

2. Introducing Scunthorpe

This section sets out the strategic context for investing in Scunthorpe via the Towns Fund. Understanding the current role and economic performance of the town, its wider catchment and how it functions as part of the wider North Lincolnshire economy is essential to addressing constraints inhibiting sustainable, long-term economic regeneration.

2.1 Scunthorpe in context

Our functional economic geography puts us at the heart of the UK's energy corridor stretching from the east coast through to South Yorkshire. The food belt corridor from York to Lincoln is especially central to Scunthorpe's future with a recognised need to add value and increase productivity.

Scunthorpe is the largest town in North Lincolnshire and is the unitary authority's administrative centre. The town was established in the mid-19th century with the formation of the ironworks using local ironstone worked at the neighbouring village of Frodingham. We have a rich industrial heritage that continues to shape Scunthorpe today with the highly integrated steel production complex flanking the eastern edge of the town employing over 3,000 directly and supporting a further 20,000 supply chain jobs.

Our industrial legacy can be seen today through Scunthorpe's varied manufacturing strengths, including metals, chemicals, advanced engineering as well as freight and logistics. The combination of these sectors presents an unparalleled opportunity to diversify and modernise the economy toward greener, higher value industry in line with Government's Clean Growth Strategy.

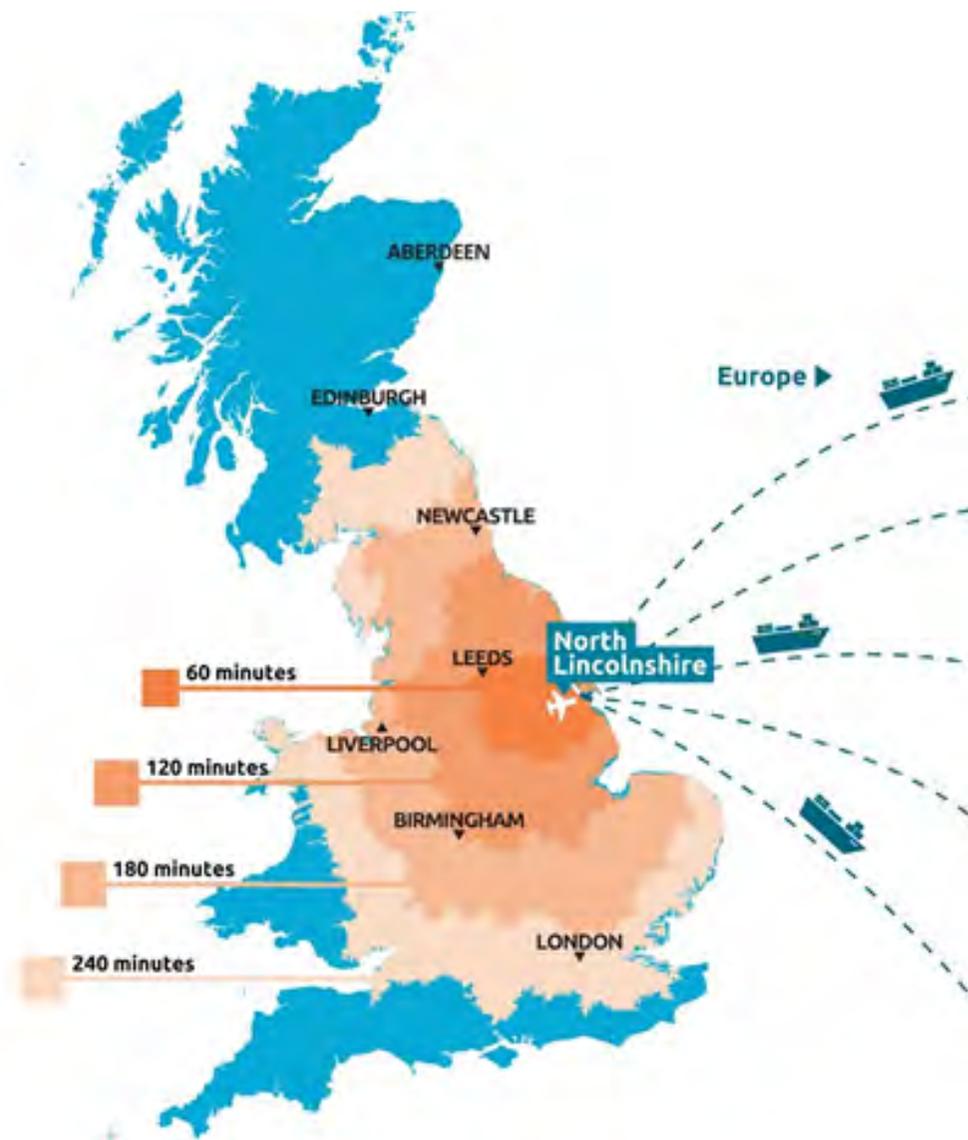


Figure 2.1: Location

Source | North Lincolnshire Economic Growth Plan, 2018

Scunthorpe, however, has more to offer than its proud industrial heritage. Strategically positioned, the town's shops and other central services draw population from the local villages and the extensive agricultural hinterland. Surrounding North Lincolnshire is the key chemical and industry cluster and port of Immingham near the town of Grimsby, Humberside airport to the east, and the cities of York and Lincoln to the north and south respectively, both of which support the 'Core Food Belt'.

