

Working for you



**Economic
Development Strategy
for Harrogate district**

2010-2015

April 2010

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This Economic Development Strategy sets out what Harrogate Borough Council will do to generate wealth, investment and jobs for the Harrogate district in the future.

It is based around 6 key work areas:

1. Invest in infrastructure
2. Build on sectoral strengths
3. Embrace innovation and enterprise
4. Capitalise on education and skills
5. Target areas of economic underperformance
6. Preserve and promote our heritage and environment

These work areas have been informed by:

- An assessment of local economic statistics
- An analysis of economic strengths, weaknesses, opportunities and threats (SWOT)
- An overview of spatial and strategic 'influences'
- Discussions with relevant partners and stakeholders
- Consultation responses received on the draft Economic Development Strategy

Detail on specific actions to deliver this Strategy will be published in an annual 'Economic Action Plan' at the start of each financial year.

An 'Economic Review' document will also be published at the end of each financial year, to communicate progress made against the 6 work areas in the Strategy. This review document will also provide information about the health of the Harrogate district economy via an agreed set of indicators and statistics.



The information included in this chapter is a summary of findings from:

- the assessment of local economic statistics
- the analysis of economic strengths, weaknesses, opportunities and threats (SWOT)
- the overview of spatial and strategic 'influences'

The Harrogate district: an overview

The People

- 158,800 people live in the Harrogate district of which 74,000 live in the main urban settlement of Harrogate Town
- Two secondary settlements of Ripon and Knaresborough house around 32,000 of the resident population
- There are 96,600 people of working age. 84% of these people are in employment
- 34% of residents are educated to degree level or higher
- 74% of school leavers achieve 5 or more GCSEs at grade C and above
- Over 52% of Harrogate residents are employed in higher-level occupations
- 19,000 people commute out of the district to work (50% to Leeds)
- Resident income levels (£471) are almost 10% higher than workplace income levels (£429) but both are below the national average income (£479)

The Economy

- There are approximately 9,000 businesses in the Harrogate district, contributing around 87,000 jobs
- The GVA level for the Harrogate district is £2.868.88 million
- There is a high level of self-employment (15%)
- 86% of businesses have between 1 and 10 employees

- Only 0.5% of businesses employ over 250 staff, but account for over 21% of jobs in the district
- Business tourism attracts over 350,000 visitors per annum. This brings spending of £160m to the district each year and helps support around 21,000 tourism-related jobs (30% of employment) in hotels, restaurants and other related businesses
- Financial and business services account for over 18% of district employment, with large employers including Engage Mutual, Royal Bank of Scotland, Link and TSYS
- Manufacturing accounts for 12% of employment (c. 8,900 jobs)
- Employment in public administration, education and health totals 24% of jobs

The Place

- Average house prices in the district (£238,305) are higher than the national (£206,034) and sub-regional (£190,597) averages
- Industrial land values range between £325,000-475,000 per hectare (Ave. £410,000) compared to regional price of £300,000-£575,000 (Ave. £435,000)
- Zone A retail rents in Harrogate Town average £150 per sq ft
- The average shop vacancy rate for the district is 10%

These statistics are the latest published figures (as at March 2010). More detail is available on the statistics pages of our website at www.harrogate.gov.uk/statistics.

The Harrogate economy: A 'SWOT' Analysis

Strengths

- ▲ Quality of environment (built and natural)
- ▲ Positive perceptions of Harrogate as a desirable place to live, work and visit
- ▲ Harrogate International Centre and 'conference town' economy
- ▲ Leisure tourism/visitor 'offer'
- ▲ Cultural venues and facilities
- ▲ Higher than average proportion of resident workforce with higher level skills (Level 4 - degree and above)
- ▲ Diversity of economic base
- ▲ Strong partnership working relationships
- ▲ Proximity to Leeds (as a driver for employment)

