

# Scarborough Harbour West Pier

## Economic and Social Benefits

### 1 Introduction

#### 1.1 Purpose

1.1.1 Temple Group has prepared this report to support the Planning Application. The report summarises the main economic and social benefits of the Scarborough Harbour West Pier regeneration scheme.

1.1.2 The overall aims of the socio-economic assessment were as follows:

- To review the existing economic evidence prepared for the Economic Development Regeneration and Tourism Service (EDRTS), North Yorkshire Council in support of the West Pier regeneration scheme;
- To assess the economic footprint of the existing operations at the West Pier and the gross value added that they currently create for the Scarborough economy;
- To explain how the regeneration of the West Pier will support the long run viability of the Scarborough Harbour fishing operations; and
- To assess the future economic footprint and gross value added to the Scarborough economy of the regeneration proposals for the West Pier.

#### 1.2 Report structure

1.2.1 The report is organised as follows:

- **Section 2** – outlines the **methodology** for the assessment;
- **Section 3** – reviews the **existing evidence** on economic and social benefits;
- **Section 4** – assesses the **current economic footprint** of the commercial activities at Scarborough Harbour West Pier;
- **Section 5** – assesses the **future economic footprint** of the regeneration proposals for the West Pier;
- **Section 6** – summarises the **key findings**.

## 2 Methodology

- 2.1.1 Our assessment has been informed by a desk top review of the following available evidence on the economic and social benefits of the Scarborough Harbour West Pier regeneration scheme:
- Scarborough Harbour West Pier Redevelopment Full Business Case – March 2022;
  - Scarborough Harbour West Pier Demand and Operations Review; and
  - Additional information supplied by Regeneration Services at Scarborough Borough Council.
- 2.1.2 It is important to note that these documents were prepared for different purposes than this assessment. Nevertheless, they provide some valuable insight and context for this socio-economic assessment.
- 2.1.3 Our approach has been to extract from the evidence the most relevant findings to assist with the consideration of the West Pier planning application. We have not provided a critique of the evidence since this was not within the scope of our work.
- 2.1.4 In order to confirm our understanding of the existing operations at the West Pier, we held a telephone interview with Captain Chris Burrows, Harbour Master and Head of Harbours, on 6 June 2023. Based on this interview we were able to provide a detailed estimate of the current employment at the West Pier. This employment estimate has subsequently been confirmed by Captain Burrows.

## 2.2 Gross on-site employment

- 2.2.1 To estimate the gross on-site operational employment that will be generated by the Proposed Development, Temple has used standard employment densities.
- 2.2.2 Employment density refers to the average floor space in sqm per full-time equivalent (FTE) worker. Employment density describes the intensity of use within a building and is an indicator of the amount of space typically occupied by one person in a commercial building.
- 2.2.3 Temple has drawn on evidence provided by the *Employment Density Guide* (Third Edition 2015)<sup>1</sup> to identify employment densities for the different uses in the Proposed Development.

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<sup>1</sup> Homes and Communities Agency. (2015). *Employment Density Guide*, 3<sup>rd</sup> Edition.

## 2.3 Net additional employment

2.3.1 In order to understand the real employment effects of the regeneration scheme, Temple has adjusted for several factors which, when considered together, allow an assessment to be made of the net additional jobs that will be generated on this site.

2.3.2 Temple has allowed for the following adjustment factors:

- **Displacement effects;**
- **Leakage effects;**
- **Substitution effects;**
- **An indirect multiplier effect** – this is also known as a supply linkage multiplier; and
- **An induced multiplier effect** – this is also known as a consumption multiplier.

## 2.4 Gross value added (GVA)

2.4.1 In considering the existing and future economic footprint of the West Pier, we have estimated the gross value added (GVA) to the local economy in Scarborough.

2.4.2 GVA is a conventional measure of economic well-being. GVA measures the value of output generated by a producer minus the costs associated with the production of the output.

