

### 3. Issues and Opportunities for Scunthorpe

Combining our evidence base, Town Board qualitative assessment and established growth strategies, we have brought together a strong footing to prioritise investment. We have taken a programme intervention approach that has allowed us to think differently; we have not thought ‘symptomatically’ – so not dealing with one issue at a time – but much more about the ‘causal’ layered social and economic impact that the Towns Fund investment could have in Scunthorpe.

By getting to the root cause, we can move from where we are today to where we want to be in 30 years’ time, creating a legacy and re-vitalising civic culture and pride in Scunthorpe. We also recognise that the Towns Fund cannot do it all – but it is important to ensure that we articulate the whole to get to the ask.

Although significant regeneration and development gains have been made in Scunthorpe, reversing decades of economic decline and persistent issues around perception requires sustained investment. To build on recent successes and exploit opportunities to improve residents’ quality of life offer and industrial specialisms, significant and long-term socioeconomic challenges that are currently undermining economic performance need to be addressed.

The TIP is a perfect vehicle to help address structural issues as well as capitalise on several longer-term trends that are likely to benefit Scunthorpe. The plan will help to restore the town to its prosperous 1960s zenith.

The more immediate impacts of COVID-19 will need to be managed to realise these opportunities and ensure Scunthorpe builds back better. This TIP seeks investment to ensure Scunthorpe can realise its ambitions via a targeted set of interventions in the town.

**There are four major intervention themes that have been developed and form the basis of the TIP:**



## Education and skills retention

### Issues

Scunthorpe, and North Lincolnshire generally, struggles with a low skills base among the labour supply. Across all NVQ levels, North Lincolnshire trails both the regional and national averages. This is most apparent at NVQ4+ with 28.3% of North Lincolnshire working age residents possessed a qualification at this level, 5.9% and 12.0% lower than regional and national averages in 2019. Conversely, North Lincolnshire has a high proportion of working age residents who possess no qualifications, at 11.3% compared to 7.7% nationally in 2019.

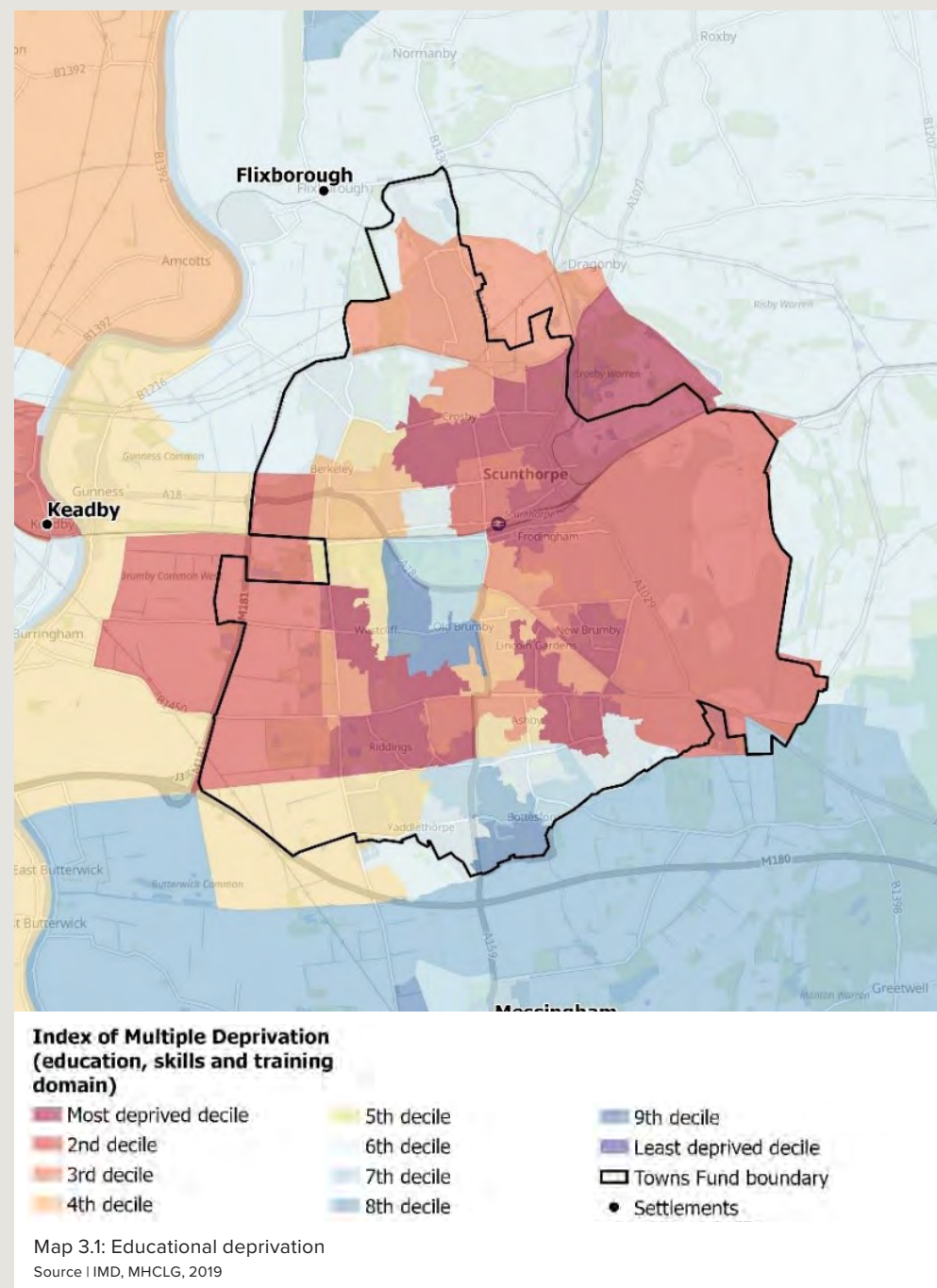
Despite increasing levels of qualifications in the working age population, within the town centre, levels of education attainment and skills are low. This is concentrated within the city centre, with key wards mostly in the more deprived deciles of the education index, set against much higher skilled wards on the outskirts of Scunthorpe.