Weaknesses

- ▼ Tourism offer/'products' not fully developed or actively promoted
- ▼ Transport networks poor/under pressure (leading to congestion on road/rail)
- ▼ Market town economies 'lagging behind' the economy of Harrogate Town
- ▼ Some pockets of ward level 'deprivation' (social/economic) in Harrogate Town
- ▼ Access to key services (health, education, transport) relatively poor in some remote rural parts of the district
- ▼ No Higher Education Institution (HEI) in the district

Opportunities

- ▲ Leeds City Region 'Forerunner' Status
- ▲ Confirmed investment in Harrogate International Centre redevelopment
- ▲ 'Rural Capitals' priority status for Knaresborough, Boroughbridge and Pateley Bridge (potential funding to further develop the visitor economies of these towns)
- ▲ European 'LEADER' Programme for Rural West of the district (potential funding to address community economic development needs)
- ▲ The development of 'Superfast broadband'
- ▲ A1 'corridor' as a desirable location for investment in food & drink/distribution sectors
- ▲ Capitalising on high level resident skills to develop the knowledge based economy
- ▲ Expansion at Leeds Bradford Airport
- ▲ Ambition of Hull College Group to grow/develop further and increase higher education provision in Harrogate
- ▲ Collaboration on economic issues with neighbouring authorities
- ▲ The movement towards a 'low carbon economy' will create opportunities to develop innovation around green technology

Threats

- ▼ UK/Global recession (an economic challenge for all)
- ▼ Cuts in funding for the public sector (a significant employer in the district)
- ▼ Loss of 18-29 year olds from the district (with no return flow of HEI students to mitigate this)
- ▼ Housing affordability (Lower wage workers from service/public sector economy jobs' base cannot afford the high house prices)
- ▼ Potential loss of migrant workers (may lead to recruitment problems)
- ▼ Scarcity of land for employment uses (can constrain economic growth)
- ▼ Uncertainty in national political arena (could affect future funding arrangements)

Spatial and strategic influences

The Harrogate district forms part of the county of North Yorkshire. However, it is important to remember that the commercial world does not recognise administrative boundaries, nor does our economy operate in isolation.

In reality the majority of the Harrogate economy (approximately 80%) is most strongly influenced by relationships with the wider Leeds economy, particularly Harrogate town itself. The remaining 20% (including some of the market towns and rural areas) has more affinity with the North Yorkshire economy. Working relationships with partners in both the Leeds City Region and the North Yorkshire Sub Region are therefore both important for Harrogate Borough Council.

Harrogate Borough Council's three-year Corporate Plan sets out our long-term vision for the Harrogate district, our aim as an organisation, our corporate priorities and our goals for each year. This Strategy takes account of the priorities, goals and actions set out in the Corporate Plan, particularly in relation to the following corporate priorities:

- A Strong Local Economy: a robust and diverse economy that benefits all local people and creates employment opportunities, particularly in rural areas and the market towns across the district.
- Caring for the Environment: enhance and protect the district's natural and built environment.
- A Connected District: good travel, transport and electronic links to and from the district, with the rest of the Leeds City Region, the North Yorkshire sub-region and nationally.

A significant number of other strategies, policies and factors influence the economic-related work and priorities of the council, and have been considered when developing this Strategy.

The following 'influences' are worthy of particular note:

Harrogate Borough Council (HBC)/

Harrogate district context

- Local Development Framework
- Harrogate District Sustainable Community Strategy
- Harrogate District Tourism Strategy
- Harrogate District Climate Change Strategy

City Regional context (Leeds City Region)

- Leeds City Region 'Forerunner' Plan; and associated strategies/plans for transport, housing, innovation and skills
- 'City Region Development Programme' (CRDP)
- (Emerging) Economic Assessment for Leeds City Region

Sub Regional context (North Yorkshire)

- Sub Regional Investment Plan (SRIP) for York and North Yorkshire
- North Yorkshire Sustainable Community Strategy
- York and North Yorkshire Cultural Strategy
- (Emerging) Economic Assessment for North Yorkshire

