

ECONOMIC GROWTH AND REGENERATION COMMITTEE AGENDA



Tuesday 19 July 2022

at 10.00 am

**in Committee Room B
at the Civic Centre, Hartlepool.**

Those wishing to attend the meeting should phone (01429) 523568 or (01429) 523019 by midday on 18 July 2022 and name and address details will be taken.

You should not attend the meeting if you are displaying any COVID-19 symptoms (such as a high temperature, new and persistent cough, or a loss of/change in sense of taste or smell), even if these symptoms are mild. If you, or anyone you live with, have one or more of these symptoms you should follow the [NHS guidance on testing](#).

MEMBERS: ECONOMIC GROWTH AND REGENERATION SERVICES COMMITTEE

Councillors Brown, Clayton, Feeney, Hargreaves, Lindridge, Loynes and Young.

1. APOLOGIES FOR ABSENCE

2. TO RECEIVE ANY DECLARATIONS OF INTEREST BY MEMBERS

3. MINUTES

3.1 Minutes of the meeting held on 28 June 2022 *(previously circulated and published)*.

4. BUDGET AND POLICY FRAMEWORK

No items.

5. KEY DECISIONS

5.1 Inclusive Growth Strategy 2022 - *Assistant Director (Development and Growth)*

CIVIC CENTRE EVACUATION AND ASSEMBLY PROCEDURE

In the event of a fire alarm or a bomb alarm, please leave by the nearest emergency exit as directed by Council Officers. A Fire Alarm is a continuous ringing. A Bomb Alarm is a continuous tone. The Assembly Point for everyone is Victory Square by the Cenotaph. If the meeting has to be evacuated, please proceed to the Assembly Point so that you can be safely accounted for.

6. OTHER ITEMS REQUIRING DECISION

No items.

7. ITEMS FOR INFORMATION

- 7.1 Presentation – Tall Ships 2023 – Business Work Stream – *Assistant Director (Development and Growth)*

8. ANY OTHER BUSINESS WHICH THE CHAIR CONSIDERS URGENT

For information

Date of next meeting – Tuesday 27 September 2022 at 10.00 am in the Civic Centre, Hartlepool.



Economic Growth and Regeneration Services Committee

19th July 2022



Report of: Assistant Director (Development and Growth)

Subject: INCLUSIVE GROWTH STRATEGY 2022

1. TYPE OF DECISION/APPLICABLE CATEGORY

1.1 Key Decision, test (ii). Forward Plan reference CE 80/22.

2. PURPOSE OF REPORT

2.1 To report to the Economic Growth and Regeneration Committee the details of the proposed Inclusive Growth Strategy 2022-2025 and seek approval prior to publication.

3. BACKGROUND

3.1 Hartlepool's previous Economic Growth Strategy was first developed in 2011 and was subsequently refreshed in 2014 and 2019.

3.2 The 2019 strategy was underpinned by three themes that emerged from the evidence review and form the 'three masts' that reflected the distinctive maritime associations of Hartlepool's economy, both from the past and for the future.

3.3 The three masts were:

- **Mast 1 – Creative Hartlepool**

Creative Hartlepool seeks to build on the growing profile and reputation of the town as a distinctive and dynamic economic centre and to support creative people and enterprise to choose to locate and grow in the local economy.

- **Mast 2 – Productive Hartlepool**

Productive Hartlepool seeks to consolidate and strengthen the core foundations of Hartlepool's new economy in the areas where it has most potential to add value to the Tees Valley's priorities.

- **Mast 3 – Connected Hartlepool**

Connected Hartlepool aims to widen the Borough's economic footprint with a positive outward-facing approach to economic networks through physical connectivity and economic collaboration.

- 3.4 The headline outcomes to be achieved were to:
- Become a magnet town for visitors, creative learners, innovative businesses and investment partners;
 - Widen Hartlepool's economic footprint;
 - Narrow jobs and skills value gaps;
 - Maintain Local Plan growth trajectories; and
 - Maximise Hartlepool's contribution to the Tees Valley economy.
- 3.5 Progress has been made with various projects and initiatives highlighted in the current strategy. Notable examples include:
- Film & TV Studios and teaching space at the Northern School of Art
 - Seymour Skills Academy in partnership with Hartlepool College of FE and Seymour Civil Engineering
 - Delivery of the linear park on the Waterfront Site and plans in progress for Leisure Centre and events area development
 - Improvement project to enhance our business parks and industrial estates to be commenced
 - Headland Amphitheatre
 - Secured £25M for Hartlepool Town Deal with projects focused on the local economy and skills
 - Development of a Town Centre Masterplan
 - Tourism promotion most notably Summer at Seaton
 - Continued business support and engagement programme with our local businesses to encourage investment, growth and job creation.
 - A co-ordinated Covid-19 support response to businesses including the government grant schemes.
- 3.6 Since the current strategy was published, businesses have been impacted by the uncertain economic conditions, including the impact of the time taken to reach an EU Exit agreement and the Covid-19 pandemic. Because the lifespan of the current Economic Strategy is coming to an end, it is a timely opportunity to update the plan.
- 3.7 A report was brought to the Economic Growth and Regeneration Committee in September 2021 to seek approval to refresh the current strategy.
- 3.8 In late 2021 a procurement exercise was undertaken to identify a consultant to support with the development of a revised Economic Growth Strategy and Newcastle-based Economic Research Services (ERS) Ltd were appointed to assist.
- 3.9 ERS were briefed to undertake a comprehensive analysis of the current position of Hartlepool's economy, consult with key stakeholders and importantly businesses in the town, and develop a strategy and associated action plan outlining key initiatives to strengthen the town's economy moving forward.

4. CONSULTATION

- 4.1 Throughout the first quarter of 2022, ERS conducted extensive discussions and consultation with key stakeholders and businesses to obtain their views on what they perceive to be the challenges facing Hartlepool's economy and how these challenges could be overcome through targeted initiatives.

- 4.2 This include a workshop with approximately 40 members of the Hartlepool Economic Regeneration Tourism Forum held in February.
- 4.3 Individual interviews were also held with 26 key stakeholders and businesses.
- 4.4 In addition, a business survey was also launched and was open to all businesses in Hartlepool to complete. This was promoted through the Council's business database, social media, a press release and a letter drop to business parks and industrial estates. In total, 39 responses were received.
- 4.5 A draft of the Inclusive Growth Strategy has been circulated to all stakeholders and businesses involved in the initial consultation for comment, including members of this committee.
- 4.6 ERS have subsequently produced the proposed final draft of Hartlepool's Inclusive Growth Strategy 2022, included in Appendix 1.