This is reflected in the occupational structure in North Lincolnshire; 37.8% of residents are employed in highly skilled occupations (defined as SOC levels 1-3) compared to 47.4% nationally. This is also reflected by below-average employment in professional and technical occupations.

From the employer's side, due to the low skills base, Scunthorpe struggles to recruit into highly skilled occupations. In the 2017 Employer Skills Survey, North Lincolnshire employers reported recruitment difficulties reported by employers was due to 'a low number of applicants with the required skills', 38% of 'hard to fill' vacancies were due to this factor.

These skills gaps also persist at lower skill-based occupation levels. North Lincolnshire employers reported a high proportion of skill gaps for sales and customer service roles, with 42%, more than double the averages for the Greater Lincolnshire LEP (19%), the Humber LEP (21%) and the national rate (18%).

Skills retention is also a major barrier in Scunthorpe. The town has a developing university offer, and experiences significant "brain drain" after university students finish their education, with few choosing to stay in Scunthorpe. This is prominent as it is exactly these residents who are most likely to reduce the skills gap in the





## Opportunity

The development of Engineering UTC Northern Lincolnshire and the UCNL, two major sites for education, has coincided with increasing numbers of residents qualified to NVQ2 and NVQ3 levels in North Lincolnshire in the last ten years. To reinforce this and in order to improve educational outcomes and skills retention, Scunthorpe will prioritise:

- Increasing access to educational and other vocational courses to support the upskilling of the current workforce.
- Create an eco-system that is demand-led from businesses creating the right people with the right skills to support the labour market.
- Provide greater opportunities for the post-graduate population, to stem the outflows of young people seeking work. This could be through focused graduate level roles and training for young people provided by local businesses.
- Support diversification, using the current skills base, within manufacturing into other sectors to differentiate the occupational structure towards more high skilled occupations, whilst embracing the key skills already in place for the current population.
- Scunthorpe must look to support these opportunities through presenting the town as an attractive place to work and live, and to support businesses to survive in order to generate employment for the town.

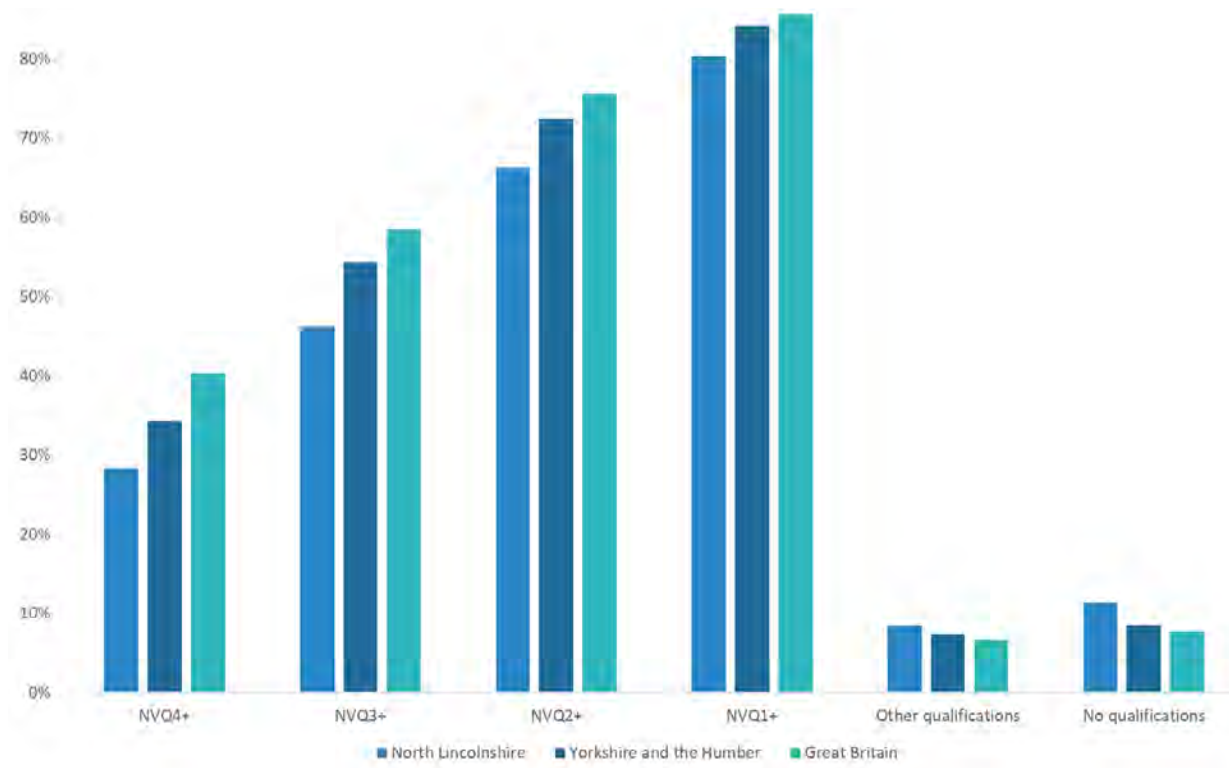


Figure 3.1: Cumulative level of qualification, as a proportion of the working age population, 2019