Regional context (Yorkshire and Humber)

- Regional Economic Strategy (RES) for Yorkshire and Humber
- Regional Spatial Strategy (RSS)
- Yorkshire Forward Corporate Plan
- There is also a new requirement for the production of an Integrated Regional Strategy (IRS) which will combine the previously separate RES and RSS

National context

- Review of Sub-National Economic Development and Regeneration (SNR); in particular the new 'duty' to prepare economic assessments which may lead to development of economic strategies at 'functional' economic level e.g. city regional level.

European context

- The European Regional Development Fund (ERDF) Programme
- The Rural Development Programme for England (RDPE)



A Strategy for Economic Development

This Strategy for Economic Development sets out what Harrogate Borough Council will do to generate wealth, investment and jobs for all residents, across the Harrogate district.

It is based around 6 key work areas:

1. Invest in infrastructure
2. Build on sectoral strengths
3. Embrace innovation and enterprise
4. Capitalise on education and skills
5. Target areas of economic underperformance
6. Preserve and promote our heritage and environment

1. Invest in infrastructure

The district will be well connected, with good transport and communication links and an integrated infrastructure that fosters economic growth.

We will:

- Lobby for investment to develop a high quality transport system which enables people to travel and goods to be moved efficiently, safely and with minimal environmental impact.
- Seek to maximise the availability and take-up of communication and digital technologies (including superfast broadband) for improved economic performance and quality of life.
- Work with the private sector to develop a sites and premises portfolio that supports business creation, accommodates the expansion needs of existing businesses, and attracts appropriate inward investment to the district.
- Encourage continued investment in physical infrastructure relating to the district's tourism offer.

2. Build on sectoral strengths

The district's diverse economy will be well placed to cope with changing consumer demands and withstand times of economic challenge.

We will:

- Actively seek to maintain the diversity of our economy by encouraging growth and development in a number of sectors.
- Consolidate and enhance Harrogate's role as an internationally competitive events destination.
- Improve the distinctiveness and competitiveness of the Harrogate district visitor economy, to achieve further growth in both business and leisure tourism.
- Extend the district's role as a base for financial/business services in the Leeds City Region.
- Encourage further growth in knowledge-driven sectors including digital industries.
- Actively develop the role of creative industries in appropriate market town locations.
- Investigate opportunities for developing sectoral growth around green technologies/low carbon economy.

3. Embrace innovation and enterprise

Businesses will be innovative and ambitious, helping to create sustainable growth and employment opportunities for local people.

We will:

- Support and encourage appropriate growth in resident businesses
- Ensure that Harrogate plays a proactive role in developing the innovation ambitions of the Leeds City Region
- Encourage enterprise and the renewal of business stock
- Improve links between local businesses and Higher Education Institutions to increase collaboration activity in Research and Development and innovation
- Promote the introduction of sustainable business practices and renewable energy technologies

4. Capitalise on education and skills

Residents will be able to source well paid, professional level jobs within the district, with skills at all levels continuing to be improved.

We will:

- Explore opportunities to grow higher education provision in the Harrogate District
- Encourage appropriate inward investment to increase the number of professional level jobs in the district
- Prioritise appropriate workforce development to support the continued growth of the district's key sectors.
- Raise attainment at all lower skill levels (Level 2 and below)
- Work with others to ensure that appropriate education and vocational training is available for all types of learners

5. Target areas of economic under-performance

Prosperity and jobs will be spread throughout the district and its residents.

We will:

- Encourage the continued renaissance of our 'rural capitals' (Boroughbridge, Knaresborough, Masham, Pateley Bridge, Ripon) particularly around economic investment and promoting/developing their visitor economies and arts/heritage/cultural offers
- Target the pockets of relative deprivation in the district with the aim of achieving economic opportunities for all

6. Preserve and promote our heritage and environment

The high quality natural and built environment will be respected and promoted as a key economic asset.