5. PROPOSALS

- 5.1 Following the economic analysis and consultation process, ERS have developed a draft strategy to cover the next three years (2022-25).
- 5.2 The proposed strategy is structured around three broad themes:
- **Developing Place** – transforming Hartlepool from the place it is to the place it wants to be, through capital investments, programmes that maximise the benefits for, and numbers of, beneficiaries of those investments, and by creating and promoting a new, vibrant and exciting sense of place rooted in the best of what Hartlepool has to offer.
 - **Developing People** – ensuring that residents have access to a range of learning and employment opportunities, and can equip themselves with the skills, qualifications and experience that maximise their chances of having well paid, secure and rewarding jobs. Also ensuring that the skills needs of employers are met, now and in the future in order to enable them to fully exploit their growth potential.
 - **Developing Business** – creating an environment in which new start-ups are encouraged, existing businesses are supported and external investors see attractive opportunities, both by consolidating sectoral strengths and pursuing specific opportunities within the creative sector.
- 5.3 To deliver the above three themes, a ten point delivery plan has been developed, with suggested projects and initiatives to be developed – outlined below:
1. Development of a 'Production Village' creative quarter in in the surrounding area of the new Film and TV Studios
 2. Action plan to support creative sector businesses
 3. A targeted support strategy for Hartlepool businesses

4. Development of sites and premises for business accommodation
 5. Learning and skills initiatives
 6. Raising the confidence and aspirations of young people
 7. Supporting and developing social enterprises
 8. Supporting healthy workforces
 9. Developing a vision and place brand for Hartlepool
 10. Strengthening the town's tourism offer
- 5.4 The action plan further details the specific interventions and initiatives that will deliver the ten point plan under the three themes of business, people and place.
- 5.5 The Economic Growth Team will be responsible for delivering the action plan with support of partners both locally and Tees Valley-wide
- 5.6 The action plan will be delivered over the next three years and performance assessed against the identified indicators and progress reports will be provided to Economic Growth and Regeneration Committee annually

6. OTHER CONSIDERATIONS

Risk Implications	No relevant issues
Financial Considerations	No relevant issues
Legal Considerations	No relevant issues
Staff Considerations	No relevant issues
Asset Management	No relevant issues
Environment, sustainability and climate change considerations	No relevant issues

7. RECOMMENDATIONS

- 7.1 The Economic Growth and Regeneration Committee is asked to review, agree and endorse the Inclusive Growth Strategy and action plan 2022-2025.
- 7.2 The Economic Growth and Regeneration Committee is asked to provide delegated authority the Chair and Managing Director to sign-off a version of the report which presents the report in a more visual way, including imagery and formatting by a graphic designer. This may also include minor changes to text, spelling and grammar, however the substantive parts of the report will remain the same.

8. APPENDIX 1

Hartlepool Inclusive Growth Strategy 2022

9. CONTACT OFFICER

Beverley Bearne
Assistant Director- Development and Growth
Civic Centre
Hartlepool Borough Council
TS24 8AY

Tel: (01429) 523002
E-mail: beverley.bearne@hartlepool.gov.uk

AUTHOR OF REPORT

Michael Beirne
Principal Economic Growth Officer
Hartlepool Enterprise Centre
TS24 8EY

Tel: (01429) 892068
E-mail: michael.beirne@hartlepool.gov.uk

Sign Off:-

- Director of Finance and Policy

x

- Chief Solicitor/Monitoring Officer

x

- Managing Director

x

POVERTY IMPACT ASSESSMENT FORM

1. Is this decision a Budget & Policy Framework or Key Decision?				
If YES please answer question 2 below				
2. Will there be an impact of the decision requested in respect of Child and Family Poverty? YES				
If YES please complete the matrix below				
GROUP	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Young working people aged 18 - 21				
Those who are disabled or suffer from illness / mental illness				
Those with low educational attainment				
Those who are unemployed				
Those who are underemployed				
Children born into families in poverty				
Those who find difficulty in managing their finances				
Lone parents				
Those from minority ethnic backgrounds				
Poverty is measured in different ways. Will the policy / decision have an impact on child and family poverty and in what way?				
Poverty Measure (examples of poverty measures appended overleaf)	POSITIVE IMPACT	NEGATIVE IMPACT	NO IMPACT	REASON & EVIDENCE
Overall employment rate				
Proportion of young people who are NEET				
Number of affordable homes built				

Overall impact of Policy / Decision				
NO IMPACT / NO CHANGE		ADJUST / CHANGE POLICY / SERVICE		
ADVERSE IMPACT BUT CONTINUE		STOP / REMOVE POLICY / SERVICE		
Examples of Indicators that impact of Child and Family Poverty.				
Economic				
Children in Low Income Families (%)				
Children in Working Households (%)				
Overall employment rate (%)				
Proportion of young people who are NEET				
Adults with Learning difficulties in employment				
Education				
Free School meals attainment gap (key stage 2 and key stage 4)				
Gap in progression to higher education FSM / Non FSM				
Achievement gap between disadvantaged pupils and all pupils (key stage 2 and key stage 4)				
Housing				
Average time taken to process Housing Benefit / Council tax benefit claims				
Number of affordable homes built				
Health				
Prevalence of underweight children in reception year				
Prevalence of obese children in reception year				
Prevalence of underweight children in year 6				
Prevalence of obese children in reception year 6				
Life expectancy				

EQUALITY AND DIVERSITY IMPACT ASSESSMENT FORM

Department	Division	Section	Owner/Officer
Economic Growth			
Service, policy, practice being reviewed/changed or planned			
Why are you making the change?			
How might this impact (positively/negatively) on people who share protected characteristics?			
	<i>Please tick</i>	POSITIVELY	NEGATIVELY
Age		✓	✗
Please describe...			
Disability			
Please describe...			
Gender Re-assignment			
Please describe...			
Race			
Please describe...			
Religion			
Please describe...			
Gender			
Please describe...			
Sexual Orientation			
Please describe...			
Marriage & Civil Partnership			

<i>Please describe...</i>			
Pregnancy & Maternity			
<i>Please describe...</i>			
Has there been consultation /is consultation planned with people who will be affected by this policy? How has this affected your decision making?			
As a result of your decision how can you mitigate negative/maximise positive outcomes and foster good relationships?			
Describe how you will address and monitor the impact		1. No Impact - No Major Change <i>Please Detail</i>	
		2. Adjust/Change Policy <i>Please Detail</i>	
		3. Adverse Impact but Continue as is <i>Please Detail</i>	
		4. Stop/Remove Policy/Proposal <i>Please Detail</i>	
Initial Assessment	<i>00/00/00</i>	Reviewed	<i>00/00/00</i>
Completed	<i>00/00/00</i>	Published	<i>00/00/00</i>

Contents

Foreword and Introduction	1
Summary	2
1. Economic Analysis	8
1.1 Headlines	8
1.2 Number of Businesses	9
1.3 Business Births and Deaths	10
1.4 Business Survival	11
1.5 Location Quotients and Sectoral Strengths	12
1.6 Size of Businesses	14
1.7 Gross Value Added (GVA)	14
1.8 GVA by Industry	15
1.9 Population and Workforce	16
1.10 Economic Activity and Inactivity	17
1.11 Employment Rate	18
1.12 Employment by Industry	18
1.13 Job Density	20
1.14 Occupational Differences	20
1.15 Skills Differences	21
2. Business Survey	22
3. Key Themes	23
4. Developing Place	24
4.1 Context	24
4.2 Current Capital Projects	25
4.3 Sites and Premises	26
4.4 Transport Infrastructure and Services	27
4.5 Uniquely Hartlepool	28
4.6 Creative Hartlepool	28
4.7 Inclusive Hartlepool	30
5. Developing People	32
5.1 Context	32
5.2 A Learning Culture	33
5.3 Productive People	36
5.4 Healthy People	37
6. Developing Business	38
6.1 Context	38
6.2 Green Jobs	39
6.3 Process Industries	39
6.4 The Freeport	40
6.5 Business Support	40
6.6 Social Enterprise	42
6.7 Visitor Economy	42
7. Hartlepool's 10 Point Plan	44
7.1 Summary Action Plan	46

Appendix 1: Data Sources	51
Appendix 2: Business Survey	53
Appendix 3: Index of Multiple Deprivation	62
Appendix 4: List of partners and stakeholder consulted	66
Appendix 5: Hartlepool Economic Forum	67

Foreword and Introduction

When Hartlepool's Economic Growth & Regeneration Strategy 2019-2021 was drafted, the UK was still coming to terms with the implications for businesses of the EU Referendum result and was blissfully unaware of the COVID-19 pandemic that was yet to come.

