

REGENERATION AND ECONOMIC DEVELOPMENT PORTFOLIO

DECISION SCHEDULE



Friday 11 February 2011

at 3.30 pm

in Committee Room A, Civic Centre, Hartlepool

Councillor P Hargreaves, Cabinet member responsible for Regeneration and Economic Development will consider the following items.

1. KEY DECISIONS

- 1.1 Parking Strategy – *Assistant Director (Transportation and Engineering)*
- 1.2 Hartlepool Economic Assessment – *Assistant Director (Regeneration and Planning)*

2. OTHER ITEMS REQUIRING DECISION

- 2.1 Dunston Road Bus Lay-By – *Assistant Director (Transportation and Engineering)*
- 2.2 Proposed Alleygate Scheme Rear of Marske Street/Stockton Road – *Assistant Director (Transportation and Engineering)*
- 2.3 Academy and Apprentice Opportunities – *Assistant Director (Regeneration and Planning)*

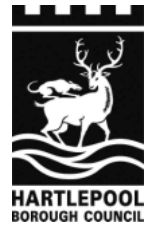
3. ITEMS FOR INFORMATION

- 3.1 Working Neighbourhoods Fund (WNF) – Quarter 3 (2010/11) Update – *Assistant Director (Regeneration and Planning)*

REGENERATION AND ECONOMIC DEVELOPMENT PORTFOLIO

Report to Portfolio Holder

11th February 2011



Report of: Assistant Director (Transport and Engineering)

Subject: PARKING STRATEGY

SUMMARY

1. PURPOSE OF REPORT

To consider and approve the parking strategy document for Hartlepool.

2. SUMMARY OF CONTENTS

The report (attached as **Appendix 1**) outlines the parking strategy for Hartlepool until 2021 considering national and local policies, key actions and identifies objectives.

3. RELEVANCE TO PORTFOLIO MEMBER

The Portfolio Holder has responsibility for traffic and transport related issues.

4. TYPE OF DECISION

Key Decision (test (ii) applies). Forward Plan Reference Number RN24/10. This has an implication on all areas of Hartlepool and has been identified in the forward plan.

5. DECISION MAKING ROUTE

This is an executive decision by the Portfolio Holder.

6. DECISION(S) REQUIRED

That the Portfolio Holder approves the Parking Strategy.

Report of: Assistant Director (Transport and Engineering)

Subject: PARKING STRATEGY

1. PURPOSE OF REPORT

- 1.1 To consider and approve the parking strategy document for Hartlepool.

2. BACKGROUND

- 2.1 The document has been compiled to set out a parking strategy for Hartlepool until 2021. The document considers national and local policies, key objectives, enforcement jurisdiction, and demonstrates how such policies and key actions integrate with transport, planning, economic and environmental strategic aims.
- 2.2 This report was first considered by the Transport and Neighbourhoods Portfolio Holder on 4th October 2010, when the Portfolio Holder requested that the Parking Strategy be presented to each of the Neighbourhood Forums for consideration and comment before being approved.
- 2.3 This subsequently took place during December 2010. The draft strategy has consequently been amended to reflect any views / comments which were expressed during the consultation period.

3. PROPOSALS

- 3.1 The strategy sets out seven key objectives resulting in 20 specific policies. The key objectives being :
- a) To support the local economy
 - b) To tackle congestion
 - c) To change travel behaviour
 - d) To improve accessibility
 - e) To manage the parking asset
 - f) To improve travel safety
 - g) To protect the environment

4. CONSULTATION

- 4.3 This document sets out a parking strategy for Hartlepool and as such affects all residents, businesses and visitors to the town. The

document has been developed with all stakeholders and the original draft strategy has been amended to reflect any views / comments which were received during the consultation period.

5. RECOMMENDATIONS

- 5.1 That the Portfolio Holder approves the Parking Strategy.

6. REASONS FOR RECOMMENDATIONS

- 6.1 To outline the key service objectives and specific policies as contained within the strategy.

8. CONTACT OFFICER

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HARTLEPOOL PARKING STRATEGY

FEB 2011

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1. Introduction

- 1.1 This document sets out the Parking Strategy for Hartlepool up until 2021, along with details of how it should be implemented. The document provides a view of local needs that have arisen and changes introduced by national policy including the Traffic Management Act 2004.
- 1.2 The Strategy draws together a broad range of issues including supply and demand for parking, pricing, safety and security and quality of provision. It also provides a key link between parking and land use planning and the delivery of the Transport Strategy. It includes parking in off street car parks, on street parking (both free and charged for), parking restrictions and their enforcement, and parking associated with new developments.
- 1.3 The introduction of Civil Parking Enforcement (CPE) in 2005 has helped to ensure that HBC's parking regimes are enforced to definable standards. CPE also helps to manage and reconcile competing demands for kerb space and is a key strand of the Council's Network Management Duty.

2. Purpose

The purpose of this Parking Strategy is to provide a balanced package of measures to achieve the following:

- **Support the local economy** – through the provision of appropriate parking for retailing, business, tourism and leisure – in the town centre, local centres and on development sites throughout the Borough.
- **Reduce congestion** on Hartlepool's roads by keeping them free of obstruction caused by inappropriate parking, in line with the Network Management Duty.
- Provide strong encouragement to people to **change their travel behaviour** by improving sustainable travel choices and influencing the level of travel by car for short 'in town' journeys.
- **Improve accessibility** for all through the provision of appropriate parking facilities and rigorous enforcement.
- **Effectively manage** the car park asset, through a programme of maintenance and improvements.
- **Underpin Civil Parking Enforcement.**

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3. Policy Context

- 3.1 Over recent years there have been a number of changes to policy at a national, regional and local level that have a significant impact on how parking is provided, managed and enforced. The effective management of parking is a key tool in reducing congestion, improving accessibility, tackling travel safety and improving quality of life. The supply of parking and provision of sustainable travel choices are key determinants of land use planning and are integral to the emerging Local Development Framework.

3.2 National Policy

The Future of Transport White Paper, published in July 2004, set out a long –term strategy for a modern, efficient and sustainable transport system backed up by sustained high levels of investment over 15 years. Effective management of the road network is a key part of this. The Traffic Management Act 2004 imposes an explicit duty on local authorities to manage their network so as to reduce congestion and disruption. The role of the Traffic Manager is to ensure that parking does not create congestion on the highway network. The Act also provides additional powers regarding parking, including increased scope to take over the enforcement of driving and parking offences from the police (Civil Parking Enforcement).

The Department for Transport 'Operational Guidance to Local Authorities: Parking Policy and Enforcement' (March 2008) states that all local authorities need to develop a parking strategy covering on and off street parking that is linked to local objectives and circumstances. This strategy needs to take account of planning policies and transport powers and consider the appropriate number of total spaces, the balance between short and long term spaces and the level of charges..

Parking policies need to be integral to a local authority's transport strategy. The second edition of the Department's Full Guidance on Local Transport Plans, published in December 2004, says that local authorities should have policies aimed at tackling congestion and changing travel behaviour. These could include restricting the supply of, and/ or charging for, car parking. Chapter 8 of Hartlepool's Second Local Transport Plan set out a framework for parking, and this Strategy is will develop the principals contained in it.

National planning policies recognise the need to move away from the current dependence on the car and the importance of

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promoting alternative modes of travel. This is encapsulated in 3 Planning Policy statements:

- (i) Planning Policy Statement 6: Planning for Town Centres (PPS 6, 2005) States that the Government is seeking to reduce the need to travel, to encourage the use of public transport, walking and cycling and reduce reliance on the private car, to facilitate multipurpose journeys and to ensure that everyone has access to a range of facilities. Good access to town centres is essential. Guidance on parking matters is set out in Planning Policy Guidance Note 13: Transport (PPG13). However, PPS 6 makes clear that good quality secure parking is important to maintain the vitality and viability of town centres, and to enable retail and leisure uses to flourish. One of the indicators of vitality and viability is accessibility, the definition of which includes the "ease and convenience of access by a choice of means of travel, including the quality, quantity and type of car parking"
- (ii) Planning Policy Guidance 13: Transport (PPG13, 2001)) The objectives of this guidance are to integrate planning and transport at the national, regional, strategic and local level to: promote more sustainable transport choices for both people and for moving freight; promote accessibility to jobs, shopping, leisure facilities and services by public transport, walking and cycling; and reduce the need to travel, especially by car.

PPG 13 suggests that the availability of car parking has a major influence on the means of transport people choose for their journeys. Some studies suggest that levels of parking can be more significant than levels of public transport provision in determining means of travel (particularly for the journey to work) even for locations very well served by public transport.

A consistent approach on parking should be set out in the Regional Transport Strategy to avoid wasteful competition between different locations based around the supply or cost of parking, to the detriment of sustainable development. Policies on parking should be coordinated with parking controls and charging set out in the local transport plan, and should complement planning policies on the location of development.

In developing and implementing policies on parking, local authorities should:

- ensure that levels of parking provided in association with development will promote sustainable transport choices;

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- generally not require developers to provide more spaces than they themselves wish;
 - encourage the shared use of parking, particularly in town centres;
 - take care not to create perverse incentives for development to locate away from town centres, or threaten future levels of investment in town centres;
 - require developers to provide designated parking spaces for disabled people in accordance with current good practice;
 - where appropriate, introduce on street parking controls in areas adjacent to major travel generating development to minimise the potential displacement of parking where onsite parking is being limited;
 - require convenient safe and secure cycle parking in development at least at levels consistent with the cycle strategy in the local transport plan; and
 - consider appropriate provision for motorcycle parking.
 - set maximum levels of parking for broad classes of development. There should be no minimum standards for development, other than parking for disabled people.
 - strike a balance between encouraging new investment in town centres by providing adequate levels of parking and potentially increasing traffic congestion caused by too many cars
 - ensure that the scale of parking is in keeping with the size of the centre and that parking provision is consistent with the town centre parking strategy.
- (iii) Planning Policy Statement 3: Housing (PPS3, 2006) Local Planning Authorities should, with stakeholders and communities, develop residential parking policies for their areas, taking account of expected levels of car ownership, the importance of promoting good design and the need to use land efficiently.
- (iv) Government paper – A new deal for transport (1998) Better for everyone: Sets out the governments strategy to create a better more integrated transport system to tackle the problems of congestion and pollution, promote transport choice and reduce car dependency.

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The key element in relation to parking was the government's commitment to introducing legislation that would enable local authorities to introduce charges on private workplace parking spaces. This provides a way for local authorities to raise revenue to fund transport improvements.

National guidance has also been produced by the Department for Transport in relation to other aspects of parking, including parking for the mobility impaired and parking for cycles and powered two wheelers. Particular attention has been made to the DfT report entitled "inclusive mobility" published in 2002 and the FBS 8300-2001 when developing policies and standards for disabled parking in this strategy.

The Traffic Management Act 2004 – Places a strong emphasis on the local authority for parking enforcement through the development and implementation of decriminalised parking enforcement. In accordance with the TMA the Council will be expected to exercise its parking enforcement powers in a fair and reasonable manner to ensure its parking restrictions and enforcement protect the operation of the highway network and bus routes from indiscriminate parking. To ensure that this objective is achieved, the council has a parking Services Manager who leads and directs a dedicated enforcement team that is parking orientated. The structure of the department ensures that enforcement is carried out consistently and fairly, and in accordance with policy and government legislation and guidelines.

The TMA imposes a new duty on local authorities to manage their networks to secure the expeditious movement of traffic (i.e all road users including cyclists and pedestrians) on their network, and to facilitate the same on the networks of others. The expeditious movement of traffic implies a network that is working efficiently without causing unnecessary delays to those travelling on it.

4. Regional Policy

1

The North East of England Plan; Regional Spatial Strategy (RSS) sets out a broad development strategy for the Region for the period up to 2021.

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The RSS strategy is based on the principles of:

- delivering sustainable and inclusive economic prosperity and growth;
- delivering sustainable communities;
- conserving, enhancing and capitalising upon the Region's diverse natural and built environment, heritage and culture; and
- improving connectivity and accessibility within and beyond the Region.

Specifically, Policy 53 Demand Management Measures states that Local Transport Plans and other strategies, plans and programmes should develop integrated demand management measures to address congestion, environmental and safety issues, which include the contribution of:

- bus lanes and other highway reallocation and management measures;
- park and ride;
- car sharing schemes/car clubs;
- parking standards;
- 'softer' transport policy measures including personalised travel planning, travel awareness campaigns and teleworking, teleconferencing;
- workplace parking levies; and
- road user charging.

In addition, Policy 54 Parking and Travel Plans states that The Regional Planning Body in consultation with local authorities will prepare statements on parking standards for each city region and for the rural areas. To complement these statements, Local Transport Plans and other strategies, plans and programmes, and planning proposals should:

- seek to minimise parking provision for non-residential developments, linked to coordinated proposals for public transport and accessibility improvements and demand management.;
- apply guidance set out in national planning policy on residential parking standards, reflecting local circumstances;

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- ensure travel plans are prepared for all major development proposals that will generate significant additional journeys which should seek to maximise travel by public transport, cycling, walking and car sharing. At Key Employment Locations and Brownfield Mixed –Use Locations consideration should be given to developing a coordinated approach for the whole site, including overall levels of parking provision; and
- indicate the nature and extent of contributions that will be necessary to improve transport infrastructure and services as part of development in particular areas or sites

To complement these statements Local Transport Plans and other strategies, plans and programmes should also:

- set maximum parking standards for non-residential land uses in line with the standards set out in the statements for city regions and for rural areas, seeking to reduce provision below these levels in locations with good public transport access, particularly in the Strategic Public Transport hubs and to a lesser extent in the sub-regional and local hubs;
- develop management strategies in each interchange hub for the appropriate level of total parking stock that is consistent with the above; and
- ensure that the pricing of new parking provision does not undermine local parking regimes.

3.4 Sub Regional Policy

In March 2000 the Tees Valley Joint Strategy Unit (on behalf of the five Tees Valley Authorities) produced a policy framework document entitled 'Demand Management in the Tees Valley'. This document included a number of policies in respect of parking which were as follows:

- DM1 The main retail centres in the Tees Valley will seek to harmonise charges for off street long stay public parking over the coming years, having regard to the different sizes, purposes and public transport accessibility of each centre. The local authorities will give consideration to increased long stay off street and on street parking charges in excess of the Retail Price Index every year from 2000 onwards.
- DM2 The supply of long stay on street and off street parking in Tees Valley town centres will not increase above 2000 levels.

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Efforts will be made to restrict more on street town centre parking for short stay or residents only use as appropriate. Encouragement will be given to "car free" developments in appropriate locations which provide significantly reduced numbers of parking spaces for residents, employees or visitors.

- DM3 Local authorities in the Tees Valley will continue to investigate the feasibility of decriminalising the contraventions of permitted parking controls and bringing the enforcement of permitted parking controls under local authority controls.

As part of its support of the Tees Valley Demand Management Strategy the Council is making substantive progress in respect of car parking issues as follows:

- managing car use to the town centre through careful management of supply;
- managing the use of car park spaces in the town centre, through the application of a tiered system of charges, both on and off street; at a level which contributes to demand management;
- implementing residents' parking zones in locations where conflict exists between residential parking and commuter parking; and
- introduction of Civil Parking Enforcement in 2005.

Detailed parking standards for developments are included in Hartlepool's Local Plan and Design Guide and Specification for Residential and Industrial Estate Developments. The Tees Valley authorities, recognising the new guidance in Manual for Streets, have developed new detailed parking standards, (published by Department for Transport, March 2007). Following consultation these will be incorporated into the Local Development Framework (replacing the Local Plan) and into Hartlepool's local Design Guide. The proposed standards are in **Appendix 1**

3.5 Local Policy

Hartlepool Vision

The Hartlepool Vision provides a vision of what Hartlepool's community have said that they want Hartlepool to be like in twenty years time. It has been set by the Hartlepool Partnership, the Local Strategic Partnership (LSP), that exists to

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improve the quality of life in the borough for Hartlepool's residents now and in the future. The partnership is made up of representative of key public bodies, local institutions and organisations and individuals that represent communities of interest. The overall vision is:

"Hartlepool will be a prosperous, caring, confident and outward looking community, in an attractive environment, realising its potential. To achieve this vision we will continue the regeneration of Hartlepool. We will therefore promote and improve the economic, social and environmental well-being of the town, taking into account the needs of future generations. This is our Goal."

Hartlepool Community Strategy

The Community Strategy, developed through the Hartlepool Partnership in 2002, is a shared commitment and programme of action to improve the delivery of services that will help achieve the long-term vision for Hartlepool. The strategy sets out the key issues and opportunities facing Hartlepool's community today, outlines the key priorities and sets out what will the partners will deliver to move towards the vision.

The Community Strategy is split into seven priority aims, each being delivered through partnership theme groups. These aims relate to the shared central-local government priorities and represent key areas for Hartlepool's forward planning and prioritisation.

Transport has a key role to play in the delivery of Hartlepool's Vision. The Community Strategy has therefore been set at the heart of the development of our second Local Transport Plan (LTP) and will continue as such as we develop our third LTP.

The Parking Strategy will have an impact on some of the seven priorities in the community plan which are set out below:

Jobs and the Economy

Develop a more enterprising, vigorous and diverse local economy that will attract investment, be globally competitive and create more employment opportunities for local people.

Lifelong Learning and Skills

Help all individuals, groups and organisations realise their full potential, ensure the highest quality opportunities in education, lifelong learning and training and raise standards of attainment.

Health and Care

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Ensure access to the highest quality health, social care, and support services, and improve the health, life expectancy and well-being of the community.

Community Safety

Make Hartlepool a safer place by reducing crime, disorder and the fear of crime.

Environment and Housing

Secure a more attractive and sustainable environment that is safe, clean and tidy, a good infrastructure and access to good quality and affordable housing.

Culture and Leisure

Ensure a wide range of good quality, affordable and accessible leisure and cultural opportunities.

Strengthening Communities

Empower individuals, groups and communities and increase the involvement of citizens in all decisions that affect their lives.

Planning

Hartlepool Local Plan

The main transport objectives of the Hartlepool Local Plan are as follows:

To ensure the provision of a safe, efficient and economic transport network, accessible to all.

To promote developments in locations which support existing transports infrastructure, which minimise the need to travel, and which are accessible by all modes of transport.

To ensure the developments attracting large number of people locate in existing centres that are highly accessible by means other than the private car.

To increase the attraction of, and to promote viable alternatives to the private car and freight transport.

Regional Planning Guidance

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Regional planning guidance for the north East (RPG!) covering the period up to 2016 was issued by the Deputy Prime Minister in November 2002.

The vision and strategy for the North East set out in RPG is for the sustainable development of the region based on the four key themes of regeneration, opportunity, accessibility and conservation.

The RPG's locational strategy seeks to locate the majority of new development to the built up areas of Tyne, Wear and Tees conurbations with significant smaller scale development in Hartlepool and Darlington and the main towns serving other regeneration areas in the region, and to enhance the role of market towns and other main rural centres in serving their hinterland.

Transport

Hartlepool's Second Local Transport Plan 2006/2011 sets out the Council's vision of how transport investment and other actions will contribute to improving local people's quality of life and support the long term vision for Hartlepool as well as sub regional and regional objectives. The vision is also articulated in terms of the Government's shared priorities.

A new vision for transport has been developed that reflects the central role of transport in contributing towards the long-term vision and priorities for Hartlepool's community. Our local transport vision for the year 2021 is that:

'Hartlepool will have a high quality, integrated and safe transport system that supports continued economic growth and regeneration. It will provide access to key services and facilities for all members of society, promote sustainable patterns of development and movement and minimise the adverse effect of traffic on local communities and the environment. The development of transport services and infrastructure will represent best value for money for the users, operators and the council.'

This determines that:

- People will have wider choices for travel into, out of and around Hartlepool
- People will be able to easily access a range of key services, facilities and opportunities including jobs, education and training and health care
- These travel choices will be more sustainable

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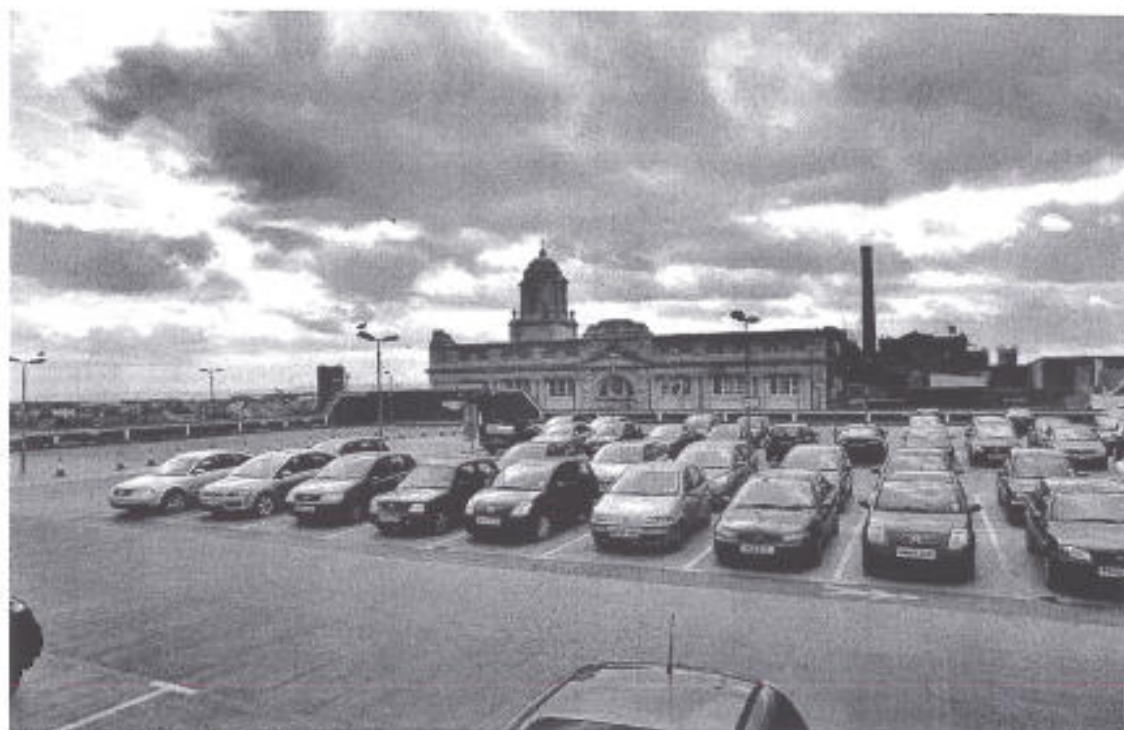
- Hartlepool's continued economic growth and regeneration will be supported
- Businesses will be able to link to other businesses and businesses able to link to markets
- People and businesses will be able to enjoy freer flowing local roads with delays kept to a minimum
- People are, and feel, safer through reduced risk of injury caused by road traffic accidents
- The impact of transport on the environment will be minimised
- The implementation of transport policies and schemes will provide the greatest benefits for the funding made available

This vision for local transport sits within the national, regional and local policy context and has been formed by the aspirations of policy documents that have influenced the second LTP. This will ensure that the local transport strategy will help to deliver the key objectives of the wider policies.

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4. Current Parking Provision

4.1 Off Street



Multi Storey Car Park

In the central area of Hartlepool there are in the region of 1868 car parking spaces for visitors and commuters to use. This is made up of:

- 1280 short stay spaces
- 338 long stay spaces
- 65 disabled spaces
- 185 contracted spaces
- 8 motorcycle spaces

There are 13 car parks in and around the town centre. Charges apply from 8am to 6pm, Monday to Saturday, excluding Christmas Day, Boxing Day and New Years Day.

Full details of the car parks in the town are provided in **Appendix 2**

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Marks and Spencer Car Park

Apart from permit parking, all other car parks operate on a pay and display basis, or pay by mobile phone. Payment by mobile phone for parking was introduced in 2008 in conjunction with Middlesbrough, Stockton on Tees and Redcar and Cleveland Councils. This allows a user to charge their parking to a credit or debit card by making a short telephone call. Once the user has registered their details they can use the facility to pay for parking in Middlesbrough, Stockton on Tees or the Redcar and Cleveland borough.

Of the 13 car parks listed, to date 9 have been awarded the Secured Car Parks "Park Mark" award status (69%). This exceeds the 65% target for 2010/2011 in the Local Transport Plan. There is a rolling programme to refurbish and update all of the car parks in the central area that should be completed within the next 3 years.

In addition to this there are plans, subject to funding, to provide electronic real-time information signs indicating the location and number of available car parking spaces on the main road approaches to the town centre. This will reduce the circulation of vehicles looking for a parking space and alleviate traffic congestion. It will also be effective as a management tool and provide us with valuable information on car park usage.

The most convenient car parking in the town centre is mainly dedicated to those who are visiting for short periods of time, who tend to be shoppers. These visits are vital to the economy and prosperity of the town centre and should be made as easy as possible. Spaces will be used repeatedly in a short time period and therefore maximise the number of people who will benefit. It follows then that the most central town centre car parking should be "short stay" in nature. This will support the strength and vitality of the town centre.

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Parking charges in our car parks compare very favourably to the prices charged by neighbouring authorities, which is an important factor in continuing to attract shoppers and visitors to the town. The charges are reviewed on an annual basis. When reviewing its car parks charging structure, the Council adopts a balanced approach between supply and demand, income generation, and the need to ensure the economic well being of the town centre and encouragement of future growth.

4.2 On Street

In 2008 a major review of parking to the east of the town centre was undertaken to try and solve congestion, inconsiderate parking issues, and a shortage of parking for visitors to nearby businesses.

A consultation exercise was undertaken involving local businesses, and motorists parking in the area. After the results were analysed it was decided that the main priorities were to:

- regulate parking in the area
- provide adequate short stay and limited waiting parking for visitors to nearby businesses and for the use of taxis
- provide additional long stay parking for students and commuters
- provide commuter permit parking areas.

Consequently a scheme was devised to supply the area with:

• Limited Waiting bays	12
• Short stay pay and display bays	18
• Long stay pay and display bays	36
• Business Parking bays	42
• Commuter Parking bays	150

The area is now well regulated and most of the parking issues have been resolved.

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4.3 Resident's Parking Zones



Up until 1989 there were no charges to park in the car parks in the central area of the town. However when charges were introduced, measures had to be taken to ensure that residents living near to the centre were protected from commuters parking outside their houses to avoid paying parking charges.

Consequently two residents only parking zones (RPZ) were introduced in which parking was restricted to permit holders during the restricted times, 8am to 6pm, Monday to Saturday. Over time additional Resident Only Parking Zones had to be added as commuters displaced further and further into unregulated streets adjoining the restricted zones. There are now 12 Resident Only Parking Zones in the central area which are shown at **Appendix 3**

Charges for Residents and Visitors permits were introduced in 1999. The charge was £1 per permit, however to help in covering the costs of running the service, charges have recently increased, and a two tier charging policy is in operation.

Those residents who live within approximately a 500metre radius of the central area pay £5 per permit, whilst residents who live beyond the 500metre radius pay £20 per year per permit.

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Residents can apply for residential permits for vehicles they own or lease to enable them to park within the restricted zone. Bona fide visitors can also apply for a visitor permit to visit the resident, along with other "legitimate visitors" such as Health Service and Social Service personnel who need to visit residents in the course of their duties.

At this time there are only a small number of streets that have a problem with over capacity at certain times of the day. The number of permits per household is not capped at the moment, however this may need reconsidering in the future if problems materialise.

New applications from residents requesting the introduction of parking restrictions in their streets are subject initially to surveys of the area to establish the cause of the problem. This may be due to commuters parking there to avoid parking charges, or the conversion of a house to flats, or a nursing home for example. In some cases reference would be made to the Planning Department to determine what parking arrangements were included in the planning permission.

If it transpires that the parking problems are such that the only solution would be to introduce permit only parking, a formal consultation with all of the residents in the street follows. If the majority of residents are in favour of permit only parking, then the application will be referred to the portfolio holder, and if passed legal implementation will follow.

The aim is to hopefully allow businesses and residents to work and operate successfully together.

From time to time issues and concerns are raised by residents living within the RPZ's. To accommodate and deal with their concerns, a Parking User Group has been established. Various representatives from several sectors attend and the Group discuss changes to the legislation, source provision and improvement and allow the business sector, resident representatives and political representation to comment on the parking service.

A future consideration to improve air quality and reduce emissions, in accordance with government guidelines, may be to structure the cost of permits according to how environmentally friendly the vehicle is. The cost would mainly depend on how fuel-efficient the vehicle is.

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4.4 Business Parking



Business permits are available to business users who need to park close to their place of work in order to undertake regular journeys to and from that place of work.

To apply for a business user permit, applicants need to declare that the need for the permit is for operational reasons, and not simply for convenience. The current charge for a business permit is £310 per year.

There are two types of business permit in Hartlepool: Essential Business and Residential Business. Essential business permit sites are located outside of a Residents Only Parking Zone, (RPZ), whereas Residential Business permits are issued to businesses located within a RPZ.

230 essential business permit spaces have been created in 19 streets around the centre of the town.

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Businesses whose premises are located within a RPZ can purchase up to 2 permits per business, however hotels can apply for additional visitor permits depending on the number of bedrooms, and dining accommodation in the premises. (1 for every 20 bedrooms and 1 for every 20 dining seats). A total of 18 Resident Business permits are in current use.(?)

Again, the aim is to hopefully allow businesses and residents to work and operate successfully together.

4.5 Parking for registered disabled Blue Badge Holders

The Disability Discrimination Act places responsibilities on all service providers to ensure that access to their service is available to all. Improving accessibility for people with disabilities is a key objective of the Local Transport Plan, and the Local Plan, and is reinforced by legislation contained within the Traffic Management Act. All accesses to and from the car parks must be accessible to disabled customers and such access must not be unreasonably difficult.

The car parks in the central area of Hartlepool are all easily accessible, with the Multi Storey car park also providing lift access.

There is a rolling programme of improvements to the car parks in the central area, and as each car park is refurbished, the number of disabled bays is reviewed and revised, along with bringing the bays up to the required standards. It is anticipated that by the year 2012 all our disabled bays will be fully compliant with national guidance

There are currently 58 bays specifically designed for blue badge holders that enable the holder of the badge, whether they are the driver or the passenger in the vehicle, to park without charge, with no limitation on the duration of their stay. In addition to this, a blue badge holder can use any of the pay and display bays for up to 3 hours without payment, as long as their valid blue badge and clock is displayed correctly.

The current national recommendation is to provide 4 blue badge spaces for every 100 spaces. Excluding contracted bays, and motor-cycle bays, Hartlepool has 1502 pay and display spaces, which would mean that to comply with national recommendations we should have 60 dedicated spaces, whereas we currently provide 58. This number will increase to 60 plus when all of the car parks are refurbished within the next 3 years.

There is also an excellent Shopmobility facility that is located next to the Marks and Spencer (North) car park. People with mobility problems can hire a range of equipment including, 6 Power Chairs, 9 Scooters, 10 Wheel Chairs and 2 Walkers, along with crutches and walking sticks to help them visit the shops and facilities. The charge for the hire of any piece of equipment is £1

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per hour. Shopmobility have 5 dedicated bays in the adjoining car park that can be booked in advance or on the day by disabled visitors.

Blue badge holders are also permitted to park on a single or double yellow line. (where there are no loading restrictions) for up to 3 hours, so long as their valid blue badge and clock are correctly displayed. They can also park for up to 3 hours in a Residents Only Parking zone with the same proviso.

There are currently 4680 blue badges issued to residents of Hartlepool, (which is almost 5% of the total population). Reported abuse of blue badges is increasing however and this is a matter for concern.

Additional powers under the Traffic Management Act now enable a Civil Enforcement Officer to ask to examine a person's blue badge if they feel that there are sufficient grounds to do so. They can also request police intervention to have the badge confiscated, if grounds for this have been established, as only the police have the power to confiscate a badge. The council take very seriously the problem of blue badge abuse, and all reported incidents are fully investigated.

In 1999 the Disabled Persons Transport Advisory Committee (DPTAC) published a review of the orange badge scheme. This raised concerns about the dramatic increase since 1987 in the number of badges that have been issued, particularly the number of discretionary badges. Another concern was the continuing reported abuse/misuse of the scheme, which is undermining the value of the scheme.

Comprehensive guidance on new regulations is still awaited, and we will continue to monitor the situation.

At this time there are no plans to introduce charging for blue badge holders, although some authorities operate free parking for the first 3 hours in line with the on street restrictions. Further time can then be added by buying a ticket to extend the stay. This may be a consideration in the future.

4.6 Parking for Pedal Cyclists and Motor Cyclists

There are currently 8 dedicated dual-purpose pedal cycle and motor - cycle bays in the central area car parks. Most of the bays have secure bars to fix the vehicles to. There is no charge to park cycles in these bays.

Indications are that the number of spaces meets the need of cyclists at this point in time, however this will be closely monitored. The Council is aware that cycles and powered two wheelers are more efficient users of road space than the car and are also a healthy and less polluting alternative, and will encourage their use wherever possible.

4.7 Hartlepool Borough Council Staff Car Parking

Following the publication of The Government's White Paper: A New Deal for Transport (1998): Better for Everyone, the Council in line with many other local authorities, introduced charges on private workplace parking spaces for

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their employees. It was intended that local authorities use the extra revenue to fund transport improvements.

There are currently 11 staff car parks where charges are in operation, namely:

- Bryan Hanson House
- Lauder Street
- Mill House
- Municipal Buildings
- Museum Road
- Rear Windsor Offices
- Sir William Grey
- Town Hall
- Underground
- Waldon Street
- Depot

Parking charges are based on salary there is also a premium charge for staff parking in the Civic Underground car park, due to the enhanced security and desirable location of the car park.

Priority when allocating staff spaces has in the past been given to designated "Essential car users" whose job requires them to frequently use their car in the course of carrying out their duties. However this allowance was recently abolished and HBC are currently reviewing a replacement criteria based on requirements to make regular car journeys, site visits; staff mobility/disability problems; car sharing and staff personal needs etc.

4.8 No Waiting and Restricted Waiting Areas

On street no waiting and restricted waiting is in force where there is an operational need to keep the area free from vehicles during the restricted times. There are exceptions such as emergency vehicles, blue badge holders etc. and motorists who are loading and unloading from a vehicle.

A vehicle parking on a single or double yellow line, (without a loading ban) will be allowed to load and unload only for as long as necessary. Loading and unloading has to be seen to be continuous, and observed by the Civil Enforcement Officer (Parking).

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5. Key Issues

The provision and management of parking in formal car parks and on street is complex and has a direct impact on many residents, businesses and visitors. A number of key issues have been identified:

- Car parks are often a visitor's first impression of the town and are a significant Council asset, which should be maintained to a high standard. Currently car parks are not part of the Transport Asset Management Plan as they are not part of the highway network but are routinely inspected to identify safety defects (e.g. trip hazards). Condition inspections are not routinely undertaken. Addressing condition defects such as cracks or undulations in the surface of the car park, would have significant budget implications.
- The quality of the car parks requires improving – complaints are received about the size and layout of spaces and surface condition of some car parks. Quarterly inspections are carried out whilst reactive repairs and scheduled maintenance is programmed including the refurbishment, reconstruction of several sites. This is an ongoing programme which aims to bring the sites up to the "park mark " standard.
- Cost of car parking to motorist – car drivers always wish car parking to be free, but the cost of provision of car parking is significant. A balance between supporting the local economy and demand management has to be struck. Greater flexibility could be provided in the cost of car parking by introducing short stay parking charges in long stay car parks.
- Current capacity of car parks – Although at present, parking availability in both off and on street areas can meet demand, the loss of the Albert Street Car Park (HCFE development) and the introduction of new facilities such as the Park Road One Life Centre may place pressure for parking spaces in the immediate area especially in relation to long stay parking provision. This demand will need to be continually monitored..
- High demand for short stay parking at schools – this creates school gate congestion and actual and perceived road safety issues at peak times. Consideration is being given to using mobile camera enforcement technology to address this issue.
- Increasing car ownership and multiple car ownership – this creates an increased demand for parking in residential areas, some of which do not have off street parking..

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- Meeting needs of all highway users – there are conflicting demands between residents, businesses, shops and visitors, as well as between pedestrians, delivery vehicles, buses and taxis, cycles and motorcycles. There are also additional requirements to provide accessible parking bays for disabled drivers displaying a blue badge.
- Managing expectations of developers – in order to meet planning guidelines as well as contributing to the achievement of transport objectives new developments must comply with parking standards as well as implementing travel plans to reduce the problems associated with excessive parking demands.
- Although no mandatory LTP outcome indicators have been set by the Department for Transport for parking Hartlepool have set a local indicator to measure the percentage of Council controlled off-street car parking spaces with "Park Mark" award status, with a target of 65% by the end of the second Local Transport Plan in 2011.
- In Hartlepool Town Centre, parking control by price has been successfully used to encourage long-stay parking at more peripheral car parks and enable short stay parking in the core retail area.
- The closure of Albert Street car park, to accommodate the redevelopment of Hartlepool College of Further Education, resulted in the loss of 72 contracted spaces, and 70 discounted long stay bays. A high percentage of the permit holders from Albert Street have now been relocated to the Multi Storey car park, and the popularity of the long stay bays is increasing all the time
- The number of short stay bays in the central area currently meets demand, and there are only certain times of the year, e.g Christmas time, at peak periods, when the more popular car parks are occasionally full, and shoppers and visitors may not be able to park in their first choice car park. This problem has been addressed in the main by allowing free parking after 4pm in selected car parks, and not charging for parking on a Sunday. These concessions have also attracted extra shoppers and visitors, which in turn has generated an increase in turnover for the town centre traders.
- Parking on a Sunday is currently free, however some neighbouring authorities do charge.
- There are 185 contracted spaces spread amongst 4 of the car parks in the central area. These spaces are mainly used by

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commuters who pay the sum of £310 per year for a permit to park in one of the allotted spaces from Monday to Friday. There are currently waiting lists for contracted spaces.

6. Objectives

From these issues, 7 key objectives have been identified that the Parking Strategy sets out to achieve. Many of these objectives are interlinked, for instance effectively managing the car park asset providing high quality, secure car parks with flexible payment options – also contributes to attracting visitors to the town centre and supporting the local economy.

These objectives will also have other associated benefits such as improving the local environment through reduced CO2 emissions and promoting active travel with associated health benefits.

1. Support the local economy
2. Tackle congestion
3. Change travel behaviour
4. Improve accessibility
5. Effectively manage the car park asset
6. Improve travel safety
7. Environment

Fifteen policies have been drafted to deliver against these objectives. The links between the issues, objectives and policies are detailed in **Table 2**.

Table 2 – Links between issues, objectives and policies

Issues	Objectives	Policies
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<p>Cost of car parking to the motorist.</p> <p>Current spare capacity in car parks</p> <p>Managing expectations of developers</p>	<p>To support the local economy</p>	<p>Pricing</p> <p>Determining Future Levels of Parking Stock</p> <p>Review Parking Restrictions (operational parking)</p> <p>Parking Standards on New Developments</p>
<p>Cost of car parking to the motorist</p> <p>Lack of enforcement</p> <p>School gate congestion</p> <p>Increasing car ownership</p> <p>Conflicting demands</p>	<p>Tackle congestion</p>	<p>Civil Parking Enforcement</p> <p>School Gate Parking</p> <p>Review Parking Restrictions (road space reallocation)</p>
<p>Cost of car parking to the motorist</p> <p>Lack of enforcement</p> <p>Conflicting demands</p>	<p>Change travel behaviour</p>	<p>Pricing</p> <p>Civil Parking Enforcement</p> <p>Travel Plans</p> <p>Car Club</p>
<p>Cost of car parking to the motorist</p> <p>Lack of investment in car parks</p> <p>Conflicting demands</p>	<p>Improve accessibility</p>	<p>Residents' Parking Schemes</p> <p>Improve availability and quality of parking for all users</p> <p>Civil Parking Enforcement</p> <p>Lorry and Coach Parking</p> <p>Review Parking Restrictions</p>

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Lack of maintenance of car parks Lack of investment in car parks. Spare capacity in car parks	To effectively manage the car park asset	Improve availability and quality of parking for all users Quality parking management New technology
Lack of enforcement School gate congestion Increasing car ownership	To improve travel safety	Safety and security

OBJECTIVE 1 – TO SUPPORT THE LOCAL ECONOMY

Transport is a derived demand, in that most people do not travel for its own sake, rather they travel to undertake another activity, such as going to work, school, shopping, leisure or accessing services. In the same way, car parking is a derived demand for car drivers. In Hartlepool, five types of potential demand have been identified, namely:

- parking for town centre shopping and other short stay activities;
- parking for town centre employment and other all day uses;
- parking in residential streets where demand exceeds supply due to conflicting needs of users of different land uses (residential, employment, business, health etc)
- parking associated with major transport facilities – Interchange, metro
- parking to serve employment uses,

In considering how to respond to the different types of parking demand, the Council has to balance the role of supporting business and inward investment whilst meeting the parking needs of local residents and their visitors.

Parking supply

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As outlined above, there are essentially two different needs for central area parking:

- short stay facilities for those who need to park for a few minutes or hours including provision for delivery vehicles to service businesses, bus stops and accessible parking for those with blue badges; and
- long stay facilities for those who need to stay for longer periods of time, for example workers based in the town centre. In this case, the demand pattern may be repeated over several days.

There also needs to be a consistent approach to the provision of parking at new developments, which balances the need to attract inward investment into Hartlepool with the potential negative impacts of increased traffic and associated parking on the highway and local environment.

Policy 1 - Determining Future Levels of Parking Stock

Ensure that the overall supply and location of long and short stay parking is sufficient to meet the needs of shoppers and town centre visitors and those drivers who need to commute to work by car.

Pricing Policy

Parking charges are an important mechanism for controlling the demand for parking spaces. However, a balance needs to be struck. If charges are too high, then car parking spaces will be underused. Conversely, if charges are too low, then demand will increase such that vacant car parking spaces will be more difficult to find and congestion will increase. Low charges could also result in increased car use at the expense of more sustainable means of travel. Currently the use of public car park spaces in the town centre is managed, through the application of a tiered system of charges, both on and off street, at a level which contributes to demand management.

Parking charges are applied to many car parks within the Borough, both as a means of repaying some of the costs of providing the facility (land, infrastructure, operation), but also to control the utilisation of the available spaces. In Council operated car parks, the principle of paying for parking is also justified because the benefit is not universal to all residents.

In addition, a careful balance in the charge levels needs to be maintained to ensure that the town centre is not disadvantaged in comparison to out of town centres and other neighbouring centres. The needs of the local economy and the policy context need to be considered in determining what level of parking charge is fair and

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reasonable to apply. The current parking charges are shown in Appendix 2.

Policy 2 Pricing

- a) Retain the differential charges for long and short stay car parks
- b) Review charges annually, having regard to occupancy levels, charges levied in competing centres and the transport policy context

Parking Standards on New Developments

The number and design of parking spaces are determined during the Planning process and are currently guided by the standards set in Hartlepool's Local Plan. Maximum standards are designed to be used as part of a package of measures to promote sustainable transport choices, reduce the land take of development, enable schemes to fit into central urban sites, promote linked trips and access to development for those without use of a car and to tackle congestion. There are no minimum requirements, other than parking for disabled people.

Recommended revised local parking standards in line with up to date Government guidance (PPG13 and, in respect of residential development, PPS3 Housing, 2006) are set out in the new Tees Valley Guidance on Parking Standards, (Appendix 1 to this document).

Guidance should include maximum numbers of spaces, design and layout of spaces, provision for accessible spaces for disabled drivers, number and design of parking spaces for cycles and motorcycles and operational parking. There should also be regard for pedestrian access to and through the car parks.

In certain circumstances developers can be required as part of a planning permission to make a financial contribution to appropriate sustainable methods of travel where a development generates new residents or employees. Such payments can be justified in order to improve the choice and quality of methods of travel and as a balance to any provision of new car parking spaces. Development should not have a detrimental impact on surrounding areas in terms of the environmental effects of displaced parking. Mitigating measures may be required as part of the planning decision.

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Policy 3 Parking Standards on New Developments

Ensure that parking standards for new developments in the Borough are in line with up to date Government advice.

OBJECTIVE 2 – TO TACKLE CONGESTION

Hartlepool is tackling congestion in 4 ways:

- To increase highway capacity at pinch points, particularly through junction improvements and reallocation of highway space. (This may include the removal of on street car parking).
- To better manage the highway network to reduce delays. (Efficient enforcement of traffic regulation orders to deter inappropriate parking for instance on key routes into the town centre, in loading bays, at bus stops outside schools).
- To promote travel choices through improving public transport, walking and cycling networks and providing high quality, accessible information on those choices.
- By effectively managing utility and contractor operations in and on the highway to ensure that they cause the minimum disruption to traffic

Managing and enforcing parking can have a significant impact on the level of traffic and resulting congestion on the highway network. The Local Transport Plan has introduced strategies to reduce the number of trips by car by implementing policies that improve other travel choices such as public transport as well as seeking to tackle parking at schools and the workplace. Improved enforcement of parking regulations can reduce delay caused to vehicles through illegal parking.

Civil Parking Enforcement

The Network Management Duty also places a duty on the Council to keep traffic moving, thus reducing congestion. Illegal parking such as parking at a bus stop, parking on double yellow lines or in a loading bay causes short term, localised disruption on the highway network. This creates problems for public transport and delivery vehicles but also creates general congestion, that impacts on all road users.

Since 2005 the Council have had responsibility for enforcing these regulations under Civil Parking Enforcement legislation. The main benefit of CPE locally is that Hartlepool is able to ensure that its parking regimes are enforced to definable standards that the public understands and which can be enforced fairly, accurately and expeditiously.

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Policy 4 Civil Parking Enforcement

The council will continue to manage the Traffic Network to ensure the expeditious movement of traffic; improving road safety; improving the local environment; improving the quality and accessibility of public transport; meeting the needs of disabled people; and meeting and reconciling the competing demands for road space.

Travel Plans

In order to reduce the number of car trips to employment sites to tackle both traffic congestion and reduce the demands for car parking, the Council is working with a number of employers to encourage them to produce their own travel plans. Travel Plans are site specific and comprise a number of measures to encourage travel by more sustainable modes and deter unnecessary car trips. One of the aims of such plans is to reduce demand for car parking and for employers to better manage the car parking within their control. The Borough Council are in the process of introducing its own travel plan.

Policy 5 – Travel Plans

- a) To support local employers in implementing travel plans and secure additional travel plans through the planning process

School Gate Parking

Each day during the school term thousands of Hartlepool children and their parents travel from home to their school in the morning, and make the return trip in the afternoon. Many pupils living close to school walk or cycle, with those living further away travelling mainly by bus or car. The school journey causes localised congestion and parking around schools can create road safety problems and inconvenience for residents.

Through school travel plans Hartlepool Council is taking a lead in addressing the need to encourage greater use of sustainable travel and less use of the private car. Hartlepool is promoting cycling and extending and improving the cycling infrastructure with a view to improving levels of cycling.

The School Travel Plan Strategy sets out why and how the Council aims to bring about a step change in home to school travel patterns to

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help cut congestion, pollution and ease school gate parking and the associated disruption for those who live close to school.

Footpath Enforcement

Recent amendments to CPE now allow the enforcement of dropped kerbs via the powers of the Traffic Management Act 2004. The contravention is exempt of the need for signage or road markings.

The powers of enforcement substantially assist those with mobility issues or who are dependant on wheelchair access or pedestrians with prams and push chairs and as a result HBC are actively promoting enforcement in this area.

In addition many pedestrians complain of the lack of enforcement in relation to footpath obstruction. Although often the contravention of obstruction is outside the parameters of the local authority powers, HBC are actively working with The Police in joint enforcement initiatives to both promote and report incidents of inconsiderate parking and cases of footpath obstruction. The initiative is currently being trialled in the Headland and North Forum areas of the town

Policy 6 School Gate Parking & footpath obstruction

- a) New schools will be designed to give priority to the principles of sustainable travel
- b) Appropriate parking controls will be introduced and enforced outside schools to address road safety concerns and promote sustainable travel
- c) Appropriate parking controls to seek to ensure footpaths are kept clear of parked vehicles.

Park & Ride

Park & Ride schemes, in appropriate circumstances, can help promote more sustainable travel patterns, both at local and strategic levels, and improve the accessibility and attractiveness of town centres. However, in Hartlepool, there is currently insufficient demand to develop a business case for a Park & Ride scheme.

However, Park and Ride should be reviewed again as the Tees Valley Bus Network Improvement and Metro bid proposals progress, as these schemes may provide alternatives to the development of Park & Ride sites.

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Policy 7 Park & Ride

The provision of Park and Ride should be reviewed as the Tees Valley Bus Network Improvement and Metro bid proposals progress.

OBJECTIVE 3 – TO CHANGE TRAVEL BEHAVIOUR

The implementation of parking policies can influence whether people choose to travel by car or by other means. Parking has to be provided for those trips at or near their destination, whether that be a car park, on street parking or private parking (e.g. a driveway).

However many journeys are already or could be made by other means and encouraging and supporting people to do this is also a key part of parking strategy.

Implementing policies on pricing, enforcement or travel plans can encourage people to use other modes. For instance, assisting the bus companies to operate services to time and to enable buses to actually reach the bus stops through enforcement of parking restrictions in bus stops will encourage more people to travel by bus. 2plustravel is a scheme whereby people travelling around the Tees Valley can be "matched up" to promote car sharing and hence reduce the number of vehicles on the road. The continued promotion of the scheme will hopefully result in the membership growing.

Policy 8- 2plustravel

Continue to promote/advertise the 2plustravel scheme to encourage car sharing and hence reduce the number of vehicles on the road.

OBJECTIVE 4 – TO IMPROVE ACCESSIBILITY

This objective seeks to ensure that those who need access to parking are able to do so and to address the often conflicting demands for space. The Parking Strategy primarily relates to parking of the private car, but consideration should also be given to the needs of all users and types of transport.

Accessible parking

There are currently 61 parking spaces specifically designed for blue badge holders (registered disabled private car drivers) in Hartlepool's car parks. In Council operated car parks, Blue badge holders can park in designated parking bays free of charge and in non designated spaces for 3 hours without charge.

Cycle parking

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The quality and availability of cycle parking at key destinations is a key element in encouraging a modal shift from private car to more sustainable forms of transport.

Employers and house builders will be required to make covered, secure cycle parking provision as a requirement of any planning permission.

Motorcycle parking

The Institute of Highway Incorporated Engineers (IHIE) guidelines for motorcycling encourages local authorities to increase provision of motorcycle parking that is Near, Clear, Secure and Safe to use. This should be the adopted approach and the council will work towards providing improved motorcycle parking provision within existing car parks and at relevant facilities throughout the Borough.

Policy 9 Improve availability and quality of parking for all users

The Council will continue to improve the provision of convenient parking for disabled persons, motor cyclists and cyclists both within public car parks and on street.

Lorry and Coach Parking

Lorry parking – HBC do not provide a dedicated site for HGV's. Over night parking is however available at Wynyard and A19 Service Stations. Both sites are under private ownership.

Coaches – Parking for coaches is available at Hartlepool Maritime experience whilst additional coach parking can be accommodated at Seaton Coach / Car Park at Seaton Carew. This site does however operate a seasonal dusk till dawn timetable resulting in the site being locked from early evening.

Policy 10 Lorry and Coach Parking

The Council will continue to develop and assess lorry and coach parking provision, working in conjunction with existing privately run sites, whilst assessing future needs and requirements.

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Managing Residential Parking Issues

The Council recognises that residents expect that they will be able to park in the vicinity of their homes and have accepted that the needs of residents should have a high priority in such situations.

Residents Parking Schemes are designed to protect residents' parking from parking by commuters and shoppers. They require a valid permit to be displayed at all times when parking within a residents only parking zone.

As areas become affected by commuter parking full consultation will be undertaken with residents and, should the majority so wish, a resident parking scheme would normally be introduced.

Policy 11 Residents' Parking Schemes

The requirement for new RPZs as a result of development will be identified during the Planning process and appropriate conditions applied to the development.

Review Parking Restrictions

New parking restrictions may need to be introduced or existing restrictions reviewed in light of changing circumstances.

a) Provision of Parking Places -Wherever it is possible, desirable and safe to park on the highway, taking into account the access needs of emergency service vehicles, this should be allowed. The conditions relating to who may park and for how long will be tailored to meet the local needs, including those of residents, shops and businesses, subject to resources being available to the local authority. Priorities will be afforded to Blue Badge holders who rely on their vehicles to access local amenities. However, on street parking will not be allowed in roads where Traffic Regulation Orders exist eg Hackney ranks, bus clearways, loading bays etc.

b) Road Safety and Casualty Reduction- Parking restrictions will be considered if an accident investigation identifies that parking is a contributory factor to the road safety situation at that location. Parking restrictions will be investigated if it is considered that parking is causing potential road safety hazards at a particular location, including impairing visibility for pedestrians seeking to cross the highway.

c) Traffic Flow – Parking restrictions will be considered to maintain traffic flow and ensure safe turning movements. Situations affecting the

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passage of emergency service vehicles will be addressed in consultation with the emergency services affected. The extent of the proposals will be determined in accordance with the nature and classification of the highway. Priorities will be given to proposals benefiting alternative modes of transport to the private car to assist in the creation of an integrated transport system.

d) Environmental Conditions – Parking conditions will be considered in order to improve the quality of life for residents, shoppers and other road users by reducing:

- conflict between vehicles and pedestrians/cyclists;
- vehicle speeds; and
- perceived danger.

e) Priority will be given to parking conditions around schools to coordinate with the Authority's Safer Routes to Schools initiative. Priority will also be given to residents where the introduction of other parking controls has resulted in parking displacement to their community.

Policy 12 Review and consider Parking Restrictions

The Council will review existing parking restrictions and the need to introduce new restrictions where necessary and in order to meet the objectives of relevant plans including the Network Management Plan, Casualty Reduction Plans and Safe Routes to Schools Initiative

OBJECTIVE 5 – TO EFFECTIVELY MANAGE THE PARKING ASSET

Off street car parks and kerb side parking on the highway are valuable assets that the Council owns and manages. Off street car parks have an inherent value as pieces of land and as potential development sites for many other potential uses. They are used to provide a service, which provides a source of income. Therefore on both these counts they should be effectively managed to maximise their return and value to local people.

As an asset car parks should be maintained and improved as appropriate. They do not currently form part of the Transport Asset Management Plan as they are not part of the highway.

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Wherever parking takes place on the highway – charged for or free – it is allocating space to parking rather than to free flowing traffic. Under the Network Management Duty the Council has a duty to ensure that traffic is able to flow and therefore it may be appropriate to allocate some road space currently used for parking to general traffic or specifically to certain modes such as bus lanes (and taxis/cycles). (This is dealt with under Policy 12)

Quality Parking Management

Quality parking management is about the way that the Council operates its car parks and how the public experience the car parking offer. It relates to how well the car parks are designed, maintained, cleaned and how secure they are. It is also about clarity of the information provided and ease of use, fairness of the enforcement regime and the level of customer service.

Public expectation of the quality of car parks has increased in recent years and the customer now expects well managed, clean, attractive car parks. For visitors, the town's car parks often contribute to their first impressions of the town and can determine whether or not they return on subsequent occasions. Such impressions are therefore important because they can impact on the economy of the town. The Council must therefore seek to ensure continuous improvement in the quality of its car parking provision.

A car park user's survey is scheduled to take place in November 2010. This will welcome comments from all types of service users, including pay and display, permit holders etc., and will incorporate the views of appropriate stakeholders such as MGSC.

A number of measures have recently been introduced to offer further customer choice. Park and Pay by Phone service, where motorists can pay their parking charges by credit/debit cards via their mobile phones has been very successful and was introduced as part of a Tees Valley initiative with our neighbouring authorities. The scheme has proved very popular with the number of motorists registering with the system continuing to increase.

Further improvements should include a review of the size and design of spaces in all car parks and pedestrian access.

Income from parking needs to cover all associated costs ie administration, operation, review, enforcement costs, maintenance and enhancement. One key principle is that any surplus income should be restricted to investment in parking, public transport, highway or environmental improvements.

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Policy 13 Quality Parking Management

- a) To inspect and maintain car parks to highway standards as part of the Transport Asset Management Plan with appropriate levels of funding.
- b) Seek to improve the quality of Hartlepool's car parks by carrying out a programme of improvements to meet customer needs.

New Technology

In recent years the Council has invested in new technology to improve the quality and management of its car parks. These improvements have included the following:

- additional CCTV installations in car parks;
- use of Blackberry technology and digital cameras by Civil Enforcement Officers ;
- introduction of Park & Pay by Phone;
- installation of solar powered parking machines;
- Enforcement of parking contraventions by approved CCTV devices.
- improved electronic services, such as payment of parking fines, registration of appeals and viewing of evidence online.

The council is committed to investing in new technology that will allow the enforcement of parking contraventions such as school keep clearways, bus clearways, taxi ranks and no loading bans, by the use of approved CCTV devices. Recent changes in legislation now allow for enforcement to be carried in this way and this will support road safety schemes and travel plan initiatives whilst ensuring bus clearways and taxi ranks are kept clear for their intended use. The use of video evidence for this type of contravention is more efficient and less labour intensive than traditional enforcement methods and it is intended that adaptations will be made to the existing notice processing software and installed within a camera recording vehicle so enforcement can begin in April 2010.

In future years, the Council will continue to invest in new technology to further improve the parking offered in the town and the use of CCTV technology will be developed to allow for the enforcement of moving traffic offences as and when the legislative powers are transferred under Civil Parking Enforcement.

Further work will also continue to develop and improve online services choice including permit applications and renewals.

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Policy 14 New Technology

Continue to review available technology and invest in such technology where appropriate, to assist in the effective and efficient management and enforcement of car parking in the Borough

OBJECTIVE 6 – TO IMPROVE TRAVEL SAFETY

Parking has 2 main safety implications:

- Actual or perceived safety and security of the individual and the vehicle, in particular in car parks.
- The road safety hazard caused by inappropriate or illegal parking (this is covered by the Policy 4 on CPE)

Safety and Security in car parks

Car crime in the town centre car parks, covered by Hartlepool Council's closed circuit television (CCTV) cameras, remains at a record low. Several "open car parks" are covered by the town centre CCTV strategy, although specific CCTV coverage have also been established within sites in and around MGSC to give a comprehensive coverage of the area. Several cameras have recently been upgraded to comply and retain the car parks "park mark" status and this has significantly contributed to the decline in crime figures over the last 10 years, whilst also improving drivers perceived fear of crime worries

Eight of Hartlepool's major car parks, which together contain nearly 1300 spaces, have been granted Safer Parking Awards known as 'Park Mark' which means that they have reached a Police recognised standard of security and measures are in place to create a safer environment. A scheduled maintenance and refurbishment programme will look to maintain and increase the number of sites covered by the award which are reviewed biennially.

Policy 15 Safety and Security

- a) The Council will strive to achieve Park Mark Car Park Awards for all of its car parks where this is practically feasible.
- b) Any developers of new car parks for public use will be required to achieve a Park Mark Award through the planning system

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OBJECTIVE 7 – ENVIRONMENT

The Parking Strategy has a number of implications for the environment in the following areas;

- Coach and lorry parking
- Motor homes
- Rural parking
- Events
- Carbon Emissions
- Electric vehicles

Coach and Lorry Parking

There is a deficit within the Tees Valley region of suitable lorry parking facilities and consequently drivers could be forced to use locations which are inappropriate. This was highlighted in a study commissioned by the Tees Valley Joint Strategy Unit in March 2005 titled 'A Review and Vision of Lorry Parking in the Tees Valley'. The environmental consequences of this deficit are:

- Parking in residential areas resulting in noise pollution eg running engines, refrigeration units
- Parking at the side of the highway and as a result impeding traffic flow and possibly causing congestion
- Lorry parking can cause visual intrusion in certain locations

The Borough Council has no statutory requirement to provide lorry parking and no resources for this purpose. New sites for leisure, industrial, warehousing and retail developments need to take into account the potential of the development to generate coach and lorry traffic and to consider how lorry and coach parking is going to be accommodated in the surrounding area.

Policy 16 – Future Coach and Lorry Parking

The Borough Council will investigate opportunities to improve the provision for coach and lorry parking facilities and will work with developers to achieve this where necessary

Motor homes

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Motor Homes

There are currently no dedicated mobile home parking facilities within Hartlepool. Although some privately operated sites do offer camping facilities there are no parking spaces within public ownerships specifically designed to accommodate motor homes and / or offer facilities for an overnight stay. Most motor homes are self sufficient and have in the past parked in unregulated sites in Seaton Carew or even on the unrestricted public highway.

Many of the current car parks inhibit motor vehicle access due to height restrictions or insufficient parking space and this can prohibit motor home enthusiasts from staying or visiting Hartlepool. Motor home enthusiasts have highlighted the limited options available to them when visiting the area and this is seen as a weakness in promoting Hartlepool as a tourism attraction.

There is an opportunity to bolster tourism and visitor numbers whilst providing investment into the local economy by developing parking sites / facilities to offer motor home owners a dedicated parking provision suited for their specific needs and market the facilities to attract tourist to visit the area.

Policy 17 – Motor Homes

The Council will investigate opportunities to develop parking sites to accommodate motor homes and consider options to provide facilities to encourage visits and overnight stays for motor home owners.

Rural Parking

Appropriate parking restrictions can be used to protect the traditional character of villages eg to avoid erosion of village greens. Signage also needs to be designed to respect its setting especially in Conservation Areas, where this is legal and practical.

Policy 18 – Rural Parking

Parking restrictions in rural areas will be reviewed with the traditional character of villages being considered where possible

Verge Hardening

In some cases, the geographical layout of an area allows for potential additional parking spaces to be created by formal verge hardening. The three Neighbourhood Forums covering Hartlepool have limited financial resources and periodically consider suitable sites for verge parking improvements

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However, verge hardening can also have a detrimental effect on the environment as a result of the loss of green space and trees and also with regard to increasing surface water run off, especially if non permeable materials are used. The environmental impact of the verge hardening policy should be reviewed.

Policy 19 – Verge Hardening

To continue to consider sites suitable for verge hardening via the appropriate Neighbourhood Forum.

Events

Organised events in the Borough can have a significant short term impact on the environment. They can cause congestion and road safety concerns as well as inconvenience for householders who might be affected by large numbers of vehicles being parked in a residential area. Such events should always be considered by the Safety Advisory Group (SAG). Where necessary, the organisers of the event should be required to fund any measures intended to mitigate such problems..

Policy 20 – Events

The Council will consider the parking implications for organised events through the Safety Advisory Group (SAG) and will seek to mitigate the adverse effects of such parking by requiring organisers to fund measures to mitigate problems as necessary

Carbon emissions / electric vehicles

The London Borough of Richmond Upon Thames has recently introduced a new pricing structure for their residents' parking areas to encourage the use of vehicles with lower Carbon Dioxide (CO₂) emissions. They have also extended this pricing policy for on / off street parking schemes.

Many other local authorities charge 50% more for second and subsequent permits to try to reverse the increase in car ownership in order to tackle congestion and climate change. Hartlepool Borough Council needs to be aware of these developments and consider such options further as necessary.

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Hartlepool Borough Council has committed to "the Plugged in Places" initiative, a scheme piloted in the North East to provide a network of electric recharging stations throughout the region. The scheme is designed to encourage the use of electric vehicles and as such HBC has provided electric charging points within several key locations in the town centre at The Interchange, Multi Storey and Civic Underground Car Parks and will continue to review and install further charging points, as and when usage increases.

The policy to increase the number of electric charging points in the Borough may also be included as a condition of future planning approvals in appropriate new developments.

Policy 21 – Carbon Emissions / electric vehicles

Hartlepool Council will continue to monitor developments by other councils in respect of relating pricing structures to carbon dioxide emissions and will continue to support the "plugged in places initiative" and encourage the use of electric vehicles by identifying suitable locations for the siting of further electric charge points within Hartlepool.

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Appendix 1

Tees Valley Parking Standards

7.1 INTRODUCTION

The Need to Manage Demand

Every development results in a demand for parking or loading space. This demand must, however, be viewed in the context of the Government's Sustainable Development Strategy. The approach to this strategy is outlined in regard to parking in Department of Transport/Department of Environment Planning Policy Guidance Note 13, (PPG13).

The aim of this policy is to;

- reduce growth in the length and number of motorised journeys; encourage alternative means of travel, which have less environmental impact and hence reduce reliance on the private car.

The aims are intended to assist in sustaining existing centres.

The availability of parking has a major influence on the choice of means of transport.

PPG 13 suggests that levels of parking can be more significant than levels of public transport provision in determining means of travel. In considering parking, therefore, the effects of the level of provision must take into account the impact on vehicle trips and the need to address the encouragement of alternative modes of travel, in particular public transport, cycling and walking. Local authorities should aim to influence the need to travel by, amongst other means, limiting parking provision for developments where there are effective alternatives. In principle and in practice this means that standards are reduced below the levels considered appropriate when full parking, as a minimum provision, was expected.

In general, therefore the following principles apply,

- (i) Reduced requirements for parking for locations which have good access to other means of travel than the private car.
- (ii) Flexibility in regard to off street residential parking provision particularly in association with high density development in areas with good access by non car modes

PPG13 advises authorities not to create perverse incentives for development to locate away from town centres or threaten future levels of investment in the town centres.

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Car parking is only one element in the strategy for securing sustainable development. An integrated approach is necessary and as a consequence ways of reducing travel, influencing traffic growth and improving environmental impacts of transport are evolving and will continue to do so. These will be presented in local policy and strategy documents and hence early consultation with the Engineer is recommended.

In all areas please be advised that car parking levels will generally be the maximum provision.

7.2 POLICY CONSIDERATIONS

7.2.1 National Policies A number of strategic policy documents refer to parking standards. These include:

- Planning Policy Statement PPS 3 'Housing',
- Planning Policy Statement PPS 6 'Town Centres'
- Planning Policy Guidance PPG 13 'Transport',
- Regional Spatial Strategy
- Manual for Streets 2007

These documents are considered in more detail below. Both PPS3 and PPG13 make reference to the need to achieve a balance between sustainable development, the promotion of alternative modes of transport to the private car and parking provision levels.

PPS3 makes it clear that, when assessing the design quality of a proposed new development, it is important to consider a design led approach to the provision of car parking space that is well integrated with a high quality public realm. PPS3 (paragraph 51) advises that:

'Local Planning Authorities should, with stakeholders and communities, develop residential parking policies for their areas, taking account of expected levels of car ownership, the importance of promoting good design and the need to use land efficiently.'

PPG13 acts as a guide both to developers and Local Authorities, and is primarily designed to ensure that the wider implications of development on the transport network are considered when making decisions on the allocation of land use. The need to ensure accessibility for all members of society to education, healthcare, employment, retail and leisure facilities is at the heart of the Government's agenda for integrated transport.

In relation to parking provision for new developments, PPG13 recommends that consistent parking levels should be set to encourage the use of more sustainable alternatives to the private car, whilst ensuring that the level of parking provision (which may include on street provision) is realistic in order to cater for development needs. PPG13 also states that, if significant road safety

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issues cannot be resolved through the use of on street parking controls, the level of parking provision should be increased to minimise any adverse road safety impacts.

PPG13 also states that more rigorous parking standards may be adopted where appropriate. Levels of parking on small non industrial and commercial developments should be set at the discretion of the Local Authority in order to reflect local circumstances.

It must be noted that Government policy places the bus at the forefront of local public transport provision, with demanding targets for growth, the bus will remain the predominant public transport mode within the Tees Valley. Bus stop locations will be reviewed to ensure they are in the optimum location and standard kerb heights to accommodate low floor buses

7.2.2 Local Policies

There may be variations of these Parking Standards within each borough for specially defined Regeneration areas. These variations may differ greatly from the standards set out in this section, so it will be necessary to contact the relevant Highway Authority to ascertain whether the proposed location of their development is situated these areas.

7.3 PARKING STANDARDS

Local planning authorities will need to consider carefully what is an appropriate level of car parking provision. In particular, under provision may be unattractive to some potential occupiers and could, over time, result in the conversion of front gardens to parking areas. This can cause significant loss of visual quality and increase rainwater runoff, which works against the need to combat climate change. However, given the current high proportion of local journeys (in particular journeys to work) made by car, and the increasing rate of growth in car ownership, it is recognised that the adoption of robust parking standards for new developments will be an essential component of the Council's transport strategy over the coming years.

It is important to be aware that many disabled people are reliant on the use of the private car for personal mobility. Ideally, therefore, layouts should be able to accommodate parking provision for Blue Badge holders.

Prospective developers are advised to consult with the Engineer in all cases of doubt.

7.4 CYCLE PARKING

The promotion of more sustainable alternatives to the private car is a consistent theme within both national and local transport policy. For this reason, secure and conveniently located cycle parking facilities should be provided for all new developments. The provision of such facilities will be

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mandatory for all office and retail developments with a gross floor area of more than 200m²

Cycle parking facilities should be conveniently sited close to entrances and located adjacent to busy pedestrian routes and/or overlooked by adjacent properties. Cycle lockers or similar, secure facilities should be provided for long stay or commuter use, whilst covered Sheffield Stands or similar will be acceptable for short term use. Prospective developers are advised to consult with the Engineer with regard to the specific requirements in each case.

Cycle stands need to be located clear of pedestrian desire lines, the preferred spacing being 1m apart, with the outermost stand no closer than 550mm to a parallel wall. It will also be necessary to consider the needs of partially sighted or blind by incorporating tapping rails and reflective bands on the uprights.

Developers should be aware that secure cycle storage may be required with in housing developments.

Cycle parking Good practice

Visible	Parking facilities should be easy to find.
Accessible	Parking should be as close as possible to the destination, small clusters of stands in a town centre are preferable to one large parking area. Underused stands may be relocated to areas of higher demand if necessary.
Safe and Secure	The bicycle is usually secured with the owner's lock unless other security arrangements make this unnecessary. Cycle parking should not be sited in areas where this would cause personal security concerns. Long term parking for regular users in residential, educational and workplace areas should ideally be placed within a secure access area.
Covered	The level of protection from the weather should be appropriate for the length of stay. Long stay parking places should be covered.
Easy to use	Parking facilities should be easy to use, accept all types of bicycle, and enable the frame to be secured. Public locking mechanisms such as coin operated locks should be easy to understand and operate. Bikes should not normally need to be lifted into parking stands. Cycle pods may be used but do involve some lifting.
Fit for purpose	Stands which only grip the front wheel should not be used due to the damage which can result in their use. Parallel stands should be at least 1.0m apart. Cycle parking should not cause a trip hazard or an obstruction for disabled persons. Abandoned bicycles should be periodically removed.

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Well managed and well	Charges for lockers or staffed parking (if any) should not be excessive to encourage use. The payment/registration process should be as simple as
maintained	possible. Automated carousels or smart card operation should not create delays at peak periods
Attractive	The design of cycle parking facilities should be appropriate to the surrounding area to match other street furniture.
Coherent	Cycle parking should sit within the context of a cycle route network connecting the main origins and destinations.
Linked to other needs of cyclists.	At public transport interchanges and cycle centres, opportunities to combine cycle parking, hire, repair and tourism may be developed.

7.5 MOTOR CYCLE PARKING

In terms of convenience, flexibility and security considerations, motorcycles are often more like bicycles than cars.

Consequently, the behaviour and requirements of motorcyclists often follow the cycle parking model with motorcyclists looking for similar features.

Motorcycle riders will look for obvious parking opportunities close to their destination, choosing convenient places, ideally where they can secure their machine to something immovable, or where they can see or stay close to their machine or at the very least where it is likely to receive maximum casual observation so the risk of theft can be minimised. Covered off street parking is desirable clearly signed, convenient and secure parking reduces the attraction of informal parking. On the other hand inadequate provision will lead to exploitation of inappropriate opportunities, which may result in motorcycles causing a genuine obstruction or hazard to others.

7.5.1 Design

Motorcycle bays are not required to be formally marked for individual motorcycles but should be in multiples of 1.4m wide by 2.7m in length. This will allow sufficient space for the rider to mount/dismount and for manoeuvring. They should also be set at right angles to the kerb.

Motorcycle parking should be located;

- Where it has good all round visibility, and overlooked by adjacent properties and passersby. It should not have high walls/fences and no dense shrubs.
- As close as possible to the main entrance of buildings, but not so that it hinders or is dangerous to the public.

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In areas with good lighting

The preferred design for motorcycle parking will include;

- A ground anchor or rail to which the motorcycle can be securely locked. The design of the anchor point(s) and layout of the site should not present additional hazards to or from, other road users and vehicles. Pedestrians, especially those with visual or mobility impairment can be especially vulnerable – a rail set at shin height may be acceptable when mounted on a wall at the rear of an offroad parking bay, but not in the street where extra measures will need to be taken to provide protection.
- Good lighting and clear signage is essential
- Some form of weather protection. This should include a roof and protection on 3 sides.

The area should be level or on easy gradients, which will ensure that the motorcycles will not topple over. The areas must have a firm surface capable of supporting the weight of a motorcycle through its stand.

Further advice can be obtained in the current Traffic Advisory Leaflet 'Motorcycle Parking'

7.6 TRAVEL PLANNING

PPG13 promotes Travel Plans as a means of reducing car usage and increasing use of public transport, walking and cycling. The Council will require the submission of Travel Plans on all developments where indicative thresholds in Guidance on Transport Assessments (DfT March 2007) are exceeded.

Travel Plans should seek to provide a range of measures and incentives to facilitate the use of alternative modes of transport. These measures should be based on a thorough understanding of the actual or projected travel movements of employees, residents and students (for educational establishments). Clear targets should be set to allow the Travel Plan to be monitored and reviewed. Mechanisms for penalty measures may be sought in Travel Plans where it is considered that this is appropriate. These will be triggered in the event that agreed targets contained in the Plan are not met. A checklist has been developed to assess the content of submitted Travel Plans. This can be obtained from the relevant Engineer. Travel Plans that do not provide reasonable consideration of the issues in the checklist will not be considered fit for purpose.

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Further information on employer, school and residential Travel Plans is provided at www.teesvalleytravelplans.co.uk and in good practice guidance published by the Department for Transport, available from www.dft.gov.uk.

7.7 COMMUTED SUMS

Section 106 of the Town and Country Planning Act 1990 allows the Council to secure funds (known as commuted lump sums) through the planning process to provide measures that assist with parking, road safety and congestion management.

Where provision in line with the parking standards cannot be made on or near a particular development site, the Engineer will consider if such funding could be used to introduce initiatives designed to encourage the use of other, more sustainable forms of transport. Such initiatives could typically take the form of new bus services, support for existing services to improve frequency, or infrastructure e.g. new shelters and real time displays, new cycle facilities or measures designed to enhance pedestrian safety. Such sums could also be used to fund the introduction of car clubs and /or car share spaces and any associated infrastructure and administrative costs. The appropriateness and relevance of commuted sum payments will be considered in the context of the circumstances specific to each development and as local policies and strategies evolve.

7.8 PEOPLE WITH DISABILITIES

In accordance with national guidance, consideration should always be given to the needs of disabled people. The location of parking provision is particularly important in this context. In particular, allocated spaces should be:

- Located be as close as possible to the destination;
- Connected to the destination without steps (ramps or lifts may be necessary, depending on local circumstances); and
- Sufficiently large to allow unobstructed wheelchair access.

The location of disabled parking spaces within a new development should be considered at an early stage to achieve a balanced distribution throughout the site.

The recommended number of disabled spaces will vary in accordance with the type and capacity of car parks, as illustrated in [Table 7.3](#)

(i) For car parks associated with employment premises and provided for employees and visitors

- Up to 10 spaces 1 space
- Between 10 and 200 spaces; 5% of capacity, subject to a minimum of 2 spaces, to be reserved.

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- Over 200 spaces: 2% plus 6 spaces.

Spaces for disabled employees should be additional to those recommended above; reservations could be ensured, for example, by marking a space with a registration number.

(ii) For car parks associated with shopping areas, leisure or recreational facilities and places open to the general public:

- Up to 10 spaces 1 space Between 10 and 200 spaces: 6% of capacity subject to a minimum of 3 spaces, to be reserved;
- Over 200 spaces: 4% plus 4 spaces.

Parking for disabled people should be additional to the maximum parking standards. Development proposals should provide adequate parking for disabled motorists, in terms of numbers and design. The signage and markings for disabled bays on streets should comply with TSRGD and be supported by a TRO.

Developers are advised that in all car parks, the use of spaces reserved for disabled people should be monitored regularly to confirm that the recommended level of provision is appropriate – too few spaces will cause problems for disabled drivers and passengers, while too many spaces may encourage abuse by other drivers. The responsibility for monitoring the use of reserved parking spaces within a private development will rest with the end user(s) of that development, usually as part of the adopted Travel Plan for the site.

BS 8300:2001 (*'Design of Buildings and their Approaches to Meet the Needs of Disabled People'*) explains how to design the built environment to make it fully accessible, and to overcome restrictions that prevent anyone from making full use of premises and their surroundings. The code of practice, which covers a wide range of impairments and activities, provides specific guidance with regard to:

- (i) The provision and design of parking bays designated for disabled people in different building types
- (ii) Ticket dispensing machines

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- (iii) Vehicular control barriers, and
- (iv) Multi storey car parks

Parking bays for disabled people should be designed so that drivers and passengers, either of whom may be disabled, can get in and out of the car easily and safely. Bays should be longer and wider than normal. They ensure easy access from the side and the rear for those with wheelchairs, and protect disabled people from moving traffic when they cannot get in or out of their car on the footway side of a bay on the highway.

