From Ebb to Flow: how entrepreneurs can turn the tide for Britain’s seaside towns

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Summary

From Ebb to Flow: how entrepreneurs can turn the tide for Britain’s seaside towns published by the Centre for Entrepreneurs makes the case that to succeed, seaside towns must nurture local entrepreneurs and attract new enterprise. Its engaging case studies bring to life Scarborough’s experiment in renewable energy, Hastings’ re-branding as host for piano competitions and art-deco skate parks, Bournemouth’s meteoric rise as digital hub, Littlehampton’s architectural take-off, and Portrush’s food empire in Northern Ireland.

Its recommendations on how to enable an entrepreneur-led revival focus on:

1. Making sea towns attractive by forging new identities based on specialisations
2. Improving education through ‘Seaside Challenge’, Teach First and Academies
3. Government funding physical/digital infrastructure and devolving power
4. Local government coordinating information on assets and opportunities.

This briefing will be of particular interest to elected members, officer and NGOs concerned with regeneration, economic development and tourism.

Briefing in full

From Ebb to Flow is the first report to focus exclusively on the role of entrepreneurship in reviving seaside towns. Local entrepreneurs attract new
enterprise. They are risk-taking, problem-solving, resilient individuals who can act as ‘bridges’ between the wider world and demoralised local communities.

In 2007, a House of Commons report had exposed the apparent lack of coherent government policy towards these deprived committees. The report called for more national support for tourism, and economic diversification to create more employment and reduce seasonality. In 2013, a report by the Centre for Social Justice summarised in Turning the Tide: social justice in 5 seaside towns reiterated that “many seaside towns are undermined by self-reinforcing deprivation” due to lack of skills and aspiration, and above average welfare dependency. The Centre singled out overcrowded and badly maintained housing as one of the worst features of deprivation, further compounded by some local authorities relocating vulnerable adults, children and ex-offenders in low value properties.

While these factors make “attracting investment extremely hard”, a 2014 Sheffield Hallam report found that the seaside tourism industry supported 212,000 jobs. The industry had grown by one per cent since the late nineties, albeit with a gross value added of £3.6 billion in 2009; in terms of economic value, this is considered low. Location is a determining factor; smaller seaside towns are not faring well compared to their larger counterparts. The fundamental problem for these towns is that they have not attracted business investment:

“this is rooted in seaside towns lack of both public and private funding and in the predominantly negative perceptions of the towns which are not seen as attractive place to work, live and learn”. p.11

Attracting business investment is precisely what entrepreneurs can address, as demonstrated by the following case studies.

Hastings: arts-led and sporting revival

The story: David Kowitz, founder of Indus Capital, and his wife Sarah moved to nearby Fairlight Hills in 2002. When the Hastings International Piano Competition (HIPCC) lost its sponsor, the Kowitzes intervened to reinstate the competition. More recently, Marc and Rich Moore took over Hastings’ derelict swimming baths from the local council, transforming them into a world-class skate park. The ‘Source Park’ will host international events, and is expected to bring in £2.8m of new economic activity. Craig Sams and Jo Fairley, co-founders of the Green and Black’s chocolate brand are also based in Hastings, where their award-winning Judges bakery has stimulated other creative and craft businesses. The town has attracted much media coverage, and local property prices are soaring.

Prospects: Hastings is one of the most deprived towns in the country, and has had difficulty in reviving its economic prospects. “A big challenge for Hastings is its ageing workforce and talent deficit”. The new Sussex Coast College and a Brighton University ‘spin-off’ specialising in digital media are modest steps towards a more promising future.
Bournemouth: Britain’s fastest-growing tech hub

The story: Tech Nation, a study of Britain’s digital industry, named Bournemouth as the fastest growing, highest concentration of clustered digital companies in the country. Bournemouth’s agencies have drawn on a ‘pipeline’ of graduates trained at Bournemouth’s Arts University, renowned for its creative skills training. Bournemouth & Poole College runs the Enterprise Pavilion accelerator, which supports young start-ups, and directs apprentices to employers.