This new Inclusive Growth Strategy is very mindful of the pressures the local economy has faced over recent years, but remains optimistic that Hartlepool can face up to its challenges and make the most of its opportunities. It is both ambitious and pragmatic, setting out bold but achievable aspirations. It is rooted in comprehensive analysis of recent economic trends, a review of relevant policies and extensive consultations with local businesses and other stakeholders from across the public, private and third sectors.

This is a Strategy about Hartlepool and for Hartlepool, that captures its distinctiveness and seeks to project its ambitions to all organisations and people who might invest in the town: start-up businesses, inward investors, tourists, public agencies and other bodies.

The starting point for any strategy ought to involve an appreciation of existing assets (as well as identification of gaps and shortcomings). Hartlepool already has valuable assets, an exciting programme of capital investment and clear aspirations as set out in the Town Centre Masterplan, so ought to ensure that it realises their potential before considering anything additional.

Successful delivery of the strategy will require partnership working at all levels: between existing businesses/other local stakeholders; agencies across the Tees Valley; and at national level with government departments and non-departmental public bodies. This document invites that participation.

Summary

Economic Analysis

Across a variety of indicators, the Hartlepool economy is performing below expectations, including:

- A small number of businesses relative to its population (and declining)
- Very low levels of productivity per worker (due to a concentration of employment in sectors where GVA per head is especially low)
- Relatively low levels of educational attainment
- A lower than average employment rate
- Relatively high levels of economic inactivity and particularly of the number of people classified as long-term sick

However, although the negative impacts of COVID were noted, a survey of businesses conducted in the preparation of this Strategy struck a more optimistic note:

- Over the past three years, employment, turnover and profit were all slightly positive, with a significant increase in investments in capital goods and in training.
- Over the next 12 months: 80 per cent expect turnover to grow; 64 per cent expect job numbers to grow and 67 per cent expect profits to grow.

Respondents expressed a strong desire for more and better business support, especially in respect of marketing/business development, the recruitment and training of staff and in terms of digital/IT support. In addition, many businesses would feel supported by more effective promotion of Hartlepool to outside audiences.

Developing Place

In terms of the proportion of Lower Super Output Areas (LSOAs) in the most deprived 10 per cent in the country, Hartlepool ranks 10th nationally, with just over one third of LSOAs in Hartlepool being in the most deprived 10 per cent nationally (2019). In respect of the seven individual domains of the Index of Multiple Deprivation (IMD), Hartlepool performs especially poorly in respect of Employment, Income and Health Deprivation & Disability.

Consultations revealed a lack of confidence, seemingly born out of not being appreciated more widely and often ignored. This in turn had cultivated a rather insular attitude in some quarters. And yet the ambition is to be much more outward looking and have more opportunity to welcome people, ideas and investment from outside.

Current Capital Projects

The capital programme managed by Hartlepool Council comprises more than 30 individual projects totalling in excess of £100m of investment. The single largest investment is in the new leisure centre in the marina, serving the dual purpose of bringing an abandoned site back into productive use and providing local people and visitors with a top-class leisure amenity.

Sites and Premises

Hartlepool is relatively well-served in respect of business accommodation and respondents to the business survey cited the affordability of business accommodation as being a particular positive of what the town has to offer. Most undeveloped sites are in public ownership, with some of the larger sites expected to be incorporated within the Freeport.

Anecdotal evidence suggests there is a lot of demand for business premises at present, which in part may reflect pent-up demand due to expansion plans being put on hold during the pandemic. It will therefore be important that the quantity and quality of premises is kept under constant review.

There is a specific opportunity for the development/re-development of premises in the Church Street area of the town centre in order to create a production village, linked to the new film and TV sound studios.

Transport Infrastructure and Services

Proposals for a new A19 Tees Crossing and up to £20 million of investment at Hartlepool Railway Station appear to meet most consultees immediate needs and it is apparent that investments in transport infrastructure are not amongst the highest priorities of local businesses, however the availability, frequency and cost of rail and bus services was raised as an issue.

Uniquely Hartlepool

A consistent theme amongst consultees was that Hartlepool is unique. It is a Borough with a Headland, a marina, a beach and an historic town centre. However, in the consciousness of the wider public, these assets seem to be overlooked or remain undiscovered, and more needs to be done to promote positive images of Hartlepool to external audiences. Through Tees Valley Combined Authority (TVCA), which has lead responsibility for destination management and investment promotion, Hartlepool ought to project a more coherent and positive image .

Creative Hartlepool

One way of both creating a positive image and promoting a positive image of Hartlepool is through the further development of the creative sector. There is scope to support Hartlepool's burgeoning creative sector through the establishment of a network of related professionals, by the development of a mentoring programme, by reviewing the functions and operations of existing assets (such as the Borough Hall and Town Hall) and by fully exploiting all opportunities linked to the opening of new production studios (supporting business start-ups, attracting relocating businesses, highlighting supply opportunities and developing a creative sector ecosystem, including retail and hospitality offers). There is also significant potential for an ambitious programme of festivals and other events, and a need to ensure that the benefits of Hartlepool hosting the 'Tall Ships Race' are maximised.

Inclusive Hartlepool

Whilst the volume and value of capital investments in Hartlepool are to be welcomed, there is a need to ensure that the benefits generated spread throughout the Borough. It will therefore be important to ensure that all new capital investments identify all prospective beneficiaries and develop an engagement plan that does all it reasonably can to try to ensure inclusivity. Indeed, in future, Hartlepool might go further in pioneering a new approach to public procurement that requires not only statements of economic and environmental impact, but health impact too. This would tie in well with work already underway within Hartlepool Borough Council to embed Social Value principles within its procurement practices.

Developing People

Consistent themes in the desk research and consultations undertaken for this Strategy have been the mismatch between the demand for and supply of certain skills, the need to raise levels of attainment in Hartlepool and the need to attract and retain talented people.

Labour Supply

Hartlepool has a lower employment rate, higher unemployment rate and higher proportion of economically inactive people compared to the Tees Valley, North-East and national averages. Amongst Hartlepool residents who are economically inactive, just over one third are long-term sick.

In respect of the Education domain of the Index of Multiple Deprivation (IMD), the main cause of Education deprivation is the deprivation of Adults Skills. This reflects the low proportion of working age adults with no or low qualifications and/or poor English language proficiency.

Consultees cited retention of people with qualifications to NVQ Level 3 and above as being a particular issue.

Labour Demand

'Public administration education and health' makes up one third of employment in Hartlepool. The second largest employment sector, with over a fifth of total employment is 'Distribution, hotels and restaurants'.

Projections of future job openings across Tees Valley, (Emsi, March 2020), suggest in excess of 92,000 openings for jobs between 2021-2028 (an average of 11,550 p.a.). The largest contributory clusters are expected to be: transport and distribution, food and beverage services, primary, secondary and further education, and retail, which between them account for more than a quarter of the total. In addition, it was noted that there will be growing skill requirements in sectors such as other manufacturing, chemicals & hydrocarbons and construction. Further, Emsi's analysis of alignment between supply and demand indicated that there were multiple clusters where demand for labour may be higher than the education system across Tees Valley can deliver. Clusters cited as possibly having this imbalance include metal work, healthcare delivery and chemicals & hydrocarbons.