2.4.3 The Office for National Statistics defines Gross Value Added (GVA) as “the contribution of each individual producer, industry or sector to the economy.” GVA can be estimated at either an aggregate (or macro) level or at an individual producer (or micro) level, as follows:

- **At macro level** – GVA measures the value of output (goods and services) produced in the economy minus the cost of raw materials and other inputs used to produce them; and
- **At micro level** – GVA measures the value of output generated by a producer minus the costs associated with the production of the output.

2.4.4 Taking a simple example at micro level, the GVA from the production of a new building would be estimated as follows:

- Assume the sale of the finished building generates £1 million in sales revenue. This is the value of the output from the construction of the building;

- Assume the costs associated with the construction of the building are £800,000. These costs are referred to as “intermediate consumption” and include things such as the cost of materials used to construct the building, plant rental, utilities, insurance, marketing costs etc; and
- The GVA from the construction of the building is estimated as output minus the cost of intermediate consumption. In this example, the micro level GVA would be £1 million minus £800,000 equals £200,000.

- 2.4.5 In estimating GVA per job for this assessment, we have used professional judgement based on two alternative sources.
- 2.4.6 Detailed information on GVA per job filled is provided by the Office for National Statistics Regional Economic Analysis Sub-regional productivity tables published in July 2023<sup>2</sup>. Table B3 of these productivity tables reveals that GVA per filled job for Scarborough was £40,329 in 2021, the most recent year for which data is currently available.
- 2.4.7 This analysis does not provide GVA per filled job by industry sector. With this in mind, we have cross checked the GVA per filled job estimates with those provided by Experian. Using 2018 Experian data (adjusted to account for inflation), accommodation and food services, and light industrial activities associated with the fishing industry generate an average GVA per FTE job of £37,875 per annum in North Yorkshire and the Humber.
- 2.4.8 Based on these estimates, we have assumed a GVA per filled job of £40,000 per annum for the fishing and other commercial activities associated with Scarborough Harbour West Pier.

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<sup>2</sup> Office for National Statistics (2023). Subregional productivity: labour productivity indices by local authority district. Available at <https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/labourproductivity/datasets/subregionalproductivitylabourproductivityindicesbylocalauthoritydistrict>

## 3 Evidence review

3.1.1 This section considers the available evidence on the economic and social benefits of the Scarborough Harbour West Pier regeneration scheme.

### 3.2 Scarborough Harbour West Pier Redevelopment Full Business Case

#### Overview

3.2.1 The Scarborough Harbour West Pier Redevelopment Full Business Case was produced by CSR Host Consulting in support of investment in the proposed regeneration scheme at Scarborough Harbour's West Pier. It includes:

- A Strategic Case which focuses on the long-term growth opportunities for the regeneration in response to local development needs;
- An Economic Case based on the preferred scheme design option with an appraisal of the short- and long-term impacts;
- A Commercial Case which ensures the proposals alignment with Scarborough's procurement policies and procedures;
- A Financial Case to confirm the financial viability of the scheme over its 30 year life cycle; and
- A Management Case which outlines risk management procedures, the communication plan, and the robust governance structure.

3.2.2 For the purposes of our assessment, we have focused on the strategic and economic cases presented in this document. These describe the expected outcomes for the local economy and the employment opportunities that will be created by the redevelopment at the West Pier.

#### Evidence

3.2.3 The regeneration scheme at the West Pier includes the creation of public space for retail and catering, creative arts, events and festivals, alongside a working harbour and thriving fishery to enhance Scarborough's image and attraction as a tourism destination.

3.2.4 The existing scheme parameters include buildings with public conveniences, offices, retail, commercial kiosks, and fishing industry facilities such as processing sites and bait sheds. The assessment of the expected economic and social benefits is based on the preferred option for development. This is Option B in the Scarborough Harbour West Pier Redevelopment Full Business Case.

## Direct economic benefits

3.2.5 A high-end seafood restaurant is expected to be an anchor tenant with direct economic benefits through employment and revenue. The potential value added from the restaurant to the local economy is £1.36 million per annum.

3.2.6 The restaurant will create 64 full-time equivalent (FTE) jobs, after allowing for the displacement of existing catering services on the pier. The Full Business Case does not provide any further details on the assumptions made about the displacement of existing catering services at the pier.