Tom Quay, originally from Dorset, is one of the College’s most outstanding graduates: he set up ‘Make’, a micro creative agency which in 2012 expanded its portfolio to include US firm Garmin, world leader in GPS technology, thereby outdoing London’s M&C Saatchi.

Prospects: Bournemouth has its own Internet Service Provider, C4L, and its own Community Finance initiative. It makes loans to companies which economically benefit the borough. Since companies still find recruitment difficult, Bournemouth’s agencies attract gifted recruits by promoting the advantages of affordable living and a healthy work-life balance.

Scarborough: re-branding Britain’s most traditional resort

The story: Scarborough remains among the top five most popular UK destinations for domestic visitors. Helping reverse the town’s low skilled seasonal employment, successful corporate achievers are returning to their native town, for example, Stuart McNiven. In 2012, his new company, Dalby Offshore, secured the multi-million contract to salvage the wreck of the Italian cruise liner Costa Concordia. Dalby’s major project is now a £3m development serving Dogger Bank. Dogger Bank is a large wind farm offshore.

Prospects: Nick Taylor is investment manager at Scarborough and Whitby Council which has promoted participatory planning. Taylor has been instrumental in transforming problem areas into desirable residential ones. In the face of skill shortages and brain drain, Scarborough’s community united to win a bid as Britain’s most enterprising town. The £7m Woodend ‘creative workspace’ has been established in a town centre grade-2 listed house for designers, artists and PR firms. A £2.7m refurbishment is under way in the old Market Hall to house a new hub for local craft businesses. On the sport front, the Tour de Yorkshire brought the world’s top cyclists to the town. In spring 2015, Scarborough hosted the P1 Powerboat festival. The town has much to show for its’ joined up approach:

“Driven by these entrepreneurs and by local authority and government investment in transport and communications infrastructure, Scarborough has seen a significant drop in seasonal unemployment in a short space of time. Just over a decade ago, winter unemployment was 50% higher than in the summer, but by 2008 this had fallen to just 10%. With Dalby Offshore on course to have created more than 200 new jobs in non-tourism industries, this could become a permanent, positive change.” p9
However, "many local schools are in poor shape, which makes recruitment difficult". A University Technical College (UTC) is opening next year to address this problem.

**Littlehampton’s architectural take-off**

The story: Littlehampton’s original shop and manufacturing base has vanished. Nevertheless, Banksearch data on the rate of new businesses growth ranks Arun third out of 326 English districts. Entrepreneur developer, Jane Wood, in collaboration with celebrated designer, Thomas Heatherwick, transformed a burger shack into the ‘East Beach Café’. The Café is nestled in an outrageous sculpture-cum-building and has become a new hallmark. Jane Wood also collaborated with rising British architect, Asif Khan; he created the West Beach Café, and designed the famous ‘Longest Bench’ beach furniture. Andreas Sparsis, born in Cyprus, is another entrepreneur who has set up several successful food ventures in the town which was once home to Anita Rodrick.

Prospects: Characterised by patches of deprivation and unemployment, Littlehampton is a generally well-off town with ageing population. Yet Jane Wood has abandoned further plans, discouraged by perceived “stifling bureaucracy from local authorities”; so has Andreas Sparsis who comments that “Sussex towns actively block entrepreneurship”. Arun District Council, on the other hand, “insists it supports local entrepreneurship, the Arun Business Partnership encourages local businesses to work together, and there are town managers to support local retailers”.

**Portrush seaside family food empire**

The story: A classic seaside resort, Portrush has provided over decades an escape from the province’s “sectarian strife”. The McAlpin family came in 1980 to open a fine dining restaurant and wine-bar, and gradually spawned the Ramore group food empire. The family employs 300 people and run regular ‘Recruitment Saturdays’ to recruit young people. The couple and a local independent councillor have led local joint business and volunteer regeneration projects, such as ‘Paint Portrush’ to spruce up the whole town with a coat of paint.