The proximity to the South Humber Gateway Ports, which are among the busiest in the country, and good motorway and trunk road links that provide accessibility. Almost two million people can reach the town in under an hour, illustrating how attractive a prospects the town would be for investment under the right conditions.

Exploiting the towns position as the service centre with good road and rail links, this Town Investment Plan will bring together the industrial strengths and the strategic location of Scunthorpe to help the town grow and prosper as a key hub for the Humber Local Enterprise Partnership.

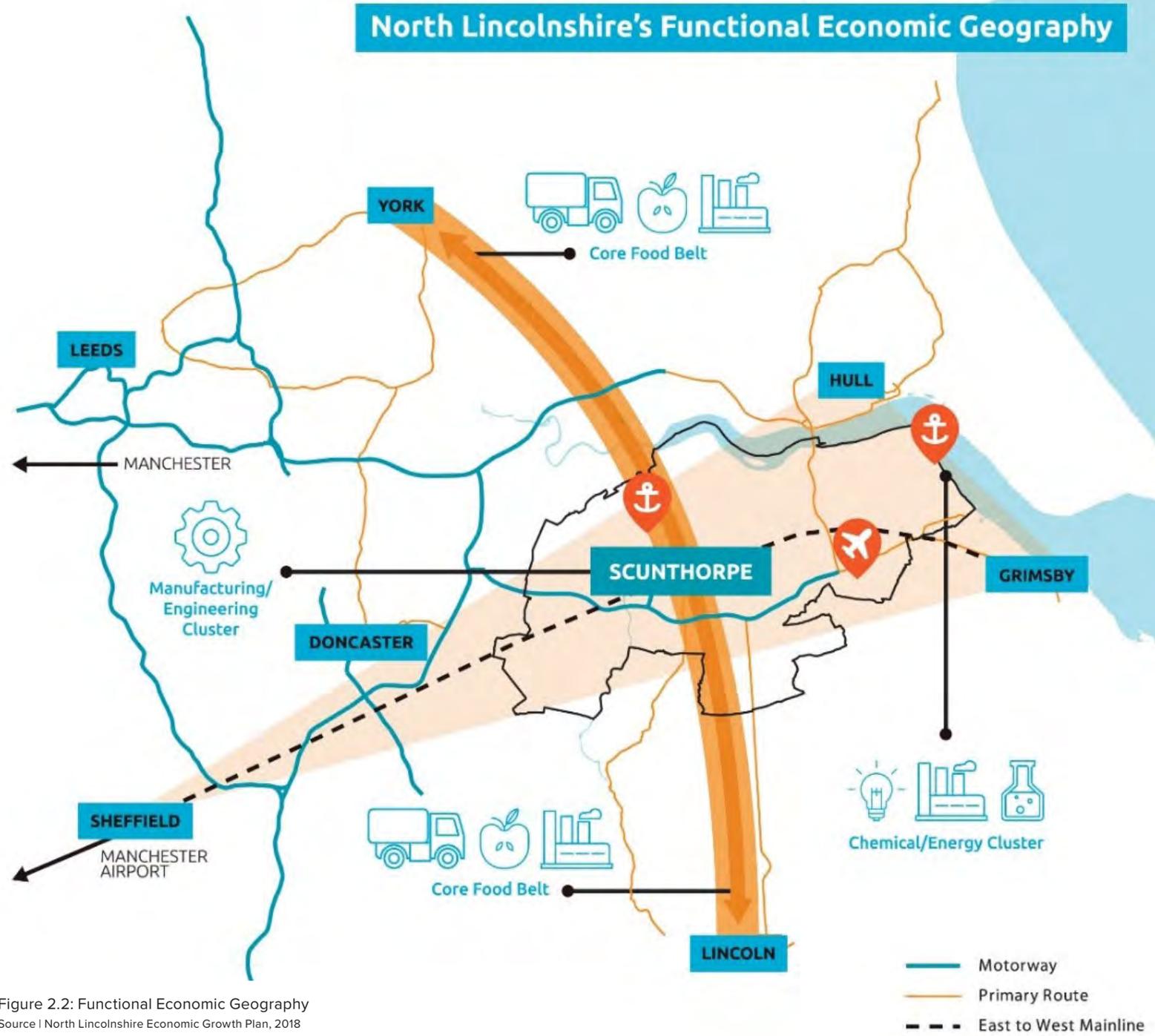


Figure 2.2: Functional Economic Geography
 Source | North Lincolnshire Economic Growth Plan, 2018

Figure 2.3: Regional Map

Key
Primary Road ———
Railway - - -



Key facts



Scunthorpe accommodates approximately 83,500 residents and 31,800 employees.



