



Coastal Enterprise & Productivity

April 2018



Background

- Coastal resorts need to be seen as effective contributors to LEP & UK productivity growth (it can't all be achieved by cities)
- To highlight the opportunity to government
- To set out the case for action and to suggest some actions
- To show that doing nothing equates to decline, not to staying the same. Doing nothing is not an option

Why?

- Localis Industrial Strategy report (March 2017) warned that a national industrial strategy won't suit or help a great many places. The report recommended focus on "stuck" places including coastal resorts.
- Three of the ten local authorities in Great Britain with the lowest average employee pay are in HoSW coastal communities – including Torbay.
- Last year, average employee pay was about £3,600 per annum lower in coastal communities than in other parts of Great Britain.
- In 1997 GVA per capita was 23% lower in coastal communities, compared with non-coastal communities in 2015 this gap was 26%
- Across England the Country's historic resorts are among the most deprived and challenged economies
 - Productivity rates lag
 - Increased cost to public purse, looked after children, social security costs, reduced tax base (property and personal)
 - Missed opportunities costing UK Plc

Place	Population 2015	GVA (£m) 2015	GVA Per Head (£) 2015	% of Average UK GVA per Head 2015	No. of Workforce in Tourism Sector 2015	% of Total Workforce in Tourism Sector 2015	Local Enterprise Partnership
Thanet	139,772	£2,099	£15,021	59%	5,500	12.8%	South East Local Enterprise Partnership
Tendring	141,183	£2,161	£15,308	60%	5,500	13.9%	South East Local Enterprise Partnership
Blackpool	139,578	£2,146	£15,372	60%	12,500	21.0%	Lancashire Local Enterprise Partnership
Torbay	133,373	£2,081	£15,599	61%	9,000	18.2%	Heart of the South West Local Enterprise Partnership
Dover	113,228	£1,779	£15,715	61%	5,000	14.1%	South East Local Enterprise Partnership
East Lindsey	137,887	£2,233	£16,192	63%	9,000	20.0%	Greater Lincolnshire Local Enterprise Partnership
Eastbourne	102,465	£1,869	£18,242	71%	5,500	13.6%	South East Local Enterprise Partnership
Great Yarmouth and Lowestoft	98,700	£1,908	£19,340	76%	7,500	19.5%	New Anglia Local Enterprise Partnership

What?

- Coastal resorts have huge potential, which central government support can help unlock.
- The right types of investment in its people, businesses and places will bring significant rewards to coastal communities and can shape a national programme of support for similar coastal resort economies.
- We want a focused, coastal community/resort place based conversation with Government
- Seeking support for the piloting of a coastal growth programme which, focusing on 3 of the 10 'pillars' of the Industrial Strategy, will;
 - **Develop skills**
 - **Upgrade infrastructure**
 - **Support businesses**

What?- Capital & Skills

Capital Investment examples

- Piloting these interventions in 4-5 other coastal resorts
- Reduced borrowing rates for Coastal authorities investing in regeneration i.e. 0.2/0.5% off standard PWLB rates
- 100% enhanced capital allowances to businesses making investments in plant and machinery (although existing EZs restrict this to large investments, the suggestion here is that it be applied to all investments in order to benefit smaller businesses)
- Access to appropriate regeneration funding schemes i.e. Land Release Fund or other HCA/MHCLG programmes, Heritage Lottery, ACE etc

Developing Skills examples

- Bring employers & educators together to establish their collective needs and facilitate a co-ordinated approach to skills development;
- Explore/enhance sector-specific approaches (i.e. in Torbay hi tech engineering, hospitality, construction and social care).
- Targeted HE expansion i.e. Torbay, North Devon & Somerset

What? - Business

Supporting Business examples

- provision of a gap funding grant to encourage employment space development where it would not otherwise be commercially viable.
- setting up a match-making mechanism, bringing together potential investors/lenders and those seeking equity/debt finance.
- provision of export support services to businesses that are at an earlier stage of exporting development than those targeted by DIT services, including:
 - Information, advice, guidance, and signposting/cross-referring, through a variety of promotional activities and by relevant agencies working more collaboratively.
 - Running export support workshops
 - Supporting attendance at overseas trade shows and on overseas trade missions through the provision of grants, on a 50% match funded basis.
 - Improving digital skills in businesses
 - Increasing support for culture and events led tourism i.e. Great Places Scheme

So what?

- The Joseph Rowntree Foundation (JRF) report “The Benefits of Tackling Worklessness and Low Pay” (December 2014) found that for every out-of-work claimant that moved into a job that paid the Living Wage (then £7.45 per hour), **the Government gained, on average, almost £6,900.**
- **The local economy benefited, on average, by more than £14,000 per year** every time an unemployed person began a Living Wage job.
- Forecasts are that the return on investment for public purse would be circa £3.14:1
- £220M of public money invested in creating jobs in supporting Coastal resort growth would generate:
 - £1.3B in economic output
 - Improvement in public finance by at least £690M over a 10 year period

How

- Lobbying – Coastal Communities Alliance, LGA SIG, LEP partners etc.
- Potential for a “Coastal Productivity Commission”
 - To explore how levels of economic productivity can be increased in England’s coastal places, particularly town and resorts, leading to better balanced economic growth across the country.
 - LEP led HoSW, SELEP, Greater Lincolnshire, Lancashire
 - Precedent of SW Rural Productivity Commission