A Learning Culture

Hartlepool College of FE, Hartlepool Sixth Form College and the Northern School of Art are three of the major post-16 learning providers with a significant presence in the town, and they offer a range of complementary provision. Further, there is higher education provision and links with Teesside University to facilitate access to HE provision not available within the Borough. Other significant learning providers include University Hospital of Hartlepool and Seymour Skills Academy. The former provides clinical training to medical students, nurse practitioners and foundation doctors. The latter is the largest civil engineering infrastructure training skills facility in the North East. Prospective investments in a new Health and Social Care Academy and in a new Civil Engineering Academy have the potential to deliver significant benefits. However, it seems to be widely acknowledged that adult education is poorly served.

There is a need to undertake a skills mapping exercise to determine the nature and scale of any mismatch between labour demand and supply.

Productive People

In part, low levels of productivity relate to the structure of the economy but relatively low levels of economic activity and of educational attainment, as well as relatively high rates of unemployment are also key factors.

The recent closure of the Routes to Work programme and ending of funding for Step Forward Tees Valley in March 2023 will leave a big gap in employability support for those with multiple and complex barriers to employment. The pathways out of worklessness that these programmes have been providing may become blocked unless adequate replacements are put in place

Healthy People

Life expectancy, healthy life expectancy and disability free life expectancy are all lower in coastal areas and Hartlepool is no exception. In addition, the Borough has a higher amount of mental health disorders than the England average and 60 per cent of the Lower Super Output Areas (LSOAs) in Hartlepool are within the bottom 20 per cent of LSOAs nationally in respect of Health Deprivation & Disability.

Such stark health disparities between Hartlepool and the rest of the country threaten to limit the Borough's future economic prosperity, as well as being divisive in the pursuit of inclusivity. A public health strategy ought to include a focus on fitness for work, covering both physical and mental health.

Developing Business

In terms of Gross Value Added (GVA), Hartlepool accounts for only 10 per cent of the Tees Valley total. Productivity levels in Hartlepool are 27 per cent below the Tees Valley average and 47 per cent below the national average. All things being equal, if Hartlepool were able to match the GVA per head figure for Tees Valley, its economy would be £0.5 billion bigger; if it matched national rates it would be £1.3 billion bigger. Similarly, if Hartlepool were able to match the number of businesses per 10,000 population in Tees Valley, it would have another 141 businesses; if it matched national rates, it would have another 1,549 businesses.

Between 2015-20, whilst the overall GB business stock grew by 12.4 per cent, the Hartlepool business stock contracted slightly (-0.4 per cent). After one year in business, new start-ups in Hartlepool have a slightly higher survival rate than the national average. However, at three years a gap emerges and widens through to five years. By this stage, 40 per cent of businesses nationally are still operating, whilst in Hartlepool the figure is around 31 per cent.

Green Jobs

Predictably, there was much talk amongst consultees of 'green' jobs, although little detail on exactly what this meant beyond general reference to the renewables sector. There would therefore be merit in further exploring what types of 'green' sectors and what types of 'green' jobs that Hartlepool has now, is best placed to attract and for which it is well placed to provide learning opportunities.

Process Industries

Chemicals and other process industries have been a very important part of Hartlepool's economy for decades. Although now reduced in scale, the companies that remain tend to operate in higher value-added areas of the market, often involving the production of specialist chemicals, and offer good employment and significant supply chain opportunities. Hartlepool has suitable sites, adequate energy supplies and well-respected learning providers who can help provide prospective investors with a suitably trained workforce. However, other parts of Teesside (not least at Wilton) can make a similarly attractive offer.

The Freeport

The Freeport is set to cover a large geographical area and it is anticipated that it will primarily attract investment from businesses in the clean energy and chemicals sectors. No specific work has yet been published setting out what the expectations are of the types and natures of investments that it is hoped will be made within the Port of Hartlepool, but there appears to be an expectation that there will be significant investments from the two main target sectors. Hartlepool Borough Council are continuing work closely with Tees Valley Combined Authority to establish the opportunities available to businesses relating to the Freeport and promote the initiative as an inward investment opportunity.

Business Support

It would be useful to have a database or matrix of all of the different types of support available to particular businesses in Hartlepool. Similarly, a database of Hartlepool businesses and their support needs/potential support needs would be invaluable to support providers. It may well be the case that in many instances businesses are unaware of the support that is available, whilst some support providers have found it difficult to identify and engage candidate businesses in Hartlepool. This exercise could help to inform the Council's role in helping to match providers with businesses and how it can define its own role in this regard. It might also reveal any duplication or gaps in provision.

One consideration is that there may be significant pent up demand for business support, as plans to export, to innovate, for growth etc. are dusted off as the UK and other economies start to open up again. However, whether or not the capacity exists amongst support agencies to meet this potential demand is yet to be tested. Further, given the extent to which business support has been resourced by European Structural and Investment Funds, it will be essential that appropriate support continues to be available, funded through the Shared Prosperity Fund and other relevant sources.

Social Enterprise

It would appear that there is significant potential for the development of social enterprises given the extent of disadvantage and the need to better connect local communities with the delivery of a variety of services, as well as business opportunities. Hartlepool, along with Redcar & Cleveland, is one of only six UK locations to be offered a share of £4m as part of an investment programme which aims to grow the social economy locally and tackle community issues.

Visitor Economy

Over the past two years, the visitor economy has been one of the hardest hit by the COVID-19 pandemic. According to the most recent STEAM data for Hartlepool, between 2019 and 2020: the number of day visitors was down by 57 per cent; the number of overnight visitors was down by 75 per cent; visitor expenditure was down by 62 per cent; and employment in the tourism sector was down by 61 per cent.

On the demand side, there are a number of factors that suggest taking holidays and short breaks within the UK is set to rise, as a result of risk averse consumer behaviours discouraging foreign travel, the increased cost and complexity of visiting European Union countries and the rising cost of living encouraging the pursuit of cheaper leisure options. On the supply side, significant investment has been made (and continues to be made) in making Seaton Carew, the Headland, the Marina and the town centre into even more attractive places to visit. In addition, Hartlepool will be hosting the Tall Ships Race in 2023.