Scunthorpe's population has a large proportion (33%) of adults aged 25-49 and 21% children (0-15).



In 2011 there were approximately 34,300 dwellings in Scunthorpe, representing 48.5% of all dwellings in North Lincolnshire. Of these dwellings, 52.8% were semi-detached, with high proportions of flats and social housing.



Key economic sectors - Advanced manufacturing, public administration, education, retail and leisure services.



Within a 30-minute drive time, Scunthorpe has a catchment of around 1,511,083 people of which 927,278 are of working age.



Scunthorpe is well served by the M180 and M181, and A15 which links to the major cities of Sheffield and Leeds to the west, Lincoln to the South, and Hull, Grimsby and the Humber Estuary to the east.



Major employment sites include British Steel, Foxhills Industrial Estate, Southpark Industrial Estate and Skippingdale Retail Park, Gallagher and Lincolnshire Retail Parks.



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There is a low skills base in Scunthorpe, with 23.4% of North Lincolnshire residents qualified to NVQ4+. This is considerably lower than Yorkshire and the Humber (33.3%) and England (39%).



Resident wages in Scunthorpe (£25,745) are significantly lower than the median for Great Britain (£30,450).



In the 2017 Employer Skills Survey, the main cause of recruitment difficulties reported by employers was 'a low number of applicants with the required skills'. 38% of 'hard to fill' vacancies were due to this low skills base.



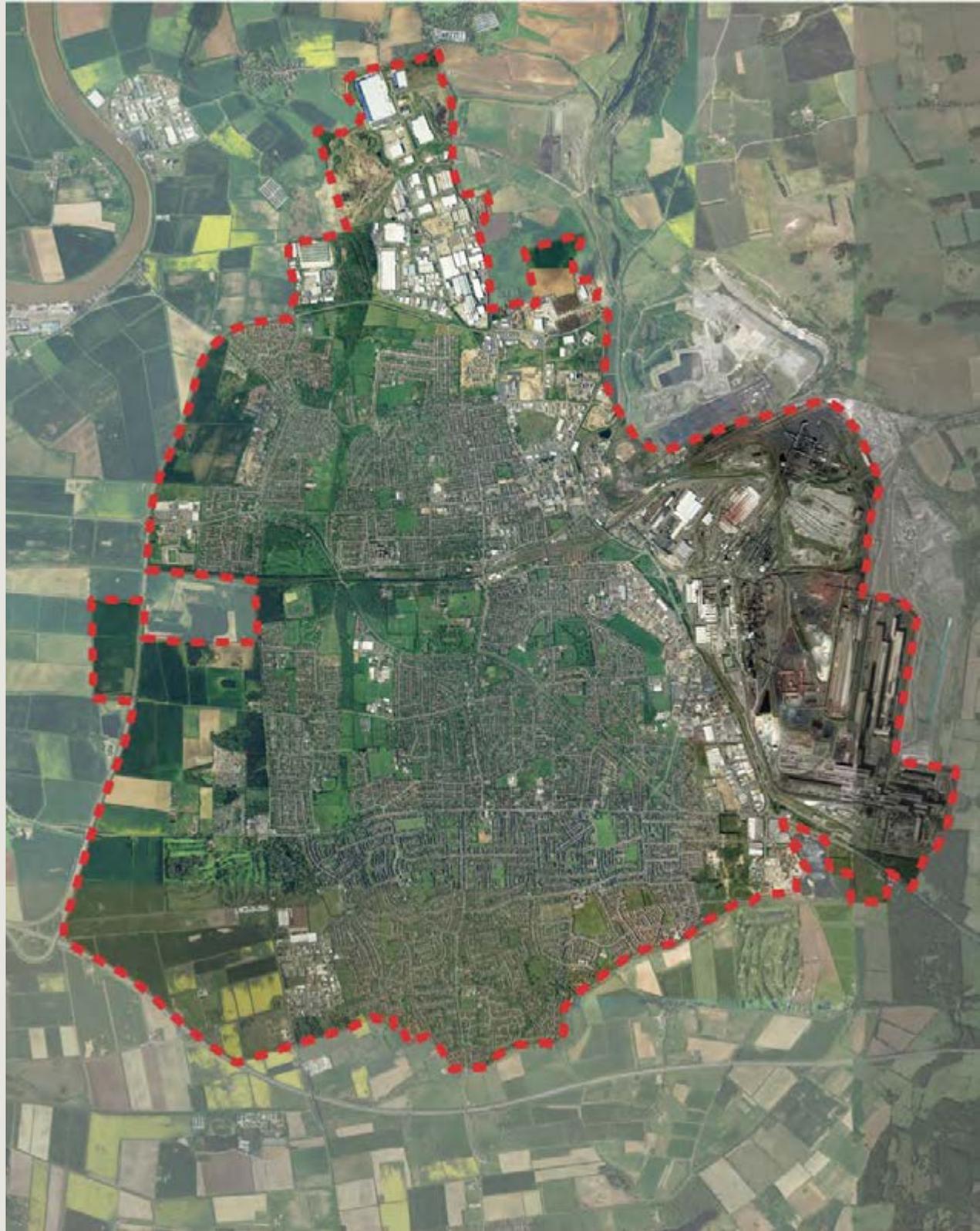
North Lincolnshire's 3.63m tourism visits during 2018 generated 4.2m visitor days spent within the area. This is a decrease of 0.3% since 2017 and an increase of 13.7% since 2009. The industry supports approximately 2,400 jobs, an increase of 0.9% since 2017 and 16.3% since 2009.