We will:

- Recognise culture as a catalyst for economic development in the district
- Encourage appropriate levels of sustainable tourism to maximise economic benefit from the district's environmental assets (linked to promotion of greener transport options)
- Promote 'heritage' and the 'outdoors' as specific tourism products for the Harrogate district (alongside other district tourism products such as 'indulgence' and 'family')



Delivering the Strategy

This is a Strategy for the short to medium term development of the Harrogate district economy.

To deliver the Strategy Harrogate Borough Council will:

1. Work in partnership

The council does not have sufficient powers nor resources to do this work alone and needs a wide range of partners to share and invest in the Strategy in order for it to be successful.

Key partners will include:

- Business Associations and Chambers
- Business Link Yorkshire
- Businesses
- Community and Voluntary Sector
- City, Town and Parish Councils
- Cultural partnerships
- Further and Higher Education Institutions
- Harrogate and Dales Area Tourism Partnership
- Job Centre Plus
- Learning and Skills Council (and its successor bodies)
- Local Government Yorkshire and Humber (LGYH)
- Local Regeneration Partnerships/ Strategic Partnerships
- Neighbouring local authorities in Leeds City Region and North Yorkshire Sub Region
- North Yorkshire County Council
- Organisations on Harrogate District Strategic Partnership

- Organisations on Harrogate District Employment and Skills Partnership
- Regional Development Agency (Yorkshire Forward)
- Regional Government Office (Yorkshire and Humber)
- Transport authorities and providers
- Welcome to Yorkshire
- York and North Yorkshire Partnership Unit

2. Embrace sustainability

One of the district's key strengths is the quality of the built and natural environment, which underpins the 'quality of life' offer to residents, visitors and businesses alike. This Strategy has therefore been developed with a recognition that economic growth needs to be appropriate and reflect principles of sustainability and environmental protection. This is in line with the council's top corporate priority of 'Caring for the Environment'.

3. Keep it 'real'

Whilst this Strategy has been developed with economic ambition and vision, there is a need to be realistic and practical about the steps required to deliver it. Resources are limited and there are competing demands/needs on budgets. This reinforces the need for the council and its partners to be clear about the priority objectives required to jointly preserve and develop the economy of the Harrogate district over the next few years.

4. Communicate with partners and stakeholders

An annual 'Economic Action Plan' will be published by the council at the start of each financial year, setting out priority actions to be delivered under each of the 6 work areas in the Strategy. The Plan will relate to relevant work being undertaken in different sections of the council and will identify project details, resources and lead officer.

An 'Economic Review' document will also be published at the end of each financial year, to communicate progress made against the 6 work areas in the Strategy.

5. Monitor how the local economy is performing

The annual 'Economic Review' document will also provide information about the health of the Harrogate district economy via a set of economic indicators and statistics as follows:

National Performance Indicators:

- Overall employment rate
- Working age population qualified to at least Level 2 or higher
- Working age population qualified to at least Level 3 or higher

- Working age population qualified to at least Level 4 or higher
- Average earnings of employees in the area
- New business (VAT) registration rate
- VAT registered businesses in the area showing growth
- Unemployment - Job Seekers Allowance (JSA) claimant rate
- Job vacancies/JSA claimants per vacancy
- GVA (Gross Value Added) of the Harrogate district

Local 'economic snapshot' statistics:

- Reported Job losses/gains
- Highest/lowest ward JSA rate
- Council Tax Benefit claimants
- Housing Benefit claimants
- HBC Sites and Premises enquiries received
- Planning applications received
- Harrogate Borough Council workspace vacancy rate
- Vacant retail premises
- Housing completions
- Property sales
- Tourist Information Centre visitor numbers
- Harrogate Borough Council Car parking revenue, total on and off street
- Leisure, Museums and Arts visitor numbers



Contact details

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