Other Design Considerations

Steps, Ramps, Bollards and Lifts Pedestrian routes to and from car parks with bays for disabled people should be free from steps, bollards and steep slopes which many disabled people find difficult to negotiate.

7.9 DIFFERENTIAL STANDARDS IN CENTRAL AND NONCENTRAL AREAS

There is a clear distinction in the levels of parking provision permitted for central area and non central area development. Within central areas (i.e. town centres), developers will normally be allowed to provide for operational parking only. Outside these areas, this requirement will be relaxed to allow a certain level of nonoperational parking to be provided.

*for definition see Clause 7.10

This policy is designed to achieve a number of objectives. It will minimise the inefficient use of high value land in town centres and will also allow the Council to retain control over the extent and use of off street parking provision. This is an important part of the Council's overall transport and land use strategy. In addition, it will avoid the potential loss of urban form and character in town centres and local neighbourhoods.

Meeting the parking needs of nonoperational traffic associated with individual development proposals within town centres will result in the haphazard distribution of private car parks, not necessarily related to the local road network. The existence of unrelated and unregulated car parks, to which access must be maintained, acts as a serious constraint to the Council's ability to discharge its ongoing Network Management Duty under the Traffic Management Act 2004.

Concentrating the provision made for nonoperational parking in town centres in the form of strategically located car parks, available for use by the general public and with good access arrangements, both encourages the more efficient operation of those centres and facilitates the formulation and implementation of effective car parking and traffic management strategies.

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The control of town centre parking also allows the Council, as Highway Authority, to exert more influence over strategic issues such as the modal 'split' between private and public transport

In short, the adoption of an effective parking management policy in central areas is key to ensuring the continued vitality of the Borough's town centres. Only the Council, as both Highway and Planning Authority, can regulate such a policy effectively

The town centres within a Borough are defined in the adopted Local Development Framework. Prospective developers are asked to contact the appropriate Council to clarify the extent of the defined area in case of doubt.

7.10 OPERATIONAL AND NON-OPERATIONAL PARKING

7.10.1 Operational Parking

Operational parking is defined as the space required for cars and service vehicles necessarily involved in the operation of the business of particular buildings. It comprises space for vehicles servicing premises, primarily commercial vehicles delivering or collecting goods. Also staff who need to use a car to carry out their duties on a daily basis. In addition to the space required for loading and unloading, operational parking also includes space for picking up and setting down passengers. It does not normally include customer/client parking unless this is necessary as part of the business being carried out, for example vehicle servicing and tyre/exhaust replacement.

7.10.2 Non operational Parking

Non operational parking is defined as the space required for vehicles, mainly private cars, which do not necessarily have to park or wait on the site of particular premises. This definition includes customer and employee 'privilege' parking.

There will be some exceptions to the above general rule. Particular developments may create such parking demands that the absence of nonoperational spaces will result in unacceptable pressure on existing facilities. Such a situation is likely to arise in large scale office/commercial developments and, in particular, in conjunction with major retail proposals. In such situations the Council will almost certainly require either the provision of suitable alternative facilities or a financial contribution.

Some parking provision may be required in conjunction with residential development in central areas in order to take into account both the need to allow residents to make a choice between public and private transport and the need to maximise personal and vehicle security. The Council will take the availability and proximity of public parking facilities into consideration when determining the provision of visitor parking.

7.11 FRINGE AREAS

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In fringe areas immediately adjoining a central area, a development may, where appropriate, use some public parking spaces as part of its non central area provision by agreement with the Council.

7.12 ADOPTION OF PARKING AREAS

Not all parking spaces need to be allocated to individual properties. Unallocated parking provides a common resource for a neighbourhood or a specific development. A combination of both types of parking can often be the most appropriate solution.

The Council may adopt all non allocated parking areas provided that they are contiguous with the highway. The developer is advised to contact the Engineer early to discuss any parking proposals

7.12.1 SUSTAINABLE DRAINAGE SYSTEMS

Clause 2.4 refers to Sustainable Drainage systems, it states that the use of SUDS is seen as a primary objective by the Government and should be applied wherever practical and technically feasible. The construction of parking areas is an area where SuDS could be easily incorporated using permeable paving.

7.13 SAFER PARKING AWARD (PARK MARK)

It is a recommendation that developers ensure that their facility meets the requirements of the 'Park Mark' award. This scheme is an initiative of the Associations of Chief Police Officers aimed at reducing crime and the fear of crime in parking facilities. To assist in this a set of best practice guidelines have been published by the Safer Parking Scheme.

7.14 TOWN AND COUNTRY PLANNING (USE CLASSES) (AMENDMENT) (ENGLAND) ORDER 2005

It is clear that some developments within the same Use Class Order will have widely differing parking requirements (e.g. category A3 Public Houses/Hot Food Take-Aways and B1 Industrial Use). For this reason the Council, as Planning Authority will, under normal circumstances, insist that the future use of a particular site shall be restricted to that specified within the planning application, provided that the appropriate level of parking provision can be achieved. A Section 106 Agreement, made under the Town & Country Planning Act 1990, may be required in this respect. The Use Classes Order and the permitted changes of use within it are illustrated in Table 7.1.

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Table 7.1

Use Classes	Use/Description of Development	Permitted Change
A1 Shops	Retail sale of goods to the public – Shops, Post Offices, Travel Agencies & Ticket Agencies, Hairdressers, Funeral Director & Undertakers, Domestic Hire Shops, Dry Cleaners. • Sandwich Bars – Sandwiches or other cold food purchased and consumed off the premises, Internet Cafes	None
A2 Financial and Professional Services	• Financial Services – Banks, Building Societies and Bureau de Change. • Professional Services (other than Health or Medical Services) – Estate Agents and Employment Agencies. • Other Services Betting Shops. Principally where services are provided to visiting members of the public	Permitted change to A1 where a ground floor display window exists
A3 Food and Drink	• Restaurants and Cafes – Use for the sale of food for consumption on the premises. Excludes Internet Cafes (now A1)	Permitted change
A4 Drinking Establishments	• Use as a Public House, WineBar or other Drinking Establishment	to A1 or A2
A5 Hot Food Takeaways	• Use for the sale of hot food for consumption off the premises	Permitted change to A1, A2 or A3
B1 Business	• Offices other than in a use within Class A2. • Research and Development – Studios, Laboratories. • Light industry.	Permitted change to A1, A2 or A3
B2 General Industry	• General Industry (other than Classified as in B1) The former 'Special Industrial' Use Classes, B3B7, are all now encompassed in the B2 Use Class	Permitted change to B8 where no more than 235m
B8 Storage or Distribution	• Storage or Distribution Centres – Wholesale Warehouses, Distribution Centres & Repositories	Permitted change to B1 or B8 where limited to 235m
C1 Hotels	• Hotels, Boarding Houses and Guest Houses (Development falls within this class if 'no significant element of care is provided')	Permitted change to B1 where no more than 235m ²
		None

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C2 Residential Institutions	• Hospitals, Nursing Homes, Residential Education and Training Centres (Use for the provision of residential accommodation and care to people in need of care).	None
C3 Dwelling houses	• Dwellings for individuals, families or not more than six people living together as a single household. Not more than six people living together includes – students or young people sharing a dwelling and small group homes for disabled or handicapped people living together as a community	None
D1 NonResidential Institutions	• Medical & Health Services – Clinics & Health Centres, Crèche, Day Nursery, Day Centres & Consulting Rooms (not attached to the Consultants or Doctors house), Museums, Public Libraries, Art Galleries, Exhibition Halls, Nonresidential Education and Training Centres, Places of Worship, Religious Instruction & Church Halls	None
D2 Assembly and Leisure	• Cinemas, Dance and Concert Halls, Sports Halls, Swimming Baths, Skating Rinks, Gymnasias, Bingo Halls & Casinos. Other Indoor and Outdoor Sports and Leisure Uses, not involving motorised vehicles or firearms	None
Sui Generis ¹	• For example: Retail Warehouse Clubs, Amusement Arcades, Launderettes, Petrol Filling Stations, Taxi Businesses, Car/Vehicle Hire Businesses & the Selling and Displaying of Motor Vehicles, Nightclubs, Theatres, Hostels, Builders Yards, Garden Centres.	None

¹ i.e. any other planning use, not covered by a specific class within the Use Classes Order.

7.15 DETAILED PARKING STANDARDS

In all areas please be advised that car parking levels will generally be the maximum provision.

Minimum levels must be agreed with the Local Authority

Where no provision for a Use Type is specifically mentioned each case will be considered on its merits in discussion with the Local Authority.

In any situation developments which unduly exacerbate road safety or on street parking problems will not be acceptable.

7.15.1 Design

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A car parking space in a car park will normally be 2.4 metres x 4.8 metres in size, with adequate space provided to allow vehicles to manoeuvre in and out without difficulty. An in curtilage space will normally be 6.0 metres in length but in constrained circumstances, this dimension may be reduced to 5.0 metres.

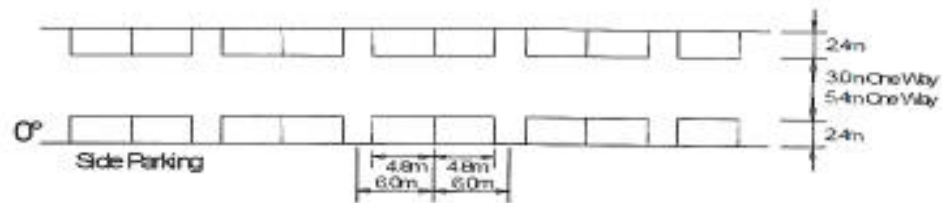
Table 7.2: Minimum Aisle Widths

Angle of Parking (Degrees)	Minimum Aisle Width (Metres)
60	4.2
45	3.7

Aisle widths for arrangements based on a 90° angle of parking shall be a minimum of 6.0 metres. Where echelon parking at an angle of less than 90° is provided, one-way access shall be employed and the minimum aisle width shall be as shown in Table 7.2. It may also necessary to provide the Engineer with a swept path analysis to prove that the car parking spaces work.

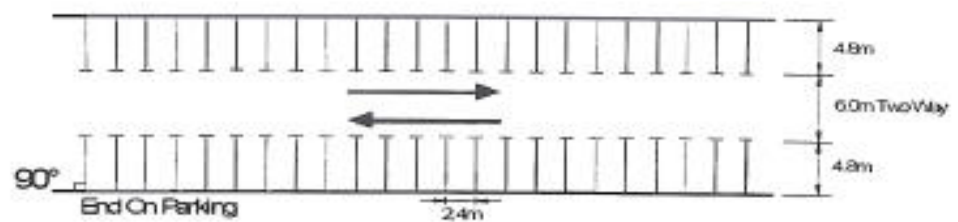
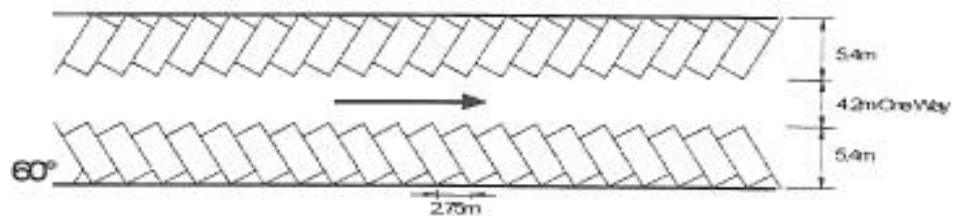
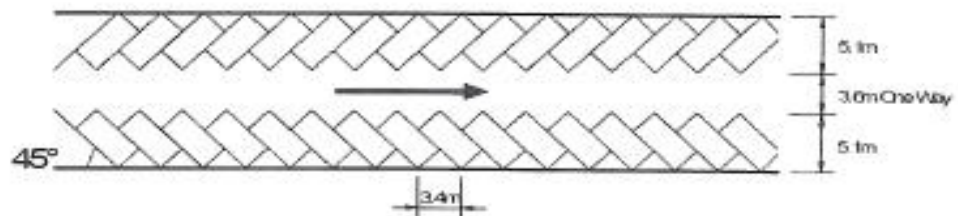
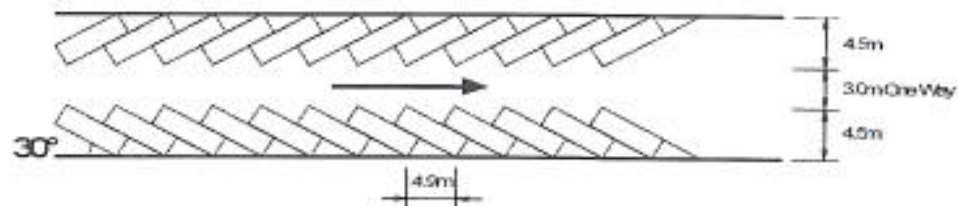
Examples of indicative parking arrangements are shown below in Table 7.2:

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Alternative Parking Layouts

NB: These arrangements are not normally acceptable adjacent to highways

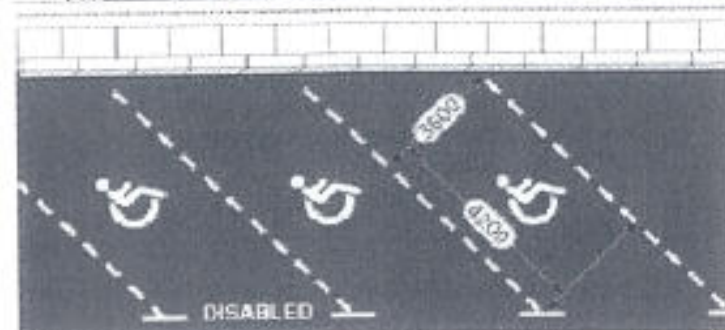


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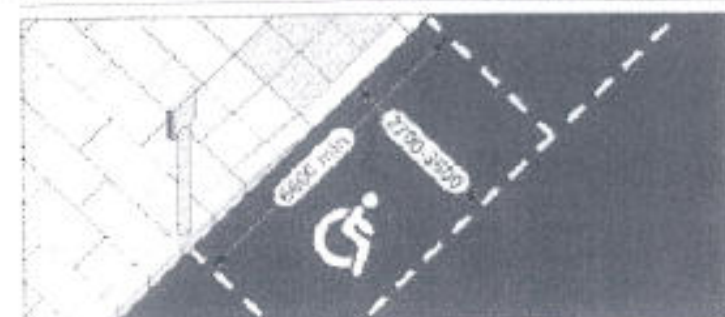


Off-street parking

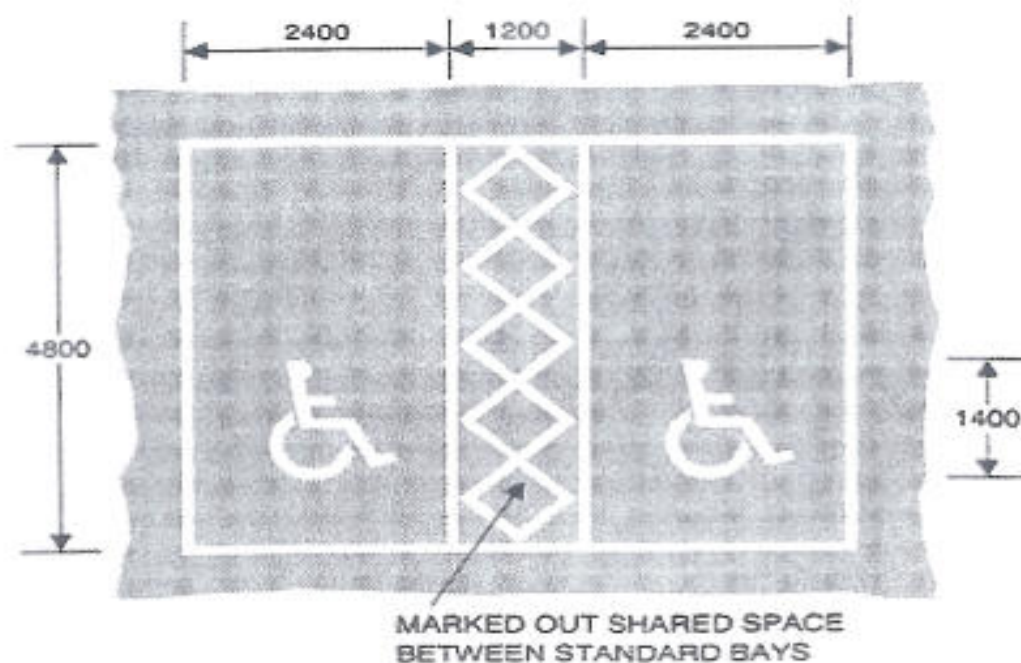
Marked out shared space between bays (standard bay).



On-street parking at an angle to the kerb



On-street parking parallel to the kerb



Straight

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7.15.2 Courtyard Parking

Courtyard parking can be a useful addition to spaces in front of dwellings, and those courtyards which work well exhibit three main characteristics:

- they are not car parks, but places which have parking in them;
- they are overlooked by adjoining houses, or by buildings entered from the parking area
- they normally include, at most, 10 parking spaces – if there are more spaces, the courtyard layout should be broken up.

Vehicles should not be allowed to dominate spaces, or to inconvenience pedestrians and cyclists; and that a careful balance has to be struck between the desire of car owners to park as near to their dwellings as possible and the need to maintain the character of the overall setting.

7.15.3 Garage sizes

Garages will be counted as a space if they are a minimum of 6m x 3m internal size

These standards are intended to offer guidance on the appropriate level of parking provision to be made for different types of land use. It should be stressed that, for nonresidential developments, THE STANDARDS SET OUT THE MAXIMUM LEVEL OF PROVISION THAT WILL NORMALLY BE PERMITTED

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Table 7.3

Land Use	Use Class	Parking Requirements		PPG13
		Non Central	Central	
Residential Houses and flats	C3	<p>Normal requirements for a dwelling are 2 spaces per household. This includes both visitor and residents parking. In a conventional development this provision is expected to consist of a garage and driveway (the driveway must be at least 6m in length from the back of the footpath).</p> <p>In low density developments some consideration may be given to the provision of 1 space per bedroom (in excess of 3) above normal provision.</p> <p>In situations of high density or where low car ownership can be demonstrated which is unlikely to increase significantly 1 space or garage must be provided within the curtilage. Visitor parking on a communal basis should be provided to the standard of 0.5 spaces per dwelling.</p> <p>Flatted development will justify the provision of cycle parking on the basis of 1 space per 4 dwellings secured covered storage for residents and 1 space per 6 dwellings for visitors.</p>	<p>1 space per dwelling. This provision may be reduced if the site is located in an area which is readily accessible to facilities by public transport, cycling and walking.</p> <p>In addition some consideration may be given to a reduction in the required standard if available public car parking can be readily utilised. Such communal facilities must be readily accessible and convenient in use. This provision can be further reduced if the site is located in an area which is readily accessible to facilities by public transport, cycling and footpath links.</p> <p>Flatted development will justify the provision of cycle parking on the basis of 1 space per 4 dwellings secured covered storage for residents and 1 space per 6 dwellings for visitors.</p>	
Multi-Occupancy/conversions	C3	<p>1.5 spaces per household is the maximum provision. This incorporates 1 space per household for residents + 0.5 spaces per household for visitors. 1 space per dwelling will normally be acceptable. In difficult situations, particularly within central areas and areas normally accepted for multi-occupancy uses individual cases will be treated on their merits.</p> <p>Flatted development will justify the provision of cycle parking on the basis of 1 space per dwelling secured covered storage for residents and 1 space per 6 dwellings for visitors.</p> <p>Parking provision may be further reduced if the site is located in an area which is readily accessible to facilities by public transport, cycling and footpath links.</p>	<p>As above</p> <p>Flatted development will justify the provision of cycle parking on the basis of 1 space per 4 dwellings secured covered storage for residents and 1 space per 6 dwellings for visitors.</p>	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
Local Authority/ Housing Association	C3	<p>Demand for off-street parking in Local Authority/Housing Association development tends to be lower than that in the private sector. Accordingly the standard of parking provision is reduced. Initial provision is 0.75 spaces per dwelling comprising 0.25 for visitors and 0.5 for residents. Maximum ultimate provision is 1.50 spaces in total. The location of this ultimate provision must be clearly indicated and retained for future use.</p> <p>Provision may be further reduced if the site is located in an area which is readily accessible to facilities by public transport, cycling and footpath links.</p> <p>Flatted development will justify the provision of cycle parking on the basis of 1 space per 4 dwellings secured covered storage for residents and 1 space per 6 dwellings for visitors.</p>	<p>As non central area initial provision.</p> <p>Provision may be further reduced if the site is located in an area which is readily accessible to facilities by public transport, cycling and footpath links.</p> <p>Flatted development will justify the provision of cycle parking on the basis of 1 space per 4 dwellings secured covered storage for residents and 1 space per 6 dwellings for visitors.</p>	
Elderly persons dwellings	C3	<p>1 space per dwelling to include for both residents and visitors.</p> <p>This type of accommodation would normally be intended for residents over 65 years and restricted to one bedroom units</p>	As non central area initial provision.	
Sheltered Housing	C3	<p>Housing where residents care for themselves with some Warden or care assistance.</p> <p>2 spaces per resident warden.</p> <p>1 space per 5 residents (visitor parking)</p> <p>Servicing area</p>	<p>1 space per resident warden.</p> <p>1 space per 10 residents (visitor parking)</p> <p>Servicing area</p>	
Residential care homes/ Elderly person homes	C2	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>2 spaces per resident staff</p> <p>1 space per 3 members of staff on duty at any one time.</p> <p>1 space per 8 residents (visitor parking)</p> <p>1 space for professional visitor.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per resident staff</p> <p>1 space per 5 members of staff on duty at any one time.</p> <p>1 space per 10 residents (visitor parking)</p> <p>1 space for professional visitor.</p>	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
Residential Institutions	C2	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 2 staff</p> <p>Space per 2.5 residents/occupants dependent on specific use.</p> <p>Provision of parking for 1 cycle per 5 employees</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>In all cases development will be treated on its merits. For guidance developers may assume that the maximum provision will be 1 space per residential unit which, dependent on location and accessibility, may be reduced to provision for operational parking only.</p> <p>Provision of parking for 1 cycle per 5 employees</p>	
Business Offices	Use B1 A2	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 35m² gross floor area.</p> <p>Provision for the parking of 2 cycles per 200m² gross floor area.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 350m² gross floor area.</p> <p>Provision for the parking of 2 cycles per 200m² gross floor area.</p>	
Industrial	B1/B7	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 45m² gross floor area or 4 spaces per 10 employees (which ever is the greater).</p> <p>Provision for the parking of 2 cycles per 200m² gross floor area.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 450m² gross floor area or 4 spaces per 100 employees (which ever is the greater).</p> <p>Provision for the parking of 2 cycles per 200m² gross floor area.</p>	
<p>Note: There is a range of parking requirements within the use Class B1. Unless the highest parking standard (1 per 30m² - see High Tech below) is provided then a conditional approval only may be advised which links development to the lower parking standard provided</p>				
High tech	B1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 45m² gross floor area or 4 spaces per 10 employees (which ever is the greater)</p> <p>Provision for the parking of 2 cycles per 200m² gross floor area.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 45m² gross floor area or 4 spaces per 10 employees (which ever is the greater)</p> <p>Provision for the parking of 2 cycles per 200m² gross floor area.</p>	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
RETAIL <i>Supermarkets/Warehouses</i>	A1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>The range of activities within this category and there are significant differences in the likely parking demand.</p> <p>A developer may assume that a range between 2 and 8 car spaces per 100m² of gross floor area may be required.</p> <p>The decision on the actual numbers will be based mainly on the type of retail activity envisaged.</p> <p>For guidance developers should appreciate that food retailing is likely to justify the higher end of this range. DIY is likely to justify the middle of the range. Precise parking levels in large developments will be established by an agreed Traffic Impact Assessment.</p> <p>Provision for the parking of 2 cycles per 200m² of gross floor area.</p> <p>The Local Authority may require a condition or a Section 106 Agreement limiting the retail use to suit the available parking.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>The Local Authority may require that such car parking provision as is required must be under LA control or that this provision could be located away from the site as part of the general central area car parking requirements. This would necessitate the applicant entering into an agreement with the LA to provide a commuted sum.</p> <p>Provision for the parking of 2 cycles per 200m² of gross floor area.</p>	
Shops	A1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 30m² gross floor area.</p> <p>Provision for the parking of 2 cycles per 100m² of gross floor area or per unit which ever is the greater.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 300m² gross floor area.</p> <p>Provision for the parking of 2 cycles per 100m² of gross floor area or per unit which ever is the greater.</p>	
Garden Centres	A1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 30m² GDS (gross Display Area).</p> <p>Provision for the parking of 2 cycles per 200m² GDA</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 300m² GDS (gross Display Area)</p> <p>Provision for the parking of 2 cycles per 200m² GDA</p>	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
Car Boot sales	Sui generis	Sufficient operational parking and area for manoeuvring within the site. 1 space per stall/pitch for sellers. 3 spaces per stall/pitch for customers. Provision for the parking of 4 cycles per 500m ² GDA	Sufficient operational parking and area for manoeuvring within the site. 1 space per stall/pitch for sellers. 3 spaces per stall/pitch for customers. Provision for the parking of 4 cycles per 500m ² GDA	
Warehouses	B8	Sufficient operational parking and area for manoeuvring within the site. 1 space per 100m ² gross floor area or 1 space per 2 employees (which ever is the greater). Provision for the parking of 2 cycles per 400m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. 1 space per 1000m ² gross floor area or 1 space per 20 employees (which ever is the greater). Provision for the parking of 2 cycles per 400m ² gross floor area.	
MOTOR CAR Showrooms	Sui generis	Sufficient operational parking and area for manoeuvring within the site. For guidance a main dealership would be expected to provide a minimum of 100 spaces on site for service and sale vehicles. 1 space per 100m ² internal/external display area for customers. 0.75 spaces per member of staff. Provision for the parking of 2 cycles per 500m ² gross floor area or per outlet which ever is the greater.	Sufficient operational parking and area for manoeuvring within the site. Showrooms 1 space per 500m ² of the internal/external display area for customers. 0.5 spaces per member of staff. Provision for the parking of 2 cycles per 500m ² gross floor area or per outlet which ever is the greater.	
Garages	B1	Sufficient operational parking and area for manoeuvring within the site. 3 spaces per service bay plus 1 space per employee. Provision for the parking of 2 cycles per 500m ² gross floor area or per unit if smaller.	Sufficient operational parking and area for manoeuvring within the site. 2 spaces per service bay plus 0.75 spaces per employee. Provision for the parking of 2 cycles per 500m ² gross floor area or per unit if smaller.	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
Tyre and exhaust centres	B1	Sufficient operational parking and area for manoeuvring within the site. 3 spaces per bay. 1 space per member of staff. 1 space per 30m ² retail floor space for accessory sales. Provision for the parking of 2 cycles per 500m ² gross floor area or per unit if smaller.	Sufficient operational parking and area for manoeuvring within the site. 2 spaces per bay. 0.75 space per member of staff. 1 space per 300m ² retail floor space for accessory sales. Provision for the parking of 2 cycles per 500m ² gross floor area or per unit if smaller.	
PLACES OF ASSEMBLY Places of worship	D1	Sufficient operational parking and area for manoeuvring within the site. 1 space per 6 seats Provision for the parking of 2 cycles per 150m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. Provision for the parking of 2 cycles per 150m ² gross floor	
Public Halls	D1	Sufficient operational parking and area for manoeuvring within the site. 1 space per 6 seats 1 space per 3 members of staff Provision for the parking of 2 cycles per 150m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. 1 space per 25 seats 1 space per 3 members of staff Provision for the parking of 2 cycles per 150m ² gross floor area.	
Libraries/Art Galleries	D1	Sufficient operational parking and area for manoeuvring within the site. 1 space per 2 staff. 1 space per 35m ² public floor area for visitors Provision for the parking of 2 cycles per 150m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. 1 space per 20 staff. 1 space per 350m ² public floor area for visitors Provision for the parking of 2 cycles per 150m ² gross floor area.	
Community Centres	D2	Sufficient operational parking and area for manoeuvring within the site. 1 space per 10m ² public floor area Minimum of 4 spaces. Provision for the parking of 2 cycles per 150m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. 1 space per 100m ² public floor area Provision for the parking of 2 cycles per 150m ² gross floor area.	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
SPORTS AND LEISURE Cinemas	D2	Sufficient operational parking and area for manoeuvring within the site. 3 spaces per 10 seats. 1 space per 3 staff. Provision for the parking of 2 cycles per 150m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. 3 spaces per 100 seats. 1 space per 30 staff. Provision for the parking of 2 cycles per 150m ² gross floor area.	
Bingo Halls	D2	Sufficient operational parking and area for manoeuvring within the site. 1 space per 10 seats- Patrons. 1 space per 3 staff. Provision for the parking of 2 cycles per 150m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. 1 space per 100 seats- Patrons. 1 space per 30 staff. Provision for the parking of 2 cycles per 150m ² gross floor area.	
Sports Centres		Sufficient operational parking and area for manoeuvring within the site. 1 coach space (minimum). Car parking to be based on assessment of area for:- Competitive sports Non competitive sports Spectators bar, restaurant, etc. Car parking will be applied on the basis of 4 spaces for 10 patrons for sport users. 1 space per 3.5 spectators. Appropriate standard for bar/restaurant facilities. 1 space per 2 members of staff. Provision for the parking of 2 cycles per 200m ² gross floor area.	Sufficient operational parking and area for manoeuvring within the site. Car parking to be based on assessment of area for:- Competitive sports Non competitive sports Spectators bar, restaurant, etc Car parking will be applied on the basis of 4 spaces for 100 patrons for sport users. 1 space per 35 spectators. Appropriate standard for bar/restaurant facilities. 1 space per 20 members of staff. Provision for the parking of 2 cycles per 200m ² gross floor area.	
Indoor/ outdoor stadia including football stadia		Sufficient operational parking and area for manoeuvring within the site. 1 space per 2 members of staff. Players/competitors- 1 space per 2 players	Sufficient operational parking and area for manoeuvring within the site. 1 space per 20 members of staff. Players/competitors- 1 space per 2 players	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
Indoor/ outdoor stadia including football stadia		Spectators 1 space per 5 spectators. This requirement will be significantly reduced if supported by an overall strategy aimed to sustain alternative means of travel to the site such as public transport, walking and cycling. 1 coach space per 500 spectators. Provision for the parking of 2 cycles per 250m ² gross site area.	Spectators 1 space per 50 spectators. This requirement will be significantly reduced if supported by an overall strategy aimed to sustain alternative means of travel to the site such as public transport, walking and cycling. 1 coach space per 5000 spectators. Provision for the parking of 2 cycles per 250m ² gross site area.	
Golf Courses	D2	Sufficient operational parking and area for manoeuvring within the site. 1 space per 2 members of staff. Players- 3 spaces per hole. Bar and restaurant to be assessed separately. Provision for the parking of 2 cycles per 9 holes.	Sufficient operational parking and area for manoeuvring within the site. Provision to be considered on merit subsequent to discussion and agreement with the Local Authority. Provision for the parking of 2 cycles per 9 holes.	
Swimming Pools	D2	Sufficient operational parking and area for manoeuvring within the site. 1 space per 2 members of staff. Patrons- 1 space per 10m ² pool. Spectators- 1 space per 10 seats. Provision for the parking of 2 cycles per 20m ² pool area.	Sufficient operational parking and area for manoeuvring within the site. 1 space per 20 members of staff. Patrons- 1 space per 100m ² pool. Spectators- 1 space per 100 seats. Provision for the parking of 2 cycles per 20m ² pool area.	
HEALTH FACILITIES Health Centres	D1	Sufficient operational parking and area for manoeuvring within the site. 5 spaces plus 4 spaces per practice (without pharmacy) plus 4 spaces per doctor. Provision for the parking of 2 cycles per doctor.	Sufficient operational parking and area for manoeuvring within the site. 2 space per doctor. Provision for the parking of 2 cycles per doctor.	
Health Centres (with pharmacy)	D1	Sufficient operational parking and area for manoeuvring within the site. 5 spaces plus 4 spaces per practice plus 4 spaces per doctor. Provision for the parking of 2 cycles per doctor.	Sufficient operational parking and area for manoeuvring within the site. 2 space per doctor. Provision for the parking of 2 cycles per doctor.	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
Surgeries (e.g. dentist, chiropodist, doctor)	D1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>4 spaces per practitioner (visitor)</p> <p>1 space per 2 other members of staff normally present.</p> <p>Provision for the parking of 2 cycles per practitioner.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>Provision for the parking of 2 cycles per practitioner.</p>	
Specialist Clinics	D1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per practitioner/consultant (physio, homopathy, etc.)</p> <p>2 spaces per practitioner/consultant (visitors)</p> <p>1 space per 2 other staff normally present.</p> <p>Provision for the parking of 2 cycles per practitioner.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per practitioner/consultant (physio, homopathy, etc.)</p> <p>Provision for the parking of 2 cycles per practitioner.</p>	
Hospitals	C2	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>0.4 space per bed (staff)</p> <p>0.4 space per bed (visitor)</p> <p>3 spaces per consulting room (out patients).</p> <p>1 space per residential staff</p> <p>Provision for the parking of 2 cycles per 30 bed spaces.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>Town centre development will be likely to create a demand for parking levels of a similar order which may not be satisfied by the existing public car parking. However the availability of existing off street car parking will be taken into account.</p> <p>Parking provision will be considered on merit. However, the Local Authority may require that such car parking provision as is required must be under LA control or that this provision could be located away from the site as part of the general central area car parking requirements. This would necessitate the applicant entering into an agreement with the LA to provide a commuted sum.</p> <p>Provision for the parking of 2 cycles per 30 bed spaces.</p>	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
EDUCATION Nursery schools/ crèches	D1	Sufficient operational parking and area for manoeuvring within the site. 1 Space per 3 members of staff. 1 space per 7 children. This latter requirement will be higher should start/finishing times be fixed.	Sufficient operational parking and area for manoeuvring within the site. 1 Space per 30 members of staff 1 space per 70 children. This latter requirement will be higher should start/finishing times be fixed.	
Primary Schools		Sufficient operational parking and area for manoeuvring within the site. 0.8 spaces per full time teaching staff. 1 space per 3 part time staff on duty at any one time. Provision for picking up and dropping off children. This requirement to be agreed with the L.A. In general it would be expected that approximately 20 spaces per form entry would be appropriate. This latter requirement must be satisfied either by: - A lay-by or circulation route on the school frontage or, An acceptably wide carriageway on the road fronting the site which is not a cul-de-sac. Provision for the parking of 6 cycles per form of entry.	Sufficient operational parking and area for manoeuvring within the site. 1 space per 10 full time teaching staff. 1 space per 3 part time staff on duty at any one time. Provision for picking up and dropping off children. This requirement to be agreed with the L.A. In general it would be expected that approximately 2 spaces per form entry would be appropriate. This latter requirement must be satisfied either by: - A lay-by or circulation route on the school frontage or, An acceptably wide carriageway on the road fronting the site which is not a cul-de-sac. Provision for the parking of 6 cycles per form of entry.	
Secondary schools	D1	Sufficient operational parking and area for manoeuvring within the site. 1 spaces per full time teaching staff. 1 space per 3 part time staff on duty at any one time. 4 visitor spaces. 1 space per 10 students over 17. Provision for picking up and dropping off children. This requirement to be agreed with the L.A. In general it would be expected that approximately 5 spaces per form entry would be appropriate. Provision for the parking of 8 cycles per each form of entry.	Sufficient operational parking and area for manoeuvring within the site. 1 spaces per 10 full time teaching staff. 1 space per 3 part time staff on duty at any one time. 2 visitor spaces. 1 space per 100 students over 17. Provision for the parking of 8 cycles per each form of entry.	
It is essential that reversing and turning movements at all schools should be minimised.				

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
Colleges of Education	D1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>0.8 space per full time equivalent teaching staff.</p> <p>1 space per 2 other members of staff.</p> <p>1 space per 6 students.</p> <p>Provision for the parking of 4 cycles per 30 students.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 10 full time equivalent teaching staff.</p> <p>1 space per 20 other members of staff.</p> <p>1 space per 60 students.</p> <p>Provision for the parking of 4 cycles per 30 students.</p>	
Halls of Residence		<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 4 residents.</p> <p>Provision for the parking of 6 cycles per 30 residents.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 40 residents.</p> <p>Provision for the parking of 6 cycles per 30 residents.</p>	
FOOD AND DRINK Public Houses/club	A3	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 5m² public floor area.</p> <p>Shared arrangements with adjacent retail or commercial developments will normally be acceptable.</p> <p>Provision for the parking of 4 cycles per 60m² gross floor space.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 50m² public floor area.</p> <p>Shared arrangements with adjacent retail or commercial developments will normally be acceptable.</p> <p>Provision for the parking of 4 cycles per 60m² gross floor space.</p>	
Restaurants	A3	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 2 seats</p> <p>1 space per 5m² public floor area for bar use.</p> <p>Provision for the parking of 4 cycles per 60m² gross floor space.</p> <p>Drive Thrus may have different characteristics from the normal restaurant use insofar as the car park associated with developments of this type may, in fact, form part of the dining area.</p> <p>In addition it appears that the level of provision for this type of development is heavily dependant on the operator.</p> <p>Individual assessment should be made on developments of this type.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 20 seats</p> <p>1 space per 50m² public floor area for bar use.</p> <p>Provision for the parking of 4 cycles per 60m² gross floor space.</p> <p>Drive Thrus may have different characteristics from the normal restaurant use insofar as the car park associated with developments of this type may, in fact, form part of the dining area.</p> <p>In addition it appears that the level of provision for this type of development is heavily dependant on the operator.</p> <p>Individual assessment should be made on developments of this type.</p>	

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Land Use	Use Class	Parking Requirements Non Central	Central	PPG13
HOTELS	C1	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 2 bedrooms.</p> <p>1 space per 5m² public floor area</p> <p>Categories in "Food and Drink" as appropriate</p> <p>Provision for the parking of 2 cycles per 10 bedrooms.</p>	<p>Sufficient operational parking and area for manoeuvring within the site.</p> <p>1 space per 20 bedrooms.</p> <p>1 space per 50m² public floor area.</p> <p>Categories in "Food and Drink" as appropriate</p> <p>Provision for the parking of 2 cycles per 10 bedrooms.</p>	

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Appendix 2

Hartlepool Town Centre Car Parks

Car Park Name	Type	Disabled Spaces	Park Mark	Other	Total
Multi Storey	SS, LS, PP	4	√		483
Shopping Centre Basement	SS	9	√	2 motor cycle spaces	124
Waldon Street	SS	15		1 motor cycle space	191
Roker Street	SS, EP	4	√	1 motor cycle space	106
West Side	SS	13	√	3 motor cycle spaces	167
Open Market	SS, PP (Market days)	2			82
Marks and Spencer	SS	5	√	1 motor cycle space	152
Gainford Street	SS, EP	2			32
Eden Street	SS, LS, PP	2	√		128
Interchange	SS,LS	7			151
Mill House	SS, LS, PP	3			131
Dover Street	LS, PP	0	√		101
Andrew Street	SS	0			20

Long stay (LS), Short stay (SS), Express parking (EP), Permit Parking (PP)

The current charges applied are as follows:

Long stay: 2 hours - £1.40, All Day - £2.40

Short Stay: 2 hours -£1.40, 3 hours -£1.90, 4 hours -£2.40 and All Day-£5

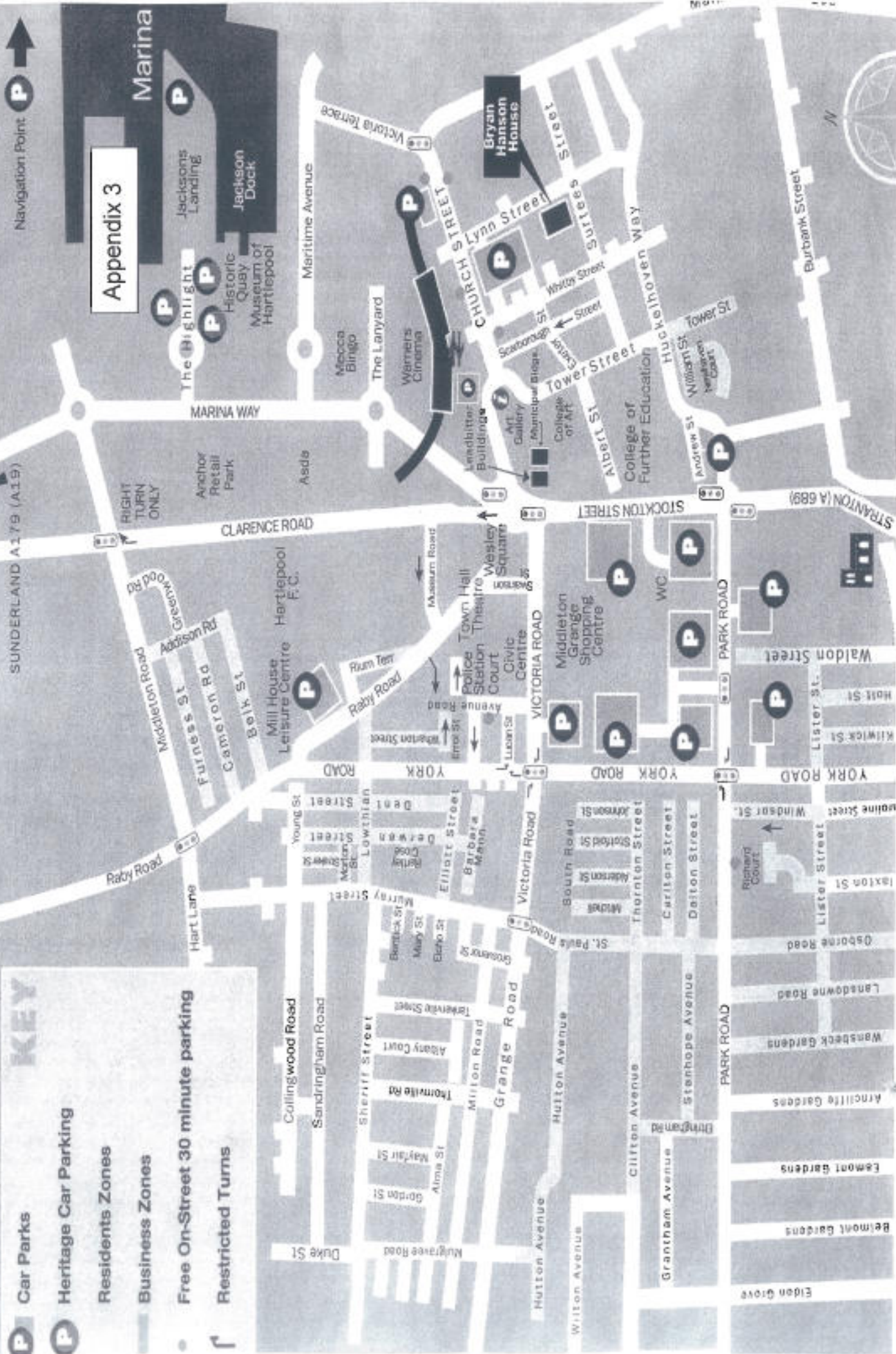
Express Parking: 30 minutes - 70p, 1 hour - £1, 2 hours - £1.40, 3 hours - £1.90, 4 hours - £2.40, All Day £5

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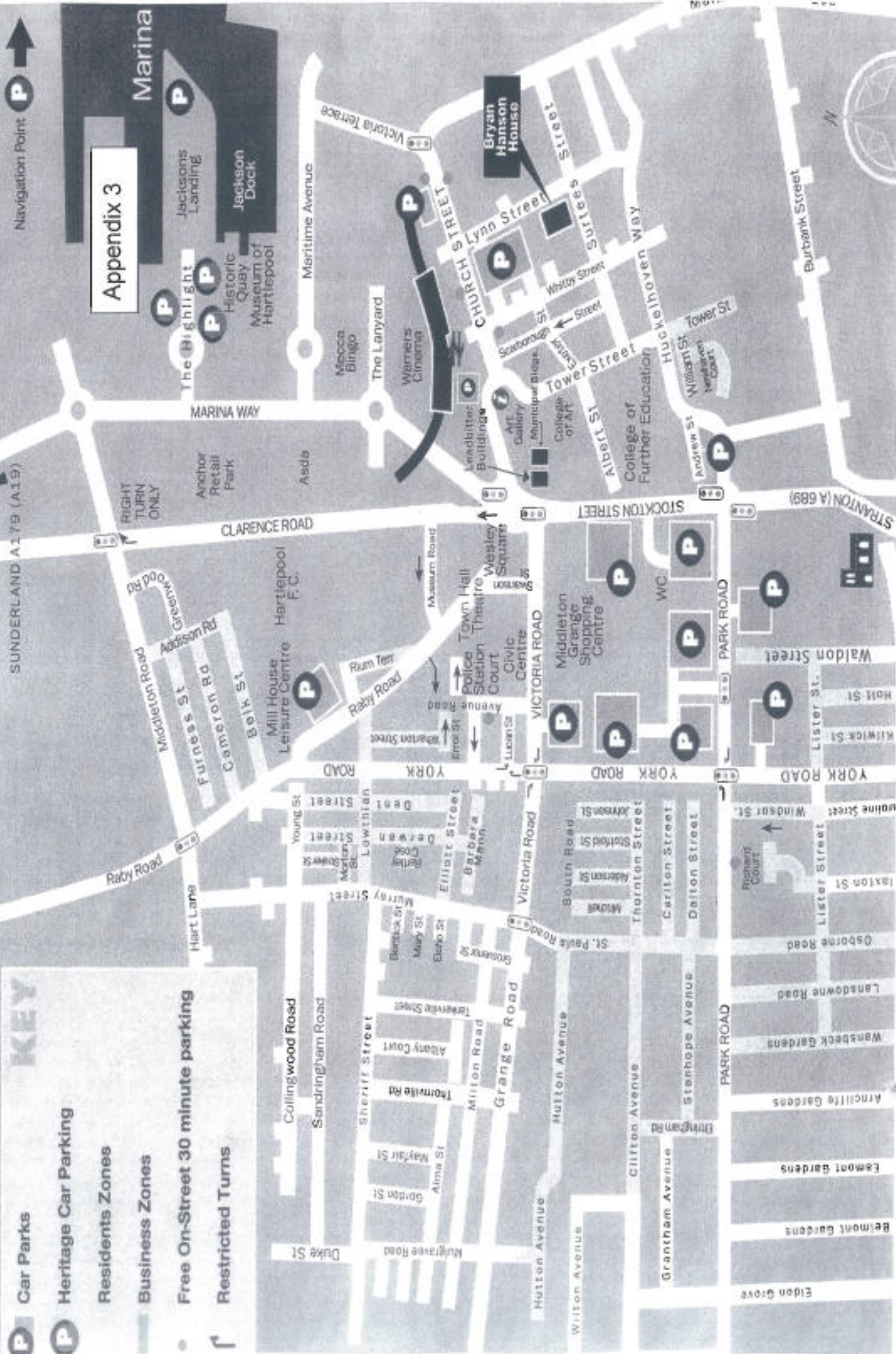
Permit Parking: £310 per annum.

KEY

- P** Car Parks
- P** Heritage Car Parking
- Residents Zones
- Business Zones
- Free On-Street 30 minute parking
- Restricted Turns



Appendix 3



REGENERATION & ECONOMIC DEVELOPMENT PORTFOLIO

Report To Portfolio Holder
11th February 2011



Report of: Assistant Director (Regeneration and Planning)

Subject: HARTLEPOOL ECONOMIC ASSESSMENT

SUMMARY

1. PURPOSE OF REPORT

To consider and endorse the draft Hartlepool Economic Assessment prior to submitting to Cabinet.

2. SUMMARY OF CONTENTS

Details of the legislative framework for Economic Assessments and key issue and findings of the draft Hartlepool Economic Assessment and the executive summary and main document are attached in **Appendix 1 and 2**).

3. RELEVANCE TO PORTFOLIO MEMBER

The duty to undertake an Economic Assessments falls within the Regeneration and Economic Development Portfolio.

4. TYPE OF DECISION

Key decision (test (ii) applies). Forward Plan Reference Number RN40/10

5. DECISION MAKING ROUTE

To be considered by the Regeneration and Economic Development Portfolio prior to submitting to Cabinet at the 21.3.11 meeting.

6. DECISION(S) REQUIRED

For the Portfolio Holder to provide any comments on the draft Economic Assessment prior to submission to Cabinet 21st March 2011 for final endorsement.

Report of: Assistant Director (Regeneration and Economic Planning)

Subject: HARTLEPOOL ECONOMIC ASSESSMENT

1. PURPOSE OF REPORT

- 1.1 To endorse the draft Hartlepool Economic Assessment prior to submitting to Cabinet.

2. BACKGROUND

- 2.1 In 2007, the Review of the Sub-National Economic Development and Regeneration ('SNR') proposed that all upper-tier and unitary local authorities carry out a local Economic Assessment which will outline economic development and regeneration matters. Included within the SNR proposal was a commitment to consult with all key partners on a comprehensive assessment which will compliment and underpin the statements and targets of local areas such as:

1. Sustainable Community Strategy (SCS);
2. Local Development Framework;
3. Local and Multi-Area Agreement targets; and
4. Will assist in helping the authority contribute to the development of the Regional Economic Strategy (RES).

The Department of Communities and Local Government (CLG) endorsed this new statutory Economic Assessment duty as it believes that it will 'add value to existing arrangements and practices'. The ***Local Democracy, Economic Development and Construction Bill (2009)*** now places a statutory duty with relevant local authorities expected to complete an assessment by April 2011 which will set out the economic vitality and conditions of their particular area.

- 2.2 Hartlepool's Economic Assessment will provide the necessary evidence base to increase knowledge and better understand local economic conditions and to analyse how the town makes a significant contribution to wider sub-regional and regional functional markets. By understanding this wider scope of economic activity across multiple boundaries it will provide an insight into the opportunities that the town could maximise and will also reflect the influence that global market forces have at a local level.
- 2.3 The guidance is quite clear that the Economic Assessment is an evidence base and not a strategy in itself, however the assessment will

underpin the development of strategies that respond to economic conditions faced by an area.

Hartlepool's Economic Assessment follows the context of the Tees Valley Wide Economic Assessment which was completed by Tees Valley Unlimited.

- 2.4 This completed assessment will provide the golden thread between the above stated strategies and the emerging Economic and Regeneration Strategy which will respond to this needs assessment and which will in particular identify:
- The authority's capacity and prioritisation in relation to economic development and regeneration interventions.
 - Improved interventions to tackle worklessness, skills and enterprise initiatives
 - Enhanced ways of working to develop commercial activity and business infrastructure;
 - How it can improve local authority engagement with private sector partners; and;
 - How the town will respond to the eventual upturn and strengthen jobs and business growth in the long term through sustainable measures.
- 2.5 Hartlepool's Economic Assessment has been designed to follow a clear and concise process which compliments good practice guidance as outlined within the Improvement and Development Agency and Planning Advisory Service document, 'How to do a Local Economic Assessment' (October 2009).
- 2.6 The development of the Assessment is currently undergoing extensive consultation as prescribed in the legislation and Economic Development is currently undertaking this exercise with key consultees include the Economic Forum, North East Chamber of Commerce, Federation of Small Business, other business groups, voluntary and community sector, Government Departments and educational establishments

3. PROPOSALS

- 3.1 Hartlepool's Economic Assessment has largely been undertaken in house by the Economic Development Team with Durham University Business School assisting with developing the key findings and identifying potential growth sectors.
- 3.2 The Hartlepool Economic Assessment will adopt the Community Strategy and Neighbourhood Renewal Strategy visions and the Jobs & Economy themed aims.

- Community Strategy
'Hartlepool will be an ambitious, healthy, respectful, inclusive, thriving and outward-looking community, in an attractive and safe environment where everyone is able to realise their potential.'
- Neighbourhood Renewal Strategy
'Continue the regeneration of Hartlepool and ensure that local people, organisations and service providers work together to narrow the gap between the most deprived neighbourhoods and the rest of the borough, so that in the future, no one is seriously disadvantaged by where they live'
- Local Area Agreement Jobs & Economy Theme
'Develop a more enterprising, vigorous and diverse local economy that will attract new investment, enable local enterprise and entrepreneurs to be globally competitive and create more employment opportunities for local people.'

- 3.3 The scope of the Economic Assessment will be to undertake a robust and comprehensive review of Hartlepool's industrial and economic landscape. The Assessment will consider the geographical area of the Hartlepool district and will pay particular attention to the changing industrial and business base, the demographics of the local population, skills requirements for the future, the regeneration of the area and the natural environment.
- 3.4 The Assessment will provide an analysis of the current factors which impact on the social, economic and environment development of the town. The assessment includes a strength, weakness, opportunities, and threat (SWOT) analysis against the key area of 'Business, People and Place' and will identify where there are gaps in knowledge on specialist areas for example 'skills requirements of employers.' The key findings from the Assessment will form the underpinning evidence base for the development of the Economic and Regeneration Strategy.

4. KEY FINDINGS

- 4.1 Whilst much of the document contains factual statistical information the development of the key findings and SWOT analysis represent the main thrust of the Assessment that will inform the development of the Economic and Regeneration Strategy. These elements are summarised below.

4.2 Business

- During the last decade business stock has increased substantially, out performing the region and sub region.
- During the recession business birth rate has fallen in line with other areas and business.

- Despite much improved business base and births there still remains an enterprise gap with the UK.
- The overall employment rate improved strongly to 2006 but has since declined particularly since the start of the current economic climate.
- Manufacturing jobs have declined but the sector remains relatively strong in the town and should benefit from Government policy which aims to stimulate this sector.
- The town is relatively dependent on public sector employment and budget cuts will no doubt impact on Hartlepool's economic performance.
- The knowledge sector is under represented in the town and difficult to develop but opportunities exist for commuting out. However the town is well represented in knowledge driven manufacturing and this represents Hartlepool's main opportunity to develop knowledge driven business.
- Some success has been achieved with new start up such as Hart Biologicals, inward investments such as JDR Cables and indigenous smes' such as Exwold Technologies.
- Productivity is relatively low which may bear out the above evidence on knowledge driven , high added value business and at the same time a reflection of the high level of non economically active residents.
- Key issues for business include global economic conditions, public sector budget cuts, access to finance, availability of skilled workforce, absenteeism and aging workforce particularly in process and engineering sectors.
- Growth sectors include nuclear, offshore oil and gas, offshore wind, low carbon, high value added engineering and manufacturing, process industries and service sectors including hospitality, tourism and retail. Construction sector has generally been strong in the last decade but has suffered during the recession, however the sector is beginning to show signs of recovery. In addition the Health and Social Care sector may present growth opportunities in future years.
- The voluntary and community is facing a major shift from grant aided to income generation and this will be particularly challenging, however future opportunities may exist through the Big Society initiative and devolved health care budgets.

4.3 People

- Hartlepool's population has seen some growth mainly in older age groups and this may have significant implications for the future economic prosperity of the town. The BME community has also grown to 1.9% of the population.
- Unemployment measured by JSA fell to an all time low of 3.8% but has risen steadily and has now reached 7%.
- Youth unemployment remains a key issue for the town with 1.185 young people unemployed however up to 1,900 young people may be classed as economically inactive. Although youth unemployment remains a key concern in some instances Hartlepool has often outperformed other areas.
- Just over 6,200 adults claim incapacity benefit, the majority [4,080] have been claiming over 5 years. With Government policy drives to increase employment rates significant issues will exist to get residents work ready.
- In June 2010 616 unfilled vacancies were advertised by JCP [representing around 30% of all vacancies]. This represents around 51 unemployed residents per job vacancy and demonstrates the current lack of opportunities for employment.
- GCSE performance has markedly increased and is above the regional average. However achievements in science related subjects is relatively poor and this could negatively impact on the potential future labour supply for knowledge driven manufacturing sectors. In addition the proportion of 16 year olds studying and attaining level 2 is well above the national rate. However higher skills attainment remains relatively low. Overall there is clear progress in developing a more skilled future labour supply and these educational attainments at school need to be built upon to drive forward higher skills level attainment in future years.
- Skills levels among the working age population steadily increased from 2000 to 2007. However this improvement has stagnated since. Level 3 and above attainment is critical in developing a knowledge driven manufacturing sector and future issues arising out of changes to the funding of HE provision will present challenges. There is also a need to engage more SMEs' within the training system to help drive up productivity and competitiveness.
- Skills needs in sectors incorporate general employability skills and also professional, managerial, technical, high level engineering and ICT.

- There is a strong need for pre entry programmes as many of labour force lack experience.
- Key sectors such as nuclear and renewables require similar labour force characteristics and there is a need for technical, craft and engineering. There is a risk if local companies do not train staff to higher levels that business opportunities in these sectors will be lost to international and national large employers.
In respect of knowledge driven manufacturing it is critical to develop HE attainment in the current and future labour force.
- The process industry is relatively strong but suffers from an ageing workforce and there is a clear need to promote the industry as a good career choice and also develop more apprentice opportunities.
- Leisure, hospitality and tourism is dominated by smes' and there is a need to develop management and customer skills with few employers engaging fully in training programmes. There is a need to identify training opportunities and promoting to the sectors.
- In addition skilled food preparation staff are in short supply however HCFE is building up its capacity in this area and has been supported by Economic Development through the "Taste Of" initiative.
- Retail sector issues are similar to the above with management and customer service skills being particularly important. Skillsmart Location Model could be used to develop the sector.
- Health and social care is likely to grow in line with an ageing population. Minimum qualification levels will mean expanding the apprenticeships and HCFE is responding by increasing the number of courses and relevant qualifications.
- Construction is forecast to grow slowly but there is a need to replenish the workforce over time and there will be a specific need to train residents in new techniques particularly related the to low carbon economy.
- Voluntary and community sector issues include moving towards a more commercially based approach and therefore the development of business skills will be important for this sector. In addition the move to the Work Programme will need new approaches and the Council is working on consortium bids to deliver subcontracted activities from Prime Providers.

4.4 Place

- Future regeneration activities are centred around key spatial areas including the Southern Business Zone, The Innovation and Skills

Quarter, Victoria Harbour in respect of offshore wind and tourism opportunities at the Headland and Seaton Carew. The programmes require substantial financial resource and at this stage new solutions may need implementing due to the lack of public funding.

Wynyard also offers economic benefits and to date this has been largely private sector driven and should provide business and employment opportunities for local residents.

- There is a limited range of high quality business premises that is suitable for modern business needs particularly small start up businesses and expanding smes'. This is largely borne out by the continued high occupation levels at Hartlepool Enterprise Centre and the Innovation Centre at Queens Meadow Business Park.
- This issue is partly being addressed by the Innovation Centre extension and possible development at the former Crown Buildings site in the ISQ. However if the business base is to continue growing appropriate business infrastructure needs to be developed further especially within the Southern Business Zone.
- The use of broadband by businesses and residents is essential in maintaining and increasing economic performance. The speed and availability is generally good and should significantly improve by the Government's pledged introduction of superfast lines.
- The retail stock has reasonable occupancy levels and there are opportunities to further develop retail through initiatives such as the "Indoor Market".
- In terms of tourism there may be opportunities to develop further by increasing day visitors as families cut back on expensive holidays. With possible improvements to the visitor economy infrastructure there is an opportunity to develop a critical mass of attractions.
- Housing is forecast to grow that will be partly driven by the need for single person households. Demand for new homes exceeds supply and due to the demise of the mixed development plan at Victoria Harbour additional housing land is required that will provide a range of housing options including executive housing to support the development of the business market.
- Housing market renewal programmes is important to ensure decent modern housing for local residents.
- Rising costs of energy mean that more efficient housing is needed incorporating new technologies such as photo voltaic cells.
- Improving connectivity both locally and externally is important to support economic performance. If local residents need to take advantage of employment opportunities in the region and sub region

better access is required. The proposed Tees Valley Metro will be a key improvement to assist in the mobility of local labour.

- Maintaining and improving national and international transport links are important in developing the indigenous base but also in attracting high quality inward investment.

5. RECOMMENDATIONS

- 5.1 That the Portfolio Holder provides any additional comments and feedback on the draft Economic Assessment prior to submitting to Cabinet on the 21.3.11 for final endorsement.

6. BACKGROUND PAPERS

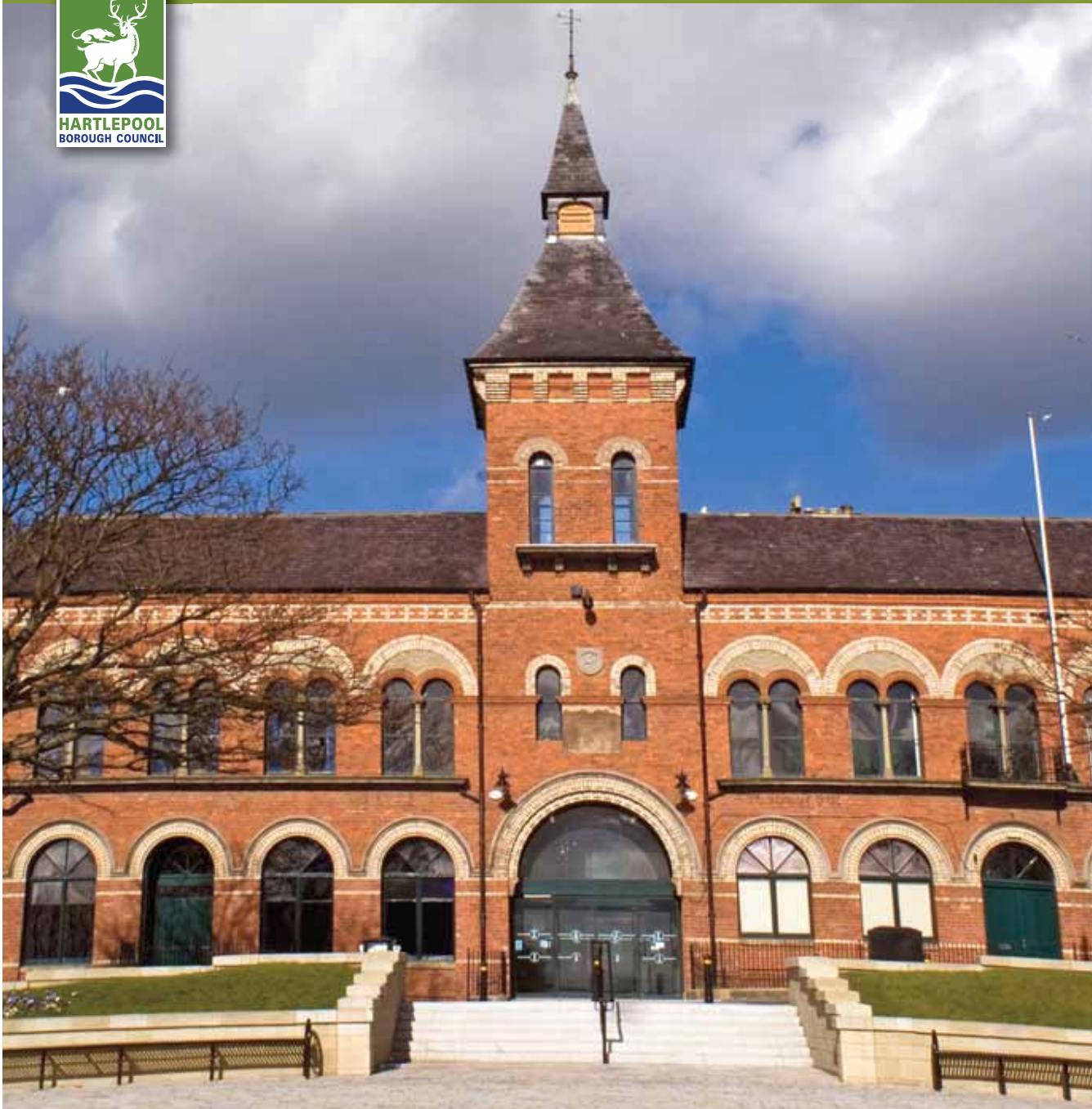
- 6.1 The full Economic Assessment and Executive Summary are contained in the attached **Appendices 1 and 2**.

7. CONTACT OFFICER

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Hartlepool Economic Assessment – Executive Summary 2010/11







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1.0 Introduction - Councillor Pam Hargreaves - Portfolio Holder for Regeneration & Economic Development

Over the past twelve months, representatives from Hartlepool Borough Council's Economic Development Division have worked closely with key partners to develop the town's first Economic Assessment. This assessment provides a detailed needs analysis of the key drivers that directly, and indirectly, impact on the area's economic capacity and where - dependent on the right conditions - growth may occur in the future.

This assessment has been completed at a time when we are facing major new challenges through shifts in government policy and unprecedented austerity cuts. There is also a growing realisation that the fragility of the global economy may be prolonged and may continue to impact on the local economy, long into the future. Although Hartlepool's economic resilience has been tested in recent times, and it is clear that we should remain cautious, there are exciting opportunities that can be maximised which will bring sustainable social, economic and environmental benefits to the whole town.

Whilst we should always be mindful of these challenges, to achieve the town's longer term ambition and vision will require renewed innovation and determination by all partners. A key element of this assessment is to ensure that all partners from across the public, private and third sector have a full understanding of the economic landscape in which they work and often live in. By developing a comprehensive analysis, which covers all issues which may affect the local economy, the Economic Development Division and its partners have provided the necessary picture in which to create the emerging Economic and Regeneration Strategy (2011-2014).

At its heart, this new strategy will identify the town's key priorities and will show what new infrastructures and improved service-delivery models will need to be implemented to assist the business community and local residents to develop their skills to enter into employment and enhance their aspirations to start up in business.

I would urge all partners to review this 'needs assessment' and contribute to the debate on how best Hartlepool Borough Council and its partners can improve the support available to our business community; continue to improve the revitalisation of our town and advance the economic well-being of all our local residents so that we can remain competitive within a global economy.

2.0 Foreword - Mr Ray Priestman - Chair of the Economic Forum

In 2007, the Review of the Sub-National Economic Development and Regeneration ('SNR') proposed that all upper-tier and unitary local authorities carry out a local Economic Assessment which will outline economic development and regeneration matters. Included within the SNR proposal was a commitment to consult with all key partners on a comprehensive assessment which will compliment and underpin the statements and targets of local areas such as:

1. Sustainable Community Strategy (SCS);
2. Local Development Framework;
3. Local and Multi-Area Agreement targets; and
4. Will assist in helping the authority contribute to the development of the Regional Economic Strategy (RES).

The Department of Communities and Local Government (CLG) endorsed this new statutory Economic Assessment duty as it believes that it will 'add value to existing arrangements and practices'. The **Local Democracy, Economic Development and Construction Bill (2009)** now places a statutory duty with relevant local authorities expected to complete an assessment by April 2011 which will set out the economic vitality and conditions of their particular area.

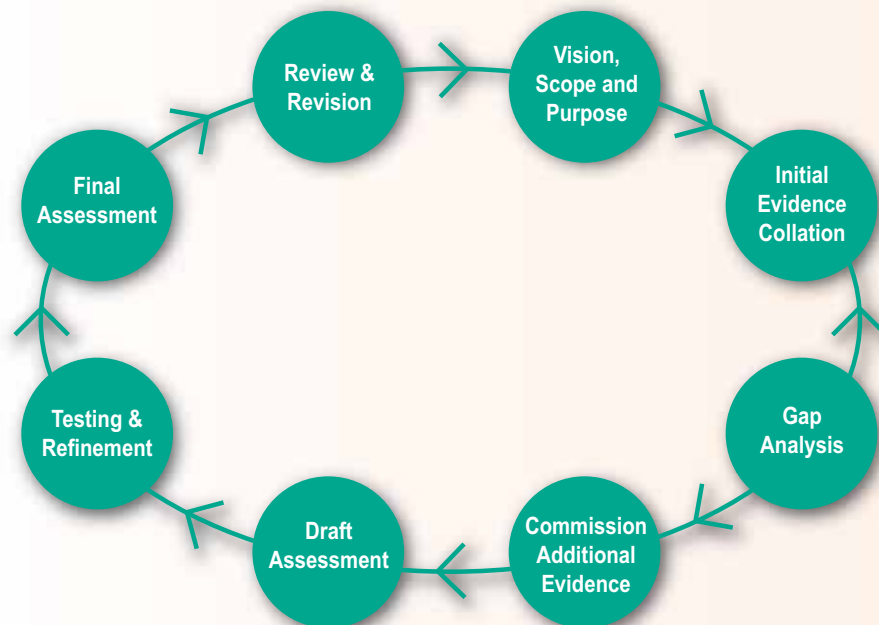
Hartlepool's Economic Assessment will provide the necessary evidence base to increase knowledge and better understand local economic conditions and to analyse how the town makes a significant contribution to wider sub-regional and regional functional markets. By understanding this wider scope of economic activity across multiple boundaries it will provide an insight into the opportunities that the town could maximise and will also reflect the influence that global market forces have at a local level.

Hartlepool's Economic Assessment follows the context of the Tees Valley Wide Economic Assessment which was completed by Tees Valley Unlimited.

This completed assessment will provide the golden thread between the above stated strategies and the emerging Economic Development Strategy which will respond to this needs assessment and which will in particular identify:

- The authority's capacity and prioritisation in relation to economic development and regeneration interventions.
- Improved interventions to tackle worklessness, skills and enterprise initiatives
- Enhanced ways of working to develop commercial activity and business infrastructure;
- How it can improve local authority engagement with private sector partners; and;
- How the town will respond to the eventual upturn and strengthen jobs and business growth in the long term through sustainable measures.

Hartlepool's Economic Assessment has been designed to follow a clear and concise process which compliments good practice guidance as outlined within the Improvement and Development Agency and Planning Advisory Service document, 'How to do a Local Economic Assessment' (October 2009). The diagram below depicts the process for undertaking this comprehensive assessment at each critical stage.



3.0 Vision Scope & Purpose

The Hartlepool Economic Assessment will adopt the Community Strategy and Neighbourhood Renewal Strategy visions and the Jobs & Economy themed aims.

3.1 Community Strategy

'Hartlepool will be an ambitious, healthy, respectful, inclusive, thriving and outward-looking community, in an attractive and safe environment where everyone is able to realise their potential.'

3.2 Neighbourhood Renewal Strategy

'Continue the regeneration of Hartlepool and ensure that local people, organisations and service providers work together to narrow the gap between the most deprived neighbourhoods and the rest of the borough, so that in the future, no one is seriously disadvantaged by where they live'

3.3 Local Area Agreement Jobs & Economy Theme

'Develop a more enterprising, vigorous and diverse local economy that will attract new investment, enable local enterprise and entrepreneurs to be globally competitive and create more employment opportunities for local people.'

The scope of the Economic Assessment will be to undertake a robust and comprehensive review of Hartlepool's industrial and economic landscape. This in depth review will require research into the current baseline position of the local economy in relation to a wide range of issues which will directly or in directly impact on the economic growth and vitality of the area. This assessment will consider the geographical area of the Hartlepool district and will pay particular attention to the changing industrial and business base, the demographics of the local population, skills requirements for the future, the regeneration of the area and the natural environment.

The purpose of the assessment will be to provide an analysis of the current factors which impact on the social, economic and environment development of the town. The assessment will offer a strength, weakness, opportunities, and threat (SWOT) analysis against the key area of 'Business, People and Place' and will identify where there are gaps in knowledge on specialist areas for example 'skills requirements of employers.' The key findings from the Assessment will inform and develop the Economic Strategy.

3.4 Initial Evidence Collation

Initial evidence collation has been produced through detailed reviews of national, regional, sub-regional and local policies and strategies including: -

National

- Voice of Small Business Annual Survey – Federation of Small Business (FSB) – February 2010
- Leitch Review of Skills – Skills Funding Agency (SFA) - December 2006
- National Skills Strategy – Department for Business, Innovation and Skills (BIS) – November 2009
- 21st Century Welfare – Department for Works and Pensions (DWP) July 2010
- Universal Credit: Welfare that Works – DWP – November 2010
- Building Bridges to Work: New Approach to Long Term Worklessness – DWP – March 2010
- Skills for Sustainable Growth – SFA – December 2010
- The Cost of Exclusion - Princes Trust – December 2010
- Local Growth – Department for Communities & Local Government (CLG) – November 2010
- Ending Child Poverty in a Changing Economy - Joseph Rowntree Trust - October 2010
- Monitoring Poverty & Social Exclusion - Joseph Rowntree Trust - November 2010
- Britain's Superfast Broadband Future – BIS – December 2010
- Mental Capital & Wellbeing for 21st Century – BIS – October 2008
- Bigger, Better Business: Helping Small Firms Start, Grow and Prosper – BIS – January 2011
- Financing Business Growth – BIS – October 2010

Regional

- Impact of Changing Funding Environment on VCS – Social Futures Institute – March 2008
- Regional Employability Strategy – One Northeast – February 2007
- Regional Tourism Strategy – One Northeast – April 2007
- Enhancing Financial Inclusion in Northeast – One Northeast – September 2009
- Regional Spatial Strategy – One Northeast – May 2007
- Regional Strategy for the Environment – December 2006

Sub Region

- Tees Valley Work and Skills Plan – Tees Valley Unlimited (TVU) – April 2010
- Major Skills Issues in Tees Valley – Social Futures Institute – June 2007
- Tees Valley Business Case – TVU – May 2006
- Tees Valley Economic Assessment – TVU – April 2010
- Development of Social Economy in Tees Valley – Social Futures Institute – September 2004
- Higher Level Skills in the Tees Valley – TVU – May 2010
- Tees Valley Employability Framework – Shared Intelligence – October 2007
- Tees Valley Climate Change Strategy – TVU – August 2007

Local

Strategic Needs Assessment – Hartlepool PCT – October 2009

- Local Transport Plan – Hartlepool Borough Council (HBC) – March 2006
- Community & Neighbourhood Renewal Strategy – HBC – August 2008
- Local Area Agreement – HBC – January 2007
- Local Development Plan – HBC – November 2010
- Children and Young People's Plan – HBC – October 2009
- Child Poverty Strategy – HBC – October 2010
- 14-19 Strategy – HBC – October 2006

To provide a complete picture of the economy researchers have worked closely with leading experts from the public, private and voluntary sector. The assessment has been compiled by working in collaboration with many partners including Hartlepool's Economic Forum, Tees Valley Unlimited and the Voluntary & Community Sector (VCS). As the assessment moves into the consultation phase further discussion will provide unique insight into specific areas from a range of diverse experts within their chosen fields. Evidence collation will improve as new lines of enquiry will be developed through consultation with all the major stakeholders.

3.5 GAP Analysis

What this assessment has predominantly outlined is that there remains gaps in knowledge on specific subject areas e.g. the resilience of the economy. Many of the questions raised in producing this assessment identified that the fragility of the global economy was not conducive in being able to make substantiated claims for the short, medium and long term prosperity of the town's economy. Due to the complexity of the global economy and how it will ultimately impact at a local level,

there will be different opinions by forecasters and experts on the findings of this assessment. Where there are proposed gaps in the analysis shown, partners will be invited to consider if there is evidence or where further research is needed.

3.6 Commission Additional Evidence

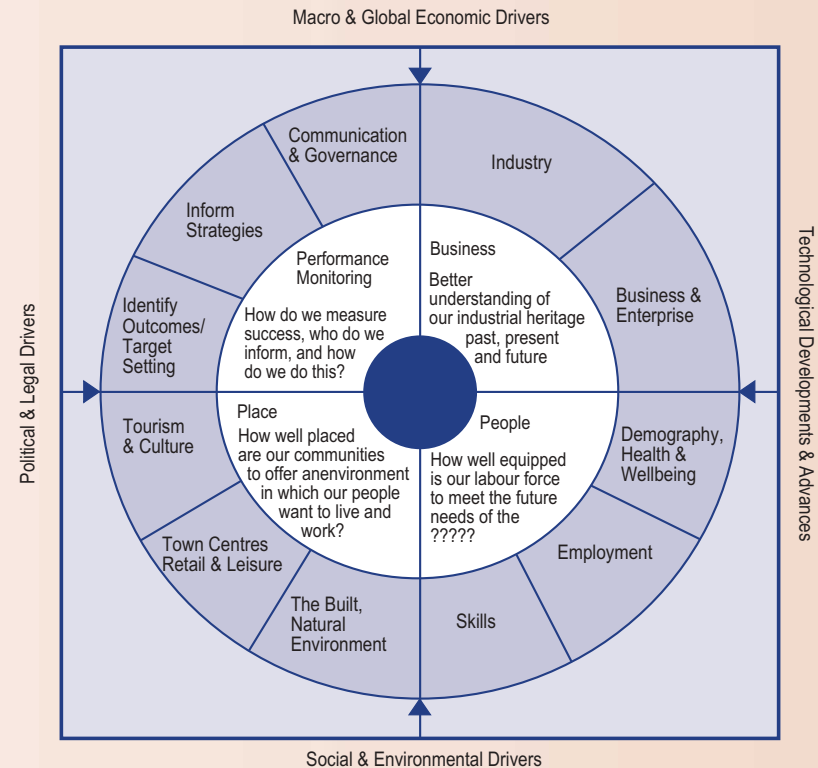
Where the assessment has shown gaps in the analysis, it may be that partners feel it is necessary to commission additional research on specific subjects in which to build a full evidence base. There are clearly gaps in this analysis which will need to be further explored so that a complete economic strategy is developed. There are questions that may be extremely challenging in which to gain a definitive answer, for example why do some communities suffer the effects of third and fourth generation workless households? This type of question whilst important to understand will require resources for the research to be undertaken which will need to consider all elements of a persons lifestyle including health, wellbeing, cultural background, skills, educational attainment, aspiration, ambition and environment. However, these challenges should not be ignored if the full economic picture is to be produced.