## Indirect economic benefits

3.2.7 The high-end seafood restaurant is expected to lead to further additional benefits to the local economy due to multiplier effects through increased footfall. The multiplier effect is expected to lead to an additional 80 induced FTE jobs in the local economy.

3.2.8 Increasing Scarborough's appeal as a tourist destination is also expected to support growth in the local economy. Tourism is expected to provide the most significant economic benefit through the regeneration scheme.

- Tourism spend in the local economy driven by the development at the West Pier is expected to generate on average £2.419 million per annum; and
- This tourism value added is expected to create an average of 45 new jobs per annum, after allowing for the displacement of jobs as a result of the scheme.

## Social benefits

3.2.9 The headline non-quantifiable benefits of the scheme range from short-term to long-term outcomes and include:

- Increased community pride;
- Increased social capital;
- Positive environmental impact and greater use of public space by pedestrians and cyclists;
- Improved maritime heritage tourism with knock-on benefits for a stronger economy from regeneration; and
- Increased and improved job opportunities.

## 3.3 Scarborough West Pier Demand and Operations Review

### Overview

- 3.3.1 The Scarborough West Pier Demand and Operations Review prepared by CSR Host Consulting provides an overview of the existing and proposed operations at the West Pier, presents a review of the property market and the expected take-up of warehouse, office and retail space. The report also highlights other examples of successful cultural tourism developments in the UK.
- 3.3.2 We have primarily used this review to inform our understanding of existing operations on the West Pier. The review also outlines the opportunity for this regeneration project to future proof the economy by capitalising on the cultural tourism offer and better integrating the modern fishing industry with maritime tourism offerings in Scarborough.

### Evidence

- 3.3.3 The report argues that the West Pier is well positioned to unlock many social and economic benefits through the regeneration of the pier to enable the working harbour to thrive alongside a maritime cultural tourism offer.
- 3.3.4 The proposed anchor tenant, a high-end seafood restaurant, would also support both the local supply chain of fresh seafood and tourism opportunities.

### Overall social and economic benefits

- 3.3.5 Elements of social and economic sustainability which the scheme proposes to deliver include:
- Investment in the fishing industry as part of the social and cultural landscape of the area;
  - Improving communal welfare facilities;
  - Facilitating greater community cohesion; and
  - Creating employment opportunities.

### Wider regeneration benefits

- 3.3.6 The report argues that the regeneration scheme will bring wider benefits to the local community by:
- Contributing to place making with an opportunity for the creative arts to thrive and by holding events in a currently underutilised public realm;
  - Improving safety and access to the area for pedestrians, cyclists, and for a broader demographic of visitors which includes people of all ages, especially young families; and

- Supporting cultural tourism activities including in the creative sector and events such as Scarborough Fayre.

### **3.4 Additional information supplied by Regeneration Services at Scarborough Borough Council**

#### **Overview**

- 3.4.1 Additional information provided by Scarborough Borough Council (now North Yorkshire Council), presents an argument for the regeneration of the West Pier to provide vital facilities for the local fishing industry, restore the West Pier to its full potential by improving sustainability and welfare at the site, as well as attracting people and business to the Yorkshire Coast in Scarborough.
- 3.4.2 Our review of this information focused on the case for the modernisation of the facilities at the West Pier in support of the fishery industry, the safeguarding of jobs through regeneration, the improvements in public access, the resulting positive impact on the rest of the supply chain, and the social value and qualitative benefits.

#### **Evidence**

- 3.4.3 The report highlights the holistic approach to the regeneration at the West Pier with emphasis on the interconnected cultural, social and economic benefits that can be derived from the scheme for the fishing industry, the town, and for coastal communities.

#### **Economic benefits**

- 3.4.4 Scarborough is the second largest shellfish port (by tonnage) in the UK. It is estimated that the benefit of the fishing industry to the local economy exceeds £3.1 million per year.
- 3.4.5 Understanding the effects of the proposed regeneration at the West Pier on the viability of the Scarborough fishing industry and the associated maritime heritage is critical with regards to the local economy and tourism.
- 3.4.6 Investment in the West Pier to update the pier facilities is expected to safeguard around 200 jobs in the Scarborough fishing sector.