The significant impact of COVID-19 means that the claimant count rate has increased from 4.6% in March to 7.7% in August 2020. This is driven by Scunthorpe's key sectors, such as manufacturing and wholesale & retail trade, possessing vulnerabilities to social distancing measures.

The Scunthorpe Town Deal area covers the built-up area of Scunthorpe, other areas within the urban extent of Scunthorpe and Bottesford strategic employment site to the south.

Boundary of Town Deal area ■■■■■



History of Scunthorpe

Commercial steel production commenced in Scunthorpe in 1890 under Appleby-Frodingham and Austrian chemist Maximilian Mannaberg. At the time Scunthorpe was a small village, part of a collection of hamlets, fields, iron mines, and workers' cottages that developed around competing steelworks, that in addition to Appleby-Frodingham, included Redbourn, and Normanby Park. Scunthorpe became a municipal borough in 1936 and was central to UK infrastructure advancement throughout the mid-20th Century, producing much of the steel used along British railways, in bridges and buildings as well as components parts of warships.

By the 1960s Scunthorpe was one of the fastest growing areas in the UK and was coined the "Industrial Garden Town". Scunthorpe was instrumental in Britain becoming the second largest steel producer in Europe, after Germany, supporting more than 25,000 jobs at the sectors peak in 1967.

Adapting to change

Steel production in the UK has been in steady decline in recent decades due to a combination of free market reforms, high energy costs and property taxes that impacted the competitiveness of heavy industry relative to the rest of Europe.

Despite the decline, and vulnerability of the town to macro-economic market trends, steel is still an important part of Scunthorpe's economy, and its legacy impact is a strong manufacturing sector. Manufacturing continues to make an outsized contribution to our economy and is increasingly transitioning to higher value, advanced manufacturing. Major manufacturing facilities continue to be located in the town that support the energy corridor stretching from the coast to South Yorkshire, encompassing energy production and consumption, steel and process engineering, chemicals and associated logistics.



Economic resilience and growth trajectory

Our Economic Growth Plan (2018) with the backing of over 200 businesses articulates our ideas for growth in North Lincolnshire with Scunthorpe, as the largest sub-regional centre, playing an instrumental role. Key to the success of economic growth are our objectives:

- Create opportunities
- Increase productivity
- Create higher value jobs
- Create higher level skills
- Increase employment
- Improvement infrastructure

Scunthorpe's economic position needs to be taken in the context of wider opportunities on the horizon. The council has worked with both the Humber and Greater Lincolnshire Local Enterprise Partnerships (LEPs) to develop Local Industrial Strategies to capitalise on future opportunities and address barriers to development.

The Humber plans focus on industrial decarbonisation and maximising the opportunities arising from the significant industrial clusters based in the Humber Energy Estuary. British Steel forms part of this cluster approach, which encompasses the oil and chemical companies. These are essential industries that produce products that society and the economy depend on, and account for around a quarter of the value of the Humber's economy and provide a disproportionate number of its higher paid jobs. However, in order to address the large level of carbon dioxide emissions from industry in North Lincolnshire and to support the country's target of net-zero emissions by 2050, these companies will need to adapt.

Prior to the economic impact of COVID-19 our plan was working, with steady employment growth and investment and whilst the pandemic has had a devastating effect on some sectors such as hospitality, construction, and retail, we have seen considerable growth in other sectors including manufacturing, logistics and health.

Scunthorpe and the regional importance of its retail core cannot be understated. Many of the smaller settlement in North Lincolnshire have limited or no facilities and residents rely on Scunthorpe's town centre. The retail core has historically been a driver for the town offering a degree of resilience to the local economy in the face of uncertainty in the steel sector. However, the combination of COVID-19, increased online buying and prevalence of out-of-town retail parks have had an impact on Scunthorpe's town centre appeal.