Hartlepool's Ten Point Plan

1. A **vibrant creative quarter** (Production Village) could transform the town centre and Hartlepool's economic ambitions. Building on investments by the Northern School of Art, Hartlepool Council and others in the Church Street/Whitby Street area of the town centre, the feasibility of a more comprehensive re-development should be explored, taking full advantage of and supporting the new film and TV production facilities.
2. Allied to the above, would be a clear and detailed **action plan to support creative businesses**. As well as capital investments, this would include running networking events, setting up a mentoring programme, sharing information, identifying needs and ensuring appropriate business support was in place.
3. A **business support strategy** is needed that removes confusion of the many organisations and support available out there and ensures that all businesses have access to the support they need, when they need it and delivered in the most effective form.
4. A study should be commissioned to understand the current supply and future demand for **business accommodation** in Hartlepool, and identify opportunities to develop further sites and premises. There are specific opportunities associated with Teesworks and the green and process industries.
5. Initiatives to develop **learning and skills** are recommended to ensure that the potential mismatch between the demand for and supply of employment skills is avoided. There should also be consideration given to replace the programmes that are coming to an end, that have improved the employability of the unemployed and economically inactive. There is also a need for better promotion of learning and employment opportunities, as well as delivery of foundation learning. The potential for providing **non-accredited learning** should to be explored.
6. Two of the underpinning issues that seem to contribute to low levels of attainment and high unemployment are levels of **confidence and lack of aspiration amongst young people**. This could be addressed by establishing better links between schools and local employers, opportunities for residents to complete training and qualifications with businesses, and an ambassador programme with local business leaders to raise the aspirations of school pupils.
7. Connections between statutory bodies and the community and voluntary sector need to be improved, as do connections between third sector organisations. Specifically, more needs to be done to support the **development of social enterprises**.
8. Levels of poor health in Hartlepool, including amongst the economically inactive, are disproportionately high, depriving residents of access to learning and employment opportunities and depriving employers of prospective employees. **Public health impacts** should be considered on the same footing as economic and environmental impacts, in determining funding allocations and planning permissions. This is an area where Hartlepool Council could lead the way. In addition there is scope for a programme of events and initiatives for businesses to support the development of healthy workforces linking to the Hartlepool Health Strategy.
9. Hartlepool Council and its partners need a **clear shared vision** of what they wish to achieve and to adopt a **coherent approach to place promotion**. Working within existing Tees Valley structures, Hartlepool needs to find its identity, and promote it more effectively, for the benefit of local businesses and to external audiences.
10. A destination Management Plan is required to strengthen Hartlepool's **tourism** offer. This should include a new and improved programme of events and festivals that take advantage of new/revamped facilities and a specific plan to maximise the long as well as short term benefits of hosting the Tall Ships Race.

1. Economic Analysis

1.1 Headlines

- Relative to the Hartlepool population, the number of businesses is 6 per cent below the Tees Valley average and 40 per cent below the national average.
- Over the past 6 years the stock of businesses has fallen, due to a higher number of business deaths than births.
- Businesses in Hartlepool tend to be smaller, with average turnover below the national average.
- The employment rate is consistently lower than the national average, although recent years have seen Hartlepool narrow the gap with the Tees Valley average.
- Sectoral GVA figures show that productivity per worker is almost half that of the national average. This is largely attributable to employment in types of service sectors where GVA per head is especially low.
- This is being exacerbated by a continuing shift towards services and away from a diminishing production sector (i.e. from activities with a higher GVA per head to those with a lower GVA per head).
- Further, this is not helped by the absence of high GVA per head service activities, such as banking, nor by occupational structures that see fewer senior/less well paid roles.
- More positively, public administration and health has relatively good productivity levels compared to the national average and is well represented in Hartlepool.
- Demographic data shows that the working age population is decreasing in line with the national trend. Economic inactivity levels are higher, including an over-representation of the number of people classified as long-term sick (compared to the national average).
- Levels of educational attainment are below the national average (as is the case for Tees Valley as a whole), with only 32 per cent of the adult population qualified to at least NVQ Level 4 (compared to 43 per cent nationally) and 56 per cent qualified to at least NVQ Level 3 (61 per cent nationally).

Data sources for the analysis that features on the following pages are listed in Appendix 1.

1.2 Number of Businesses

In 2020, there were 2,300 registered businesses¹ in Hartlepool. In comparison to other local authority areas in Tees Valley, Hartlepool is just below the average with 245 businesses for every 10,000 residents. For broader context, Tees Valley is just below the North East average which in turn is considerably lower than the national average.

Table 1: Number of businesses and number for every 10,000 residents of population

	Number of businesses	Business per 10,000 population
Hartlepool	2,300	245
Darlington	3,285	306
Stockton-on-Tees	5,505	279
Middlesbrough	3,375	239
Redcar and Cleveland	3,145	229
Tees Valley	17,610	260
North East	71,460	267
Great Britain	2,674,520	410

Business density in Hartlepool is around 6 per cent lower than the Tees Valley average and 40 per cent below the national average. Put another way, if Hartlepool were able to match the number of businesses per 10,000 population in Tees Valley, it would have another 141 businesses; if it matched national rates it would have another 1,549 businesses.

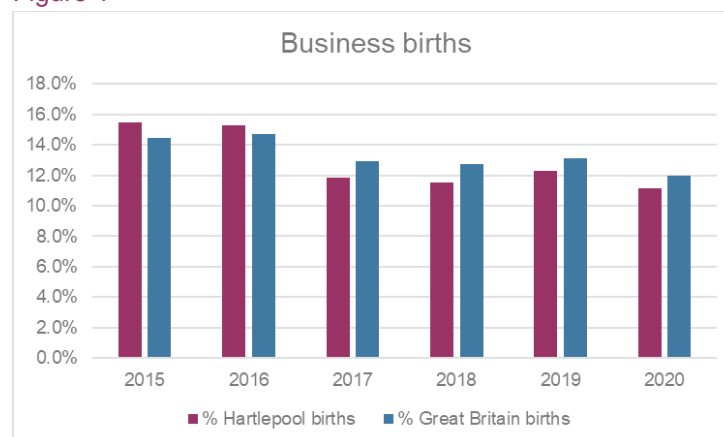
When working age population is considered, the relativities are little different. In Hartlepool, there were 438 businesses for every 10,000 residents of working age, compared with a national average of 717 (2020). On this basis, business density in Hartlepool is 39 per cent below the national average.

¹ Number of VAT and/or PAYE registered enterprises

1.3 Business Births and Deaths

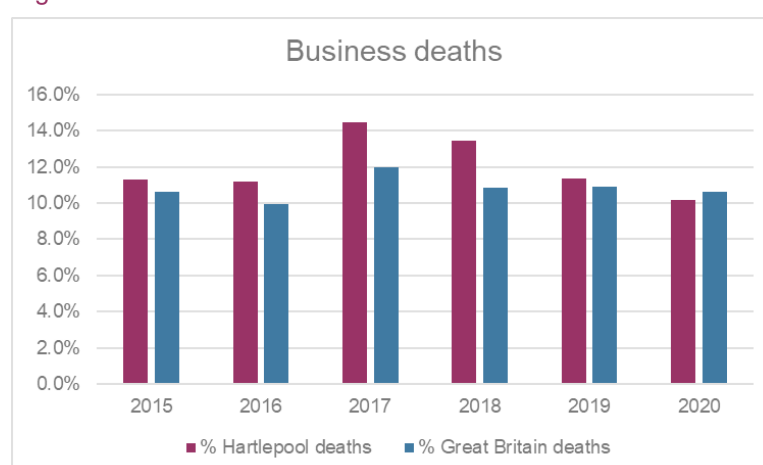
In both 2015 and 2016, rates of business births in Hartlepool exceeded the national average. However, in each of the past four years, Hartlepool has failed to keep pace with the national rate of business births relative to existing stock.