#### **Social benefits**

- 3.4.7 As a local maritime heritage asset, the regeneration of the West Pier offers multiple opportunities to link social, environmental, cultural, and economic value, especially through tourism.



- 3.4.8 The social value of the project is estimated with a ratio of £2.27 social value for every £1 investment in the scheme. This has been derived using the Social Value Engine (SVE).
- 3.4.9 SVE is a social value measurement consultancy that is also the only UK based social value calculator endorsed by Social Value UK. It provides a social value measurement software platform to quantitatively measure social value outcomes. The tool applies pre-approved monetised proxies to a bank of outcomes associated with producing social value.
- 3.4.10 The tool used by North Yorkshire Council to define social value of projects is administered by Rose Regeneration at East Riding Council. The tool uses academic work from a range of sources such as the Bristol Accord and National TOMS Framework.
- 3.4.11 Information provided by North Yorkshire Council details that the Scarborough Harbour West Pier Objectives were examined by the project team to ensure that the proxies were relevant and measurable. The project team also applied a percentage figure to the 'deflators' to ensure that there were no incidences of impacts being over-claimed on what the project was believed to achieve. **Table 1** below shows the three highest social impact proxies from the selected nine. Currently this is a forecasted impact of the social value, and a re-evaluation is expected once the project is complete. The Social Value Engine tool converts this impact into a financial value per pound spent, the Scarborough Harbour West Pier project is valued at £2.27 per £1.

**Table 1 – Social Value Impact at Scarborough West Pier**

SVE Outcome	Proxy	Unit	Value	Social Impact
National TOMS Framework	No. of local direct employees (FTE) hired or retained (for re-tendered contracts) on contract for one year or the whole duration of the contract, whichever is shorter	No of people FTE	£16,420.00	£2,127,627.67
Improved wellbeing through arts, culture and sport	Life satisfaction increase from visiting heritage (including marine or maritime environments)	per person	£2,167.47	£1,616,813.84
Improved community safety	Cost of a Serious Road Traffic Accident	per accident	£315,649.83	£1,150,543.63

## **Benefits to the fishing industry**

3.4.12 The regeneration scheme elements specific to the fishing industry with broader socio-economic benefits include:

- Increased public health and safety from the segregation of the industry and public space at the pier, leading to reduced safety risks;
- Improvements to the design of the working harbour area expected to contribute to increased industry and local GDP; and
- Improvements to the fisherman's and harbour facilities are expected to contribute to local economy by increasing local jobs.

## **Wider regeneration benefits**

3.4.13 As social capital is expected to increase over the longer term, socio-economic benefits including new synergies between tourism, social gatherings and cultural events and maritime heritage are anticipated as a result of the West Pier regeneration scheme.

## 4 Current economic footprint

### 4.1 Direct economic benefits

- 4.1.1 Direct economic benefits flow from the employment that is generated through current operations at the West Pier. This includes those employed directly by the fishing industry on boats, and those who work at the West Pier.
- 4.1.2 There are approximately 30 local boats, predominantly shellfish vessels, and an additional 10 to 15 nomadic vessels operating from Scarborough Harbour. It is estimated that the local fleet employs 105 FTE, with 2.5 FTE/10m boat which makes up 2/3 of the fleet and 5.5 FTE/larger boats constituting 1/3 of the fleet.
- 4.1.3 Nomadic vessels provide an estimated 5.5 FTE jobs each.
- 4.1.4 Based on these assumptions, we estimate that the full-time equivalent (FTE) employment based on Scarborough fishing boats is **174 FTE jobs**.
- 4.1.5 There are currently seven commercial buildings at the West Pier with operations directly related to the fishing industry, including shellfish merchants, and other retail spaces, including a café and artists' studios. It is estimated that there are **36 FTE** employees at the West Pier. A summary of the operations and estimate of existing employment at the West Pier is presented in **Table 2** below.
- 4.1.6 Overall, across the fishing industry and other business activities at the West Pier, there is an estimated total of **210 FTE** employees.
- 4.1.7 These 210 FTE jobs provide an estimated **£8.4 million per annum in GVA** to the local economy. This is based on the estimate of GVA per filled job of £40,000 per annum for the fishing and commercial activities associated with the Scarborough Harbour West Pier as derived from 2018 Experian data and the ONS Regional Economic Analysis Sub-regional productivity tables from 2023.