Portrush-born brothers, Chris and Ricky Martin recently returned to run a business, ‘Skunkworks’ which makes surfboards in a completely new way and has benefited from £50,000 seed funding. On the construction front, new apartment blocks catering to the golfer market are being built while preparations are under way to host the British Open. A motorway will soon link Portrush to Belfast.

**Recommendations**

Attractiveness: identity, activity, accessibility

The first step towards regeneration in any seaside town aiming for revival is to forge a new identity via a niche specialisation such as fish and seafood in Padstow in Cornwall, literature and books in Hay-on-Wye or classical music in Aldeburgh.
The ‘Sea Change Programme’ under the Labour Government embraced culture-based regeneration, directing £37m towards 34 cultural improvement projects along the coast, generating 700 jobs and stimulating wider regeneration valued at £276m. The projects ranged from restoration of Margate’s dreamland amusement park to Littlehampton’s Longest Beach seafront furniture.

“Although not extended by the Coalition government, these successes should be kept in mind when designing future cultural regeneration programmes.”

Margate’s Turner Contemporary attracted a total of 500,000 visitors in its first year, and proved to be the third most popular attraction in Kent, bringing in some £14m to its economy. Hastings’ new, “prestigious” Jerwood Gallery “despite initial misgivings, has integrated itself in the local social fabric through initiatives such as gallery membership (two-thirds are local) and programmes for volunteers and young people”. As demonstrated by some of the case studies, sport is another important attraction, as are the architectural assets of seaside towns.

Accessibility is vital for entrepreneurs looking for a suitable place as a base for their operations in today’s innovation-driven digital economy. Ashford, Brighton, Margate, Hastings and Southend-on-Sea are all benefitting from improved transport links while Stockport is not far from Manchester or Liverpool. Many seaside towns, however, remain isolated; upgrading links between the seaside and surrounding areas is imperative.

Tackling deficiencies in education

Possibly, the greatest challenge for remote coastal communities is that “the skilled workforce is either absent or ageing and in need of renewal”. Unemployment is compounded by deficiencies in education and skills. Recent Ofsted reports conclude that coastal towns have “felt little impact from national initiatives designed to drive up the standards for the poorest children”. At an educational level, these towns are among deprived parts of the country.

The approaches recommended are the ‘Seaside Challenge’ modelled on the first 2003 London Challenge. Seaside Challenge would be looking for similar funding packages for struggling schools, leadership training and expert advice from both the independent sector and the Department of Education, and collaboration with “local authorities to shape planning and school improvement strategies”. It is recognised that the Challenge model’s success was more mixed when exported in 2008 from London to Greater Manchester and the Black Country.

The ongoing ‘Achieve Together’ scheme in five Bournemouth schools has been established through a partnership between Teach First, Teaching Leaders and Future Leaders with the Education Endowment Fund and JP Morgan. Based on a collaborative recruitment and training model, it could be spread across seaside towns if it delivers.
A study by Plymouth University and Cornwall College Group - admittedly part-funded by the Academies Enterprise Trust - has found that academies in coastal towns and other cities have performed well. By contrast, it has been difficult to evaluate the impact of academies at a national level, “partly due to frequent changes to the programme during its existence”. Subject to regular performance evaluations, policy- makers should consider replication the coastal academies to other seaside towns where “a more entrepreneurial style of management” could be of benefit.

Government funding for digital and physical infrastructure

There remains a considerable internet gap in the UK. When poor infrastructure is the problem, “government should get involved”. ‘Superfast Cornwall’ is an example of a successful broadband delivery programme. Funded by the EU, BT and Cornwall Council, it has built a comprehensive fibre-based network. Connectivity has generated £186m in the area, and created or protected some 4,500 jobs. Nevertheless, take-up of superfast broadband can be limited as has been the case in Portrush, leading to the conclusion that investment in training is needed.

