	<b>REPORT TO CABINET TO BE HELD ON 15 DECEMBER 2015</b>
	<b>Key Decision</b>  <b>Forward Plan Ref No</b>
<b>Corporate Priority:</b> Safe and Healthy Prosperous Inclusive and Vibrant Quality Environments	<b>Cabinet Portfolio Holder</b> <b>Cllr D J Bastiman</b>

**REPORT OF DIRECTOR (TW) – 15/331**

**WARDS AFFECTED: ALL**

**SUBJECT: TOWARDS 2030 – AN ERA OF OPPORTUNITY. AN EMPLOYMENT AND SKILLS PLAN FOR SCARBOROUGH BOROUGH.**

**RECOMMENDATION (S):**

Cabinet recommends to full Council that Members approve the Employment and Skills Plan for adoption as part of the Council’s policy framework and delegates authority to the Director (TW) in consultation with the relevant Portfolioholder to make minor amendments to the Plan as may be necessary for the effective operation of the Plan.

**REASON FOR RECOMMENDATION (S):**

To provide the Council with an approved strategic framework within which it can develop partnerships across the public, private and third sectors, create joint delivery mechanisms and maximise regeneration funding opportunities to deliver the ongoing regeneration and economic diversification of the Yorkshire coast economy.

## **HIGHLIGHTED RISKS:**

As shown in Appendix A.

### **1. INTRODUCTION**

- 1.1 The Council's current economic development strategy; "Towards 2020 – the renaissance of the Yorkshire Coast" was adopted in 2006. The Strategy identified a series of strategic objectives and critical success factors and was utilised by the Council to provide a driver for economic growth. It also provided an umbrella framework for the drawdown of regeneration funding to support the Council's ambitious economic investment programmes.
- 1.2 A summary of progress on delivering the 2020 Strategy is included in Section 4 of the Employment and Skills Strategy.
- 1.3 However, the 2020 Strategy was drafted during a period of long term economic growth. In the years that have followed the development of the Strategy there has been much change with the impact of recession, post 2008, and subsequent austerity measures.
- 1.4 Further growth potential up to and beyond 2020 prompts a need to both refresh and extend the Strategy. In particular, through discussions with the York, North Yorkshire and East Riding LEP, the North Bank Partnership, and with the East Riding of Yorkshire Council, we are drafting a Yorkshire Coast Growth Plan that will provide a framework for the future drawdown of UK Government and European Regeneration funding into the area.
- 1.5 As part of this joint strategy process, the Borough Council is refreshing and refocusing its regeneration objectives through to 2030. This Employment and Skills Plan is being developed for the period 2015 to 2030 to support the Strategy, again with a series of critical success factors.
- 1.6 The new Strategy is attached at Appendix B.

### **2. CORPORATE AIMS/PRIORITIES AND THE COMMUNITY PLAN**

- 2.1 The project will underpin all of the Council's Corporate Plan aims:
  - Aim 1: Safe and Healthy
  - Aim 2: Prosperous
  - Aim 3: Inclusive and Vibrant
  - Aim 4: Quality Environments

### 3. BACKGROUND AND ISSUES

- 3.1 Scarborough Borough has moved from an economy based on tourism, fishing and agriculture for its employment base in the 1960s to the place it has reached now; a vibrant business location by the sea with a diversified economy comprising a solid manufacturing base, strong health and social care, and retail sectors, a burgeoning creative and digital sector and a tourism base which is competitive and prosperous.

The Borough's economy displays the typical attributes of a coastal economy characterised by extremes of wealth and poverty and historically low levels of economic growth.

Whilst the area has some very difficult social challenges, it is also entering an era of opportunity with some of the most significant growth potential in the north of England. The Council is excited about the Borough's economic future.