**Table 2 – Scarborough West Pier Current Operations and Employment**

Unit	Business operations	Existing employment
<b>Building 1</b>	GF: Public conveniences	0 FTE
	FF: Artists' studios	6 FTE
<b>Building 2</b>	GF: Cod & Lobster – fish merchants	3 FTE (2 x FT, 2 x PT)
	FF: Harbour Master's office	8 FTE on the ground, 3 FTE in the office
<b>Building 3</b>	GF: Workshop space for fishing industry	Employment accounted for in the fishing industry FTE employment estimates
	FF: Lookout On The Pier (café)	8 FTE (15 staff with a mixture of FT/PT)
<b>Building 4</b>	East Coast Shellfish	2 FTE
<b>Kiosks</b>	Kiosks (2 crab stalls, 1 burger bar)	6 FTE (6 PT seasonal)
<b>Fish processing building<sup>3</sup></b>	Edwin Jenkinson (seafood wholesaler)	20 FTE (+ seasonal staff)
<b>Total</b>		<b>36 FTE</b>

## 4.2 Indirect economic benefits

- 4.2.1 The commercial activities at the West Pier also create indirect economic benefits for the Scarborough economy. These include supply chain effects as a result of activities at the West Pier and consumption effects from increased local expenditure.
- 4.2.2 An induced multiplier effect is also expected to increase expenditure in the local area from people deriving incomes from the scheme, both directly and indirectly. These benefits accrue to local shops and other businesses.

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<sup>3</sup> The fish processing building is included here for completeness but lies outside the red line boundary for the planning application.

## 5 Future economic footprint

### 5.1 Introduction

5.1.1 This section assesses the main socio-economic effects of the West Pier regeneration during construction and after completion.

### 5.2 Construction phase

5.2.1 For this assessment, we have assumed that the construction period will last 14 months.

#### Direct employment

5.2.2 The assumed construction cost of the Proposed Development is £8 million, based on information provided by the Applicant. The construction cost can be used to approximate the amount of construction employment that would be created by the various elements of the scheme. The 2022 Business Population Estimates data indicates that the average turnover per employee in the construction industry in Yorkshire and the Humber was £136,480 in 2022<sup>4</sup>.

5.2.3 The construction phase is estimated to generate some **59 person-years of employment**. The construction programme is expected to be approximately 14 months which means that on average during the construction programme there will be **50 gross full-time equivalent (FTE) workers** on the site.

#### Economic output

5.2.4 The construction phase of the proposed scheme will also make a productive contribution to local economic output, as measured by Gross Value Added (GVA).

5.2.5 The Annual Business Survey 2021 provides estimates of the approximate GVA by different sectors of the UK economy<sup>5</sup>. During 2021, the approximate GVA of the construction sector in the Yorkshire and The Humber region was £8.801 billion.

5.2.6 The Office for National Statistics provides estimates of workforce jobs by region and industry. With an average number of people employed during 2021 of

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<sup>4</sup>Department for Business, Energy & Industrial Strategy. (2022). Business population estimates for the UK and regions 2022. <https://www.gov.uk/government/statistics/business-population-estimates-2022>

<sup>5</sup> ONS Annual Business Survey, Non-financial business economy, UK regional results, released May 2023

173,000 in the Yorkshire and Humber region<sup>6</sup>, this suggests that the GVA per FTE construction job in 2021 was £50,873.

- 5.2.7 We estimate that the gross 50 FTE construction employees will create an **additional £2.54 million of direct GVA per annum** to the local economy during the construction period.