Increasing commercial unit vacancy rates (20% in 2019), which is almost double the national average (11%), illustrates that traditional retail will not provide the same resilience it once did. To address this structural imbalance, under the conscious direction of NLC, ongoing efforts to refocus and diversify Scunthorpe's economy has resulted in increased provision of professional services sectors in the town centre.

NLC with its place partners, and Local Enterprise Partnerships, have continued to invest to enable the right conditions to allow the economy to grow and the private sector to invest. This has included the development of infrastructure to open up over 120 acres of land for development, shaping the town centre with the development of a new indoor market offer and opening of the University Campus North Lincolnshire (UCNL) that currently has around 1,200 students studying at degree level. In addition, Ongo – Lincolnshire's largest social housing provider – also recently relocated to Church Square in 2018, which was followed in 2019 with NLC itself moving its headquarters to an adjoining building on Church Square. The development of the Engineering Technical College in the town centre has also provided support to diversify use in the town centre.

Pre-COVID-19 the impact of these changes was well evidenced with increased footfall in the town centre and investment due to take place, with one of our largest vacant units being purchased and refitted with the ambition of opening on the 12th November 2020 bringing 3 new national brands to the town centre. This has recently been delayed due to the November 2020 4-week lockdown.

Scunthorpe Orientation

The rapid expansion of the town in the mid-20th century resulted in an idiosyncratic layout, with large urban extensions to the south meaning much of the population is spread out over a relatively wide area. Spatial considerations of our town has been central to the development of this TIP.

The map adjacent indicates the location of key assets in the town centre. Principal clusters are proximate to the train and bus stations but are dispersed over a relatively large area.

