the country, all in Scarborough town. Moreover, Scarborough is the only district in North Yorkshire with no SOA's in the top 10%. Previous work facilitated by the Borough Council, Scarborough District Council for Voluntary Service and Whitby and District Voluntary Action has focused on the establishment of Neighbourhood Partnerships in the most disadvantaged parts of Scarborough, Whitby, Filey and Staithes. However, it is likely in future that the needs of the most disadvantaged (i.e. top 10%) will be the focus of resources and greater priority. In Eastfield, the Council supported by the Registered Social Landlords (Sanctuary Housing and the Yorkshire Coast Homes), the Police and the Voluntary sector is seeking to pilot Neighbourhood Management as a tool to improve the coordination of services in the area to better meet the needs of the community. If successful, it is proposed that this model be rolled out to other disadvantaged communities as appropriate. The introduction of an Area Governance framework by the Borough Council will also play a key role in enabling area regeneration initiatives.

The housing market and housing conditions are a key indicator of economic conditions. These vary significantly within the Borough, with on one hand problems created by under supply of affordable houses in certain parts (including attractive rural areas such as the National Park), to problems of poor housing conditions, social and economic deprivation. A particular problem area is central Scarborough where the concentration of houses in multiple occupation has given rise to problems of crime and socio-economic disadvantage.

There is a need to align economic development and housing strategies more closely. Deprivation takes many forms however and is not always concentrated in specific geographical areas. Problems associated with social exclusion, poor health, crime and poor housing are spread throughout the community and further work needs to be done with the voluntary sector to identify vulnerable and disadvantaged groups and establish means of addressing these problems through improved inter-agency working.

Priority Aims and Actions 2007- 2010

- Deliver a Neighbourhood Management pilot in Eastfield which will:
 - deliver an improved quality of life/environment of residents
 - improve service delivery and coordination
 - develop an agreed action plan to address the skills deficit and link Eastfield residents to new employment opportunities at the Business Park.
- Implement the action plan in the Crime and Disorder Strategy.
- Encourage the development of a balanced and vibrant housing market including the development of housing which will appeal to a new and younger market of professional and business people.
- Build on the Trafalgar Square pilot to support community led neighbourhood renewal projects in the central area of Scarborough.
- Develop forward strategies in partnership with the 7 Pacts (Neighbourhood Partnerships) in the Borough which will include;
 - restructuring of the current Neighbourhood Regeneration Team
 - Prioritisation and targeting of resources at the top 10% most disadvantaged areas (Eastfield, Barrowcliff and the Central Area)
- Work with Eastfield residents to develop a Community Impact Assessment to ensure their views are taken into account in any future proposals for new housing at Middle Deepdale.

Resources to implement the strategy and the identified key actions to 2010 will come from a variety of sources.

Yorkshire Forward will remain our major development and funding partner with some funding also coming from Europe though significantly less than before. Project and financial management will principally be provided by the Project Development Team in Regeneration Services. However, the strategy can only succeed with the future buy in of key partners such as Business Link, the Learning and Skills Council, the North York Moors National Park, the County Council and many other local and regional partners.

9. Key Indicators of Economic Progress

Unemployment

Indicator	Area	2000	2001	2002	2003	2004	2005	2006
Claimant Count (%)	Scarborough Borough	3.9	3.6	3.3	2.9	2.7	2.5	
	Yorkshire & the Humber	3.5	3.2	3.0	2.8	2.4	2.4	
	United Kingdom	3.1	2.7	2.7	2.6	2.4	2.4	
Long term Unemployment (%)	Scarborough Borough	20.7	18.2	16.0	16.5	15.4	15.4	
	Yorkshire & the Humber	20.5	18.1	15.5	13.6	13.2	11.2	
	United Kingdom	22.0	19.4	16.1	14.8	15.4	14.1	
Youth Unemployment (%)	Scarborough Borough	22.1	22.3	22.1	22.9	25.9	25.7	
	Yorkshire & the Humber	25.8	26.6	27.5	28.6	29.0	30.7	
	United Kingdom	23.8	24.6	25.5	26.4	27.2	29.0	
Incapacity Benefit (%)	Scarborough Borough	4.70	4.87	5.08	5.32	5.44	5.08	
	Yorkshire & the Humber	4.80	4.91	4.90	4.92	4.94	4.86	
	United Kingdom	4.49	4.57	4.58	4.60	4.58	4.50	
Income Support (%)	Scarborough Borough	7.69	8.38	8.42	7.36	3.93	3.95	
	Yorkshire & the Humber	7.06	7.29	7.31	6.49	3.83	3.73	
	United Kingdom	6.52	6.69	6.71	6.02	3.70	3.60	

Source: Nomis

Business Sectors

Indicator	Area	2000	2001	2002	2003	2004	2005	2006
Manufacturing employees jobs (%)	Scarborough Borough	14.7	14.1	15.0	13.7	12.3		
	Yorkshire & the Humber	18.5	17.7	16.4	15.6	14.6		
	United Kingdom	15.0	14.1	13.3	12.6	11.9		
Tourism employee's jobs (%)	Scarborough Borough	17.1	19.1	18.3	17.6	18.0		
	Yorkshire & the Humber	7.7	7.5	7.6	7.5	8.0		
	United Kingdom	7.7	7.8	8.0	8.1	8.2		
VAT Registrations (per 10,000 population)	Scarborough Borough	30	27	30	34	27		
	North Yorkshire	37	37	39	45	38		
	United Kingdom	39	37	37	40	38		

Source: Nomis

Salaries & Wages

Indicator	Area	2000	2001	2002	2003	2004	2005	2006
Average Gross Weekly Income – Full time workers (£)	Scarborough Borough	295.2	288.3	335.3	338.1	354.4	370.7	
	Yorkshire & the Humber	335.0	345.5	360.0	375.6	389.7	399.3	
	United Kingdom	360.0	377.4	392.2	405.2	420.7	432.1	

Source: Nomis

Skills Level

Indicator	Area	2000	2001	2002	2003	2004	2005	2006
No Qualifications (%)	Scarborough Borough	18.1	14.5	18.1	19.1	17.4	17.7	
	Yorkshire & the Humber	18.0	18.3	18.7	17.3	16.0	15.8	
	United Kingdom	16.8	16.7	16.5	15.6	15.1	14.3	
Qualified to NVQ Level 1 (%)	Scarborough Borough	72.5	79.3	72.1	70.9	72.9	77.5	
	Yorkshire & the Humber	73.6	73.0	73.5	74.9	76.3	76.0	
	United Kingdom	73.5	74.0	74.6	75.4	76.0	77.2	
Qualified to NVQ Level 2 (%)	Scarborough Borough	57.4	65.3	56.3	57.5	60.2	57.6	
	Yorkshire & the Humber	56.0	56.3	56.8	58.9	60.1	60.5	
	United Kingdom	57.9	58.8	59.5	60.6	61.5	62.9	
Qualified to NVQ Level 3 (%)	Scarborough Borough	36.9	43.9	40.3	38.8	43.9	38.6	
	Yorkshire & the Humber	37.3	37.9	38.1	39.9	41.2	41.0	
	United Kingdom	39.3	40.3	41.0	42.0	43.1	44.4	
Qualified to NVQ Level 4 & 5 (%)	Scarborough Borough	17.1	21.8	18.4	17.0	20.3	20.1	
	Yorkshire & the Humber	19.5	20.5	20.3	20.8	22.3	22.2	
	United Kingdom	22.5	23.3	23.6	24.2	25.2	26.5	

Source: Nomis