### Construction employee expenditure

- 5.2.8 Approximately 50 FTE temporary construction jobs are anticipated to be generated during the construction phase of the Proposed Development. It is estimated that UK employees spend an average of £12.12 per day<sup>7</sup>, which has been adjusted to account for inflation.
- 5.2.9 It is generally accepted that not all the gross expenditure by employees at the West Pier will be spent within Scarborough. It is likely that some leakage will occur from the local area to other retail destinations outside the borough. Based on professional judgement, a 25% leakage factor has been applied to the employee expenditure figures. This is largely due to the expectation that a reasonably high proportion of the benefits will be retained within the Scarborough economy.
- 5.2.10 Therefore, it is assumed that 75% of total (i.e. convenience retail) construction employee expenditure will be retained within Scarborough.
- 5.2.11 Accounting for effects of leakage, displacement and multipliers on employment during the construction phase, the estimated net additional construction jobs is 44 FTE.
- 5.2.12 Taking these factors into account, it is estimated that total **net additional spending of around £135,000 per annum** will be created by new construction workers and retained within the local economy.

## 5.3 Operation phase

### Gross additional employment

- 5.3.1 Direct employment is generated through operations at the West Pier including the fishing industry and commercial activities on the pier.
- 5.3.2 These estimates of gross operational employment are based on standard employment densities, the floorspace schedule (sqm) provided for the

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<sup>6</sup> ONS, JOBS05: Workforce job by region and industry, released 13 June 2023

<sup>7</sup> Visa Europe. (2014). UK Working Day Spending Report

Proposed Development, and the expected use class. In some cases, this requires converting the gross internal area (GIA) to net internal area (NIA):

- **Converting GIA to NIA** – Temple has assumed that net internal area is 80% of gross internal area, as recommended by the Employment Density Guide.<sup>8</sup> This is a conservative assumption and, in reality, the NIA could well be greater than 80% of the GIA.

5.3.3 The anchor tenant, which is a seafood restaurant, will create an estimated 80 full-time equivalent (FTE) jobs.

5.3.4 Other employment-generating floorspaces include:

- Artist studios (six) which are each expected to employ 1 FTE;
- An office which is also expected to employ 1 FTE;
- The Harbour Master Offices which will provide 11 FTE jobs;
- Retail space employing an estimated 14 FTE;
- Kiosks employing an estimated 9 FTE; and
- A café which will employ an estimated 11 FTE.

5.3.5 Once the West Pier regeneration scheme is fully operational, there will be a total of 132 FTE jobs, representing an uplift of 96 FTE jobs compared with the existing commercial operations on the pier.

### Net additional employment

5.3.6 The 96 jobs on the West Pier that will be created by the Proposed Development represent a gross employment figure. In order to understand the real employment effects of the Proposed Development, Temple has adjusted for several factors which, when considered together, allow an assessment to be made of the net additional jobs that will be generated on this site.

5.3.7 Temple has allowed for the following adjustment factors:

- **Displacement effects** – will occur if some firms simply switch jobs from one location to another eg by moving staff from an existing operation in Scarborough to the proposed development;
- **Leakage effects** – will occur if some of the jobs created by the proposed development are taken up by people living outside Scarborough;

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<sup>8</sup> Homes and Communities Agency. (2015). Employment Density Guide, 3<sup>rd</sup> Edition.

- **Substitution effects** – occur when firms substitute one activity or input for a similar one to take advantage of public funding. In this case there will be no substitution effects;
- **An indirect multiplier effect** – is likely to create supply chain effects which will benefit local firms such as cleaning and maintenance contractors, training agencies and other suppliers of goods and services to the occupiers of the proposed development. This effect is known as a **supply linkage multiplier**; and
- **An induced multiplier effect** – is associated with increased expenditure in the local area by people deriving incomes from the direct and indirect effects of the scheme. The induced effects of the scheme will bring benefits to local shops and other service providers. This effect is known as a **consumption multiplier**.

5.3.8 We estimate that the **net additional employment generated by the Proposed Development will be 82 FTE jobs**.

5.3.9 **Table 3** below summarizes the adjustments made to reach this figure.