- 3.2 Over the next five years there is set to be unprecedented investment in Scarborough Borough, potentially in excess of £2billion, in the following key sectors:
- Potash Mining – The York Potash project is a proposal to develop a new high-tech potash mine in Scarborough Borough. It has the potential to make the area a world leader in high value potash production, creating up to 4,000 direct and indirect new jobs. Planning permission was secured this year and start on site is anticipated in mid 2016.
  - Offshore Wind – More than £40bn is to be invested off the Yorkshire coastline at Dogger Bank to form the largest offshore wind farm in the world. Whitby is the nearest port to Dogger Bank. The Council is working with private sector partners to develop Yorkshire's Offshore Wind Service Centre in Whitby to ensure that growth opportunities are maximised and creating circa 300 direct new jobs by 2019 with the realistic potential of many hundreds more to follow along the Yorkshire Coast.
  - Leisure – two major projects, Scarborough Water Park and the Leisure Village, will lever in private sector investment of circa £25m over the next three years.
  - Coventry University has recently moved into Scarborough and the new campus, located next to the Leisure Village, will see an investment of £14m and will open in September 2016.
  - £10m is also being invested in a new Scarborough University Technical College, also co-located with Coventry University Scarborough Campus. This investment will provide a skilled and motivated engineering workforce for the future.
  - Major expansion of GCHQ Scarborough.

In addition, the Borough Council is also committed to very significant demographic growth with planned housing investment at its highest levels since the Victorian era. Currently there are 3,000 new houses with planning permission across the Borough. The Council and development partners have started on site at Middle Deepdale with 1,350 new houses under construction, the biggest housing development in the Yorkshire region. Of even greater significance is the commitment to facilitate the building of 10,000 new houses across the Borough by 2030.

The totality of this investment is forecast to create up to 6,000 new full time jobs and in the region of 4,000 construction jobs. The prospect of these new sectors is a genuine growth opportunity and a once in a generation chance to transform the local economy.

- 3.3 This Strategy is deliberately narrowly focussed. Skills drive economic growth. The Borough needs to generate large numbers of new jobs and to diversify its economic base in order to function as a successful economy. This Strategy is about delivering new jobs and skills.

The Strategy is also targeted at specific growth sectors; manufacturing and engineering, potash, offshore wind, construction, retail and education where the Council believes its resources can be best put to use, The Council has limited resources based around its senior leadership team and the Regeneration Service. Any significant financial resources will need to be generated through smart partnership working, maximising the impact of the public purse, and through successful bids for external regeneration funding from UK Government and EU Resources.

The Strategy includes an economic assessment of the current state of the economy, a SWOT analysis, a scoping out of new growth opportunities, an analysis of the skills challenge facing the local area and a set of Sector Action Plans (SAPs) which identify where the Council is going to target its resources.

The strategy also includes critical success factors, based on objectives and outcomes, and a set of key indicators of progress.

## **4.0 CONSULTATION**

- 4.1 Extensive consultation has been undertaken in preparing the Strategy including;

- Two presentations to the Council's Overview & Scrutiny Committee
- Two presentations to the North Bank Partnership
- A presentation to the York, North Yorkshire and East Riding Local Enterprise Partnership

- 4.2 Consultation has also been undertaken with the Scarborough Business Ambassadors, Chamber of Commerce, and representatives of local businesses, higher and further education and the training and skills sectors.

## 5.0 ASSESSMENT

- 5.1 The Scarborough economy had traditionally been characterised as a low growth economy in common with most coastal economies. The most recent regional econometric planning data, provided by the LEP, shows a continuation of that position with projected job growth of 1,940 by 2020 and cumulatively 3,830 by 2030.

However, for the reasons previously outlined in Section 3 above, the Council regards this data as a significant under estimation of the economic growth potential of the area.

Based on planned investment over the coming years, the Council is forecasting around 6,000 new jobs in addition to circa 4,000 construction jobs.

In addition to this, the Borough has an ageing workforce. It is estimated that nearly 10,000 of the current workforce will retire by 2020. This is called replacement demand and will put even greater stresses on recruitment in the years to come.