3.7 Review and Revision

The economic assessment will be reviewed and refined on a bi-annual basis. The commencement of the next revised economic assessment will be in July 2012 and the process to complete this document will follow the same process as outlined above. The assessment will formulate the Economic Regeneration Strategy for the town.



4.0 Hartlepool Economic Assessment Framework



The aim of Hartlepool's Economic Assessment is to collect and evaluate data relating to local conditions which will improve the evidential base of partners to enhance strategies and operational plans which directly impact on the local area.

This assessment will identify the economic needs of the local area and will also outline where information is not readily available and where further research will be required to allow all partners to truly understand the 'bigger picture'. As shown within the Economic Assessment Framework, the three key areas that will be considered is 'Business, People and Place' and under each heading an in-depth analysis will be undertaken to review the wider influences of a local economy - such as the global economic downturn – which has had a major impact on Hartlepool.

The assessment will provide the necessary baseline of information to ensure that there is more informed dialogue between all partners. Partners will be informing development of future strategies within the town. It is the intention that all partners will be consulted on this assessment so that all views and expertise is acknowledged and their contribution is included within the body of this document.

5.0 Background to Hartlepool

Hartlepool is located on the North East coast within the Tees Valley sub region and in 2009 had a total population of 90,900 people.¹ Of this, the number of working age adults within the town is 57,900 of which 28,600 are male and 29,300 are female and almost a fifth of residents are at or above retirement age.

The town prospered as an industrial centre for many years until the decline in heavy industry such as ship building, steel fabrication and manufacturing in the 1960s and 1970s. Over the past thirty years the town's economic landscape continued to dramatically change with major job losses in these key industrial sectors and a move towards increased employment within a diverse business community and strong public and third sector.

Hartlepool has a long history of rising in the face of such adversity and as a result has become a much more diverse economy to meet the demands of the global economy. The town is now recognised as a major retail, service and manufacturing centre which significantly contributes to sub regional and regional economic activity. Expansions into international markets are also occurring through companies such as JDR Cables, Heerema, Huntsman, TERRC and Hart Biological which will benefit the wider economy. Alongside this, the town has transformed key regeneration areas in the past 20 years including the docks and specific employment land sites. The Marina and areas such as Queens Meadow Business Park are acknowledged as flagship initiatives with the former offering excellent office, housing and maritime tourism facilities and the latter providing improved business infrastructure facilities which have increased inward investment. Also the UK Steel Enterprise Innovation Centre and the redeveloped Hartlepool Enterprise Centre offer excellent start-up units which have increased the number of new businesses across the town.

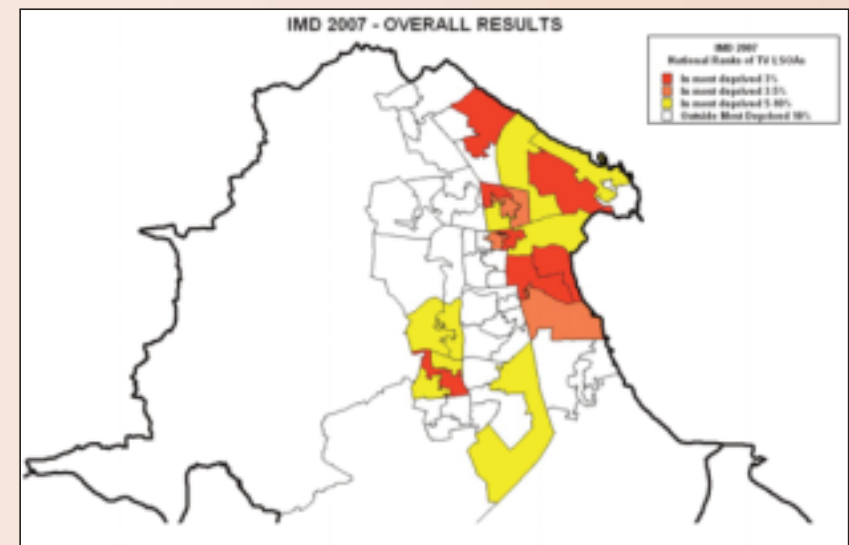
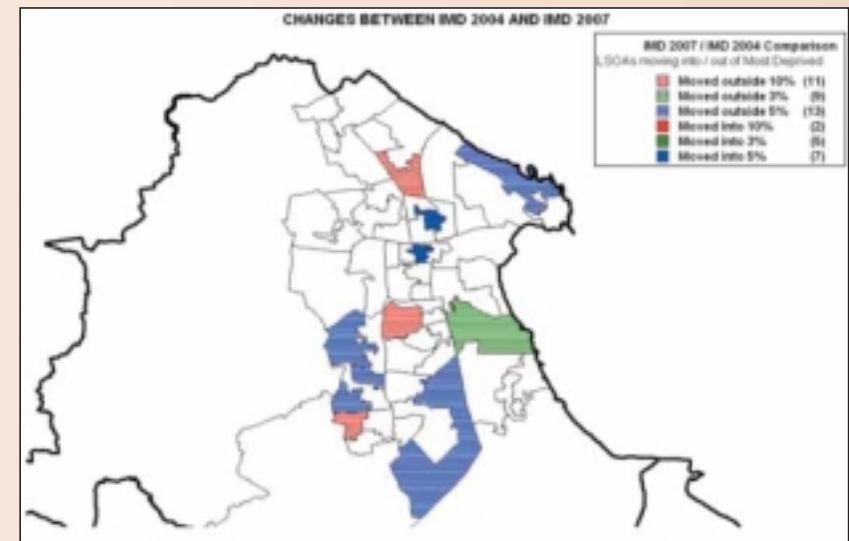
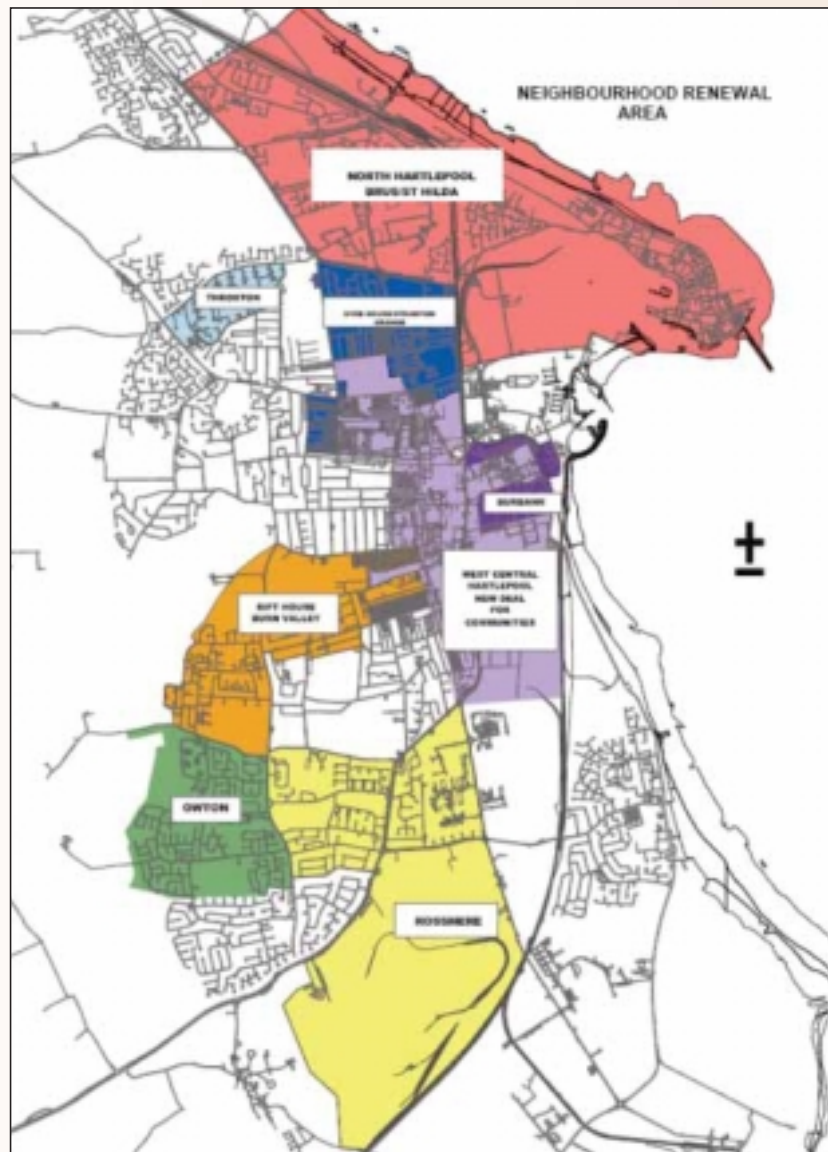
¹ All population figures are taken from Tees Valley Unlimited (TVU) estimates based on ONS population data and methodology

Advancements in business infrastructure activity have lead to an increase in the number of new start up businesses and improvements in self-employment rates. Whilst this has provided the necessary mix of labour market opportunity for local residents, the local economy is still strongly influenced by the public sector - which currently provides a third of all employment. However, it is clear that in a time of renewed austerity there will be cuts to public and private investment that may restrict the growth of the economy and ultimately slow the employment rate. The town has also made great strides in tackling deprivation and the Indices of Multiple Deprivation (IMD) survey in 2007 shows that although Hartlepool was the 23rd most deprived of England's 354 Local Authorities, this improved from 14th position in 2004. Any major cuts in investment will impact on improvements made to the social, economic and environmental landscape of the area which will ultimately affect the poorest communities.

6.0 Map of Hartlepool



7.0 Hartlepool's Neighbourhood Renewal Areas



Originally, Hartlepool's 2002 Local Neighbourhood Renewal Strategy used the government's Index of Multiple Deprivation (IMD) 2000 to establish seven priority neighbourhoods within the town. The 2007 Index of Deprivation showed that some areas within the priority neighbourhoods identified in 2002 are no longer in the 10% most disadvantaged. However, because the way in which the Government calculates the index has changed significantly since 2000 and due to the long term vision of Hartlepool's 2002 Neighbourhood Renewal Strategy, those areas previously identified as a priority remained in the 2008 Strategy.

Alongside this, included within the 2008 list of priority neighbourhoods is Throston Grange – which is not in the bottom 10% overall, but is for the key themes of Employment and Health, Deprivation & Disability - bringing the total number of priority neighbourhoods to eight. These are):

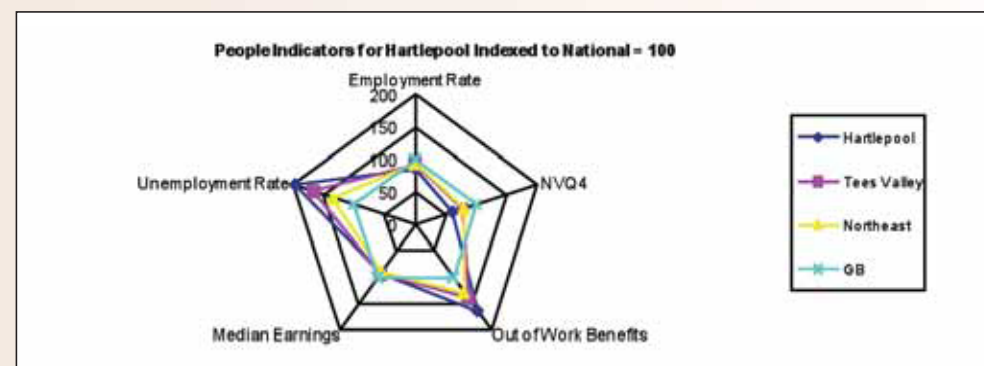
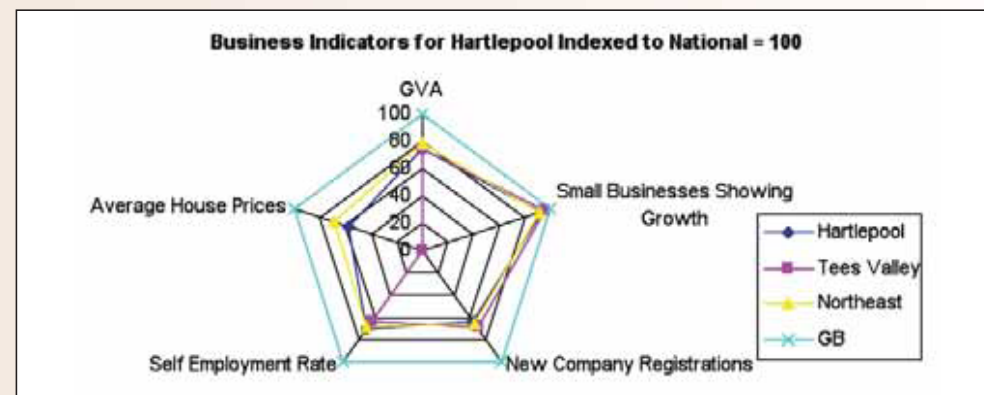
Burbank
Dyke House/Stranton/Grange
Hartlepool NDC
North Hartlepool (Central Estate, Headland & West View/King Oswy)
Owton
Rift House/Burn Valley
Rossmere
Throston

55% (just over 50,000) of Hartlepool's population currently live in these eight priority neighbourhoods; of the 17 wards, 11 fall within the Neighbourhood Renewal area. Of these, 11 NRA's fall into the 5% most deprived areas nationally. Of the 58 Super Output Areas in the town, 20 are in the 10% most deprived areas nationally, 11 of them in the bottom 5%.

8.0 An Economic Profile of Hartlepool

Over the past twenty five years, Hartlepool's regeneration and economic development activity has significantly improved the social, economic and environmental vitality of the town. The town is now a more enriched, vibrant and attractive area in which to live, work and socialise within and the improved infrastructure continues to encourage and attract major investment which will lead to longer term economic growth. Through this transformation, the town has

witnessed considerable success in tackling inequalities and social exclusion and within the past decade all of the above indicators were moving in the right direction to narrowing the gap to the regional and national average. Since the global economic crisis, there has been a major impact on local indicators and fragility within the economy remains. Whilst concerning, the change within the economic climate has provided opportunities to further assist indigenous businesses, invest in new technology and focus on growth industries which will ultimately lead to a sustained and viable economy.



Each indicator is an Index with the National figure=100. Gross Value Added - latest 2007; Average House Prices – latest 2008; Self Employment Rate – latest 2009/10; New VAT.PAYE Companies - latest 2008 (NI 171); Small Businesses Showing Growth – latest 2009 (NI 172); Employment Rate - latest 2009/10 (NI 151); Unemployment Rate – latest 2010; Median Earnings – weekly earnings by workplace latest – 2009 (NI 166); Out of Work Benefits - latest 2010 (NI 152); % working age with Level 4 - latest 2009 (NI 165)

9.0 Pre Economic Recession Journey of Indicators

Before the economic recession, Hartlepool was showing signs of real improvement as shown below.

Indicator	2001	2002	2003	2004	2005	2006	2007
Employment rate (% of working age) ‡	-	-	-	64.1	65.6	64.4	64.3
Unemployment rate (JSA claimants) (% of working age)†	4.5	4.7	4.2	3.7	3.7	4.2	3.9
Long Term Unemployed (% of JSA claimants) †	42.1	37.1	33.1	30.8	33.9	36.2	31.2
Working Age on Out of Work Benefits (%)	24.8	24.2	23.2	22.0	21.5	21.1	20.8
Residents with NVQ2 or Above (%)‡	58.2	58.9	60.2	60.5	62.1	64.7	66.9
Median weekly Earnings of Employees (£)	321.50	333.10	342.90	346.60	375.70	396.10	388.50
New VAT/PAYE Registrations*	-	-	-	225	260	285	350
VAT / PAYE Enterprises*	-	-	-	1,650	1,730	1,830	1,985

Source: Labour Force Survey/Annual Population Survey; DWP; Annual Survey of Hours & Earnings; Business Demography ONS

* Consistent series begins with 2004 data; † Snapshot of claimants in September each year; ‡ Calendar year averages

Note on sources

Much data in this report is drawn from the Annual Population Survey and Labour Force Survey. These figures are extrapolated from survey results and, as such, are subject to a margin of error, which is not given in the text. Typical margins of error for Hartlepool would be around 1 percentage point, although they may be substantially higher where the number of interviewees in a particular group is small (e.g. the self-employed).

10.0 Key Findings

Hartlepool's Economic Assessment will provide the necessary evidence base to increase knowledge and better understand local economic conditions and to analyse how the town makes a significant contribution to wider sub-regional and regional functional markets. Understanding this wider scope of economic activity across multiple boundaries will provide an insight into the opportunities that the town could maximise and will also reflect the influence that global market failures have at a local level. It builds on the Sustainable Community Strategy, Neighbourhood Renewal Strategy, the Local Development Framework and the Local and Multi-Area Agreement.

This completed assessment will lead to an Economic Development Strategy which will respond to this needs assessment and which will identify:

- The authority's capacity and prioritisation in relation to economic development and regeneration interventions.
- Improved interventions to tackle worklessness, skills and enterprise initiatives
- Enhanced ways of working to develop commercial activity and business infrastructure;
- How it can improve local authority engagement with private sector partners; and;
- How the town will respond to the upturn and strengthen jobs and business growth in the long term through sustainable measures.

10.1 Business

Business Stock

- During the past decade, the number of businesses in Hartlepool increased substantially, reaching 2,425 in 2009. Much of this can be attributed to the large increase in the number of business births in this period, on which measure Hartlepool out-performed both Tees Valley and the North East. There were a number of policy initiatives during this period which contributed towards this increase in business numbers, including the Business Incubation System, with a hot house development at Queen's Meadow and an enhancement scheme at Brougham Enterprise Centre.
- During the economic downturn, both the total number and – in particular - the business birth rate fell. The new businesses formed in the previous years

proved to be relatively less resilient to the poor trading conditions than regionally or nationally. However, this may have aided the area, by removing the less competitive businesses, leaving a more robust business stock in the area; this is corroborated by evidence that median earnings of workers employed in Hartlepool businesses increased substantially in 2009.

- In addition, a number of major national businesses have collapsed (e.g. Woolworths, Garlands) or pulled out of the town, causing high levels of redundancies. As such, the business base in the area has declined sharply over the past two years – however, still it remains above the 2004 level, while the rate of business formation is currently similar to the 2004 level. As such, it seems reasonable that despite the declines of a recent past, the state of Hartlepool's business base and business birth rate is now in a much improved condition from the start of the decade.
- However, there remains a clear enterprise gap between Hartlepool (and indeed, the region as a whole) and the national pattern. The town has fewer enterprises per head of population and, despite recent improvements, a lower business formation rate.

Employment

- In employment terms, the overall employment rate of working age residents increased strongly in the period to 2006, peaking at 66.5%, halving the gap with the national rate. However, subsequent changes in economic conditions were accompanied by a steep fall in the employment rate, which stood at just 60.9% in the latest available figures (36,700 people).
- Although employment in Hartlepool's manufacturing sector has declined sharply, losing nearly one-third of its workers since 2004, it remains relatively more important to the town than in the country as a whole. However, the government's stated policy on supporting the manufacturing sector will benefit Hartlepool as it is well-placed to take full advantage of new markets due to its established manufacturing infrastructure.
- Employment in public services is relatively high, but will decline in the future and will continue to do so long term as a consequence of public sector funding cuts.
- The knowledge economy is under-represented in Hartlepool, with low numbers employed in the town within information & communication, finance and professional, scientific & technical activities. There is some evidence that more highly-skilled workers – i.e. those most likely to be employed in knowledge-intensive activities – are more likely to out-commute to jobs than those in lower

skilled activities, since the median earnings for Hartlepool residents (£486.40) is higher than the median earnings for employees working within Hartlepool businesses (£445.80).

- Self-employment is close to local and regional averages, in the order of 6-7% of the working age population (around 3-4,000 people). It has risen substantially since the early part of the decade, although remains well below national rates (around 9%). This again provides evidence of an 'enterprise gap'.

Productivity

- Gross Value Added (GVA) by Hartlepool & Stockton businesses per head of population is relatively low, standing at £14,370 in 2007, compared to a regional average of £15,460 and £20,430 nationally. GVA per employee is closer to regional averages, but still lags well behind the English average. These figures are the latest available, and do not take into account any effects from the recession.

Key issues facing business

- The key issue currently facing business is uncertainty, with a fragile global economy and significant public sector funding cuts underway, including the axing of major infrastructure projects. The direct and indirect, knock-on effects of these cuts will have a major effect on spending and business success, but it is difficult to predict the outcome with any degree of precision.
- Access to finance, especially for new businesses and SMEs, remains problematic, although the cost of lending is low if businesses can obtain it.
- The increase in the rate of VAT to 20% may weaken consumer spending.
- The skills available to business among Hartlepool residents are on a long-term upward trend, although this has stagnated somewhat in recent years. The challenge facing business is to make best use of those skills in order to drive up productivity, which implies upskilling the jobs available in Hartlepool i.e. increasing the local demand for higher level skills as well as the supply.
- The local workforce is ageing, particularly in key manufacturing sectors (e.g. engineering, where the average age is over 50), where the supply of young replacements tends to be insufficient.
- The cost of absenteeism among employees is high, with the North East among the most poorly performing regions. Hartlepool has been a pilot area for a programme to tackle absenteeism in the workplace, which, it is hoped, will see a reduction in these (and other costs) in the longer term.

- Strategies which businesses can adopt to deal with current issues include moving into new markets and efficiency savings.

Key Growth Sectors

- Nuclear: The nuclear sector - employs approximately 1% of the local working age population. Although the power station was due to be decommissioned from 2014 onwards, a five year extension has recently been granted and there is scope for the commissioning of a newbuild station in the town (with Hartlepool's site identified by the government as being one of eight areas being considered). Both of which will generate substantial employment and turnover in the borough.
- Offshore Oil & Gas: Offshore-related manufacturing is a key local specialism, with current provision to capacity. There is further potential to expand, particularly if increases in the price of oil make marginal fields more viable, but this would likely require development of the local supply chain,
- Offshore Wind: There is substantial potential to develop Hartlepool's existing engineering expertise to take further advantage of the opportunities in green power generation over the coming decade, particularly in servicing the Dogger Bank area of the North Sea. There are already facilities manufacturing components for wind generation, and land available for major inward investment opportunities.
- Low Carbon Economy: In addition to offshore wind, there is expertise in Hartlepool relating to other environmental-related areas which could be developed further, including processing of scrap and diversifying offshore wind skills and facilities into onshore wind.
- High Value Added Engineering: Engineering remains an important employer in Hartlepool, employing around 1,700 people. Given the variety of local expertise, it is well-placed to take advantage of component supply opportunities in a number of different growth areas, including new build nuclear and the low carbon economy.
- Knowledge Intensive Business Services (KIBS): Hartlepool currently has a low proportion of employment in KIBS, with the highest numbers employed in contact centres. There are opportunities for growth in this area and – in particular - in outsourcing, building on Tees Valley's good reputation, but other areas with higher skill requirements – finance and other professional services – require some development.
- Process & Chemicals: Like engineering, the chemical industry is a traditional

strength in Hartlepool, with high levels of investment and relatively high resilience to the downturn, given the supply chains in which they operate. It is also the intention of the North/South Tees Study to build on the opportunities identified within the report including carbon capture technology and biomass power generation.

- **Hospitality & Tourism:** This is an important sector, both as an employer in its own right, and in assisting wider development goals through supporting a higher quality of life, and encouraging recruitment and retention of inward investing businesses and higher skilled, higher earning workers. The sector has seen growth in recent years, in terms of visitor numbers and GVA, and development of attractions is ongoing.
- **Retail:** The number of retail businesses in Hartlepool has steadily decreased in recent years, to 335 in 2010, although the number of employees has increased, to 2,800. These trends are due to the development of larger – and in particular out-of-town - retailers, competition from the internet and, more recently, declines in consumer spending. Vacancy rates are high in some areas, but the core town centre remains a key retail hub for the area.
- **Health & Social Care:** The health & social care sector employs around 5,000 people in Hartlepool, with demand set to grow and diversify because of both the ageing population and changes to the structure of public funding (e.g. personalisation and GP commissioning). The future trajectory of the sector depends on how well the town's providers can respond to these opportunities.
- **Construction & the Built Environment:** During the past decade, the construction sector generally showed strong growth in Hartlepool, but has been hit hard by the downturn and the decline in the housing market. While this is now showing some signs of recovery, most major public sector building projects are now on hold or axed, leaving little potential for significant growth in the next few years.
- **Voluntary & Community Sector:** There are around 650 Third Sector (community, voluntary or social enterprise) organisations in Hartlepool, which contribute to local economic and social development in a variety of ways. With the Big Society agenda moving forward, it is envisaged that they will play an even more important role in the future, but will face a number of challenges including reduction and reorganisation of funding streams and increased competition to win tenders. Thought should be given to appropriate support for the Third Sector to move forward, including the development of consortia, most likely through the Hartlepool Voluntary Development Agency.
- **Environmental & land-based:** Given the lack of agricultural land in Hartlepool, this is a very small sector, with limited growth potential.

10.2 People

Demographics

- The population of Hartlepool has been steadily increasing over the past decade, and now stands at 90,900. This change has been driven by older age groups, with the number of under-16s actually declining, and forecast to change very little in the the next 20 years. The number and proportion of retired people, however, is forecast to grow strongly, with an additional 8,000 over-65s anticipated by 2030. This may have significant consequences for the business community, if there are insufficient entrants to the labour market to replace retirees.

Ethnicity

- The British Minority Ethnicity population in Hartlepool has been increasing over the past ten years, from 1,030 to 1,700 (1.9% of the population) according to official estimates. This may be an under-estimate – experimental statistics indicate that 2.8% of the population fell into BME groups in 2007, and local household surveys report up to 8% of the population in BME groups.

Health & Wellbeing

- Hartlepool's level of health & well-being is relatively poor by national standards. The standardised mortality ratio is high – death rates are 26% above what would be expected, and 35% higher for under-75s. Life expectancy at birth is 2.6 years shorter for men and 3.7 years shorter for women than the national average. Early deaths from cancer and, in particular, circulatory diseases are disproportionately high (in the latter case, 30% higher than national rates). The proportion of the population claiming health-related benefits is higher than national or regional figures, as is the prevalence of unhealthy lifestyle risk factors e.g. smoking, binge drinking, obesity, misuse of drugs. The mental health of the population is also relatively poor, with 47.7 adults per 1,000 population claiming mental illness-related benefits, compared with 27.6 nationally, with referrals rising substantially in the last year.

Financial exclusion

- Financial exclusion in Hartlepool is high. Just under half of all households have a poor credit rating, placing Hartlepool in the bottom 50 local authorities in the country. Citizens Advice Bureau centres report that 85% of recent enquiries have been related to money or debt. The formation of a Financial Inclusion

Partnership has begun to address these challenges, both directly through increasing access to more affordable forms of credit and face-to-face advice and indirectly through information guides and roadshows.

Child Poverty

- In 2007, 5,000 children (30%) in Hartlepool were classed as living in poverty, far higher than the North East (24%) or England (22%). There is now a Child Poverty Pledge and Strategy and a Town Wide Child Poverty Action Plan which is tackling the problems, along with eight children's centres to help families with children under five.

Economic activity and worklessness

- The number of economically active adults grew from 38,900 in 2004 to 43,100 (74.4% of the working age population) in 2007, exceeding the North East rate but still well below the national rate. However, the level of economic activity subsequently decreased sharply, with only 41,000 adults (70%) classed as active in 2009/10 the lowest in the Tees Valley area and 6.4 percentage points below Great Britain. In particular, rates have seen a much sharper decline among women than men, from 69% in 2007/08 to 62% of women in 2009/10. This is at odds with the performance of female activity rates nationally, which have remained static.
- Some 17,500 adults in Hartlepool – 30% of the working age population – are currently classified as workless, well above the rates in the North East (27%) and nationally (23.5%). Similarly, 9,000 households were classed as workless in 2009, 28% of all households in the town.
- Unemployment (measured using the Jobseeker's Allowance claimant count) reached a low of just over 2,000 people in May 2005, following a long period of improvement. However, subsequent large-scale redundancies and the economic downturn have pushed the claimant count to 3,993 in October 2010, nearly double the level of four years earlier. In addition, the proportion of claimants who had been unemployed for six months or longer, which had been on a long-term downward trend, increased substantially in 2009-10, from 26% to 43%, although this spike was relatively short-lived – the current proportion of long-term unemployed is 33%.
- The number of adults claiming out-of-work benefits decreased steadily between 2000 and 2006, reaching a low of 11,360 (20% of the working age population), although the rate remained well above the national claimant rate (around 11%). The number has subsequently increased, although not greatly, reaching 12,500

in 2009-10 (21.7% of the working age population).

- There are geographical disparities within Hartlepool, with the worst performing wards recording substantially higher levels of worklessness and benefit claims than the borough as a whole. In five wards, over 40% of adults are workless.

Vacancies

- As of June 2010, there were 616 unfilled vacancies advertised for Hartlepool by Jobcentre Plus (representing around 30% of all vacancies in the area). This implies that there were 51 workless applicants who could apply for each advertised position. In order to reach those furthest from the labour market access vacancies, Hartlepool Works has been established, bringing together a consortium of employment, training and specialist providers.

Incapacity-related benefits

- Just over 6,200 adults claimed some form of incapacity-related benefit in May 2010, equivalent to 10.8% of the working age population, well above the rates in both the North East (8.6%) and nationally (6.5%), although this gap has narrowed substantially as the number of claimants has decreased. The majority (4,080) have been claiming for five years or longer. Some 2,000 claimants are aged 55 or over, and therefore outside the measures introduced to move claimants into work.

Youth unemployment

- Approximately 1,900 people aged 16-24 were classed as unemployed in the latest survey figures available. This is somewhat higher than the average for the past five years, which has typically been between 1,000-1,500, often spending short periods unemployed between similarly short periods in employment. In addition, there are currently 1,185 18-24 year olds who are unemployed. Among 16-19-year-olds, people were not in employment, education or training (NEET); the annual average NEET rate of 8.2% is below the North East rate (9.7%) but higher than nationally (6.9%). The typical period spent NEET is short, but around 1% of this age-group are classed as long-term NEET. Support has been available to the young unemployed through the Future Jobs Fund – the Hartlepool programme has been nationally recognised for its success – but this will end in 2011, with the similarly successful Going Forward project also coming to an end. This leaves a gap in provision for young unemployed people, which may be met if a bid to the Skills Funding Agency is successful.

Skills – young people

- After lagging behind national and regional trends in GCSE performance, in 2008/09 599 Hartlepool pupils (48.7%) achieved 5 GCSEs at A*-C including English and Mathematics. This was slightly above the North East rate (48.1%) and had substantially narrowed the gap with the English rate (50.1%), making the joint greatest improvement of any local authority. Attainment of this standard by the 230 pupils eligible for free school meals has also risen, with 57 pupils reaching it (24.8%). Achievement in science-related subjects is relatively poor, however, with only 49.1% gaining two good science GCSEs, compared with 54% regionally and nationally.
- The proportion of 16-year-olds studying in Hartlepool attaining any Level 2 qualification was 69.8% (869 people) in 2008/09 – well above the national rate of 63.9%, and on a steeper upward trend than nationally
- Attainment of Level 3 qualifications by age 19 is somewhat poorer. By 2008/09, 535 19-year-olds had attained this level; the rate of 43.3% is well below the national rate of 51.4%. Progression to Level 3 is clearly challenging, although the increase in attainment at Level 2 at 16 in recent years bodes well for future increases in attainment of Level 3.
- Only 65% of 16-17-year-olds were still in full-time education in 2008, compared with 75% nationally. This is the lowest proportion of any North East authority, while the proportion in work-based learning (13%) was the joint highest. Framework success rates at Hartlepool College are in line with national averages, at 69%. The College also has high success rates with E2E provision, with 76% of leavers progressing to a positive destination, among the highest in the region.
- The launch of a wide range of new vocational Diplomas approved by the 11-19 Partnership aims to raise attainment further and offer better routeways into FE, HE and employment. There are also ongoing major redevelopments to a number of schools and colleges throughout the borough, including some new builds, to deliver higher quality facilities and aiming to improve participation and attainment rates.
- Applications from Hartlepool residents for full-time undergraduate courses have risen substantially – by nearly 50% since 2007 – to reach 722 by 2009 (4.3% of the 18-29 age cohort), of which 602 were successful. The success rate since 2000 has fluctuated but has been in line with North East averages, at over 80%.
- Hartlepool has one of the highest proportions of HE entrants using provision other than full-time undergraduate courses, amounting to 936 out of the 1,485 who entered HE in 2008/09. This is equivalent to 63% of entrants, well above

the regional rate of 54%.

- A high proportion of HE entrants to full-time undergraduate courses are from a deprived background- 50% of acceptances in 2009, against 44% regionally.

Skills – adults

- Average skill levels among the working age population steadily increased between 2000 and 2007, but have since shown few signs of growth, and even some decline. The number with no qualifications reached a low of 9,300 (16.6%) in 2007, but has subsequently risen to 10,700 (18.3%), well above the regional and national rates. Similarly, the number with Level 3+ skills grew to 24,200 by 2007 (43.6%), but then declined slightly. Currently, the numbers are growing again, but broadly in line with population growth, meaning that the proportion holding this qualification level has been relatively static, at just over 18%. This is the lowest proportion in Tees Valley, and well behind North East and GB rates.
- Local intelligence on skills will be increasingly important in the future as funding is devolved to a local level and reporting by official bodies is only available regionally. This will require consultation with local stakeholders, including providers and employers, to gain a rounded picture of skills supply and demand.
- The Audit Commission has reported that the Council provides a good service for developing skills in the area, engaging businesses and residents well, but the recent decline in the business base and low future growth forecasts may cause difficulties for further progress on skills in the short- to medium-term. In particular, SMEs need to engage more with the training system, and competencies at high skill levels developed on-the-job should be accredited with relevant qualifications.

Skill needs in key sectors

- There are a number of skill needs which cut across many Hartlepool employers and sectors. These include: upskilling the workforce generally, and ensuring that there is a supply of skilled and motivated work-ready young entrants to replace the ageing workforce; management, leadership and strategic skills; ICT skills across all users, not just in ICT-related occupations; technical and high level engineering skills in key manufacturing sectors; customer service, communication and team working skills. In addition, as shown by Future Jobs Funds recruits, there are many returners to the labour market who require pre-entry mentoring and coaching and significant in-work support to sustain them in employment, which employers feel should be a responsibility of JCP and other similar providers, rather than a burden on the employer.

- **Nuclear:** if Hartlepool is chosen as the site of a newbuild nuclear plant, it is forecast that this would generate 12,000 construction jobs, 5,000 in operations and 1,000 in manufacture. The majority of these (just over half) would be at technical or craft level, with rest roughly evenly split between Level 4+ and lower levels. With this level of demand, especially at higher levels, there is a risk that poaching of trained staff from other employers could create skill shortages elsewhere in the economy. SMEs are currently reluctant to commit to training without an indication of how definite the prospect of the work coming to Hartlepool is, creating the risk that they will lose out on the opportunity to enter the supply chain, which may be dominated by larger employers.
- **Offshore Oil & Gas:** future growth and employment and skill demands are intrinsically linked to the price of oil as supplies dwindle. If marginal (smaller and more complex) fields become viable, Hartlepool businesses can build on their expertise and expand and diversify to serve them. Local skills gaps include an ageing workforce (requiring local promotion of national schemes to encourage young entrants), and management skills which will be required to pursue an aggressive diversification agenda.
- **Offshore Wind:** The sector is forecast to grow strongly, but this creates the risk of skill shortages, especially if businesses poach workers from areas which already have a comparatively experienced workforce, such as Hartlepool. There is already a substantial amount of training available locally, and employers are expanding productive capacity and employment, leaving the town well-placed to respond to the predicted growth in demand. Hartlepool College of Further Education has also invested in a new training facility which offers specialist training to respond to the industry and renewable energy opportunities for the future.
- **Low Carbon Economy:** In addition to skills for nuclear and offshore wind, Hartlepool is well-placed to use its existing workforce expertise to diversify into other low carbon energy sectors, in particular onshore wind. Training in other sectors – notably construction – needs to incorporate awareness of low carbon and energy-saving techniques.
- **High Value Added Engineering:** In general, the local sector requires stronger management and business improvement, and upskilling more workers from Level 2 to 3+. Engineering training is a recognised strength of Hartlepool College, and curriculum development is aligning training provision with wider sectoral developments.
- **Knowledge Intensive Business Services:** The largest sector locally is contact centres, which are already well-served by the training system. Skills provision in other sectors relies on engaging SMEs in training, and encouraging the adoption of national standards for career development and the development of more flexible delivery methods of training. In addition, the outsourcing sector is likely to develop further, requiring additional training provision in this area.
- **Digital Media:** The digital media sector in the North East is relatively small and underdeveloped, with only computer games and interactive media forming significant clusters. Skill shortages tend to be sector-specific and technical, requiring higher level entry qualifications and development of apprenticeship routes; since entry is often via word-of-mouth, this can be difficult in an area with underdeveloped clusters and networking, driving ambitious young people elsewhere to find employment. Locally, the Teesside Media Academy provides specialised training, while careers advice in schools is viewed as lacking in relation to the sector.
- **Process & Chemicals:** Given the product make-up of the local chemicals sector, it is likely to be fairly resilient to the downturn, and businesses are, on the whole, satisfied with training provision. However, delivery could be more flexible in terms of content and location by FE and HE providers. Hartlepool College also has a Centre of Vocational Excellence which works closely with local employers to address skill gaps an upskill and accredit the skills of the existing workforce. Another challenge for the industry is the ageing workforce and efforts by the industry and the Sector Skills Council have been made to create enhanced numbers of apprenticeships within this field.
- **Leisure, Hospitality & Tourism:** The key issue in this sector, dominated by SMEs, is the development of leadership and management skills, with customer service skills also in need of development. Locally, there are indications that skills gaps in both these areas are growing, with very few employers accessing publicly funded support. In addition, skilled food preparation staff are in short supply. Hartlepool College is responding by increasing apprenticeship numbers and courses, and working with careers advisors to more effectively promote the sector.
- **Retail:** Retail staff tend to have low qualifications levels, with over half of all North East retail managers not holding and NVQ3. Management, sales and customer services are key skill gaps, as are – increasingly – ICT-related skills. Skillsmart's Location Model could be used to develop skills in a number of retail outlets within a local area.
- **Health & Social Care:** The main skill gaps currently identified by the SSC are sector-specific technical skills and customer service, although forecasts of future growth and changing skill needs are complicated by the restructuring of public

sector funding arrangements. Locally, skills development needs to take account of the health challenges faced by the town, and in particular aim at reducing the level of lifestyle risk factors among the population. Within care, the workforce need to work towards the minimum qualifications standards set down by the government, which they are currently some way from meeting, particularly in the private sector. Hartlepool College offers a full range of relevant qualifications, and is expanding the number of apprenticeships in response to this.

- Construction & built environment: The construction industry in the North East has been affected significantly by the current economic climate, with employment decreasing from 124,860 in 2008 to 97,810 in 2010. It is forecast that employment will grow again slowly, with an annual recruitment requirement of 3,190 (mainly replacements for retirees) across the entire region. As such, growth in employment in Hartlepool will be extremely limited, with the main focus being to train sufficient new entrants to replenish the workforce. Traditional training needs to be supplemented with techniques based on new technologies, particularly those related to the low carbon economy.
- Environmental & land-based: This is a very small sector in Hartlepool, and opportunities for development are limited. It may be more worthwhile to encourage residents to obtain training for jobs outside the town, which could be used as the basis for them setting up their own business at a later date.
- Voluntary & community: The 7,500 volunteers in the 650 third sector organisations in Hartlepool are estimated to be equivalent to about 600 full-time jobs. Although employees tend to be highly skilled, there is a key shortage of skills related to dealing with volunteers, while skills related to leadership, general business administration and measurement of impact all need development. Future growth predictions are complicated by uncertainty surrounding the new public sector funding arrangements – in particular since many organisations provide social care – and the forthcoming Big Society reforms. Recommendations include the incorporation of training costs in commissioning arrangements and more flexible, innovative delivery methods (e.g. e-learning, consortia and secondments).
- The third sector also contributes towards skills development and worklessness alleviation through outreach and community support, providing experience through volunteering (to be formalised through Work Clubs) and reinvesting in local communities. With the ending of existing funding streams and the onset of the Work Programme, thought needs to be given to how the work done in the third sector can continue, and in particular how the Council can work in partnership and consortia with third sector organisations to bid to new funding streams.

10.3 Place

Regeneration

- Future regeneration investment will be focussed in the Regeneration Action Zones, a number of which are also part of the Tees Valley Coastal Arc Strategy, which is the focus of regeneration in the wider local area. These investments aim to improve both economic development and tourism and the visitor experience – for example, a coastal path and cycleway.
- Important regeneration projects include: the wind power development at Victoria Harbour; tourism developments at The Headland, The Marina and Seaton Carew; and a variety of premises and estates for commercial activity in the Southern Business Zone and Wynyard Business Park, including the possibility of new hospital if alternative funding can be found (given the cancellation of central government funding for the project).
- In addition, there is investment in housing market renewal around the borough, including social housing; improvements to the fabric of educational institutions; and possible refurbishment of the town square.



- However, these plans may be altered by the changes in the planning system proposed by the new coalition government, which will devolve more power to local communities to make their own decisions, in collaboration with the local authority.

Household growth

- It is forecast that, primarily due to the growth in single person households and the ageing of the population, approximately 5,400 new homes (gross) will be needed in Hartlepool in the next 15 years, equivalent to a net addition of 320 per annum. This comes from additions to existing housing areas and development of Greenfield sites on the urban edge and on urban Brownfield sites.

Housing stock

- There were just over 39,000 occupied dwellings in Hartlepool in 2007, and around 2,000 vacant properties (of which 620 were due for demolition) and a small number of second homes (300). This represents a vacancy rate of 4.7%, above the national rate of 3%, although it was substantially higher in some wards due to the poor quality of the housing stock. The scheduled demolitions have now been carried out through the Housing Market Renewal Programme, which is still ongoing.
- Demand for new homes exceeds supply across Hartlepool, including for rented accommodation, with long waiting lists for social housing; in some areas, people may turn to the private rented sector where social housing is unavailable. Executive homes comprise only 3% of the housing stock, and development is needed in this area, particularly if economic development aims of upskilling the population are to be met.
- Demand among newly formed households is strongest for family homes (2-3 bedroom properties), with much lower and falling demand for apartments – many newly developed complexes have high vacancy rates.
- There is a shortfall of 393 affordable dwellings per annum, implying that meeting the need among certain groups for affordable housing is a key priority. This can partly be achieved through enforcing a minimum proportion (10%) of affordable housing on new residential schemes, part-funded by national support schemes. The New Homes Bonus announced by the coalition will also aid in developing the housing stock as required.

Fuel poverty

- In 2009, fuel poverty (spending over 10% of household income on total fuel use)

is likely to be a major problem in Hartlepool, given the high rate of benefit claim. To counter this, in addition to national schemes, the town has developed a Winter Warmth Campaign which, among other initiatives, will provide home safety checks and give out advice on energy efficiency .

Broadband

- Broadband availability and speed is generally good with some exceptions, and will improve substantially when the pledged introduction of superfast lines by the coalition government is accomplished. No data is available on the proportion of households or businesses in Hartlepool which are online, but increasing this rate, and supporting business owners and residents to make best use of broadband is a clear policy direction.

Transport

- Improving local connectivity is seen as a key priority for Hartlepool. While the current road network is effective, transport flows have increased to the point where the network is near capacity, and forecasts indicate increasing congestion and poorer environmental conditions due to increased traffic flows. As such, meeting the increased demand in a more sustainable way is necessary.
- The identified issues to take into account are: increasing car ownership and dependence; increased volumes of traffic; unreliability of public transport and freight journeys; changing spatial employment patterns; and the growth of the population. Initiatives to remedy the problems include: promoting more sustainable travel (walking, cycling, public transport); educating the local population about smarter transport choices; controlling parking provision; maintaining roads; and increasing capacity of junctions.
- The lack of a single commercial centre in Tees Valley creates difficulties for the public transport system. To counter this, there are proposals to create a new £140m metro system (which was not cut in the Comprehensive Spending Review) linking, in its first phase, Darlington to Tees Valley Airport and on to Saltburn, with future phases dependent on funding. In addition, initiatives improve local bus networks include: buses being given priority on a number of routes; rolling out real time passenger information provision; simplifying and improving ticketing and fares; marketing and promoting bus usage,
- Rail and air links are both highly important, with Hartlepool being served by the Durham coast line providing links to Newcastle and the Grand Central Line direct to London, compensating for the loss of direct air links. Nearby Durham Tees Valley Airport is seen as a key driver of the local economy, with its planned

expansion contributing further to economic development and regeneration.

- In total, 67% of residents work in Hartlepool, with 33% commuting out to work, mainly to neighbouring local authorities. This equates to approximately 12,600 people out-commuting, with 9,300 in-commuting (again, mainly from nearby local authorities). On balance, this implies a net outflow of just over 3,000 commuters.

Business sites

- There is a limited range of high quality accommodation for businesses available within Hartlepool, which have been extensively developed and refurbished through a partnership of public and private investment. In total, there are 185ha of key employment locations, 158ha of land for general employment and 29ha restricted for port-related usage. To meet future demand and remain competitive, the town requires 210ha for general employment and 135ha for key employment locations. This implies that there is an oversupply of large premises, particularly factories, and the need to replace the older stock with modern, smaller units. The market for offices is concentrated in the town centre and marina, and any new private sector development is likely to require public sector subsidy.



Town centre, retail and leisure

- The primary retail stock in the town centre has reasonable occupancy rates (although retail vacancy across the town is higher than the regional average), and the retail offer is generally seen as good and varied, with both town centre and out-of-town shopping and leisure opportunities. Sporting activities are much improved, with a range of leisure centres, golf courses and professional sports clubs. The market hall was used to pilot a self-employment scheme,

which saw footfall increase by 18% and is likely to be extended.

- The tourism and visitor offer is worth nearly £50 million per annum and is much improved over the past decade, and includes a marina with a range of attractions, bars and restaurants; historical sites on The Headland; beaches and wildlife at Seaton Carew, Seal Sands and Saltholme; public art and museums; outdoor recreation, and large-scale public events. However, it is seen as relatively inaccessible, with little 'passing trade' – visitors need a reason to visit.
- The 18 hotels and guesthouses, mainly small and lower grade, offer 348 bedrooms, catering primarily for the contractor market. Weekend occupancy tends to be relatively low, but higher in summer, with the main source of business being summer weddings, family visits and attendance at events (mostly football). Future projections forecast at least a continuation of the current level of the contractor market, with development opportunities identified as budget hotel and possibly upper tier hotel development; upgrading of existing 3* hotels; additional self-catering facilities; and planning permission for new developments at Elwick Services and Trincomalee Wharf. These developments are supported by the Hartlepool Hotels Group, a forum for accommodation providers.
- The night-time economy has seen increased business, particularly in the Marina area, and is seen as a key sector to contribute to economic recovery. Work is ongoing to promote this offer and make Hartlepool a key visitor destination.
- While the downturn may have affected spending in parts of the visitor economy, it also offers an opportunity for the town to increase the number of day visitors, as families cut back on expensive holidays,

Natural environment

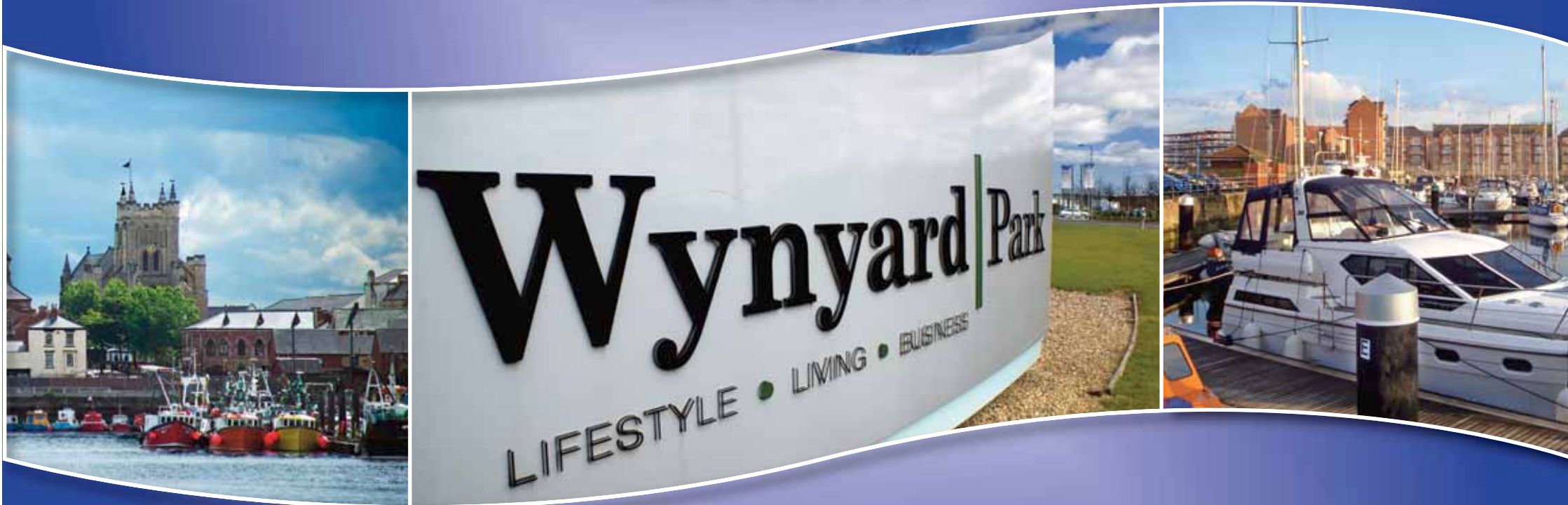
- Tees Valley has been a national leader in maximising value from waste, but this has been affected by the collapse in the price of recyclables during the downturn. In response to this, the Council are reviewing methods of processing waste to produce power or fuel, and minimising the level of household waste (and in particular the amount which cannot be recycled). A 'green' shop will be opened to encourage purchases of environmentally-friendly and re-used products.

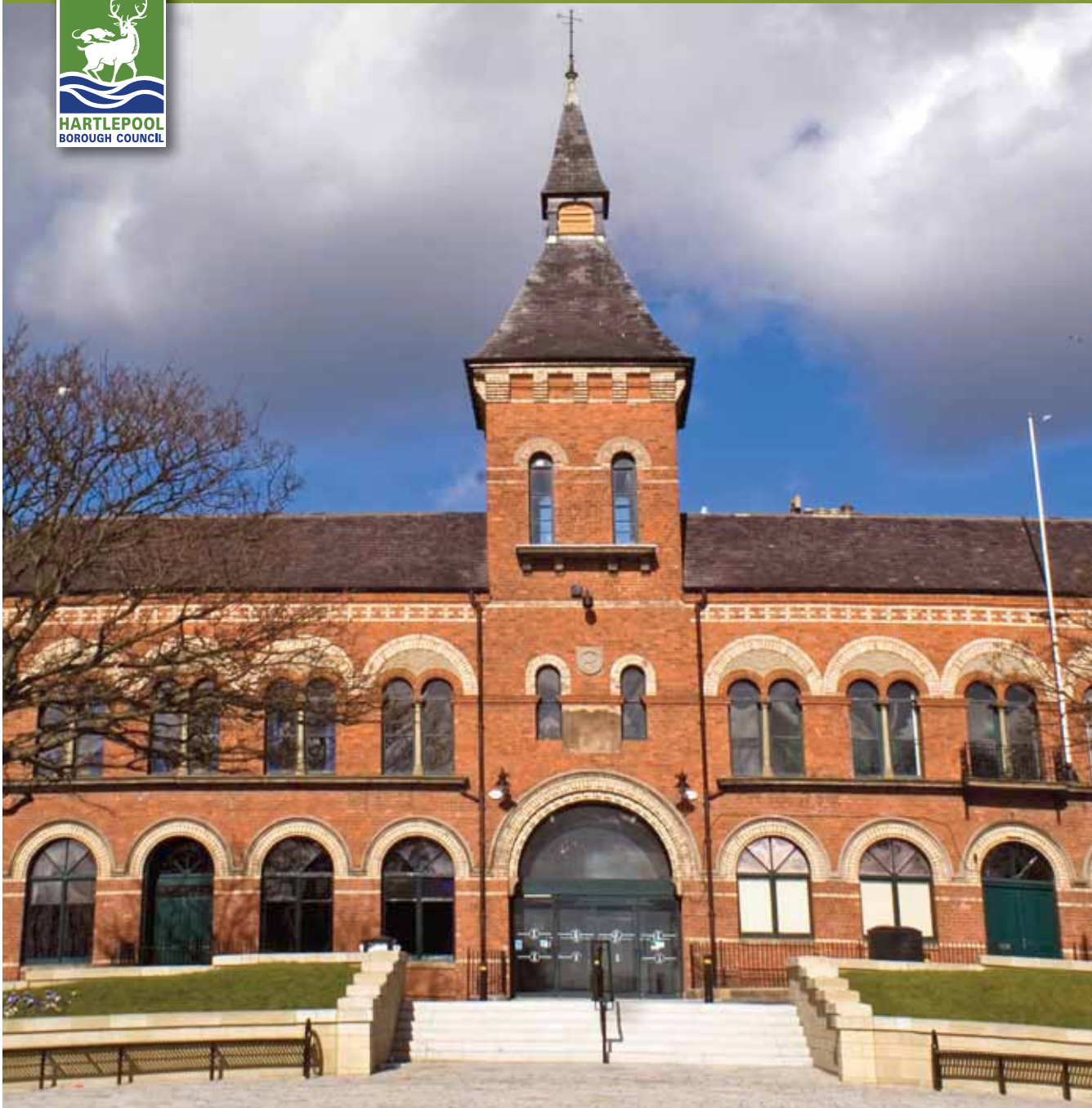
Hartlepool is well-placed to take advantages of the economic opportunities offered by the move towards a low carbon economy, in particular supporting the use clean technologies in local heavy industries and developing the supply chain for wind and marine energy. The forthcoming Climate Change Adaptation Strategy will also include a full risk assessment of vulnerabilities to weather and climate change.





Hartlepool Economic Assessment 2010/11





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1.0 Introduction - Councillor Pam Hargreaves - Portfolio Holder for Regeneration & Economic Development

Over the past twelve months, representatives from Hartlepool Borough Council's Economic Development Division have worked closely with key partners to develop the town's first Economic Assessment. This assessment provides a detailed needs analysis of the key drivers that directly, and indirectly, impact on the area's economic capacity and where - dependent on the right conditions - growth may occur in the future.

This assessment has been completed at a time when we are facing major new challenges through shifts in government policy and unprecedented austerity cuts. There is also a growing realisation that the fragility of the global economy may be prolonged and may continue to impact on the local economy, long into the future. Although Hartlepool's economic resilience has been tested in recent times, and it is clear that we should remain cautious, there are exciting opportunities that can be maximised which will bring sustainable social, economic and environmental benefits to the whole town.

Whilst we should always be mindful of these challenges, to achieve the town's longer term ambition and vision will require renewed innovation and determination by all partners. A key element of this assessment is to ensure that all partners from across the public, private and third sector have a full understanding of the economic landscape in which they work and often live in. By developing a comprehensive analysis, which covers all issues which may affect the local economy, the Economic Development Division and its partners have provided the necessary picture in which to create the emerging Economic and Regeneration Strategy (2011-2014).

At its heart, this new strategy will identify the town's key priorities and will show what new infrastructures and improved service-delivery models will need to be implemented to assist the business community and local residents to develop their skills to enter into employment and enhance their aspirations to start up in business.

I would urge all partners to review this 'needs assessment' and contribute to the debate on how best Hartlepool Borough Council and its partners can improve the support available to our business community; continue to improve the revitalisation

of our town and advance the economic well-being of all our local residents so that we can remain competitive within a global economy.

2.0 Foreword - Mr Ray Priestman - Chair of the Economic Forum

In 2007, the Review of the Sub-National Economic Development and Regeneration ('SNR') proposed that all upper-tier and unitary local authorities carry out a local Economic Assessment which will outline economic development and regeneration matters. Included within the SNR proposal was a commitment to consult with all key partners on a comprehensive assessment which will compliment and underpin the statements and targets of local areas such as:

1. Sustainable Community Strategy (SCS);
2. Local Development Framework;
3. Local and Multi-Area Agreement targets; and
4. Will assist in helping the authority contribute to the development of the Regional Economic Strategy (RES).

The Department of Communities and Local Government (CLG) endorsed this new statutory Economic Assessment duty as it believes that it will 'add value to existing arrangements and practices'. ***The Local Democracy, Economic Development and Construction Bill (2009)*** now places a statutory duty with relevant local authorities expected to complete an assessment by April 2011 which will set out the economic vitality and conditions of their particular area.

Hartlepool's Economic Assessment will provide the necessary evidence base to increase knowledge and better understand local economic conditions and to analyse how the town makes a significant contribution to wider sub-regional and regional functional markets. By understanding this wider scope of economic activity across multiple boundaries it will provide an insight into the opportunities that the town could maximise and will also reflect the influence that global market forces have at a local level.

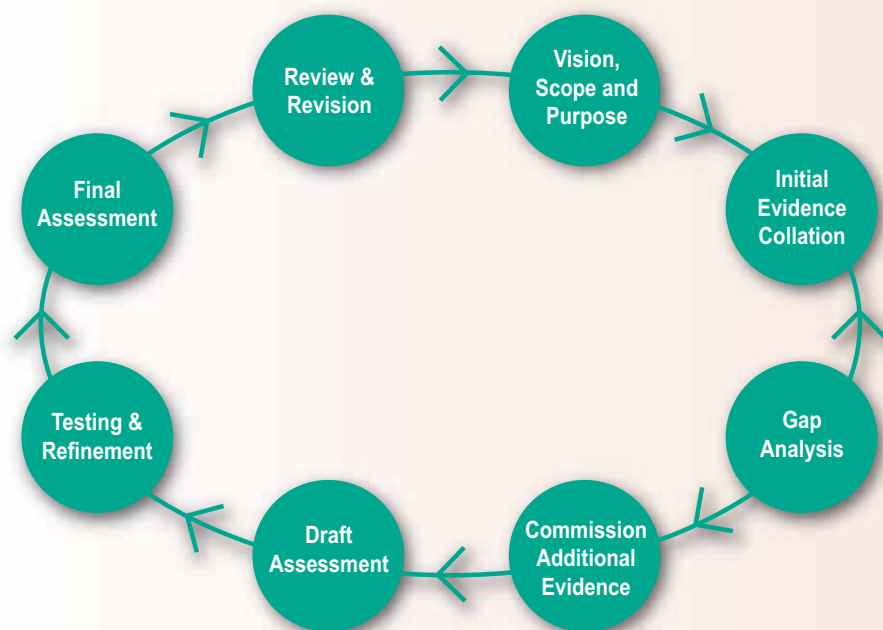
Hartlepool's Economic Assessment follows the context of the Tees Valley Wide Economic Assessment which was completed by Tees Valley Unlimited.

This completed assessment will provide the golden thread between the above

stated strategies and the emerging Economic Development Strategy which will respond to this needs assessment and which will in particular identify:

- The authority's capacity and prioritisation in relation to economic development and regeneration interventions.
- Improved interventions to tackle worklessness, skills and enterprise initiatives
- Enhanced ways of working to develop commercial activity and business infrastructure;
- How it can improve local authority engagement with private sector partners; and;
- How the town will respond to the eventual upturn and strengthen jobs and business growth in the long term through sustainable measures.

Hartlepool's Economic Assessment has been designed to follow a clear and concise process which compliments good practice guidance as outlined within the Improvement and Development Agency and Planning Advisory Service document, 'How to do a Local Economic Assessment' (October 2009). The diagram below depicts the process for undertaking this comprehensive assessment at each critical stage.



3.0 Vision Scope & Purpose

The Hartlepool Economic Assessment will adopt the Community Strategy and Neighbourhood Renewal Strategy visions and the Jobs & Economy themed aims.

3.1 Community Strategy

'Hartlepool will be an ambitious, healthy, respectful, inclusive, thriving and outward-looking community, in an attractive and safe environment where everyone is able to realise their potential.'

3.2 Neighbourhood Renewal Strategy

'Continue the regeneration of Hartlepool and ensure that local people, organisations and service providers work together to narrow the gap between the most deprived neighbourhoods and the rest of the borough, so that in the future, no one is seriously disadvantaged by where they live'

3.3 Local Area Agreement Jobs & Economy Theme

'Develop a more enterprising, vigorous and diverse local economy that will attract new investment, enable local enterprise and entrepreneurs to be globally competitive and create more employment opportunities for local people.'

The scope of the Economic Assessment will be to undertake a robust and comprehensive review of Hartlepool's industrial and economic landscape. This in depth review will require research into the current baseline position of the local economy in relation to a wide range of issues which will directly or indirectly impact on the economic growth and vitality of the area. This assessment will consider the geographical area of the Hartlepool district and will pay particular attention to the changing industrial and business base, the demographics of the local population, skills requirements for the future, the regeneration of the area and the natural environment.

The purpose of the assessment will be to provide an analysis of the current factors which impact on the social, economic and environment development of the town. The assessment will offer a strength, weakness, opportunities, and threat (SWOT) analysis against the key area of 'Business, People and Place' and will identify where there are gaps in knowledge on specialist areas for example 'skills requirements of employers.' The key findings from the Assessment will inform and develop the Economic Strategy.

3.4 Initial Evidence Collation

Initial evidence collation has been produced through detailed reviews of national, regional, sub-regional and local policies and strategies including: -

National

- Voice of Small Business Annual Survey – Federation of Small Business (FSB) – February 2010
- Leitch Review of Skills – Skills Funding Agency (SFA) - December 2006
- National Skills Strategy – Department for Business, Innovation and Skills (BIS) – November 2009
- 21st Century Welfare – Department for Works and Pensions (DWP) July 2010
- Universal Credit: Welfare that Works – DWP – November 2010
- Building Bridges to Work: New Approach to Long Term Worklessness – DWP – March 2010
- Skills for Sustainable Growth – SFA – December 2010
- The Cost of Exclusion - Princes Trust – December 2010
- Local Growth – Department for Communities & Local Government (CLG) – November 2010
- Ending Child Poverty in a Changing Economy - Joseph Rowntree Trust - October 2010
- Monitoring Poverty & Social Exclusion - Joseph Rowntree Trust - November 2010
- Britain's Superfast Broadband Future – BIS – December 2010
- Mental Capital & Wellbeing for 21st Century – BIS – October 2008
- Bigger, Better Business: Helping Small Firms Start, Grow and Prosper – BIS – January 2011
- Financing Business Growth – BIS – October 2010

Regional

- Impact of Changing Funding Environment on VCS – Social Futures Institute – March 2008
- Regional Employability Strategy – One Northeast – February 2007
- Regional Tourism Strategy – One Northeast – April 2007
- Enhancing Financial Inclusion in Northeast – One Northeast – September 2009
- Regional Spatial Strategy – One Northeast – May 2007
- Regional Strategy for the Environment – December 2006

Sub Region

- Tees Valley Work and Skills Plan – Tees Valley Unlimited (TVU) – April 2010
- Major Skills Issues in Tees Valley – Social Futures Institute – June 2007
- Tees Valley Business Case – TVU – May 2006
- Tees Valley Economic Assessment – TVU – April 2010
- Development of Social Economy in Tees Valley – Social Futures Institute – September 2004
- Higher Level Skills in the Tees Valley – TVU – May 2010
- Tees Valley Employability Framework – Shared Intelligence – October 2007
- Tees Valley Climate Change Strategy – TVU – August 2007

Local

Strategic Needs Assessment – Hartlepool PCT – October 2009

- Local Transport Plan – Hartlepool Borough Council (HBC) – March 2006
- Community & Neighbourhood Renewal Strategy – HBC – August 2008
- Local Area Agreement – HBC – January 2007
- Local Development Plan – HBC – November 2010
- Children and Young People's Plan – HBC – October 2009
- Child Poverty Strategy – HBC – October 2010
- 14-19 Strategy – HBC – October 2006

To provide a complete picture of the economy researchers have worked closely with leading experts from the public, private and voluntary sector. The assessment has been compiled by working in collaboration with many partners including Hartlepool's Economic Forum, Tees Valley Unlimited and the Voluntary & Community Sector (VCS). As the assessment moves into the consultation phase further discussion will provide unique insight into specific areas from a range of diverse experts within their chosen fields. Evidence collation will improve as new lines of enquiry will be developed through consultation with all the major stakeholders.

3.5 GAP Analysis

What this assessment has predominantly outlined is that there remains gaps in knowledge on specific subject areas e.g. the resilience of the economy. Many of the questions raised in producing this assessment identified that the fragility of the global economy was not conducive in being able to make substantiated claims for the short, medium and long term prosperity of the town's economy. Due to the complexity of the global economy and how it will ultimately impact at a local level,

there will be different opinions by forecasters and experts on the findings of this assessment. Where there are proposed gaps in the analysis shown, partners will be invited to consider if there is evidence or where further research is needed.

3.6 Commission Additional Evidence

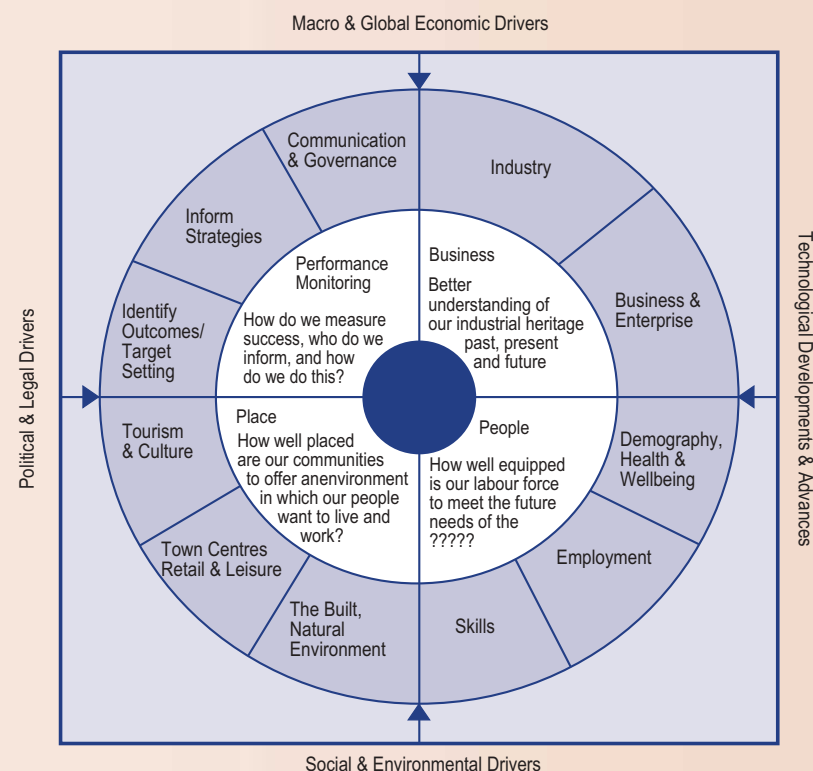
Where the assessment has shown gaps in the analysis, it may be that partners feel it is necessary to commission additional research on specific subjects in which to build a full evidence base. There are clearly gaps in this analysis which will need to be further explored so that a complete economic strategy is developed. There are questions that may be extremely challenging in which to gain a definitive answer, for example why do some communities suffer the effects of third and fourth generation workless households? This type of question whilst important to understand will require resources for the research to be undertaken which will need to consider all elements of a persons lifestyle including health, wellbeing, cultural background, skills, educational attainment, aspiration, ambition and environment. However, these challenges should not be ignored if the full economic picture is to be produced.

3.7 Review and Revision

The economic assessment will be reviewed and refined on a bi-annual basis. The commencement of the next revised economic assessment will be in July 2012 and the process to complete this document will follow the same process as outlined above. The assessment will formulate the Economic Regeneration Strategy for the town.



4.0 Hartlepool Economic Assessment Framework



The aim of Hartlepool's Economic Assessment is to collect and evaluate data relating to local conditions which will improve the evidential base of partners to enhance strategies and operational plans which directly impact on the local area.

This assessment will identify the economic needs of the local area and will also outline where information is not readily available and where further research will be required to allow all partners to truly understand the 'bigger picture'. As shown within the Economic Assessment Framework, the three key areas that will be considered is 'Business, People and Place' and under each heading an in-depth analysis will be undertaken to review the wider influences of a local economy - such as the global economic downturn – which has had a major impact on Hartlepool.

Introduction

The assessment will provide the necessary baseline of information to ensure that there is more informed dialogue between all partners. Partners will be informing development of future strategies within the town. It is the intention that all partners will be consulted on this assessment so that all views and expertise is acknowledged and their contribution is included within the body of this document.

5.0 Background to Hartlepool

Hartlepool is located on the North East coast within the Tees Valley sub region and in 2009 had a total population of 90,900 people. Of this, the number of working age adults within the town is 57,900 of which 28,600 are male and 29,300 are female and almost a fifth of residents are at or above retirement age.

The town prospered as an industrial centre for many years until the decline in heavy industry such as ship building, steel fabrication and manufacturing in the 1960s and 1970s. Over the past thirty years the town's economic landscape continued to dramatically change with major job losses in these key industrial sectors and a move towards increased employment within a diverse business community and strong public and third sector.

Hartlepool has a long history of rising in the face of such adversity and as a result has become a much more diverse economy to meet the demands of the global economy. The town is now recognised as a major retail, service and manufacturing centre which significantly contributes to sub regional and regional economic activity. Expansions into international markets are also occurring through companies such as JDR Cables, Heerema, Huntsman, TERRC and Hart Biological which will benefit the wider economy. Alongside this, the town has transformed key regeneration areas in the past 20 years including the docks and specific employment land sites. The Marina and areas such as Queens Meadow Business Park are acknowledged as flagship initiatives with the former offering excellent office, housing and maritime tourism facilities and the latter providing improved business infrastructure facilities which have increased inward investment. Also the UK Steel Enterprise Innovation Centre and the redeveloped Hartlepool Enterprise Centre offer excellent start-up units which have increased the number of new businesses across the town.

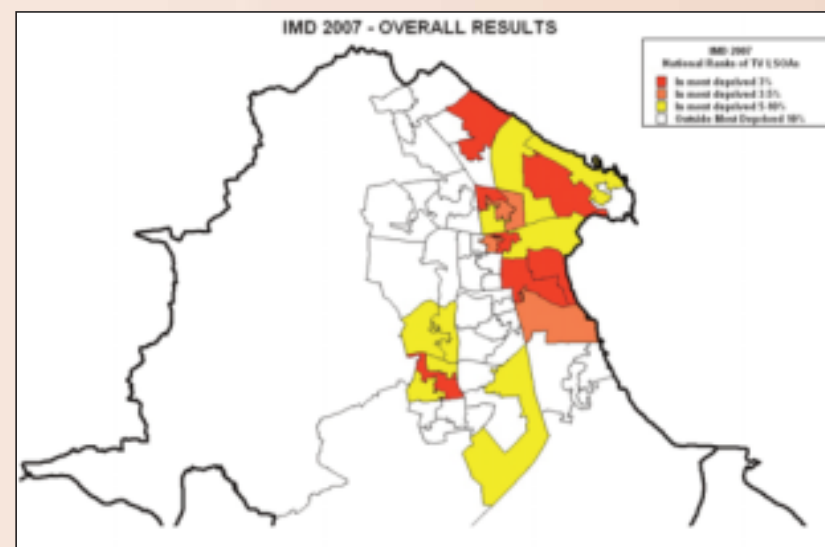
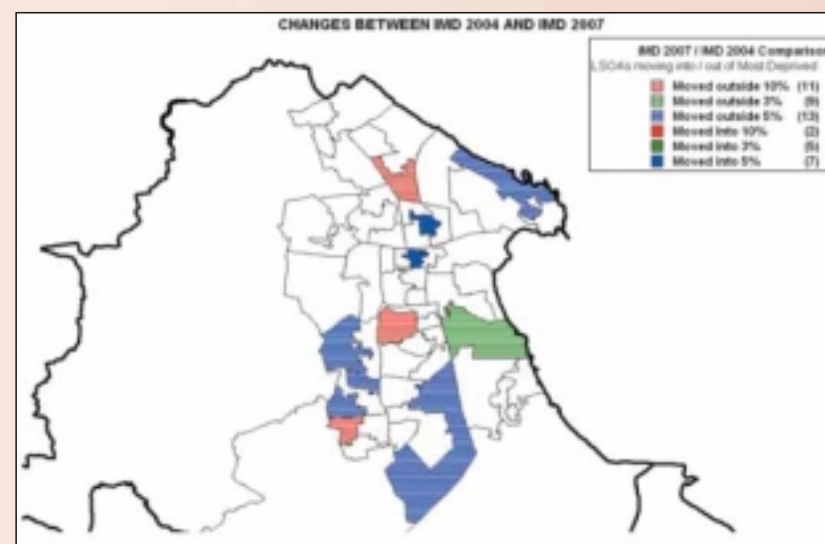
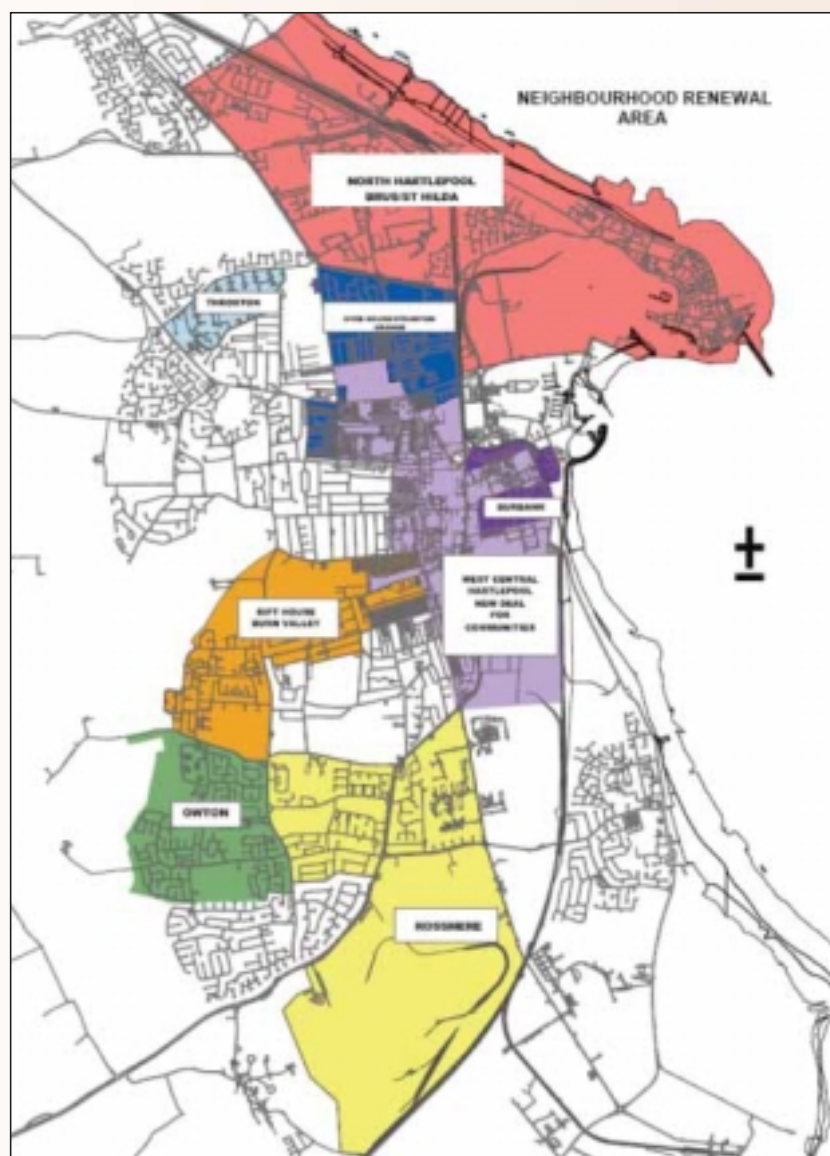
¹ All population figures are taken from Tees Valley Unlimited (TVU) estimates based on ONS population data and methodology

Advancements in business infrastructure activity have lead to an increase in the number of new start up businesses and improvements in self-employment rates. Whilst this has provided the necessary mix of labour market opportunity for local residents, the local economy is still strongly influenced by the public sector - which currently provides a third of all employment. However, it is clear that in a time of renewed austerity there will be cuts to public and private investment that may restrict the growth of the economy and ultimately slow the employment rate. The town has also made great strides in tackling deprivation and the Indices of Multiple Deprivation (IMD) survey in 2007 shows that although Hartlepool was the 23rd most deprived of England's 354 Local Authorities, this improved from 14th position in 2004. Any major cuts in investment will impact on improvements made to the social, economic and environmental landscape of the area which will ultimately affect the poorest communities

6.0 Map of Hartlepool



7.0 Hartlepool's Neighbourhood Renewal Areas



Originally, Hartlepool's 2002 Local Neighbourhood Renewal Strategy used the government's Index of Multiple Deprivation (IMD) 2000 to establish seven priority neighbourhoods within the town. The 2007 Index of Deprivation showed that some areas within the priority neighbourhoods identified in 2002 are no longer in the 10% most disadvantaged. However, because the way in which the Government calculates the index has changed significantly since 2000 and due to the long term vision of Hartlepool's 2002 Neighbourhood Renewal Strategy, those areas previously identified as a priority remained in the 2008 Strategy.