Figure 1



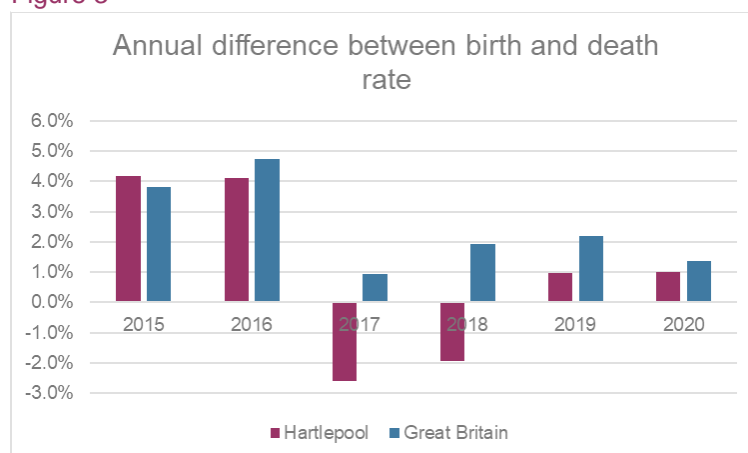
Furthermore, for each of the five years between 2015-2019, the rate of business closures in Hartlepool was higher than the national average, albeit this trend was reversed in 2020.

Figure 2



Lower relative rates of new business formation and higher relative rates of business closures is an unenviable combination. Between 2015-20, the overall GB business stock grew by 12.4 per cent whilst the Hartlepool business stock contracted slightly (-0.4 per cent).

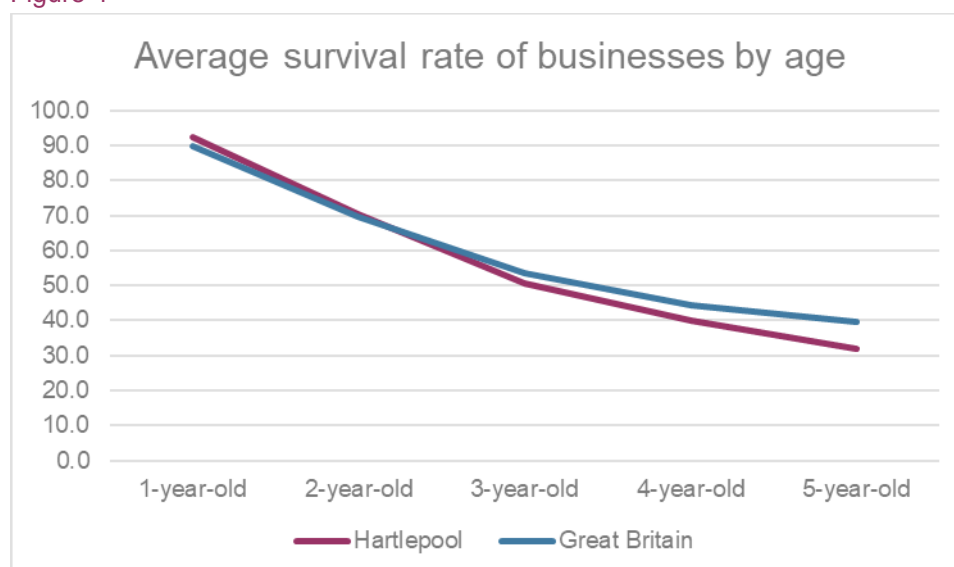
Figure 3



1.4 Business Survival

After one year in business, new start-ups in Hartlepool have a slightly higher survival rate than the national average. However, at three years a gap emerges and widens through to five years. By this stage, 40 per cent of businesses nationally are still operating, whilst in Hartlepool the figure is around 31 per cent. This would suggest that there may be a need to intervene around the second anniversary of a new business start to try to identify the factors that might imperil business survival and seek to provide appropriate business support where possible.

Figure 4



1.5 Location Quotients and Sectoral Strengths

Table 2 presents a disaggregation of the economy by sector, showing the Hartlepool economy relative to the national economy, in terms of employment location quotient² and relative productivity. The table permits an analysis of whether there are structural problems (local focus in low productivity sectors) or productivity problems (indigenous firms are less productive). The table is rank ordered by employment.

The largest employers (Human health, Education, Retail, Accommodation food and beverage, Manufacture of metals, Public administration and defence) are all quite close to national levels of productivity. It is lower down the table in the smaller sectors where relatively lower productivity can be observed. If productivity were at national levels, keeping the industrial structure constant, the local economy would be 5.4% bigger than at present.

The 'high ticket' sectors, with GVA per worker in excess of £100,000 (real estate; financial services; rental and leasing) are towards the bottom of the table, with lower than expected workforce (LQ<1). Some high-value sectors that are under-represented (lower LQs) include: Information and communication, Other professional, scientific and technical activities and Financial and insurance activities. Some of the largest sectors in Hartlepool are also those with a lower productivity and a higher location quotient. If the local industrial structure matched the national economy (LQ=1 for every sector), with local productivity held constant, then the local economy would actually be 6.3% smaller than at present. The present industrial structure is therefore advantageous, with low LQs in low-value sectors like retail, but high LQs in high-value sectors like manufacture of wood, petroleum, and chemicals.

Table 2: Sector, employment, location quotient and relative productivity in 2019

Sector	Hartlepool Employment	Location quotient	GB GVA per worker (£)	Relative Hartlepool productivity
Human health activities	4,250	1.38	30,278	110.4%
Education	3,500	1.38	35,914	96.3%
Retail trade	3,500	1.29	29,778	96.9%
Accommodation, food and beverages	2,475	1.18	20,827	83.4%
Manufacture of basic and fabricated metal products	1,870	1.94	72,066	84.6%
Public administration and defence	1,750	1.36	53,841	99.8%
Agriculture, mining, electricity, gas, water and waste	1,435	1.67	58,898	261.5%
Social work activities	1,250	1.56	26,138	110.2%
Manufacture of wood, petroleum, chems minerals	1,175	2.15	81,616	65.7%

² Location quotients show the concentration of an industry within an area, creating an understanding of where there are sectoral strengths in a locality. Location quotients are calculated by the proportion of employees in a sector in the locality relative to the proportion of employees in that sector nationally.

Specialised construction activities	900	1.13	58,896	56.6%
Wholesale trade	600	0.56	54,839	103.3%
Arts, entertainment and recreation	510	0.76	39,079	115.4%
Land, water and air transport	510	0.75	50,558	42.7%
Architectural and engineering activities	500	0.94	41,441	48.3%
Employment activities; tourism and security services	495	0.43	24,307	99.7%
Information and communication	490	0.39	94,182	36.8%
Motor trades	450	0.86	55,993	47.6%
Other personal service activities	400	1.35	57,231	83.0%
Head offices and management consultancy	350	0.47	31,460	9.1%
Construction of buildings	300	0.69	73,418	90.8%
Legal and accounting activities	300	0.40	57,594	28.9%
Warehousing, transport, postal and courier activities	300	0.38	40,359	74.3%
Real estate activities, excluding imputed rental	300	0.53	117,599	76.5%
Manufacture of food, beverages and clothing	260	0.55	53,121	159.3%
Services to buildings and landscape activities	250	0.36	13,819	57.9%
Civil engineering	225	1.04	83,884	106.0%
Other manufacturing, repair and installation	205	0.78	45,445	75.1%
Office administration and business support activities	200	0.38	40,144	24.9%
Other professional, scientific and technical activities	190	0.35	75,431	48.8%
Financial and insurance activities	185	0.19	116,459	65.0%
Activities of membership organisations	110	0.39	25,636	70.9%
Rental and leasing activities	100	0.65	123,644	32.4%

1.6 Size of Businesses

In terms of both employment and sales turnover, the profile of businesses by size in Hartlepool is similar to the distribution nationally. The only significant difference is Hartlepool having relatively fewer business with a turnover in excess of £1 million per annum.