Source | APS, ONS, 2019. Note: NVQ4 qualification equivalent to degree level





## Diversifying the economy and clean growth

### Issues

Despite the towns employment sectoral strengths, employment within Scunthorpe is highly concentrated in the manufacturing, wholesale & retail trade and transport and storage (as shown in Table 3.1). There are noticeably less high value-added professional services relative to the national and regional averages, giving rise to a relatively low-wage low-service economy. There is also relatively high dependence on a number of key employers within these sectors such as British Steel.

Manufacture of basic metals is one of the most important industries in Scunthorpe. Whilst there has been a recent decline in manufacturing across the borough, North Lincolnshire's manufacturing sectors are over-represented in the town in comparison to other areas as shown by the fact that it is 20.5 times larger than the average for England. In terms of employment, metals manufacture is the second highest employer and exporter, with

	Scunthorpe	North Lincolnshire	Yorkshire & the Humber	Great Britain
<b>Production (A-B,D-E)</b>	1.6%	3.1%	1.9%	2.1%
<b>Manufacturing (C)</b>	26.1%	22.7%	11.8%	8.1%
<b>Construction (F)</b>	4.9%	6.7%	4.1%	4.7%
<b>Wholesale and retail trade (G)</b>	15.2%	13.3%	14.9%	15.1%
<b>Transport and storage (H)</b>	7.6%	9.3%	5.5%	4.8%
<b>Accomm &amp; food services (I)</b>	4.9%	6.0%	7.2%	7.5%
<b>Professional services (J-N)</b>	13.0%	13.6%	23.3%	26.9%
<b>Public sector (O-Q)</b>	26.1%	23.0%	27.7%	26.2%
<b>Other services (R-U)</b>	2.0%	2.2%	3.6%	4.5%

Table 3.1: Employment by broad sector, 2018

Source | BRES, ONS, 2018. Note: Shading indicates where sector is larger than the national average. Production includes Agriculture, forestry and fishing, Mining and quarrying, Electricity and gas & Water supply. Professional services include Information and Communication, Financial and Insurance, Property, Professional, Scientific and Technical and Business Administration & Support Services. Public sector includes Public Administration and Defence, Education and Health.



2,854 jobs contributing to the export market, demonstrating North Lincolnshire’s well-established heavy industrial base.

The steel sector is a dominant part of Scunthorpe’s labour market with strong dependency on the site for high-value employment. The high-value manufacturing employment in Scunthorpe centres around skilled trade occupations, which are reliant on the steel industry and its supply chains. However, the town is also

overrepresented in the lower skilled elementary and process plant and machine occupations (see Figure 3.2).

Scunthorpe needs to build on its steel, engineering and industrial expertise to take advantage of other energy and manufacturing opportunities while at the same time further maximising steel and logistics sector opportunities based in the town.

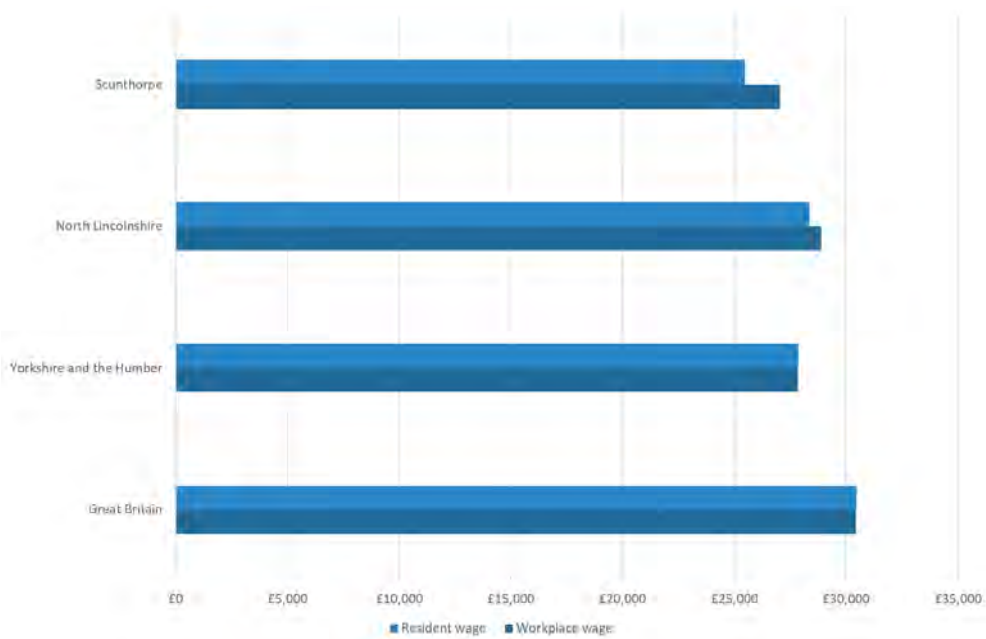


Figure 3.2: Resident and Workplace wages

Source | Annual Survey of Hours and Earnings, ONS, 2019. Refers to median full-time wage. Scunthorpe refers to the 2010 parliamentary constituency geography.