Alongside this, included within the 2008 list of priority neighbourhoods is Throston Grange – which is not in the bottom 10% overall, but is for the key themes of Employment and Health, Deprivation & Disability - bringing the total number of priority neighbourhoods to eight. These are):

Burbank
 Dyke House/Stranton/Grange
 Hartlepool NDC
 North Hartlepool (Central Estate, Headland & West View/King Oswy)
 Throston

Owton
 Rift House/Burn Valley
 Rossmere

55% (just over 50,000) of Hartlepool's population currently live in these eight priority neighbourhoods; of the 17 wards, 11 fall within the Neighbourhood Renewal area. Of these, 11 NRA's fall into the 5% most deprived areas nationally. Of the 58 Super Output Areas in the town, 20 are in the 10% most deprived areas nationally, 11 of them in the bottom 5%.

The table below shows the latest key statistics for the Hartlepool Neighbourhood Renewal Areas (NRA) and is measured against the performance of Great Britain, regional, sub-regional and local rates.

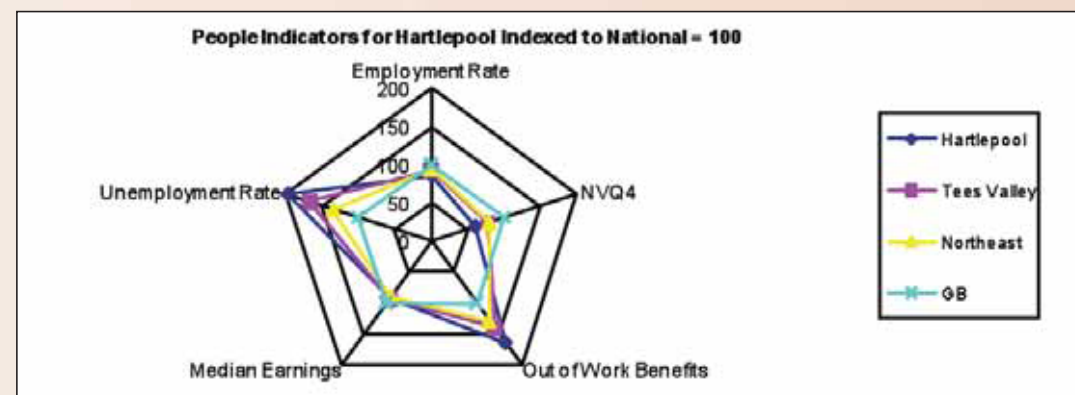
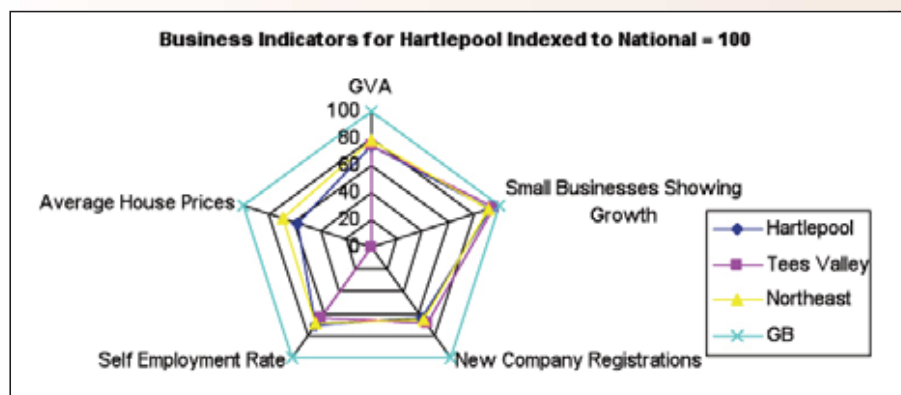
Table 1 Key statistics for Hartlepool Neighbourhood Renewal Area

Area	No. of Working Age Pop (2009)	% Employed Status (2009)	% Self Employed	% Worklessness (2009)	% Unemployed (2009)	% on IB (2006)	% on IS (2009)	% Children in Poverty (2006)
Burbank	795	42.8	2.6	57.2	14.5	22.6	21.0	61
Dyke House / Stranton / Grange	4350	57.4	3.1	42.6	11.1	14.2	19.3	50
Hartlepool NDC	6185	55.1	3.4	44.9	12.8	14.1	18.7	53
North Hartlepool	7420	58.2	3.2	41.8	8.5	14.7	17.3	41
Owton	4115	55.3	2.8	44.7	10.3	14.3	21.6	50
Rift House / Burn Valley	3190	60.0	2.7	40.0	9.5	13.4	13.4	35
Rossmere	3215	63.8	3.1	36.2	8.0	11.5	12.1	31
Throston	1115	61.9	2.6	38.1	6.8	15.9	11.2	20
Hartlepool	55200	66.8	4.3	33.2	7.1	10.0	11.3	30
Tees Valley	404200	68.3	4.8	31.7	6.3	8.0	10.0	26
GB	33882200	74.0	8.3	26.0	4.1	6.5	7.3	22

Source: DWP, Annual Population Survey, TVU

The above shows the key indicators for Hartlepool in comparison to Tees Valley, the North East and Great Britain. It is clear from these diagrams that, overall, Hartlepool's economic performance remains poor in relation to these comparator areas, despite long-term positive trends towards closing the performance gap.

8.0 An Economic Profile of Hartlepool



Each indicator is an Index with the National figure=100. Gross Value Added - latest 2007; Average House Prices – latest 2008; Self Employment Rate – latest 2009/10; New VAT.PAYE Companies - latest 2008 (NI 171); Small Businesses Showing Growth – latest 2009 (NI 172); Employment Rate - latest 2009/10 (NI 151); Unemployment Rate – latest 2010; Median Earnings – weekly earnings by workplace latest – 2009 (NI 166); Out of Work Benefits - latest 2010 (NI 152); % working age with Level 4 - latest 2009 (NI 165)

Over the past twenty five years, Hartlepool's regeneration and economic development activity has significantly improved the social, economic and environmental vitality of the town. The town is now a more enriched, vibrant and attractive area in which to live, work and socialise within and the improved infrastructure continues to encourage and attract major investment which will lead to longer term economic growth. Through this transformation, the town has witnessed considerable success in tackling inequalities and social exclusion and within the past decade all of the above indicators were moving in the right direction to narrowing the gap to the regional and national average. Since the global economic crisis, there has been a major impact on local indicators and fragility within the economy remains. Whilst concerning, the change within the economic climate has provided opportunities to further assist indigenous businesses, invest in new technology and focus on growth industries which will ultimately lead to a sustained and viable economy.

9.0 Pre Economic Recession Journey of Indicators

Before the economic recession, Hartlepool was showing signs of real improvement as shown below.

Indicator	2001	2002	2003	2004	2005	2006	2007
Employment rate (% of working age) ‡	-	-	-	64.1	65.6	64.4	64.3
Unemployment rate (JSA claimants) (% of working age)†	4.5	4.7	4.2	3.7	3.7	4.2	3.9
Long Term Unemployed (% of JSA claimants) †	42.1	37.1	33.1	30.8	33.9	36.2	31.2
Working Age on Out of Work Benefits (%)	24.8	24.2	23.2	22.0	21.5	21.1	20.8
Residents with NVQ2 or Above (%)‡	58.2	58.9	60.2	60.5	62.1	64.7	66.9
Median weekly Earnings of Employees (£)	321.50	333.10	342.90	346.60	375.70	396.10	388.50
New VAT/PAYE Registrations*	-	-	-	225	260	285	350
VAT / PAYE Enterprises*	-	-	-	1,650	1,730	1,830	1,985

Source: Labour Force Survey/Annual Population Survey; DWP; Annual Survey of Hours & Earnings; Business Demography ONS

Note on sources

Much data in this report is drawn from the Annual Population Survey and Labour Force Survey. These figures are extrapolated from survey results and, as such, are subject to a margin of error, which is not given in the text. Typical margins of error for Hartlepool would be around 1 percentage point, although they may be substantially higher where the number of interviewees in a particular group is small (e.g. the self-employed).

10.0 Key Findings

Hartlepool's Economic Assessment will provide the necessary evidence base to increase knowledge and better understand local economic conditions and to analyse how the town makes a significant contribution to wider sub-regional and regional functional markets. Understanding this wider scope of economic activity across multiple boundaries will provide an insight into the opportunities that the town could maximise and will also reflect the influence that global market failures have at a local level. It builds on the Sustainable Community Strategy, Neighbourhood Renewal Strategy, the Local Development Framework and the Local and Multi-Area Agreement.

This completed assessment will lead to an Economic Development Strategy which will respond to this needs assessment and which will identify:

- The authority's capacity and prioritisation in relation to economic development and regeneration interventions.
- Improved interventions to tackle worklessness, skills and enterprise initiatives
- Enhanced ways of working to develop commercial activity and business infrastructure;
- How it can improve local authority engagement with private sector partners; and;
- How the town will respond to the upturn and strengthen jobs and business growth in the long term through sustainable measures.

10.1 Business

Business Stock

- During the past decade, the number of businesses in Hartlepool increased substantially, reaching 2,425 in 2009. Much of this can be attributed to the large increase in the number of business births in this period, on which measure Hartlepool out-performed both Tees Valley and the North East. There were a number of policy initiatives during this period which contributed towards this increase in business numbers, including the Business Incubation System, with a hot house development at Queen's Meadow and an enhancement scheme at Brougham Enterprise Centre.
- During the economic downturn, both the total number and – in particular - the business birth rate fell. The new businesses formed in the previous years

proved to be relatively less resilient to the poor trading conditions than regionally or nationally. However, this may have aided the area, by removing the less competitive businesses, leaving a more robust business stock in the area; this is corroborated by evidence that median earnings of workers employed in Hartlepool businesses increased substantially in 2009.

- In addition, a number of major national businesses have collapsed (e.g. Woolworths, Garlands) or pulled out of the town, causing high levels of redundancies. As such, the business base in the area has declined sharply over the past two years – however, still it remains above the 2004 level, while the rate of business formation is currently similar to the 2004 level. As such, it seems reasonable that despite the declines of a recent past, the state of Hartlepool's business base and business birth rate is now in a much improved condition from the start of the decade.
- However, there remains a clear enterprise gap between Hartlepool (and indeed, the region as a whole) and the national pattern. The town has fewer enterprises per head of population and, despite recent improvements, a lower business formation rate.

Employment

- In employment terms, the overall employment rate of working age residents increased strongly in the period to 2006, peaking at 66.5%, halving the gap with the national rate. However, subsequent changes in economic conditions were accompanied by a steep fall in the employment rate, which stood at just 60.9% in the latest available figures (36,700 people).
- Although employment in Hartlepool's manufacturing sector has declined sharply, losing nearly one-third of its workers since 2004, it remains relatively more important to the town than in the country as a whole. However, the government's stated policy on supporting the manufacturing sector will benefit Hartlepool as it is well-placed to take full advantage of new markets due to its established manufacturing infrastructure.
- Employment in public services is relatively high, but will decline in the future and will continue to do so long term as a consequence of public sector funding cuts.
- The knowledge economy is under-represented in Hartlepool, with low numbers employed in the town within information & communication, finance and professional, scientific & technical activities. There is some evidence that more highly-skilled workers – i.e. those most likely to be employed in knowledge-intensive activities – are more likely to out-commute to jobs than those in lower

skilled activities, since the median earnings for Hartlepool residents (£486.40) is higher than the median earnings for employees working within Hartlepool businesses (£445.80).

- Self-employment is close to local and regional averages, in the order of 6-7% of the working age population (around 3-4,000 people). It has risen substantially since the early part of the decade, although remains well below national rates (around 9%). This again provides evidence of an 'enterprise gap'.

Productivity

- Gross Value Added (GVA) by Hartlepool & Stockton businesses per head of population is relatively low, standing at £14,370 in 2007, compared to a regional average of £15,460 and £20,430 nationally. GVA per employee is closer to regional averages, but still lags well behind the English average. These figures are the latest available, and do not take into account any effects from the recession.

Key issues facing business

- The key issue currently facing business is uncertainty, with a fragile global economy and significant public sector funding cuts underway, including the axing of major infrastructure projects. The direct and indirect, knock-on effects of these cuts will have a major effect on spending and business success, but it is difficult to predict the outcome with any degree of precision.
- Access to finance, especially for new businesses and SMEs, remains problematic, although the cost of lending is low if businesses can obtain it.
- The increase in the rate of VAT to 20% may weaken consumer spending.
- The skills available to business among Hartlepool residents are on a long-term upward trend, although this has stagnated somewhat in recent years. The challenge facing business is to make best use of those skills in order to drive up productivity, which implies upskilling the jobs available in Hartlepool i.e. increasing the local demand for higher level skills as well as the supply.
- The local workforce is ageing, particularly in key manufacturing sectors (e.g. engineering, where the average age is over 50), where the supply of young replacements tends to be insufficient.
- The cost of absenteeism among employees is high, with the North East among the most poorly performing regions. Hartlepool has been a pilot area for a programme to tackle absenteeism in the workplace, which, it is hoped, will see a reduction in these (and other costs) in the longer term.

- Strategies which businesses can adopt to deal with current issues include moving into new markets and efficiency savings.

Key Growth Sectors

- Nuclear: The nuclear sector - employs approximately 1% of the local working age population. Although the power station was due to be decommissioned from 2014 onwards, a five year extension has recently been granted and there is scope for the commissioning of a newbuild station in the town (with Hartlepool's site identified by the government as being one of eight areas being considered). Both of which will generate substantial employment and turnover in the borough.
- Offshore Oil & Gas: Offshore-related manufacturing is a key local specialism, with current provision to capacity. There is further potential to expand, particularly if increases in the price of oil make marginal fields more viable, but this would likely require development of the local supply chain,
- Offshore Wind: There is substantial potential to develop Hartlepool's existing engineering expertise to take further advantage of the opportunities in green power generation over the coming decade, particularly in servicing the Dogger Bank area of the North Sea. There are already facilities manufacturing components for wind generation, and land available for major inward investment opportunities.
- Low Carbon Economy: In addition to offshore wind, there is expertise in Hartlepool relating to other environmental-related areas which could be developed further, including processing of scrap and diversifying offshore wind skills and facilities into onshore wind.
- High Value Added Engineering: Engineering remains an important employer in Hartlepool, employing around 1,700 people. Given the variety of local expertise, it is well-placed to take advantage of component supply opportunities in a number of different growth areas, including new build nuclear and the low carbon economy.
- Knowledge Intensive Business Services (KIBS): Hartlepool currently has a low proportion of employment in KIBS, with the highest numbers employed in contact centres. There are opportunities for growth in this area and – in particular - in outsourcing, building on Tees Valley's good reputation, but other areas with higher skill requirements – finance and other professional services – require some development.
- Process & Chemicals: Like engineering, the chemical industry is a traditional

strength in Hartlepool, with high levels of investment and relatively high resilience to the downturn, given the supply chains in which they operate. It is also the intention of the North/South Tees Study to build on the opportunities identified within the report including carbon capture technology and biomass power generation.

- **Hospitality & Tourism:** This is an important sector, both as an employer in its own right, and in assisting wider development goals through supporting a higher quality of life, and encouraging recruitment and retention of inward investing businesses and higher skilled, higher earning workers. The sector has seen growth in recent years, in terms of visitor numbers and GVA, and development of attractions is ongoing.
- **Retail:** The number of retail businesses in Hartlepool has steadily decreased in recent years, to 335 in 2010, although the number of employees has increased, to 2,800. These trends are due to the development of larger – and in particular out-of-town - retailers, competition from the internet and, more recently, declines in consumer spending. Vacancy rates are high in some areas, but the core town centre remains a key retail hub for the area.
- **Health & Social Care:** The health & social care sector employs around 5,000 people in Hartlepool, with demand set to grow and diversify because of both the ageing population and changes to the structure of public funding (e.g. personalisation and GP commissioning). The future trajectory of the sector depends on how well the town's providers can respond to these opportunities.
- **Construction & the Built Environment:** During the past decade, the construction sector generally showed strong growth in Hartlepool, but has been hit hard by the downturn and the decline in the housing market. While this is now showing some signs of recovery, most major public sector building projects are now on hold or axed, leaving little potential for significant growth in the next few years.
- **Voluntary & Community Sector:** There are around 650 Third Sector (community, voluntary or social enterprise) organisations in Hartlepool, which contribute to local economic and social development in a variety of ways. With the Big Society agenda moving forward, it is envisaged that they will play an even more important role in the future, but will face a number of challenges including reduction and reorganisation of funding streams and increased competition to win tenders. Thought should be given to appropriate support for the Third Sector to move forward, including the development of consortia, most likely through the Hartlepool Voluntary Development Agency.
- **Environmental & land-based:** Given the lack of agricultural land in Hartlepool, this is a very small sector, with limited growth potential.

10.2 People

Demographics

- The population of Hartlepool has been steadily increasing over the past decade, and now stands at 90,900. This change has been driven by older age groups, with the number of under-16s actually declining, and forecast to change very little in the the next 20 years. The number and proportion of retired people, however, is forecast to grow strongly, with an additional 8,000 over-65s anticipated by 2030. This may have significant consequences for the business community, if there are insufficient entrants to the labour market to replace retirees.

Ethnicity

- The British Minority Ethnicity population in Hartlepool has been increasing over the past ten years, from 1,030 to 1,700 (1.9% of the population) according to official estimates. This may be an under-estimate – experimental statistics indicate that 2.8% of the population fell into BME groups in 2007, and local household surveys report up to 8% of the population in BME groups.

Health & Wellbeing

- Hartlepool's level of health & well-being is relatively poor by national standards. The standardised mortality ratio is high – death rates are 26% above what would be expected, and 35% higher for under-75s. Life expectancy at birth is 2.6 years shorter for men and 3.7 years shorter for women than the national average. Early deaths from cancer and, in particular, circulatory diseases are disproportionately high (in the latter case, 30% higher than national rates). The proportion of the population claiming health-related benefits is higher than national or regional figures, as is the prevalence of unhealthy lifestyle risk factors e.g. smoking, binge drinking, obesity, misuse of drugs. The mental health of the population is also relatively poor, with 47.7 adults per 1,000 population claiming mental illness-related benefits, compared with 27.6 nationally, with referrals rising substantially in the last year.

Financial exclusion

- Financial exclusion in Hartlepool is high. Just under half of all households have a poor credit rating, placing Hartlepool in the bottom 50 local authorities in the country. Citizens Advice Bureau centres report that 85% of recent enquiries have been related to money or debt. The formation of a Financial Inclusion

Partnership has begun to address these challenges, both directly through increasing access to more affordable forms of credit and face-to-face advice and indirectly through information guides and roadshows.

Child Poverty

- In 2007, 5,000 children (30%) in Hartlepool were classed as living in poverty, far higher than the North East (24%) or England (22%). There is now a Child Poverty Pledge and Strategy and a Town Wide Child Poverty Action Plan which is tackling the problems, along with eight children's centres to help families with children under five.

Economic activity and worklessness

- The number of economically active adults grew from 38,900 in 2004 to 43,100 (74.4% of the working age population) in 2007, exceeding the North East rate but still well below the national rate. However, the level of economic activity subsequently decreased sharply, with only 41,000 adults (70%) classed as active in 2009/10 the lowest in the Tees Valley area and 6.4 percentage points below Great Britain. In particular, rates have seen a much sharper decline among women than men, from 69% in 2007/08 to 62% of women in 2009/10. This is at odds with the performance of female activity rates nationally, which have remained static.
- Some 17,500 adults in Hartlepool – 30% of the working age population – are currently classified as workless, well above the rates in the North East (27%) and nationally (23.5%). Similarly, 9,000 households were classed as workless in 2009, 28% of all households in the town.
- Unemployment (measured using the Jobseeker's Allowance claimant count) reached a low of just over 2,000 people in May 2005, following a long period of improvement. However, subsequent large-scale redundancies and the economic downturn have pushed the claimant count to 3,993 in October 2010, nearly double the level of four years earlier. In addition, the proportion of claimants who had been unemployed for six months or longer, which had been on a long-term downward trend, increased substantially in 2009-10, from 26% to 43%, although this spike was relatively short-lived – the current proportion of long-term unemployed is 33%.
- The number of adults claiming out-of-work benefits decreased steadily between 2000 and 2006, reaching a low of 11,360 (20% of the working age population), although the rate remained well above the national claimant rate (around 11%). The number has subsequently increased, although not greatly, reaching 12,500

in 2009-10 (21.7% of the working age population).

- There are geographical disparities within Hartlepool, with the worst performing wards recording substantially higher levels of worklessness and benefit claims than the borough as a whole. In five wards, over 40% of adults are workless.

Vacancies

- As of June 2010, there were 616 unfilled vacancies advertised for Hartlepool by Jobcentre Plus (representing around 30% of all vacancies in the area). This implies that there were 51 workless applicants who could apply for each advertised position. In order to reach those furthest from the labour market access vacancies, Hartlepool Works has been established, bringing together a consortium of employment, training and specialist providers.

Incapacity-related benefits

- Just over 6,200 adults claimed some form of incapacity-related benefit in May 2010, equivalent to 10.8% of the working age population, well above the rates in both the North East (8.6%) and nationally (6.5%), although this gap has narrowed substantially as the number of claimants has decreased. The majority (4,080) have been claiming for five years or longer. Some 2,000 claimants are aged 55 or over, and therefore outside the measures introduced to move claimants into work.

Youth unemployment

- Approximately 1,900 people aged 16-24 were classed as unemployed in the latest survey figures available. This is somewhat higher than the average for the past five years, which has typically been between 1,000-1,500, often spending short periods unemployed between similarly short periods in employment. In addition, there are currently 1,185 18-24 year olds who are unemployed. Among 16-19-year-olds, people were not in employment, education or training (NEET); the annual average NEET rate of 8.2% is below the North East rate (9.7%) but higher than nationally (6.9%). The typical period spent NEET is short, but around 1% of this age-group are classed as long-term NEET. Support has been available to the young unemployed through the Future Jobs Fund – the Hartlepool programme has been nationally recognised for its success – but this will end in 2011, with the similarly successful Going Forward project also coming to an end. This leaves a gap in provision for young unemployed people, which may be met if a bid to the Skills Funding Agency is successful.

Skills – young people

- After lagging behind national and regional trends in GCSE performance, in 2008/09 599 Hartlepool pupils (48.7%) achieved 5 GCSEs at A*-C including English and Mathematics. This was slightly above the North East rate (48.1%) and had substantially narrowed the gap with the English rate (50.1%), making the joint greatest improvement of any local authority. Attainment of this standard by the 230 pupils eligible for free school meals has also risen, with 57 pupils reaching it (24.8%). Achievement in science-related subjects is relatively poor, however, with only 49.1% gaining two good science GCSEs, compared with 54% regionally and nationally.
- The proportion of 16-year-olds studying in Hartlepool attaining any Level 2 qualification was 69.8% (869 people) in 2008/09 – well above the national rate of 63.9%, and on a steeper upward trend than nationally
- Attainment of Level 3 qualifications by age 19 is somewhat poorer. By 2008/09, 535 19-year-olds had attained this level; the rate of 43.3% is well below the national rate of 51.4%. Progression to Level 3 is clearly challenging, although the increase in attainment at Level 2 at 16 in recent years bodes well for future increases in attainment of Level 3.
- Only 65% of 16-17-year-olds were still in full-time education in 2008, compared with 75% nationally. This is the lowest proportion of any North East authority, while the proportion in work-based learning (13%) was the joint highest. Framework success rates at Hartlepool College are in line with national averages, at 69%. The College also has high success rates with E2E provision, with 76% of leavers progressing to a positive destination, among the highest in the region.
- The launch of a wide range of new vocational Diplomas approved by the 11-19 Partnership aims to raise attainment further and offer better routeways into FE, HE and employment. There are also ongoing major redevelopments to a number of schools and colleges throughout the borough, including some new builds, to deliver higher quality facilities and aiming to improve participation and attainment rates.
- Applications from Hartlepool residents for full-time undergraduate courses have risen substantially – by nearly 50% since 2007 – to reach 722 by 2009 (4.3% of the 18-29 age cohort), of which 602 were successful. The success rate since 2000 has fluctuated but has been in line with North East averages, at over 80%.
- Hartlepool has one of the highest proportions of HE entrants using provision other than full-time undergraduate courses, amounting to 936 out of the 1,485 who entered HE in 2008/09. This is equivalent to 63% of entrants, well above

the regional rate of 54%.

- A high proportion of HE entrants to full-time undergraduate courses are from a deprived background- 50% of acceptances in 2009, against 44% regionally.

Skills – adults

- Average skill levels among the working age population steadily increased between 2000 and 2007, but have since shown few signs of growth, and even some decline. The number with no qualifications reached a low of 9,300 (16.6%) in 2007, but has subsequently risen to 10,700 (18.3%), well above the regional and national rates. Similarly, the number with Level 3+ skills grew to 24,200 by 2007 (43.6%), but then declined slightly. Currently, the numbers are growing again, but broadly in line with population growth, meaning that the proportion holding this qualification level has been relatively static, at just over 18%. This is the lowest proportion in Tees Valley, and well behind North East and GB rates.
- Local intelligence on skills will be increasingly important in the future as funding is devolved to a local level and reporting by official bodies is only available regionally. This will require consultation with local stakeholders, including providers and employers, to gain a rounded picture of skills supply and demand.
- The Audit Commission has reported that the Council provides a good service for developing skills in the area, engaging businesses and residents well, but the recent decline in the business base and low future growth forecasts may cause difficulties for further progress on skills in the short- to medium-term. In particular, SMEs need to engage more with the training system, and competencies at high skill levels developed on-the-job should be accredited with relevant qualifications.

Skill needs in key sectors

- There are a number of skill needs which cut across many Hartlepool employers and sectors. These include: upskilling the workforce generally, and ensuring that there is a supply of skilled and motivated work-ready young entrants to replace the ageing workforce; management, leadership and strategic skills; ICT skills across all users, not just in ICT-related occupations; technical and high level engineering skills in key manufacturing sectors; customer service, communication and team working skills. In addition, as shown by Future Jobs Funds recruits, there are many returners to the labour market who require pre-entry mentoring and coaching and significant in-work support to sustain them in employment, which employers feel should be a responsibility of JCP and other similar providers, rather than a burden on the employer.

- **Nuclear:** if Hartlepool is chosen as the site of a newbuild nuclear plant, it is forecast that this would generate 12,000 construction jobs, 5,000 in operations and 1,000 in manufacture. The majority of these (just over half) would be at technical or craft level, with rest roughly evenly split between Level 4+ and lower levels. With this level of demand, especially at higher levels, there is a risk that poaching of trained staff from other employers could create skill shortages elsewhere in the economy. SMEs are currently reluctant to commit to training without an indication of how definite the prospect of the work coming to Hartlepool is, creating the risk that they will lose out on the opportunity to enter the supply chain, which may be dominated by larger employers.
- **Offshore Oil & Gas:** future growth and employment and skill demands are intrinsically linked to the price of oil as supplies dwindle. If marginal (smaller and more complex) fields become viable, Hartlepool businesses can build on their expertise and expand and diversify to serve them. Local skills gaps include an ageing workforce (requiring local promotion of national schemes to encourage young entrants), and management skills which will be required to pursue an aggressive diversification agenda.
- **Offshore Wind:** The sector is forecast to grow strongly, but this creates the risk of skill shortages, especially if businesses poach workers from areas which already have a comparatively experienced workforce, such as Hartlepool. There is already a substantial amount of training available locally, and employers are expanding productive capacity and employment, leaving the town well-placed to respond to the predicted growth in demand. Hartlepool College of Further Education has also invested in a new training facility which offers specialist training to respond to the industry and renewable energy opportunities for the future.
- **Low Carbon Economy:** In addition to skills for nuclear and offshore wind, Hartlepool is well-placed to use it's existing workforce expertise to diversify into other low carbon energy sectors, in particular onshore wind. Training in other sectors – notably construction – needs to incorporate awareness of low carbon and energy-saving techniques.
- **High Value Added Engineering:** In general, the local sector requires stronger management and business improvement, and upskilling more workers from Level 2 to 3+. Engineering training is a recognised strength of Hartlepool College, and curriculum development is aligning training provision with wider sectoral developments.
- **Knowledge Intensive Business Services:** The largest sector locally is contact centres, which are already well-served by the training system. Skills provision in other sectors relies on engaging SMEs in training, and encouraging the adoption of national standards for career development and the development of more flexible delivery methods of training. In addition, the outsourcing sector is likely to develop further, requiring additional training provision in this area.
- **Digital Media:** The digital media sector in the North East is relatively small and underdeveloped, with only computer games and interactive media forming significant clusters. Skill shortages tend to be sector-specific and technical, requiring higher level entry qualifications and development of apprenticeship routes; since entry is often via word-of-mouth, this can be difficult in an area with underdeveloped clusters and networking, driving ambitious young people elsewhere to find employment. Locally, the Teesside Media Academy provides specialised training, while careers advice in schools is viewed as lacking in relation to the sector.
- **Process & Chemicals:** Given the product make-up of the local chemicals sector, it is likely to be fairly resilient to the downturn, and businesses are, on the whole, satisfied with training provision. However, delivery could be more flexible in terms of content and location by FE and HE providers. Hartlepool College also has a Centre of Vocational Excellence which works closely with local employers to address skill gaps an upskill and accredit the skills of the existing workforce. Another challenge for the industry is the ageing workforce and efforts by the industry and the Sector Skills Council have been made to create enhanced numbers of apprenticeships within this field.
- **Leisure, Hospitality & Tourism:** The key issue in this sector, dominated by SMEs, is the development of leadership and management skills, with customer service skills also in need of development. Locally, there are indications that skills gaps in both these areas are growing, with very few employers accessing publicly funded support. In addition, skilled food preparation staff are in short supply. Hartlepool College is responding by increasing apprenticeship numbers and courses, and working with careers advisors to more effectively promote the sector.
- **Retail:** Retail staff tend to have low qualifications levels, with over half of all North East retail managers not holding and NVQ3. Management, sales and customer services are key skill gaps, as are – increasingly – ICT-related skills. Skillsmart's Location Model could be used to develop skills in a number of retail outlets within a local area.
- **Health & Social Care:** The main skill gaps currently identified by the SSC are sector-specific technical skills and customer service, although forecasts of future growth and changing skill needs are complicated by the restructuring of public

sector funding arrangements. Locally, skills development needs to take account of the health challenges faced by the town, and in particular aim at reducing the level of lifestyle risk factors among the population. Within care, the workforce need to work towards the minimum qualifications standards set down by the government, which they are currently some way from meeting, particularly in the private sector. Hartlepool College offers a full range of relevant qualifications, and is expanding the number of apprenticeships in response to this.

- **Construction & built environment:** The construction industry in the North East has been affected significantly by the current economic climate, with employment decreasing from 124,860 in 2008 to 97,810 in 2010. It is forecast that employment will grow again slowly, with an annual recruitment requirement of 3,190 (mainly replacements for retirees) across the entire region. As such, growth in employment in Hartlepool will be extremely limited, with the main focus being to train sufficient new entrants to replenish the workforce. Traditional training needs to be supplemented with techniques based on new technologies, particularly those related to the low carbon economy.
- **Environmental & land-based:** This is a very small sector in Hartlepool, and opportunities for development are limited. It may be more worthwhile to encourage residents to obtain training for jobs outside the town, which could be used as the basis for them setting up their own business at a later date.
- **Voluntary & community:** The 7,500 volunteers in the 650 third sector organisations in Hartlepool are estimated to be equivalent to about 600 full-time jobs. Although employees tend to be highly skilled, there is a key shortage of skills related to dealing with volunteers, while skills related to leadership, general business administration and measurement of impact all need development. Future growth predictions are complicated by uncertainty surrounding the new public sector funding arrangements – in particular since many organisations provide social care – and the forthcoming Big Society reforms. Recommendations include the incorporation of training costs in commissioning arrangements and more flexible, innovative delivery methods (e.g. e-learning, consortia and secondments).
- The third sector also contributes towards skills development and worklessness alleviation through outreach and community support, providing experience through volunteering (to be formalised through Work Clubs) and reinvesting in local communities. With the ending of existing funding streams and the onset of the Work Programme, thought needs to be given to how the work done in the third sector can continue, and in particular how the Council can work in partnership and consortia with third sector organisations to bid to new funding streams.

10.3 Place

Regeneration

- Future regeneration investment will be focussed in the Regeneration Action Zones, a number of which are also part of the Tees Valley Coastal Arc Strategy, which is the focus of regeneration in the wider local area. These investments aim to improve both economic development and tourism and the visitor experience – for example, a coastal path and cycleway.
- Important regeneration projects include: the wind power development at Victoria Harbour; tourism developments at The Headland, The Marina and Seaton Carew; and a variety of premises and estates for commercial activity in the Southern Business Zone and Wynyard Business Park, including the possibility of new hospital if alternative funding can be found (given the cancellation of central government funding for the project).
- In addition, there is investment in housing market renewal around the borough, including social housing; improvements to the fabric of educational institutions; and possible refurbishment of the town square.



- However, these plans may be altered by the changes in the planning system proposed by the new coalition government, which will devolve more power to local communities to make their own decisions, in collaboration with the local authority.

Household growth

- It is forecast that, primarily due to the growth in single person households and the ageing of the population, approximately 5,400 new homes (gross) will be needed in Hartlepool in the next 15 years, equivalent to a net addition of 320 per annum. This comes from additions to existing housing areas and development of Greenfield sites on the urban edge and on urban Brownfield sites.

Housing stock

- There were just over 39,000 occupied dwellings in Hartlepool in 2007, and around 2,000 vacant properties (of which 620 were due for demolition) and a small number of second homes (300). This represents a vacancy rate of 4.7%, above the national rate of 3%, although it was substantially higher in some wards due to the poor quality of the housing stock. The scheduled demolitions have now been carried out through the Housing Market Renewal Programme, which is still ongoing.
- Demand for new homes exceeds supply across Hartlepool, including for rented accommodation, with long waiting lists for social housing; in some areas, people may turn to the private rented sector where social housing is unavailable. Executive homes comprise only 3% of the housing stock, and development is needed in this area, particularly if economic development aims of upskilling the population are to be met.
- Demand among newly formed households is strongest for family homes (2-3 bedroom properties), with much lower and falling demand for apartments – many newly developed complexes have high vacancy rates.
- There is a shortfall of 393 affordable dwellings per annum, implying that meeting the need among certain groups for affordable housing is a key priority. This can partly be achieved through enforcing a minimum proportion (10%) of affordable housing on new residential schemes, part-funded by national support schemes. The New Homes Bonus announced by the coalition will also aid in developing the housing stock as required.

Fuel poverty

- In 2009, fuel poverty (spending over 10% of household income on total fuel use)

is likely to be a major problem in Hartlepool, given the high rate of benefit claim. To counter this, in addition to national schemes, the town has developed a Winter Warmth Campaign which, among other initiatives, will provide home safety checks and give out advice on energy efficiency .

Broadband

- Broadband availability and speed is generally good with some exceptions, and will improve substantially when the pledged introduction of superfast lines by the coalition government is accomplished. No data is available on the proportion of households or businesses in Hartlepool which are online, but increasing this rate, and supporting business owners and residents to make best use of broadband is a clear policy direction.

Transport

- Improving local connectivity is seen as a key priority for Hartlepool. While the current road network is effective, transport flows have increased to the point where the network is near capacity, and forecasts indicate increasing congestion and poorer environmental conditions due to increased traffic flows. As such, meeting the increased demand in a more sustainable way is necessary.
- The identified issues to take into account are: increasing car ownership and dependence; increased volumes of traffic; unreliability of public transport and freight journeys; changing spatial employment patterns; and the growth of the population. Initiatives to remedy the problems include: promoting more sustainable travel (walking, cycling, public transport); educating the local population about smarter transport choices; controlling parking provision; maintaining roads; and increasing capacity of junctions.
- The lack of a single commercial centre in Tees Valley creates difficulties for the public transport system. To counter this, there are proposals to create a new £140m metro system (which was not cut in the Comprehensive Spending Review) linking, in its first phase, Darlington to Tees Valley Airport and on to Saltburn, with future phases dependent on funding. In addition, initiatives improve local bus networks include: buses being given priority on a number of routes; rolling out real time passenger information provision; simplifying and improving ticketing and fares; marketing and promoting bus usage,
- Rail and air links are both highly important, with Hartlepool being served by the Durham coast line providing links to Newcastle and the Grand Central Line direct to London, compensating for the loss of direct air links. Nearby Durham Tees Valley Airport is seen as a key driver of the local economy, with its planned

expansion contributing further to economic development and regeneration.

- In total, 67% of residents work in Hartlepool, with 33% commuting out to work, mainly to neighbouring local authorities. This equates to approximately 12,600 people out-commuting, with 9,300 in-commuting (again, mainly from nearby local authorities). On balance, this implies a net outflow of just over 3,000 commuters.

Business sites

- There is a limited range of high quality accommodation for businesses available within Hartlepool, which have been extensively developed and refurbished through a partnership of public and private investment. In total, there are 185ha of key employment locations, 158ha of land for general employment and 29ha restricted for port-related usage. To meet future demand and remain competitive, the town requires 210ha for general employment and 135ha for key employment locations. This implies that there is an oversupply of large premises, particularly factories, and the need to replace the older stock with modern, smaller units. The market for offices is concentrated in the town centre and marina, and any new private sector development is likely to require public sector subsidy.



Town centre, retail and leisure

- The primary retail stock in the town centre has reasonable occupancy rates (although retail vacancy across the town is higher than the regional average), and the retail offer is generally seen as good and varied, with both town centre and out-of-town shopping and leisure opportunities. Sporting activities are much improved, with a range of leisure centres, golf courses and professional sports clubs. The market hall was used to pilot a self-employment scheme, which saw footfall increase by 18% and is likely to be extended.

- The tourism and visitor offer is worth nearly £50 million per annum and is much improved over the past decade, and includes a marina with a range of attractions, bars and restaurants; historical sites on The Headland; beaches and wildlife at Seaton Carew, Seal Sands and Saltholme; public art and museums; outdoor recreation, and large-scale public events. However, it is seen as relatively inaccessible, with little 'passing trade' – visitors need a reason to visit.
- The 18 hotels and guesthouses, mainly small and lower grade, offer 348 bedrooms, catering primarily for the contractor market. Weekend occupancy tends to be relatively low, but higher in summer, with the main source of business being summer weddings, family visits and attendance at events (mostly football). Future projections forecast at least a continuation of the current level of the contractor market, with development opportunities identified as budget hotel and possibly upper tier hotel development; upgrading of existing 3* hotels; additional self-catering facilities; and planning permission for new developments at Elwick Services and Trincomalee Wharf. These developments are supported by the Hartlepool Hotels Group, a forum for accommodation providers.
- The night-time economy has seen increased business, particularly in the Marina area, and is seen as a key sector to contribute to economic recovery. Work is ongoing to promote this offer and make Hartlepool a key visitor destination.
- While the downturn may have affected spending in parts of the visitor economy, it also offers an opportunity for the town to increase the number of day visitors, as families cut back on expensive holidays,

Natural environment

- Tees Valley has been a national leader in maximising value from waste, but this has been affected by the collapse in the price of recyclables during the downturn. In response to this, the Council are reviewing methods of processing waste to produce power or fuel, and minimising the level of household waste (and in particular the amount which cannot be recycled). A 'green' shop will be opened to encourage purchases of environmentally-friendly and re-used products.

Hartlepool is well-placed to take advantages of the economic opportunities offered by the move towards a low carbon economy, in particular supporting the use clean technologies in local heavy industries and developing the supply chain for wind and marine energy. The forthcoming Climate Change Adaptation Strategy will also include a full risk assessment of vulnerabilities to weather and climate change.

11.0 Business Infrastructure of Hartlepool

11.1 Changing Industry Base

Over the past forty years, there has been a major shift in the Hartlepool economy from a dependency on traditional heavy industries, (e.g. shipbuilding) to sectors such as retail, high value engineering, process industries and renewables.

In the 1990s, there were a number of major inward investment projects from both multi-national companies such as Samsung and local investments such as Garlands Call Centres which employed hundreds of workers. This brought economic growth and was matched with jobs being created in the emerging retail outlets and superstores including new Tesco, Asda and Morrison's superstores. The vibrancy of the town and improved economic conditions made Hartlepool an attractive area in which to invest.

Over this period the business community enjoyed expansions and lucrative contracts that enabled sectors such as Construction High Value Added Engineering to rapidly grow. Alongside this, traditional companies such as the Nuclear Power Plant, Heerema and Huntsman have continued to offer employment for highly skilled workers.

Major investment since 1997 has increased the number of public sector workers nationally and the legacy today of this that the public sector accounts for one-third both of employment for residents of Hartlepool, and of the employee jobs actually located in the borough (in 2008). This public sector investment has also been complimented with the work of the third sector which is also a major employer in the town.

However, the closure of Samsung and - more recently - Garlands and major retail operations (including Brantano's, Woolworths and TK Maxx) during the height of the recession was a significant loss to the town and its residents, reinforcing that the town's economy remains fragile and un-resilient to global market forces.

Recognising the decline of large scale industries in the town HBC developed the Hartlepool Business Incubation Strategy, aimed at encouraging start-up and SME growth. Although this has increased resilience to a degree, levels of enterprise remain low by national standards, and more work is required to close the gap.



12.0 Business Indicators

12.1 Breakdown of number of local units by industry – 2004-08 (based on SIC 2003)

	Agriculture	Production	Construction	Motor Trades	Wholesale	Retail	Hotels & Catering	Transport	Post & Telecoms	Finance	Property & Bus Service	Education	Health	Public admin & other serv	TOTAL	TOTAL – VAT/PAYE
2004	55	170	145	50	65	370	160	65	10	25	315	50	45	150	1670	2040
2005	55	175	155	55	70	345	170	65	10	25	380	55	50	150	1755	2165
2006	55	170	165	65	70	350	175	60	10	25	400	55	50	140	1780	2240
2007	60	175	175	65	70	350	170	65	10	20	440	55	55	145	1855	2370
DISCONTINUITY																
2008	75	190	245	70	65	360	205	70	10	45	575	70	185	220	2385	2385

Source: Inter-departmental Business Register – snapshot in March of each year; the count used is local units, rather than enterprises (e.g. if a business has a head office and 2 other offices in a local authority, that would count as one enterprise, but three units) In 2008, the basis of collation for published IDBR data was changed from VAT-registered businesses to VAT and/or PAYE-registered businesses. This had the effect of substantially increasing coverage of businesses. A consistent series is available for the total number of businesses by local authority (shown in the final column), but this is not disaggregated by sector.

12.2 Breakdown of number of local units by industry – 2009-10 (based on SIC 2007)

	Agriculture	Production	Construction	Motor Trades	Wholesale	Retail	Accom. & Food Services	Transport & Storage	Inform & Comms	Finance & Insurance	Property	Profes, scient & technical	Bus admin & support serv	Public admin & def	Education	Health	Arts & entt	TOTAL
2009	65	200	270	80	55	350	205	75	60	45	90	295	160	15	70	205	165	2425
2010	60	180	265	75	60	335	190	75	60	50	85	310	180	20	70	205	165	2385

Source: Inter-departmental Business Register; see note above.

Between 2004 and 2009, the number of business in Hartlepool increased by 385 (18.9%) from 2,040 to 2,425 (Table X). This is substantially higher than the increases recorded in Tees Valley (11.7%), the North East (10.6%) or England (9.5%). As the downturn hit in 2009-10, the number of businesses in Hartlepool declined slightly (by 40, or 1.6%), again outperforming other areas: Tees Valley and the North East both witnessed falls of 2.7%, and the decrease in England was 2.4%.

Business numbers have thus increased and, to date held up relatively well, although from a low base: in 2004, Hartlepool only had 287 businesses per 10,000 resident adult population, compared with 327 in Tees Valley, 343 in the North East and 436 in England. Despite the rapid increase, at its peak in 2009, Hartlepool could only record 332 businesses per 10,000 population, having closed the gap with the comparator areas somewhat, but still some way behind: the Tees Valley figure which had increased to 356, the North East figure to 367 and England to 458. There is clearly still an enterprise gap in the area, even compared to the rest of Tees Valley.

Retail businesses still account the largest number of businesses in Hartlepool (335, or 14%), with professional/scientific businesses now close behind (310, or 13%). Indeed, the latter sector is one of the few to record some growth in business numbers in 2010, increasing from 295 to 310. The strongest growth in the past year was in business administration & support services, which added 20 businesses (a 12.5% increase).

	0 - 4	5 - 9	10 - 19	20 - 49	50 - 99	100 - 249	250 - 499	500 - 999	1000+	Total
2004	905	330	195	145	45	30	15	5	0	1670
2005	955	370	200	140	45	30	15	0	0	1755
2006	960	375	200	145	50	30	10	5	0	1780
2007	1035	370	210	140	60	30	10	0	0	1855
DISCONTINUITY										
2008	1440	410	240	185	60	40	5	5	0	2385
2009	1470	430	240	180	60	35	5	5	0	2425
2010	1445	410	250	180	60	30	5	5	0	2385

Source: IDBR

The table below shows the size distribution of Hartlepool businesses. The employment distribution by size of unit in Hartlepool shows that in 2010:

- 78% of businesses employ 0-9 people
- 18% of businesses employ 10-49 people
- 4% of businesses employ 50-249 people
- There are only 10 businesses that employ 250 or more people

While this is very similar to the size distribution in Tees Valley and the North East, it is somewhat different to the distribution in England as a whole. England has a substantially higher proportion of businesses employing fewer than ten people (83% in 2010 against 78% in Hartlepool), and fewer than five people in particular (68% against 61% in Hartlepool). This again points to an enterprise gap, with relatively few sustainable start-ups which grow to reach either the VAT threshold or the point where they use PAYE, and a relatively high reliance on large employers.

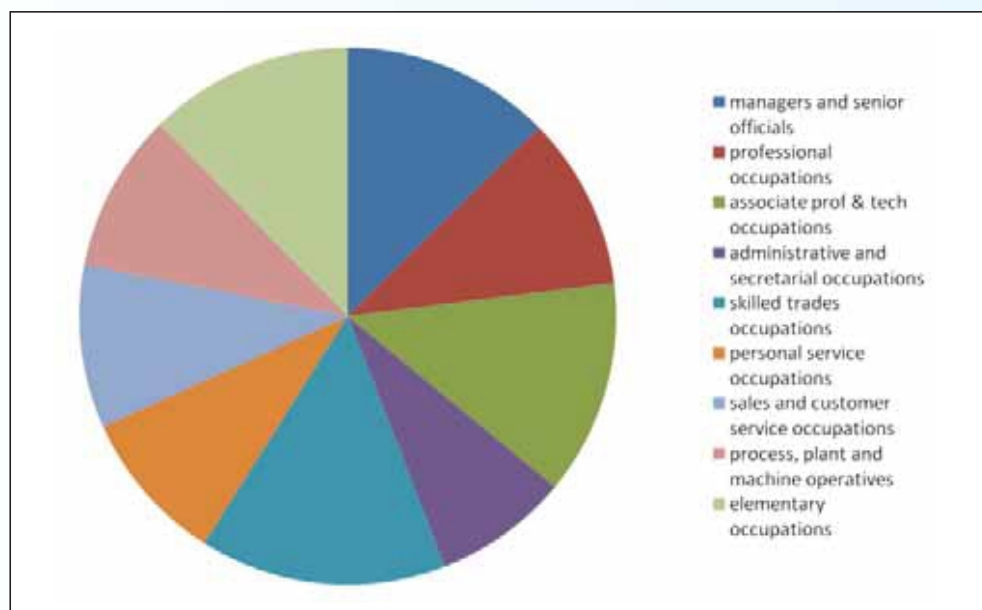
Caution should be taken in interpreting change over time – although it appears that there has been a substantial increase in the smallest sizebands since 2004, in 2008 the series started to include PAYE businesses for the first time, in addition to VAT-registered businesses. This would have had the greatest positive impact on the number of micro businesses included, since the majority of businesses larger than this level would have been registered for both PAYE and VAT, whereas those under the VAT threshold may still use the PAYE system for convenience. This accounts for the large upward swings in both the smallest sizebands (0-4 and 5-9 employees) in 2008.

12.3 Employment by Occupation

The figure and table below shows the employment by occupation in Hartlepool. The table shows location quotients – i.e. the extent to which a particular occupational area is under- or over-represented in an area, compared to the national share of that occupation in the workforce. It is clear that Hartlepool has substantially higher shares of lower-skilled workers than regionally or nationally, and a concomitantly lower share of more highly skilled and better-paid managerial and professional jobs. Moreover, the location quotient of managers and senior officials has actually worsened since 2004, in contrast to improvements in Tees Valley and the North East. At the same time, however, the quotient for the lowest skilled occupations has also decreased, bringing it nearly in line with broader

averages. Increases, by contrast, have been seen in skilled (manual) trades, sales & customer service occupations and associate professional & technical occupations – i.e. those requiring medium-level skills.

Fig X Employment of Hartlepool residents by occupation, Jan-Dec 2009



Source: Annual Population Survey

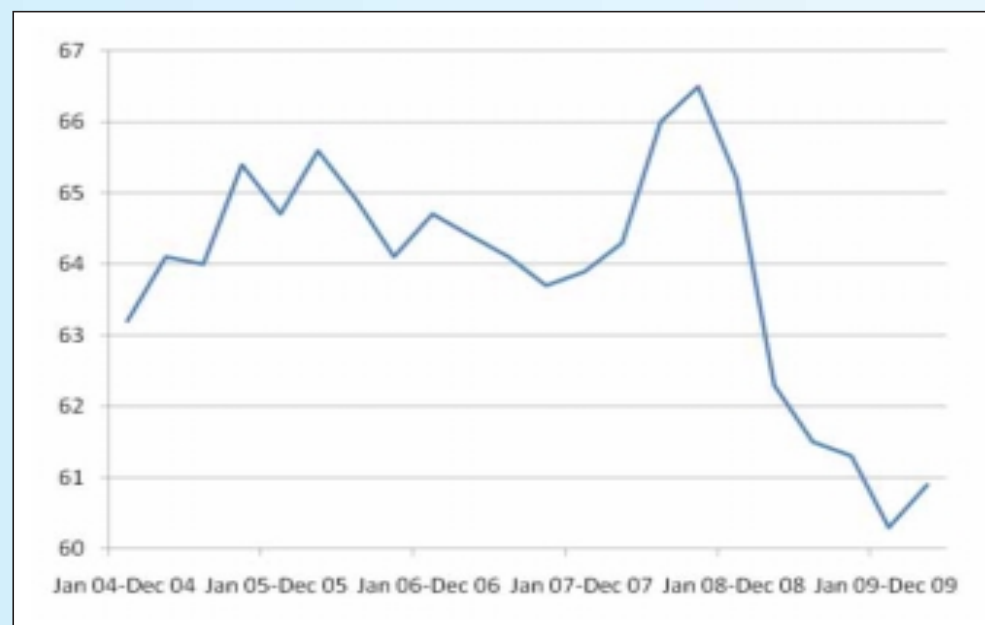
LQs	2004			2009		
	Hartlepool	Tees Valley	NE	Hartlepool	Tees Valley	NE
Managers & senior officials	87.2	79.2	79.2	79.0	82.2	84.1
Professional occupations	72.6	87.9	88.7	74.3	83.8	88.2
Associate prof & tech occupations	71.2	90.6	89.2	85.7	92.5	89.1
Administrative & secretarial occupations	78.6	100.0	105.6	72.3	100.0	105.4
Skilled trades occupations	121.2	108.8	104.4	140.4	100.0	97.1
Personal service occupations	113.0	102.6	100.0	104.7	112.8	107.0
Sales & customer service occupations	114.3	119.5	122.1	131.1	131.1	123.0
Process, plant & machine operatives	132.9	125.0	123.7	141.8	125.4	126.9
Elementary occupations	143.1	111.2	111.2	107.1	104.4	108.0

Source: Annual Population Survey

12.4 Overall Employment Rate – NI 151

Significant investment and growth within the local economy and improved skills within the workforce have contributed to positive improvements to Hartlepool's overall employment rate over the past decade. While the rate has fluctuated somewhat, there were positive signs that the town was nearing the Government target of supporting 80% of adults into employment, with rate increasing from 63.2% (36,000) in 2004 to a high of 66.5% (39,300 adults) in 2007/08. During this period, the employment rate in Hartlepool increased at a faster rate than either the North East and GB average, while narrowing the gap between Hartlepool and GB from 12.1 percentage points in 1999/2000 to 6.1 percentage points in 2007/08 (Fig). However, the impact of the economic downturn has witnessed redundancies, layoffs and reduced working hours throughout the economy. This has had major consequences in the local labour market, with the employment rate falling substantially to 60.9% (36,700 adults) in 2009/10.

Fig X Employment rate in Hartlepool, 2001-2010



Source: Annual Population Survey

In the year to March 2010, there were 56,100 adults of working age in Hartlepool, of which 36,700 were in employment. The overwhelming majority (68.5% of those in employment, equivalent to 25,000 adults) work within services; just under one-third work in the public sector.

The proportion in manufacturing (13.7% or 4,800 adults) is relatively high by regional and national standards, and demonstrates the continuing importance of the sector in Tees Valley generally.

However, manufacturing has borne the brunt of recent job losses, and has seen its share of employment fall substantially – in 2004, 19.4% (6,900 adults) of those in employment were employed in the sector, compared with 13.7% in 2010, equivalent to a loss of just over 2,000 jobs. Increases in services jobs – and the public sector in particular – have compensated for this, although these sectors are now themselves suffering from the downturn (which has actually made conditions easier for exporting manufacturers, with the fall in the value of the pound).

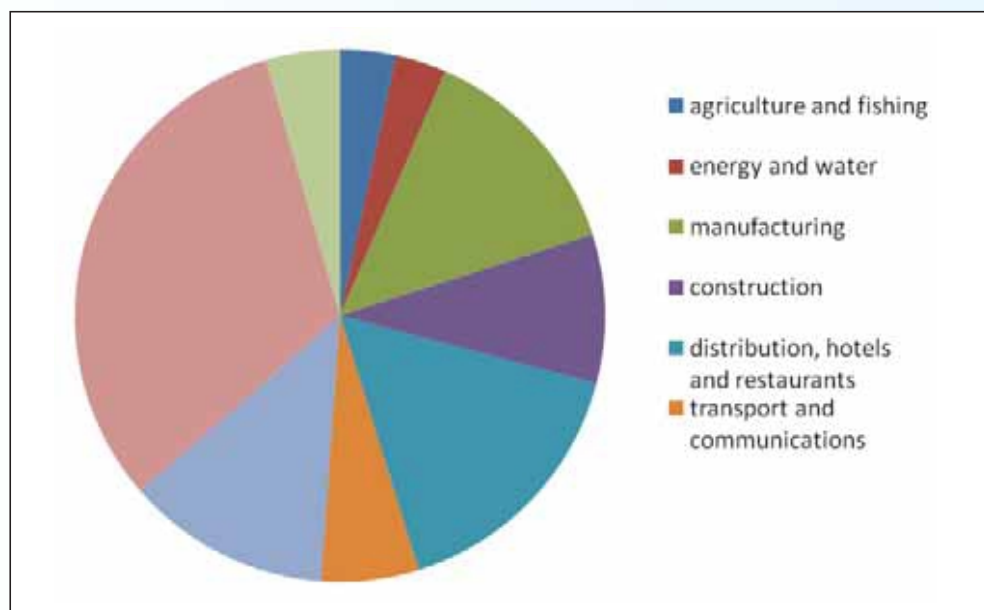
The decline in public sector employment is likely to continue. The Office for Budget Responsibility (OBR) stated that, 'the total number of people employed in the public sector is set to drop by more than 600,000 or 10% by 2015/16'. If this downsizing is applied pro rata to Hartlepool, we can infer that a further 1,000 residents will lose their jobs in the next five years, on top of the decrease of just over 1,000 public sector jobs in 2009.

Cuts to departmental spending will also reduce the government payroll from £5.53m to £4.92m, while the Treasury forecast that 700,000 private sector jobs would be lost as a direct result of the cuts as government contracts dry up. Again, this will have negative employment consequences for Hartlepool residents, although the precise impact is hard to gauge.

Given the over-representation of the public sector jobs in the resident workforce, this is likely to further increase the gap with the national employment rate.

In March 2010, a Comprehensive Area Assessment (CAA) outlined that almost 3,000 new jobs would need to be created within the Hartlepool area for the town to close this gap, a figure which is likely to increase in coming years.

Fig... Resident employment by sector, April 2009-Mar 2010



Source: Annual Population Survey

12.5 Employees in Hartlepool

The number of employee jobs located in Hartlepool was 30,100 in September 2009 – somewhat lower than 34,600 residents indicating that they were employees (as opposed to self-employed) at this time, and a decrease of just over 1,000 from September 2008. This represents a decline of 3.9%, smaller than that in the North East (4.8%) or Tees Valley (5%), but higher than Great Britain (2.9%).²

The jobs density for Hartlepool – the total number of employee jobs in an area as a proportion of the working age population – is 52%. Both these figures point to net out-commuting from Hartlepool, implying that policies to increase the employment rate are likely to have to rely on both encouraging new jobs within town, and supporting residents to commute to jobs elsewhere (the creation of which is clearly largely out of the control of the council). There is net out-commuting in all sectors

bar distribution, hotels & catering and business services. The latter is most likely a consequence of commuting to Garlands call centre, which was still open at the time the data were compiled; removing these jobs means that there is now likely to be net out-commuting in business services also.

Several sectors over-represented in Hartlepool compared to its comparator areas. In particular, power supply has a location quotient of 412 compared to GB figures, presumably due to the power station being located in the town (although this is distorted by small employment numbers). Manufacturing is also over-represented, compared to all three comparator areas, again indicating the continued importance of this sector, even more so than in the North East. Construction is over-represented by North East and GB standards, but not compared with the local Tees Valley area. This implies a local specialism, which may have the potential to be exploited further. Also over-represented are health & social care and education.

Under-represented sectors are essentially the knowledge economy – information & communication, finance and professional, scientific & technical activities. These are high-skilled, highly remunerated sectors which are important both as employers in their own right and as a facilitator for growth of other sectors. The effect of having a low concentration of such sectors is mitigated by the fact that higher concentrations are located nearby in other parts of Tees Valley, enabling residents to access employment and businesses to access essential services. However, the lack of these services in Hartlepool will act as a check on growth in the town.

² Employee figures taken from BRES 2009; note we are not using the employment figure which also includes proprietors working in the business.

Table... Number of employees in Hartlepool, September 2009

	Hartlepool		Location quotients		
	No	%	Tees Valley = 100	NE = 100	GB = 100
A: Agriculture, forestry and fishing	*	*	*	*	*
B: Mining and quarrying	*	*	15.6	30.8	34.7
C: Manufacturing	4,600	15.3%	144.4	136.3	170.4
D: Electricity, gas, steam and air conditioning supply	*	*	218.2	228.8	411.9
E: Water supply; sewerage, waste management and remediation activities	200	0.6%	174.5	146.9	108.2
F: Construction	2,500	8.2%	104.5	135.5	171.1
G: Wholesale and retail trade; repair of motor vehicles and motorcycles	4,500	14.9%	98.7	101.9	91.8
H: Transportation and storage	900	3.0%	62.3	71.1	64.9
I: Accommodation and food service activities	1,700	5.6%	102.3	86.7	82.9
J: Information and communication	200	0.7%	29.9	27.8	20.2
K: Financial and insurance activities	400	1.2%	47.2	45.7	29.9
L: Real estate activities	600	1.9%	112.2	114.8	123.1
M: Professional, scientific and technical activities	1,000	3.3%	52.4	56.6	46.7
N: Administrative and support service activities	2,000	6.7%	121.2	115.1	86.5
O: Public administration and defence; compulsory social security	1,700	5.6%	82.2	61.8	98.2
P: Education	3,300	11.0%	112.2	113.3	115.4
Q: Human health and social work activities	4,900	16.3%	101.5	110.8	124.3
R: Arts, entertainment and recreation	600	2.0%	101.9	99.0	84.0

	Hartlepool		Location quotients		
	No	%	Tees Valley = 100	NE = 100	GB = 100
S: Other service activities	600	1.9%	120.2	108.8	88.8
T: Activities of households as employers; undifferentiated goods and services producing activities of households for own use	-	-	-	-	-
U: Activities of extraterritorial organisations and bodies	-	-	-	-	-
Column Total	30,100	100%	100.0	100.0	100.0

Source: BRES employee data; * confidential data

12.6 Median Earnings of Employees in the Area – NI 166

As the skill levels of the working age population have increased (as outlined in the People section) earnings levels have also witnessed improvements. Median weekly earnings of residents increased from £404.90 in 2006³ to £486.40 in 2009, a substantially faster rate of increase than either regionally or nationally. The median level of remuneration for employees in the area has not kept pace, however, rising from a similar level in 2006 (£396.30) to only £445.80 in 2009 – although this rate of increase is also still slightly higher than in either the region or Great Britain. More interestingly, virtually all of this increase occurred in 2009, with pay rates for the previous three years virtually identical.

This points to several possible inferences and conclusions. First, the increase in skill levels of residents in Hartlepool has not been matched by a similar increase in highly skilled jobs available in the area, with residents forced to out-commute to seek more highly paid jobs elsewhere. Second, the downturn of 2008-09 led mainly to lower-paid employees losing their jobs – hence the sudden increase in median earnings in 2009. However, this remains below the median level of earnings among residents. This is related to the fact that residents of Hartlepool earn relatively high wages by regional standards – their median earnings are consistently higher than the North East average and have nearly caught up to national figures.

³ Earlier data are not comparable due to a change in the methodology used to compile the series from 2006 onwards.

Date	Hartlepool		NE		GB	
	Residents	Employees	Residents	Employees	Residents	Employees
2006	404.9	396.3	391.5	394.8	445.9	444.8
2007	436.3	391.4	401	404.3	460	459.3
2008	464.1	389.6	421.7	420.8	480	479.1
2009	486.4	445.8	438.8	435.9	491	490.2
Increase 06-09	20.1%	12.5%	12.1%	10.4%	10.1%	10.2%

Source: Annual Survey of Hours & Earnings

12.7 Part-time Working Patterns due to social change

The 2004 Workplace Employment Relations Survey showed that 64% of employees have the choice of working part-time (up from 46% in 1998). The survey also reported an increase in the availability offered by employers of home working (up from 16% to 28%) job sharing (up from 31% to 41%) and parental leave (up from 38% to 73%).

Hartlepool has not followed the national trend and the number of part-time employees has fallen year on year since 2004 (As shown below). However, as a percentage of the employee workforce, the level has been stable since 2006, and has been slightly higher than the GB average (around 34% against 31% nationally).

Table X Part-time Employee jobs

	Hartlepool		GB	
	No	%	No	%
2004	12,300	38.7%	8,377,900	32.1%
2005	11,600	35.4%	8,489,900	32.0%
Discontinuity*				
2006	11,100	33.8%	8,204,400	31.1%
2007	10,700	33.9%	8,236,700	31.0%
2008	10,200	33.9%	8,319,200	31.2%

Source: ONS Annual Business Enquiry Employee Analysis; * in 2006, the ABI methodology changed, in particular shifting the collection month from December to September; this is likely to have resulted in a decrease in the number of part-time workers, which would have been inflated by workers hired for the Christmas season.

Since the recession started, however, 400,000 adults have turned to part-time working nationally⁴. Instead of solely being a lifestyle choice, employers have encouraged workers to move towards reducing their hours to cut company costs. This flexibility and loyalty shown within the workforce has ensured that the overall number of JSA claimants has not reached 3m (as previously anticipated by economic forecasters).

Whilst this is a major plus to companies and the overall economy, the fragility of the employment market and the increased competitiveness of those adults seeking work will likely lead to increased unemployment amongst specific groups - low paid and unskilled workers – and increased part-time working.

⁴ Office for National Statistics (2010) Labour Market Statistics
<http://www.statistics.gov.uk/statbase/product.asp?vlnk=1944>,

Competition amongst employees may also lead to lower paid jobs and this will particularly resonate within SME and the public sector. There is also a growing concern amongst equality and diversity experts that any move by companies to decrease the number of full-time jobs - in favour of increasing part-time positions - will ultimately have an adverse affect on women within the labour market. This is because traditionally women are statistically more likely to be employed on a part-time basis and in the future men may challenge for these positions as fewer jobs are available within the labour market. Indeed, in Hartlepool 51% of female employees (7,900 people) work part-time (although this has been falling for some years), compared with 16% of male employees (2,200 people).

However, there are also concerns that some employers will demand higher levels of flexibility by part-time workers by introducing contracts which only offer low contracted hours, i.e. four hours per week. This saves money for the company by reducing the burden of holiday entitlement (calculated on contracted hours and not voluntary overtime). This type of contract may be beneficial for the employer but will not provide the level of financial security needed for the employee. In particular, it renders individuals ineligible for Working Tax Credits as they will not meet the minimum working time of 16 hours per week.

12.8 Productivity of Hartlepool

Broad productivity is measured by Gross Value Added per resident or employee. However, this is not available for Hartlepool by itself – the lowest geographical level at which official GVA data is released is NUTS3, which covers Hartlepool and Stockton together. There is also a significant lag in the data being available – the latest sub-regional GVA relates to 2007, prior to the downturn.

In line with the data on earnings above, Hartlepool's GVA per head of population is relatively low by both regional and national standards, and declining. In 2000, Hartlepool/Stockton's GVA per head 82% of the UK level, compared to 77.8% for the North East as a whole, by 2007, the North East figure had not changed, but the Hartlepool/Stockton figure had fallen to 73.8%.

Examining GVA per employee instead produces a similar, although less extreme result, with Hartlepool/Stockton standing at 83% of the England⁵ level, compared with 85% for the North East.

⁵ ABI data is not available for Northern Ireland, so UK data cannot be calculated.

Table X Headline GVA at current basic prices per Head of Population (£)

	2002	2003	2004	2005	2006	2007
Darlington	15,080	15,705	16,102	16,490	17,222	18,071
Hartlepool	11,971	12,517	13,218	13,752	14,283	14,730
Stockton South Teesside	10,776	11,630	12,545	13,193	13,826	14,312
Tees Valley	11,927	12,619	13,366	13,927	14,534	15,060
Northeast	12,266	13,002	13,687	14,200	14,851	15,460
UK	16,133	17,043	17,895	18,537	19,495	20,430

Source: ONS

Table X Headline GVA at current basic prices by industry group (£m), Hartlepool and Stockton

	2002	2003	2004	2005	2006	2007
Agriculture forestry and fishing	9	10	12	9	10	13
Production	840	811	852	903	939	925
Construction	265	301	333	345	355	374
Distribution, transport and communication	722	769	801	805	823	855
Business services and finance	641	712	785	850	931	1011
Public administration, education, health & other services	820	860	883	921	945	971
Total GVA	3297	3463	3668	3832	4003	4149

Source: ONS

Table X shows that total GVA in Hartlepool & Stockton is fairly evenly split between four broad sectors, each of which account for 20-25% of the total: production, distribution & transport, finance & business services and the public sector & other

services. In this distribution, the town is broadly in line with the rest of the North East, although it is slightly less reliant on the public sector, and slightly more on production. However, the distribution is substantially different to the pattern found in England as a whole, where finance & business services accounts for a far higher proportion of GVA (34%), with production industries substantially lower (14%).

Since 2002, all sectors have witnessed growth in their GVA. The greatest increase has been in finance & business services, which has grown by £370m over the period (57.7%), accounting for 43.4% of the overall increase in GVA of £706m (a rise of 25.8%).

Table X Headline GVA at current basic prices per employee, Hartlepool and Stockton, 2002-07

	2002	2003	2004	2005	2006	2007	Tees Valley 07	North East 07	England 07
Agriculture forestry and fishing	43 26 9.2	54 94 5.1	64 17 1.1	51 42 8.6	67 56 7.6	82 27 8.5	6734 6.93 878	6767 2.83 35	3429 5.24 113
Production	37 07 9.5	40 39 6.5	50 90 2.1	56 83 5.3	55 37 2.1	55 04 9.7	6626 5.23 633	5899 7.82 135	5841 7.83 593
Construction	38 00 3.7	38 75 3.7	35 98 0.6	46 19 7.1	39 22 2.2	44 29 7.1	4488 9.53 752	5089 6.98 288	6163 9.54 4
Distribution, transport and communication	21 51 0.5	24 52 7.9	24 65 3.7	24 52 6.2	26 10 1.3	27 66 8.1	2824 4.04 6	2850 3.36 546	3392 8.73 594
Business services and finance	44 05 5.0	42 06 5.5	46 04 6.5	46 68 2.8	48 34 6.1	52 91 2.5	5303 4.25 491	5578 7.24 478	6867 3.15 451
Public administration, education, health & other services	23 46 8.1	24 37 7.8	25 93 7.8	24 35 0.3	26 24 8.5	28 36 6.1	2615 5.32 238	2858 4.06 94	3291 1.46 474
Total GVA	29 20 5.2	31 03 5.7	33 41 8.4	34 09 7.1	35 44 1.4	37 84 1.0	3747 3.69 374	3858 6.29 801	4543 5.91 123

Source: ONS; employee figures taken from ABI

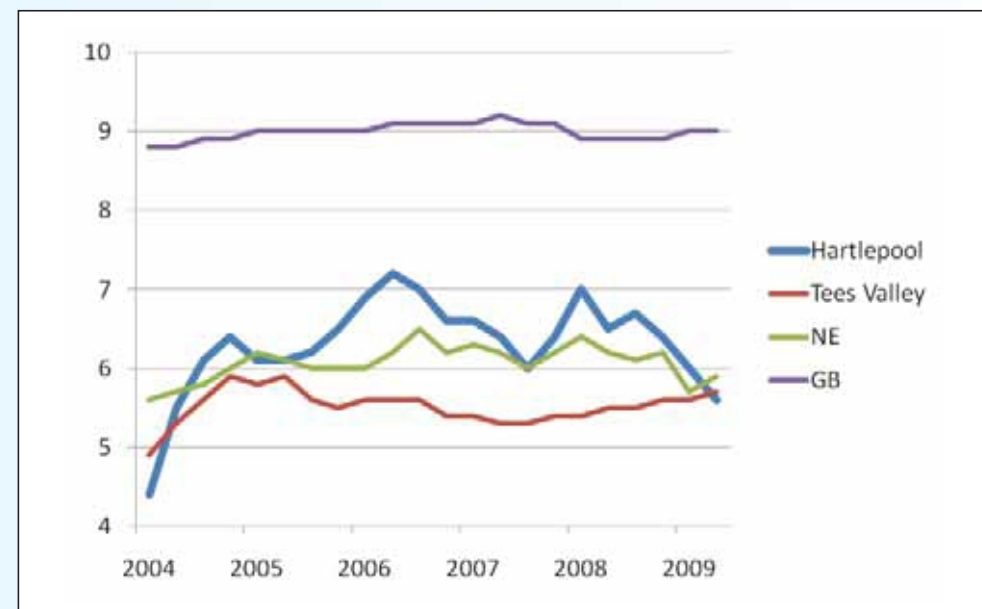
GVA per employee is a very broad measure of labour productivity in an area. In 2007, Hartlepool & Stockton recorded a figure of £37,841, very much in line with Tees Valley (£37,474) and the North East (£38,586), but well below England (£45,435). The highest GVA per employee in the area is found in the Production industries, although this remains below Tees Valley, North East and national figures. Barring the very small agriculture sector (where small changes can have disproportionately large effects), Production has also seen the largest increase in GVA per employee over the period. Some caution should be taken in interpreting this figure, because (a) GVA in the Production sector in small areas can be affected by changes in the price of oil, if there is a cluster of oil processing facilities in a locality (as in Tees Valley) and (b) the latest figures available are for 2007, before the effects of the downturn were felt.

12.9 Entrepreneurship

12.10 Self-employment

Hartlepool has a cultural legacy of innovative entrepreneurial practices embedded within businesses and the community. This strong foundation of good partnership working between the public, private and third sector has led to increased levels of self employment over the past decade.

Fig... Self-employed as proportion of working age population



Source: Annual Population Survey

Partly due to the nature of the survey at small areas, Hartlepool's proportion of self-employed workers tends to be more erratic than in the larger comparator areas. Broadly, though, the proportion rose from 4.4% in 2004 (equivalent to 2,500 people) to a peak of 7.2% in 2006/07 (4,100 people). Since then, the trend had largely been downward, with a slight rally in 2007/08.

The latest figures available (the year to March 2010) show that it is roughly equal with regional comparators, standing at just under 6% (equivalent to 3,300 people). However, throughout the entire period, it has remained well below the national figure (approximately 9%), in common with the North East as a whole. As such,

low levels of entrepreneurship are clearly a pervasive challenge facing the region, rather than one contained within Hartlepool.

Nonetheless, the current level of self-employment in Hartlepool remains well above the level in 2004 and earlier years, indicating a degree of success in raising the level of entrepreneurship to the regional benchmark.

Contributing to this is the embedded business infrastructure support in the town - for example, the Incubation System which provides support to local residents seeking advice on setting up a new business and encourages growth and sustainability within existing businesses. The business support infrastructure has also been improved by the redevelopment of the Hartlepool Enterprise Centre and the creation and expansion of the UK Steel Enterprise Innovation Centre.

12.11 New enterprises

The table below shows the number of new businesses registered in Hartlepool from 2004 to 2009. The number rose from 225 in 2004 to 350 in 2007, a rise of 56%. This is substantially higher than the rise in Tees Valley (33%), the North East (15%) or GB (0.2%). Thus, Hartlepool experienced considerable success in the middle of the decade in increasing the business birth rate in the town. However, this success has proved less resilient to the downturn than elsewhere.

While the number of new births dropped generally in 2008, the decrease in Hartlepool (90 fewer births than in 2007, down 25.7%) was well above the decreases recorded in Tees Valley (15%), the North East (13%) and GB (5%). Conditions in Hartlepool were clearly more difficult for starting new businesses in 2008 than in the wider economy.

In 2009, performance improved somewhat, with only 30 fewer businesses started than in 2008, a drop of 11.5%, slightly below local and regional decreases (both 14%) and in line with the GB figure. However, the increase in earlier years was such that the level of new business formation in 2009 remained slightly above the level of 2004; in all comparator areas, the 2009 level was well below the 2004 figure.

Thus, it is fair to say that the underlying business formation rate in Hartlepool is much improved, and that it would be expected to rise again strongly when the upturn kicks in.

Table X Number of new businesses in Hartlepool

	No of new Registrations
2004	225
2005	260
2006	285
2007	350
2008	260
2009	230

Source: IDBR 2004 - 2009

12.12 Business Demography

From the banksearch data produced by NERIP it shows that in 2009 Hartlepool had 415 business starts up the lowest number in the whole North East region. However this data does not include data from the Yorkshire Bank which is extremely active in Hartlepool.

This equates to 7.5 start ups per 1,000 working age population for Hartlepool. This is roughly the same figure as 2008.

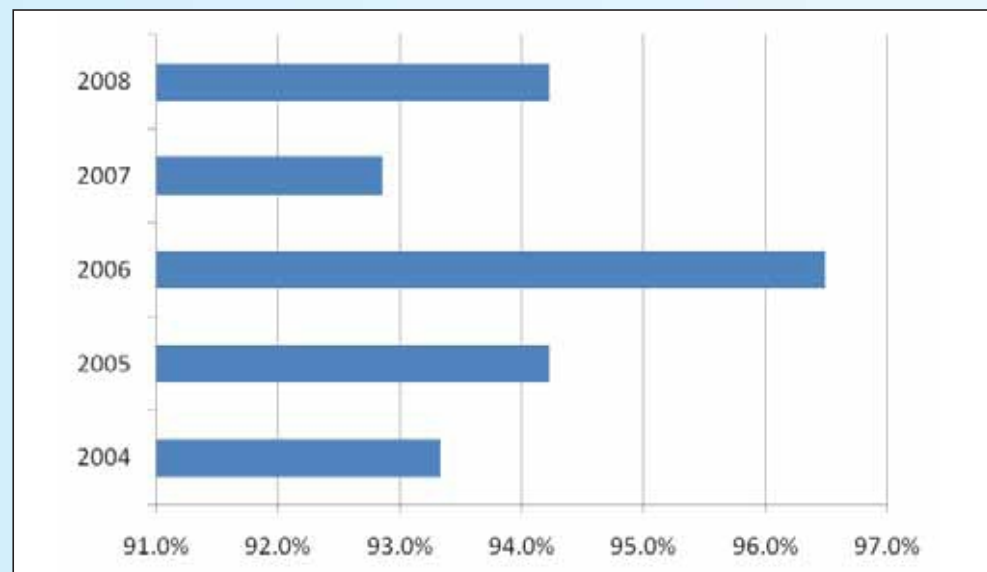
12.13 Survival of VAT/PAYE companies

The graph below shows the number of new businesses surviving for at least 1 year. The survival rate has been high – consistently 93% or above, and broadly in line with local, regional and national trends – there is very little difference in one-year survival rates of businesses across the country.