Table 3: Relative business size distribution for Hartlepool and GB by employment

Employment	Hartlepool	GB
Micro (0-9)	90%	90%
Small (10-49)	8%	9%
Medium or large (250+)	2%	2%

Table 4: Relative business size distribution for Hartlepool and UK by turnover

Turnover	Hartlepool	GB
0-100k	38%	37%
100k-1m	55%	53%
1m+	7%	9%

1.7 Gross Value Added (GVA)

In 2019, total GVA in Hartlepool was £1,398 million (in 2018 prices), which is 10 per cent of the total GVA for Tees Valley – the smallest contribution amongst its constituent local authorities. However, relative to the working age population, Hartlepool is seen to perform slightly better (overtaking Redcar & Cleveland), with a contribution of just over £24,300 per person of working age.

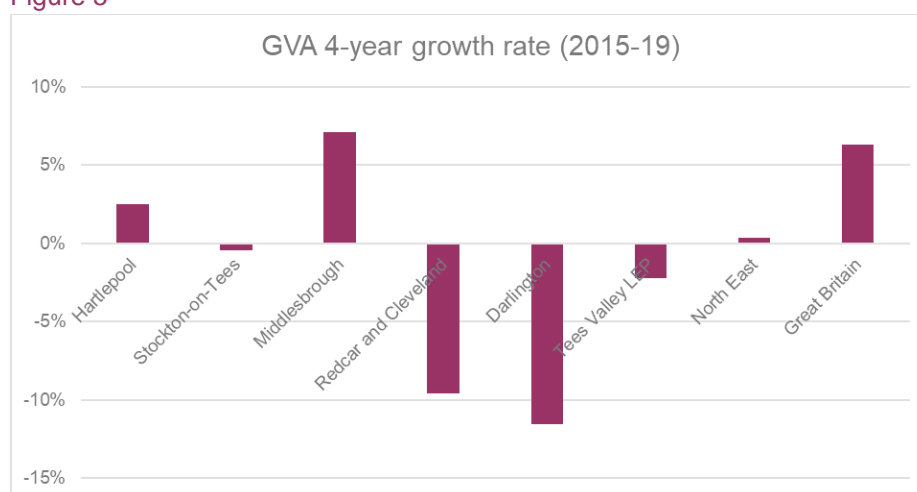
Even so, productivity levels are 27 per cent below the Tees Valley average and 47 per cent below the national average. When it comes to 'levelling up' on productivity, there is a huge gap to be bridged. All things being equal, if Hartlepool were able to match the GVA per head figure for Tees Valley, its economy would be £0.5 billion bigger; if it matched national rates it would be £1.3 billion bigger.

Table 5: Total industry GVA and productivity in 2019

	Total GVA (million £)	GVA per head (£)
Stockton-on-Tees	4,974	40,938
Darlington	2,554	39,474
Middlesbrough	2,965	33,617
Hartlepool	1,398	24,313
Redcar and Cleveland	1,778	21,870
Tees Valley LEP	13,669	33,089
North East	54,185	32,630
Great Britain	1,876,286	46,281

More positively, total GVA in Hartlepool increased by 2 per cent over the four-year period between 2015-2019, in contrast to a fall in Tees Valley as a whole, with three of the five constituent local authorities suffering a reduction. Even so, relative to the national average, Hartlepool fell further behind.

Figure 5



1.8 GVA by Industry

The relative structure of the economy, as shown by share of total GVA by industry, begins to highlight the differences between Hartlepool and the national economy. Relative to the national average, this shows Hartlepool to have a disproportionately high amount of GVA generated by Public administration education and health (O-Q) and a relatively low amount by Banking, finance and insurance (K-N).

Further, even in Banking, finance and insurance, the types of jobs/activities in Hartlepool differ from the national average, in part reflecting the dominance of London in that sector. Hence, whilst the sector is twice as important nationally as it is in Hartlepool when measured by relative GVA, the gap in employment is much narrower, reflecting lower levels of productivity.

Table 6: Share of total GVA by industry

	Hartlepool	Tees Valley LEP	North East	Great Britain
Agriculture, fishing, energy and water (A,B,D,E)	16%	4%	5%	4%
Manufacturing (C)	15%	12%	14%	10%
Construction (F)	5%	7%	6%	7%
Distribution, hotels and restaurants (G,I)	14%	14%	13%	14%
Transport and communications (H,J)	3%	9%	9%	11%
Banking, finance and insurance (K-N)	17%	26%	25%	34%
Public admin. education and health (O-Q)	28%	25%	24%	18%
Other services (R-T)	3%	3%	3%	4%

1.9 Population and Workforce

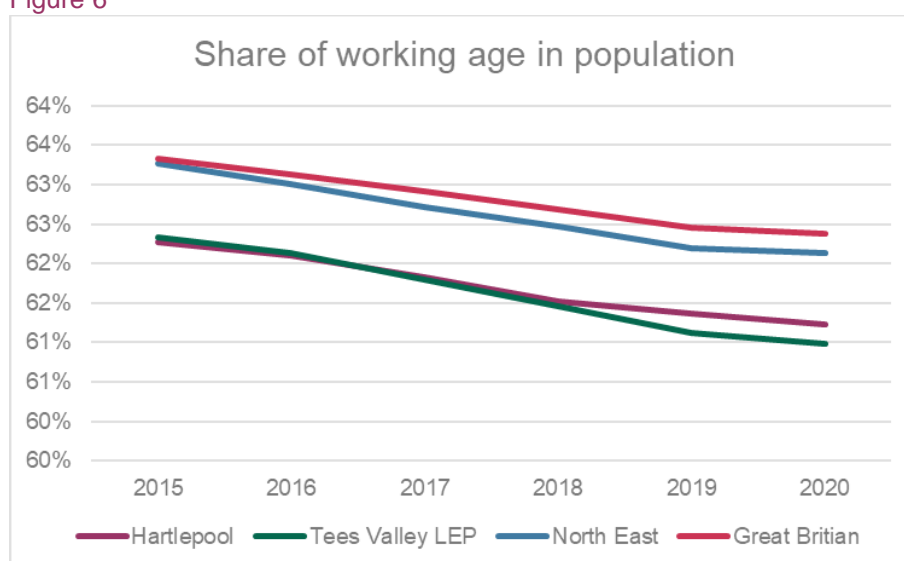
Over the past five years, the population of Hartlepool has edged up, in line with the Tees Valley average but at half the rate of the national average. The Hartlepool workforce (those who are between 16-64 years old) makes up 61 per cent of the total population of Hartlepool, exactly matching the Tees Valley average, and marginally below the North East and GB averages (both 62 per cent).

Table 7: Snapshot of demographic data in 2020

	Hartlepool	Tees Valley	North East	Great Britain
Population	93,800	677,200	2,680,800	65,185,700
5-year growth rate (2016-20)	1.08%	0.92%	1.68%	2.19%
Sex				
Males (%)	49%	49%	49%	49%
Females (%)	51%	51%	51%	51%
Age				
0-15	19%	20%	18%	19%
16-64	61%	61%	62%	62%
65+	20%	19%	20%	19%
Workforce (16-64)	57,500	413,000	1,665,700	40,665,300

Over the last 6 years, although there has been an increase in the population in Hartlepool, there has been a downward trend in the workforce. However, this is not an issue isolated to Hartlepool but a trend that is consistent across Tees Valley, the North East and nationally, suggesting an aging population (increasing number of retirees and relatively smaller number of new entrants into the workforce).