Transport



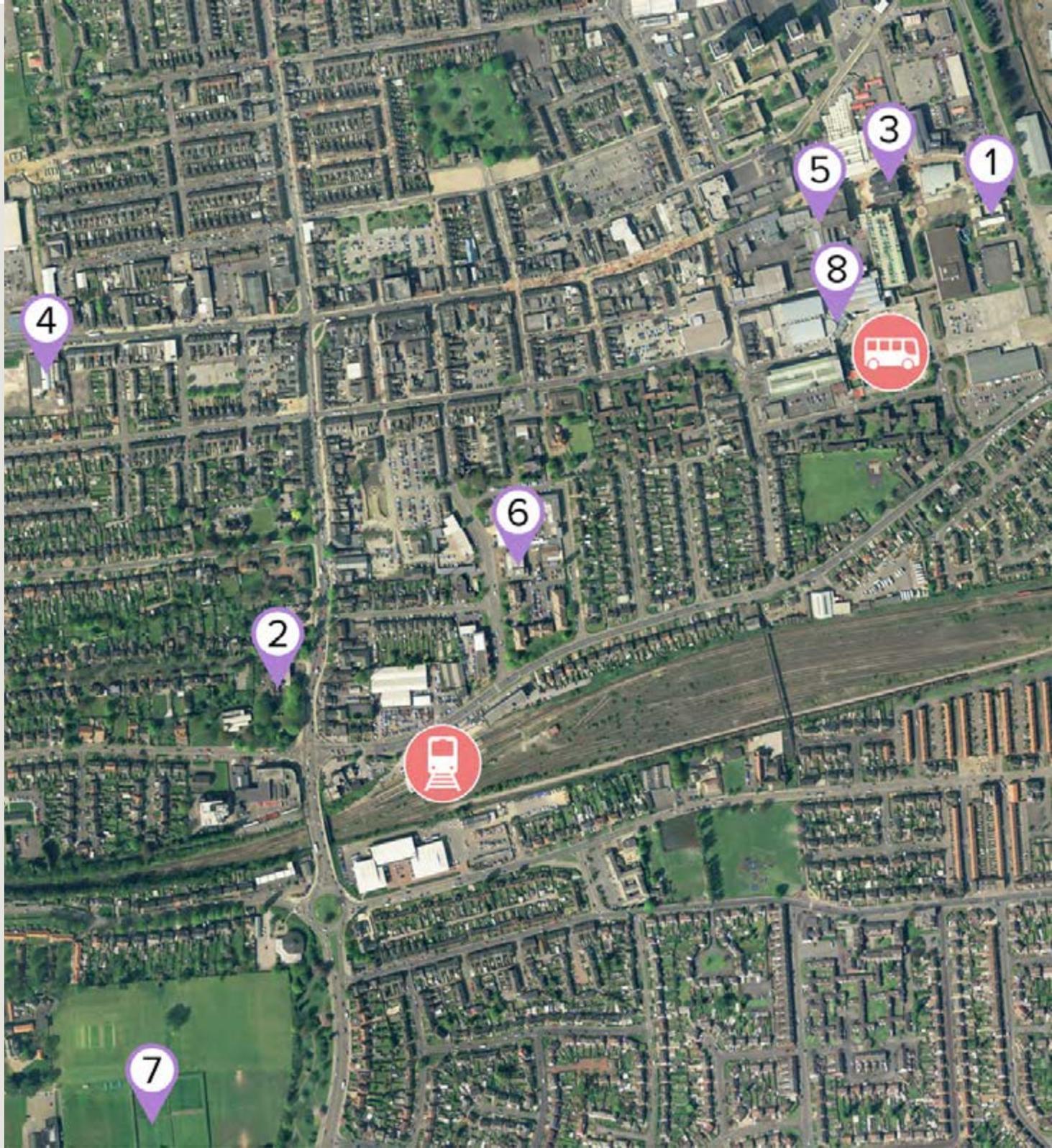
Train Station



Bus Station

Attractions

- ① 20-21 Visual Arts Centre
- ② North Lincolnshire Museum
- ③ Scunthorpe Central Library
- ④ The Baths Hall
- ⑤ The Foundary Shopping Centre
- ⑥ The Plowright Theatre
- ⑦ The Pods Leisure Centre
- ⑧ Vue Cinema





Town Centre

At the centre of our town, the high street stretches for over a kilometre with a variety of side streets and small covered shopping centres at the eastern extent. Although, the centre is retail orientated, there is a diffuse leisure and arts offering. At the western edge of the high street sits the Bath Halls, which reopened in 2011 as a theatre and night-time venue in the 'Housing Quarter', whilst to the east there is the popular 20-21 Visual arts centre within the 'Commercial Quarter'.

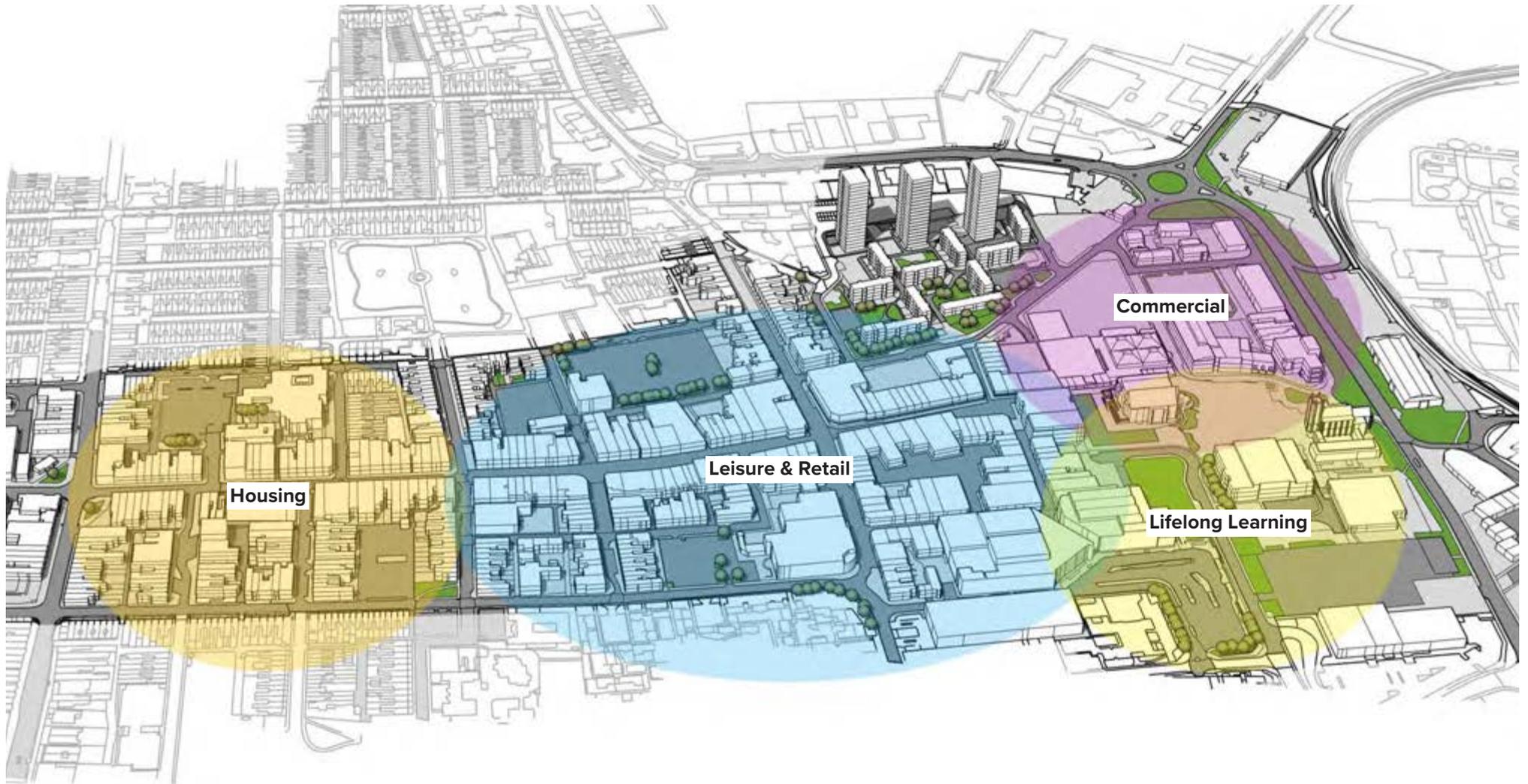
Key arterial routes such as the M180 and M181 distribute traffic to the commercial and residential centres, in addition to connecting the employment centres on the fringes of the town as well as the substantial logistics hub to the north east.