**Table 3 – Net additional employment during operation**

Adjustment Factors	Proposed Development
Gross direct jobs	96
Leakage, 10%	-9.6
Displacement, 21%	-20.2
Multiplier, 1.24	+22
<b>Net additional employment</b>	<b>82</b>

## Economic Output

5.3.10 As with the construction phase of the development, the operational phase will also make a significant contribution to local economic output and GVA by supporting the creation of new employment.

5.3.11 Based on 2018 Experian data (adjusted to account for inflation) and ONS Regional Economic Analysis as described in paragraph 2.4.8 above, we have assumed a GVA per filled job of £40,000 per annum for the fishing industry and other commercial activities associated with Scarborough Harbour West Pier.



- 5.3.12 Applying this GVA indicates that the net additional jobs associated with the Proposed Scheme (82 FTE) will deliver an **additional £3.28 million of direct GVA per annum**.
- 5.3.13 Once the regeneration scheme is fully operational, the economic activities associated with the **Scarborough Harbour West Pier will generate a total of £11.68 million per annum in GVA to the Scarborough economy**.

### Operational Employee Expenditure

- 5.3.14 Approximately 82 net additional operational jobs will be created by the Proposed Development. As mentioned in paragraph 5.2.8, UK employees are estimated to spend an average of £12.12 per day (in 2020 prices), which has been adjusted to account for inflation. The 2020 prices will be used to calculate the current employee expenditure for existing colleagues working at the West Pier.
- 5.3.15 However, only a proportion of the gross expenditure by employees at the West Pier will be retained within the wider borough. It is likely that some leakage will occur from the local area to other retail destinations outside the borough. Based on professional judgement, a 25% leakage factor has been applied to the employee expenditure figures. This is largely due to the expectation that a reasonably high proportion of the benefits will be retained within the Scarborough economy.
- 5.3.16 Taking these factors into account, it is estimated that total net additional spending of around **£250,000 per annum** will be created by new workers at the West Pier and be retained within the local economy.

### Indirect employment

- 5.3.17 Based on the evidence presented in the Scarborough Harbour West Pier Redevelopment Full Business Case, the multiplier effect is expected to lead to an additional induced 80 FTE jobs in the local economy through increased footfall from the high-end seafood restaurant at the pier.
- 5.3.18 Based on the evidence presented in the Scarborough Harbour West Pier Redevelopment Full Business Case, tourism value added is expected to create 45 new FTE jobs, after allowing for the displacement of jobs as a result of the scheme.

## 6 Key findings

### 6.1 Existing economic footprint

- 6.1.1 The economic footprint of the existing operations at the West Pier and the GVA created for the local economy of £8.4 million per annum demonstrates the significant direct and indirect contributions of the fishing industry and the on-pier retail and other operations to the Scarborough economy.
- 6.1.2 The regeneration of the West Pier will support the long run viability of the local fishing industry with significant upgrades to the pier facilities. Although this will not create new additional employment, safeguarding existing jobs is important for the continuity of the fishing industry along the east coast.

### 6.2 West Pier regeneration temporary economic benefits

- 6.2.1 The construction phase is estimated to generate some 59 person-years of employment. During the 14 month long construction programme there will be on average 50 gross full-time equivalent (FTE) workers on the site.
- 6.2.2 The 50 FTE construction employees will create an additional £2.54 million of direct GVA per annum to the local economy during the construction period.
- 6.2.3 Net additional spending of around £135,000 per annum will be created by new construction workers and retained within the local economy.

### 6.3 West Pier regeneration permanent economic benefits

- 6.3.1 The net additional jobs associated with the Proposed Scheme (82 FTE) will deliver an additional £3.28 million of direct GVA per annum.
- 6.3.2 Once the regeneration scheme is fully operational, the economic activities associated with the Scarborough Harbour West Pier will generate a total of £11.68 million per annum in GVA to the Scarborough economy.
- 6.3.3 Over a 30-year time frame, this would amount to an estimated GVA of £350.4 million to the local economy.
- 6.3.4 Operational spending by new employees at the West Pier is estimated at around £250,000 per annum.
- 6.3.5 Overall, the regeneration of the West Pier is expected to have positive social and economic benefits for the Scarborough fishing industry, for operations at the Pier, and for the Scarborough local economy.