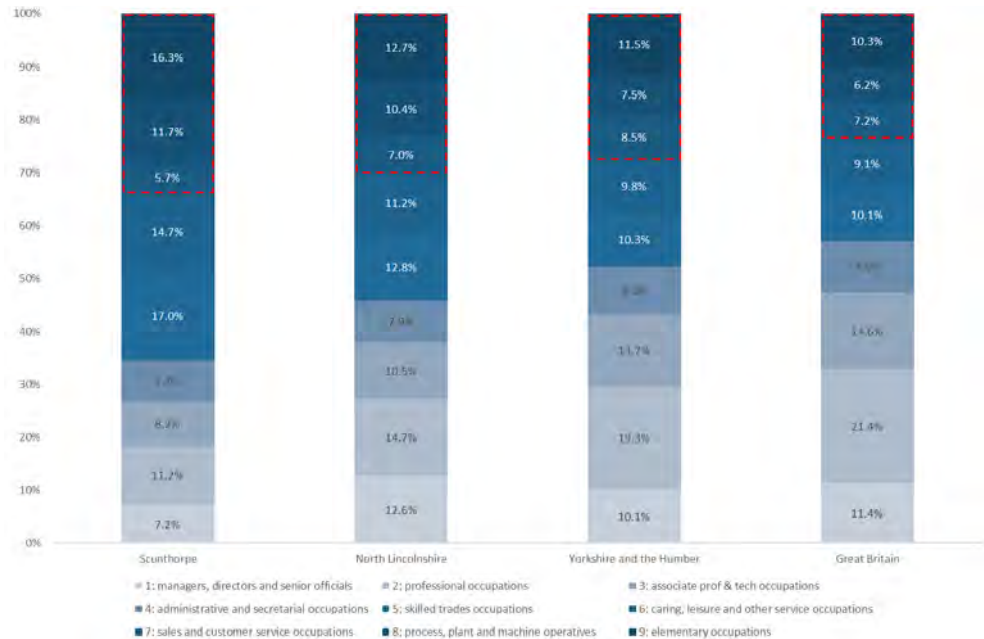


Figure 3.3: Occupational structure, 2019

Source | APS, ONS, 2019. Note: Dotted rectangles highlight occupations in SOC 7-9. Scunthorpe defined by the major towns and cities Built Up Area (BUA) geography.

### Opportunity

Building on Scunthorpe's strengths in steel processing and manufacturing sectors, and its links to high value supply chains in the energy corridor and the South Humber Gateway Ports (Grimsby, Immingham & Killingholme), to create additional higher value job opportunities, and diversify the town's economic base, there are opportunities to:

- Exploit growth opportunities radiating from green growth sectors and the proposed North Lincolnshire Green Energy Park that will include a 95-megawatt Energy Recovery Facility that will divert up to 650,000 tonnes of non-recyclable waste from landfill every year. This will create opportunities for zero-carbon business development in Scunthorpe.
- Position Scunthorpe as a competitive location for logistics and supply chain opportunities including major energy pipeline investments given the existing presence of businesses along the energy corridor.
- Capitalise on the increased provision of technical education facilities in Scunthorpe with the establishment of Engineering UTC Northern Lincolnshire and UCNL that forge links with industry. Engaging advanced manufacturing firms' apprenticeships to ensure that the technologies skills bring taught match with the employment requirements is critical.

While these opportunities exist, Scunthorpe's manufacturing base will need the necessary mechanisms and ambitions to exploit new technologies, particularly in collaboration with their wider supply chains. Having the space, facilities and links to skilled workers will be crucial in the transition to higher value employment and ensuring the local community benefits from economic growth.









## Revitalising Scunthorpe

### Issues

Scunthorpe is the principal urban centre in North Lincolnshire. However, it faces similar challenges to comparable towns from the long-term decline of town centre retail. There is a lack of diversity of other activities in the town centre, such as from leisure, cultural, residential or commercial uses. This undermines the town's potential for growth around its strengths as a hub for the area with an attractive lifestyle offering.

### Risk of continued retail decline

Scunthorpe town centre is heavily reliant on traditional retail for both employment and business, contributing to 15.2% of employment as the third largest sector in 2018, behind manufacturing (26.1%) and healthcare (15.9%). This leaves the town centre vulnerable to changes in high street trends. The main retail areas in Scunthorpe town centre are focused on the pedestrianised sections of the high street. There are also concentrations of retail stores in The Foundry and The Parishes Shopping Centres on the eastern edge of the high street.