In the longer-term (Table ...), however, Hartlepool's performance is slightly poorer, although this is principally related to the downturn. The survival rates for the relevant period for each year which correspond with the downturn are consistently lower than local, regional and national rates. For example, the five-year survival rate of business born in Hartlepool in 2004 is 44.4%, compared with 45.6% in Tees Valley, 46.6% in the North East and 46.7% nationally. A similar pattern emerges, even more markedly, for the four-year survival rate of 2005 births (46.2%, against 53% nationally). This implies a relatively low level of sustainability and resilience among existing businesses in the face of an economic downturn, although they are

sustainable in 'normal' economic conditions (as shown by the death rate of businesses, which is largely in line with broader trends, before the downturn – see Table....).

Figure... Percentage of new enterprises born in given year surviving for at least one year



Source: IDBR

Table X Survival rates of new enterprises

	2004	2005	2006	2007	2008
No of new births	225	260	285	350	260
1 year	93.3%	94.2%	96.5%	92.9%	94.2%
2 year	77.8%	76.9%	78.9%	78.6%	
3 year	64.4%	61.5%	61.4%		
4 year	51.1%	46.2%			
5 year	44.4%				

Source: IDBR

Table X Deaths of enterprises in Hartlepool

	2004	2005	2006	2007	2008	2009
Number	175	180	180	205	215	235
% of business stock	10.6%	10.4%	9.8%	10.1%	11.3%	11.6%
Tees Valley %	11.7%	10.4%	9.5%	9.5%	10.4%	12.1%
North East %	11.3%	10.6%	9.3%	9.5%	10.0%	11.6%
GB %	11.4%	10.5%	9.5%	9.9%	9.6%	11.9%

Source: IDBR

12.14 Number of New Businesses per 10,000 population – NI 171

The number of new businesses per 10,000 adult population increased from 31 in 2004 to 48 in 2007, a rate of increase substantially higher than Tees Valley, the North East or Great Britain. The rate of 48.5 new businesses per 10,000 population in 2007 was well above local and regional comparators.

However, as noted above, the recession led to a large decrease in business formation rates, such that the rate in Hartlepool in 2009 was identical to the rate in 2004. However, this remains a better performance than Tees Valley, the North East or GB, which all recorded lower rates in 2009 in than in 2004.

Table X Number of new businesses per 10,000 resident population aged 16+

	2004	2005	2006	2007	2008	2009
Hartlepool	31.6	36.4	39.7	48.5	35.8	31.6
Tees Valley	34.3	35.3	33.2	44.9	38.0	32.4
North East	37.1	36.9	34.0	42.0	36.4	31.2
GB	58.5	56.9	52.4	57.1	54.0	47.5

12.15 Business Incubation

In 2001 the Council recognised that international inward investment markets were rapidly changing, with new emerging markets across the world competing for mobile investment. As a result the Council developed Hartlepool's Business

Incubation System to encourage the development and growth of indigenous businesses. The Hartlepool Business Incubation Strategy was published in 2002 and laid the foundations for a strategic framework for the development of the local small business sector.

The key findings of this strategy were implemented including:

- the creation of a “hot house development” at Queens Meadow, creating a modern Business Park on a reclaimed brownfield site;
- a major enhancement scheme at Brougham Enterprise Centre, a converted Victorian school;
- The development of an overarching support mechanism, incubating both start ups and existing small businesses;

The strategy also considered community incubation and determined that any physical development should be deferred until the main system was fully operational and integrated into the local economy. Move-on accommodation requirements were also highlighted as a priority to be developed, given the importance of ensuring a flow through the system.

This partly became the responsibility of UK Steel Enterprise, the regeneration arm of Corus and a long term partner of the Council which has invested heavily into Hartlepool's economy over many years.

Hartlepool's Incubation Strategy identified a need for modern, fit for purpose accommodation for small businesses to support the development of this key sector. UKSE - recognising the market potential and the need to help drive forward regeneration in Hartlepool - delivered a 27,000 sq ft, £3.7m Innovation Centre at Queens Meadow.

The Centre was the fastest letting UKSE development, rapidly surpassing initial projections of 60% occupancy to become fully let. It remains fully let today, and the high level of performance has prompted a further UKSE investment in a large (20,000 sq ft) extension; work started in September 2010. The total investment will be around £4.5m and will represent a key milestone in the continued development of the small business infrastructure of the Town.

12.16 Business support

In addition, the Council and key partners including Business and Enterprise North East (BENE) have developed partnership protocols. This has improved the core offer to businesses by providing a two pronged, pro-active business support service, targeted particularly at identified growth industries or geographical areas such as the Southern Business Zone. Agencies work closely together to add value to each organisation's objectives. Examples include Hartlepool Enterprise Centre, which provides office space for BENE and NECC Advisers to offer enterprise guidance. The future of this initiative is uncertain: current government policy on the BENE and Business Link Service will be detailed in a white paper in 2011.

12.17 Case Study – Hart Biologicals

Founded in 2002, Hart Biologicals Ltd. is engaged in the research, development, manufacture and marketing of a range of "in-vitro" diagnostic products for use in the detection, prevention and monitoring of a number of medical conditions related to haemostasis and platelet function.

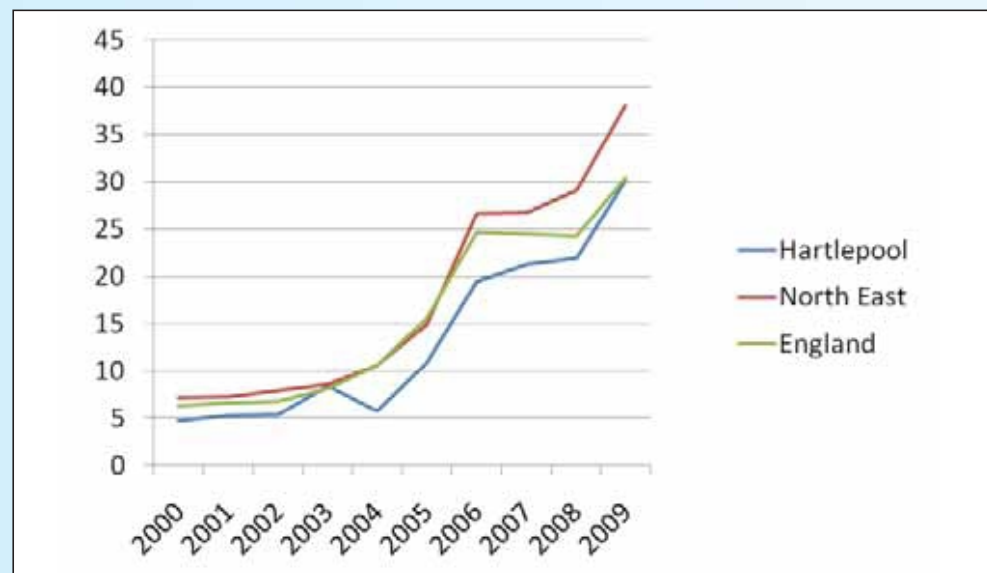
The company originally started trading at the Hartlepool Workshops, Usworth Road Industrial Estate with 3 staff. Their turnover increased steadily by 25 per cent a year; exports began in 2003 and have grown steadily year on year with overseas sales now representing more than 65 per cent of turnover. They currently employ 8 staff.

In 2005, they moved to larger premises of 3,200 sqft on Newburn Bridge Industrial Estate and in 2010 they expanded into a 10,000 sqft specifically adapted unit on the prestigious Queens Meadow Business Park.

12.18 Personal insolvencies per 10,000 adult populations

Personal insolvencies cover three different kinds of order applying to people in financial difficulty: bankruptcy orders, Individual Voluntary Agreements and Debt Relief Orders. From 2000 to 2008, the rate of personal insolvencies among Hartlepool residents increased in every year except 2004, with the rate of increase substantially accelerating from 2005 onwards. However, as the graph shows, this is not exceptional – the same trends can be found in the region and nationally with Hartlepool, in fact, well below the regional average.

Graph X Personal insolvencies per 10,000 population



Source: ONS

12.19 The Contribution of the Third Sector

A report by the Social Futures Institute – 'A study of the impact of a changing funding environment on the VCS in the Northeast of England' (March 2006) - assessed the potential impact on the changes to the funding environment on VCS groups in the North East, as it was identified that funding could reduce by up to £50m post 2006. The research outlined that although 94% of VCS groups interviewed expected to be sustainable in the long term there was a lack of understanding by some groups of the changes to how funding could be sourced and allocated by external funders in the future. Given the changes in funding regimes to be introduced shortly, and the large contribution made by the Third Sector in providing employment and training opportunities, the findings of this report are still highly relevant.

Most VCS groups are identified as having multiple sources of income although the main income streams are from government grants and contracts from central government, local authorities, PCTs and the LSC. The report stated that almost half

of the VCS groups state that grants remain vital to their long term survival. It also acknowledged that most VCS groups are 'unaware of, unwilling to or ill prepared to engage in contract work.' The research found: -

- 21% were unaware of funding opportunities
- 17% reject contracts because it goes against their core values while, on the other hand, 40% needed more information and support or feel that there are too many barriers
- 22% intend to tender for such work

This raises serious questions about the viability of some VCS groups as government funders move away from a culture of 'grant giving' towards procurement and commissioning. There were also concerns that contract work may 'stifle innovation in the VCS' and that performance management/contractual requirements prevented groups from trying new practices.

These findings can inform a response to the current situation facing VCS groups. These include multiple financial challenges:

- Reductions in funding
- End of funding programmes e.g. WNF and FJF
- Competition to secure funding through natural government tender/procurement processes

The research indicated that 'VCS may be more successful if their efforts were combined.' In other words, due to the economic situation funding is very limited and by forming 'consortia' VCS groups will have a better chance of being awarded grants and will be in a greater position to tender for contract work. The best placed agency to accomplish within the town is Hartlepool Voluntary Development Agency (HVDA), established in 1986 in order to provide Hartlepool's voluntary sector with an 'umbrella' group who would promote the issues and work of the sector.

HVDA has identified 650 VCS groups working in the town with 70 groups having paid staff offering a diverse range of services which positively contribute towards the local economy, community, environment and individual members of society.

In fiscal terms the VCS groups offer significant economic benefits; an HVDA survey reported that of the 190 questionnaires returned:

- 87 groups reported an estimated combined turnover of £11,243,792
- 111 groups reported that they worked with a total of 2,002 volunteers; the average number of volunteers with each group is 18 people
- If each of the 650 VCS groups in the town worked with the average number of volunteers as in the sample, this would equate to a total of 11,700 people volunteering

VCS groups across the town have also been extremely successful in securing additional sources of funding to deliver themed initiatives. Hartlepool's Financial Inclusion Partnership estimates that for every £1 of public sector money secured an additional £7 will be sourced by the third sector within Hartlepool.

As the new Coalition Government's 'Big Society' Agenda drives forward it is possible that specific VCS groups across the town will be able to enter into contractual arrangements within their own specialist areas.

13.0 Key Issues Facing Businesses

As the global economy continues to be fragile, there is still major uncertainty in the marketplace which has impacted on businesses at a local level. Companies are struggling to 'second guess' the economy and find it difficult to develop and implement longer term strategies.

As sales and turnover are generally down in all sectors, there are fewer opportunities for companies to develop and grow their businesses. A recent FSB survey⁶ highlights the level of uncertainty: in the North East, 31% of businesses surveyed expect their business climate to improve, 41% to remain stable and 24% to deteriorate in the next year.

Similarly, on reviewing the profitability over the last financial year (2009-10):

- 25% of companies reported an increase in profits;
- 20% of companies profits stayed at the same level as the previous year;
- 53% of companies profits decreased;

⁶ Voice of Small Businesses' Annual Survey, conducted between September and October 2009

13.1 Finance

This is further exacerbated by the lack of finance available from the banks to enable investment. Due to the previous banking crisis, it has been well documented that access to finance from banks to companies – in particular new businesses and SMEs - has significantly reduced. A lack of finance to companies is reducing the growth of the business community. The last and current governments have encouraged access to finance to businesses from the banks and the low interest rates would make lending more attractive. However businesses are complaining that they are still having difficulty lending from banks.

Against this, if new businesses can access finance, the cost of lending is extremely low. Since the start of the economic slowdown the Bank of England has reacted to reduce the impact to UK industry by reducing interest rates to an all time low. The interest rate has been at 0.5% for the last 19 months and has been forecast for the foreseeable future as staying at this level. The Governor of the Bank of England stated that it is not the right time to take interest rates back to more 'normal' levels⁷. However over the medium term (possibly from 2012 onwards) as the UK Economy continues to grow there will inevitably be a rise in interest rates.

13.2 Coping strategies

There are several strategies which could be adopted to tackle this uncertainty, each of which require specific business support. Businesses are looking to increase sales and turnover, which may include moving into new markets. Whilst it is positive that companies diversify into other specialist fields, there is a possibility that entering into new territory will bring with it risks due to lack of funding or understanding of the specific market. In addition, businesses are looking at efficiency savings to tackle decreased turnover to protect their company in the short to medium term.

As such, all North East sectors in the FSB survey reported a slight dip in employment numbers compared to the last 12 months. Members expect to be employing more temporary staff. However, it is felt that there is reluctance by members to employ permanent staff due to the economic uncertainty. This lack of confidence by businesses in the North East may reduce the chance for future growth in the private sector employment market. This is at a time when there will be higher demand for private sector jobs to be created in the North East.

⁷ Evidence to Treasury Select Committee , July 28th 2010

13.3 Public sector cuts

The uncertainty is compounded by the austerity measures and initiatives to cut the national debt introduced by the new government. While it is unclear at this time whether the impact of such austerity cuts will lead to the expected 'double dip recession', the reduction in public sector funding has wider implications to areas such as Hartlepool as there is a dependency on this funding to create public sector jobs and commission services to the private and third sector. This includes the postponement of major regeneration programmes such as Building Schools for the Future which would have brought in approximately £100 million to the area.

In addition, the FSB survey highlighted that members in the North East are the most likely to have supplied goods and services to the public sector with nearly half (49%), having done so in the past twelve months. This is obviously concerning as some businesses may be too dependent on contracting to the public sector at a time when austerity cuts will impact on all sectors.

13.4 Encouraging start-up

With employment opportunities thus limited, setting up a new business provides alternative opportunities. Cultural shifts in attitudes to becoming self-employed or setting up in business are accelerating – as shown within the past decade in Hartlepool. Some economists believe that creating increased entrepreneurial activity and innovation – particularly within small ventures – is the key to future growth of the economy.

However, it is clear that the risk of setting up in business is currently high, with the biggest challenge for small ventures being to maintain cash flow levels and raise finance. This comes especially at a time when VAT will reach 20% next year which may weaken consumer spending. A YouGov survey conducted in July 2010 found that 30% of respondents from the private sector stated that the increase in the VAT rate from 17.5% to 20% in January 2011 will have a detrimental impact on their business.⁸ Some businesses clearly believe that the current rate should be maintained until the economy is stronger and consumer spending is up. This is confirmed by the FSB survey, which also highlights the high burden of business rates.

⁸ Symes M (2010) 'VAT increase could be 'detrimental'', *SME Business News*, www.smebusinessnews.co.uk/vat-increase-could-be-'detrimental'/765/

13.5 Skills

As the UK will take advantage of the eventual upturn in the economy, businesses will need to ensure that they have a suitably qualified and skilled workforce. Within Hartlepool, there has been a major improvement in the skills base of the local labour force which makes the town attractive for companies to invest in. Skills levels are on a long-term upwards trend in Hartlepool (although this has stagnated somewhat in recent years), in common with the rest of the region, but the challenge remains to ensure that businesses make best use of these skills, that the supply of different types of skills matches the demand from businesses and continue training their workers in new techniques. There is also the question, highlighted above, of the degree of out-commuting among more highly qualified Hartlepool residents. Upskilling is insufficient if there is no demand from businesses for those workers.

The longer term challenges faced by the business community include an ageing workforce – for example, the average age of engineers across the Tees Valley is 57 years old and the supply of new, young workers to this sector is likely to be insufficient to meet replacement demand. In addition, after the recession, adults may find that their skills are now partially or fully redundant as the jobs are no longer required. Businesses may find that skilled workers have moved into new occupational areas due to redundancy and find it difficult to replace these positions in the short to medium term.

13.6 Cost of absenteeism within the workplace

Nationally, the levels of absenteeism within the workplace are having a major financial impact within businesses. Across the Country, approximately 8.4 days per employee, per year are lost in sickness absence and the North East is poorly performing with 11.3 days lost on average (although no data is available for Hartlepool itself). The average cost in absenteeism for each employee, per year is £659. The overall total of absenteeism is £26bn per year. The Health and Safety Executive (HSE) reported that work-related stress accounts for over a third of all new incidences of ill health, with each case of stress-related absence leading to approximately 30.2 working days lost to stress, anxiety or depression in 2006/07 alone. The economic cost to society in relation to work-related stress is estimated to be £3.8bn a year. In the North East alone, 1 in 4 employees suffer from work-related stress and the consequences of this condition should not only be measured in the levels of absenteeism but also the impact on the morale of the workforce, reduced productivity, high turnover of staff, susceptibility to workplace accidents and increased risk of cardiovascular disease.

In 2005, the previous Government committed within its manifesto to improve access to psychological therapies for individuals and in May 2006 launched the Improved Access to Psychological Therapies (IAPT) programme. This programme formed part of the 'Our Health, Our Care, Our Say' White Paper which aims to provide a choice of therapies for people suffering from depression and anxiety disorders.

Hartlepool and Stockton were successful in becoming a pilot area for the IAPT programme in 2007 and this programme has provided:

- Faster referral links to GPs and other mental health services to ensure that employees do not leave their employment due to stress.
- Early access to psychological therapy before more complex care is needed.

13.7 Case Study – Tees Valley In-Work Support Programme

The above project is a partnership between the five local authorities within the Tees Valley sub-region and is managed by Hartlepool Borough Council.

The aim of the project is to raise awareness of the full range of services available to both employers and employees in order to keep their workforce fit, healthy and able to continue in work. Key objectives include:

- Support employers to deal with social/health issues which put employees at risk of leaving employment
- Signpost employers and employees to appropriate support organisations

5 Project Officers will work across the Tees Valley area offering advice and support to SME's in particular those businesses that don't have designated HR resources. This confidential support will look at the following:

Support for Employers:

Offering support through advice and guidance, and identify relevant organisations to support their employees. Promote wider policies such as Health and Well Being at Work and other health awareness benefits such as

smoking cessation, healthy eating, mental health first aid, etc. to improve the health and productivity of the whole workforce.

Support for Employees:

Referral to support organisations to help employees address social/health issues such as sickness, stress at work, care or child-care problems, housing, debt, alcohol or drug issues. In some cases support could simply involve referral to other organisations.

Both the IAPT and Tees Valley In-Work Support Programme are making substantial contributions to individuals falling out of work and onto a benefit and in the long run will see further social and economic benefits including:

- Reduced prescription costs
- Reduced GP appointments, A&E attendances
- Reduced the number of people accessing IB
- Increased recruitment and retention
- Reduced costs incurred due to sickness absence.

14.0 Hartlepool's Future Growth Sector

Following consultation with key stakeholders, the following sectors have been identified as being the key economic drivers for the town; have the ability to grow and can create future jobs for local residents.

14.1 Nuclear

Hartlepool Nuclear Power Station offers a significant level of employment and investment to the area – with a minimum of 1% of the working age population employed. The Plant provides 500 jobs and employs 200 additional contractors. It has a total turnover of circa £225m per annum and an annual salary bill of £30m. The site is currently due to close in 2014, with decommissioning to commence

shortly after. However, it is likely that Hartlepool will request an extension for current operations for a further five to ten years. The decommissioning will cost £1.1bn approximately in Hartlepool and will require 320 staff for de-fuelling and site clearance. A further 20 staff will be required for 'safestore' of radioactive decay for up to 85 years.

Hartlepool has been identified by the new government as one of eight potential sites for a new build power station. If Hartlepool is chosen, the building and commissioning of a new nuclear reactor could cost up to £4bn and potentially employ 450 people over 70 years, with a £20m per annum wage bill.

During the five year construction period up to 3,000 staff will be employed with a wage bill of £75m per annum. The total effect equates to an injection of £1bn in total into the local economy, with a supply chain spend of approximately £12 m per annum.

As well as the potential local opportunities, the new build investment programme across the UK – worth £40bn of capital expenditure - provides huge opportunities for Hartlepool companies over the next 15 years. The transferable expertise of local businesses in the Oil and Gas sector is well placed to support the required modular construction of the new generation power station. Local strengths include onsite engineering services, fabrication skills and project delivery capability. A number of Hartlepool firms already service the nuclear market and a number of others are interested in moving into the nuclear sector.

14.2 Offshore Oil & Gas

TVU's Offshore Oil and Gas Supply Chain Report 2009 noted that Tees Valley has a highly focussed oil & gas supply chain. Design, engineering and fabrication services have been the forte around which ancillary support services have grown, and Tees Valley has already demonstrated it can successfully attract inward investment companies which manage worldwide projects from the locale.

There are currently four growing sub-sectors in Tees Valley: (i) Subsea technologies; (ii) Offshore fabrication; (iii) Design engineering; and (iv) Support services (e.g. specialist recruitment, training). At a local level, Hartlepool already maximises opportunities within the Oil and Gas sector through supply chain contracts, but there may be potential for expansion outside the locality.

14.3 Offshore Wind

The UK's seas could provide enough extra wind energy to power the equivalent of 19m homes. The government's Strategic Environmental Assessment⁹ of UK waters confirmed projections that an extra 25GW of electricity generation capacity could be accommodated in UK waters. This would be in addition to the 8GW of wind power already built or planned offshore, bringing the potential total electricity capacity of offshore wind to 33GW – enough to power every household in the UK.

According to the government, offshore wind has the potential to meet more than a quarter of the UK's electricity needs, provide the UK with up to 70,000 new jobs and generate £8bn a year in revenue. The energy and climate change minister, Lord Hunt, said: "Offshore wind is fundamental to delivering our target of 15% renewable energy by 2020, and looking ahead to reducing our carbon emissions by 80%."¹⁰ A report on offshore wind construction by the British Wind Energy Association¹¹ suggests that 9GW of wind power capacity will be built by 2015, with wind overtaking nuclear in terms of installed capacity in the next four to five years. Accordingly, the government has recently pushed ahead with round three of leasing out UK waters for offshore wind farms. Under round three, the government has earmarked 11 areas which have the potential to be viable offshore wind sites, due to the levels of wind, water depth and potential connection to the grid, and taking in shipping and environmental concerns.

The ONE Design Engineering report in 2010 for the Tees Valley highlighted that the sub-region has the infrastructure in terms of land availability and port facilities to play a significant role in the offshore wind industry, taking advantage of the opportunities outlined above. As the offshore (and onshore) wind industry increases in size and scale across Europe, skills available in companies on Tees Valley, especially in design engineering, should be in greater demand. The opportunities that are relevant to Tees Valley design engineering companies include offshore civil/structural design; foundation calculations; and detailed works for turbines and generators. There will be design requirements for new sub stations and with downstream works associated with distribution and transmission. Hartlepool is also ideally located to serve the Dogger Bank area of the North Sea - one of the Crown Estate's confirmed winners of round three - which is a substantial site stretching 260km in length and only 100km off the North East coast.

⁹ DECC (2009) *UK Offshore Energy Strategic Environmental Assessment*

¹⁰ Speech to British Wind Energy Association Offshore Wind Conference, June 2009

¹¹ BWEA (2009) *Powering a Green Economy: Wind, wave and tidal's contribution to Britain's industrial future*

Therefore, Tees Valley in general has the historical legacy, pre-existing infrastructure (ports and logistics facilities), transferrable skills among its workforce and a strong supply chain to pursue growth opportunities in offshore wind.¹² Hartlepool's facility has excellent potential to link in to the Government's future offshore wind farm agenda and is especially well placed to capitalise on the associated new engineering jobs and economic benefits over the next 5 to 10 years:

- JDR Cables Ltd, one of the leading players in the provision of subsea power cables, established a state of the art 100,000 sq ft facility – subsequently extended further - on PD Ports land at Hartlepool in July 2009.
- PD Ports is also the UK home to Heerema, which has successfully serviced offshore related industries from Hartlepool for over 15 years.
- Offshore wind farm projects demand vast areas of land for assembly and manufacture of turbines due to the sheer scale of the structures involved. As a result Victoria Harbour, an area of land owned by PD Ports that links the Headland and the marina in Hartlepool, provides a prime opportunity to support the delivery of such new port related industries and act as a home for expanding engineering companies.
- Finally, Hartlepool is home to Able UK which - through their Graythorpe site - operates the largest purpose-designed dock facility in Europe.

TBR'S recent report also points out that in order to compete most effectively, some segments of the supply chain in Tees Valley should be developed more fully, including development & consent; specialism's within turbine manufacture (nacelle & gear; rotor & blade); turbine base and sub-sea manufacture; and the cross-cutting mechanical engineering sector in general.

14.4 Low Carbon Economy

The new coalition government is committed to being the greenest government ever and is taking action to cut carbon emissions, create the conditions for green growth, and improve resilience to climate change. All these elements contribute to the development of a sustainable green economy. The Department of Energy and Climate Change is responsible for reducing gas emissions and to help the UK make the transition to a low carbon economy which will bring benefits to businesses and increase employment opportunities.

¹² TBR (2010) *Offshore Wind Capability: An Economic Profile of Tees Valley*

The UK is well placed to embrace these opportunities. In 2008/09, the UK had the sixth largest Low Carbon and Environmental Goods and Services (LCEGS) sector in the world, worth £112bn per year, and which is growing rapidly (an increase of 4.3% over 2007/08). UK employment in the LCEGS sector is approximately 910,000, and projected to increase to over a million by the middle of the 2010s. In Hartlepool, a number of businesses have strategically positioned themselves to take maximum benefit from the low carbon economy.

These include:

- ABLE UK processed 24,000 tonnes of scrap metal in 2008. The company was also chosen by BP to break up an oil rig from the North Sea in a decommissioning project worth £15 million. The location of ABLE UK – which is the largest dry-dock facility in Europe - and its link to heavy industry make this company ideally placed to take advantage of decommissioning, large scale recycling projects.
- The Onshore Wind Farm sector could bring additional benefits to Hartlepool. Currently, there is one wind farm operating near Dalton Piercy in Hartlepool has three wind turbines, developed by E.ON which has enough to power for 4,600 homes.
- BT officials have identified a potential site near Hartlepool as part of a massive programme to develop green energy for a new £10m wind farm. BT submitted planning permission to Hartlepool Council for five turbines near Wolviston (Red Gap Farm) and subject to approval, could have the farm up and running by 2011/12.

14.5 High Value Added Engineering

Engineering is the bedrock of the Hartlepool economy and a significant contributor of the areas overall GDP levels, due to high levels of productivity and pay per employee. The town has a tradition of all forms of engineering, reflected in the make-up of the current business infrastructure and the skills of local residents. Engineering is still a major employer within Hartlepool and the seven main companies in this field (as shown below) employ approximately 1700 adults:

Corus Tubes: One of Europe's leading manufacturers of welded steel tubes for the oil and gas, pipeline and construction sectors. Corus were recently awarded a £200m contract from Total to service the Laggan-Tormore offshore gas field. They currently employ 350 staff.

Engineering Test Services: The company employs around 100 people in Hartlepool, performing functions from Non Destructive Testing and Heat Treatment to Pressure Testing and Drain inspection and repair. They supply the nuclear and process industries.

Heerema Hartlepool: Heerema Hartlepool, based at Victoria Harbour, services the oil and gas market. They offer services such as project management, design, engineering, procurement, construction, installation and hook-up, as well as the commissioning of offshore and subsea installations. Their 97,000 sq m facility includes two assembly halls, various pre-fabrication facilities and covered blasting and painting facilities. They supply companies across the world, including the likes of Shell and BP, and employ over 400 people.

Sillars B & C E: Based in Tees Valley, Sillars is one of the leading civil engineering specialists in the North East. They work particularly with the construction industry on drainage, microtunnelling, caisson sinking, directional drilling, foundations and groundworks. Sillars owns and operates over £1m worth of specialist equipment and employs over 100 staff.

The Expanded Metal Company: The Expanded Metal Company has been supplying worldwide markets in industrial and building products made from expanded metal mesh – from automotive components and metal fencing systems to walkways and air filters – from their purpose built manufacturing site in Hartlepool for over 100 years. The UK market leader works in bespoke design, new product development and high volume products and was named Hartlepool Business of the Year in 2007. Employing over 100 people, they have previously created a huge mesh skin to cover the front of the New Museum of Contemporary Art in New York.

AMI Exchangers: Based in Hartlepool and employing 33 staff, AMI manufacture replacement marine charge air coolers for ships, along with other types of heat exchangers for marine and industrial applications. The company, which exports around 80% of its products, mainly to Germany, won a 2010 Queen's Award for Enterprise for its prowess at international trade.

JDR Cables: Product designer and manufacturer of subsea power cables and umbilical cords, JDR serves a number of industries, including offshore wind, marine, subsea and oil and gas. Opened in 2009, the 100,000 sq ft Hartlepool Dock

facility, which can supply cables weighing up to 2,200 tonnes, is the only site in the UK designed specifically to manufacture subsea power cables for the offshore renewable market. It has recently secured a contract to supply the London Array, the largest offshore wind farm in the world. It employs around 80 people in Hartlepool. In addition, they won a 2010 Queen's Award for Enterprise for its international trade reputation.

Due to the track record and specialist expertise of engineering disciplines across Hartlepool, the town is well placed to exploit future markets including new build nuclear power stations throughout the UK, and the low carbon economy, as detailed above. This transfer and expansion into new disciplines could provide the necessary job creation opportunities for the future workforce. As yet, it is unclear what the potential new job numbers could be. However, this sector does offer employment in higher skilled positions.

14.6 Knowledge Intensive Business Services (Including Digital Media Sector)

The 2009 ONE report into KIBS (defined as Architecture, Engineering and Technical Consultancy, Business and Management Consultancy, Accounting, Real Estate, Tax, Legal and 'Other business' activity) found that "Hartlepool and Wear Valley have the lowest proportion of their workers in KIBS (3.6%) and they are 3rd and 4th bottom of all the local authorities in England and Wales." However, it also noted that "AETC (Architecture and Engineering Technical Consultancy) is nationally and possibly globally strong and competitive in the North East, an area that Hartlepool can count as a strength. Of the other KIBS subsectors, the Creative/Digital Industry currently employs relatively few people in the town, but has the potential to grow in the future, with Hartlepool being home to the likes of Northern Creative, Urban Giants Design, Big Studio Glass Design and Spark Creative Design.

Currently, in Hartlepool, there are 1,152 workers in KIBS (3.6% of Hartlepool employment) and 383 workplaces (16% of Hartlepool business make up). The largest subsector is Contact Centre's. The 2008 TVU Contact Centre report¹³ highlighted three major employers in Hartlepool: Anglian Water (employing 50) Housing Hartlepool employing 20) and Respondez (employing 180). The report noted a number of key conclusions on the Contact Centres within the Tees Valley area:

¹³ TVU (2008) *Study of Contact Centres in Tees Valley*

- Low staff turnover and absenteeism rates
- Very positive attitude towards staff training and development
- High levels of satisfaction with important Tees Valley attributes, such as availability of workforce and premises, as well as key infrastructure
- Employers were positive about the future of their Contact Centre in a location which is moving forward
- Staff were overwhelmingly positive about both the Tees Valley and the Contact Centre sector as a place and industry in which to work

Although the recent demise of Garlands highlighted the vulnerability of companies within the Contact Centre industry, the town is still in a position to offer the infrastructure, high quality office premises and a skilled and motivated workforce to enable companies to be globally competitive. The legacy and foundations that have been set through the major investment within the Marina area will positively encourage new and existing businesses to maximise future opportunities, including the public sector (and local government in particular) outsourcing services to deal with reduced budgets. Key companies in this area include:

- Northgate Information Solutions & Northgate Managed Services, which provides ICT and managed services solutions from business processing outsourcing (BPO) to full IT outsourcing
- Respondez (Spanco Europe) which offers business process outsourcing, including order processing and customer service will be able to tender for government contracts.

Other relevant companies see opportunities around back-office functions like payroll, HR, revenues benefits (both through long term contracts and short term work), and the growth market of document storage. Tees Valley is viewed as an extremely good place to outsource work, and is seen as a regional hub by a number of the organizations interviewed. Capita, for example, say that the potential market for BPO in the UK is around £94.2bn, with only £6bn currently let. Of this £6bn, two-thirds sits within the private sector, with significant potential in tapping and increasing the central and local government, education and health market that makes up the remainder.

The new Coalition Agreement has also set out plans to “promote small business procurement, in particular by introducing an aspiration that 25% of government contracts should be awarded to small and medium-sized businesses and by

publishing government tenders in full online and free of charge.” In addition, they announced that part of the £6.2bn of efficiency savings this year would come from more shared back office services (managed by a new Efficiency & Reform Group at the Treasury/Cabinet Office). If the Tees Valley area is deemed as an attractive proposition to outsource back-office functions, Hartlepool must remain competitive with its sub-regional neighbours. The main objectives for this aim to be achieved by offering companies a skilled workforce, attractive workplace venues and competitive rental agreements.

14.7 Process & Chemicals

In Hartlepool, there is a large cluster of Chemical companies (particularly based within the Seal Sands area). There are eight major companies:

- Hydrochem (water treatment specialists)
- Exwold Technology (produce granules to serve the global speciality chemicals market)
- Atlas Chemical Cleaning (chemical cleaning specialists)
- Frutarom (previously Oxford Chemicals, based in Seaton Carew and manufacturer of high impact aroma chemicals)
- Forchem Ltd
- Hart Biologicals
- Omya UK Ltd (processes white dolomite to service the paints and plastics industries)
- Huntsman Tioxide (Greatham Works site produces titanium dioxide pigments for use in the paints, plastics and other industries). The company has invested heavily in the site over the last few years.
- Baker Hughes is identified in the 2009 ONE Biotechnology Capability report as a strategic asset given its expertise at handling and storing complex chemicals. They produce performance chemicals for the offshore industry.

In terms of opportunities for the future, the NEPIC Growth Strategy tells us that “The Process Industries in the North East of England offer enormous opportunities and stand for the future that we are actively shaping through our supportive framework. We are expanding our strengths in many areas including skills, innovation and productivity and making our portfolio more resilient toward both current resource (shortages) and future structural changes (e.g. depletion economics, cyclical, energy price and supply fluctuations as well as sustainability of feedstock and products).”

Regional investment is well above renewal rates for the sector and is supported in various ways, including Strategic Account Management (SAM). In the short term, investments continue to stabilise the sector and move the region towards renewables. Midterm projections envisage the transformation of the sector by the establishment of the first of five European heavy oil upgraders (HOU). Longer term the region is seen as the location of choice for (i) the establishment of the Hydrogen Economy as the first two hydrogen terminals will be located in the North East; and (ii) Biorefining of biomass through an integrated (type III) biorefinery. This will ensure that the North East will still be one of the world's leading process industry regions in the future.

The recent North/South Tees study commissioned by Tees Valley Unlimited (TVU)¹⁴ identified the following key sectors as being of prime importance to the process industries, with projects to further develop and exploit these markets being fundamental to success:

- Offshore Wind
- Marine and Oil/Gas decommissioning and fabrication
- Port & Logistics
- Carbon Capture & storage
- Energy Generation
- Chemicals
- Biotechnology
- Biofuel
- Waste and Resources
- Steel

¹⁴ Parsons Brinckerhoff Ltd & Genecon (2009) North & South Tees Industrial Development Framework

14.8 Case Study – New Futures

New Futures (previously Building Futures) is a partnership between the five local authorities within the Tees Valley area and is recognised as a beacon of excellence in improving skills demands of local employers. After securing a further two years Single Programme funding, New Futures has now been re-designed to develop Intermediate Labour Markets and apprenticeships in potential growth areas such as the Chemicals Industry. HBC Economic Development Section is leading on this project and will continue to bring key partners together including the Skills Funding Agency and JCP to review skills shortage areas and potential growth sectors. Since August 2009 the project has funded 87 local residents to enter into work placements through offering job subsidies to employers and through Intermediate Labour Market (ILM) placements. This includes jobs retained by apprentices who would otherwise have lost their employment status so that they can complete their full qualification and training. To date, 233 residents have been provided with Information, Advice and Guidance (IAG) and where necessary referred to other organisations for specialist support.

14.9 Hospitality & Tourism

At a Hartlepool district level, the visitor economy has an important role to play in assisting the wider economic development goals of the town. The development of a higher quality of life enhances positive perceptions of the area, which will support inward investment from the business community and encourage highly skilled workers to locate in the town.

In 2007, direct and indirect expenditure in the visitor and business conference sectors accounted for an estimated 5.8% of total Gross Value Added (GVA) in Tees Valley. In contrast, the process industries produced 6.5% of Tees Valley GVA in 2007: this comparison acts to underline the economic importance of the visitor economy to the area, despite Tees Valley not being a traditional tourist destination. GVA in tourism has also grown rapidly, adding 9% in real terms over the previous 7 years.

As shown in the table below, Hartlepool has seen a continued growth in the value of tourism to the local economy. STEAM statistics up to 2006, showed the value of

tourism to the economy as being worth £46.8m and supporting 967 jobs. This has seen a steady increase year on year.

Graph X Personal insolvencies per 10,000 population

	1997	2003	2005	2006
Economic Impact £'000's	22,839	30,198	44,151	46,895
Accommodation	1,137	2,171	3,278	3,639
Food & Drink	5,221	6,599	13,503	14,176
Recreation	2,871	3,683	2,595	2,747
Shopping	3,505	4,355	4,448	4,703
Transport	552	695	1,774	1,899
Indirect expenditure & VAT	9,552	12,694	18,552	19,732
Tourist Days 000's	890	968	1,213	1,253
Tourist Numbers 000's	517	600	749	789
Total Employment	660	731	940	967
Direct Employment	510	556	699	717
Indirect Employment	151	174	241	250

Source: Scarborough Tourism Economic Activity Monitor April 2007

ABI data also indicates growth in employee numbers in sectors directly related to the visitor economy (i.e. hotels, bed and breakfasts, catering and recreation). Between 1995 2008 employment increased from 1,900 to 2,500, an overall increase of nearly 30%. The sector accounted for 8.3% of employee jobs in 2008, underlining the importance of the sector in the labour market. Note that not all these jobs are directly related to tourism – these sectors also provide services to residents, and development of the sector benefits both visitors and local users. Although less nationally and internationally recognisable than more established destinations in the UK, Hartlepool's visitor economy continues to be a developing and emerging destination. The legacy of major events such as Tall Ships and the Maritime Festival has further increased the positive perception of the town as a

visitor destination. It is now vital that if this sector is to grow, the rate of investment in the town's visitor offer is an integral part of growing the visitor economy. Previous investment to sites such as the Marina and Maritime Experience has provided major dividends to the town and increased consumer spend, as the table above highlights: between 1997 to 2006 indirect expenditure and the VAT contribution for this sector grew by 106%.

There is further potential for Hartlepool's visitor economy to significantly grow as the town continues to be positively promoted. This will provide major opportunities for the SMEs which comprise the majority of businesses in this sector and create new jobs for the future.

14.10 Retail

Hartlepool has a traditional shopping centre (Middleton Grange), indoor and outdoor market as well as retail parks including Highpoint, Highlight, Anchor and Tees Bay which offers companies large, modern retail units. The ten major retail companies in the town are: -

- Tesco
- ASDA
- Morrisons
- B&Q
- Next
- Argos
- Aldi
- Marks and Spencer
- Boots
- Matalan

The retail sector has changed dramatically over the last decade with the rise of out of town shopping centres or retail parks and large scale supermarkets providing everything from groceries to clothing and electrical goods. Online shopping has grown significantly and by 2014 is predicted to contribute to around 40% of all shopping which means companies such as Tesco, ASDA, Amazon and Ocado are building large distribution centres across the country. These changes have been reflected in Hartlepool through the reduction in the number of retail businesses. In Hartlepool, the retail sector provides approximately 10% of jobs in the labour market. Whilst the number of retail businesses decreased by approximately 105

(from 370 in 2004 to 335 in 2010), the number of employees steadily increased from 2,300 to 2,800.

The main reasons for this reduction in retail businesses across the town are fourfold:

- The emergence of large scale supermarkets;
- The town's proximity to other major retail parks including Dalton Park and Teesside Park;
- Internet shopping;
- The recession (which has reduced consumer confidence and therefore consumer spending).

Whilst the large retailers in the town offer positive numbers of employment opportunities for local residents, the influx of retail parks has meant that local suppliers, producers and smaller retailers have found it hard to compete and survive (particularly during the recession). Across Hartlepool, there are currently 48 shop units vacant. This is a major concern as it may discourage new businesses from investing within the area. Another factor that has seen the increase in vacant units within town centres across the country is the higher cost of rent and rates for these properties. Nonetheless, retail offers opportunities for growth, in particular as an integral part of a strategy to develop the visitor economy.



14.11 Health & Social Care

The Health and Social Care sector continues to provide large numbers of employment opportunities to the North East, particularly in relation to (i) roles within local authorities (conducting statutory duties) (ii) the private sector providing community care, early learning, fostering and adoption services; and (iii) the National Health Service (NHS), independent hospitals, nursing homes and independent practitioners and voluntary sub sectors. The Health Care profession is also seeing significant growth in companies providing wellbeing, complementary and alternative medicine services.

The Health and Social Care sector is positioned to respond to the multi-faceted needs of the population and to the changes within society which occur due to developments with demographic, economic, technological advancements and social conditions.

There are approximately 5,000 adults employed within the Health and Social Care sector in Hartlepool. The sector has grown rapidly in the town over the past decade, with the number of businesses increasing by a quarter between 2004-08; the sector accounted for 8.4% of businesses in 2008. There are further opportunities for local companies to grow and expand due to the devolvment of NHS budgets to GPs and – more imminently – social care budgets to individuals (through the personalisation reforms), and predicted increases in demand for services from the growing elderly population.

Hartlepool's Health and Social Care sector continued growth will be dependent on future government funding and an increase in private sector provision (including personal budgets). Equally, the town will be reliant on focusing activities to recruit and retain staff and to upskill the workforce to a higher skills base.

14.12 Construction & Built Environment

Prior to the current economic downturn, the construction and built environment sector was viewed at a national and local level as one of the main growth industries which would provide employment and wealth creation opportunities. The sector accounts for 10% of all enterprises in Hartlepool.

Policy changes by the new government will affect the construction sector. For instance, there will be major cuts to public investment capital projects, including a 50% cut to the Social Housing Budget. This is alongside previous announcements

that Hartlepool's Building Schools for the Future will be significantly scaled back (losing £100m) and the new Wynyard Hospital will no longer receive the anticipated £450m of capital and revenue investment. Both major regeneration programmes would have provided much needed investment and job creation to the construction sector. However, the decommissioning and potential new build power station could provide much needed employment opportunities to this sector.

To add to this situation, the onset of the recession significantly reduced the selling and buying of homes, which has curtailed the number of new homes being built and sold. Although there was little change in social housing starts (which remained at around 600-1,000), the number of new housing starts by the private sector in the North East – which make up the bulk of the market - more than halved from 7,300 in 2007/08 to 2,300 in 2008/09. With the banking crisis and the tightening of mortgage regulations, consumer borrowing is at an all time low, adding to the continued slowdown within the housing market. However, the Housing Market Renewal scheme still provides public investment which will offer new and affordable social housing to the area. These contracts will sustain, in the short to medium term, employment for local residents and subcontract arrangements for local SMEs and sole traders. In addition, there are some signs of private house building recovering – the level of new private sector starts rose to 2,900 in 2009/10 (an increase of 23%) and current quarterly figures point towards a figure for 2010/11 of around 4,000 new starts.

In addition, while the level of new build housing may be currently at a low level, other areas of construction are picking up business. With confidence in the economy low, some consumers are unwilling or unable to buy a new home. This has provided local building firms and suppliers with new opportunities as consumers are choosing to invest in improving their current home.

Alongside the slowdown in the housing market, the major threat to this sector will be the further withdrawal of public investment in regeneration initiatives. At the current time, the private sector is cautious to invest in large scale improvement programmes. To drive and grow the construction and built environment market requires a further intervention of the public sector to re-stimulate the market and make private sector investment more attractive and viable.

14.13 Voluntary and Community Sector

As stated above, the third sector base within Hartlepool provides significant

employment opportunities for local residents. Through previous government investment and opportunities for the third sector to compete for national and local commissioning and tendering contracts, the third sector has established itself as a key provider in the delivery of local services including employment, training and health and social care.

The main opportunities for the future are slightly unclear, although the new coalition government's 'Big Society' agenda indicates that the third sector will be a main player in the delivery of local projects in partnership with local communities. Alongside this agenda, the third sector has now established a substantial track record of managing and delivering grant funded and contract – output based – programmes. This will enable the third sector to position itself as subcontractors with national prime providers who will be responsible for the overall delivery of major government programmes such as DWPs Work Programme.

There are also further opportunities for the third sector to get more involved in social enterprise activities which could provide alternative sources of income or funding to undertake commercial or non-commercial business activity.

There are also threats to the third sector stemming from the Comprehensive Spending Review (CSR). Although this has now been completed, there is still uncertainty about how the cuts will be implemented at a local level – ring-fenced funding such as the WNF has been abolished, but it is not yet clear how the new funding streams will be allocated, nor the extent to which the third sector will benefit from the Regional Growth Fund. Nonetheless, it is clear that reduced funding to the public sector will have some knock on effect to those third sector organisations that are dependent on direct grants from the NHS, local authorities and other public bodies. The third sector will also be challenged with more VCS groups competing for charity based funding - such as Big Lottery and Comic Relief - as the availability of public grants declines.

14.14 Environmental and Land Based Sector

Within Hartlepool, the workforce covered by Lantra is minimal. ABI figures for 2008 indicate approximately 100 employees in the town, a figure which changed very little over the previous five years. Although this excludes sole traders, the workforce figure is unlikely to be substantially higher, given the lack of agricultural land in the town. On that basis, employment in this sector is unlikely to change substantially in the near future without some form of stimulus to the sector.

15.0 Current business support policy and anticipated changes

The main gateway for accessing publicly-funded business support (i.e. Solutions for Business products) is Business Link, a generalist service which also signposts businesses to other sources of provision. As of November 2010, the coalition government has indicated that it intends to modernise how support, information and advice is provided through this channel to businesses, providing more targeted support in areas where it can have the greatest impact.

The recent White Paper on sub-national economic growth¹⁵ indicated that the main gateway for accessing Business Link functions for the majority of SMEs will be either online or through a national call centre. It also indicated that LEPs (see below) are seen as the main providers of other types of business advice in the future, working alongside both public and private sector partners (e.g. JCP, Chamber of Commerce) to understand local conditions for business development and provide appropriate advice, support initiatives and signposting, as required. This may also include promoting a more entrepreneurial culture, both generally and specifically in disadvantaged communities.

Face-to-face and more intensive publicly-funded support will be largely restricted to (a) start-up support for the unemployed; (b) a streamlined set of Solutions for Business products, targeted at areas where there may be market failure and government intervention is required, including trade deals and new technology; and (c) support to businesses with high growth potential via new 'growth hubs', delivering specialist support which brings together finance networks with professional and business services.

A Regional Growth Fund, worth £1.4bn over three years from April 2011, is now accepting bids. It was formally announced in the recent White Paper, and is intended to both create sustainable jobs and businesses and rebalance areas away from over-reliance on the public sector. Both of these objectives apply to Hartlepool (and, indeed, the North East more widely), leaving organisations within the town well-placed to make a bid, either by themselves or in conjunction with organisations from other local authorities. Bids are also required to leverage in private sector funds. The Fund is thus complemented by the new Business Growth Fund, which is a bank-financed equity fund worth £1.5bn for viable growth-oriented businesses. The minimum bid to the RGF is £1m, with other criteria deliberately

non-prescriptive: bids can come from private sector organisations by themselves or in consortia with other businesses and/or public or third sector organisations, as long as they meet the stipulations above and lead to specific business investments. Examples given in the White Paper include part-funding R&D, training or technology purchase; improving housing supply; and land remediation. In the latter two cases, bids would need to demonstrate how business investment would follow. Bids can either be for single large projects, a combination of smaller projects or strategic investment programmes.

The formation of Local Enterprise Partnerships (LEPs) - to come into operation by April 2010 - will also have an impact on business support, as part of the coalition government's agenda to shift power to local communities and business. These private sector-led partnerships are intended to take the lead on strategic planning for economic renewal in local functional economic areas – with the removal of the RDAs there is now no regional mechanism for strategic economic development, unless LEPs find a way to collaborate.

Hartlepool will be within the Tees Valley LEP, which covers the five existing local authorities of Tees Valley, and is currently the only LEP in the North East to have been approved. However, few concrete details have been announced and there are unanswered questions about the actual power and budget these LEPs will have. The White Paper indicated that LEPs would be expected to fund their own day-to-day running costs, and that they could apply (and/or co-ordinate applications) to the Regional Growth Fund but would not receive preferential treatment.

Other examples in the White Paper revolve around leadership and bringing together partners (e.g. bringing together consortia to develop a growth hub), rather than directly controlling expenditure. Some functions of RDAs will now be funded and controlled nationally. Funding for some of these could be devolved locally, but local provision not guaranteed – it will be partly up to the LEPs (or consortia of LEPs and/or other partners) to make proposals to deliver them, if they consider it necessary in their locality.

Funding will have to come either from limited and competitive national public sector sources or European funding (e.g. bidding to have a local role in delivering inward investment promotion, digital infrastructure or innovation support previously delivered by RDAs) and/or leveraged from the private sector. Other RDA functions

¹⁵ HM Government (2010) *Local growth: realising every place's potential*, White Paper Cm 7961

related to business – such as tourism – will not be supported by public sector funds at the local level, where delivery will rely on LEPs co-ordinating activity and engaging the private sector.

This implies increased flexibility of delivery and local leadership of nationally controlled functions, which will be devolved to the level at which they can be delivered most effectively.

The role of local authorities in the process is a key partner, but in a supporting or enabling role, rather than driving the process of economic development forward. In particular, their extensive powers over land use and estate management are highlighted as important: for example, setting planning priorities and thereby influencing investment decisions, or supporting local infrastructure development (e.g. housing and transport) to enable business growth. They are seen as providing a leadership role for economic development, setting out the broad framework, enforcing regulations, co-ordinating across partners and managing externalities and competing interests among stakeholders. They are responsible for place marketing and promotion activities, and managing the supply of skills. In addition, the White Paper indicates that local authorities will gain new borrowing powers, allowing them to borrow against future additional uplift within their business rates base, known as Tax Increment Financing (TIF). This borrowing can be used to fund infrastructure and other capital projects – which will generate developments leading to the additional business rates against which the Council is borrowing. There are risks to this approach primarily that the new developments do not generate the additional rates anticipated, and that development will take place in those areas most likely to generate additional rates – i.e. the most prosperous, rather than the most deprived. Full details of TIF proposals will be in the Local Government Resource Review.

The forthcoming Localism Bill is intended to give local authorities a more general power of competence in their locality, giving them greater freedom to act.

15.1 Finance for business

While some sources of finance for business will simply cease in the near future – for example, the Grant for Business Investment – most policies relating to access to finance appear set to continue, as the coalition believes this continues to be a pressing need, particularly where it coincides with the stated aims for business support outlined above. In particular, finance will be aimed at supporting growth

and innovation, and in areas where there is evidence of market failure – these two aims not necessarily being mutually exclusive. For example, the Enterprise Capital Fund, which aims to close the equity gap among innovative new SMEs, is being boosted by £200m over four years, while a new Business Growth (equity) Fund, mentioned above, has also been recently launched. It was also announced¹⁶ in October 2010 that the Enterprise Finance Guarantee will continue for a further four years with some minor changes, providing government guarantees to bank loans which would otherwise not be granted to viable SMEs which meet certain criteria, thereby addressing a particular failure in the lending market.

However, with the abolition of the RDAs, and in reaction to the perception of continued market failure in capital markets, there will be shifts in emphasis and delivery. RDA-led venture capital and loan schemes will continue, albeit in a streamlined, more consistent form, managed at national level, but retaining local delivery and decision-making. As such, there is a role for LEPs to have strategic input into this process, in order to best serve local investment priorities. Similarly, there is explicit encouragement for business angel groups to collaborate with Capital for Enterprise Ltd (the government's SME investment arm) to submit a joint bid to the Regional Growth Fund to create a co-investment fund, particularly aimed at SMEs in areas affected by spending cuts.

It was also announced that the coalition will work with large corporate organisations to boost the provision of supply chain financing (i.e. using the invoice for a shipment as collateral to obtain a bank loan, with the guarantee from the client that they will pay within a certain timeframe). This fulfils the twin agendas of encouraging both private sector solutions and more local responses to policy challenges.

No other measures to directly stimulate lending to SMEs have been announced in the government response on finance. Other measures are more indirect – for example, revising the bank code on lending to small business, in particular creating new, clearer and more transparent processes, procedures, information and data related to bank lending, especially relating to declined applications and appeals. Efforts will also continue to publicise and promote alternative sources of lending, and in particular equity finance (e.g. through growth hubs) and CDFI lending.

¹⁶ BIS/HM Treasury (2010) *Financing business growth: the Government's response to 'Financing a private sector recovery'*

16.0 Key Findings

Business Stock

- During the past decade, the number of businesses in Hartlepool increased substantially, reaching 2,425 in 2009. Much of this can be attributed to the large increase in the number of business births in this period, on which measure Hartlepool out-performed both Tees Valley and the North East. There were a number of policy initiatives during this period which contributed towards this increase in business numbers, including the Business Incubation System, with a hot house development at Queen's Meadow, an enhancement scheme at Brougham Enterprise Centre and substantial investment from Corus.
- During the economic downturn, both the total number and – in particular – the business birth rate fell. The new businesses formed in the previous years proved to be relatively less resilient to the poor trading conditions than regionally or nationally. However, this may have aided the area, by removing the less competitive businesses, leaving a more robust business stock in the area; this is corroborated by evidence that median earnings of workers employed in Hartlepool businesses increased substantially in 2009.
- In addition, a number of major national businesses have collapsed (e.g. Woolworths, Garlands) or pulled out of the town (e.g. TK Maxx), causing high levels of redundancies. As such, the business base in the area has declined sharply over the past two years – however, still it remains above the 2004 level, while the rate of business formation is currently similar to the 2004 level. As such, it seems reasonable that despite the declines of a recent past, the state of Hartlepool's business base and business birth rate is now in a much improved condition from the start of the decade.
- However, there remains a clear enterprise gap between Hartlepool (and, indeed the region as a whole) and the national pattern. The town has fewer enterprises per head of population and, despite recent improvements, a lower business formation rate.

Employment

- In employment terms, the overall employment rate of working age residents increased strongly in the period to 2006, peaking at 66.5%, halving the gap

with the national rate. However, subsequent changes in economic conditions were accompanied by a steep fall in the employment rate, which stood at just 60.9% in the latest available figures (36,700 people).

- Although employment in Hartlepool's manufacturing sector has declined sharply, losing nearly one-third of its workers since 2004, it remains relatively more important to the town than in the country as a whole. Employment in public services is similarly relatively high, but is likely to have declined somewhat in recent years, and will continue to do so as a consequence of public sector funding cuts.
- The knowledge economy is under-represented in Hartlepool, with low numbers employed in the town within information & communication, finance and professional, scientific & technical activities. There is some evidence that more highly-skilled workers – i.e. those most likely to be employed in knowledge-intensive activities – are more likely to out-commute to jobs than those in lower skilled activities, since the median earnings for Hartlepool residents (£486.40) is higher than the median earnings for employees working within Hartlepool businesses (£445.80).
- Self-employment is close to local and regional averages, in the order of 6-7% of the working age population (around 3-4,000 people). It has risen substantially since the early part of the decade, although remains well below national rates (around 9%). This again provides evidence of an 'enterprise gap'.

Productivity

- Gross Value Added (GVA) by Hartlepool & Stockton businesses per head of population is relatively low, standing at £14,370 in 2007, compared to a regional average of £15,460 and £20,430 nationally. GVA per employee is closer to regional averages, but still lags well behind the English average. These figures are the latest available, and do not take into account any effects from the recession.

Key issues facing business

- The key issue currently facing business is uncertainty, with a fragile global economy and significant public sector funding cuts underway, including the axing of major infrastructure projects. The direct and indirect, knock-on effects of these cuts will have a major effect on spending and business

success, but it is difficult to predict the outcome with any degree of precision.

- Access to finance, especially for new businesses and SMEs, remains problematic, although the cost of lending is low if businesses can obtain it.
- The imminent increase in the rate of VAT to 20% may weaken consumer spending.
- The skills available to business among Hartlepool residents are on a long-term upward trend, although this has stagnated somewhat in recent years. The challenge facing business is to make best use of those skills in order to drive up productivity, which implies upskilling the jobs available in Hartlepool i.e. increasing the local demand for higher level skills as well as the supply.
- The local workforce is ageing, particularly in key manufacturing sectors (e.g. engineering, where the average age is over 50), where the supply of young replacements tends to be insufficient.
- The cost of absenteeism among employees is high, with the North East among the most poorly performing regions. Hartlepool has been a pilot area for a programme to tackle absenteeism in the workplace, which, it is hoped, will see a reduction in these (and other costs) in the longer term.
- Strategies which businesses can adopt to deal with current issues include moving into new markets and efficiency savings.

Key Growth Sectors

- Nuclear: The nuclear sector – based around the power station - employs approximately 1% of the local working age population. Although the power station is due to be decommissioned from 2014 onwards, there is scope for either an extension to its life or the commissioning of a new build station in the town, both of which will generate substantial employment and turnover in the borough.
- Offshore oil & gas: Offshore-related manufacturing is a key local specialism, with current provision to capacity. There is further potential to expand, particularly if increases in the price of oil make marginal fields more viable, but this would likely require development of the local supply chain.
- Offshore wind: There is substantial potential to develop Hartlepool's existing engineering expertise to take further advantage of the opportunities

in green power generation over the coming decade, particularly in servicing the Dogger Bank area. There are already facilities manufacturing components for wind generation, and land available for large-scale projects.

- Low Carbon Economy: In addition to offshore wind, there is expertise in Hartlepool relating to other environmental-related areas which could be developed further, including processing of scrap and diversifying offshore wind skills and facilities into onshore wind.
- High value added engineering: Engineering remains an important employer in Hartlepool, employing around 1,700 people. Given the variety of local expertise, it is well-placed to take advantage of component supply opportunities in a number of different growth areas, including new build nuclear and the low carbon economy.
- Knowledge Intensive Business Services: Hartlepool currently has a low proportion of employment in KIBS, with the highest numbers employed in contact centres. There are opportunities for growth in this area and – in particular - in outsourcing, building on Tees Valley's good reputation, but other areas with higher skill requirements – finance and other professional services – require some development.
- Process & chemicals: Like engineering, the chemical industry is a traditional strength in Hartlepool, with high levels of investment and relatively high resilience to the downturn, given the supply chains in which they operate.
- Hospitality & tourism: This is an important sector, both as an employer in its own right, and in assisting wider development goals through supporting a higher quality of life, and encouraging recruitment and retention of inward investing businesses and higher skilled, higher earning workers. The sector has seen growth in recent years, in terms of visitor numbers and GVA, and development of attractions is ongoing.
- Retail: The number of retail businesses in Hartlepool has steadily decreased in recent years, to 335 in 2010, although the number of employees has increased, to 2,800. These trends are due to the development of larger – and in particular out-of-town - retailers, competition from the internet and, more recently, declines in consumer spending. Vacancy rates are high in some areas, but the core town centre remains a key retail hub for the area.

- **Health & social care:** The health & social care sector employs around 5,000 people in Hartlepool, with demand set to grow and diversify because of both the ageing population and changes to the structure of public funding (e.g. personalisation and GP commissioning). The future trajectory of the sector depends on how well the town's providers can respond to these opportunities.
- **Construction & the built environment:** During the past decade, the construction sector generally showed strong growth in Hartlepool, but has been hit hard by the downturn and the decline in the housing market. While this is now showing some signs of recovery, most major public sector building projects are now on hold or axed, leaving little potential for significant growth in the next few years.
- **Voluntary & community sector:** There are around 650 Third Sector (community, voluntary or social enterprise) organisations in Hartlepool, which contribute to local economic and social development in a variety of ways. With the Big Society agenda moving forward, it is envisaged that they will play an even more important role in the future, but will face a number of challenges including reduction and reorganisation of funding streams and increased competition to win tenders. Thought should be given to appropriate support for the Third Sector to move forward, including the development of consortia, most likely through the Hartlepool Voluntary Development Agency.
- **Environmental & land-based:** Given the lack of agricultural land in Hartlepool, this is a very small sector, with limited growth potential.

16.1 SWOT Analysis - Business

Strengths

- Trend towards increased capacity for business formation
- Medium level skill, particularly in manufacturing (engineering, technicians etc.)
- Skills and capacity to develop in low carbon economy sectors – offshore and onshore wind and nuclear
- Flexibility in manufacturing supply chain, allowing rapid response to new opportunities
- Local support for business incubation
- Number of third sector organisations and strong leadership from HVDA.

Opportunities

- Growth in low carbon economy
- Expansion of new build nuclear
- More robust and more productive small business sector following recession-induced closures of weaker performers
- Engaging more SMEs in the training system
- Formation of the Local Enterprise Partnership and increased freedom to act for local authority, allowing greater local determination of priorities and solutions to promote economic development.
- Strength of recent support offer for start-ups provides platform to build on.
- Well-established partnership protocols providing a template for future collaborative working.
- Strong third sector is well-placed to exploit potential opportunities from the Big Society agenda and other government reforms, in particular through formation of consortia.
- Proactive engagement of businesses, both to determine local labour market and business conditions, and for the council to provide accurate, up-to-date information and forecasts of future trends, enabling strategic planning and investment.
- More strategic use of procurement to benefit local businesses.

Weaknesses

- Newly formed small businesses lack resilience

- Low level of business formation relative to population, leading to higher reliance on large businesses for employment opportunities
- Low demand for higher level skills from businesses, including low numbers of knowledge-intensive businesses. This leads to low wage, low productivity jobs.
- Relatively low-skilled population
- Low jobs density – insufficient jobs available locally to provide employment for all residents, leading to out-commuting, particularly of more highly-skilled residents.
- High average age of workforce, particularly in some manufacturing occupations (e.g. engineering).

Threats

- Over-representation of public sector employment, leading to increased vulnerability to funding cuts, both directly (public sector job losses) and indirectly (reduced consumer expenditure leading to further employment losses)
- Over-representation of large businesses and manufacturing increases vulnerability to outside shocks
- Decrease in already low female employment rates as men may pursue part-time job opportunities
- Restructuring of business support will remove much publicly-funded support, replaced by LEP-led support with as yet unclear mechanisms, processes and funding streams. Slow response to this challenge could lead to decreases business performance.
- Poor response from third sector to central government reforms and unwillingness to move from grant to contract working.
- Uncertainty about future leading to under-investment in business and skills development of existing workforce, leading to under-performance during upturn.
- Poor availability of finance leading to under-investment.
- Reluctance of young high achievers to enter manufacturing to replace ageing workforce leading to skills shortages.

Section 3 – Hartlepool People

In mid-2009, Hartlepool's population was estimated to be 90,900 with 44,200 adult males to 46,800 adult females. Over the last ten years the overall population has increased by 1.2% (1,100 people), from 89,800 in 2000. This is roughly in line with changes in both Tees Valley and the North East. In the next twenty years the overall population is forecast to rise by nearly 10% (8,700 people) to 99,600 in 2030.

17.0 Demographic change

The balance of population in Hartlepool has shifted slightly towards older age groups – the proportion of 0-15-year-olds has declined over the past decade from 23% (19,800) to 20% (18,000), with little change in the next 20 years. The working age population (16-64 years) increased from 53,300 in 2000 to 57,900 in 2010. The change in statute which allows women to work to the age of 65 years has been factored into the forecast figures which estimate that the overall number of working age adults will rise to 59,400 in 2015, and then slightly decrease to 58,200 by 2030.

The greatest forecast demographic changes for the town will see the increase of the elderly population. The last decade saw the proportion of elderly people remain relative constant at approximately 16% of the overall population, with numbers increasing slightly from 14,200 to 15,000. However, forecasters estimate that numbers will substantially increase over the next two decades, by approximately 35% (just over 8,000 additional people). This will require longer term strategic interventions by all public bodies to ensure that there is affordable and adequate provision to support this age group, including suitable housing and health and social care provision. This will place further strain on reduced public resources, especially in light of the relatively slower growth in both the working age population and – therefore – the growth in the tax revenues they generate. The slower growth in the number of working age adults (and the decline in the number of young people entering into the labour market) may have significant consequences to the business community. As skilled workers retire, the town will need to ensure that there are appropriate numbers of workers to replace them. One possible strategy is the attraction (and retention) of workers into the area. However, this will not be easy as the trends described above are more general across the entire country, implying that many localities will be facing similar challenges and considering similar strategies. In order to attract and retain workers, therefore, Hartlepool's

offer in terms of housing, infrastructure amenities and leisure must be of a high standard, as must be the standard of jobs on offer.

17.1 Ethnicity of Local Population

The BME Population within Hartlepool was estimated to be 1,030 (or 1.2%) at the 2001 census. Since then, TVU estimates suggest this number has increased slightly to 1,700 (or 1.9%) in 2010. The latest experimental ONS estimates (relating to 2007) suggest that the BME share in Hartlepool was 2.8% (2,600 people). These figures are relatively low – the 2007 ONS figures indicate that the BME share in Tees Valley was 4.8%, in the North East 4.5% and in England 11.7%.

However, this may be an underestimate – the most recent household survey (2008) indicated that 9% of the people living within Hartlepool identify themselves as being from a non-white group (approximately 8,000 people), up from 5% (4,500 people) in 2006 and 4% (3,600 people) in 2004. Similarly, the proportion indicating that English is not their first language has risen from 2% (1,800 people) in 2004 to 6% (5,500 people) in 2008. Anecdotal evidence suggests that the recession has had some impact on the ethnic population of Hartlepool, with a small decrease in the number of migrant workers who have moved back to their home countries as job opportunities decreased. However, many of these will be white non-British workers, mainly from elsewhere in Europe, who would not be counted in the BME population estimates.

18.0 Hartlepool's Health & Wellbeing

Although the health of Hartlepool's local population is generally improving, it remains below regional and national averages. The most recent available figures for life expectancy at birth show a gap with the national life expectancy of 2.6 years for males and 3.7 years for females. The standard mortality ratio (SMR) is also high. This relates local death rates to national rates by dividing the actual death rate by the number that would be expected given the demographic profile of the population.

A figure above 100 therefore shows that death rates are higher in an area than would be expected, implying that health levels are poorer. In Hartlepool, the SMR is 126 for all ages – i.e. death rates are 26% higher than would be expected. For under 75s, the SMR is even higher, standing at 135. These figures are substantially above the Tees Valley average.

Table X Health-related statistics

	Hartlepool	Tees Valley	North East	England
Life expectancy at birth males 2005-07	75.1		76.3	77.7
Life expectancy at birth females 2005-07	78.1		80.4	81.8
Standard mortality ratio, all ages, all causes 2004-08	126	114		100
Standard mortality ratio, under 75s, all causes 2004-08	135	121		100
People incapable of work (Incapacity Benefit or Sever Disablement Allowance) % May 2010	10.8	8.6	8.6	6.5

Source: DWP, ONS, Tees Valley Unlimited

As these figures imply, the proportion of the population claiming health-related benefits is also higher than both Tees Valley and national averages. Some 10.8% (6,230 people) claim benefits relating to disability, compared with 6.5% nationally.

The Health Profile for Hartlepool¹⁷ uses 32 indicators to build up the profile for the area. Of these 32, in Hartlepool 18 are significantly worse than the average for England, and only 5 are significantly better. In addition, the Profile indicates the extent of inequalities between communities within Hartlepool. The 'health gap' between the best and worst performing wards of the town is wide: the gap in life expectancy between the best and worst areas is 9 years for men and 7 years for women.

The main negative influence on health in the area is identified in the Health Profile as a high prevalence of unhealthy lifestyle risk factors. Hartlepool ranks poorly for factors such as smoking both generally and in particular during pregnancy; breastfeeding infants; binge drinking; healthy eating and obesity. 31% of adults (approximately 23,000) in Hartlepool smoke compared to an England average of 22%, and 30% (22,300) of adults are obese, compared with 24% nationally.

¹⁷ Health Profile 2009: Hartlepool, Association of Public Health Observatories

Early deaths from heart disease, cancer or smoking are significantly higher than in England. In Hartlepool, the biggest cause of death is circulatory disease with early deaths from heart disease and stroke (people aged under 75) being approximately 30% higher in Hartlepool than the national rate. Circulatory disease accounts for 30% of the life expectancy gap for men in Hartlepool compared to the rest of the country and 24% of the gap for women.

The effects of risky healthy behaviour have long-lasting consequences for individuals, place increased pressures on public services and impact on the economic growth of a local area. Improving the health of the local population is a key priority. The Hartlepool Joint Strategic Needs Assessment (JSNA) and the LAA outlines the strategic focus for the key priorities partners will focus on to improve health and well being of the population in 2010/11. The planned activity for 2010/11 is also influenced by the Primary Care Trust (PCT) Strategy 2009/2014.

The Health Profile also indicates relatively high levels of mental illness, with 47.7 adults per 1,000 resident population (3,500 people) claiming incapacity benefits related to mental illness in Hartlepool, compared with 27.6 nationally. The Mental Illness Needs Indicator (MINI) and the National Psychiatric Morbidity Survey (NPMS) suggest Hartlepool has 40% greater need than the national average in relation to serious mental illness and 14% higher need for common mental health problems. The Hartlepool Household Survey 2008 showed that 20% of adults cited stress, anxiety and depression as a key health condition and this is a significant barrier to an individual returning to the labour market.

More broadly, international and national research indicates that one in four adults who will suffer from a mental health problem within their lifetime. The World Health Organisation (WHO) identified that by 2020, depression will be the second biggest condition to affect life lost due to premature mortality amongst the global population. Mental health does not discriminate against any one group and will affect people regardless of age, wealth, class and/or origin. Mental health will also impact on the wider community by reducing economic activity, creating isolation, social exclusion, low skills levels, low productivity and workplace stress (the major cause of long term sickness). Stress has now replaced back problems as the main reason why an individual is absent from work and/or cannot work. Mental health difficulties not only affect the individuals' life chances and ability to fulfill their ambition but also significantly put pressure on families, friends, communities, employers and local public services.

Services are continuing to be stretched across the town and agencies such as MIND are reporting an increase in referrals by over 20% in the past year. Increases in demands for mental health services are blamed primarily on the recession, the fear of redundancy, job losses, financial exclusion and risk of homelessness.

18.1 Drug & Alcohol Misuse

The Health Profile notes high levels of drug and alcohol misuse in Hartlepool. Some 29% of adults (approximately 21,500) binge drink, 15.6 per 1,000 resident population (1,200 adults) misuse drugs and hospital stays for alcohol-related harm are nearly 40% higher than the England average. Currently within Hartlepool there are approximately 740 adults aged 18 plus engaged in effective drug treatment and nearly 300 in alcohol treatment.

The treatments offered to users range from low level counselling, talking therapies, and educational awareness to higher need services including substitute prescription, intensive key working, and care co-ordinator provision. The latter is for those individuals who are identified as being the most chaotic users and in most need of support. The focus for this client group is on reconnection and reintegration to mainstream services including Jobcentre Plus and the highly developed worklessness provision in the town.

A recently commissioned Drugs & Alcohol Action Team (DAAT) transition service within the Community Drugs Centre is focusing upon those customers at an appropriate point in their treatment to move into employment. The move into work will be in partnership with key employment and training providers across the town who can offer specialist support (including aftercare / in work mentoring)

The majority of service users are currently on key benefits such as IB and ESA. There has now been a decision made that there will no longer be plans for JCP advisors to mandate drug and alcohol misusers to access relevant treatment provision. In future all relevant benefit claimants will be given a voluntary option. There is now a clear focus by JCP on working closely with customers currently undergoing treatment to assist in the smooth transition to the labour market.

18.2 Social Mobility and Inequality

Social Mobility is measured by the degree to which an individual's social status changes throughout their lifetime. Monitoring and measuring the social mobility of

a local population is necessary to understand whether individuals have progressed – in relation to educational attainment, occupational status and wealth creation – beyond their parents. It is driven by factors including individual ability, family and social environments, networks and attitudes. Government interventions, particularly in education reform, can aid in raising a child's income and social status above than their parents'.

Measuring social mobility is often subjective and it is difficult to collect data on this factor at a local level. We know that, generally, social mobility is not only falling in Britain but it is also significantly lower than in other developed countries. Nationally, social mobility has fallen over the past decade and education has increasingly been seen as a route to greater intergenerational mobility. Also, as with all national trends, if there is a decline in social mobility in the UK, in general this will be proportionately higher in the North East and higher in Hartlepool.

We can infer certain conclusions from indirect data on factors related to social mobility. Studies suggest that children born into low income families are less likely to break away from their background and fulfil their potential. With the proportion of children in Hartlepool who live in poverty currently at nearly 30% (based on the number of families in receipt of certain benefits, the proportion receiving free school meals etc.), it is clear that further central government and local government actions are necessary to break this cycle of deprivation. Education and employment are the key drivers for increased social mobility. It is positive that Hartlepool has seen improvements in all key priority areas, including educational attainment at age 16, the number of working age adults with higher skills and increases in the median average earnings of adults.

The challenge is to ensure that all young people and adults – regardless of background - are provided with the resources and support services to help fulfil their ambition. The recent recession will further slow social mobility and may raise the inequality gap between the rich and poor. This requires further government actions including improving school environments and expanding Higher Education places in Britain for individuals from all family backgrounds.

18.3 Financial Exclusion

The government has made no secret that some households will have lower income levels in the future due to public sector cuts. These will lead to the reduction in some welfare benefits and changes to employees working conditions, e.g. pay

freezes to public wages for the next two years. This reduction will further depress local economies due to reductions in consumer expenditure as households seek to economise. Alternatively, some residents will be even more susceptible to borrowing from loan sharks as they may deem this the only avenue in which to secure easily accessible money (whilst not always recognising that the APR may be as high as 470,000%).

There is also the possibility that households will be more vulnerable to financial exclusion. This is defined as having no assets, no savings, no insurance, no bank account, no affordable credit, and no access to money advice;

At a national level¹⁸:

- 6.1 million families report difficulties meeting debt repayments and household bills;
- A reliance on mail-order catalogues, doorstep and illegal lenders;
- Since 2006 third sector lenders e.g. Credit Unions and Community Development Finance Institutions (CDFI) have made 46,000 low cost loans;
- Research shows that the under 40's have lower financial capability; and
- Under 25's more vulnerable when making financial decisions
- 13.4 million people are living in low income households – at the highest level since 2000, - equates to 40% living on less than the 60% median indicator.
- 11 million store cards in issue with outstanding debts in excess of £2 billion

At a local level

- 47% of all households in the Borough have poor credit rating;
- Hartlepool in bottom 50 of 416 local authority areas in the UK;
- CAB and West View Advice Resource Centre (WVARC) report 85% of enquiries are money advice/debt related;
- In 2009/10 WVARC dealt with client debt in excess of £1.8 million
- Applications for Debt Relief Orders and bankruptcies are increasing rapidly;
- 5 out of 9 households fall into groups described as 'on the breadline', 'credit hungry' or 'elderly deprivation';

¹⁸ All statistics in this section taken from evidence presented to the Scrutiny Co-ordinating Committee on Child Poverty and Financial Inclusion in Hartlepool, available at www.hartlepool.gov.uk/download/6197/scrutiny_interim_report-child_poverty_and_financial_inclusion_in_hartlepool

- 26% of population in Hartlepool described as on the breadline households; (17.2% higher than the national average)
- 13.7% of population in Hartlepool described as credit hungry families; and 3.43% higher than the national average)
- 15.2% of population in Hartlepool described as elderly deprivation families. (5.76% higher than the national average)

The financial inclusion agenda within Hartlepool has become even more vital to the local area since the global economic crash. For instance, for those families most in need, key Benefits Advice agencies have been successful in securing over £750,000 of 'unclaimed benefits'. This money will then be re-circulated back into the economy and it is worth pointing out that for every £1 million of unclaimed benefits being accessed, it creates 25 new sustained jobs for a local area. Look for source – child poverty presentation – it could be EURO CITIES Seminar: "Poverty and Exclusion: Child Poverty", Sep 30th-Oct 1st, Baltic/Centre for Life – but no transcripts of papers available

Hartlepool's Financial Inclusion Partnership (HFIP) has accelerated partnership working through the delivery and development of initiatives which support:

- Financial Inclusion Fund (FIF) Priorities;
- Increased access to banking, affordable credit and face to face money advice; and
- The Financial Inclusion Task Force.