The rail station also provides excellent east-west connectivity, with direct services stretching from the coast to South Yorkshire. This is key to supporting important energy corridor firms based in Scunthorpe, encompassing energy production and consumption, steel and process engineering, chemicals and associated logistics and the food sector.

British Steel Site

Just to the east of high street and the 'Commercial Quarter' is the British Steel production site covering 2,800 acres. Steel has been central to the town spatial development with transport infrastructure highly integrated into the steel production and logistics sectors.

Although there has been uncertainty in the steel sector, it is expected to play a significant role in the future development of the town. Recent work has been undertaken to establish a vision for developing more than 525 acres within an otherwise operational site (British Steel Scunthorpe Conceptual Masterplan, 2018).



Housing

Leisure & Retail

Commercial

Lifelong Learning

Town Centre Regeneration

In the last 5 years substantive economic regeneration and development activity has been undertaken which has greatly benefited our town centre. Coordinated by NLC, over £40 million has been invested to address structural issues that have inhibited the towns development. Since 2015, the investment has brought more than 200 direct jobs into the town centre, provided facilities for over 1,500 students as well as unlocking housing and quality public space. A breakdown of the regeneration projects are outlined below.

Project	Date	Value
Development of Ongo Headquarters	2018	£5.8m
Development of Engineering UTC Northern Lincolnshire	2015	£9.5m
Development of St Johns Market	2018	£6m
Extension of Church Square House		£5.5m
Establishing University Campus North Lincolnshire (UCNL)	2019	£9.2m
West Street Housing	2020	£3m
Improvements to Road Infrastructure	2020	£1.1m



Future High Street Fund Projects

In July 2020 we submitted a bid for FHSF to the MHCLG. If successful, monies will be used to transform the 2.5ha former market site into a multi-use development in the Commercial Quarter as well as repurposing the adjoining, substandard public realm on Church Square and Library Square.

'Project Anchor' will regenerate the vacant, former market site into a mixed-use space that delivers a quality Enterprise and Innovation Hub, high net worth student accommodation and a flexible box park known as 'The Furnace', which will introduce a diverse range of 'meanwhile use' pop-up units, including those fitted with food and beverage offer capability. The overhaul of Church and Library squares will revolutionise the urban landscape of both spaces creating an outstanding, large scale, function space, that provides a place to play, exercise and relax. Forming a thriving cultural social hub which will enable the delivery of a much-needed events space for a versatile range of functions, festivals and exhibitions that will create a buzz and sense that Scunthorpe is open for business.



Scunthorpe's strengths and assets

Principal service centre for North Lincolnshire

Scunthorpe draws on a significant rural hinterland population with 172,000 people and approximately 1.5 million within a 30-minute drive. The town's employment base, reflecting its role as the primary retail, civic, and commercial hub for North Lincolnshire, is concentrated in retail trade, public administration and education.

The public sector is a key employer within Scunthorpe, accounting for a quarter of employment. This provides a strong employment base during COVID-19, and as a town with good employment prospects post COVID-19. This is alongside its national presence for the manufacturing of steel base, through British Steel and the significant supply chain companies linked who work with the business. This role provides Scunthorpe with prominence within the area that we should look to capitalise on.

Nationally competitive manufacturing, process industries and logistics

Scunthorpe town centre continues to maintain its traditionally dominant economic sector in manufacturing anchored by the location of British Steel in the town. The manufacturing sector accounts for a quarter of all employees in the town in 2018 which far exceeds regional and national levels. Scunthorpe's private sector is largely orientated around manufacturing, process industries and logistics.

The town is also at the heart of North Lincolnshire's energy and food belt corridor. Expertise in engineering, chemicals and food production positions the town to be able to transition towards higher value manufacturing.