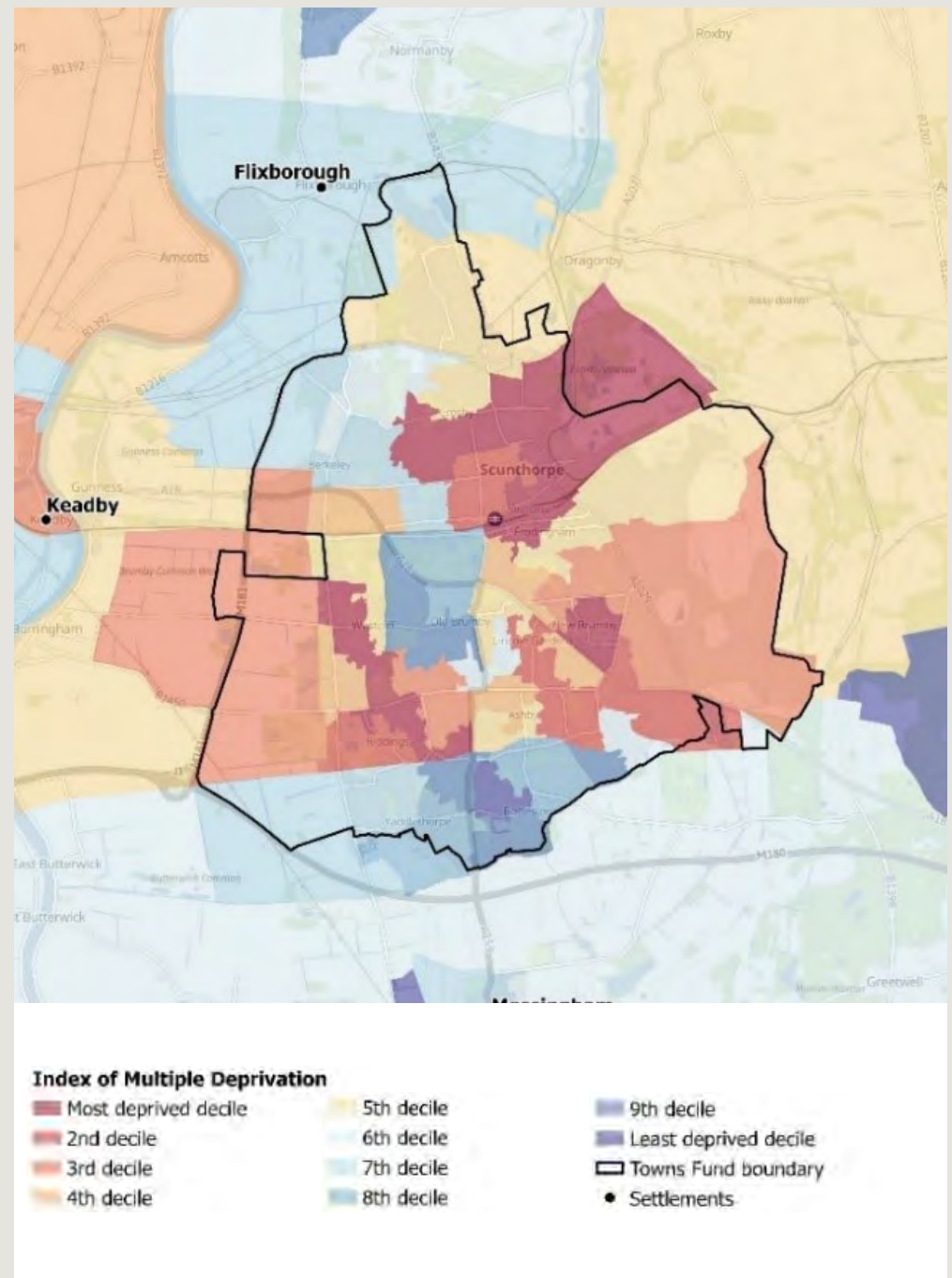
The high street has, however, struggled in recent years and was characterised by a vacancy rate of 20% in 2019, which is almost double the national average (11%) and could worsen given the current situation and anticipated recession. The sharp fall has created the sense of a “ghost town”, negatively impacting Scunthorpe's retail sector and sense of place. It is anticipated that vacancy rates will increase, accelerated by COVID-19.

### Supporting deprived communities

Job losses and the post-industrial town aesthetic (i.e. visible industrial landscape and vacant retail units along the high street) have contributed to negative perceptions of the town, underlining the need to invest and to diversify Scunthorpe's town centre offer.

As shown in the map above parts of the town centre LSOA's sit within the 10% most deprived in England according to the 2019 Index of Multiple Deprivation (IMD). Increasing and persistent deprivation radiating from the centre is correlated with the decline of the high street. Deprivation levels are particularly acute in the areas surrounding the town centre.

Improvement in infrastructure and opportunities for education and employment are essential for these deprived communities to improve.



### Lack of good quality commercial floorspace

Scunthorpe continues to face structural challenges that deter private sector investment and illustrates the need for public sector investment to support economic growth and job creation in the town centre. The lack of good quality commercial floorspace, including office floorspace, in the town is one of these key structural challenges. The 2015 Business Premises Study outlines that demand is “strong in the area for good quality office accommodation” in North Lincolnshire.

However, currently Scunthorpe lacks the scale or profile as an office location to attract serious private investment and speculative development. The dated, low-quality office stock is poorly located, and fragmented across the town centre. Office space is available further afield, on sites such as Queensway, Normanby Gateway, Park Square and Berkley Industrial Park. This creates an issue in terms of generating achievable rental levels that are in line with occupier’s expectations.

### Poor quality public realm

The quality of the existing urban realm in the town centre is, in places, relatively poor. Key public areas of the town such as Church and Library Squares are poorly signposted and underused making them unable to capitalise on their potential as events spaces. The public realm does not create a natural space for social interactions or create a sense of thriving community, which is an important driver of local economies. The unattractive streetscape also prevents NLC effectively marketing the town online due to the poor visual aesthetic.

These issues detract from the visitor experience – reducing patronage, and limiting time spent in the town. They also detract from the high quality of life the town offers residents (new and prospective), given its setting and abundant green infrastructure and heritage features.