Furthermore, HFIP were reviewing proposed ideas for alternative methods of communication to publicise the services available through:

- Publication of Money Matters information guides
- Money Matters Leaflet inserts into annual council tax bill mail outs
- Money Matters Road Show events delivered in community settings
- Piloting outreach projects such as extending information available through the HBC Mobile Library and home delivery service.
- Local Anti Loan Shark Campaign
- Promotion of sustainable living and household budget economy opportunities through fuel price comparison challenges, home budgeting skills development and other initiatives enabling individuals to make right choices.

18.4 Child Poverty

In March 1999, the previous government pledged to eradicate child poverty within a generation as a direct response to the 3.4 million children living in absolute poverty in the UK in 1998/99. As in all local authority areas, child poverty remains a blight on our landscape and in Hartlepool there were almost 30% (or just over 5,000) of our children classified as living in poverty in 2007 – substantially higher than in either the North East (24.3%) or England (21.6%). An alternative measure with a longer time series – children living in workless households - is shown in the table below. By this measure, child poverty in Hartlepool has remained well above the national rate and, with the exception of 2006, above regional comparators. While the percentage of children in workless households has increased at all levels over the last several years, the increase in Hartlepool has been substantially larger than elsewhere (although the number given in the statistics has remained static at 4,000, due to rounding to the nearest thousand). In 2009, 24.4% of children in Hartlepool lived in workless households, compared with 21.1% in the North East and 16.3% in the UK as a whole.



Table X Children in workless households

	2004		2005		2006		2007		2008		2009	
	No. (000s)	%	No. (000s)	%	No. (000s)	%	No. (000s)	%	No. (000s)	%	No. (000s)	%
Hartlepool	4	21.8	3	18.0	3	17.4	4	20.2	4	20.2	4	24.4
Tees Valley & Durham	43	19.5	38	16.8	40	17.7	38	16.7	39	17.9	40	19.8
North East	93	19.3	85	17.8	92	19.5	81	18.1	87	18.9	94	21.1
UK	1,826	15.7	1,802	15.6	1,794	15.6	1,758	15.3	1,794	15.6	1,879	16.3

Source: Annual Population Survey

Following Frank Field's recent review of the issue¹⁹, Government policy on child poverty has shifted towards focusing on the factors that influence the child in their first five years, concentrating less on money and more on parenting and opportunities for learning and development, since these have a crucial influence on 'life chances'. The review noted that the financial investments made by the previous government (tax credits, New Deal and Sure Start and other early years services) has led to substantial progress on reducing child poverty, but continuing

these policies would require further heavy financial commitments which were not possible given the public funding cuts. The alternative strategy proposed is to integrate the existing early year's services which have a proven impact, working with parents of 'Foundation' age children (0-5), enabling children from poor families to reach a position where they can compete on merit with others by the age of five – i.e. equality of opportunity, rather than equality of outcome. Progress would be measured by new Life Chances indicators, covering a range of factors which are

¹⁹ Field F (2010) *The Foundation Years: preventing poor children becoming poor adults, report of the Independent Review on Poverty and Life Chances*

significant in predicting future outcomes. As with other coalition initiatives, this policy involves public-private partnership across a range of stakeholders.

Currently, progress among this age group is measured using the indicators in the Early Years Foundation Stage Profile, introduced in 2008. On these measures, Hartlepool performs slightly below average:

- In 2008-09, 49% of those eligible in Hartlepool achieved at least six points in each of the seven scales of Personal, Social and Emotional development (PSE) and Communication, Language and Literacy areas of learning (CLL), compared with 51% regionally and 52% nationally.
- 66% of eligible children in Hartlepool achieved at least 78 points across all scales, compared with 72% regionally and 75% nationally.
- 49% of those eligible in Hartlepool achieved a good level of personal development, compared with 51% regionally and 52% nationally.

Living in poverty and material deprivation causes the most damage to children's outcomes and is directly linked to longer term issues including unfulfilled potential, low educational attainment and poor health. It also has a far reaching impact on the wider community with extra pressures and costs on public services and employers unable to compete in a global market due to low productivity as a direct result of low attainment and skills.

The introduction of the new Child Poverty Bill enshrines in legislation the Government's promise to eradicate child poverty by 2020. This sets out high expectations for the Government and local authorities to implement actions to meet this challenge.

Hartlepool Borough Council's Economic Development Service and Child and Adults Service have lead on the design of a Child Poverty Pledge and Strategy which recognises that no single organisation or policy can tackle the multiple, complex and overlapping issues in isolation. It is believed that the best way out of poverty for children and their families can be secured by increasing parental employment rates and therefore raising income, improving the financial and material support of families and by tackling deprivation within our communities. However, improving incomes does not imply that all problems will be resolved for families in poverty.

This strategy is aligned to the Every Child Matters agenda and will be underpinned by the Community Strategy, Children and Young People's Plan and new Local Area

Agreement (LAA) which bring together universal and targeted provision which will improve outcomes for all children, young people and their families.

Along with the strategy a Town Wide Child Poverty Action Plan has been developed in consultation with all themed groups of the LSP. The Action Plan outlines the support and commitment of all partners to ensure that every child has the best start in life by providing them with high quality services. To implement this action plan, Themed Officers of the LSP groups were invited to an inaugural meeting of the Child Poverty Working Group in October 2009. These members have been tasked with redesigning the Child Poverty Strategy and to ensure that it complies with the Child Poverty Bill which is due in early 2010.

Hartlepool Borough Council's Child Poverty Strategy is a key part of the authority's business activity. This document underpins the Council's Corporate and Departmental Plan, the Community Strategy and new LAA and will provide evidence on the key strategic priorities which will improve the life chances of all children and families.

The strategy is linked to the Local Area Agreement (LAA) which identifies key national and local priority targets which will contribute to tackling child poverty including National Indicator (NI) 116 – Reduce the proportion of children in poverty. The LAA provides a mechanism for the pooling of resources and delivery measures which will compliment and add value to any additional initiatives that may be implemented as part of this strategy and the newly created Child Poverty Action Plan. This is a five year strategy which will be reviewed and refreshed at the end of the new LAA process in March 2011.

For positive outcomes to happen will require the full support of all delivery agents from the statutory, private and third sector to work collaboratively towards six new key objectives which are key to tackling child poverty including:

- Ensure that children that live in poverty are safe;
- Increase the parental employment rate;
- Improve skills levels;
- Increase the benefit take up rate, including in-work and out-of-work benefits;
- Prevent those at risk from falling into poverty;
- Where it is evident that a family is experiencing poverty take action to mitigate its effect.

This Strategy builds on the initial scoping work by the Regional Child Poverty Strategy Group, which was facilitated by Government Office North East (GONE).

This document will compliment the work of the Child Poverty Task and Finish Group established by the Association of North East Council's and the North East Improvement and Efficiency Partnership and the new Regional Child Poverty Champion.

HBC is currently undertaking a needs assessment in line with government requirements, to be submitted in 2011 to the Department for Education.

18.5 Children's Centres

There are eight children's centres in Hartlepool that are based across four localities. The children's centres offer a one stop shop of services and advice, information and guidance for families from pregnancy up until the child is five. One of the priorities for children's centres is to support parents out of poverty and into training and employment.

The focus for children's centres includes

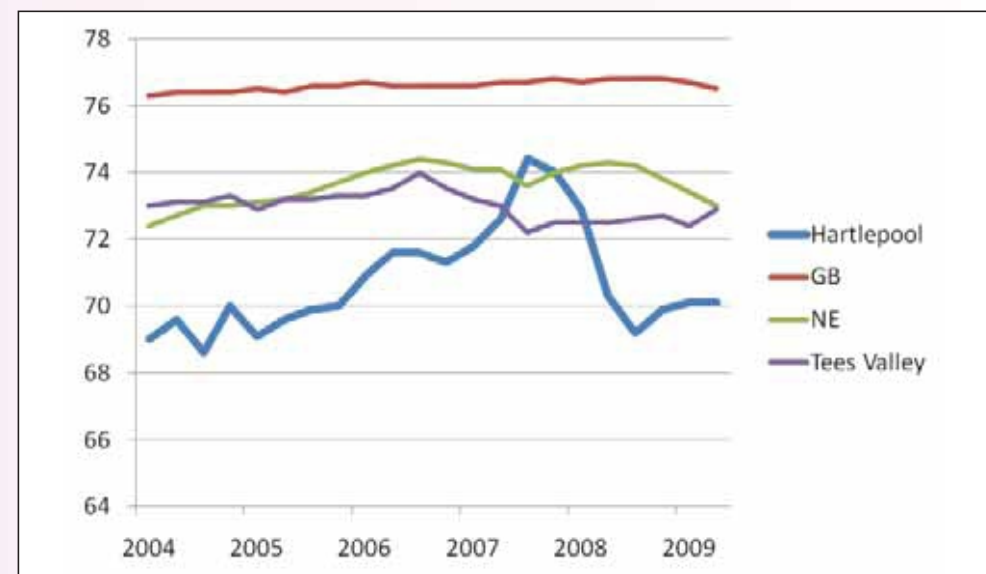
- Benefits, advice and guidance
- Jobcentre plus advice and guidance
- Debt management and money management
- Support through a pathways of volunteering, training and employment

19.0 Working Population – A Profile

19.1 Economic Activity

The economically active population in an area principally comprises those in employment (or self-employment) and the unemployed who are actively seeking work. Figure... shows that Hartlepool experienced steady growth in the economically active population from 69.0% (38,900 people) to 74.4% (43,100 people) between 2004 and mid-2007, reaching – and exceeding – both the Tees Valley and the North East rates and closing the gap with the GB rate from 17 percentage points to 2.3 percentage points.

Graph X Economic activity rates (percentage of working age population)



Source: Annual Population Survey

Subsequently, however, economic activity declined sharply, to around 70% (41,000 people) - well below local, regional and national rates – where it has remained more or less static since mid-2008. Hartlepool currently has the lowest rate of adults classified as economically active in the Tees Valley and is 6.4 percentage points behind the Great Britain rate.

There is a distinct divergence between male and female activity rates, particularly more recently. Male activity rates have held up relatively well post-2007, falling from a peak of around 80% (23,200) in 2007/08 to 77-78% (around 22,500) currently, comfortably above the 2004 level. By contrast, female activity rates have fallen from a peak of 69.3% (20,300) in 2007/08 to 62.0% (18,400) in 2009/10 (with a low of 60.4% - 18,100 people – in the year to June 2009), suggesting that the improvement in female activity in 2004-07 was purely temporary, with few lasting effects. Furthermore, this downward slide is not in line with national averages which show that the GB female economic activity rate has been almost static throughout the entire period under examination.

19.2 Worklessness

The Improvement and Development Agency (IDEA) describe workless individuals as those people who are currently economically inactive – individuals of working age who are not working, not in full-time education or training and are not actively seeking work. Some individuals choose being economically inactive because of family responsibilities, early retirement or because they are out of work due to illness (with the latter usually claiming Incapacity Benefit (IB) or Severe Disablement Allowance (SDA)).

The 2009 Tackling Worklessness Review²⁰ highlighted that the recession was 'being felt across all areas and in all communities of the country (and) because we believe worklessness is shaped by place and that its solutions are very much to be found in localities' (p2). Nationally, worklessness and economic inactivity has now become the norm within some families with third and fourth generation 'workless households' being an almost accepted part of a society's culture. At a neighbourhood level, there are identified workless streets and unemployment 'hotspots' that require a continuum of resource allocations, improved collaboration amongst partners and a fundamental shift in national Welfare to Work policies to make a real difference.

The challenges facing Hartlepool in this area are substantial. Some 17,500 adults (29.9% of the working age population) are currently classified as workless which compares unfavourably to the North East and national rates (27% and 23.5% respectively). In household terms, 9,000 households (28.1%) in the town were classified as workless in 2009, compared with 23.8% in the North East and 18.7% in the UK as a whole. Whilst the worklessness figure for Hartlepool is high, it is recognised that this figure is a direct causal effect of the decline in major industries (and therefore people now having redundant skills); and previous policies that moved out-of-work adults from an unemployment benefit to a non active benefit such as IB.

19.3 Barriers to Employment

There are clear processes in place to identify needs including regular consultation with users, surveys, themed assessments and analysis of data at ward and district level. Through this work, significant barriers to the labour market participation have

been identified:

- No or limited qualifications
- Low level basic skills (including literacy and numeracy problems)
- Low motivation and confidence issues
- Redundant skills
- Limited or no work experience
- Low levels of entrepreneurial activity
- Issues with successful engagement with hard to reach groups

Key priority groups identified as being most at risk of being disadvantaged within the labour market are:

- Young people who are at risk of/or who are NEET
- Young unemployed
- Long term unemployed
- Adults on incapacity or other sickness related benefits
- Lone parents
- BME community
- Adults with mental health issues
- People with disabilities and long term limiting illnesses
- Offenders
- Adults at risk of becoming /or who are homeless
- Carers

19.4 Unemployment in Hartlepool

In May 1985, unemployment had reached a high of over 10,000 adults claiming Jobseekers Allowance. However, through major investment and large scale regeneration programmes including the Marina, the total claimant count – although sometimes fluctuating throughout the past 25 years – continued to reduce to a low of just above 2,000 adults in May 2005. Despite this considerable success, the recession has significantly hampered growth in the economy and is impacting on the overall rate of adults on out-of-work benefits (including Jobseekers Allowance). Since the start of the recession in March 2008, all sectors have been de-stabilised – including those industries within Hartlepool that provide substantial job opportunities including the service sector, manufacturing and construction.

²⁰ Houghton S, Dove C and Wahhab I (2009) *Tackling Worklessness: A Review of the contribution and role of local authorities and partnerships - Final Report, report for CLG*

Since this time, redundancies and company closures have been announced at major companies including Woolworths and TK MAXX. Alongside this, the Working Neighbourhood Funded (WNF) Worksmart project which provides specialist HR advice to local businesses reported that throughout 2008-09 over 75% of new business enquiries were related to redundancies, lay-offs and the need to reduce staff's working hours.

Recently there have been further jobs losses with Garlands Contact Centre entering into receivership with a loss of over 1,000 jobs across the North East Region (with over 600 jobs lost in Hartlepool – of which over 400 were Hartlepool residents). Consequently, this and the matters highlighted above have led to a substantial increase in the claimant count rate from 2,135 in May 2006 to 3,993 in October 2010 (An overall increase of 87%).

There are also concerns that the unemployment rate will inevitably continue to rise for the foreseeable future due to a lack of private investment and cuts in public sector spending. All government departments have received an average 19% four year cut in funding and major regeneration programmes including the new £450 million purpose built hospital at Wynyard will not go ahead.

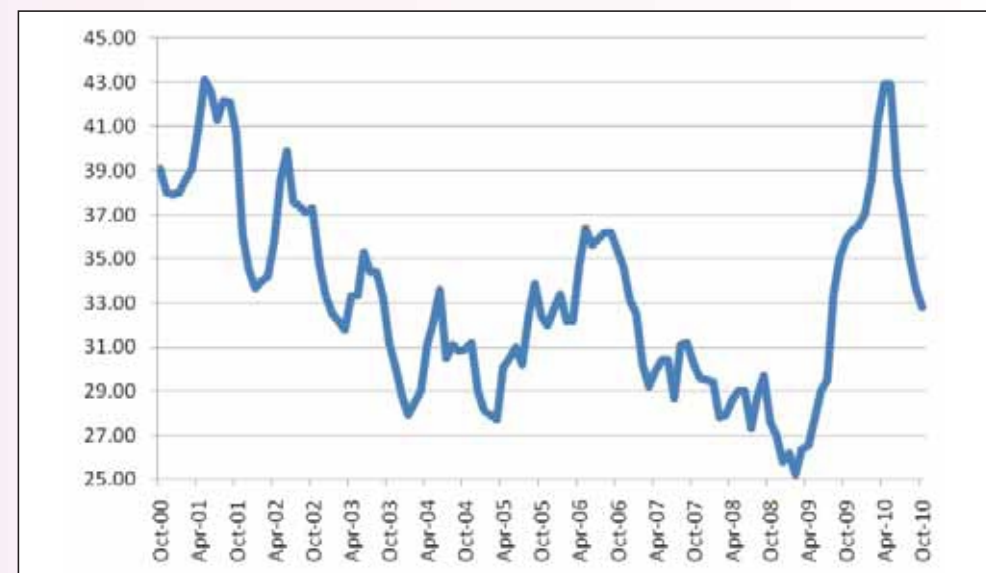
The hospital would have provided much needed investment and a potential source of high numbers of employment opportunities for local people. However the project may be resurrected using a private funding initiative (PFI).

19.5 Long Term Unemployment in Hartlepool

In Hartlepool, since 2000, long term unemployment -those residents claiming JSA over 6 months - has fluctuated between 25.8% (780 claimants) and peaked at nearly 43% (1,600 claimants) (Fig....).

Broadly, there was a general downward, seasonally fluctuating trend between 2000 and 2008, except for a short period of increases in 2005-06; this was in line with regional and national trends. However, notably, long term unemployment in the town has dramatically increased in the past year from 26.5% (965 claimants) in April 2009 to a peak of 42.9% (1,600) in April-May, followed by an equally rapid decline to 32.8% (1,295) by October. However, this is in line with Regional and National rates which have also seen unprecedented levels of long-term unemployment over this period.

Graph X - % Long Term Unemployed in Hartlepool



Source – DWP

Table X Long-Term Unemployment, October 2010

Area	Unemployed over 6 months (%)	Unemployed cover 1 year (%)
Hartlepool	32.8	17.1
Tees Valley	35.8	19.2
North East	33.6	15.8
Great Britain	34.5	17.5

Source – DWP

As of October 2010 Hartlepool out-performed the Tees Valley rate for long term unemployment. Furthermore, Hartlepool performed better than the North East and Great Britain rate for unemployment over 6 months.

19.6 Is Hartlepool an Unemployment 'Hotspot'?

Previous DWP guidance indicated that a 'hotspot' is an area where the claimant count rate of unemployment is more than 1.5% above the national average. Table.... shows those areas in Hartlepool which are classified as unemployment 'hotspots' in October 2010. In total, ten out of the seventeen wards in Hartlepool can be counted as hotspots, with Stranton, Owton and Dyke House standing out as areas of particularly high unemployment.

Table Hartlepool Hotspot Areas (October 2010)

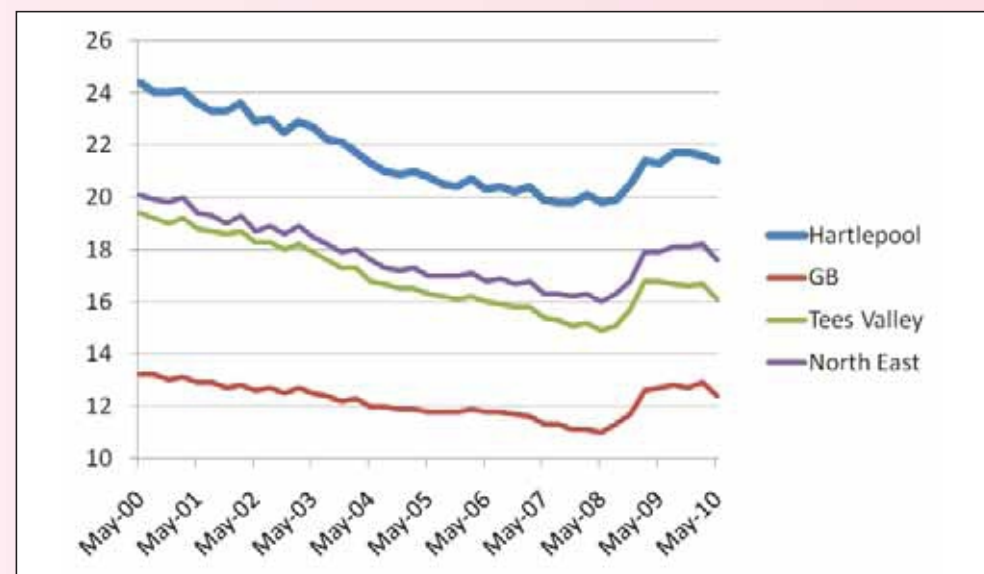
Ward	Difference from National Average (pp)
Brus	5.9
Burn Valley	5.1
Dyke House	8.4
Foggy Furze	3.6
Grange	6.2
Owton	8.1
Rift House	3.3
Rossmere	3.0
St Hilda	4.2
Stranton	10.6

Source – DWP; population estimates for rates taken from TVU data

19.7 Working Age on Out-of-Work Benefits – NI 152

The proportion of the working age population claiming out-of-work benefits has consistently been higher in Hartlepool than the in Tees Valley area, the North east or nationally (Fig), with local trends closely tracking trends at larger geographical scales. Thus, while the proportion of working age adults on out-of-work benefits reduced steadily between 2000 and 2007, reaching a low point of just under 20% (11,360 claimants), the gap with the GB rate only reduced from 11.2pp to 8.5pp. Hartlepool's working age adults on out of work benefits then slowly increased to reach 21.7% in 2009, at which level it has roughly stabilised, equivalent to approximately 12,500 individuals.

Table... Proportion of working age population claiming out-of-work benefits



Source – DWP

19.8 Working Age on Out-of-Work Benefits in the Worst Performing Wards - NI 153

In Hartlepool, the number of working age adults on out-of-work benefits in the worst performing wards increased from 32.3% in 2007/08 to 34.8% 2009/10. As shown in Table X, worklessness rates within a number of wards are significantly above the national average and highlight that some areas have above 40% of adults who do not work – Brus, Dyke House, Owton, Rift House and Stranton.

There are key geographical areas that have required long term interventions and strategies to support adults and families into work. Although there has been success in all of the geographical areas in tackling worklessness, the number of adults who claim Incapacity Benefit or the new Employment Support Allowance (ESA) will need to be significantly reduced if the overall worklessness target is to be achieved.

Table.... Worklessness in the worst performing wards in Hartlepool

	Worklessness (%)	Unemployment (%)	IB 5+ (%)	Employment (%)
Brus	45	9.7	12.3	55.0
Burn Valley	33.5	8.9	5.5	66.5
Dyke House	45.1	10.2	12.2	54.9
Grange	36.8	9.1	7.8	63.2
Owton	46	10.1	13.5	54.0
Rift House	40.7	7.2	8.2	59.3
Rossmere	34.2	7.6	8.9	65.8
St Hilda	38.8	9.5	11.2	61.2
Stranton	44.5	13.7	14.2	55.5
Throston	24.7	3.8	4.2	75.3

19.9 Number of Unfilled Jobcentre Plus Vacancies

One of the key issues in relation to tackling worklessness will be to ensure that there remains a steady flow of live jobs available within the labour market. It is estimated that at any one time, Jobcentre Plus advertise approximately 30% of all live vacancies available within a local area. Table X and Figure X show that the total number of live vacancies is slightly below longer term averages, having recovered from the low point recorded in mid- to-late-2009, when fewer than 200 vacancies were being notified each month.

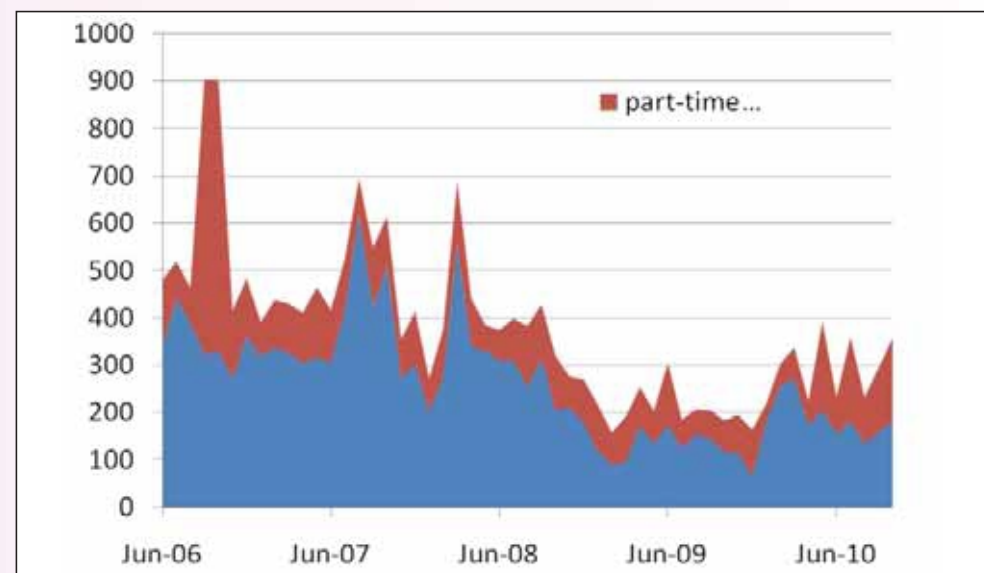
However, this increase in the number of vacancies should not detract from the challenge faced by those adults wishing to return to the labour market. As of May 2010, there were 17,500 adults who are classified as workless; this would mean that for every full-time vacancy there were 51 workless adults who could apply for the positions. This shows that within the somewhat improved economic climate, finding full-time work will be even more competitive for local people. Furthermore, the forthcoming public sector cuts are likely to increase the number of people – and high-skilled people in particular – looking for jobs, at a time when vacancies are unlikely to rise significantly. This implies that lower-skilled workers lacking recent experience are likely to find it even harder to be placed into a job than previously.

Table.... Unfilled Jobcentre Plus vacancies in Hartlepool

	Full Time	Part Time	Total
June 06	448	164	612
June 07	531	250	781
June 08	531	110	641
June 09	271	184	455
June 10	345	271	616

Source – DWP; note: June 2006 is the earliest date for which a consistent data series is available

Graph X Unfilled vacancies in Hartlepool



Source – DWP

19.10 Case Study – Hartlepool Works

Hartlepool Works is the town's Employment and Skills Consortium and was established upon the best practice foundations and principles of the City Strategy pathfinders. Since commencing, the consortium has brought together over 40 employment, training and specialist providers from the public, private and voluntary sector to work collaboratively to ameliorate worklessness and skills problems and provide solutions for employers including recruitment and pre-employment training. Through this Consortium approach, key agencies now provide a universal service which is more accessible for local residents wishing to enter into employment or training. Agencies. The Jobsmart Employment Centre was opened in September 2007 which is a first contact point for unemployed residents and has already engaged over 6,000 individuals. To add value to area based community initiatives, a number of pilot programmes have been designed by Hartlepool Works – including the Family Caseload Worker project - which target specific priority groups and specific geographical areas (in particular the worst performing wards and unemployment hotspots).

20.0 Key Unemployment Groups

20.1 Incapacity Benefit & Other Sickness Related Benefit Claimants

The number of adults who claim incapacity-related benefits²¹ has always had a significant impact on the town's worklessness rate. National strategies to reduce the number of IB claimants – including Pathways to Work (P2W), ESA and local interventions have reduced the number of adults claiming IB in Hartlepool from 8,000 in May 2001 to 6,230 in May 2009, according to DWP figures – equivalent to a fall from 14.4% to 10.8% of the working age population. This rate is substantially higher than the North East and Tees Valley rates (both 8.6%) and the Great Britain rate (6.5%), although the gap has narrowed substantially over time.

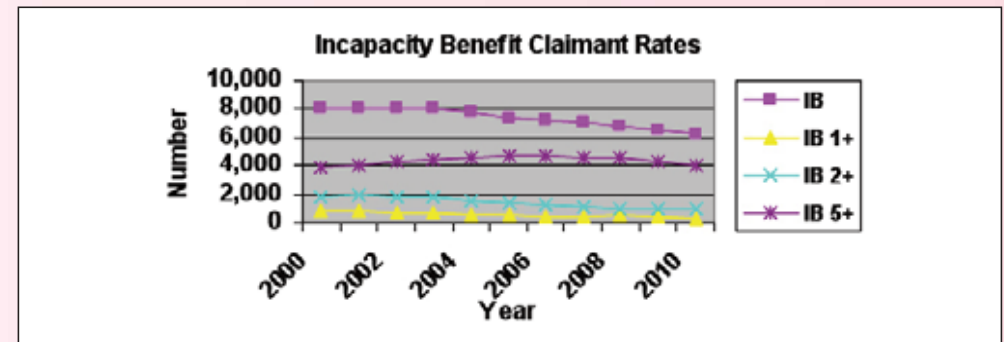
The number of adults claiming incapacity-related benefits for one year or longer has fallen by a similar amount, from 6,720 in 2000 to 5,330 in 2010, the bulk of this decrease occurring in the second half of the decade. The majority of these claimants (4,080 in May 2010) have been claiming benefit for five years or longer.

²¹ Incapacity Benefit, Severe Disablement Allowance or Employment Support Allowance.

Traditionally, reducing the number of IB claimants has been challenging as those claimants who do not have to enter onto mandatory programmes such as P2W are difficult to engage with. There are currently no protocols in place between JCP and local authorities in sharing IB clients' data which could improve targeted interventions.

Of the 6,230 adults currently on IB, 320 are aged 18 – 24, 3,920 are aged 25 – 55 and 2,000 are aged 55+. While this is similar to regional and national trends, the average age of claimants is slightly higher in Hartlepool, with fewer claimants in the younger age groups. The new Coalition Government is currently targeting the 2.6 million of adults on IB who will now be classified as "active". Those who can work will now be required to do so, although all IB claimants close to retirement will be left alone. This latter group relates to 2,000 who are aged 55+ and are close to retirement. If this group was to be left alone then 3.5% of the working age adult population would remain indefinitely on the 'worklessness rate'.

Graph X Incapacity Benefit Claimant rates 2000-2010



Source – DWP

20.2 Lone parents

Lone Parents are recognised as being one of the key priority groups identified as most at risk of being excluded and being disadvantaged within the labour market. Over the past ten years the number of lone parents claiming income support has decreased from 3.7% (2,070 adults) in 2001 to 2.7% (1,590 adults) in 2009.²²

²² These figures may exclude some lone benefits, as they are based on 'statistical groups', related to the main reason why that person is claiming benefit– each claimant is placed in a single group, arranged in a hierarchy. Thus, if a lone parent also claims JSA, they would be classed instead as a jobseeker.

The reduction in the number of lone parents claiming Income Support is due in part to the introduction of ESA which required parents to seek work when their youngest child reached ten years. A further step has been made by the new Coalition Government which has announced that lone parents will be expected to look for work when their youngest child starts school.

20.3 Carers

It is estimated that two out of five people will have a 'caring responsibility' at some stage within their life. Caring for a relative, spouse, friend or neighbour is physically, mentally and emotionally demanding and can often lead to social exclusion and financial hardship for the carer. Often children and young people care for relatives and this can lead to longer term aspirations not being met. Adults who are carers continue to be disadvantaged from the labour market as they attempt to secure work with employers who are understanding and flexible to the demands of the individuals caring role.

In the last ten years the number whose main reason for claiming benefit is caring responsibilities in Hartlepool has remained steady at just over 1.5% of the working age population, with the number fluctuating between 850-950 (with approximately an additional 100 people claiming carers allowance in combination with another benefit). This figure has always been slightly higher than both the regional and national levels over the past ten years.

20.4 Youth Unemployment

The cohort most affected by the economic downturn has been young people with one in five young people nationally currently unemployed. The picture in Hartlepool is worse with 1,900 people aged 16-24 indicating that they were unemployed in the Annual Population Survey for the twelve months to March 2010, equivalent to just under one in three economically active young people.²³ Over the past five years Hartlepool's youth unemployment rate has fluctuated erratically between 15% and 35%. At any one time there are approximately 1,000 to 1,500 young people who are classified as unemployed and whilst the New Deal programmes have offered excellent opportunities, too many young people have been unable to sustain long term employment. Thus, young people continuously remain in a spiral of registering on/off Jobseekers Allowance.

²³ It should be noted that the 95% confidence interval for the rate is extremely high (± 9.4), due to the small sample involved.

Economic Development and its partners identified that 'youth unemployment' is a key priority. Following a Council Scrutiny Review in 2007 on 'Youth Unemployment', a Youth Working Group consisting of key agencies was established to consider and propose actions to tackle this problem. Fortunately, unprecedented resources to tackle youth unemployment became available in 2009 through DWP's Future Jobs Fund (FJF) which nationally provided over £1 billion of investment to create 150,000 jobs. 100,000 of these jobs were for young people aged 18-24 years who were long term unemployed and 50,000 for long term unemployed adults within 'unemployment hotspots'.

As part of the Youth Working Group, the Economic Development Division was successful in securing funding through the FJF (See Case Study for details).

The FJF programme will cease and the last intake of vacancies will be in March 2011. This news comes at a time when the FJF has positively impacted on tackling youth unemployment and the town has seen reductions in the Youth Unemployment rate.

20.5 Case Study – Future Jobs Fund

HBC is the accountable body for the FJF project and works in partnership with the public, private and third sector to create jobs within identified future growth sectors including Hospitality and Tourism, Renewable Energy, Health and Social Care and Green Jobs. This project has been extremely ambitious with a target of creating 720 extra jobs between October 2009 and March 2011. As of September 2010, the programme has created over 600 new jobs and is the best performing FJF in the North East and one of the best in the Country. In recognition of this achievement, in February 2010, there was a highly successful Ministerial visit by Yvette Cooper (then Minister for the Department for Works and Pensions) who explored areas of good practice which could be shared at a national level.

21.0 NEET Reduction

As part of the Youth Working Groups remit, a NEET needs assessment was produced in 2010 to ascertain key issues that impact on NEET reduction. The assessment acknowledges that tackling NEET reduction is about the quality of the provision, prevention, intervention and sustaining a young person in a positive destination.

The NEET needs assessment evaluated:

- The co-ordination of services and considers the appropriate mix of services required to respond to diverse needs of learners.
- What new services might be needed?
- How existing services /interventions might be better co-ordinated and run more efficiently and effectively.

Shown in the tables below are the current NEET figures at a national, regional, sub-regional, local and ward level.

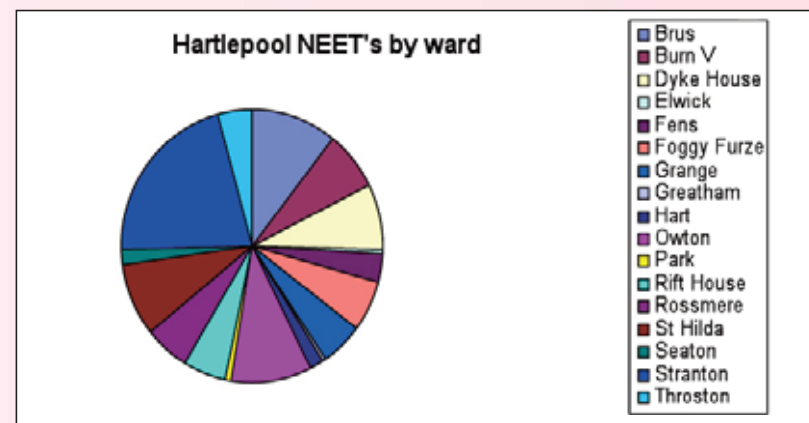
Table X NEET Statistics April 09 – March 10

	April - June 2009 (%)	July - Sept 2009 (%)	Oct - Dec 2009 (%)	Jan - Mar 2010 (%)	Yearly Average (%)
National	7.1%	8.2%	5.3%	7.0%	6.9%
Statistical Neighbours					
Halton	10.3%	13.9%	9.6%	13.3%	11.7%
Barnsley	8.7%	9.1%	7.2%	8.4%	8.3%
Tameside	9.1%	8.9%	7.2%	9.2%	8.6%
Rotherham	8.8%	8.5%	4.9%	7.2%	7.3%
St Helen	9.4%	10.9%	6.2%	7.9%	8.5%
Doncaster	8.9%	9.6%	5.9%	8.0%	8.1%
N/E Lincs	6.6%	6.9%	4.2%	6.8%	6.1%
Sunderland	13.9%	15.2%	9.4%	13.4%	12.9%
S. Tyneside	12.6%	13.4%	7.1%	8.5%	10.4%
North East	10.4%	12.4%	6.7%	9.6%	9.7%
Hartlepool	8.9%	12.1%	4%	8%	8.2%
Darlington	7.2%	11.9%	5%	5.8%	7.4%
Middlesbrough	11.4%	13.1%	6.6%	10.5%	10.4%
Redcar	12.4%	17.5%	7.4%	12.5%	12.4%
Stockton	10.6%	13.9%	7%	10.9%	10.6%

NCCIS 2009-10

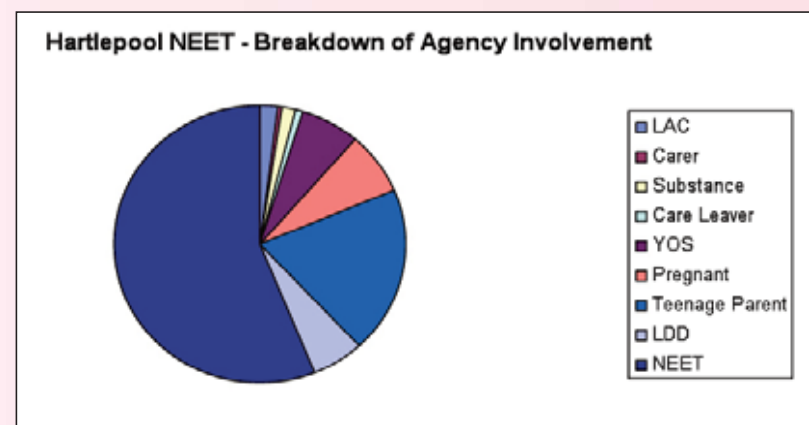
In Hartlepool 210 young people were registered as NEET (June 2010). 92 of the 210 young people who were NEET are recognised as working with specialist agencies.

Graph X Hartlepool NEET's by Ward



Source: Connexions July 2010

Graph X Hartlepool NEET's by Agency Involvement



Source: Connexions July 2010

The NEET group in Hartlepool is not static - most young people do not spend long periods NEET. The vast majority of young people who are NEET in Hartlepool are engaging in education, employment or training, but moving in and out of the system as they drop out of or complete their previous activity. It is estimated that only around 1% of 16-18 year olds are "long term NEET", defined as young people who are NEET at each of the three survey points at 16, 17 and 18 years old and who are likely to become 'stuck'. 25% of those are classed as "long term NEET" have no noted issues.

On an annual basis approximately 50 young people (44 in 2010) aged 16-18 moves into Employment without Training. Personal Adviser's through the delivery of Information, Advice and Guidance (IAG) in schools, colleges and training providers present the potential pros and cons e.g., longer term benefit of obtaining recognised qualification versus money in their pocket. However, young people are encouraged to make their own choices and economic pressures on both young people and their parents mean some young people opt for the quick fix rather than longer term stability. This cohort are at risk of becoming NEET due to the unstable economic climate as employment is usually with small businesses and the young people are the first casualties of redundancy. The lack of a recognised qualification also impacts on the unemployment figures for 18-24 and beyond as the client looks to move on however has become trapped in their employment without the chance to progress and chooses to leave.

Hartlepool has made significant progress against the agreed LAA targets, resulting in a figure of 7.4% against a target of 8% for the 2009/10 survey point. The collaborative effort of the Economic Development Division and the Child and Adult's Services Department has been key to this success.

Hartlepool has received over £7 million over the last three years for projects and services to work with young unemployed residents. Of this over £2 million was specifically for NEET reduction of which approximately £368,000 was non Connexions engagement.

With the Going Forward project ending in December 2010 and WNF more limited in the future, alternative funding sources will need to be sought to continue NEET activity. The Skills Funding Agency (SFA) will be inviting tenders in October 2010 for a further three to five years of funding to tackle NEET. Child and Adult Services and Economic Development will submit a joint bid on behalf of partners.

There is also a need to have a wider review of the NEET reduction activity within Hartlepool to ensure that it continues to meet the demands of young people who are NEET or at risk of becoming NEET. It is recommended that the following occurs:

- 1 Review the Quality of IAG and NEET provision.
- 2 Review the Effectiveness of Monitoring of the cohort.
- 3 There is a re-focus on retaining young people in their chosen positive destination.
- 4 A Directory of Opportunity is produced which highlights all NEET activity.

21.1 Case Study – Going Forward

Tees Valley Works (TVW) is a consortium of the five Local Authorities within the Tees Valley sub-region who developed training and employment projects and secured funding from the Learning and Skills Council (LSC). TVW has been operational since February 2006 with Hartlepool Borough Council being the accountable body for the projects. These projects are developed to meet emerging employer demands and supply side issues and the services are predominantly delivered by a network of subcontractors with the majority being from the Voluntary and Community Sector.

Since February 2006, TVW has registered over 1200 onto its projects with 850 achieving a nationally recognised qualification and has a progression rate of nearly 60%. In June 2008, TVW commenced the Going Forward Project which is a partnership between Hartlepool Borough Council Children's Services, Economic Development Department and the Connexions Service and is again funded through the LSC European Social Fund.

This project runs until December 2010 and is a major investment in providing targeted interventions to support young people aged 14 - 19 to prevent them from becoming disengaged from mainstream learning. The project will support 400 vulnerable young people aged 14 to 19 years and re-engage these young people who are identified as at risk of becoming/or are Not in Education, Employment or Training (NEET).

22.0 Regional Policy Change - Tees Valley Employability Framework

The Tees Valley Employability Framework (REF) has been designed to provide a framework through which Tees Valley partners can connect and deliver national priorities for economic development, employment, skills and neighbourhood renewal both at the sub-regional level and local level. Implementation of this framework allows for the elimination of duplication, gaps and fragmentation that exists within current provision. This will lead to greater customer reach; a consistent standard of service provision that will be more responsive to client and employer needs; and greater and more sustained outputs and outcomes.

The Employability Service Model which all partners and projects across the Tees Valley follow is shown below: -



DWP and SFA commissioning and tendering processes now require that all partners deliver employment and skills activities in line with the REF journey.

This re-alignment of funding has created a succinct and comprehensive 'Employability Service Model' which identifies the key stages in the process of moving an individual from inactivity to sustained employment. This model provides differing levels of support – dependent on the requirements of the individual – and offers a holistic support package to assist individuals into work. The REF has been implemented in all of the projects that have recently been developed across

Hartlepool and there is ongoing work to ensure the model is adopted by the key funding and delivery partners across the Region:

22.1 Case Study – Worklessness

On 30 November 2007, Communities Secretary Hazel Blears and the Work and Pensions Secretary Peter Hain announced a new drive to turn around long term unemployment in the most disadvantaged communities. Communities and Local Government (CLG) established the first-ever dedicated fund for local councils and community organisations to address worklessness, skills and enterprise and reduce levels of deprivation in the most deprived areas of the country. The Working Neighbourhoods Fund (WNF) was introduced in April 2008 and the fund replaced the Neighbourhood Renewal Fund (NRF) and incorporated the Deprived Areas Fund (DAF) to create a single discretionary fund for local authorities to work with their partners at a local level.

This announcement confirmed that the total WNF to be allocated to Hartlepool from April 2008 was £4,502,180 in 2008-2009, £5,378,345 in 2009-2010 and £5,589,121 in 2010-2011. Each year approximately 60 projects have been approved by the LSP to deliver bespoke programmes which have considerably improved economic growth and narrowed the gap within local areas. The projects have invariably contributed to all of the LSP themed objectives and at the end of the last financial year achieved the following outcomes:

- Residents into employment:
- Residents into training:
- Residents into voluntary work:
- Residents achieving a qualification:
- New businesses assisted:
- New businesses supported:

22.2 National Policy Change - Supporting the long term unemployed for all ages in Hartlepool

22.3 The new Universal Credit

The above replaces the current means tested working age benefits with a single tapered payment system.

Changes already cited within the new Universal Credit include Employment Support Allowance (ESA) being means tested after 12 months. At this point all clients on ESA will be interviewed by Jobcentre Plus representatives and considered for a more work-focused benefit such as the current Jobseekers Allowance (JSA).

22.4 Works Programme

The Work Programme will provide a single, personalised welfare to work programme for all client groups, delivered through contracted out provision. The Works Programme will replace all existing provision such as Flexible New Deal, Young Persons Guarantee and Pathways to Work.

The Government is aiming to have the Work Programme in place nationally by the summer of 2011. The Work Programme will give providers longer to work with individuals and greater freedom to decide the appropriate support for them. It will offer significant new opportunities for contractors from the private and voluntary sectors to deliver flexible and personalised support. Hartlepool Economic Development Division is currently negotiating with potential prime providers of the Works Programme to ensure that the Hartlepool Works Consortium – consisting of 40 employment and training providers – is in a position to subcontract.

22.5 Work Club

The Work Clubs is a Great Britain wide initiative which aims to support the development of a network of locally led, community based support for the unemployed.

Work Clubs will provide unemployed people with a place to meet and exchange skills, find opportunities, make contacts, share experiences and receive support to help them in their return to work. The Wharton Trust is the first organisation to register to become a Work Club in the Tees Valley area with Jobsmart currently going through this process.

23.0 Skills and Qualifications

23.1 14 – 19 Agenda

Critical to the long term growth of the economy is ensuring that the next generation of young people have the technical skills, knowledge and work place competencies – including soft skills - to meet the demands of local employers and businesses (particularly those industries identified as growth sectors).

In the 2008/09 academic year, 599 pupils (48.7%) resident in Hartlepool achieved 5 GCSEs (or equivalent) at A*-C including English and Mathematics, slightly above the North East rate (48.1%) but below the rate for England (50.1%). This represents a substantial improvement over a short period of time: as recently as 2006/07, the Hartlepool rate was only 38.1% (496 pupils), well below the regional and national rates (42% and 45.5%, respectively). In relation to GCSE standards, the town has made the greatest improvement of all Local Authorities in the Country (jointly with Haringey).

Encouragingly, attainment by those eligible for free school meals follows the same pattern, although it still falls well below the attainment level of all pupils. Of the 230 pupils eligible for FSM, 24.8% (57 pupils) achieved at least 5 qualifications at A*-C including English and Mathematics, compared with 21.2% regionally and 26.6% nationally. Again, this represents a substantive improvement from two years earlier.

However, achievement in science still lags: 603 pupils (49.1%) in Hartlepool attained A*-C in at least two science subjects in 2008/09, well below the regional and national level 54.0% and 54.3%, respectively).

Individual schools reported a variety of progress. Dyke House Sports & Technology College was part in the National Challenge initiative while St Hilds Church of England School was supported by the Gaining Ground initiative and their percentage margins for GCSE have increased as follows; Dyke House A*-C results went up by 18% in 2008 to 82% and showed a further increase to 93% in 2009 and including English and maths increased from 32% in 2008 to 43.7% in 2009. At Brierton A*-C results increased by 16.2% to 78.0% in 2008 and have shown a further increase to 84.3% in 2009. However, the 7% increase in 2008 including English and maths was not maintained in 2009 as the figure dropped from 31.0% to 22.2%.

Attainment of Level 3 by 19 is also somewhat poorer than nationally. Some 535 19-year-olds (43.3%) who had been studying in Hartlepool at the age of 16 had

attained a Level 3 qualification by the end of the 2008/09 academic year, compared with an attainment rate of 51.4% nationally. Clearly, there are some challenges to be faced in progressing young people from L2 to L3, a challenge reflected in the relatively high number of NEETs in the town. However, the increase in attainment at L2 in recent years bodes well for improvement in L3 results in the future.

Those who do go on to study achieve good examination results, with average points scores similar to or above regional and national levels. It is notable that in 2008, only 1,700 16-17-year-olds (65%) were still in full-time education, compared with 75% nationally, and 70% in the North East. This is the lowest proportion of any local authority in the region, while the proportion in work-based learning (13%, or 400 people) is the joint highest.

A-level pass rates in Hartlepool have increased, results for the institutions were in 2008/09: Hartlepool Sixth Form College A-level pass rate result 99.7%, Hartlepool College of FE 96% and English Martyrs 99.5% this is against a national average of 97.2% for the 2009 rates.

The percentages of young people who were in receipt of FSM at academic age 15 who attain level 2 qualifications by the age of 19 moved from 44.8% in 2006-2007 to 53.8% in 2007-2008. The inequality gap in the achievement of level 2 qualification by age 19 – Progress is on track and the gap has closed from 33% in 2006-07 to 25% in 2007-08.

23.2 Learning in Hartlepool

Within Hartlepool, major improvements in the educational achievement rates, increased skills and confidence of children, young people and adults is preparing the emerging workforce for the challenges faced in competing within the new global economy. Alongside this, infrastructure investment in primary and secondary schools and colleges across the town will further contribute towards 'Hartlepool's Children and Young People's Plan' and the '2020 Children and Young People's Workforce Strategy' and will ultimately lead to better outcomes for all.

Renewed focus and a consistent and collaborative approach to workforce development across all public, private and third sector organisations continue to excel learners to fulfil their ambition and prepare the local labour market for the demands of the future. There are ongoing reviews of all aspects of workforce

development being considered at a local level including the implementation of Foundation Learning, Apprenticeships, Diplomas, GCSE's and A-Levels. To support the development of this curriculum offer it is important to develop robust and impartial Careers Education Information Advice & Guidance (CEIAG) in line with national standards, recruitment and retention measures and appropriate routeways to employment and training. These new strategies will ensure that no child or young person will be 'left behind' and will continue to attract major developers to invest in a town with dedicated, motivated and a highly skilled workforce.

The Education & Skills Act (2008) set out the government's agenda to increase participation in learning for young people who will be required to remain in education or training to 17 by 2013 and to 18 by 2015.

The Act supports the ambition of achieving world-class skills for young people and adults in the UK by 2020 by providing high quality and useful curriculum that will offer routeways to further and higher education and eventual entry into higher skilled and sustainable jobs.

To achieve Hartlepool's ambition of creating a world-class workforce for the future, a number of key initiatives have been successfully implemented including the creation of nine Diplomas for 14-16 year olds. The new diplomas approved for the Hartlepool 11-19 Partnership include:-

- Engineering from 2008;
- Hair and Beauty, Creative and Media and Hospitality from 2009,
- Sport & Active Leisure, Information Technology, Society Health & Development, Environment & Land Based from 2010.
- Business Admin & Finance and Travel & Tourism from 2011

Horticulture had previously been identified as a skills gap in Hartlepool and as a result the town is now part of the Durham Consortium for the delivery of the Land Based Diploma in 2010. Hartlepool Sixth Form College will work in collaboration with Sedgefield Borough Council to implement this diploma (with the latter being the lead organisation for this).

The 2010/2011 projections indicate that the numbers registering onto diplomas and young apprenticeships are increasing. It is anticipated there will be increases in Engineering, Health and Social Care, Creative and Media and Sport.

In Hartlepool, the following diploma lines were delivered in September 09 for the 2009/10 academic year and the following student numbers are being projected:

Table X Student Numbers in Hartlepool 2009/10

Student Numbers 2009-2019	Pre 16			Post 16		
	L1	L2	L3	L1	L2	L3
Engineering	15	29	0	0	0	0
Creative & Media	0	11	0	0	0	6
Hair & Beauty	15	0	0	0	0	0
Hospitality & Catering	0	0	0	0	0	0

Source: 14 – 19 Teams May 2010

The 11-19 Partnership is confident that the pre 16 diploma numbers outlined will be achieved based on the year 9 options analysis. Post 16 numbers are harder to predict and reflect volumes specified in the diploma applications. It is felt that the Partnership will struggle to achieve the post 16 projected take up with the exception of the Creative & Media diploma.

Projected Student Numbers 2010 - 2012	Pre 16			Post 16		
	L1	L2	L3	L1	L2	L3
Engineering	30	58	0	0	0	0
Creative & Media	0	28	0	0	0	0
Hair & Beauty	15	0	0	0	0	0
Hospitality & Catering	0	0	0	0	0	0
Sport & Active Leisure Diploma	0	9	0	0	0	0
IT	0	6	0	0	0	0
Society Health & Development Young Apprenticeship	0	49	0	0	0	0
Sport & Active Leisure Apprenticeship	0	31	0	0	0	0
Environment & land based	0	0	0	0	0	0

Source: 14 – 19 Teams May 2010

Table X Hartlepool Residents aged 16-19 Participation by Curriculum Route – 2009/10

Volume	Apprentice Starts	General Quals	Foundation Learning	Other	Total
Hartlepool	422	954	331	1167	2874
TV	2,608	6,561	2,065	7,949	19,266
NE	8,724	23,842	5,789	30,005	68,578

Source: 14 – 19 Teams May 2010

From the table above, it can be seen that 15% of Hartlepool residents aged 16-19 are participating in apprenticeships, this is the highest proportion of resident participation in the Tees Valley sub region, although this has fallen by around 4% on 2008/09 full year picture, which may be as a result of continuation of the economic downturn, and the impact on employed status apprenticeships.

Table X Top Ten Apprenticeship Employers in Hartlepool

Provider Name	Apprentices
HCFE	64
Springboard (Hartlepool)	36
HBC	26
North Tees & Hartlepool (Hospitals) NHS Trust	24
Gus Robinson Developments	22
Heerema Hartlepool Ltd	21
Litchfield Bros Ltd	17
West View Community Centre	17
Dyke House School	16
McDonald's Restaurants Ltd	15

Source: 14 – 19 Teams May 2010

The new apprenticeships data based on starts highlights that within the period 1-08-08 to 31-01-09, Hartlepool had 287 apprenticeship starts. There are opportunities for young people to access apprenticeships via Work Based Learning (WBL); the main provider is HCFE which holds one of the largest contracts in the Tees Valley. Framework success rates at HCFE for 2008/09 are 69.1%, (this includes residents from outside Hartlepool), and is in line with the regional average. Other providers of WBL in Hartlepool were JHP at 73.7% and NACRO at 58.1% (a particularly good result for NACRO considering the challenging target group that they support).

Table X The 5 most popular Sector Subject Areas for FE Aims for Hartlepool residents are:

SSA Tier 1	2008/2009	2009/10 (L02)	Proportion of Aims (%)
Preparation for Life and Work	2074	2361	27.6
Not Applicable	1830	1894	22.1%
Science and Maths	878	923	10.8%
Arts, Media & Publishing	508	553	6.5%
Languages, Literature & Culture	439	419	4.9%

Source: 14 – 19 Teams May 2010

Hartlepool College of Further Education success rates for E2E learners improved in 2008/09 to 75.9% of leavers progressing into a positive destination. This is among the highest progression rates in the North East and is well above the North East average of 46.2% and a Tees Valley average of 48.2%. The college now has one of the largest Learner Responsive contracts for FE providers in the North East.

23.3 Progress to university

Recent Government research shows that those who achieve degree qualifications earn up to an additional £100,000 during their lifetimes compared to non-graduates.

Aimhigher data for Access to Higher Education institutions indicates increasing levels of access for Hartlepool residents with the highest rates of participation from

low socio-economic backgrounds of the Tees Valley. In 2009, 722 Hartlepool residents aged 18-29 applied for a full-time undergraduate course at an HE institution in the UK, of which 602 were accepted, a success rate of 83.4%.²⁴ This is the highest success rate in the North East, with the regional average being 78.9%; however, in common with all other LEAs in the North East, the success rate tends to fluctuate with no real pattern. The rate of applications is also relatively high – some 4.3% of the age cohort applied in 2009, compared with 3.6% across the North East as a whole. The number of applications (and therefore also of acceptances) has been rising – with some fluctuations – since 2000, with Hartlepool recording the greatest increase of any North East LEA (76%, against a regional average of 36%). However, the bulk of this increase only occurred within the past two years, with the number of applications in 2009 nearly 50% higher than in 2007.

However, not all those who enter Higher Education follow the full-time undergraduate route. In 2008/09 (the latest year for which data is fully available), 549 residents entered such courses, with a further 936 entering other forms of HE provision (part-time, foundation degree etc.) – a total of 1,485 residents entering a UK HE institution. This amounts to 63% of entrants using other forms of provision, one of the highest proportions in the North East, and well above the regional average of 54%.

Hartlepool also has a relatively high proportion of HE entrants from a deprived background. Again looking only at full-time undergraduate entry, in 2009 52.0% of applicants and 50.3% of accepted applicants from Hartlepool resided in an SOA which was among the 40% most deprived nationally (the Aimhigher target group for widening participation). These proportions have been rising steadily since 2007, and are well above the regional averages of 45.4% and 43.8%, respectively, indicating some success at encouraging those in deprived communities to progress to HE.

JHP and HBC have taken part in the Progression Pathways Pilot, in preparation for Foundation Learning delivery. They offered approx 40 places on the pathway for routes to apprenticeships for 16-18 years olds and independent living skills level 2 delivery for 19+ learners.

²⁴ UCAS data

The local authority is working with secondary schools to develop a comprehensive FL programme based around a Diploma programme format.

The Foundation Learning will be based around the Diplomas and is being included in Hartlepool's alternative education programme. FL pilots will be carried out at Catcote School Business & Enterprise College and Hartlepool College of Further Education. The FL will be delivered from entry level 3 to level 1 over three areas of learning – Personal Social Development (PSD), functional skills and vocational training.

23.4 Major School and College Redevelopments

Across the town, there are ongoing major investments to schools and colleges which will see a mixture of new builds, remodelling and refurbishments. This redevelopment of the education and skills infrastructure will continue to pay dividends to raise the attainment rate and increase the skills levels of the local population.

Presently, work is ongoing as part of the Primary Capital Programme (PCP) within Hartlepool which is looking at the future of all Primary Schools within Hartlepool. Public consultation has been at the heart of the development of the Council's strategic vision for the PCP. It was originally anticipated that the PCP would be a 15 year programme, with the funding received incrementally but that has yet to be confirmed by the new coalition Government.

Hartlepool has received £8.4 million in the first phase. This funding is being used to build a new primary school at Jesmond Road and a new Foundation unit at Rossmere Primary School. Other schools have been identified as priorities for further funding. These schools include Barnard Grove, Holy Trinity, St Aidan's, St Cuthbert's and West View.

Recent announcements by the new Coalition Government confirmed that the majority of Hartlepool's £104 million Building Schools for the Future (BSF) programme has been cancelled. However, the remodelling of Dyke House Sports and Technology College was approved and has now commenced. The project will be completed by the end of December 2011. Funding has also been received to enable each secondary school to participate in a new Managed Service contract that provides for a major enhancement of their ICT equipment, creating new and innovative methods for teaching and learning in the 21st century.

Hartlepool Sixth Form College has completed the college rebuilding programme and had access to £24 million to support the redevelopment of the programme. In 2010/11 the college has seen an increase in student numbers in excess of 1,050

In 2009/10 Hartlepool College of Further Education commenced work on the £53 million college rebuilding programme. As one of only twelve colleges nationwide to secure rebuilding funding in the current phase, the college has been able to plan the development of higher quality facilities. New Facilities will include workshops and technical areas will incorporate industry standard cutting edge technology and equipment in Building Services, Renewables, Aerospace and Construction, Mechanical and Electrical Engineering and Motor Vehicle. The new college will be occupied and operational for the academic year 2011/12.

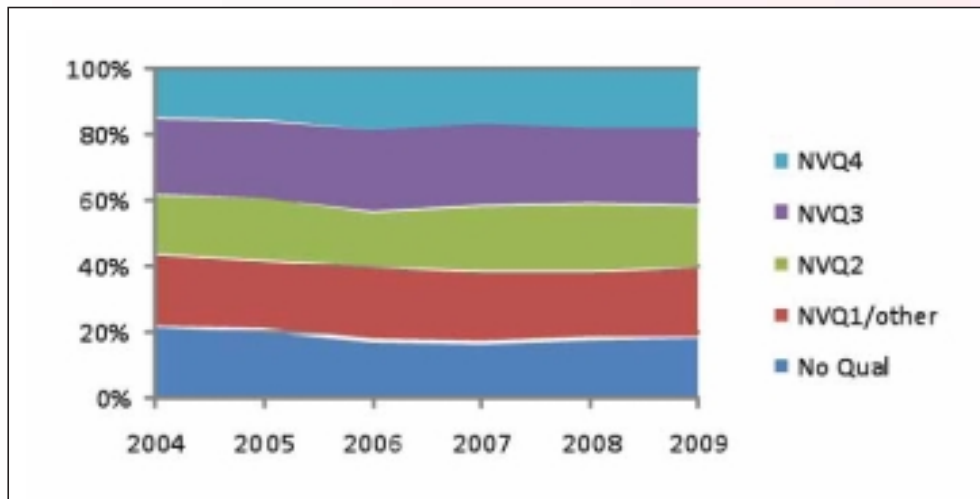
In 2011 Cleveland College of Art and Design (CCAD) will commence work on the redevelopment and upgrade of the Leadbitter and Archive Buildings in Church Square. The college bought these two buildings in 2010 from Hartlepool Borough Council and also have an option to buy the municipal building. The development is part of plans by the college to form an Innovation Skills Quarter (ISQ) in a prominent position of town. Further plans include creating first floor business incubator units where students can launch start-ups, and a new retail area next to the college entrance where they can market their products. The scheme will be completed by September 2011.

23.5 Qualification Levels of Working Age Adults in Hartlepool

The proportion of working age adults without a qualification incrementally decreased year on year between 2000 to 2007, reaching a low of 16.6% (9,300 adults). However, the proportion has subsequently risen again, reaching 18.3% (10,700 adults) in 2009, the second highest level of adults without a qualification within the Tees Valley sub-region. This rate is 3.5 percentage points behind the North East rate and 6 percentage points behind the Great Britain average. At the other end of the scale, the proportion with NVQ3+ grew steadily – and faster than the national rate – to a peak of 43.6% (24,200 adults) in 2006 before declining slightly. The proportion is currently 41.7% although, due to population growth, the number holding NVQ3+ has actually risen slightly, to 24,400. A similar trend can be seen in the proportion with NVQ4+, which has witnessed a slight decline from the peak of 18.8% in 2006 to 18.2%, while the number holding NVQ4+ is slightly higher, standing at 10,700 adults in 2009. This leaves Hartlepool with the lowest proportion of higher skilled residents of the Tees Valley local authorities.

In the past decade, significant investment has been made to increase education and training initiatives for young people, adults who are unemployed and employed. Schemes such as Young and Adult Apprenticeships, Diplomas, Foundation Learning, Entry to Employment (E2E), Train 2 Gain (T2G), Routeways to Employment and Future Jobs Fund has positively contributed to the overall increased success rates of adults achieving a qualification. It is clear that initiatives need to continue to restart the growth trajectory of skill levels in the town.

Graph X Qualifications of Adults in Hartlepool, 2004 - 2009



Source: Annual Population Survey

24.0 Adult Skills

24.1 Adult Skills for the 21st Century

The Leitch Review on 'World Class Skills' (2007) established that for Britain to remain globally competitive with its international counterparts would require the skills base of the domestic workforce to be significantly improved to meet the skills demands of a prosperous economy.

The review sets out very ambitious targets and the previous Government committed itself to becoming a world leader in skills by 2020 (benchmarked against

the top quartile of OECD countries) which would require that by 2020:

- 95% of adults to have the basic skills of functional literacy and numeracy;
- More than 90% of adults to have gained at least a level 2 qualification (equivalent to 5 GCSEs at A*-C Grade);
- To shift the balance of intermediate skills from level 2 to level 3 (equivalent to 2 A Levels), with 1.9 million more people achieving level 3 by 2020;
- To have 500,000 people a year in Apprenticeships;
- More than 40 per cent of all adults to have a higher education qualification (at level 4 and above).

The review identified that by developing a highly-skilled workforce would not only allow for Britain to sustain and improve its position in the global market but is the most effective strategy to tackle the causes of poverty, worklessness and low aspirations amongst adults. By increasing the skills base of adults would improve quality of life and increase social mobility so that adults could compete for jobs regardless of their background.

The review went on to highlight that 'a highly-skilled workforce isn't an optional extra; it's an economic necessity' (pg4).

24.2 Local Intelligence on Skills Needs

Whilst there is intelligence available at a national, regional and sub regional level of employer's perspectives on skills demands, skills requirements and skills needs of growth sector industries, there is less information at a Hartlepool level. This local level information will become even more testing to find as in the future, The Skills Funding Agency (SFA) will only be reporting skills issues at a regional level. This reporting will be undertaken on a yearly basis and has been raised by partners who continue to request local data. At a Hartlepool level the Skills Partnership will review this as part of the LAA monitoring process. However, the research undertaken on 'skills' within the growth sectors has identified that there are gaps in the analysis of information at the Hartlepool level. Further in-depth consultation will be required with key agencies including the Durham University Business School and the relevant businesses in which to plug these gaps in knowledge.

24.3 Adult Skills in Hartlepool

Hartlepool has a much improved skills base of local labour due to increased investment in work based learning and accredited sector specific training which will

ensure that the town continues to attract investors and remain globally competitive. The number of local residents who have achieved level 2, 3 and 4 qualifications has increased over the past ten years and whilst the town still lags behind the national averages for all three levels of qualification, there is a sense that the gap will close with greater opportunities for local residents to access 'learning in the workplace'.

For the town to remain globally competitive it requires a continuum of highly skilled and motivated workers. Increases in the number of adults entering into higher level qualifications within the workplace and progressing into higher education are promising. There are excellent Colleges within the local area and Hartlepool College of Further Education offers gateways to a wide range of sector specific Foundation Degrees through its affiliation with the University Of Teesside.

Two recent reports address skills issues in the area. First, the Audit Commission's report on jobs and skills²⁵ noted that the council is providing a good service. It engages business well and understands economic development and residents' needs, with independent recognition of their efforts to tackle worklessness. However, there are uncertain prospects for improvement, because of a recent fall in the number of businesses and business starts in particular, and low forecasts of demand growth; a lack of an overall future jobs strategy ; and a pace of skills development which is slower than required to deliver economic change.

Existing skills and worklessness initiatives work well, but need to engage more people. For example, Progresion2Work has a 95% success rate, but has only helped 87 people into work since 2005. As a result, and due to the shortage of jobs in the town – and in Tees Valley more generally - worklessness remains high. The rate of loss of jobs since 2006 has been among the worst in the region and England. The Council needs to look at ways to create a greater number of more sustainable jobs for residents to be able to find local employment. While the number of starts may have fallen, the existing strategy has worked well in the past, and there is recognition that improvement is needed, and steps are being taken in that direction.

Arrangements to raise aspirations among young people are in place, and seem to be effective, but more needs to be done to evaluate impact. There is more uncertainty over the success in raising higher skills (level 3+). The Audit

Commission describes this as 'challenging' for the town, singling out the reluctance of many SMEs to engage with the training system at higher levels.

The Commission recommends:

- completing the economic development strategy;
- working with partners in the town and the wider Tees Valley to promote a more coherent business support offer
- assessing business education in the town, and improving it on the basis of good practice locally and elsewhere
- working more effectively with the private sector, including improvements in procurement; and
- sharing experience and good practice on tackling worklessness with partners in Tees Valley

The second report, from Tees Valley Unlimited, deals with higher skills throughout the Tees Valley.²⁶ It notes that the area is home to a number of FE and HE providers, and numerous training providers, all of which work closely to co-ordinate the provision of vocational routes to higher level skills. However, a survey of businesses found that a large number of employees had jobs which involved competencies which would be classified at level 3/4, but without formal accreditation of their skills at this level. This relates to the Audit Commission's finding that SMEs are less engaged with the training system than they could be, and points towards an opportunity for more effective working. In general, it also found that, despite the efforts of local providers, the higher skills landscape can be confusing, with a lack of clarity and communication about the skills offer and, in particular, about progression to higher levels. Career paths can be fragmented, and lack a clear route, which needs to be established on a sectoral basis. 'Generic' skills were also often lacking, with management and leadership frequently cited, alongside business development, ICT, financial skills etc. Generalist business skills development is particularly important to enable local businesses to take advantage of the upturn, which will aid in tackling the Audit Commission's points about a sustainable business base, noted above. The report highlights an example of local good practice in this area: the Foundation Degree in Leadership and Management developed by Teesside University in conjunction with the North East Chamber of Commerce. The University's 'Meteor' programme is also recommended: this engages pupils in Years 6-9 in order to raise aspirations and encourage them to progress to university.

²⁵ Audit Commission (2010) *Jobs and Skills Inspection: Hartlepool Borough Council September 2010*

²⁶ Helyer D, Lee D (2010) *Higher Level Skills in Tees Valley, report for Tees Valley Unlimited*

24.4 Employers Perspectives on Skills Needs in Hartlepool

Through ongoing employer engagement and business interaction between many key stakeholders including Hartlepool Borough Council's Business Support Team, Jobcentre Plus and BENE, much needed local intelligence is collected to begin the process of formulating a broader picture of employers' perspectives on skills needs.

For instance, we do know that there is still a need for higher skilled workers with the experience, knowledge and expertise to eventually replace the ageing workforce. There is real confidence amongst the business community that local residents have the motivation, capability and competences in which to plug these skills gaps in the future as long as investment in on-the-job training continues.

Employers also cite that they are extremely committed to upskill individuals and invest in their workforce. Within a diverse business economy such as Hartlepool's, most companies and sectors cite that highly qualified and experienced workers are a necessity to prepare for the anticipated economic growth). However, employers state that even with fewer jobs available within the labour market, there are still many routes to employment for local residents with the right temperament, attitude and commitment to work.

All companies engaged with highlighted that they will offer the necessary in-work training and mentoring support to enable an individual new to a job role to succeed. Also, a number of employers across differing sectors and disciplines reported that some vacancies available across SME have required homogenous skills including high quality customer services and IT. There was also a demand for individuals who could effectively manage change and were willing to diversify within their role.

What the recent FJF project has identified is that there are many adults willing to work and only need one opportunity in which to prove to an employer their commitment and capabilities. There have been many major success stories through the FJF and other available job creation schemes (And this is mirrored in apprenticeship and work based learning programmes). However, the FJF has reinforced concerns by employers that there still remains a cohort of returners to the labour market who require significant mentoring and in-work support in which to sustain them in employment. This issue is more than just a skills requirement of the individual and is much more related to a person's motivation and attitude to the world of work. Employers highlight that some individuals require substantial coaching support in which to mould them to become a part of the employers workforce and this

is often time consuming and therefore expensive. Most employers point out that stricter reviews need to be carried out by JCP and other frontline services. This is to ensure that an individual is correctly identified as wanting to work (rather than being forced to apply for jobs because of mandatory requirements). Where necessary employers would like to see more comprehensive and structured pre-employment programmes that will prepare the individual for the world of work.

A recent report from UKCES²⁷ brought together SSC assessments of skill needs across the country to drive the economy forward. It indicates the following as pervasive skill needs across a range of sectors:

- A general shortage of management skills across a wide range of areas, including – among others - partnership working and delivery of integrated service models (to manage the outsourcing of government services), and strategic/workforce planning and change management. Corporate management skills in general are a high priority need across many key growth sectors.
- specific highly skilled STEM-related occupations
- general ICT skills among users
- technical professionals in ICT occupations, and management skills in ICT occupations more generally, given their importance across the whole economy
- associate ('para') professional and technical occupations in both manufacturing and services sectors
- customer care and personal service skills, both in the traditional service roles, and in after-service and maintenance in manufacturing and the digital economy
- the development of pathways to intermediate and higher skills to enable upskilling in a range of manufacturing and construction occupations

25.0 Skills Requirements within Growth Sector Areas

From research undertaken and through consultation with key partners including the SFA, SSC and local businesses, there is a better understanding of the current skills issues which are impacting on the growth of key sectors.

25.1 Skills within the Nuclear Sector

The civil nuclear industry today provides employment for 44,000 people across the UK. Of these, 24,000 are employed directly by the nuclear operators across three

²⁷ UKCES (2010) *Skills for Jobs: Today and Tomorrow. The National Strategic Skills Audit for England 2010*

sectors – Electricity Generation, Decommissioning, and Fuel Processing. The remainder is employed in the direct supply chain to the nuclear industry. The sectors are split across both public and private ownership.

However, with a large proportion of the nuclear power plants facing closure in the next ten to fifteen years and if there was no replacements to these plants the workforce would decline by 58% by 2025. The skill level of the current workforce is very high, as would be expected for a safety critical industry. Out of the workforce 70% are educated to degree level or higher.



The government is proposing that a new set of next generation nuclear power plants be developed and this would provide direct jobs for 10,000 people with further jobs in the supply chain. The new government has said that Hartlepool is one of only eight areas to be on the shortlist for a new build power station. There is a skills need for new workers as due to the nature of this industry employees retire earlier and research shows 70% of the current workforce will retire by 2025.

At a local level if Hartlepool was to be chosen for a next generation plant, Hartlepool College is already prepared for this as they are the only accredited training provider in the North East for the NSA-Nuclear programme and from September 2010 has started to deliver the industry developed foundation degree.

The likely number of jobs is outlined below.

For the construction of the next generation power stations the predicted peak employment would be 12,000 for Construction and 5,000 for Operations together with the estimated 1,000 in Manufacture gives an indication of the demand for simultaneous employment in each sector and consequently an indication of the minimum number of new jobs that are required in these sectors. From the knowledge of the proportions of the skill levels in these workforces, the skills peak demand can be resolved by level as follows:

Construction (including Mechanical and Electrical) as:

- 1,800 at graduate level and above
- 7,200 at technical/craft level
- 3,000 at lower levels

Operation as:

- 2,250 at graduate level and above
- 2,000 at technical/craft level
- 750 at lower levels

Manufacture as:

- 200-400 at graduate level and above
- 300-400 at technical/craft level
- 150-350 at lower levels

However, care should be taken that recruitment for these jobs would not create skill shortages in other areas of the economy and poaching of skilled staff from existing employers. SEMTA, for example, has noted that new build nuclear could draw workers such as welders from manufacturing, potentially creating a shortage.

Key skill gaps identified by a recent Cogent report²⁸ included, most importantly, project management and highly skilled professional engineers in a variety of fields. In addition, some businesses –SMEs in particular - indicated that they were reluctant to commit to training without a definite indication of the timing and awarding of contracts. This may limit the entry of smaller businesses into the supply chain. The SSC is encouraged to promote the uptake of nuclear-related

²⁸ Cogent (2010) *Next Generation: Skills for New Build Nuclear*

skills in schools and universities, and establishing pathways to skills, including greater availability of apprenticeships and internships. There is also a Nuclear Skills Passport, to be rolled out by the National Skills Academy of Nuclear, alongside common induction standards. Awareness and promotion of these schemes among local employers will facilitate readiness for future nuclear projects.

25.2 Skills within the Offshore Oil & Gas Sector

While offshore oil & gas falls within the purview of the SSC Cogent, the lead body for training within the sector is OPITO, an industry-owned organisation established since the end of 2007 which aims to enhance standards throughout the sector, develop new training products and promote the sector as a career path for young people. Its North East partner is NOF Energy, a network which represents 360 companies throughout the region.

The future of the sector is bound up with global trends, in particular the price of oil as supplies dwindle. According to NOF, prices are forecast to rise again in the near future, making existing offshore developments more viable, and creating work in maintenance, refitting etc. In the North Sea, according to PILOT – a joint government/industry taskforce to secure the sector's future – fields will be smaller and more complex, requiring a highly skilled and flexible workforce.

According to TVU's Offshore Oil and Gas Supply Chain Report 2009, the sector in Tees Valley is successful, with the majority seeking to expand (including diversification), and relatively few gaps in the supply chain. It specialises in engineering and design of facilities. Skill gaps were relatively low, although the workforce is ageing, and there are some shortages in management skills, in common with other manufacturing sectors. In particular, strong management and leadership would be needed to facilitate the agenda of diversification that many businesses are pursuing.

A key plank of the OPITO agenda is the promotion of the sector to young people, which is clearly important in Hartlepool given the ageing workforce identified as one of the difficulties by TVU. NOF's network in the North East is implementing two related OPITO campaigns - Go Explore and Energise Your Future – which aims to engage school pupils. OPITO is also implementing programmes to link the industry to Higher Education, which will aid in upskilling the local workforce.

OPITO are also rolling out a new framework for technical qualifications within the sector, which will both sign post the existing workforce to relevant and appropriate qualifications and delineate a clear entry and career path for young recruits. Part of this is Upstream Technician Training, a four-year modern apprenticeship programme. These routes should facilitate the entry of young people into the industry, which is one of the few major obstacles to development identified in Tees Valley.

25.3 Skills within the Offshore Wind Sector

By 2020 the Offshore Wind Sector could provide upto £8 billion in revenue and create 70,000 jobs across the UK. These jobs will be in manufacturing and installation (54%), service sector (25%), operations and maintenance (12%) and Research, development, engineering and design (9%). This sector will become important during this decade as the government strives to meet the EU 2020 Renewable Energy Targets of 14% of power coming from Renewable Sources.

Skill shortages across the country are already being cited as a concern²⁹ - particularly in the areas of turbine technicians, project managers and electrical engineers - and the situation will get worse as the industry expands. In Tees Valley, TBR's recent report³⁰ points to the high levels of transferable skills among the local workforce, but also recommends further increasing the volume of training in these areas to overcome potential skill shortages, and support to develop leadership and entrepreneurial skills to increase the number of globally competitive indigenous firms, either entirely new or transferring from other sectors to operate in offshore wind.