Strategic connectivity

Scunthorpe is well connected to strategic road, rail and port nodes. The town offers:

- Two million population can be reached within 60 minutes, 50 million within a four-hour drive.
- Doncaster, Sheffield, Leeds, York and Manchester accessible within a two-hour drive.
- London can be reached by rail in less than two and a half hours
- Hourly direct rail service from Cleethorpes to Manchester Airport, through Scunthorpe and Sheffield
- Easy access to Humberside Airport which provides scheduled and charter services to various destinations including daily services to Amsterdam which connects Humberside to 800 international destinations. Humberside Airport also has the 4th largest heliport in the UK.
- South Humber Gateway Ports (Grimsby, Immingham & Killingholme) which are the busiest in the country by tonnage (Source: UK Freight Port Statistics, 2016). This provides direct sea access to mainland Europe and opportunities for coastal sourcing from all ports in the UK

- Four inland ports (Flixborough Wharf, Grove Port, Gunness & Keadby) on the River Trent and two wharves on the River Humber (Barrow Haven & New Holland).

These connections underpin the town's established logistics presence and highlight the potential for developing this sector further. Equally, while broadband access is not comprehensive, significant investment in key employment sites, means digital connectivity is not a significant impediment for the town. Further investment is needed however to improve coverage of highspeed broadband to attract high value professional service firms.

Concentration of education provision

Linked closely to Scunthorpe's sector strengths is the concentration of technical and practical education offered at John Leggott College, North Lindsey College and the Engineering UTC Northern Lincolnshire. NLC approved a Skills and Employability Plan in November 2017 which set out the ambition to deliver a more highly skilled workforce, higher paid jobs and full employment. Growing education opportunities are now in place for those who want to gain higher level qualifications and the UCNL has grown in size through relocation to Scunthorpe's Central Park on the grounds of the former Civic Centre and now accommodates around 1,200 students, the majority of who live or work within a 6 mile radius of Scunthorpe.

The town's workforce within manufacturing is highly technically skilled (although often not accredited) with a strong performance in vocational education and training, and a well functioning apprenticeship system with strong employer engagement.

Growing strengths in clean growth sectors

Scunthorpe, and North Lincolnshire more widely, support nationally significant power generation sectors, which are increasingly transitioning towards renewable energy. The skills already present in the region mean there is exploitable capacity and specialisms meaning Scunthorpe can play a significant role in the UK's 'clean growth' agenda.

Local businesses are putting plans in place to support the government's target of net zero by 2050 and deliver the Government Industrial Strategy. British Steel, for example, has recently worked with 12 other companies and organisations across the Humber to submitted a public and private sector funded bid to accelerate decarbonisation through the Zero Carbon Humber Partnership aiming to create the world's first net zero industrial cluster by 2040 through low carbon hydrogen, carbon capture and negative emissions.

Plans are in place for the establishment of North Lincolnshire Green Energy Park centre, earmarked for the Flixborough Industrial Estate. This will include a 95MW Energy Recovery Facility capable of diverting 650,000 tonnes of waste from landfill every year, 10MW hydrogen storage and 30MW of battery storage. This project will create approximately 300 permanent jobs and will be closely linked to the development of the green energy network.

Established strength of the manufacturing industry



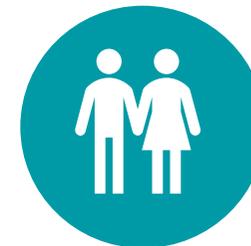
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Excellent accessibility



North Lincolnshire benefits from excellent connections to a variety of transport networks including the port and wharf facilities on the River Humber, major roads such as the M180, M18, A1 and M1, rail services provided by the North East Trans-Pennine rail route as well as Humberside International Airport. Scunthorpe benefits from a central train station and close links with the M180 and M181.

Large workforce



Scunthorpe benefits from a population that has a large proportion of adults aged 25-64 (not including young adults) that contribute to a greater proportion of the population than the national level. Scunthorpe also does not suffer from an ageing population to the same extent as the district level. Scunthorpe's 65+ age cohort represent 18.0% of the population, compared to 21.3% in North Lincolnshire and 18.6% in Great Britain.

Hub of North Lincolnshire and East Yorkshire



Scunthorpe is the major retail, civil and public sector hub of North Lincolnshire and competes with Hull to be the key centre for these services in the East of Yorkshire. This is alongside its national presence for the manufacturing of steel, through British Steel.

Strong public sector employment



The public sector is a key employer within Scunthorpe, accounting for a quarter of employment in the town. This provides a strong employment base during COVID-19, and as a town with good employment prospects during and post COVID-19.

Development of a town centre masterplan



North Lincolnshire Council is currently developing a detailed town centre masterplan for Scunthorpe, to be published in 2021, which can be used as an asset to inform and align with the Scunthorpe TIP to better support the regeneration of Scunthorpe.