### Residential Market

Based on Census 2011 data Scunthorpe accommodates for approximately 34,300 dwellings which at the time represents approximately 48.5% of all dwellings in North Lincolnshire. Thus, highlighting the importance of Scunthorpe as a social and residential hub for the local authority. Of these dwellings, 52.8% were semi-detached representing a larger share than North Lincolnshire and at a regional and national level. Flats also account for a higher proportion of housing in Scunthorpe than North Lincolnshire reflecting the higher population density and metropolitan setting of the area.

In 2019, using price paid data, the mean house price in Scunthorpe was £122,977 which represented 84.1% of the mean house price for North Lincolnshire (£146,296) and just 52.7% of national house prices (£233,285). These lower mean house prices in Scunthorpe suggest that there is greater value in this area than in wider North Lincolnshire.

According to the North Lincolnshire Local Housing Assessment published in September 2019 there is a minimum annual local housing need figure of 419 dwellings. This suggests there is a strong demand for additional housing into the future and given that almost half of all dwellings in North Lincolnshire it is possible to assume that there will be a strong demand for housing in Scunthorpe itself. and heritage features.





### Opportunity

Scunthorpe needs to capitalise on its current position as the primary urban centre in North Lincolnshire through a continued improvement of its quality-of-life offer, given the acceleration of online retailing and home working, to retain and attract residents, visitors and employment. Redressing clusters of deprivation requires a coordinated programme of investment offered by this Town Investment Plan that takes a place-based regeneration approach, combed with an emphasis on skills and education as well as economic diversification.

There are opportunities to repurpose the town centre's role through several means including:

- incorporating key new assets such as the University Technical College into the existing town centre.
- greater emphasis on visitor attractions, such as through new leisure and cultural attraction such as a new museum.
- improving the commercial floorspace, including office space, which is modern and flexible in the town centre to support the diversification of the local economy and business growth.
- Increasing the number and quality of available dwellings providing local access to town centre facilities and employment opportunities.

At the same time, in order to support Scunthorpe's future and the repurposing of the town centre, there is a need to improve provision of high-quality public realm, green infrastructure and urban connectivity to underpin the quality-of-life offer.

## Visitor economy and cultural development

### Issues

North Lincolnshire is fast becoming a destination for tourists. The rich and natural landscape is a major asset for the area and linked with our wide-ranging heritage, culture and arts, provides a strong selling point to attract people to visit and stay. In 2018 there were 3.63 million visits made by people to North Lincolnshire in 2018 which was estimated to have generated £186.2m for the local economy.

As the primary urban centre in North Lincolnshire, Scunthorpe is relatively well provisioned with a diverse variety of visitor attractions. The main visitor attractions in Scunthorpe are presented on the map below.

However, between 2010 and 2018 the number of people visiting some of the town centre's key attractors has fallen such as the Vue Cinema (-17%) and the Foundry Shopping Centre (-34%). Yet other key visitor attractions in Scunthorpe have continued to be successful in attracting a growing number of visitors including the 20-21 Visual Arts Centre (+20%) and the North Lincolnshire Museum (+6%) in this same time period.

This mixed performance of the key attractions in Scunthorpe can be attributed to a number of factors including the increasingly shabby public realm, poor retail and commercial offer that has reduced the footfall and dwell time along the high street.





### Opportunity

Commentary received through the #Mytowns portal from the members of communities within Scunthorpe confirmed the perception that there is a limited cultural offer in the town and in the wider North Lincolnshire area.

There are examples of the positive impacts of exhibitions, events and performance can have on the area, with exhibitions, for example, by well-known artists such as Antony Gormley and Luke Jerram attracting large numbers of visitors. Similar success has been seen at The Baths Hall where big names such as Florence and the Machine result in sell-out concerts and providing a major boost for the area. Working with communities across North Lincolnshire to build on these past successes will be an important element of the Town's deal.

Linked with the issue of retail decline the improvement of the cultural offer in the town could support the recovery of the high streets through the creation of an experience offer and increase both secondary spend and footfall in our shopping centres.





### Impacts of Covid-19 on Scunthorpe

For our TIP to tackle the fundamental barriers to growth and develop a long-term strategy for change, the interventions identified must also be responsive to the impacts of COVID-19. NLC have undertaken dedicated analysis to understand the impact the pandemic has had and will continue have on the local economy.

The impacts of COVID-19 on Scunthorpe have formed part of our evidence base and informed the project prioritisation process for this TIP, with long-term adaptation and transformation in mind rather than short-term mitigation of impacts.

Prior to COVID-19, in March 2020 Scunthorpe's claimant count rate of 4.6% exceeded the rate of North Lincolnshire, as well as regional and national rates. The significant impact of COVID-19 means that this rate has now increased to 7.7% in August 2020, five months on from initial lockdown. Growth in claimant counts are driven by Scunthorpe's key sectors, such as manufacturing and wholesale & retail trade, possessing vulnerabilities to social distancing measures. This claimant count rate represents a higher rate than at regional and national level. Interestingly, around the time of relaxed lockdown measures, claimant count proportions reduced across all comparators as employment rebounded. The general theme of increasing claimant counts is common and widespread across all other comparator areas given how COVID-19 is impacting across the national economy.