Greater investment in training and skills development is urgently required to ensure that the UK delivers a skilled workforce capable of building the UK supply chain, particularly given the long lead times associated with education. The government has developed training centres of excellence similar to those supporting the nuclear industry which will be established in key areas including Hartlepool.

In Hartlepool, large numbers of jobs could be created in this sector. Heerema has forecast that a new facility to make parts for offshore turbines could lead to up to 500 new jobs³¹, while JDR Cables is doubling the size of its current cable facility, which employed 100 people in September 2010.

²⁹ *AssetSkills et al (2009) Low Carbon Cluster Sector Skills Assessment Report*

³⁰ *TBR (2010) Offshore Wind Capability: An Economic Profile of Tees Valley*

³¹ www.businessgreen.com/bg/news/1805740/uk-offshore-wind-strengthened-weakest-link

To prepare for this the college has been successful in securing a contract to deliver wind energy training and began to align the engineering provision from September 2010. The college is currently developing a bespoke, state of the-art-workshop for wind power. This 'wind-energy centre' will facilitate levels of learning from general and introductory engineering skills (at foundation diploma, GCSE or QCF L1), through applied apprenticeship and technician training (at QCF L2 and L3) to higher level understanding at sub-degree (HNC, HND, FdEng, QCF L4 and L5). The project will be aimed at apprentices and technicians providing a range of learning and skills opportunities, this will include turbine technology, environmental engineering, component manufacture and fabrication techniques, blade material analysis and testing and turbine systems. Support for the curriculum development has already been received by Heerema, Scottish Energy, TAG and PD Ports

This will mean that Hartlepool will have a highly motivated and steady supply of apprentices, technicians and engineers that will mean that Hartlepool can be a centre of excellence for Offshore Wind Power. To meet the demand for Offshore Wind Development in various stages some of the following job roles will be needed:

Offshore Wind Core:

- Mechanics
- Marine Operatives
- Engineers

Development and Consent:

- Engineering Designers
- Ecologists
- Divers

Turbine Manufacture

- Software Engineers
- Component Manufacturers
- Security

Balance of Plant Manufacture:

- Cable Manufacturers
- Welders
- Metal Workers

Installation and Commissioning:

- Civil Engineers
- Riggers
- Construction Management

However, as the sector matures and expands, the skill sets required by renewables will be in short supply. The 2009 'Mapping Renewables Skills' report from the National Skills Academy Power (NSAP) noted that there is consequently likely to be a high degree of churn in the industry, due to employers poaching staff.

25.4 Skills within the Low Carbon Economy Sector

The low carbon sector is best seen as a cross-SSC cluster, incorporating parts of a variety of more conventionally-defined economic sectors, with demand for skills being driven by legislation and emissions targets, emerging technologies and global competition. A recent report³² was the product of collaboration between twelve different SSCs. It reports that the main aim of developing a low carbon economy is to decarbonise the four main sources of carbon: the power industry, industry in general, transport and buildings. Of these, the power industry is most important to Hartlepool's economy: the nuclear power (dealt with above) and renewables (including offshore wind, also dealt with above). Hartlepool is well-placed to exploit the development of onshore wind, given the expertise in offshore wind already in place, but will face the same skill shortages outlined above.

Additional skill needs will generally be within existing businesses: for example, reducing waste and emissions within manufacturing businesses, recycling and providing training for construction workers in energy-saving building techniques. Demand for such skills is hard to predict, but is likely to be best met by continuing professional development of the existing workforce, with local employers best placed to indicate the timing and extent of any shortages. Current training for entrants into, for example, construction already includes elements of low carbon awareness, which can be built upon as and when required.

In industry, the report points to the crucial need for skills in management and leadership and process control and improvement – areas in which (as noted in the relevant sections of this report) there is already evidence of shortages and skill gaps. In addition, there will be greater demand for high level STEM skills

³² AssetSkills et al (2009) Low Carbon Cluster Sector Skills Assessment Report

related to materials and product design, within both top tier companies and their supply chain.

In chemicals – a key area for Hartlepool – there is scope to expand the degree to which low carbon processing is utilised. However, the demand for skills is unclear, as these are new techniques, and their utilisation depends on the pace of development – the current growth phase of technologies requires high level interdisciplinary skills to integrate new research findings into production techniques.

Other sectors will also require upskilling. For example, it is likely that ‘eco-driving’ – e.g. driving in a more fuel-efficient manner – will become part of the Driver Certificate of Professional Competence, leading to the need for top-up training for existing professional drivers. Such top-up training will apply to a range of professions – e.g. construction worker, architect, facilities manager.

25.5 Skills within the High Value Added Engineering Sector

The occupational areas covered in this summary are:

1. SEMTA- Science, engineering and manufacturing technologies
2. COGENT Chemicals, oil, gas, petroleum, polymers and nuclear
3. Pro skills Mining, quarrying, manufacture of paper products, glass, ceramics, cement and furniture
4. Automotive Skills Sales, maintenance and repair of motor vehicle parts, Renting of motor vehicles.
5. ECITB. Building of industrial assets –power stations, oil refineries, chemical and pharmaceutical plants, bridges and steel structures

There are similar skill requirements across all of these sectors, but each of the sectors has different characteristics in terms of what they contribute to the economy both regionally and nationally. The workforce across the sector is significantly male dominated and ageing. The average age of the workforce in the SEMTA footprint is 48 and is older in parts of the Cogent footprint. Across the sector employment is mainly on a full time basis, however, significant parts of the workforce particularly in the ECITB footprint work on a cyclical, project or contract basis, which can make upskilling difficult.

The ECITB state that around 50,000 people work in their sector in the UK and a further 30,000 work offshore. No figures are currently available for the size of the

workforce in the North East³³, however, as some of the major engineering construction companies are headquartered in this region it is reasonable to assume that a significant part of the engineering construction workforce is based or was trained in the North East.

From research conducted by the SSC, the following key issues were identified:

- Management and leadership skills for the all the sectors are seen as key.
- Business improvement, always described as critical, however, in the current economic climate, this could become even more so.
- In large manufacturing companies, across all of the sectors, improving the technical ability of the workforce, particularly upskilling from levels 2 to 3 and beyond.

(Source:LSC North East Commissioning Plan for 2009/10)

Engineering remains central to Hartlepool College of Further Educations curriculum strategy to provide excellence in the training and development of skills that are crucial in supporting the UK’s economic recovery. In developing this strategy it is essential to recognise the local, national and macro-economic perspectives to understand the direction, ambition and drive for our curriculum i.e. globalization, economic growth, technology development, environmental change and consumer demand. In doing so the development of the engineering provision at the College is intended to ensure the aspirations of learners are aligned with a curriculum that fully supports the regional economic strategy for growth. As such the following priorities have been identified (Alongside Renewable Energy Generation and Nuclear Energy):

- The development of the Aircraft curriculum is a source of aspiration learning at the College with the vast majority of advanced (level 3) learners successfully progressing to higher education. The curriculum will be extended into apprenticeships with strategic partner Babcock Defence from September 2010. The College will also seek to develop a BEng programme in partnership with Teesside University and the accreditation to train to CAA licence in the next 3 years. The intention is to expand learner numbers by 50% by June 2013.

³³ While ECITB provides a list of SIC codes for its footprint, employment relevant to its remit only covers a small proportion of each code, but there are no agreed percentages to calculate actual employment levels.

25.6 Skills within the Knowledge Intensive Business Services Sector

KIBS is a wide-ranging sector, covering Architecture, Engineering and Technical Consultancy, Business and Management Consultancy, Accounting, Real Estate, Tax, Legal and 'Other business' activity. It is highly important as a driver of the economy, and is currently underdeveloped in Hartlepool. The skill needs outlined below are those which are likely to be required given its current small size in Hartlepool, although it would be highly desirable to either devise a strategy to develop the sector further in the borough or – more realistically, given the current restrictions on funding and the limited baseline on which to build - to link into wider labour markets in Tees Valley and beyond and encourage residents to train appropriately and seek employment in KIBS elsewhere.



The largest subsector in Hartlepool is the contact centre industry, although its size has been substantially reduced by the recent closure of Garlands. Other subsectors employ small numbers of people (according to ABI figures for 2008): approximately 250 in financial activities, 200 in both law and architecture and

around 100 in both accounting and consultancy. The skill demands of many of these activities are handled by professional bodies (e.g. law and accountancy). In these areas, the main focus on skills would most likely be encouraging greater uptake of these professions by young people, which would involve raising aspirations and promoting progress to higher qualifications. However, there would also be a role for providing courses for CPD. The main SSC for this group of services is the Financial Services Skills Council, with other professions outside the SSC system. In their Sector Skills Agreement³⁴, they note that the main issues are attracting better-skilled entrants, developing clearer career pathways, developing management, leadership and interpersonal skills and engaging a greater proportion of SMEs in the training system. On the latter point, SMEs often desire training which is technical in nature and highly specialised, and lack the resources to devote time to travelling to and participating in training. Therefore, efforts to engage SMEs revolve around local and/or flexible training delivery methods, including distance learning and e-learning. In other professions, there is likely to be an increased demand for professionals connected with regeneration and planning (planners, engineers etc) and actuarial occupations, to deal with forthcoming changes in public sector organisation.

Contact centres and shared services centres are other main area where intervention would be feasible in terms of skills and training. The 2008 Tees Valley report on call centres noted that the sector as a whole was generally satisfied with the workforce available in the area. Employers had few difficulties recruiting suitable staff, and staff turnover and absenteeism was low (about half the UK average). Skill demands are low-level: GCSEs were the main qualification mentioned by employers, along with keyboard/IT skills and a good telephone manner, but previous experience rated most highly. Training tends to be organised by the employers, with the skills infrastructure rated highly.

25.7 Skills within the Digital Media Sector

Skillset is the SSC with responsibility for the Audio/Visual sector and they have many sub sectors related to their footprint (most of which require a high level of technical ability and use of technology including TV & radio broadcasting, Independent TV and Radio production, Film production & distribution, photography, photo processing and retail, Manufacture of photographic equipment and materials, picture libraries and publishing).

³⁴ FSSC (2008) Skills Bill: Sector Skills Agreement for Financial Services: England

Creative Media Industries account for 5.6% of total UK output. This is a significant contribution, when you consider that they account for a 2% share of total employment in the sector (nearly 537,100 jobs). Over the last decade, the Creative Media Industries have grown at twice the rate of the economy as a whole, and current forecasts continue to indicate growth in excess of that in the rest of the economy.³⁵ Even Skill set's 'downside' forecast for the sector envisages employment growth well above UK averages. Detailed employment figures and forecasts are not available for Hartlepool.

Skill set's Employment Census 2009 indicates a relatively small workforce in the entire Creative Media sector in the North East – 3,000 employees and 350 freelancers. There is scope to develop this further, particularly with the falling costs and ease of use of technology and user involvement in content, but the region lacks facilities and has little to no representation of certain subsectors. The main areas where the North East has a substantial cluster of activity are computer games development (1,000 workers) and interactive media (2,700 workers). There is also likely to be a lack of key skills for development, which tend to be very sector-specific: in December 2009, Skillset³⁶ identified the current skills issues as being related to technical skills (especially multi-skilling and cross-platform skills), IP and digital management and visual effects – there is an oversupply of entrants interested in creative roles, but with little knowledge of or interest in the 'craft' side of the business. In addition, in common with many other sectors, management and leadership are seen as challenges, with managers often falling into the role due to a lack of other possibilities. Broadly, the key challenge is the interaction of creative and technical skills which will be required to drive the sector forward.

From research conducted by the SSC the following key issues were identified:

- To review the Level 2 Induction to Media course and promote it more widely.
- Develop a Level 3 Entry qualification and further develop the Media Techniques Level 3.
- Look to develop apprenticeship routes following on from the newly developed NVQs.
- Seek to develop a Creative Media Apprenticeship Framework at Level 2 & 3.

(Source: LSC North East Commissioning Plan for 2009/10)

³⁵ UK creative industry to drive significant growth to UK economy', Press release, NESTA 19/02/2009.

³⁶ Skillset (2009) Strategic Skills Assessment for the Creative Media Industry; Skillset, e-skills UK and Creative & Cultural Skills (2009) Strategic Skills Assessment for the Digital Economy

In Hartlepool (and the North East more generally), a key issue is likely to be the lack of employment and training opportunities in the sector, which will push more highly skilled workers to seek jobs elsewhere. This is especially true as recruitment tends to rely on initial unpaid placements, rather than formal recruitment procedures – this relies on word of mouth and networking, which will be inherently difficult to build up without a critical mass of businesses. Computer games and interactive media are likely to be the key sectors on which to build such a strategy – in other areas, development would be nearly starting from scratch. Skillset is currently encouraging employers to take a more formal approach to recruitment and early career skills development, including the greater use of apprenticeships and graduate internships. Similar concerns apply to training, which tends to be fragmented and to lead to qualifications not necessarily recognised outside individual organisations. This can limit mobility and continuing professional development.

Hartlepool, however, has the advantage of a key education resource nearby. Teesside Media Academy is the only Skillset-certified academy in the region, and an asset which could be developed further to create a critical mass of skilled workers to build up the sector in the locality. In particular, the Academy will offer an innovative Skillset-developed MA which offers more than 75 modules from which students can construct their own course, including taking modules at other universities which offer the same MA. Other initiatives in the region can also be accessed – for example, Software City in Sunderland.

Skillset also reports that IAG in schools and colleges is lacking in preparing young people for a career in the industry, due to old-fashioned views or lack of information among advisors. It has developed an online facility to overcome this difficulty.

More widely, digital skills are now an integral part of an increasing number of jobs, and the development of lower level ICT skills across all sectors, particularly in SMEs, should be seen as an important part of enhancing productivity and efficiency – for example, enabling a small business to implement e-commerce.

25.8 Skills within the Process & Chemicals Sector

The chemicals sector grew by around 60% globally over the past decade, according to Cogent,³⁷ and has one of the highest growth rates in UK manufacturing. Its

³⁷ Cogent (2010) Sector Skills Assessment

diversity and resistance to off-shoring lead to a high degree of resilience to the industry. Research for the Cogent Sector Skills Agreement revealed an ageing workforce and shortages and gaps in technical skills throughout the workforce. This points to a need for upskilling (in particular to achieve process improvements) and greater recruitment of technical apprentices among young people. However, understanding of career pathways and opportunities was poor, and benchmarking of competencies was not standardised across companies, hampering efforts to develop skills. In higher-skilled positions, there is no shortage of graduates entering the sector – Cogent industries recruit only 4% of UK STEM graduates annually, the majority of them in Chemicals.

The latest (June 2010) Cogent benchmarking and forecasting report³⁸ indicated that just over half of companies in the chemicals sector were reporting difficulties in filling craft and technician level vacancies, and that staff turnover generally was fairly high (13% per year). Businesses were satisfied with the training and qualifications available, but there was some scope for flexibility in content and location by FE and, to a lesser extent, HE providers. However, three-quarters of employers indicated that skill gaps were having some impact in their business, particularly in the areas of technical/competence-based skills and leadership and management.

To aid skills development, Cogent have developed 'Gold Standards' – a framework setting out the skills, qualification and training standards required for a variety of job roles. An individual or company can benchmark their own skill profile against the Gold Standard using an online tool.

Hartlepool College of Further Education has a Centre of Vocational Excellence in Technical and Design Engineering, which has a long-established relationship with local chemical companies. Working with NEPIC, Huntsman and the University of Teesside, the college offers a package of training aimed at addressing local skills gaps:

- upskilling process operatives to at least NVQ3
- accrediting those already working in level 3/4 technical roles with a formally accredited process engineering qualification
- providing a foundation degree for progress to HE qualifications

³⁸ Cogent (2010) Skills Oracle 2010: The Chemicals Industry

25.9 Skills within the Leisure, Hospitality & Tourism Sector

The sector covers 14 industries from hotels and restaurants through to events, gambling and travel services. There are approximately 142,000 establishments in the UK of which 45% are pubs, bars and nightclubs, 31% are restaurants. The sector is dominated by small and medium enterprises (77%) however they represent 54% of the workforce.

Nationally, the hospitality sector employs two million people, 16% of the workforce is aged 16-19 and a further 32% are aged 20-29.

Nationally, one in eight establishments report having hard to fill vacancies, 61% of these are hard to fill as applicants lack the required skills. Shortages are highest for managers and chefs. Applicants lack customer handling skills, oral communication skills, problem solving and team working.

Some 9% of restaurant managers and 11% of publicans have no qualifications at all. Employers in this sector most commonly offer informal training, with large operators are more likely to offer training. Housekeepers, room attendants and cleaning staff are least likely to receive training.

The Tourism and Hospitality sector is made up of predominantly Small to Medium Sized Enterprises (SME's) with a high level of micro businesses. The sector workforce is mainly female, a young workforce with a high volume of part time staff. The sector is identified as a priority area within the RES. Research conducted by People 1st identified that Management & Leadership skills are a key issue for the sector with;

- 48,000 managers nationally having no qualifications.
- Customer service skills are also a key requirement for this sector.
- The UK has a poor global reputation for customer service due to a number of reasons, including poor training, and poor Management and Leadership.
- 40% of chefs do not have a Level 2 qualification which is the minimum required to prepare and cook meals.

(Source:LSC North East Commissioning Plan for 2009/10)

Also, despite investment by employers and government, skills gaps within the existing Tees Valley workforce appear to be growing. As stated above, the key

concern is a lack of managerial skills, whilst customer service skills remain the most common skills gap (65 % of businesses). Investment in training is high and rising and the sector spend more per employee (£2,575 pa) compared to all other industries in the economy (£1,725 pa) but very few employees (6%) access government funded training support (Source: TVU, September 2010).

In Hartlepool, employment levels within the sector have increased by nearly 30% in the last 13 years. Across the Tees Valley (and similarly in Hartlepool), specific jobs within this sector have been vulnerable to declining numbers including publicans, bar staff, waiting staff and casual staff involved in seasonal work, i.e. Events and Christmas jobs. Whilst employees continue to rely on young people aged 16-19), there are signs that the proportion employed between the ages of 35-50 are growing across the Tees Valley.

For employers, the recession has reduced recruitment and retention difficulties and companies continue to recruit despite the downturn. However, whilst there is a sufficient supply of casual staff, skilled workers including chefs, experienced food and beverage staff are still the most difficult jobs to recruit (Source: TVU, September 2010).



There are opportunities to increase apprenticeship numbers due to the increased numbers of food outlets and restaurants within the local area. Hartlepool College reported that although Travel and Tourism numbers did decline from 30 in 06-07 to 18 in 08-09, this then increased to 33 in 09-10 (Due to the addition of some introductory courses).

Hartlepool College is reporting that over the next three years it will:

- Increase apprenticeships in hospitality and catering,
- There is a new apprenticeship in Hospitality which includes Thai, Chinese, Indian and Bangladeshi cookery.
- Work with the respective careers advisors to improve the guidance given to promote these sectors.
- Begin apprenticeships in Travel Services (a new framework is due out soon).
- Work with 'Talk-Up Tees Valley' to re-focus travel and tourism towards tourist attractions.

25.10 Skills within the Retail Sector

Retail is the UK's largest private sector employer with just under three million and a £321bn turnover. It represents 11% of all UK employment. There are 295,000 retail businesses in the UK, 90% of which employ fewer than 10 people, 50% of retail staff are employed in customer service, and 18% are managers and senior officials.

Research in this sector identified that:

- Over 22% of staff hold NVQ level 2 qualifications and
- 34% of staff has an NVQ level 3 or higher.
- 13% of the workforces do not hold any qualifications.
- The North East region accounts for 10% of all UK retail workforce and more than half (56%) of managers do not hold an NVQ3 or equivalent.
- Over half the hard to fill vacancies are in sales and customer service.

The NE contains 5% of all retail enterprises in England. The majority of the workplaces are micro enterprises. Most retail employees in the NE are part time workers, with only 4 in 10 of the workforce being full time workers. Currently 32% of the workforce is aged over 45 and as the workforce ages, North East retailers will need to broaden the labour pool from which they traditionally recruit. Retail is a key sector underpinning those regarded as important to the regional economy.

From Research conducted by the SSC, the following key issues were identified:

- That management skills deficit affects business success and recruitment practices. Greater leadership, commercial acumen and entrepreneurship skills are required.
- That there is a growing need for higher level IT design and user skills to meet the expanding online retailing sub-sector.
- Contextualised customer service skills are demanded by industry as opposed to general customer service skills.

(Source:LSC North East Commissioning Plan for 2009/10)

Skillsmart also indicates that delivery channels are important.³⁹ While the skills solutions required in retail organisations are generally the same across all size bands, large retailers will be able to draw on their own resources to support delivery, while SMEs are more likely to draw on public provision and external support. Similarly, an out-of-town retailer tends to have somewhat different skill needs and delivery channels than a retailer in a city centre or small town high street.

The main skill gaps are identified as customer handling, technical skills and team working. In the future, skill needs will increasingly be directed towards customer service and product knowledge, to improve retailer distinctiveness and meet the expectations of more aware customers; online retail skills (mainly technical and logistical); and multichannel skills e.g. directing the customer towards the best retail option that meets their needs, maintaining brand identity across channels.

To implement a strategic intervention to improve an area's retail offer, Skillsmart has developed a 'Location Model'. This examines a local area in depth using mystery shopping, interviews with shoppers, assessments of markets etc. to tailor specific recommendations for improvements, both to retailers (e.g. changing product lines) and stakeholders (e.g. place marketing, infrastructure).

25.11 Skills within the Health & Social Care Sector

There are 81,900 people employed in the NE within the healthcare sector (as at 2007) – broken down as follows;

³⁹ Skillsmart retail (2009) *Skills Priorities for the Retail Sector in the UK and its Four Nations*

- NHS (including Community Health Service) - accounts for 75,300 employees in the North East. (Northumberland, Tyne & Wear health authority 43,000 employees. County Durham & Tees Valley 32,300 employees).
- GP Practices - 11,000 staff are employed within 390 GP practices throughout the region.
- Dental staff - 3,000 staff work in the independent dental practices.

Of the 89,300 employees within the Healthcare profession, the following levels of qualification attainment have been achieved:

- Level 4 and above – 58.2%
- Level 3 – 10.1%
- Level 2 – 15.5%
- Below Level 2 – 11%
- No qualifications – 5.1%
- Proportion of employees without a Level 2 – 16.1%

(Source:LSC North East Commissioning Plan for 2009/10)

Estimates calculated by Skills for Health for 2008-09⁴⁰ are similar. In total, they estimate, using Labour Force Survey data, that there were 85,910 workers in the sector in the North East in 2009, with higher levels of staff in dental practices (just under 5,000) but lower in GP practices (8,000). Hospital activities account for 57,600 workers, and specialist and other activities 15,300. The qualification profile is very similar, with slightly higher totals for those with NVQ3 or NVQ4, indicating continuing upskilling of a sector which is already substantially more highly skilled than the economy as a whole. The two biggest occupational groups are reported to be associate professional & technical (34% of the workforce) and personal services (23%), with the rates for both groups more than twice as high as in the general economy. The main areas of skill gaps are technical/practical skills and customer service.

Forecasting future employment change is complicated by the restructuring of the health service and public sector funding cuts, which have not yet been incorporated into forecasting models which were developed before these policies were announced. As such, Working Futures' forecast of 6,000 additional healthcare

⁴⁰ Skills for Health (2010) *Skills for Health Skills and Labour Market Intelligence Briefing for the North East of England, 2010*

workers being required by 2017 should be treated with some caution. This restructuring may also impact on attempts by Skills for Health to create medium to longer-term planning regimes for training. However, their 2006 Sector Skills Agreement⁴¹ notes the need to move to a skills planning regime which can respond to changes in service delivery and health trends. If this is fully operational, planning or skills should be responsive and flexible towards the planned changes. There is certainly now a career framework in place to allow progression through a variety of traditional and non-traditional routes (including a Skills Passport – currently still in the pilot stages - to record the employment and training history of an individual), and initiatives (a toolkit and apprenticeship programme) to promote entry into health careers by good quality young people.

Specific health problem areas where the North East has a higher than average demand, which should be reflected in recruitment and training/CPD policies include:

- Disadvantaged groups with poor diet, obesity and/or high rates of smoking
- Long-term illness associated with declining industries (e.g. mining).
- 'Lifestyle'-related diseases in general – e.g. related to sedentary behaviour and low fruit and vegetable consumption.

Many of these problems, as noted above, are highly prevalent in Hartlepool, along with high rates of drug and alcohol use, cancer and circulatory disease. Again, recruitment and training needs to take account of this.

Skills for Care and Development are the Sector Skills Council, (SSC) for the social care of adults and children, families and young children. Within the North East there are 47,500 adults in the social care field within posts in care homes, children's homes, domiciliary care and support agencies, day centres and services, advocacy groups, social work, fostering agencies and services, foster carers, nursing agencies and adoption services.

Of the 47,500 within the Social Care profession, the following levels of qualification attainment have been achieved:

- Level 4 and above – 34.2%
- Level 3 – 24%

⁴¹ Skills for Health (2010) Sector Skills Agreement for Health: Stage 3 / January 2006

- Level 2 – 24.2%
- Below Level 2 – 12%
- No qualifications – 5.6%
- Proportion of employees without a Level 2 – 17.6%

(Source: LSC North East Commissioning Plan for 2009/10)

Skills for Care produces its own detailed statistics at local authority level on a monthly basis. In Hartlepool, for October 2010, it identifies 118 establishments which fall within its remit, employing 1,289 staff. The majority (95%) of staff are permanent, although turnover of staff is high (19% in the last twelve months). The majority of both establishments (76%) and staff (85%) are in the private sector. There is spare capacity in the service, in terms of both number of beds occupied and number of hours of service available to users, so it is unlikely that there is significant expansion demand although replacement demand will be significant, given the high turnover of staff.

Some 185 staff (14%) are currently working towards a qualification, mostly consisting of sector-specific NVQ2/3 awards or Learning Disabled Awards Framework (LDAF) awards. Of registered care managers, 58% are qualified to NVQ4 level (including all voluntary sector managers and 58% of those in the private sector), but only 30% of care workers have achieved the requisite Level 2 qualification (67% in the voluntary sector, 30% in the private sector), with a further 9% currently working towards this qualification level.

The impact of an ageing population will require a re-focus of workforce development to ensure that the services required are offered by the best quality trained staff. The new 'personalisation agenda' will also demand a future workforce consisting of multi-skilled staff at all levels, who can undertake tasks that currently involve several different professionals (such as bathing, caring, injections and medications). If everyone who was eligible took up the option to have highly personalised care in their own homes, Skills for Care forecasts a significant expansion in the number of care workers, with a near doubling of the number of adult social care jobs by 2025. Even with less radical assumptions, based around a higher proportion of unpaid care by family members, community groups and volunteers, the care workforce is forecast to expand by 26% or, even if public funding is reduced to the bare minimum, by 14%.⁴² As well as care workers

⁴² Skills for Care (2010) The State of the Adult Social Care Workforce in England, 2010

themselves, there is forecast to be high demand for suitably qualified managers.

Government legislation including The White paper –Our Health Our Care Our Say – integrating health & social care) – has set new minimum levels on qualifications required for the workforce such as:

- Residential care homes must have 50% of staff qualified to NVQ Level 2 in Health and Social Care.
- 50% of staff supplying personal care in domiciliary care must be qualified to NVQ Level 2 in Health and Social Care.
- All managers must be qualified to a NVQ Level 4 or equivalent (e.g. Social Work degree) in Health and Social Care with a relevant management qualification i.e. Registered Managers Award.
- The continuing professional development (CPD) of social care workers beyond their induction and initial training stage.

(Source:LSC North East Commissioning Plan for 2009/10)

The College offers a full range of Health and Social Care programmes from entry level to level 3 National Diplomas in Health which should continue to grow into the future. At present the Sector Skills Council does not require students to undertake apprenticeship routes and the majority of students currently undertake a vocational programme of study and a placement as their preferred mode of learning. It is envisaged that the number of apprenticeships in this area should grow in the near future in line with government and College expectations. To support the growth in apprenticeships the FMA in Pharmacy is to be added to the portfolio of programmes from 2010/11.

The College currently runs a full-time HND in Health and Social Care in partnership with Teesside University. The College will focus its Higher Education delivery towards Social Care and Community Care of which both are priority areas for Skills for Care. Another emerging market through skills for Health is training in Mental Health.

25.12 Skills within the Construction & the Built Environment Sector

Construction and the Built Environment sector encompass Asset Skills, Construction Skills, EU Skills and Summit Skills footprints. Qualifications in this sector relate to the following occupational areas:

1. **Asset Skills** –Cleaning, Facilities Management, Housing and Property;
2. **Construction Skills** - House-building (public and private) Infrastructure (construction of roads, railways and utilities), Non-residential building in the private sector (schools and colleges, hospitals, offices), Industrial building by the private sector (factories, warehouses), Commercial building by the public sector.
3. **EUSkills** –Electricity, Gas (All gas related qualifications), Waste management, Water industries;
4. **SummitSkills** - Building services engineering sector including: Air conditioning and refrigeration, Electro-technical, Heating and ventilation and Plumbing.

Prior to the downturn in the economy, within the above sector, the North East had approximately 8,600 businesses employing 107,800 (10.7% of the total NE workforce of 1,008,100). This figure excludes sole traders. 66% of firms employ between 2 and 80 employees and only 1 % of firms employ in excess of 80 people. Approximately 33% of firms are sole traders.

The LSC North East Commissioning Plan for 2009/10 estimates that the current economic climate will affect the Construction Industry significantly: in excess of 35,000 jobs could be lost in the North East; according to the latest data and forecasts from ConstructionSkills⁴³, much of this reduction has already occurred, with employment declining from 124,860 in 2008 (including sole traders) to a forecast 97,810 in 2010, a decrease of 27,000. The two predominant areas mainly affected by the economic downturn are House Building and Commercial Building. However, these areas make up only 15% of total work in the region. Planned infrastructure projects may provide additional future employment opportunities; however, since the plan was drawn up, a number of major public sector infrastructure schemes have either been scrapped or substantially reduced in scale (e.g. Building Schools for the Future). As such, the loss of construction jobs in the near future is likely to be higher than the estimate given above.

Indeed, annual growth in output in the North East in 2010-14 is forecast by ConstuctionSkills to be only 0.6%, among the lowest in the country. This

⁴³ ConstructionSkills (2010) ConstructionSkills Network 2010-14 North East Labour Market Intelligence

corresponds to an annual recruitment requirement of 3,190 (which mainly consists of replacement demand) and total growth in employment of approximately 4,500 workers by 2014 – only a slight recovery from the position in 2010, and well below the 2008 workforce. Much of this is attributed to a forecast recovery in the housing market, with public sector funding or construction projects remaining very low. As such, growth in employment Hartlepool will be extremely limited, with the main focus being training young people to replace those retiring or leaving the industry.

From research conducted by the SSCs, the following key issues were identified:

- Asset Skills has placed a higher level of priority on the need to target skill development activities within the Cleaning and Facilities Management industries.
- Over ¼ million of the existing workforce to be qualified to vocational level 2 by 2010.
- ConstructionSkills identified that based on demand side intelligence, there is scope for growth in Apprenticeships, and these include Civil Engineering, Fitted Interiors, Glazing, Highways, Interior Systems, Plant and Roofing.
- It is estimated the housing sector will generate 46,000 new jobs nationally and will need to replace 30-40% of its existing staff over the next decade. Quality recruitment is therefore the biggest issue.
- EUSkills highlighted that the current volume of Apprenticeship provision within the EUSkills sector is under developed in the North East. There is scope for growth in four sub sectors of Electricity, Waste, Water and Gas particularly Gas Network Operations (GNO).
- SummitSkills identified that a proactive, timely and high quality training provision that meets the sector's fast changing priorities is required as well as flexible funding to support the skills needed to develop business and workforce.

(Source: LSC North East Commissioning Plan for 2009/10)

It is worth noting that Hartlepool College of Further Education confirmed that the proportion of young people engaged in full-time courses in the construction sector has declined in recent years but this trend is expected to reverse as the economy begins to recover from the recession. The traditional trades are evolving, but will be subject to faster change as modern methods such as modular construction, dry lining, steel framing systems and spray plastering begin to displace some traditional positions in brickwork, joinery, etc. Government low carbon targets present a huge

challenge as well as an opportunity, and significant proportions of the existing workforce will need to acquire skills to specify, design, install, commission, maintain and repair new products designed to produce more environmentally-friendly buildings. In addition, there will be a significant increase in skills required for the retrofit of existing buildings. The introduction of feed-in tariffs in 2010, the renewable heat incentive in 2011, and the effects of EU directives and the Microgeneration Certification Scheme, will likely combine to incentivise demand for training. It is anticipated by SummitSkills that 500,000 people in their footprint alone will require up-skilling over the next five years, drawn from the energy, engineering and construction disciplines. Emerging technologies including bio-mass, CHP, heat pumps, micro-HEP systems, solar water heating and photovoltaics, water harvesting and recycling will all have impact on the sector. The College, placed in the area of the Tees Valley, is likely to benefit from substantial investment in wind technologies, with local concerns such as TAG keen to develop partnerships, and the National Renewable Energy Centre (NAREC) willing to give advice and support. Over the next three years the College expects substantial growth in this area.



25.13 Skills within the Environmental and Land Based Sector

In the North East, the majority of the 6,500 businesses within the sector are micro businesses with a large proportion of the workforce being self-employed. Just over 90% of businesses employ fewer than ten people: 50% employ one to nine whilst almost 40% are one man businesses.

From research conducted by the SSC - Lantra, the following key issues were identified:

- It has an ageing workforce with the average age of business owners is 55, it is vital that younger people are encouraged to enter the sector to ensure its survival.
- Agriculture and horticulture diversification is expected to increase.
- Environmental Conservation Urban regeneration and an increasing emphasis on the management of green spaces will drive up demand for more rangers and parks staff.
- There are issues relating to literacy, numeracy and communication skills within the workforce.

(Source:LSC North East Commissioning Plan for 2009/10)

Within Hartlepool, the workforce covered by Lantra is minimal. ABI figures for 2008 indicate approximately 100 employees in the town, a figure which changed very little over the previous five years. While this measure excludes sole traders, any attempt to promote environmental and land-based sectors within Hartlepool itself would be challenging. Promoting training in these sectors for residents who would be able to find work outside the town may be a more promising first step, in the expectation that some may set up their own businesses in the town at a later date.

25.14 Skills within the Voluntary and Community

The Voluntary and Community Sector (VCS) within Hartlepool is very important - both socially and economically – as it provides a wide range of services and support to the local community. There are presently over 650 VCS groups in Hartlepool providing a wide range of services and activities that contribute to the economic, health and social wellbeing of the town. Each year these VCS groups harness the commitment and enthusiasm of some 7,500 volunteers to contribute at least 1.2 million hours of voluntary work. If this were to be costed at £10.30 per hour this commitment would have a monetary value of over £12million per annum.

It is estimated that within this sector the volunteers input is equivalent to about 600 full-time jobs which highlights the extra jobs that could be created through this funding stream.

The UK Workforce HUB published research - Third Sector Skills Research in 2008: Further evidence and recommendations on skills gaps – which highlighted that:

- In England, three in ten employers reported under-skilled employees within their organisation.
- Nearly half of employers identified a skills need within their organisation which whilst not apparent now, the organisation is likely to experience within the next three years.
- Approximately one in seven employers reported future skills needs within strategic use of IT, fundraising, legal knowledge, and strategic planning and forward thinking (16%, 15%, 14% and 13% respectively)
- Fund raising was a key issue for micro, small and medium-sized organisations, with more than 15% of employers of each size reporting gaps in this skill among their employees (16%, 15% and 15% respectively).
- For large organisations, basic computer literacy was the most prominent future skills need (15%).

While there is no SSC per se for the third sector (since it covers the full spectrum of business activities), the charitable organisation Skills – Third Sector fulfils many of the same functions. Research undertaken in conjunction with NCVO⁴⁴ indicates that third sector employees are relatively highly skilled, with 52% having completed some form of higher education, and that the majority of jobs (i.e. not including volunteer positions) were in social work organisations, which account for 56% of employment.

Research carried out by the Institute of Volunteering Research for Skills – Third Sector⁴⁵ indicates a substantial skills gap in terms of managing volunteers. Some 42% of those who manage volunteers have received no training in doing so, and there is strong demand for additional training in this area.

⁴⁴ Clark J, Kane D, Wilding K, Wilton J(2010) *The UK Civil Society Almanac 2010*, NCVO

⁴⁵ Brewis G, Hill M, Stevens D (2010) *Valuing Volunteer Management Skills, report for IVR/Skills – Third Sector*

Finally, the organisation has produced a National Skills Framework for the third sector.⁴⁶ The four priority skills areas it identifies as needing development are governance and leadership, business skills, managing volunteers and measuring effectiveness and impact. Free and low-cost learning, especially through networking and informal learning – in particular as a component part of a more formal skills development package and opportunities to accredit experience against National Occupational Standards. Secondments and practice-based action learning are also seen as useful in a third sector context, as was the explicit incorporation of training costs within commissioning programmes and service contracts (delivered in innovative low-cost ways – e.g. through more flexible learning methods such as e-learning; co-operation between third sector organisation; and co-operation between providers). Community learning champions and the development of a greater awareness among training providers of the needs of the sector are recommended. Local training access is advocated, but with an acknowledgment that this will be a victim of cuts which leave little funding for workforce development.

At a local level, research published by Skillshare North East Ltd in March 2008 on the skills gaps within Hartlepool identified that:

- There is a need for accredited and unaccredited training programmes for staff to meet skills demands.
- Organisations identified that the main training required meeting future skills gaps included project management, strategic use of IT, strategic planning, marketing, fundraising and finance.
- Soft skills training required included customer services, effective communication and managing employed staff and volunteers.

Skillshare is also a partner in the Tees Valley Voluntary and Community Sector Skills Academy, which is a key source of support and training for the local third sector.

25.15 How can the Third Sector contribute to the Worklessness and Skills Agenda?

The Improvement & Development Agency (I&DEA) produced a report 'Tackling

⁴⁶ Wilkes J (2010) *Delivering the skills priorities 2011 to 2014: A National Skills Network Model, report for Skills – Third sector*

Worklessness' (March 2009) which identified that the third sector has the potential to contribute to tackling worklessness in four main areas:

- By providing paid employment in organisations such as social and community enterprises, worker co-ops and social firms;
- By providing a wide range of support services to the unemployed such as debt advice and outreach;
- By providing opportunities for gaining experience through subsidised work including Intermediate Labour Market (ILM) schemes, pre-employment training and through volunteering;
- Through social and community enterprises reinvesting a proportion of any surpluses generated in local community regeneration schemes, using a community dividend which can make a contribution to tackling worklessness.

Hartlepool's third sector, which includes social enterprises, registered charities, social firms and co-operatives (as well as small community groups) significantly, contributes towards the worklessness, skills and enterprise agenda.

It is widely acknowledged that the sector provides the gateway to local services, specialist provision and initial engagement with local people within the community who may not be accessing mainstream provision. Voluntary and Community groups have an excellent track record of delivering programmes including job creation schemes, employment, training, volunteering, business start up support and benefits advice (particularly for priority groups who are identified as 'hardest to reach'). For example, the "Streets Ahead" programme involves joint working between mainstream partners and the VCS to train local volunteers to go out into the community and undertake direct outreach to target workless individuals at street level. The programme is demonstrating positive results with 900 individuals engaged and over 100 supported into employment and/or training.

Hartlepool Borough Council directly commissions with the third sector on a wide range of themed activities including health and social care and children's services. In relation to the employment, skills and enterprise agenda, the Economic Development Division (who manage the WNF and FJF programme) commission the third sector to deliver a range of services through both funding streams. As shown within the Tables below, the third sector delivers high numbers of positive outcomes for local residents.

Table X WNF Budgets 2008/09 – 2010/11

WNF Financial Information	2008/2009 (£)	2009/10 (£)	2010/11 (£)
Total WNF Budget	£4,519,580	£5,343,168	£5,645,049
Voluntary Sector Split of WNF Budget	£1,144,810	£2,047,746	£2,152,258
% of WNF Budget for Voluntary Sector	25%	38%	38%
Total WNF Jobs & Economy Theme Budget	£1,630,745	£2,100,064	£2,218,141
Total Voluntary Sector Split of Jobs & Economy Theme Budget	£635,979	£832,265	£842,637
Total Voluntary Sector Split of Jobs & Economy Theme Budget	39%	40%	38%

Source: CLG

Table X WNF Outputs, 2008/09 – 2009/10

WNF Outputs	VCS 08/09	Total WNF 08/09	VCS 09/10	Total WNF 09/10
Residents into Employment	303	640	334	874
Residents into Training	305	935	443	1260
Residents into Volunteering	195	167	309	271
Residents Referred	146	146	130	130
Voluntary Sector Contribution to Employment Outcomes for 2008/09	47%			
Voluntary Sector Contribution to Employment Outcomes for 2009/10	38%			

Source: CLG

Table X FJF Contract Information & Outputs

Future Jobs Fund	
Overall FJF Contract Value	£4.6 million
FJF commissioned to the VCS	£1,301,900
FJF Outputs Achieved (as end of July 2010)	512
FJF Outputs achieved by the VCS	218
% of FJF Outputs achieved by the VCS	43%

Source: DWP

As both sources of funding will cease at the end of March 2011, there will be a need for the third sector to identify other funding sources in which to continue the delivery of similar worklessness, skills and enterprise programmes. In advance of this, the Economic Development Service has been instrumental in driving forward capacity building support for third sector groups across the town through initiatives including Hartlepool Works and Tees Valley Works. Both of these respective initiatives are lead by Economic Development and assist third sector groups to enhance the quality of their provision, work closer together and develop a track record of delivering employment outputs for large scale external funders. This improved collaboration amongst partners has enabled Economic Development to be instrumental in securing external funding on behalf of the Council and VCS groups as part of employment and training consortium bids. This consortium approach will be very beneficial in the future as the Council aims to position all key VCS groups to take advantage of major Welfare to Work programmes including 'The Work Programme'.

The potential for the third sector to continue to provide training is likely to be affected by the recent National Skill Strategy produced by BIS.⁴⁷ Skills – Third Sector's briefing⁴⁸ on this indicates that:

'A significant issue for the voluntary sector as a training provider is the implementation of the Approved Colleges Training Organisation Register and £500k minimum contract levels. Many voluntary organisations do not have the capacity to deliver at this level so will either lose funding or have to enter into new sub-contracting arrangements.'

⁴⁷ BIS (2010) Skills for Sustainable Growth

⁴⁸ www.skills.thirdsector.org.uk/research_policy/third_sector_policy_briefing/bis_skills_strategy_2010

Previous experience within the Department for Work and Pensions led to the development of the Merlin Standard in order to promote best practice among supply chains. Such a measure may be necessary in the skills system to ensure best practice between prime providers and voluntary organisations. There are also issues in terms of how best to retain specialist learning and skills provision in particular subject areas or across isolated geographical regions, especially when such specialist provision leads to long-term savings in other areas of public spending.'

The briefing also welcomes the additional funding of Apprenticeships by BIS, noting that the third sector needs to make more use of such schemes – both occupation-specific and third sector-specific - in order to upskill the sector and recruit a younger workforce.

25.16 Worklessness and skills policy

All existing national publicly-funded worklessness schemes will be replaced by a single revenue stream, the 'Work Programme', with LEPs the lead strategic bodies, supported by DWP, and Jobcentre Plus in particular. In essence, it is envisaged that LEPs will create the conditions for the creation of private sector jobs. JCP will support this through advice and guidance on the labour market and ways in which worklessness can be tackled in conjunction with other partners (e.g. local colleges and Work Programme delivery organisations). The ways in which Work Programme funding can be spent will not be prescribed by DWP, nor will the type of providers: the design of local support and delivery will be left to contracted providers, in conjunction with the LEPs, to address local priorities. Partnership working will be encouraged. Incentives will be offered to those providers who support harder to help groups.

Clients are principally drawn from recipients of JSA or ESA. Clients will be referred to the Work Programme on a mandatory or voluntary basis, depending on their circumstances – for example, JSA claimants aged 25+ will receive a mandatory referral after twelve months. Some groups (such as ex-offenders or young people failing to make the transition to work) will be offered early access. Those who are referred must follow the programme their adviser recommends, except those ESA recipients who enter the programme voluntarily.

Other programmes will be designed to complement the Work Programme especially for the clients that fall outside its remit. For disabled clients who require specialised help, the Work Choice programme has been confirmed to go ahead,

with delivery in the North East handled by the Shaw Trust, providing both work entry and in-work support.

Before entering the Work Programme, eligible clients will also be encouraged to move closer to the labour market through volunteering, work experience or peer-to-peer support. These initiatives - and the Work Programme itself - all come under the 'Get Britain Working' rubric and include

- (a) Work Clubs - a network of locally led, community based support for the unemployed, which are intended to grow organically, set up from scratch or based within existing community groups. They will deliver a range of activities and workshops to help the unemployed into work.
- (b) Work Together – a scheme to promote volunteering amongst unemployed benefit recipients in their local communities.
- (c) Service Academies – in development; will offer pre-employment training and work placements.
- (d) Work Experience – in development.

These will be available where unemployment is highest, and will be supplemented by the New Enterprise Allowance, similar to the New Deal Test Trading scheme, which will offer a weekly allowance and mentoring and access to loans to JSA claimants who wish to set up their own business.

In relation to skills, the coalition wishes to free training providers to decide the training offer and means of delivery which will most benefit local residents and businesses. Colleges and other providers (including HE institutions) will be encouraged to form networks to engage with LEPs to determine skills priorities, where and how learning will be delivered, and (in cases such as Hartlepool, where skill levels are relatively low) how best to engage employers and residents to raise aspirations and meet the demands of the agreed economic development strategy. The intention is to make learning more flexible and responsive to customer needs. Funding will move from the RDAs to the national Skills Funding Agency, to be distributed to approved, 'quality-assured' training providers.

In terms of 16-19 provision, there is no longer a requirement for local authorities to come together in sub-regional or regional planning groups, although it is envisaged that this form of wider collaboration will continue in many areas, given the good results and effective partnerships already established.

The recent skills strategy⁴⁹ lays out the broad priorities for skills development across the economy. In particular, it points to the need to upskill the workforce further, and highlights ongoing shortages in intermediate technical skills. Individuals will choose the qualification they require for, and choose from providers competing on the quality of their training offer. The choice of qualification and provider for all learners will be guided by a new all-age careers service, supported by clearer information about training options.

Many learners will be expected to invest in their own (Level 3+) training as they will gain personal benefits – self-funding will be the norm for those aged over 24. From 2013, the government will not contribute any funding towards the cost of Level 3 learning for most non-disadvantaged learners aged over 24. Personal funding will be supported by 'FE loans' for Level 3+ qualifications (from 2013) – similar to the new HE student loan system. FE loans will not be available for Level 2 qualifications, which will continue to be part-funded by the government; the co-funding cost to the individual must be met out of their own pocket. However, it is envisaged that employers are likely to meet some or all of the costs of training that an employee will incur, and there will be some co-funding available for training in SMEs.

Public funding will be prioritised to those with low skills or from disadvantaged groups or communities (including the unemployed and those on active benefits). In addition, the cost of training towards a first full Level 2 or Level 3 qualification for those aged 19-24 who do not currently hold one will be fully met by public funding, while the cost of funding an additional qualification will be partly met by the government. Informal adult and community learning will also be seen as a way to engage disadvantaged groups, and routes to progress from informal to formal learning will be strengthened. Public funding for basic skills courses will also continue. Training providers will be encouraged to support a greater degree of enterprise-related learning within courses, aimed at increasing start-up rates.

The number of and funding for Apprenticeships (including funding to increase diversity among apprentices) will be increased, and the programme will be more aspirational, making Level 3 achievement the norm and providing clearer progression routes to Level 4. The Qualifications and Credit Framework will continue, allowing learners to build up qualification from small modules, supported by Sector Skill's Councils definition of National Occupational Standards. The reforms should also facilitate greater delivery of training within SME workplaces.

⁴⁹ BIS (2010) *Skills for Sustainable Growth, Strategy Document*

26.0 Key Findings

Demographics

- The population of Hartlepool has been steadily increasing over the past decade, and now stands at 92,300. This change has been driven by older age groups, with the number of under-16s actually declining, and forecast to change very little in the next 20 years. The number and proportion of retired people, however, is forecast to grow strongly, with an additional 8,000 over-65s anticipated by 2030. This may have significant consequences for the business community, if there are insufficient entrants to the labour market to replace retirees.

Ethnicity

- The non-white population in Hartlepool has been increasing over the past ten years, from 1,030 to 1,700 (1.9% of the population) according to official estimates. This may be an under-estimate – experimental statistics indicate that 2.8% of the population fell into BME groups in 2007, and local household surveys report up to 8% of the population in BME groups.

Health & wellbeing

- Hartlepool's level of health & well-being is relatively poor by national standards. The standardised mortality ratio is high – death rates are 26% above what would be expected, and 35% higher for under-75s. Life expectancy at birth is 2.6 years shorter for men and 3.7 years shorter for women than the national average. Early deaths from cancer and, in particular, circulatory diseases are disproportionately high (in the latter case, 30% higher than national rates). The proportion of the population claiming health-related benefits is higher than national or regional figures, as is the prevalence of unhealthy lifestyle risk factors e.g. smoking, binge drinking, obesity, misuse of drugs. The mental health of the population is also relatively poor, with 47.7 adults per 1,000 population claiming mental illness-related benefits, compared with 27.6 nationally, with referrals rising substantially in the last year.

Financial exclusion

- Financial exclusion in Hartlepool is high. Just under half of all households have a poor credit rating, placing Hartlepool in the bottom 50 local

authorities in the country. CAB centres report that 85% of recent enquiries have been related to money or debt. The formation of a Financial Inclusion Partnership has begun to address these challenges, both directly through increasing access to more affordable forms of credit and face-to-face advice and indirectly through information guides and roadshows.

Child Poverty

- In 2007, 5,000 children (30%) in Hartlepool were classed as living in poverty, far higher than the North East (24%) or England (22%). There is now a Child Poverty Pledge and Strategy and a Town Wide Child Poverty Action Plan which is tackling the problems, along with eight children's centres to help families with children under five.

Economic activity and worklessness

- The number of economically active adults grew from 38,900 in 2004 to 43,100 (74.4% of the working age population) in 2007, exceeding the North East rate but still well below the national rate. However, the level of economic activity subsequently decreased sharply, with only 41,000 adults (70%) classed as active in 2009/10 the lowest in the Tees Valley area and 6.4 percentage points below Great Britain. In particular, rates have seen a much sharper decline among women than men, from 69% in 2007/08 to 62% of women in 2009/10. This is at odds with the performance of female activity rates nationally, which have remained static.
- Some 17,500 adults in Hartlepool – 30% of the working age population – are currently classified as workless, well above the rates in the North East (27%) and nationally (23.5%). Similarly, 9,000 households were classed as workless in 2009, 28% of all households in the town.
- Unemployment (measured using the Jobseeker's Allowance claimant count) reached a low of just over 2,000 people in May 2005, following a long period of improvement. However, subsequent large-scale redundancies and the economic downturn have pushed the claimant count to 3,993 in October 2010, nearly double the level of four years earlier. In addition, the proportion of claimants who had been unemployed for six months or longer, which had been on a long-term downward trend, increased substantially in 2009-10, from 26% to 43%, although this spike was relatively short-lived – the current proportion of long-term unemployed is 33%.

- The number of adults claiming out-of-work benefits decreased steadily between 2000 and 2006, reaching a low of 11,360 (20% of the working age population), although the rate remained well above the national claimant rate (around 11%). The number has subsequently increased, although not greatly, reaching 12,500 in 2009-10 (21.7% of the working age population).
- There are geographical disparities within Hartlepool, with the worst performing wards recording substantially higher levels of worklessness and benefit claims than the borough as a whole. In five wards, over 40% of adults are workless.

Vacancies

- As of June 2010, there were 616 unfilled vacancies advertised for Hartlepool by Jobcentre Plus (representing around 30% of all vacancies in the area). This implies that there were 51 workless applicants who could apply for each advertised position. In order to reach those furthest from the labour market access vacancies, Hartlepool Works has been established, bringing together a consortium of employment, training and specialist providers.

Incapacity-related benefits

- Just over 6,200 adults claimed some form of incapacity-related benefit in May 2010, equivalent to 10.8% of the working age population, well above the rates in both the North East (8.6%) and nationally (6.5%), although this gap has narrowed substantially as the number of claimants has decreased. The majority (4,080) have been claiming for five years or longer. Some 2,000 claimants are aged 55 or over, and therefore outside the measures introduced to move claimants into work.

Youth unemployment

- Approximately 1,900 people aged 16-24 were classed as unemployed in the latest survey figures available. This is somewhat higher than the average for the past five years, which has typically been between 1,000-1,500 with a high percentage of these residents spending short periods unemployed between temporary employment opportunities. Among 16-19-year-olds, people were not in employment, education or training (NEET); the annual average NEET rate of 8.2% is below the North East rate (9.7%)

but higher than nationally (6.9%). The typical period spent NEET is short, but around 1% of this age-group is classed as long-term NEET. Support has been available to the young unemployed through the Future Jobs Fund – the Hartlepool programme has been nationally recognised for its success – but this will end in 2011, with the similarly successful Going Forward project also coming to an end. This leaves a gap in provision for young unemployed people, which may be met if a bid to the Skills Funding Agency is successful.

Skills – Young People

- After lagging behind national and regional trends in GCSE performance, in 2008/09 599 Hartlepool pupils (48.7%) achieved 5 GCSEs at A*-C including English and Mathematics. This was slightly above the North East rate (48.1%) and had substantially narrowed the gap with the English rate (50.1%), making the joint greatest improvement of any local authority. Attainment of this standard by the 230 pupils eligible for free school meals has also risen, with 57 pupils reaching it (24.8%). Achievement in science-related subjects is relatively poor, however, with only 49.1% gaining two good science GCSEs, compared with 54% regionally and nationally.
- The proportion of 16-year-olds studying in Hartlepool attaining any Level 2 qualification was 69.8% (869 people) in 2008/09 – well above the national rate of 63.9%, and on a steeper upward trend than nationally
- Attainment of Level 3 qualifications by age 19 is somewhat poorer. By 2008/09, 535 19-year-olds had attained this level; the rate of 43.3% is well below the national rate of 51.4%. Progression to Level 3 is clearly challenging, although the increase in attainment at Level 2 at 16 in recent years bodes well for future increases in attainment of Level 3.
- Only 65% of 16-17-year-olds were still in full-time education in 2008, compared with 75% nationally. This is the lowest proportion of any North East authority, while the proportion in work-based learning (13%) was the joint highest. Framework success rates at Hartlepool College are in line with national averages, at 69%. The College also has high success rates with E2E provision, with 76% of leavers progressing to a positive destination, among the highest in the region.
- The launch of a wide range of new vocational Diplomas approved by the 11-19 Partnership aims to raise attainment further and offer better

routeways into FE, HE and employment. There are also ongoing major redevelopments to a number of schools and colleges throughout the borough, including some new builds, to deliver higher quality facilities and aiming to improve participation and attainment rates.

- Applications from Hartlepool residents for full-time undergraduate courses have risen substantially – by nearly 50% since 2007 – to reach 722 by 2009 (4.3% of the 18-29 cohort), of which 602 were successful. The success rate since 2000 has fluctuated but has been in line with North East averages, at over 80%.
- Hartlepool has one of the highest proportions of Higher Education entrants using provision other than full-time undergraduate courses, amounting to 936 out of the 1,485 who entered Higher Education in 2008/09. This is equivalent to 63% of entrants, well above the regional rate of 54%.
- A high proportion of Higher Education entrants to full-time undergraduate courses are from a deprived background- 50% of acceptances in 2009, against 44% regionally.

Skills – Adults

- Average skill levels among the working age population steadily increased between 2000 and 2007, but have since shown few signs of growth, and even some decline. The number with no qualifications reached a low of 9,300 (16.6%) in 2007, but has subsequently risen to 10,700 (18.3%), well above the regional and national rates. Similarly, the number with Level 3+ skills grew to 24,200 by 2007 (43.6%), but then declined slightly. Currently, the numbers are growing again, but broadly in line with population growth, meaning that the proportion holding this qualification level has been relatively static, at just over 18%. This is the lowest proportion in Tees Valley, and well behind North East and GB rates.
- Local intelligence on skills will be increasingly important in the future as funding is devolved to a local level and reporting by official bodies is only available regionally. This will require consultation with local stakeholders, including providers and employers, to gain a rounded picture of skills supply and demand.
- The Audit Commission has reported that the Council provides a good service for developing skills in the area, engaging businesses and residents well, but the recent decline in the business base, low future growth

forecasts and a lack of an overall jobs strategy may cause difficulties for further progress on skills in the short- to medium-term. In particular, SMEs need to engage more with the training system, and competencies at high skill levels developed on-the-job should be accredited with relevant qualifications.

Skill needs in key sectors

- There are a number of skill needs which cut across many Hartlepool employers and sectors. These include: upskilling the workforce generally, and ensuring that there is a supply of skilled and motivated work-ready young entrants to replace the ageing workforce; management, leadership and strategic skills; ICT skills across all users, not just in ICT-related occupations; technical and high level engineering skills in key manufacturing sectors; customer service, communication and team working skills. In addition, as shown by Future Jobs Funds recruits, there are many returners to the labour market who require pre-entry mentoring and coaching and significant in-work support to sustain them in employment, which employers feel should be a responsibility of JCP and other similar providers, rather than a burden on the employer.
- Nuclear: if Hartlepool is chosen as the site of a new build nuclear plant, it is forecast that this would generate 12,000 construction jobs, 5,000 in operations and 1,000 in manufacture. The majority of these (just over half) would be at technical or craft level, with rest roughly evenly split between Level 4+ and lower levels. With this level of demand, especially at higher levels, there is a risk that poaching of trained staff from other employers could create skill shortages elsewhere in the economy. SMEs are currently reluctant to commit to training without an indication of how definite the prospect of the work coming to Hartlepool is, creating the risk that they will lose out on the opportunity to enter the supply chain, which may be dominated by larger employers.
- Offshore Oil & Gas: future growth and employment and skill demands are intrinsically linked to the price of oil as supplies dwindle. If marginal (smaller and more complex) fields become viable, Hartlepool businesses can build on their expertise and expand and diversify to serve them. Local skills gaps include an ageing workforce (requiring local promotion of national schemes to encourage young entrants), and management skills

which will be required to pursue an aggressive diversification agenda.

- Offshore Wind: The sector is forecast to grow strongly, but this creates the risk of skill shortages, especially if businesses poach workers from areas which already have a comparatively experienced workforce, such as Hartlepool. There is already a substantial amount of training available locally, and employers are expanding productive capacity and employment, leaving the town well-placed to respond to the predicted growth in demand.
- Low Carbon Economy: In addition to skills for nuclear and offshore wind, Hartlepool is well-placed to use its existing workforce expertise to diversify into other low carbon energy sectors, in particular onshore wind. Training in other sectors – notably construction – needs to incorporate awareness of low carbon and energy-saving techniques.
- High Value Added Engineering: In general, the local sector requires stronger management and business improvement, and upskilling more workers from Level 2 to 3+. Engineering training is a recognised strength of Hartlepool College, and curriculum development is aligning training provision with wider sectoral developments.
- Knowledge Intensive Business Services: The largest sector locally is contact centres, which are already well-served by the training system. Skills provision in other sectors relies on engaging SMEs in training, and encouraging the adoption of national standards for career development and the development of more flexible delivery methods of training. In addition, the outsourcing sector is likely to develop further, requiring additional training provision in this area.
- Digital Media: The digital media sector in the North East is relatively small and underdeveloped, with only computer games and interactive media forming significant clusters. Skill shortages tend to be sector-specific and technical, requiring higher level entry qualifications and development of apprenticeship routes; since entry is often via word-of-mouth, this can be difficult in an area with underdeveloped clusters and networking, driving ambitious young people elsewhere to find employment. Locally, the Teesside Media Academy provides specialised training, while careers advice in schools is viewed as lacking in relation to the sector.
- Process & Chemicals: Given the product make-up of the local chemicals sector, it is likely to be fairly resilient to the downturn, and businesses are, on the whole, satisfied with training provision. However, delivery could be

more flexible in terms of content and location by FE and HE providers. Hartlepool College also has a Centre of Vocational Excellence which works closely with local employers to address skill gaps an upskill and accredit the skills of the existing workforce.

- **Leisure, Hospitality & Tourism:** The key issue in this sector, dominated by SMEs, is the development of leadership and management skills, with customer service skills also in need of development. Locally, there are indications that skills gaps in both these areas are growing, with very few employers accessing publicly funded support. In addition, skilled food preparation staff are in short supply. Hartlepool College is responding by increasing apprenticeship numbers and courses, and working with careers advisors to more effectively promote the sector.
- **Retail:** Retail staff tend to have low qualifications levels, with over half of all North East retail managers not holding and NVQ3. Management, sales and customer services are key skill gaps, as are – increasingly – ICT-related skills. Skillsmart's Location Model could be used to develop skills in a number of retail outlets within a local area.
- **Health & Social Care:** The main skill gaps currently identified by the SSC are sector-specific technical skills and customer service, although forecasts of future growth and changing skill needs are complicated by the restructuring of public sector funding arrangements. Locally, skills development needs to take account of the health challenges faced by the town, and in particular aim at reducing the level of lifestyle risk factors among the population. Within care, the workforce need to work towards the minimum qualifications standards set down by the government, which they are currently some way from meeting, particularly in the private sector. Hartlepool College offers a full range of relevant qualifications, and is expanding the number of apprenticeships in response to this.
- **Construction & Built Environment:** The construction industry in the North East has been affected significantly by the current economic climate, with employment decreasing from 124,860 in 2008 to 97,810 in 2010. It is forecast that employment will grow again slowly, with an annual recruitment requirement of 3,190 (mainly replacements for retirees) across the entire region. As such, growth in employment in Hartlepool will be extremely limited, with the main focus being to train sufficient new entrants to replenish the workforce. Traditional training needs to be supplemented

with techniques based on new technologies, particularly those related to the low carbon economy.

- **Environmental & Land-Based:** This is a very small sector in Hartlepool, and opportunities for development are limited. It may be more worthwhile to encourage residents to obtain training for jobs outside the town, which could be used as the basis for them setting up their own business at a later date.
- **Voluntary & Community:** The 7,500 volunteers in the 650 third sector organisations in Hartlepool are estimated to be equivalent to about 600 full-time jobs. Although employees tend to be highly skilled, there is a key shortage of skills related to dealing with volunteers, while skills related to leadership, general business administration and measurement of impact all need development. Future growth predictions are complicated by uncertainty surrounding the new public sector funding arrangements – in particular since many organisations provide social care – and the forthcoming Big Society reforms. Recommendations include the incorporation of training costs in commissioning arrangements and more flexible, innovative delivery methods (e.g. e-learning, consortia and secondments).
- The third sector also contributes towards skills development and worklessness alleviation through outreach and community support, providing experience through volunteering (to be formalised through Work Clubs) and reinvesting in local communities. With the ending of existing funding streams and the onset of the Work Programme, thought needs to be given to how the work done in the third sector can continue, and in particular how the Council can work in partnership and consortia with third sector organisations to bid to new funding streams.

26.1 SWOT Analysis – People

Strengths

- Good availability of competitively priced labour at moderate (Level 2/3) skill levels.
- Good quality specialist training providers in Hartlepool and the wider Tees Valley area.
- Good provision of employability programmes, including national recognition of Future Jobs Fund delivery.
- Good progress on getting young people to university, in particular those in deprived communities.
- Excellent improvement to GCSE results, including among those pupils on Free School Meals.
- Good engagement of businesses to promote training.
- Excellent local skills specialism's in engineering, energy and contact centres, and local centres for training in technical/design engineering and digital/creative media.
- Large number of third sector organisations able to provide volunteering and training opportunities to those out of work, and strong leadership for potential consortia from HVDA.

Opportunities

- Improving the health and wellbeing of the resident population through effective interventions to reduce lifestyle-related risk factors.
- Work to reduce debt, especially to loan sharks, and other financial exclusion risk factors, and promote borrowing from responsible lenders.
- Develop the child poverty strategy further.
- Embed the learning from well-received employability programmes – and expand them, if possible - to retain good practice in the face of funding cuts.
- Proactively develop strategies based on the new Work Programme, Work Clubs etc.
- Build on the progress achieved in GCSE results to improve post-16 participation and the attainment of Level 3 by 19 and progress to higher qualifications. Develop Careers Education Information Advice & Guidance to support this aim.
- Build on the work of the Skills Partnership and further develop local Labour

Market Intelligence to plug the gap left by cuts elsewhere.

- Formally accredit local learning acquired on the job.
- Growth in the energy sector, both nuclear (decommissioning and/or new build) and renewables, with consequent demand for increased employment and upskilling in new and emerging technologies.
- Continue to develop engineering sector, particularly in NINJ areas and in relation to the low carbon economy.
- Development of local strength in contact centres to take advantage of increased opportunities in outsourcing.
- Take advantage of economic development elsewhere in Tees Valley – particularly in knowledge intensive industries – through training residents for jobs outside Hartlepool.
- Expand and develop the Centre of Vocational Excellence in Technical and Design Engineering at Hartlepool College.
- Development of tourism and hospitality sector requiring an increase in relevant training.
- Use Skillsmart's Location Model to revitalise and upskill retail centres.
- Leverage in funding from Regional Growth Fund to develop skills.
- Less prescriptive content and delivery of training would facilitate greater focus on meeting local needs.

Weaknesses

- The health and wellbeing of the local resident population is poor by national standards, leading to higher worklessness, illness (and consequent benefit dependency) and premature death rates. There are also high levels of mental health difficulties.
- Financial exclusion – in terms of poor credit ratings, low incomes and debt – is high by national standards.
- A higher proportion of children are in poverty than nationally, limiting their life chances.
- Economic inactivity and worklessness are higher than regional and national standards, especially among women, and activity rates are less resilient in a downturn.
- Hartlepool is over-reliant on large employers, leading to greater susceptibility to external/global shocks.
- Higher skill levels are under-represented in the resident population, in

comparison to both national and local standards.

- Low attainment of Level 3 qualifications by age 19 and low attainment in STEM subjects.
- Increasing numbers of residents not holding any qualifications, and stagnation of growth in numbers holding higher levels.
- High numbers of returners to the labour market require substantial pre-entry and in-work support to perform effectively.
- Relatively low demand from Hartlepool employers for higher skill levels, with slower growth than required to drive economic transformation. This may partly be attributed to a lack of clarity and communication to employers about the higher skills landscape.
- Insufficient number of sustainable local jobs to employ residents, and lack of future jobs strategy.
- Lack of management and leadership skills in local employers to drive economic change.
- Low level of demand in knowledge intensive businesses and digital/creative media.

Threats

- The increasing proportion of older residents will increase the burden of care required.
- The decreasing proportion of younger residents may lead to skill shortages in key industries, as it becomes more difficult to replace skilled older workers on retirement.
- There are significant disparities in deprivation within Hartlepool, which may widen over time rather than converge.
- Cuts to programmes (including employability, wellbeing, and training initiatives), and to public/third sector employment generally, as a result of public funding cuts.
- A high proportion of HE learners are on non-full-time courses, which may be vulnerable to funding cuts.
- Low growth in construction sector, with little publicly funded infrastructure work and the possibility of continued housing market depression.
- Management skills gaps among third sector organisations leading to difficulties in exploiting potential of Big Society agenda.
- Changes in funding regime for training – and greater focus on individuals

and employers paying for training – leads to level and/or quality of training falling. Employers – especially SMEs – may be unwilling to pay for skills development if downturn continues.

27.0 Inward Investment

An agreed structure for dealing with inward investment has been in place in the North East for a number of years with One North East handling international markets and locally Economic Development Managers working with Tees Valley Regeneration handling national markets.

Examples of major investment include:

- Teesside Development Corporation led marina development (£350m total investment)
- City Challenge town centre regeneration (£145m)
- Single Regeneration Budget Neighbourhood Renewal (£92m)
- New Deal for Communities inner area regeneration (£120m+)
- UK Steel Enterprise Innovation Centre at Queen's Meadow & Extension (£4.5M) and Hartlepool Enterprise Centre (£1.2m)
- Hartfields Extra Care Housing development (£34m)
- Central Hartlepool housing market renewal programme (£70m+)
- Single Programme Coastal Arc projects (£18m+)
- Decent Homes programme (£70m+)

Hartlepool's Central Area Investment Framework and Action Plan was developed in order to respond to an increasing emphasis on prioritising resources towards strategic investment opportunities which increase private sector investment opportunities, job creation, and GVA (income generated by economic activity). The Central Area Investment Framework provides the strategic economic regeneration justification for investment in Central Hartlepool and lists specific proposals that will form the basis for funding bids.

28.0 Regeneration

Regeneration and the creation of jobs is a key issue in Hartlepool. As the town continues to regenerate, it is essential that high standards of accessibility and connectivity are provided to ensure that new businesses are attracted and maintained, businesses can attract the best workforce and goods can access the market place. Tourism is also one of the key economic sectors identified as a focus for regeneration within the borough and identified in the Coastal Arc Strategy of the Tees Valley Vision. Improving the quality and promotion of visitor facilities will encourage more people to visit the borough and create jobs in the tourism service industry.

In Hartlepool, future investment will be primarily focussed in the Regeneration Action Zone sites, as shown in the diagram below.



The Tees Valley Coastal Arc Strategy will drive the regeneration of a number of these sites helping to contribute to the resurgence of economy and tourism markets within these areas of the Tees Valley City Region. The importance of these sites is of major strategic importance, not only to Hartlepool, but also to the Tees Valley and beyond.

The Coastal Arc within the Tees Valley includes some of the most scenic locations within the sub-region stretching from Hartlepool in the North down through Redcar. The Coastal Arc Strategy will realise the key aims of the Tees Valley Vision and will drive the regeneration of a number of main sites within Hartlepool, helping to contribute to the resurgence of the economy and tourism markets within these areas of the Tees Valley City Region. The improvements of these key areas are of major strategic importance not only to Hartlepool but also to the sub-region and beyond. The creation of a continuous cycleway/walkway around the coast of Hartlepool that links many of these facilities will provide an attraction in its own right as well as limiting the environmental impact of the additional demand for travel.

28.1 Victoria Harbour

PD Ports have identified that the 200 acres of port land will be maximised for the usage of the emerging Wind Power sector. This compliments existing companies already on the port land with JDR Cables who have secured lucrative contracts to supply umbilical cables for the Offshore Windfarms and Heerema who are looking to bid in this growing market (thus providing future high skilled and lucrative employment opportunities).

28.2 The Headland

The Headland offers unique physical and historical character and compliments the Hartlepool tourism facilities to maximise the regeneration benefits from tourism. Recent and current developments on the Headland including the development of the Town Square, improved facilities at the Borough Hall, St Hilda's church visitor facilities, Heugh Battery Visitor Centre, storyboard trails and creation of a Linear Park with improved routes for pedestrians and cyclists promoted by the North Hartlepool Partnership.

28.3 Southern Business Zone

The SBZ consists of 15 separate industrial estates and business parks and covers an area of about 170 hectares to the south of Hartlepool. It is home to approximately 400 companies who between them employ 5,000 people making it a key employment area and a major driver of economic prosperity for the Tees Valley sub-region.

The SBZ contains a mix of different types of commercial activity ranging from retail units in the north through to more heavy industrial uses in the south. The present SBZ business community includes a nuclear power station, a large call centre, a steel works, a variety of large chemical companies as well as a relatively high number of technology related businesses.

The industrial estates and business parks which make up the SBZ are all different in nature meaning a wide mix of land and premises are on offer. Some areas of the zone provide high quality premises set within a good quality environment while others provide accommodation for heavy industry whose physical surroundings are perhaps less attractive in nature. The variety of different offers within the SBZ means that the area comprises of a larger number of smaller zones, each with their own strengths and weaknesses and each facing different opportunities and threats.

However parts of the SBZ area currently suffer from a poor environment and old infrastructure, but contains significant opportunities for expansions and new development. Physical improvement and targeted business support will ensure that existing firms are well supported and that efforts are made to bring other businesses to the area in an attempt to create more employment opportunities and a more successful business zone.

28.4 Seaton Carew

Seaton Carew is a popular destination for local residents and also tourists from outside of the area who are keen to experience day trips and weekend stays based around the beach and seaside economy.

Planned improvements to the existing infrastructure include the restoration of the art deco bus shelter, building grants to revitalise the commercial core and commercial/leisure redevelopment of the former fairground site which will further enhance the Seaton Carew area to the overall Hartlepool visitor destination.

28.5 Wynyard Business Park

Close to the A19/A689 junction and within an attractive setting, the Wynyard Business Park is identified as a prestige industrial site within the Regional Spatial Strategy. The development of this site will be critical in contributing towards the economic well-being of the town and the wider sub-region. This site has the potential to house major research, development, manufacturing and distribution concerns.

The recent announcement by the coalition government that the new £450 million super hospital at Wynyard (with community health facilities) will no longer receive investment is disappointing to the site. However, the Chief executive of North Tees NHS Foundation Trust has insisted the millions spent in building a business case for the Wynyard Hospital and on developing the project has not been wasted, as it may have been possible to find alternative, private funding for the project.

Additional investment currently being realised include:

- Further housing market renewal activity around the central area (£17m+)
- Investment in Local Authority Social Housing Grant projects (£9m) and Growth Point sites plus investment by RSL partners to deliver new affordable housing units
- Transforming primary and secondary education facilities through the Primary Schools Programme

- A new £50m complex for Hartlepool College of Further Education and improved and expanded facilities for Cleveland College of Art and Design (£2m), all within the heart of the town centre.
- A new transport interchange, a refurbished railway station and modifications to support a future Tees Valley metro system
- Proposed investment in the town centre ISQ, to support new business development, improve connectivity and create place shaping enhancements to encourage investment, create a campus environment and promote the town centre as a visitor destination.
- Major investment at Victoria Harbour in port related activity linked to the manufacture and development of offshore wind and other renewable energy technologies.
- Investment in the Hartlepool Southern Business Zone area to stimulate physical improvements and create the suitable conditions for private sector support.
- Redevelopment of the Cleveland College of Art & Design including the newly bought Archive and Leadbitter buildings which forms part of the town centre ISQ.

All of these regeneration initiatives would bring significant investment and create a wide range of new employment opportunities both within Hartlepool and across the Tees Valley.

29.0 The Built Environment

29.1 Household Growth

The future housing need in the Borough arises from a small number of people migrating to the Borough, but primarily through the reduction in household size and the growth in newly forming households as more people, live longer and choose to live by themselves. To meet this projected need over the next 15 years approximately 5,400 new homes are required. This equates to an average gross addition of 360 each year. Taking projected demolitions into consideration this equates to a net addition of 320 each year, with a total net additional dwelling requirement of 4,800 over the next 15 years. The 5,400 gross supply will come from existing planning permissions (e.g. Middle Warren and the Marina), urban brownfield sites that have been identified for housing (e.g. Hartlepool Hospital and Steetley) and strategic greenfield extensions on the urban edge (e.g. Claxton and Eaglesfield). The aim within the current planning framework is to provide a range of housing types in a range of location which provides a good housing offer for existing residents and attracts new economically active residents into Hartlepool,

benefiting the wider Hartlepool economy.

29.2 Existing Housing Stock

Across Hartlepool, in 2007, there are an estimated 39,271 occupied dwellings, 1,963 vacant properties and 293 second homes, with a total dwelling stock of 41,527. In 2007 the overall vacancy rate in Hartlepool was 4.7% which is higher than the 3% nationally. There are some wards in the town where vacancy is a major issue, namely Grange (15.9% of properties are vacant), Dyke House (13.4%) and Stranton (8.3%). A key reason for high vacancy rates in these wards are poor quality housing stock not desired by the housing market, leading to housing market failure, irresponsible private landlords and absentee landlords not managing their property adequately. In 2007 a total of 620 properties stood empty pending demolition. The high vacancy rates existing in these areas justified the Borough Councils intervention through Housing Market Renewal (HMR) schemes. A consequence of the HMR schemes is that in the short term many properties in these wards remain vacant prior to demolition. The picture is shown in the table below.

Table X Dwellings and vacancies by ward

Ward	Total Dwellings	Vacant	Second Home	Households (occupied dwellings)	% vacant
Brus	2892	100	8	2784	3.5
Burn Valley	2668	138	43	2487	5.2
Dyke House	2717	364	24	2329	13.4
Elwick	876	37	10	829	4.2
Fens	2208	54	4	2150	2.4
Foggy Furze	2432	101	13	2318	4.2
Grange	2816	447	35	2334	15.9
Greatham	965	23	2	940	2.4
Hart	2449	48	9	2392	2.0
Owton	2666	56	10	2600	2.1
Park	2392	70	12	2310	2.9
Rift House	2718	49	9	2660	1.8

Ward	Total Dwellings	Vacant	Second Home	Households (occupied dwellings)	% vacant
Rossmere	2621	63	5	2553	2.4
Seaton	2791	48	10	2733	1.7
St. Hilda	2674	66	20	2588	2.5
Stranton	3072	254	66	2752	8.3
Throston	2570	45	13	2512	1.8
Total	41527	1963	293	39271	4.7

Source: 2007 Household Survey

The first two housing renewal schemes are now fully assembled following a successful CPO process. The sites have been cleared with over 600 properties being demolished. All three sites have been sold to the developers who were successful following the open tender process. The continuation of the Housing Market Renewal programme is intended to clear obsolete housing stock which is experiencing low demand and provide modern family homes meeting modern aspirations, thus attracting residents and specifically owner occupiers back into the central area of Hartlepool and improving the economic vitality of the area.