- 5.2 The Council and local employers believe that the Borough is facing a major education and skills challenge which has the potential to become a crisis if it is not addressed. The Borough has a low skills base underpinned by poor performance in the education sector. The forecast demands for employment by the new sectors combined with replacement demand issues will place tremendous pressures on the economy. There is already a culture of poaching across many sectors, both public and private, as employers seek skilled labour. Local companies report great difficulty in recruiting for key professional and technical staff. The lack of skilled labour also has a serious impact on productivity across the Borough and creates an underperforming economy.
- 5.3 The Borough Council is determined to address this issue head on and in 2011 developed a set of skills issue objectives, namely to;

- Radically increase the skills and aspirations of the workforce
- Improve the educational attainment and aspirations of young people
- Ensure that skills provision meets the needs of the labour market

In developing this Strategy; Towards 2030 – An Era of Opportunity, the Council has further refined these objectives into a Skills Vision;

- To establish the Borough as the most highly skilled coastal community by 2030
- To establish the Borough as a national hotspot of HE and FE provision
- To establish the Borough as a national centre of excellence in the provision of engineering, construction and technical skills

5.4 In order to deliver this Skills Vision, the Council has played a key role in supporting new investments and delivering projects and initiatives which will begin to address the skills deficit and deliver a more highly skilled and more appropriately skilled workforce. This includes:

- The establishment of Coventry University Scarborough Campus.
- The establishment of Scarborough University Technical College
- The delivery of Scarborough Job Match - a job brokerage service
- The Yorkshire Coast Business Gateway – a business mentoring and coaching service
- The Yorkshire Coast Employability Charter
- The establishment of Scarborough Construction Skills Village

5.5 Moving forward in the coming years the Council is committed to working with other key educational partners including Hull College Group, Grimsby Institute of Further and Higher Education and the Scarborough Sixth Form College, particularly through the forthcoming Area Review Process, which will commence in 2016, to deliver a better aligned educational offer in the Borough.

The Council is also committed through its membership of the Scarborough Pledge Group to provide support to enable better performance in our school education system although we will also be lobbying to ensure that a similar process is put into place to support schools in the Whitby area.

5.6 The aim of the Strategy is to complement this educational development work with Sector Action Plans which provide the mechanism for the delivery of projects and initiatives with the business and education sectors which support the growth and creation of jobs in several key sectors; offshore, potash, engineering and manufacturing, construction and retail.

## **6. IMPLICATIONS**

### **(a) Policy**

6.1 The Council has an existing economic development strategy: Towards 2020. This new employment and skills plan will replace that Strategy as the Council's new economic development policy.

### **(b) Financial**

6.2 There are no direct implications with adopting the Strategy. Resources will be identified to deliver the Strategy as we begin to implement it.

### **(c) Risk**

6.3 The risks, which may arise from this project are as set out in the attached Risk Register.

**(d) Legal**

6.4 None identified.

**(e) Staffing**

6.5 The Strategy will be delivered by the Regeneration Team.

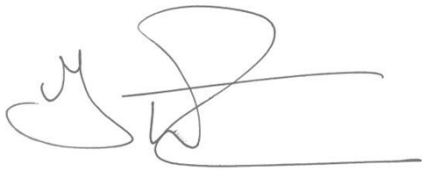
**(f) Planning**

6.6 None identified.

**(g) Others**

6.7 I have considered whether the following implications arise from this report and am satisfied that there is no adverse identified implications that will arise from this decision to proceed with the approval of this Strategy;

Equalities and Diversity, Crime and Disorder, Health and Safety.



**Trevor Watson  
Director**

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**Background Papers:**

IF YOU HAVE ANY QUERIES ABOUT THIS REPORT OR WISH TO INSPECT ANY OF THE BACKGROUND PAPERS, PLEASE CONTACT DAVID KELLY ON 01723 232321 or e-mail [david.kelly@scarborough.gov.uk](mailto:david.kelly@scarborough.gov.uk)





P	4							
	3							
	2							
	1							
		A	B	C	D	E		
		Likelihood						

Likelihood:

A = Very Low

B = Not Likely

C = Likely

D = Very Likely

E = Almost Certain

Impact

1 = Low

2 = Minor

3 = Medium

4 = Major

5 = Disaster