In July 2020 there were an estimated 2,414 vacancies posted in North Lincolnshire and 6,400 people claiming unemployment-related benefit support (claimant count), this equates to 2.7 claimants per vacancy. In February 2020, prior to the announcement of lockdown measures due to COVID-19, the ratio of claimants to vacancies was at 1.4. The recent increase was driven more by an increase in claimants rather than a falling supply of job vacancies.

Although no Scunthorpe-specific figures are available, the UK Government's Coronavirus Job Retention Scheme (Furlough) had a North Lincolnshire-wide take up rate of 28% of the local workforce with 21,700 residents on furlough. This is comparable to the Greater Lincolnshire LEP area, as seen in Table 3.2, and the



national average of 24.0%. This is likely to be repeated in the second national lockdown announced in November 2020 and with the reintroduction of the furlough scheme until March 2020.

Manufacturing is the area's largest sector for employment at 21.8%, this is currently the 6th (of the 16 broad industrial classifications) highest impacted UK sector in terms of reduced turnover, in some areas but not all. Nationally, the arts, entertainment and recreation sector (77%) and the accommodation and food sector at (72.9%) has been the worst hit in terms of reduced turnover. However, these two sectors have a low rate of employment in North Lincolnshire (1.3% and 5.8%) which may support the areas recovery.

The ONS' Business Impact of Coronavirus Survey (BICS) is a new voluntary fortnightly business survey, which captures businesses' responses on how their turnover, workforce, prices, trade and business resilience have been affected. The latest results from 'Wave 16' of the BICS evidence the above.

Further positive aspects in how Scunthorpe can 'build back better' can be found in a number of key North Lincolnshire sectors. The human health and social work sector, one of the area's highest employers (11.5%), was the UK's sector with the lowest proportion of furloughed workforce. The construction sector, another of North Lincolnshire's key sectors, at 6.4% of people in employment has been widely tipped as being able to quickly bounce back, especially in line with the strong support it has received from the UK Government.

	Employments Furloughed	Eligible Employments	% Take-up Rate
<b>North Lincolnshire</b>	21,700	76,600	28.0%
<b>Greater Lincolnshire LEP</b>	138,100	480,300	28.8%

Table 3.2: Furloughed employment, June 2020

Source | Gov.UK June 2020

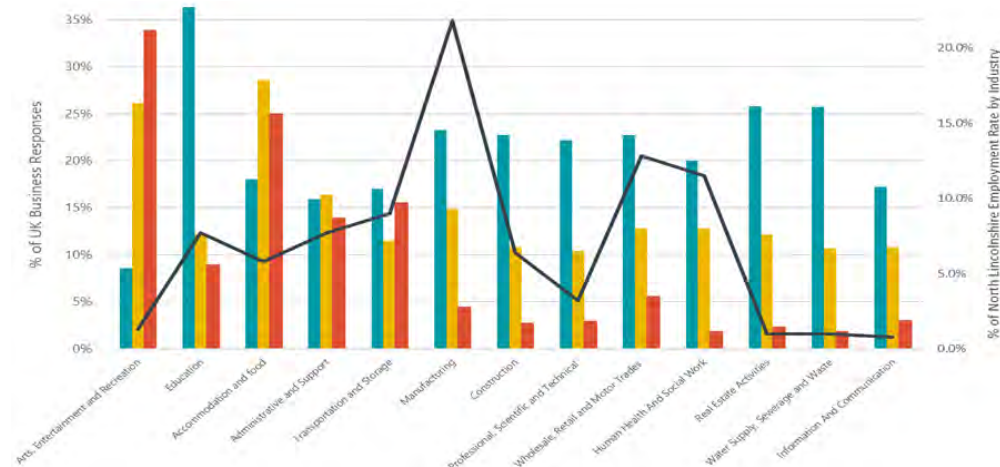


Figure 3.4: Business impacts of Covid-19

Source | ONS: Business Impacts of Covid-19 Survey (5th – 18th October 2020). Nomis, Business Register and Employment Survey: open access (2018)

Beyond the immediate impacts, COVID-19 is also accelerating many existing retail and leisure trends, including the shift to greater online spending and changing demands around a modern leisure offer.

COVID-19 has also brought about a change in transport usage in terms of reduced miles travelled by car. This has delivered positive change in North Lincolnshire's clean growth agenda.