In Scarborough, public investments in transport, communications infrastructure and an award-winning state-of-the-art business park have laid the foundation for a second wave of private investment in apartments, shops and leisure facilities. The Arun Business Partnership and £22m in flood defence investment have boosted local confidence.

These examples demonstrate the importance of public funding, as exemplified by the Coastal Communities Fund. The Fund was launched in 2012 and has been extended until 2020, with new funding of £90m. According to official estimates, the original £119m was allocated to 222 local transport infrastructure and economic projects, including an £1.5m upgrade of Bournemouth’s coach and rail stations, and a £1.3m cycling and walking path in Dawlish, Devon. Overall, these projects have resulted in 13,700 jobs and 10,280 training places. Investment by national government in extending high speed rail to Margate and Hastings is expected to generate considerable benefits.

On information and mapping relating to economic and asset opportunities, local authorities should take the lead. They may own much of the underused local assets and can play a useful coordinating role in collecting data.

The Cornwall devolution deal should prove beneficial in granting powers for “greater control over transport, health/social care, investment and Local Enterprise Partnership management”, with better targeting of decisions on skills, education, infrastructure and local business. Elected mayors may also be part of the solution according to the report.

Inspiring a new generation
Noting the dearth of research providing evidence of the effectiveness of enterprise support in coastal towns, *From Ebb to Flow* singles out the inspirational factor as key to success:

“The transformation and diversification of local economies is important not simply due to its contribution to tackling high unemployment, but also for the ability to reinvigorate the aspirations and ambitions of the local population. Creating any old job is not enough to breathe new life into these towns: the new economic activities have to inspire a new generation, and be relevant to the future industries that will bring sustainable growth to the coast.” p9

Comment

In the digital age, the role of entrepreneurial initiative in catalysing inspiring business ventures is recognised. *From Ebb to Flow: how entrepreneurs can turn the tide for Britain’s seaside towns* introduces personalities with inspiring ideas and capability. The case studies serve as a reminder of both the power of ideas and the importance of roots - for many of its successful entrepreneurs are returning to their native towns to sow the seeds of new enterprise.

Given the spiralling cost of housing, as well as the cost of office space and transport in London especially, the lifestyle benefits in seaside towns are strong assets; so is their potential for short holiday breaks.

The case for supportive infrastructure including additional transport, a better supported education system and devolved power is made, not only by advocates of entrepreneurialism by the Tourism Alliance. While welcoming the extension of the Coastal Communities’ Fund, the Alliance commented:

“At the moment, there is a scatter-gun approach to the allocation of the funds with a large number of locations getting a small amount of funding. This approach is not going to resolve the regeneration problems affecting many large coastal destinations. To make the most of this Fund, we would like to see it used as part of a holistic Government programme to regenerate key coastal towns. The funding would be allocated as part of a package that includes enhanced capabilities for councils to tackle housing and social issues so that real progress can be made on regeneration.” *6th Report on Tourism* Para 65

The Centre for Social Justice also made a strong case for a holistic regeneration programme, as well as for a fairer welfare system. The Government's Response to the 6th Report on Tourism mentioned neither regeneration nor welfare policy.
The increase in value of residential property is a standard indicator of economic upturn; yet, it tends to compound housing problems for younger locals. Philanthropy, whose role is promoted in From Ebb to Flow, will not address such a basic need.

While the marine environment has provided seaside towns with their livelihood for centuries, local fishing too is subject to change. This is due to factors as diverse as EU fishing quotas favouring large corporation-owned vessels and changing weather patterns which are reducing the catches. The Hastings Fisheries Local Action Group (FLAG) is supported until the end of this year and the University of Brighton is promoting research linked to sustainable inshore fishing.

A model of sustainable development for ecosystem protection would help resolve potential conflicts between leisure providers and fishermen over seafront use. The model would help build local resilience for the future through sustainable fisheries and/or renewable energy, for example. Scarborough deserves credit for developing a model which will serve its community well in the face of tomorrow’s uncertainties.

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