Overall there is a high degree of pressure in the current market, evidenced by the fact that across most areas of Hartlepool the demand for new homes is exceeding supply. This phenomenon has continued through the housing market downturn and continues today. There is ongoing strong demand for private and social rented accommodation and limited capacity of the social rented sector with low vacancy rates and long waiting lists, particularly for family accommodation.

There is also an evidenced need regionally and sub-regionally for executive accommodation and this need is also clear within the borough. Executive homes currently make up only 3% of the Hartlepool housing stock and the planning framework makes provision for the future development of executive homes to meet this need and encourage economically active resident into the area.

29.3 Household Aspirations

A key indicator on the future need of housing stock is to look at the aspirations of

existing and newly forming households. The table below shows the household data relating to household aspirations for general market accommodation.

Table X Household Aspirations

Property attribute	Market Aspirations		
	Existing Households	Newly-forming Households	TOTAL
Property Size			
One	6.7	30.2	8.5
Two	37.8	38.7	37.9
Three	37.6	23.1	36.5
Four or more	17.9	8.0	17.1
Total	100.0	100.0	100.0
Property type			
House - Detached	22.7	12.7	21.9
House – Semi -detached	25.4	20.3	25.0
House - Terraced	21.2	14.2	20.7
Flat/Apartment	11.7	33.8	13.4
Bungalow	19.0	19.0	19.0
Total	100.0	100.0	100.0
Base	7992	665	8657

Source: 2007 Household Survey

The table above shows that overall, demand is strongest for two and three bedroom properties (74.4% of aspirations); the highest preference (67.6%) is for houses, particularly semi-detached. There is also strong demand for bungalows amongst 20% of existing households. The market for apartments and flats, although buoyant in 2007, has dramatically fallen away and is illustrated by the unfinished flats and vacant flats at the Marina and at Middle Warren.

29.4 Household Aspirations vs. Supply

Based on the aspirations above and the turnover rates over previous years we can work out the market demand and this is shown in the graph below. This type of

information is extremely useful as it helps to identify specific areas across the town where development is needed and also the types of property that are needed.

Graph X Household Aspirations vs. Supply, 2007

		Ward								
		Brus	Burn Valley	Dyke House	Elwick	Fens	Foggy Furze	Grange	Greatham	Hart
Tenure	Total									
	Owner Occupied									
	Private Rented									
Property size	One									
	Two									
	Three									
	Four or more									
Property type	Detached Hse									
	Semi Det Hse									
	Terraced Hse									
	Flat (inc bedsits)									
	Bungalow									
		Ward								
		Owton	Park	Rift House	Rossmere	Seaton	St. Hilda	Stranton	Throston	Hartlepool
Tenure	Total									
	Owner Occupied									
	Private Rented									
Property size	One									
	Two									
	Three									
	Four or more									
Property type	Detached Hse									
	Semi Det Hse									
	Terraced Hse									
	Flat (inc bedsits)									
	Bungalow									

Source: Household Survey

Yellow - more housing available than demanded,
Green - supply currently meets demand,
Red - demand for homes outweighs supply.

The graph above shows that: -

- Overall in Hartlepool market demand exceeds supply in most areas, with balanced provision most evident in Fens, Greatham, Hart, Seaton and Throston;
- Across the town, demand for bungalows exceeds supply;

- In the area market demand for flats exceeds supply. However, this in part reflects a low supply relative to other property types.
- The supply of houses is relatively well balanced across Hartlepool, although in wards such as Brus, Dyke House, Owton, Park and Rift House, there are particular pressures with demand exceeding supply;
- The demand for good quality private rented accommodation is strong in many wards and given the restricted supply of social rented accommodation, the private rented sector is becoming an important provider of accommodation.

29.5 Affordability of Housing

Affordable housing includes social rented and intermediate housing provided to specified eligible households whose needs are not met in the market.

A detailed analysis of affordable housing requirements identifies a shortfall of 393 affordable dwellings per annum across the Borough. The table below shows the affordable requirements by designation.

Table X Affordable housing needs by type of property

Ward	General Needs		Older Person	Total (gross)
	Smaller (1/2 Bed)	Larger (3+ Bed)		
Brus				
Burn Valley	33	24	3	60
Dyke House		4		4
Elwick	4	12		16
Fens	5	18	4	27
Foggy Furze		12	2	14
Grange	18	19	3	40
Greatham	7	7	2	16
Hart	7	26	3	36
Owton		9	2	11
Park		28	3	31
Rift House		15	6	21

Ward	General Needs		Older Person	Total (gross)
	Smaller (1/2 Bed)	Larger (3+ Bed)		
Rossmere	1	15	12	28
Seaton	8	32		40
St. Hilda		13		13
Stranton	4	2	6	11

Source: 2007 Household Survey

Meeting the need for affordable housing is therefore a major issue for the Borough Council and this will be done through primarily through securing a minimum 10% affordable housing contribution from private residential schemes. Affordable housing will be delivered on-site, pepperpotted in private residential estates or through off site provision. The tenure split required for all new affordable housing will be 80% rented and 20% intermediate appropriate for Hartlepool Borough. The Council to date has benefited from a number of new build affordable homes funded through the National Affordable Housing Pot, Local Authority New Build schemes and Growth Point. This has not only provided new affordable homes but provided local jobs, contracts and training opportunities fueling the local economy. The Council aims to benefit from announcements within the comprehensive spending review which could potentially offer solutions such as the New Homes Bonus and delivery of affordable housing through additional Council tax income, although details have yet to emerge.

29.6 Households in Fuel Poverty

In the UK Fuel poverty is said to occur when in order to heat a person's home to an adequate standard of warmth a household needs to spend more than 10% of its income on total fuel use which includes all expenditure on domestic energy i.e. hot water, gas, air conditioning, lights and appliances.

In 2009 it was estimated by Energywatch that there were around 5 million households in fuel poverty in the UK, with just over 3 million in England alone. This was more than double the number in 2003. This was caused in part to the fact that in 2008 energy prices increased by approximately 45%. In early 2009 the companies declared they were to drop their prices, but only a 10% reduction was seen across the board and this did not happen, with the exception of British Gas, until March 31, once the worst of the winter was over.

Under the Climate Change and Sustainable Energy Act 2006 the Government is obliged to report annual progress in cutting the number of households in which one or more persons are living in fuel poverty.

The UK government has introduced a number programmes that are designed to address fuel poverty by improving energy efficiency. These are: -

- Warm Front programme, which offers a package of insulation and heating measures at no cost to private sector residents meeting certain, mainly income-related.
- The Government has also started to impose certain standards on public sector landlords to help them lift their tenants out of fuel poverty.
- Winter Fuel Payments also help to mitigate fuel poverty, but as this is paid to all households with an occupant over 60, this measure is a generally available benefit and not targeted on the fuel poor.

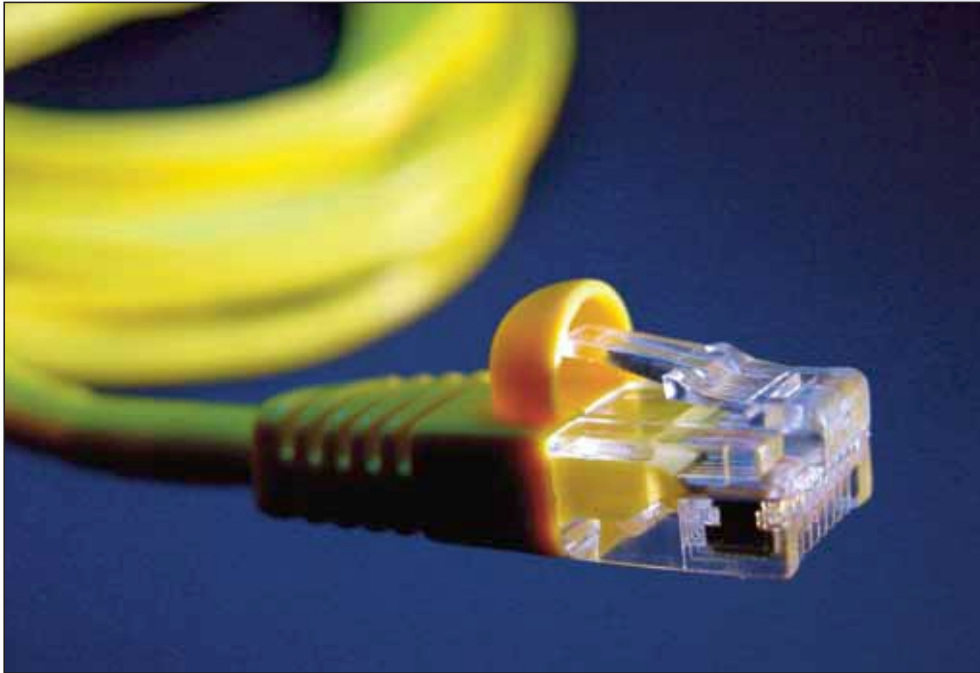
As part of this bill Britain's energy companies have now earmarked £3.8 billion for measures to help the most vulnerable. The government has also promised to eradicate fuel poverty by 2016 as far as reasonably possible in the 2001 Fuel Poverty Bill.

In the North East it is estimated that there are 297,000 households classified as in Fuel Poverty. During the winter of 2007-2008 there were 1500 cold-related deaths in the region. More locally in Hartlepool due to the fact that over 14,000 adults are currently claiming some form of benefit which means that fuel poverty is a major issue for many households.

However, locally the town has developed the Winter Warmth Campaign which aims to promote the support available to vulnerable households in the Tees area. One part of the Campaign is the Hotspots scheme, which has brought together a plethora of organisations including Cleveland Fire Brigade, the Energy Saving Trust advice centre, Jobcentre Tees Valley and other partners who will carry out free home safety checks and ask residents if they would also like advice on reducing fuel bills. The scheme also means that from now on people calling agencies such as Jobcentre Plus for advice will be asked about energy efficiency and if they would like a home fire safety check.

29.7 Broadband Connectivity

Access to high quality broadband connection is essential to Britain remaining globally competitive as the introduction of the internet has now made the business world 'much smaller' and has provided unprecedented opportunities for companies to interact and develop e-connections across a global stage.



Increased and improved technological development including broadband facilities will unlock these new opportunities for indigenous businesses within areas such as Hartlepool to maximise and take advantage of the spread of international markets and supply chains.

A Report by OFCOM, The Communications Market 2008: Nations and Regions English Regions highlighted that England has the highest overall level of telecoms ownership across the UK: 87% of households have a fixed-line phone, 85% have a mobile phone, 66% have access to the internet and 57% have a broadband connection, according to the 2008 survey.

Broadband ownership in the North East was lower than the England average although some urban parts of this region reported significantly higher take-up. Adults in both Sunderland (66%) and Middlesbrough (60%) were more likely than average than rural areas of this region to have broadband.

Across the Tees Valley, Broadband availability is generally good, with all regional exchanges broadband enabled. However, there are issues with low speeds in some areas – particularly rural – which will require increased infrastructure investment and improved accessibility by the provider.

At a Hartlepool level, there is currently no data available on the number of companies and residents with access to broadband. However, a similar picture is emerging across the town where companies and local residents continue to demand the highest performing broadband provision to prevent a digital divide with other parts of the North East Region and to:

- Allow businesses to remain competitive and to develop links to international markets; and;
- Enable users to access public services.

To ensure that satisfactory business infrastructure improves connectivity, the 'New Industry, New Jobs' report (BERR, April 2009) states that the Government's Digital Britain review will 'establish the framework for a fundamental transformation of our broadband infrastructure. The aim will be for virtually all of Britain's homes and businesses to have access to high speed broadband within the next three years'.

The report also highlights how the final Digital Britain report will set out how the UK's digital infrastructure can be upgraded for a broadband-enabled world.

On 18 June 2010, the Government announced that the internet entrepreneur, Martha Lane Fox, will be the new 'UK Digital Champion'. Her role will focus on encouraging as many people as possible to go online, and improving the convenience and efficiency of public services by driving online delivery. In the first instance, the Prime Minister has asked Martha Lane Fox to:

- Continue the Race Online 2012 campaign, which she founded, to encourage as many people as possible to get online, which ties into her work on building the Big Society with Government adviser Nat Wei

- Advise the Government on how efficiencies can be best realised through the online delivery of public services
- Leading work to drive efficiencies through the greater use of online services across government, including the transformation of Directgov.

More recently, the government announced the rollout of superfast broadband (up to 50 Mbps) to the entirety of the UK by 2015. This substantially increases the commitment given by the previous government, which promised a universal 2Mbps service by 2012. It is envisaged that the private sector will provide broadband access to most of the UK, with a digital fibreoptic hub being publicly funded in areas which are more isolated or where broadband provision may be uneconomical for the private sector. As such, this implies that the main need for public intervention in local authorities is to educate businesses and residents to take best advantage of this infrastructure, and ensure that as many businesses and households as possible are connected. This will progress from a solid baseline: the Tees Valley Economic Assessment⁵⁰ notes that all exchanges are broadband enabled and take-up is generally good. The main issue to be faced is slow speeds in certain areas – particularly rural areas – and the consequent negative potential impact on take-up rates. In Hartlepool, business take-up is highest in areas in the town itself ((78-90% take-up rates) and fairly high in the east of the borough more (generally over 70%), but substantially lower in the south and west of the borough.

Alongside this, One North East has funded Catalyst a project designed to make local small businesses aware of the benefits of broadband, information and computer technology (ICT) and e-business tools, and to encourage the creative use of technology to improve business performance, sustainability and productivity. It has also funded the Digital Media Archive project, to provide the infrastructure for a digital archive and technology conversion platform within the region, aiming to outside investment to the North East.

30.0 Transport

30.1 Connectivity

Hartlepool's second Local Transport Plan (LTP) 2006-2011 was submitted to the Government in March 2006. This plan describes how the council and its partners intend to build a high quality, integrated and safe transport system that supports Hartlepool's continued economic growth and regeneration.

⁵⁰ Tees Valley Economic Assessment 2009/2010

The five year plan sets out how the Council will work in partnership with other organisations and agencies to deliver a wide range of local transport schemes and policy measures to address the identified problems. These improvements represent a step-change in the delivery of a long-term transport strategy that will contribute towards delivering the shared central-local government priorities and achieving the long-term vision for Hartlepool.

The key priorities for the second LTP are to improve:

- Access to key services and facilities for those most in need,
- Safety and security,
- Manage forecast increases in traffic growth and congestion,
- Minimise the adverse impacts of traffic on air quality and climate change,
- Access and remove barriers to employment, education, training and health care.

This document sets out a realistic, prioritised and deliverable programme of transport improvements that will deliver the best improvement in transport related objectives for the funding expected to be available. This includes making the best use of the existing transport network, maintaining assets in a cost-effective way, delivering benefits through managing demand for travel and influencing travel behaviour.

The second LTP has been developed to support the wider policy and planning context. This includes the need to take account of those national and regional policies and agendas towards which transport can play a significant role. The key improvements that these agendas are trying to achieve include:

- Improved health and reduced obesity
- Increased educational attainment at all ages
- Reduced unemployment
- Creating safer and stronger communities
- Reducing social exclusion

30.2 Improving Local and Regional Connectivity

Improving Hartlepool's connectivity internally and with the rest of the Tees Valley and the region is essential to encourage investment, business growth and enable local residents to access existing and new employment and training opportunities.

Hartlepool has an effective road transport system in and out of the area which allows businesses and commuters to access the national road network via the A19 and A1.

30.3 'Delivering a Sustainable Transport System'

The LTP highlighted that Hartlepool faces a number of challenges over the next 15 years. The key challenge is helping to ensure that we can support and maintain the borough's continued economic growth without compromising our other priorities. It is clear from future traffic growth and congestion forecasts that travel and environmental conditions in the borough could become unsustainable and threaten Hartlepool's economic prosperity and quality of life in the longer term. Transport has a key role to play in supporting the continued regeneration of the borough by providing for the increased demand for travel in a sustainable way and reducing existing inequalities and social exclusion.

Regeneration is a key priority for Hartlepool and the rest of the Tees Valley. New employment opportunities within the borough and the regionally significant Victoria Harbour development will bring an increased demand for travel to health, education, leisure and retail facilities across the borough and the rest of the Tees Valley. To support Hartlepool's continued regeneration, it is essential that the local transport strategy provides for the forecast increased demand for travel.

30.4 Meeting the Forecast Demand for Travel in a Sustainable Way

The Council needs to ensure that it can support and maintain the borough's continued economic growth and regeneration without compromising other priorities. The increased demand for travel is forecast to result in increased levels of traffic growth and congestion on the highway network. This congestion could have an adverse impact on the local economy, affect the quality of life for local communities and threaten continued regeneration. It is essential that the future demand for travel is met in a sustainable way and that there are realistic alternatives to the private car, reduce the need to travel and manage the demand for travel in a way that best meets our local needs.

30.5 Priorities for Hartlepool's Transport

Hartlepool will have a high quality, integrated and safe transport system that supports continued economic growth and regeneration. It will provide access to key services and facilities for all members of society, promote sustainable travel patterns and minimise the adverse effect of traffic on local communities and the

environment. The development of transport services and infrastructure will represent best value for money for users, operators and the council'.

30.6 Review of Traffic Levels on Key strategic highways in and around Hartlepool

Traffic flows have increased steadily over recent years, particularly on the principal road network and in urban areas. Congestion is now starting to be experienced in the town centre during peak hours where the network is operating near to capacity. This congestion is starting to affect the punctuality of bus services, the reliability of freight movement, the safety of pedestrians and cyclists and air quality.

Computer traffic modelling work has indicated significant future traffic growth with increased demand and distance for travel in line with Hartlepool's continued economic growth and regeneration. This would result in congestion affecting a much larger part of the borough's road network in the future. Left unchecked, this congestion could threaten Hartlepool's continued economic growth and prosperity, increase road danger and affect the environment and wider quality of life for communities.

The Traffic Management Act 2004 imposes a duty on local traffic authorities to manage their networks to secure the expeditious movement of traffic (i.e. all road users) on their network, and to facilitate the same on the networks on others.

The analysis of congestion problems facing Hartlepool has identified the following key issues:

- Increasing levels of car ownership
- Increasing car use and dependency
- Increasing volumes of traffic on the primary and local road network
- Highway network operating at or above capacity
- Unreliability of journeys, particularly affecting bus passengers and movement of goods
- Changing spatial patterns of employment in line with continued
- regeneration
- Future growth of population and demand for travel

The key priority is to make sure that traffic congestion does not hinder Hartlepool's continued economic growth and regeneration. This will be achieved by continuing

to work in partnership with other organisations and agencies to encourage a shift to more sustainable modes of travel, especially in urban areas and manage and maintain the road network in the most efficient and effective way. The schemes and initiatives planned to tackle traffic congestion over the lifetime of the five year LTP include:

- Providing facilities for sustainable modes of travel, including public transport, walking and cycling
- Promoting smarter travel choices
- Controlling the provision and availability of car parking
- Maintaining the highway network
- Increasing the capacity of junctions on the primary road network

30.7 Road Network Improvements

There have been a number of improvements to the road network in Hartlepool, arising from recommendations in the Local Transport Plans. These include:

- a reallocation of road capacity, making better use of signalling, lane markings and roundabouts to improve traffic flow



- the introduction of bus priority lanes
- engineering measures to tackle accident hotspots e.g. a single lane, approach with anti-skid treatment to Newburn Bridge; school speed safety zones; new controlled road crossings; and improved lighting at crossings

30.8 Public Transport

Whilst Hartlepool has reasonably extensive public transport coverage to locations across the region however the lack of a single commercial centre in the sub-region does make it harder to sustain a viable public transport network. A viable public transport network is essential to assist social mobility, providing accessibility to services and jobs.

The creation of the Tees Valley Metro and the improvements to the Bus Network which are both shown below would mean that public transport across the town would be improved which will lead to greater connectivity for residents and businesses.

30.9 The Bus Network

Central to transport in the Tees Valley is the bus network, which despite declining patronage remains the most important public transport mode in the City Region, in terms of number of passengers carried and kilometres covered. Buses are key to providing accessibility to the main centres and increasingly for ensuring sustainable access to regeneration areas and new developments. However, with increasing car ownership (from a base well below the national average) there is pressure on maintaining the current levels of accessibility in the face of an increasing funding gap between network operating costs and passenger revenue.

A review of the operation of the Tees Valley bus network undertaken in 2004 identified a variety of proposals encompassing the whole of the City Region, based on a stable hierarchical network approach and the development of high demand and quality links to key centres in particular. The review included options for:

- A network to maximise bus patronage whilst maintaining accessibility and social inclusion, with a cost neutral base option and costed, prioritised incremental improvements;

- Infrastructure and bus priority improvements with an implementation strategy;
- Priority routes for low floor buses;
- Fare and ticketing improvements (and simplification); and
- Other marketing and information initiatives.

Following the review, a comprehensive package of measures was developed, titled the Tees Valley Bus Network Improvements, designed to address the long term decline in bus patronage, offer a step change in bus service provision, and provide a real alternative to the private car to help support the long term regeneration aspirations of the Tees Valley.

The Tees Valley Bus Network Improvements scheme covers bus corridors within the five Tees Valley Authorities of Darlington, Hartlepool, Middlesbrough, Redcar & Cleveland and Stockton-on-Tees. The geographical coverage of the routes that are the subject of this scheme is only a proportion of the bus routes that cover the City Region. However, the benefits of the scheme will reach across the whole of the City Region network, meaning the benefits are also felt away from the point of direct investment.

30.10 Bus Network Improvements

During 2005 the Government announced an indicative Regional Funding Allocation of £457 million to be spent on transport schemes in the North East over the next 10 years. The figure, which commences at £42m in 2006 and rises to £49m in 2016, covers highway schemes that are not included in the Highways Agency's national programme and LTP major schemes, in excess of £5m. A major part of this was the improved Tees Valley Bus Network.

In Hartlepool the major improvements are the implementation of bus priority and pedestrian improvements on York Road 'super core' bus route and the opening of new transport interchange facilities. Also the improved provision of Real Time Passenger Information at bus stops will be rolled out to Hartlepool as part of a Tees Valley project

30.11 Rail Network

The Durham Coast railway line serves the borough with stations at Hartlepool and Seaton Carew. This link provides direct regional links to Newcastle, Sunderland, Stockton and Middlesbrough. When the signal upgrade is completed it is

anticipated that freight traffic will be diverted to the Durham Coast Line to free up paths on the East Coast Main Line for passenger journeys. Since 2006 the Grand Central Line has provided a direct link to London Kings Cross direct from Hartlepool with trains running four times a day in each direction during the week. Given the reduction in air services to key London destinations the rail services are pivotal in ensuring that Hartlepool retains its connectivity with regions south of the Borough and the capital city.

30.12 The Tees Valley Metro

The plans for a Tees Valley Metro system remain on track despite the reductions in funding across the country. The £140 million scheme currently under consideration would utilise both existing rail lines and introduce new tracks to create a rapid transport route linking Tees Valley town centres with outlying estates and ongoing regeneration projects.

The business case for the project has been submitted to the Department for Transport and this project would create a long term improvement to the economy and improve the attractiveness of Tees Valley as a key destination.

The first phase of the development would run along the Darlington to Saltburn rail



corridor, with at least four trains running an hour. This phase would cost around £80 million and would involve the redevelopment of existing stations and creation of new stations at Durham Tees Valley Airport and James Cook Hospital. Also the development of new High quality rolling stock carriages would offer greater comfort for passengers. The target date for the completion of phase 1 is December 2014.

The future phases of the development in 2014 – 2019 and 2019 – 2024 will depend on future funding been available. However the plans would be for new stations being built in Morton Palms, Teesside Park, Middlehaven, Wilton, The Ings, Queen's Meadow and Nunthorpe Parkway. Along with these new developments a new route between Hartlepool and Nunthorpe would be developed and this phase will cost around £140 million.

30.13 Air Travel

The major sources of air travel in the North East region are the Durham Tees Valley Airport and Newcastle International Airport. The Durham Tees Valley Airport welcomed 289,464 passengers in 2009 along with 25,208 aircrafts whilst the Newcastle International Airport welcomed 4,587,883 passengers and 69,254 aircrafts in the same period.

Durham Tees Valley Airport represents a key economic driver for Hartlepool and the whole of the Tees Valley and a major site contributing towards regeneration of the sub region. Despite the current economic climate it is hoped that the planned expansion will allow the airport to remain a key part of the economy in future. The loss of direct links to Heathrow has left the Tees Valley disadvantaged by its inability to gain access to world markets via Heathrow. These links were considered vital to maintaining and enhancing city region competitiveness however it is hoped that links to London will be re-established in the future.

Newcastle Airport is the major source of air travel across the North East and in 2009 it was the 12th Busiest Airport in the UK. The airport is only 40 miles away from Hartlepool and has direct links to locations across the world including London, Toronto and Dubai.

30.14 Local Transport Plan 3

The third LTP – covering the period to 2026 - is currently in draft format, and will be going to wider public consultation shortly. It reinforces and expands many of the messages found in the second LTP, including the continuing rapid increase in car

ownership; poor connectivity between the peripheral location of Hartlepool and the rest of the Tees Valley area; the importance of rail transport, particularly for travel internal to Tees Valley and the need to reduce journey times and fares, and increase punctuality and availability outside peak periods to more effectively compete with car travel; the need to improve bus punctuality, ticketing and routing. Possible interventions, in addition to those detailed above, include new park & ride schemes and low-cost, targeted highway schemes (e.g. an extension of low speed – 20mph – zones, more effective use of traffic signals and routing to improve flow). In addition, LTP3 recommends ongoing education and awareness raising about road safety issues and more environmentally friendly travel; greater use of Travel Plans, encouraging more sustainable/healthier modes of travel to particular sites; and improving travel for pedestrians and cyclists, including better signage and enhanced cycle lanes.

30.15 Commuting

Data in commuting flows can be established by analysing Annual Population Survey data on place of residence and place of work. More detailed data is only available from the Census, although the analysis of 2008 APS data shows that commuting patterns had changed very little in the seven years since the last Census. It should be noted, however, that these are estimates drawn from a relatively small sample. As such, they have inherently high margins of error, and should be taken as indicative only. In the absence of a commissioned survey, more accurate data will only be available with the analysis of the 2011 Census.

The data show that Hartlepool is relatively self-contained, with 67% of residents also working within the town, slightly down from the 2001 data, although this change is not statistically significant. This implies that approximately 25,700 people of working age both live and work in Hartlepool, while 12,600 commute to other areas. A further 14.2% out-commute to nearby destinations in Tees Valley: 8.5% to Stockton, and 5.7% to Middlesbrough. The only area to which commuting from Hartlepool has increased since 2001 (to a statistically significant extent) is Easington, which accounted for 5.7% of commuting in 2008, up from 2.4%. Between them, these four destinations account for nearly 87% of employment, with no other local authority area employing more than 2% of Hartlepool's residents. This level of self-containment is among the highest in the North East.

In terms of where workers in Hartlepool commute from, as the figures above imply, the town is highly self-contained, with 73.1% of those who work in the town also

resident there. This implies that around 27% of those employed in the town – approximately 9,300 – in-commute from elsewhere i.e. the outflow of commuters from Hartlepool is larger than the inflow, by just over 3,000 people. The majority of the inflow commute from nearby: 10% of all employees commute from neighbouring Stockton, 4% from Easington and 3% from Middlesbrough. Other areas contribute around 10% of workers in Hartlepool between them, with no other local authority area contributing more than 1.4%. Again, this level of self-containment is among the highest in the North East.

Travel to work is therefore highly localised, with the majority of residents working in the town itself or in neighbouring local authorities. It is also worth noting that it is more likely to be residents in low income jobs who work locally, as they are less willing and able to commute, contributing towards the low skills equilibrium of the town.

31.0 Business Sites in Hartlepool

Critical to the growth of an area is the availability of quality business sites and the availability of employment land. Hartlepool currently has a plentiful supply of business sites and locations that can provide the necessary business accommodation and infrastructure in which to support large scale employers to micro businesses. Furthermore, the quality of the business premises can easily meet the needs of a diverse range of disciplines from high tech to heavy engineering companies. Through a partnership of public and private investment, Hartlepool has witnessed key strategic sites being developed such as Queens Meadow and Wynyard Business Park. The existing older stock has also been improved through the demolishing of unfit units and the refurbishment of out-of-date properties.

Shown below is a brief of current business sites within Hartlepool:

Oakesway Business Park: Currently home to major international companies such as Decoflex and TMD friction, the estate has 12 hectares (30 acres) of land available for further development

Victoria Harbour: A site of 200 acres (120 hectares) of prime seafront land identified for use for the emerging Offshore Wind Sector which is already home to JDR Cables and Heerema.

Hartlepool Enterprise Centre: Refurbished to provide modern secure business accommodation for new start businesses the Hartlepool Enterprise Centre is home to the councils Enterprise Team that provides a one stop shop for business start up advice and guidance.

Hartlepool Marina: Premier office and retail opportunities set in this prestigious retail and leisure development. Over £100 million has been spent to transform this former dock area into the jewel in Hartlepool's crown.

Newburn Bridge Industrial Estate: Redeveloped estate that now has CCTV coverage. This council owned facility is managed by the Enterprise Team and provides start up or move on accommodation for businesses from 46.5 sqm (500 sqft) on flexible tenancy arrangements.



Longhill & Sandgate Industrial Estates: With over £1.8 million spent on regenerating the estates, this 32 hectare (80 acre) site just 1 mile from the town centre provides ideal accommodation for a variety of users from retail and service through to heavy manufacturing and recycling.

Tees Bay Retail Park: Modern out of town Retail Park providing warehouse type shopping units for companies such as B&Q and Halfords.

Usworth Road Industrial Estate: Recent environmental improvements have transformed this Industrial Estate into an ideal location for a variety of users. Hartlepool Workshops are also located on the estate providing managed workspace for start-up businesses.

Sovereign International Business Park: Modern Business Park that is already home to international companies with Phase 1 of the 16 hectares (40 acres) development completed. Speculative and design build options are available for business units of upto 4,645 sqm (50,000 sqft).

Park View Industrial Estate: The estate offers modern, high quality business units suitable for a variety of uses. Current tenants range from garment manufacturers to producers of printed flexible circuit board.



Queens Meadow Business Park: Phase 1 of this 65 hectares (160 acre) business park has been completed that has seen the construction of modern high class business units, a modern landscaped environment as well as the UKSE Innovation Centre that provides managed accommodation for a variety of new start businesses.

Tofts Farm East & Hunter House Industrial Estate: Based on the same site, the two estates are home to specialist chemical, electronics and engineering companies. In total both sites cover an area of 36.5 hectares (90 acres) with land available for development.

Tees Bay Business Park: Covering an area of 16.2 hectares (40 acres), the park houses units up to 20,438sqm (220,000 sqft) with carnage facilities suitable for heavy engineering companies.

Graythorp Industrial Estates: Covering an area of 40 hectares (100 acres) the estate is home to a variety of uses including heavy engineering, civil engineering, and general manufacturing.

TERRC Site: The Teesside Environment & Reclamation Centre (TERRC) is a unique 51.4 hectares (127 acres) site that offers decommissioning facilities including drill cutting & waste disposal. Direct access is also available to a 9.7 hectare (24 acre) flooded basin/dry dock area.

Leathers Site: Forming part of a 21 hectare (52 acre) development site offering direct riverside access to the Tees estuary ideally suitable for marine based activities.

Wynyard Park: High quality Business Park located in a premier location incorporating the former Samsung complex. Wynyard Park covers an area of 280 hectares (700 acres) and offers both office and industrial accommodation for immediate occupation as well as design and built packages.

31.1 Employment Land Availability

In 2008, the Council commissioned Nathaniel Lichfield and Partners to undertake an employment land review. Hartlepool has 185 hectares at key employment locations (Wynyard Business Park), 158 hectares of general employment land and a further 29 hectares of land restricted for port related uses.

Within the report it highlighted that according to the RSS, for Hartlepool to meet the future demand of employment land and remain globally competitive, there needs to

be 210 hectares for general employment land and 135 hectares for key employment locations.

The employment land review (ELR) identified strategic sites such as Wynyard and Queens Meadow to underpin future economic growth in the borough through the provision of modern, high quality business premises whilst significant intervention is planned to improve the quality of premises in the Southern Business Zone.

The ELR also highlighted an oversupply of industrial premises within Hartlepool particularly with respect to larger factories. There is a clear need for a renewal of the town's older industrial stock which would see large redundant factories replaced with modern, smaller units.

The market for office premises is concentrated in the town centre and the marina. Any future new development by the private sector will require subsidy through gap funding from the public sector to deliver both industrial and office development.

32.0 Town Centres, Retail & Leisure

In addition to the heritage attraction of the Headland, the Marina and Hartlepool's Maritime Experience, the town now offers a wide range of retail and leisure opportunities for local residents and visitors.

In the heart of the town is Middleton Grange Shopping Centre which has named brand retail outlets and an indoor market. Hartlepool's outdoor market is held every Wednesday and Thursday and there is a thriving farmers market held at the Maritime Experience on the second Saturday every month. Adjacent to the Marina are the retail parks Highlight, Highpoint and Anchor with popular high street stores. Tees Bay retail park also offers both retail and leisure facilities with large scale ASDA on the Marina and TESCO superstore near the town centre open 24 hours a day.

The town also has much improved sporting activities and sporting events. In addition to the Marina watersport activities local residents and visitors are welcome at Brierton Sports Centre, the Headland Sports Hall, Belle Vue Sports & Community Centre and the newly refurbished Mill House Leisure Centre. There is also high quality golf courses available from Hartlepool's Golf Course, Seaton Carew Golf Course and Throston Golf Course (as well as the driving golf range at the Mayfair Golf Centre.) For the sporting spectator, loyal fans and visitors can enjoy football and rugby matches at Hartlepool United Football Club and Hartlepool Rovers Rugby Club respectively.

32.1 Retail Vacancy

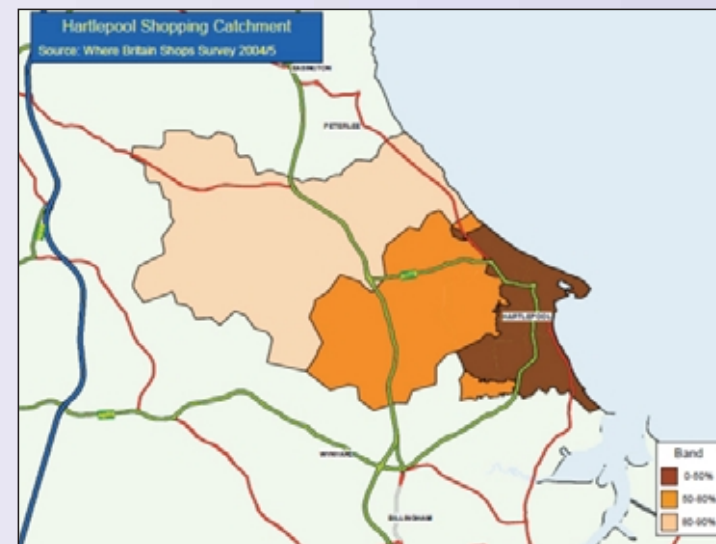
Only two years of data is available for retail vacancies by local authority. In 2008/09, the retail vacancy rate in Hartlepool was 17.0%, roughly the same as the rate for Tees Valley as a whole, but higher than the North East rate of 15.4%. In common with other Tees Valley authorities, this rose substantially since the previous year, although Hartlepool's increase was above average.

The Council's Hartlepool Retail Study 2009 noted that the primary stock was fairly fully occupied, with discount retailers prominent in filling spaces left by the failure of major retailers, but that overall demand was subdued. It was felt that problems would be most acute in second or third tier retail space in the town.

32.2 Retail Catchment

Experian's 2006 study of retail and leisure flows⁵¹ reports that Hartlepool has a very localised retail catchment, with most shoppers originating from the town itself: 76% of Hartlepool residents in their survey cited the town as their main shopping destination. Neither Peterlee to the north nor Billingham to the south fall within the catchment area, demonstrating its limited geographical coverage. The map below, taken from the Experian report, shows the retail catchment.

Figure... Hartlepool's retail catchment area



Source: Experian (2006)

⁵¹ Experian (2006) Study into retail and leisure flows, report for NERIP

Anchor Retail Park has a slightly different pattern, with weak penetration in the immediate area, but higher penetration across a fairly wide catchment area, extending west towards Durham. The majority (69%) of Hartlepool resident shoppers in the survey who used an out-of-town retail park shopped at the Teesside Retail Park rather than Anchor (6%) or Marina (also 6%).

32.3 Leisure Catchments

The leisure catchment for Hartlepool is also highly localised, but smaller than the retail catchment area, in common with most other North East towns and cities. The map below illustrates the leisure catchment area (note that the scale of the map is different from the map above).

Figure... Hartlepool's leisure catchment area



Source: Experian (2006)

32.4 Policy Challenge: How has the economic downturn contributed to rising numbers of vacant retail units?

An initiative was launched to encourage self employment opportunities using the underused Market Hall. Individuals had the opportunity to test trade their business ideas by taking on space in the Market Hall at subsidised rent and rates. The

Market Hall was given a makeover with assistance from HCFE students and lots of publicity has been gained through backing by the Mayor and MP. Businesses operated within the market for three months which has been highly successful in terms of new business creations and increasing footfall of over 18% through the Shopping Centre. The initial pilot aspect of the scheme ends in March 2010 and plans are being developed to continue to progress the project in the future

33.0 Tourism & Culture

Over the past decade, Hartlepool has witnessed a staggering transformation to its visitor economy. The town's major regeneration programmes over the last 20 years and in particular the redevelopment of the new marina area has offered much needed injections to the tourism trade. Hartlepool now offers attractive, reputable and invigorating visitor attractions which have seen a resurgence in the numbers of people visiting the area.

Hartlepool is an extremely vibrant town with a mix of attractions activities and events which cater for the diverse needs of both visitors and local residents. Hartlepool offers a rich mix of the olds and new from inspiring Christian Heritage sites to active leisure facilities, improved shopping and hospitality, and an award winning maritime attraction at the stunning marina area.

Visitors are impressed by the passion and commitment shown by those employees and volunteers working in the travel, hospitality, leisure, tourism, retail and event sectors. Their expertise, knowledge and enthusiasm are critical to the success of ensuring that visitors continue to return to the area.

Hartlepool's key visitor offer includes:-

- A 500 berth marina which operates 24 hours a day, every day of the year. New water based-attractions are on offer including the testing 'Walk on Water' and the exhilarating 'Thunderats' experience. The Marina also enjoys a wealth of top class bars and restaurants particularly at Navigation Point.
- At the heart of the marina is the award winning Hartlepool's Maritime Experience, an authentic reconstruction of an 18th century naval seaport, also home to the Museum of Hartlepool and HMS Trincomalee, the oldest fighting ship afloat in Europe and recently the first affiliate of the National Museum of The Royal Navy. Over £2m has been invested into Hartlepool's Maritime Experience over the last 2 years.

- The marina provides the location for the growth of the eating out offer in Hartlepool with a wide range of restaurants, cafes, bars and pubs.
- Hartlepool's historical background can be traced in Hartlepool's Headland with a variety of key locations including Heugh Gun Battery Museum, St. Hilda's Church, Town Wall – and other key iconic buildings / locations which are linked through the 'Story Trail' These iconic features bring together key dates in Hartlepool's history from its 18th century Christian Heritage through to both World Wars.
- Seaton Carew with miles of broad, golden sands and safe, sheltered bathing. The southern area of the beach leads to protected dunes and further south is the Seal Sands home to common and grey seals as well as hundreds of species of birds.
- Hartlepool Art Gallery situated in the stunning and beautifully restored Victoria Church in Church Square. Visitors enjoy changing exhibition programmes

including contemporary and fine art, photography, crafts, and artwork of national, regional and local significance. Hartlepool's museum also has permanent collections on display and boasts the 100ft clock tower for great views of the town.

- A wide range of outdoor recreation activities including Summerhill – a 100 acres site which combines sensitive conservation work with BMX biking, orienteering and a range of free events. Hartlepool has three excellent golf courses, one of which was one of the first 50 to be built in the world at Seaton Carew.
- RSPB Saltholme is a fantastic new wildlife experience where visitors can enjoy the breathtaking, state-of-the-art building with panoramic views over the huge wetland where people can watch birds and see three architect designed hides. There is also a wildlife garden, wildlife themed children's play area, cycle paths, a café and shops.



- Hartlepool also has a growing reputation for staging large scale events including the Maritime Festival in 2000 and bigger events in 2002, 2004 and 2006. In 2008 Hartlepool celebrated Dockfest and in August 2010 hosted the highly successful Tall Ships Races which saw nearly 1 million people visit the town between 6 – 10 August.

Whilst Hartlepool has a wealth to offer both residents and visitors alike, it has to deal with the constraints of its location (it is off the beaten track and therefore people don't just pass through, they have to have a reason to visit) and historical perceptions of the town. It is imperative for those who have an interest in tourism to work together in order to bring new visitors to the town and to encourage they have a full visit. Key networks ran by Hartlepool Borough Council have helped to create partnerships and encourage joint working.

33.1 Current Accommodation Supply

There are currently 18 hotels, large guesthouses and pubs offering accommodation in Hartlepool (split evenly between Hartlepool and Seaton Carew), with a total of 348 letting bedrooms.

The supply of hotels in Hartlepool comprises a mix of relatively small, independently operated 3 star hotels of varying quality and a supply of lower grade, non-inspected hotels, large guesthouses and pub accommodation businesses, catering primarily for the contractor market. There is also one Premier Inn budget hotel at Hartlepool Marina.

In addition to the hotels and guesthouses, the town has a limited self catering provision, with 3 self catering establishments and a caravan and camping park.

The core market for hotels is the contract market, accounting for 60-100% of midweek business for hotels, with Tuesday and Wednesday nights being the strongest. Weekend occupancy levels are generally lower, but stronger in summer months – the main source of business beings weddings (Hartlepool Hotel Investment Sheet – 2007)

Non-inspected hotels and large guesthouses generally also rely on the contractor businesses and occupancy level is generally linked to the level of work for contractors within the area. Weekend occupancy is lower but varies between hotels and guesthouses; however they are generally stronger in the summer. Key

weekend markets are people attending weddings, family parties, meeting friends and relatives, events (including football)

Key areas of growth for the accommodation sector which have been identified for Hartlepool (whilst looking at the Tees Valley as a whole) are:-

33.2 Corporate & contractor Customers

The decommissioning of the existing power station and the proposed development of a new nuclear power plant, alongside the development of Windfarm activities on the Victoria Harbour site and the planned expansion of the petrochemicals industry and new energy sector at Billingham, North Tees and Seal Sands would ensure continued business for local accommodation companies (especially B&Bs).

Further accommodation development opportunities have been identified as part of the Accommodation Strategy for Hartlepool including:

- Further budget hotel development & possibly upper tier hotel development
- The Upgrading, expansion and/or redevelopment of existing 3 star hotels e.g. the Staincliffe at Seaton Carew (where there are plans to demolish the existing hotel and replace it with a new 25-bedroom 4 star hotel and apartments);
- Further serviced and self-catering apartments.
- Planning permission and proposals for Elwick Services (Northbound & Southbound) and Trincomalee Wharf

33.3 Networking – The Hotels Group

With the limited accommodation provision in the town and many of the businesses being SME's, it is important that the businesses work and engage with each other. This is in order to support businesses within the town collectively, provide a greater customer experience, understand the market/business within the town and understand and learn from each other in terms of marketing opportunities and visitor experience. The Hartlepool Hoteliers Group has been running since 2003 and this has been a forum for creating such a close network of accommodation providers within the town. Administered by the Tourism Team it has delivered key activities and provided advice and guidance on many areas of business support and also created an understanding of activity at both a sub-regional and regional level.

33.4 Visitor Economy

Hartlepool's visitor economy continues to grow with statistics up to 2008 showing a year on year increase in the overall economic impact. The value of tourism to the local economy is often under-estimated, but serious consideration needs to be made on ensuring that Hartlepool remains a key destination within the region and sub-region.

Tourist numbers in Hartlepool have increased over the past 11 years and this growth has led to an increase in the demand for improved transport links, good quality food and drink, recreation and shopping establishments.

Perceptions of Hartlepool – The Tall Ships Races 2010

Perceptions of Hartlepool are often dated and The Tall Ships Race was seen by Hartlepool as an opportunity “to successfully deliver a spectacular four day event in Hartlepool in August 2010 which will attract the best Tall Ships and put Hartlepool on the map.

Within the four day period, the number of visitors to the Tall Ships Event was recorded as 970,000. Visitors to the event came predominantly from the North East, with 27% coming from Hartlepool and 42% from the Tees Valley area, although there was wider attendance from visitors from across the region and other parts of the UK.



Origin of Visitors	%
North East	65
Yorkshire	14
Rest of UK	21

Source: Visit Tees Valley May 2010

In total, of the 970,000, 90% of visitor's expectations were exceeded or met. Alongside this, 79% of respondents stated that they would likely visit Hartlepool in the future, whilst 76% stated they would visit the Tees Valley and 78% would re-visit the North East.

The total value of media coverage was estimated at £3.2m with 151,882 unique visitors viewing 756,085 pages of www.hartlepooltallships2010.com between the periods 1st -10th August 2010.

The event also contributed to the following key economic objectives for Hartlepool:

- Build on our maritime heritage and maximise opportunities for skills development, business support, volunteering, economic growth, confidence building.
- Raise awareness of the Victoria Harbour site which has been identified as a prime location for Offshore Windfarm sector.
- Create great positive media coverage for Hartlepool and the North East.
- Generate £millions for the local and regional economy.
- Provide a lasting legacy for the town after 2010.

The full economic evaluation of the event⁵² indicated that each visitor spent an average of £30.59, generating £26.5m for the Hartlepool economy, representing a good return on the investment of £3.9m.

Key results from the event have identified the importance of tourism and culture as an economic driver for the town.

33.5 Night Time Economy

In parallel to the resurgence of the Marina and surrounding town centre areas

(particularly Church Street), Hartlepool's night time economy has enjoyed increased numbers of visitors and local residents who visit the pubs, clubs and restaurants. The night time economy is critical to the growth of the economy and is identified as a key sector within the town which if maximised will provide much needed jobs and will significantly contribute to Hartlepool's economic recovery.

The Marina area has taken particular advantage of the night time economy and the area has a cluster of high quality bars and restaurants. Private sector investment has been critical to the success of the Marina and this has paid dividends to the social and economic vitality of the area.



The town has a mix of fast-food outlets, coffee shops, tea rooms, and restaurants offering everything from a quick morning coffee, traditional pub lunches, Italian, Indian or Chinese meals, to take away meals. All of these establishments are highly dependant on repeat visitors from and outside of the Hartlepool area. To date many establishments have build up a loyal and content customer base who are extremely satisfied with the service on offer. There continues to be a real need for Hartlepool to be promoted as a key visitor attraction and dedicated teams have been established within the council – including the Hartlepool Tourism Board and Economic Development Tourism Team to make this happen.

⁵² Spirul (2010) *The Tall Ships Races – Hartlepool 2010: Evaluation & Economic Impact Assessment 2010*

The teams work closely with the Tourism sector to promote the activities to encourage old and new visitors to come to Hartlepool. A mini guide is produced each year which includes a calendar of events for the year, handy maps and useful numbers. The EAT guide – the guide to dining out – is now in its sixth year of production. The guide specifically promotes Hartlepool as a premier location for dining out and has a total of 37 establishments showcased in this impressive guide.

There are dedicated websites for visitors to find out more about Hartlepool including:

- www.hartlepool.gov.uk
- www.visitteesvalley.co.uk

Alongside this the tourism website www.destinationhartlepool.com helps to spread the word about Hartlepool around the globe and provides immediate online booking for most of Hartlepool's accommodation and a number of attractions.

To continue to effectively promote the Tourism sector in Hartlepool, Hartlepool Local Authority remains responsible for marketing the borough and visitor management. Critical to the town continuing as a major visitor attraction will be the need to ensure ongoing marketing both here and abroad.

The town has key links to national, regional and sub regional activities including:

- Visit Britain – the national tourism agency responsible for marketing Britain around the world.
- Visit England – set up in 2009 to create a national tourism strategy, optimise marketing investment and develop the visitor experience across England
- Tourism Network North East – Provides the tourism support process for North East England and consists of five independent organisations:
- One Northeast Tourism, a regional team based within the regional development agency
- Four area Tourism Partnership; visit Tees Valley, visit County Durham, Northumberland Tourism and Tourism Tyne and Wear.

In the light of the abolition of ONE, the future of tourism promotion in the area is uncertain, with responsibilities devolved to the LEAs, with no dedicated funding. How this will work in practice is not yet clear.

33.6 Policy Challenge: What impact has the economic downturn had on Tourism in Hartlepool?

As anticipated, the recent recession and economic downturn has had a mixed impact on the Hospitality and Tourism sector within Hartlepool. Predominantly, a lack of consumer confidence in the economy and reduced disposable income has led to a high number of businesses being financially affected. Critical to the success of the growth within the tourism sector is a need to ensure that disposable income is maximised within a local area.

In many ways, the Tourist and Leisure economy's growth is highly dependent and interconnected with decisions made at a Government level. For instance, the expected austerity cuts will lead to reduced spending and borrowing by those consumers who are concerned with potential redundancies, etc. This will particularly be prevalent in Hartlepool with around one-third being employed within the public sector. In addition, a reduction in major public investment on regeneration programmes such as The Wynyard Hospital, BSF and Victoria Harbour will have a direct impact on the town's accommodation sector as hotels and B&B businesses will be affected with less bookings from the construction subcontracting sector.

However, the downturn in the economy provides much needed opportunities for Hartlepool to be a destination for the day visitor market. This is due to adults and families reducing their holiday budgets and choosing breaks in the UK (rather than travelling abroad).

34.0 The Natural Environment

34.1 Green Infrastructure

The North East, particularly the Tees Valley region is recognised for its "green" technology base with respect to energy recovery and carbon reduction emission, which includes the management of waste. This proactive approach has led to the setting up of the North East Sustainable Resources Board, the first organisation of its type outside London, which aims to turn the region into a national leader in maximising value from the 10.5m tonnes of waste it creates annually, creating business opportunities and hundreds of jobs in the process.

During the recession the prices of recyclables collapsed as demand plummeted during 2008 and has only in the last six months levelled out. The recession has

changed things and will continue to do so for years to come. Through funding from the North East Improvement & Efficiency Partnership (NEIP) the Local Authority has commissioned a study in response to concerns about the adverse impacts that the recent global economic downturn has played on the market values of various recyclable commodities.

Waste volumes were decreasing even before the recession. Municipal solids were down by 2% in England in the financial year 2007/08 and recently the Authority was close to achieving its 2010 recycling target of 40%, yet more still needs to be done with respect to reducing carbon emissions and achieving more stringent government waste targets in the future. The prevention of residual waste is the best option both economically and environmentally as well as increasing resource efficiency. The Council in partnership with NEIP and RENEW are in the process of commissioning a study to look at alternative methods of processing residual household and garden waste from local Councils to generate bio gas as source of power generation and/or transport fuel.

Waste Minimisation initiatives will be introduced during 2010/11 at the newly improved Household Waste Recycling Centre enabling more waste to be recycled from the site. A “Green” shop will be commissioned in partnership with the voluntary sector enabling members of the public to purchase ‘green’ products and charities to re-use good quality furniture collected by the Bulky Household Waste collection service.

Participation surveys of the Authorities kerbside collection service will be carried out during 2010/11 to measure the effectiveness of the education and enforcement initiative introduced in the last quarter of 2009/10

34.2 Climate Change

Human activity over the past 250 years – from the burning of fossil fuels, land use change, and agriculture – has increased global average temperatures by increasing the concentration of greenhouse gases such as CO₂, methane and nitrous oxide in the atmosphere. Since 1996, we have witnessed the ten hottest years on record of global temperatures.

As the earth’s climate changes, there will continue to be an increase of global temperatures which will see major changes including rising sea levels and extreme weather conditions. To counteract this, cutting carbon emissions and greenhouse

gas emissions has become a priority for all countries. To not take action now would be significantly damaging to the world’s environment, economy and population. Climate change remains the leading threat to the world and therefore radical action is required by everyone including individuals, communities, businesses and governments.

The Climate Change Act 2008 makes the UK the first country in the world to have a legally binding long-term framework to cut carbon emissions. It also creates a framework for building the UK’s ability to adapt to climate change.

The Climate Change Bill finished its passage through parliament on 18th November 2008, and was enacted by Royal Assent on 26th November 2008.

The Department for Environment, Food and Rural Affairs (DEFRA) has published the Climate Change Plan, 2010 which sets out actions that must be taken to reduce the level of greenhouse gas emissions and to plan for the different climates that will result from our past emissions. This plan has been established to inspire other key organisations and businesses to consider their carbon footprint and wider impact on the environment.

To compliment this plan is the new ‘UK Low Carbon Transition Plan’ which sets out a five point plan to tackle climate change including:

1. Protecting the public from immediate risk
2. Preparing for the future
3. Limiting the severity of future climate change through a new international climate agreement.
4. Building a low carbon UK
5. Supporting individuals, communities and businesses to play their part.

This White Paper sets out the UK’s first ever comprehensive low carbon transition plan to 2020 which aims to cut emissions by 18% on 2008 levels. This will be achieved by:

- Getting 40% of our electricity from low carbon sources by 2020;
- Produce around 30% of our electricity from renewables;
- Facilitate the building of new nuclear power Stations;
- Rolling out smart meters in every home by the end of 2020;
- Piloting “pay as you save” ways to help people make their whole house greener;
- Incentivise renewable energy generation through feeding tariffs.

Within the above plan it highlights the economic opportunities that could be made available by a geographical area moving towards a low carbon economy. The North East and Hartlepool is particularly well placed to take full advantage of this by moving away from traditional heavy industries and moving towards the low carbon sector. For instance, the plan outlines how it aims to help make the UK a centre of green industry by supporting the development and use of clean technologies. This includes up to £120 million investment in offshore wind and an additional £60 million to cement the UK's position as a global leader in marine energy. As highlighted within the business growth sectors, Hartlepool has already offshore wind and marine energy as potential growth sector areas which will create new jobs in the future.

In Hartlepool, in accordance with NI 188 targets, a Climate Change Adaptation Strategy is being produced during 2010 that acknowledge the anticipated effects of climate change, identifying how they will impact on service provision, and looking at ways of creating a sustainable future for HBC.

During 2010/11, the Council's dedicated Climate Change Officer will focus on the delivery of the emerging Climate Change Adaptation Strategy.

In order to achieve the next level for adapting to climate change the Council will need to undertake a comprehensive, local risk based assessment of current vulnerabilities to weather and climate both now and in the future; we also need to ensure that adaptation is considered in all relevant council strategies, plans, partnerships and operations. This will be delivered as a central element of the Climate Change Adaptation Strategy, which will consult with relevant service areas.

Hartlepool is represented on the Tees Valley Climate Change Partnership which provides a mechanism for sharing good practices, establishing CO2 reduction targets and monitoring systems. A new Tees Valley Climate Change Strategy has been produced in order to achieve area-wide carbon reduction and Hartlepool has

produced an action plan to achieve the aims and objectives of this at a local level (NI 186).

Around half of Hartlepool's 'borough-wide' emissions result from energy use by the industrial and commercial sectors. Hartlepool is a partner in the Tees Valley Green Business network and awards scheme which aims to support and advise businesses looking to reduce their carbon footprints.

In 2009 /10 Hartlepool Borough Council produced a Carbon Reduction Strategy and Action Plan to reduce carbon emissions from its own operations over a 5 year period. In 2010/11 actions will be implemented in order to ensure progress against the aspirational carbon reduction target of 35% which has been set for 2014. (This will also contribute to NI 185).

34.3 Regeneration Policy

The coalition government's agenda on localism is manifest in the commitment to give communities a greater say in regeneration and planning decisions. The recent White Paper on subnational economic growth stated that 'that means giving every neighbourhood the chance to shape its own development through the creation of neighbourhood plans, which will give local communities greater flexibility and the freedom to bring forward more development than set out in the local authority plan. Neighbourhood plans will need to respect the overall national presumption in favour of sustainable development, as well as other local strategic priorities such as the positioning of transport links and meeting housing need.'

In addition, the government will grant communities 'Right to Build' powers. This allows small-scale development to take place without the need for a separate planning application, to respond quickly and flexibly to local needs. Where communities do not exercise this right, they will follow the local authority development plan, the procedures for which will be simplified and streamlined, facilitating more influence and input from communities.

The White Paper also notes that housing growth will be incentivised through a 'New Homes Bonus', with the details for the development of the new housing (and/or regeneration of derelict/empty residential properties) determined by a process of debate within and between communities, led by the local authority. The Bonus will match fund the additional Council Tax generated by each new home/property built or brought back into use for six years after that home is built. Exact details of

implementation will be determined shortly.

The Homes and Communities Agency will provide expertise on housing and other physical regeneration schemes, at the request of local authorities. It will work through the LEPs, in order to integrate business and local authority planning needs, with the intention of fulfilling the agenda outlined above: providing communities with the tools and support to help them decide local regeneration and investment plans. Currently, the HCA is working with Tees Valley Living to support their housing market renewal programme, including schemes in Hartlepool (e.g. Victoria Harbour),

35.0 Key Findings

Regeneration

- Future regeneration investment will be focussed in the Regeneration Action Zones, a number of which are also part of the Tees Valley Coastal Arc Strategy, which is the focus of regeneration in the wider local area. These investments aim to improve both economic development and tourism and the visitor experience – for example, a coastal path and cycleway.
- Important regeneration projects include: the wind power development at Victoria Harbour; tourism developments at The Headland and Seaton Carew; and a variety of premises and estates for commercial activity in the Southern Business Zone and Wynyard Business Park, including the possibility of new hospital if alternative funding can be found (given the cancellation of central government funding for the project).
- In addition, there is investment in housing market renewal around the borough, including social housing; improvements to the fabric of educational institutions; and possible refurbishment of the town square.
- However, these plans may be altered by the changes in the planning system proposed by the new coalition government, which will devolve more power to local communities to make their own decisions, in collaboration with the local authority.

Household growth

- It is forecast that, primarily due to the growth in single person households and the ageing of the population, approximately 5,400 new homes (gross)

will be needed in Hartlepool in the next 15 years, equivalent to a net addition of 320 per annum. This comes from additions to existing housing areas and development of greenfield sites on the urban edge and on urban brownfield sites.

Housing stock

- There were just over 39,000 occupied dwellings in Hartlepool in 2007, and around 2,000 vacant properties (of which 620 were due for demolition) and a small number of second homes (300). This represents a vacancy rate of 4.7%, above the national rate of 3%, although it was substantially higher in some wards due to the poor quality of the housing stock. The scheduled demolitions have now been carried out through the Housing Market Renewal Programme, which is still ongoing.
- Demand for new homes exceeds supply across Hartlepool, including for rented accommodation, with long waiting lists for social housing; in some areas, people may turn to the private rented sector where social housing is unavailable. Executive homes comprise only 3% of the housing stock, and development is needed in this area, particularly if economic development aims of upskilling the population are to be met.
- Demand among newly formed households is strongest for family homes (2-3 bedroom properties), with much lower and falling demand for apartments – many newly developed complexes have high vacancy rates.
- There is a shortfall of 393 affordable dwellings per annum, implying that meeting the need among certain groups for affordable housing is a key priority. This can partly be achieved through enforcing a minimum proportion (10%) of affordable housing on new residential schemes, part-funded by national support schemes. The New Homes Bonus announced by the coalition will also aid in developing the housing stock as required.

Fuel poverty

- In 2009, fuel poverty (spending over 10% of household income on total fuel use) is likely to be a major problem in Hartlepool, given the high rate of benefit claim. To counter this, in addition to national schemes, the town has developed a Winter Warmth Campaign which, among other initiatives, will provide home safety checks and give out advice on energy efficiency.

Broadband

- Broadband availability is generally good, and will improve substantially when the pledged introduction of superfast lines by the coalition government is accomplished. No data is available on the proportion of households or businesses in Hartlepool which are online, but increasing this rate, and supporting business owners and residents to make best use of broadband is a clear policy direction.

Transport

- Improving local connectivity is seen as a key priority for Hartlepool. While the current road network is effective, transport flows have increased to the point where the network is near capacity, and forecasts indicate increasing congestion and poorer environmental conditions due to increased traffic flows. As such, meeting the increased demand in a more sustainable way is necessary.
- The identified issues to take into account are: increasing car ownership and dependence; increased volumes of traffic; unreliability of public transport and freight journeys; changing spatial employment patterns; and the growth of the population. Initiatives to remedy the problems include: promoting more sustainable travel (walking, cycling, public transport); educating the local population about smarter transport choices; controlling parking provision; maintaining roads; and increasing capacity of junctions.
- The lack of a single commercial centre in Tees Valley creates difficulties for the public transport system. To counter this, there are proposals to create a new £140m metro system (which was not cut in the Comprehensive Spending Review) linking, in its first phase, Darlington to Tees Valley Airport and on to Saltburn, with future phases dependent on funding. In addition, initiatives improve local bus networks include: buses being given priority on a number of routes; rolling out real time passenger information provision; simplifying and improving ticketing and fares; marketing and promoting bus usage,
- Rail and air links are both highly important, with Hartlepool being served by the Durham coast line providing links to Newcastle and the Grand Central Line direct to London, compensating for the loss of direct air links. Nearby Durham Tees Valley Airport is seen as a key driver of the local economy, with its planned expansion contributing further to economic development

and regeneration.

- In total, 67% of residents work in Hartlepool, with 33% commuting out to work, mainly to neighbouring local authorities. This equates to approximately 12,600 people out-commuting, with 9,300 in-commuting (again, mainly from nearby local authorities). On balance, this implies a net outflow of just over 3,000 commuters.

Business sites

- There is a range of high quality accommodation for businesses available within Hartlepool, which have been extensively developed and refurbished through a partnership of public and private investment. In total, there are 185ha of key employment locations, 158ha of land for general employment and 29ha restricted for port-related usage. To meet future demand and remain competitive, the town requires 210ha for general employment and 135ha for key employment locations. This implies that there is an oversupply of large premises, particularly factories, and the need to replace the older stock with modern, smaller units. The market for offices is concentrated in the town centre and marina, and any new private sector development would require public sector subsidy.

Town centre, retail and leisure

- The primary retail stock in the town centre is fairly fully occupied (although retail vacancy across the town is higher than the regional average), and the retail offer is generally seen as good and varied, with both town centre and out-of-town shopping and leisure opportunities. Sporting activities are much improved, with a range of leisure centres, golf courses and professional sports clubs. The market hall was used to pilot a self-employment scheme, which saw footfall increase by 18% and is likely to be extended.
- The tourism and visitor offer is much improved over the past decade, and includes a marina with a range of attractions, bars and restaurants; historical sites on The Headland; beaches and wildlife at Seaton Carew, Seal Sands and Saltholme; public art and museums; outdoor recreation, and large-scale public events. However, it is seen as relatively inaccessible, with little 'passing trade' – visitors need a reason to visit.
- The 18 hotels and guesthouses, mainly small and lower grade, offer 348

bedrooms, catering primarily for the contractor market. Weekend occupancy tends to be relatively low, but higher in summer, with the main source of business being summer weddings, family visits and attendance at events (mostly football). Future projections forecast at least a continuation of the current level of the contractor market, with development opportunities identified as budget hotel and possibly upper tier hotel development; upgrading of existing 3* hotels; additional self-catering facilities; and planning permission for new developments at Elwick Services and Trincomalee Wharf. These developments are supported by the Hartlepool Hotels Group, a forum for accommodation providers.

- The night-time economy has seen increased business, particularly in the Marina area, and is seen as a key sector to contribute to economic recovery. Work is ongoing to promote this offer and make Hartlepool a key visitor destination.
- While the downturn may have affected spending in parts of the visitor economy, it also offers an opportunity for the town to increase the number of day visitors, as families cut back on expensive holidays,

Natural environment

- Tees Valley has been a national leader in maximising value from waste, but this has been affected by the collapse in the price of recyclables during the downturn. In response to this, the Council are reviewing methods of processing waste to produce power or fuel, and minimising the level of household waste (and in particular the amount which cannot be recycled). A 'green' shop will be opened to encourage purchases of environmentally-friendly and re-used products.
- Hartlepool is well-placed to take advantages of the economic opportunities offered by the move towards a low carbon economy, in particular supporting the use clean technologies in local heavy industries and developing the supply chain for wind and marine energy. The forthcoming Climate Change Adaptation Strategy will also include a full risk assessment of vulnerabilities to weather and climate change.

35.1 SWOT Analysis - Place

Strengths

- Major, widespread investment in regeneration in past decade.
- A number of sites across the borough available for a variety of commercial uses and/or redevelopment.
- Improved leisure and visitor facilities, growing reputation for staging large-scale events and wide retail catchment area.
- Town centre vacancies low, and good retail offer. Market Hall self-employment initiative very successful.
- Contractor market leads to good occupancy rates for guest accommodation midweek.
- Good progress against green targets, with waste volumes reducing and recycling up.

Opportunities

- Redevelopment, improved infrastructure and expansion of areas within the Southern Business zone.
- Provide more affordable housing through conditions on private residential developments.
- Reduce fuel poverty through partnership working to target those most at risk.
- Ensure that Hartlepool is well-placed to commercially exploit the roll-out of universal superfast broadband by 2015.
- Reverse the long-term decline in bus patronage by upgrading geographical coverage, extending 'bus only' routes and improving ticketing options. Integrate with rail and forthcoming metro systems.
- Redevelopment of large industrial premises into smaller, more modern units, and general upgrading of commercial units.
- Further development and promotion of the visitor economy through an upgraded offer, in partnership with private sector investment, in particular upgrading and increasing guest accommodation.
- Develop a 'Visit Tees Valley' promotion, to fill the gap created when One North East's tourism organisation is axed.
- Increase the efficiency and effectiveness of Waste Minimisation initiatives, and assess current vulnerabilities to climate change.
- The new localism agenda will deliver incentives such as the New Homes Bonus; ways to maximise this should be investigated.

Weaknesses

- Market demand for housing exceeding supply in most areas. Market demand is high for modern family houses, and social rented accommodation, of which there are shortages, forcing people into private rented accommodation instead. Low numbers of executive homes, limiting the inflow of highly skilled workers.
- Some areas of extremely poor quality housing, unable to be sold.
- Shortfall of affordable housing.
- Increasingly congested transport network, with over-reliance on car travel, compounded by multi-centric model of Tees Valley.
- High level of net out-commuting indicates lack of suitable jobs for residents in the locality, particularly those on higher incomes.
- Mismatch of land use – more land is required for general employment use, and less for key employment locations. Oversupply of large industrial premises.
- High levels of retail vacancy, particularly away from town centre.
- Location – off the beaten track, people need a reason to visit.
- Relatively small number of guest rooms available, and high vacancy rates at weekends.

Threats

- Depression in housing market preventing the construction of much needed new residential developments, particularly of family homes, executive homes and social rented accommodation.
- Public funding cuts preventing refurbishment/redevelopment of commercial property.
- Failure to develop transport system in response to increased demand for travel leads to increased bottlenecks and difficulties in accessing new employment opportunities, both in Hartlepool and beyond.
- Failure to increase the visitor and night-time economy due to continued low consumer expenditure and lack of attractiveness of visitor offer.
- The abolition of One North East implies that tourism promotion will be devolved to LEPs. There is currently no subregional equivalent to Visit North East England and, with no regional co-ordination or funding, the future of tourism promotion in Tees Valley is uncertain.

36.0 Conclusions from Economic Assessment

Over the past decade, the economic development picture in Hartlepool has been somewhat mixed. While growth in the business base has been strong, and the business formation rate has been increased, there remains a clear enterprise gap with the country as a whole, and an over-reliance on large employers. Some of the new businesses formed in the recent past have proven to be more vulnerable to the effects of the recession than national trends would have suggested, but the number of businesses remains well above the level at the start of the last decade. This suggests that a renewed focus on quality is required in addition to the accelerated pace of business formation which has been achieved through effective support interventions. It may also be the case that the recession has cleared out the poorer performers, leaving a leaner, more competitive business base which is better able to withstand future shocks. Certainly, the downturn in employment in 2008-09 was lower than in Tees Valley or the North East, although still greater than in the UK as a whole,

Despite these successes in business creation, raising the number of employees, and raising employment and activity rates in the pre-recessionary period, economic activity among residents has never reached the national average, and unemployment and worklessness has consistently been high and is now rising. The activity rate among women, in particular, has proven to be especially vulnerable to the effects of the recession. These high levels of worklessness have led to high levels of financial exclusion (low incomes, poor credit ratings among residents etc.) and levels of child poverty well above average.

Worklessness is also a result of health factors and, in turn, can contribute towards poor health among residents. Health and wellbeing of Hartlepool residents is low by national standards, with high standardised mortality ratios and low life expectancy. Contributing towards this is the much greater prevalence of unhealthy lifestyle risk factors among the local population - obesity, smoking, binge drinking, misuse of drugs etc. The incidence of mental health difficulties is also above average.

Therefore, although much progress has been seen in the past decade, it is clear that much remains to be done, a challenge compounded by the economic downturn and the public sector funding cuts. Hartlepool also has relatively low levels of productivity, with GVA per head and per employee well below national averages. It is clear that there is scope for local businesses – and the local workforce - to be

more productive, effective and efficient. What are the prospects for Hartlepool in the coming years?

The borough remains over-reliant on public sector employment, which accounts for around a third of the employees in the borough, and has a high proportion of residents in receipt of both work-related and disability-related benefits. This implies that Hartlepool will be extremely vulnerable to the forthcoming public sector cuts and reorganisation of delivery structures. Steps should be taken to try to mitigate the potential impact, both direct and indirect – redundancies in the public sector and reduced household incomes are likely to have an effect on non-essential retail and leisure spending.

In particular, Hartlepool made the strategic decision to be a service sector economy and retail areas are key to this strategy. The retail sector in Hartlepool has already seen large redundancies – mainly through the closure of national chains – and the shop vacancy rate is higher than average. However, the town centre is relatively fully occupied, and the local nature of the catchment area – the majority of Hartlepool residents shop in the town itself – implies that future downsizing is likely to be relatively minor.

The construction sector has already seen a large reduction in employment as a result of the downturn in the housing market in recent years; although there are some signs of recovery, housebuilding remains depressed, and the public sector cuts will compound this through reductions in spending on infrastructure and other major public building programmes (e.g. Building Schools for the Future). As such, it is unlikely that construction will see any growth in the near future, with recruitment largely being in order to replace retiring workers.

Other sectors in the borough are likely to weather the recession relatively well. Major manufacturing employers either are operating in sectors which tend to feel little effect from the downturn (e.g. chemicals supply), are flexible enough and have a sufficiently skilled workforce to adapt to find work (e.g. much of the engineering sector) or are in growth industries, such as the low carbon energy supply chain. The latter is a key sector, with offshore wind manufacturers and facilities already well-established, and the prospect of a new build nuclear power station a real possibility. Manufacturing in general will be becoming more technology- and ICT-intensive, and will need to provide added value (after service, maintenance etc.) to be able to compete globally on quality, rather than price. With future loci of demand

uncertain, flexibility and a multiskilled workforce – particularly among technician-level jobs – is highly important. Similarly, the importance of higher level engineering input will increase an area where there are currently shortages.

Leisure, hospitality and tourism employment has shown growth as a result of development of attractions and the night-time economy, but the catchment area remains limited and tourist numbers and tourism spend outside major events (e.g. the Tall Ships) is limited, with business travellers being the mainstay of local guest accommodation. Again, this needs proactive strategic intervention to drive change, but the limited funding available for tourism promotion and lack of regional leadership may prove to be major obstacles.

In services, the relative lack of employment in knowledge-intensive business services and the digital economy is the area which is in most in need of strategic intervention.

The third sector will also be increasingly important in Hartlepool, in a number of ways: a source of employment; the provision of essential services; and an opportunity for the unemployed to gain experience through volunteering. The HVDA is well-placed to form consortia to take advantage of new funding streams, and it is essential that third sector issues rise in prominence in the local agenda. Skills issues are generally similar to other sectors, although some are more specific (e.g. managing volunteers).

The move towards more technology-intensive manufacturing and higher ICT/internet usage across all sectors, the low numbers of higher-skilled residents and the relatively low wages among Hartlepool employees all point to the need to upskill the resident population. Currently, despite much progress over the past decade, Hartlepool has a low proportion of its population holding higher level and intermediate qualifications, which will be increasingly important to remain globally competitive. In addition, the proportion of young people gaining a Level 3 qualification by age 19 is relatively low, suggesting that new entrants to the labour market require more training and support than elsewhere, placing a burden on firms and reducing their efficiency. However, more recent GCSE results have shown substantial progress, with Hartlepool catching up to national levels of attainment (although there remains some concern about low levels of attainment in STEM subjects, an increasingly essential requirement to drive forward economic change). Similarly, there is evidence of much increased participation of residents in higher

education. The challenges now are to ensure that those who are more suited for vocational education progress through appropriate routes rather than become NEET, and to encourage university students to return to Hartlepool on graduation.

However, the evidence suggests that there is a shortage of jobs for higher skilled workers in Hartlepool itself, leading to a net outflow of commuters to find such jobs elsewhere. Professionals in the service sectors are the most likely out-commuters, given the under-representation of these sectors in Hartlepool's economic profile. At the same time, the skilled workforce in manufacturing - one of the major assets in the local economy - is ageing, and there are insufficient young people seeking to replace them. Therefore, even though the prospects for manufacturing in Hartlepool appear bright, there is the possibility that skills shortages will become increasingly difficult to deal with, requiring proactive intervention.

Equally, there is a number of pressing skill gaps which have been identified both locally and nationally as a limiting factor on economic development. Foremost among these is the lack of leadership and management skills across a wide variety of professions and sectors. In order to cope with the challenging economic environment ahead, and to recognise and exploit the entrepreneurial opportunities available, managers in all businesses and organisations – including the public sector – need to have a clear vision of the capabilities and potential of their staff, and the business, leadership and administrative skills to be able to use those capabilities to increase efficiency and effectiveness.

Other common skill needs and gaps include customer service and other interpersonal skills; increased ICT skills among users as well as ICT professionals; and technician and associate professional level skills, which are an important enabler for businesses and an essential prerequisite for workers to progress to higher skill levels. Multiskilling among the workforce is also important – for example, combining creative and technical skills in digital media, or online and conventional retailing skills – in order to increase flexibility and reduce costs as employers diversify to remain competitive.

The high levels of worklessness also mean that returners to the labour market often require high levels of pre-entry and in-work support, which employers are unwilling to provide, particularly in challenging economic times. While the training provided in Hartlepool is generally regarded as good, there remains an issue of engaging SMEs with the training system, which will not become any easier if the recession

continues. SSCs are often opting for the route of a 'skills passport', outlining an individual's skills and competencies to facilitate job mobility, and which could be used to accredit skills gained on the job, a lighter burden for employers to bear.

Forthcoming changes to the business support system also leave the situation unclear about what provision will be available. With Business Link concentrating on growth businesses and the unemployed – other businesses will be dealt with online or by telephone – the majority of locally-provided support will soon be through the newly formed Local Enterprise Partnership. Proactive strategy formation is needed to set the local agenda for business support, how it will be delivered and potential sources of funding.

Broadband provision, essential for modern economic development, is good – and will be boosted by the rollout of superfast broadband – and business take-up is relatively high in urban areas. The key issues in this area are to promote take-up away from the town centre, and to encourage smarter working - for example, more effective usage of e-commerce,

Underpinning this is the importance of place. In order to deliver growth, the infrastructure must be in place to facilitate it. Importantly, Hartlepool has ample space available on commercial sites, although many of the units need to be modernised – in particular, older large factories should be converted to smaller units, which are better suited to the current level of demand. Further redevelopment and refurbishment is clearly needed, although the restrictions on public spending mean that either some private investment is required (particularly if office development in the town centre is needed) or novel funding must be used – for example, the forthcoming introduction of Tax Increment Financing.

Similarly, while there has been investment in housing market renewal, there is some way to go to meet the current level and type of demand. Changing demographics – e.g. the increase in single person households – have increased (and will continue to increase) the level of demand for housing. Social rented accommodation is in short supply, as are family houses and executive homes. The latter are important if highly skilled workers are to be attracted and retained in the borough. The forthcoming changes to the planning system may facilitate a greater degree of housebuilding – e.g. the New Homes Bonus – but also devolve planning decisions to the level of the community. The outcome – and the practicalities of the system – is as yet unclear.

Equally important is an effective transport system. Again, much investment has been made in upgrading road networks and public transport, but congestion – mostly due to increased car usage – has been increasing, and is forecast to continue to increase. While some major projects will be going ahead – for example, Phase 1 of the Tees Valley metro system – other improvements to the road network and public transport will be more incremental, requiring low levels of public funding. These include improving signalling and junctions to enhance traffic flow, and encouraging greater usage of public transport through improved ticketing, frequency and routing.