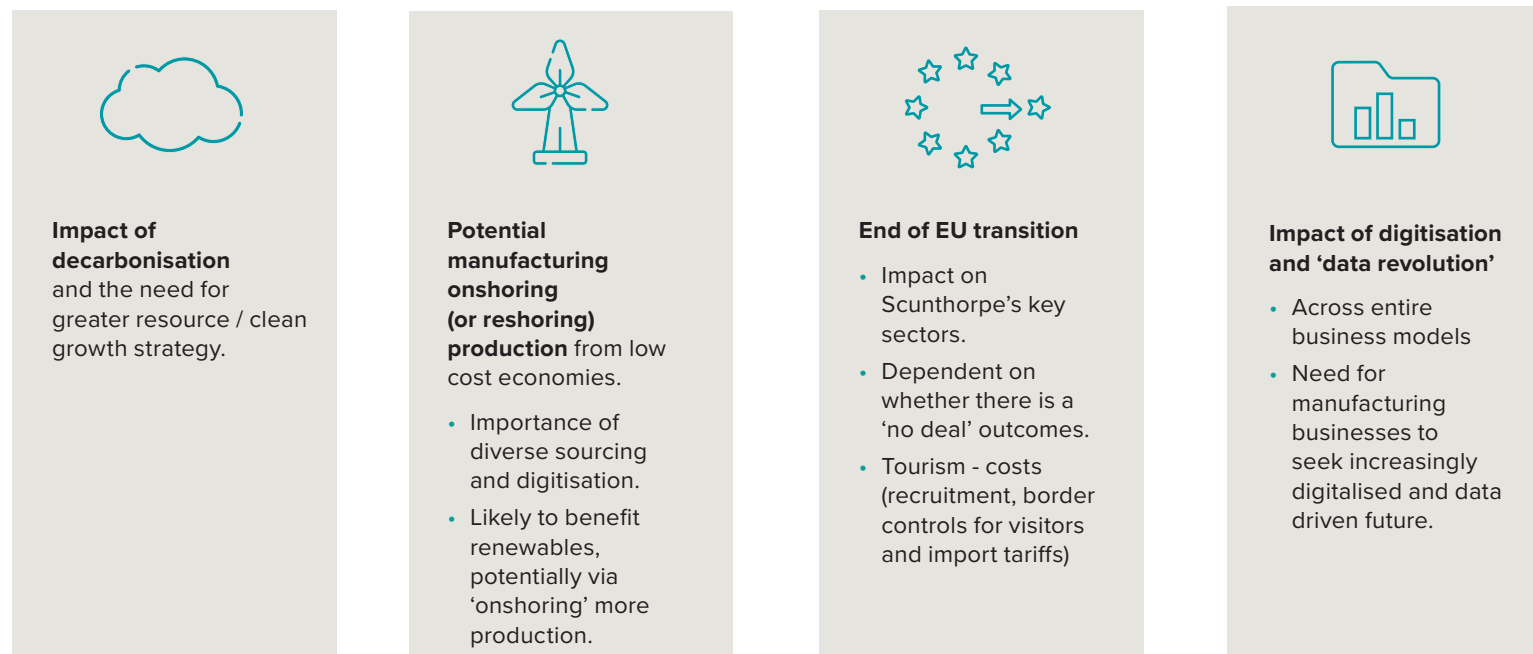
Increased opportunities for home working and the increase of holidays closer to home may present an opportunity for the area as people may increasingly look to move to a more affordable, rural, part of the country. The extremely affordable house prices in North Lincolnshire, currently £151,074 (August 2020) in comparison to an average house price of over a quarter of a million (£256,109) in England, matched with very attractive rural aspects of the county, make the area attractive for those seeking to move.

In order to enable North Lincolnshire to be an attractive proposition for those who wish to continue to work from home and commute less to work, excellent fast and effective broadband needs to be accessible and demonstrates the importance of projects such increased roll out of Full Fibre to the Premise.

## Long term trends

Scunthorpe has the potential to benefit from a number of significant long-term trends affecting employment.

Figure 3.1: COVID-19 longer term impacts and wider exogeneous factors



### Trends accelerated by COVID-19:

#### Retail and town centres

- Acceleration of retail trends (decline of high street, continued movement towards online, local and ethical shopping).
- Demand for experiential leisure, and modern offer.
- Acceleration of re-purposing and changing role of town centres (reduce retail / leisure space, improving draw of the town centre).

#### Workplace patterns

- Trends towards home working and potential localising of employment.
- Strategic connectivity potentially less important and remote locations become more competitive.
- Importance of digital infrastructure - help 'relocalise' work.
- Digital skills and capabilities will become ever more important.

#### Other

- Shift towards different industries (care, logistics, ICT and the green economy).
- Impacts from unemployment (young people, females and lower occupations / lower paid.)
- Stimulate a digital revolution in FE and HE.





## 4. Vision for Scunthorpe

This chapter sets out a shared vision for Scunthorpe. This vision has been developed by Scunthorpe Town Deal Board, which represents public, private and voluntary sectors and wider stakeholders in the local community.

### Vision

The Town Deal Board developed this vision, and its underlying strategic objectives, based upon the findings of the context analysis set out in previous sections building on the strategic review of Scunthorpe's assets, strengths, challenges and opportunities.

The vision and core elements of the interventions identified have been shared with the wider local community through an online engagement process; feedback on the TIP vision has been positive, with a clear consensus on developing Scunthorpe into a modern, resilient town.

The shared vision for Scunthorpe TIP frames the integrated and strategic approach to exploiting opportunities, addressing structural challenges and delivering a safe and prosperous town:



*By 2030, Scunthorpe will rebalance its illustrious steel heritage through essential diversification and regeneration. It will be established as a place for excellence in innovation, culture and education synonymous with quality and opportunity. Making Scunthorpe a quality centre for learning, living, leisure and business.*

*Scunthorpe will have built on its industrial and manufacturing strengths and transitioned towards more sustainable, technologically advanced and clean growth industries. Harnessing ingenuity and determination to build a better, greener town through the reduction of emissions, increased efficiency and provision of a green energy network delivering renewable energy.*

*A high-quality business quarter will boost Scunthorpe's business economy and set a precedent for investment throughout the town, creating a resilient, vibrant and attractive environment where enterprises can thrive. Enabled by advanced digital and physical connectivity infrastructure, equitable growth will provide high value employment opportunities for all.*

*Strong links to its rich industrial heritage and historical assets will be celebrated and developed into a cultural offering that provides locals with a strong sense of pride of place, community and family experiences, with the town centre establishing itself spatially as a hub for cultural events, learning, living, leisure and business.*