Figure 6



1.10 Economic Activity and Inactivity

Hartlepool has a lower employment rate, higher unemployment rate and higher proportion of economically inactive people compared to Tees Valley, the North East and GB.

Table 8: Snapshot of economic activity in 2020

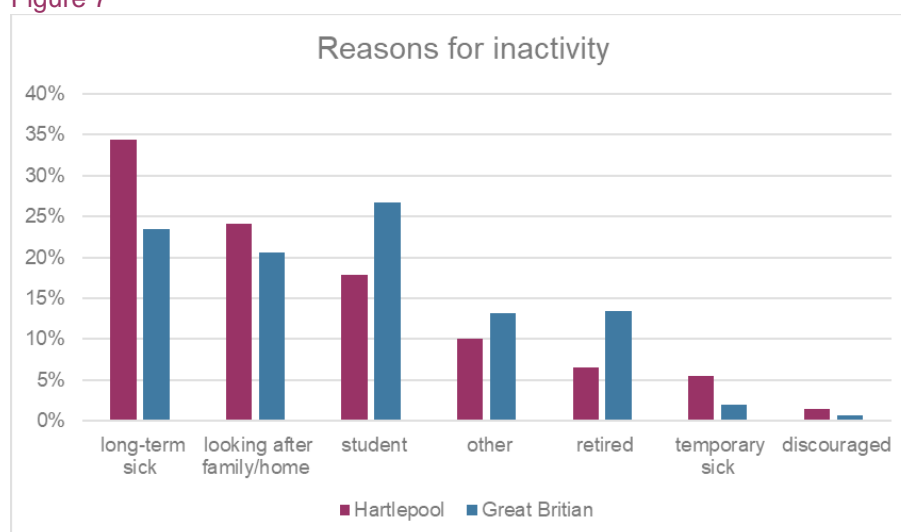
	Hartlepool	Tees Valley	North East	Great Britain
Economically active	41,000	304,200	1,245,600	31,760,400
Active [†]	73%	75%	76%	79%
Employed	37,800	285,900	1,164,800	30,247,200
Employment rate (%) [†]	67%	70%	72%	75%
of which are employees [†]	60%	62%	64%	65%
of which are self-employed [†]	8%	8%	8%	10%
Unemployed	3,300	18,300	80,800	1,513,200
Unemployment rate (%) [§]	8%	6%	7%	5%
Economically inactive	15,300	103,600	384,300	8,439,400
Economically inactive (%) [†]	27%	25%	24%	21%

† - % are for those aged 16-64 (i.e., working age population)

§ - % is a proportion of economically active

Of those who are inactive in Hartlepool, just over one third are long-term sick, a significantly higher proportion than is found amongst economically inactive people nationally. This would suggest that this is an issue that merits further consideration.

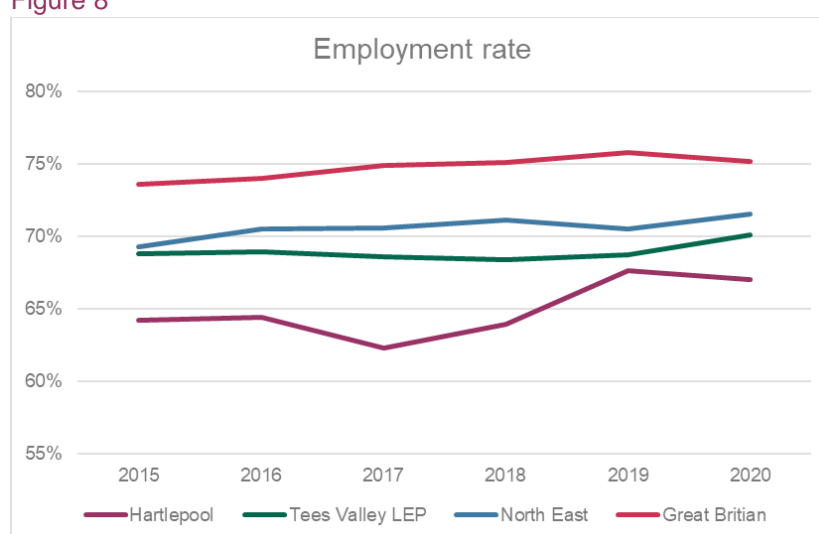
Figure 7



1.11 Employment Rate

Despite positive movements in the employment rate, over the last six years, Hartlepool remains below the Tees Valley, regional and national averages. Further, whilst there were significant improvements between 2017-19, these went into reverse during 2020.

Figure 8



1.12 Employment by Industry

Public administration education and health (O-Q) makes up of third of employment in Hartlepool. The second largest employment sector, with a over a fifth of total employment is Distribution, hotels and restaurants (G,I).

The employment structure of Hartlepool broadly mimics that of the Tees Valley and the North East, but differs from GB. Hartlepool has proportionately less employment in Banking, finance and insurance (K-N) – 7 percentage points less than GB – and proportionately more employment in Distribution, hotels and restaurants (G,I).

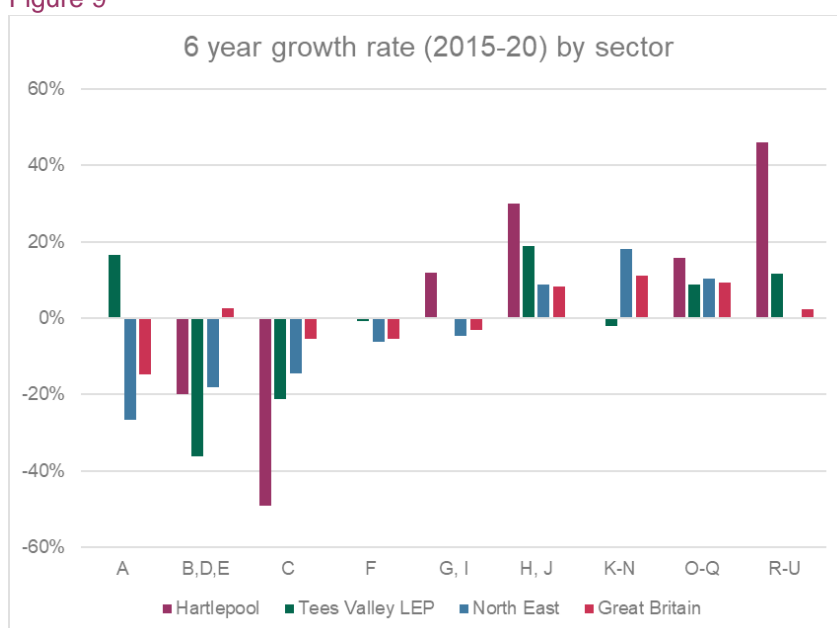
Table 9: Share of total employment by industry

	Hartlepool	Tees Valley LEP	North East	Great Britain
Agriculture and fishing (A)	~	1%	1%	1%
Energy and water (B,D,E)	4%	2%	2%	2%
Manufacturing (C)	7%	9%	9%	9%
Construction (F)	10%	8%	7%	7%
Distribution, hotels and restaurants (G,I)	22%	19%	18%	17%
Transport and communications (H,J)	7%	7%	7%	9%
Banking, finance and insurance (K-N)	11%	12%	14%	18%
Public admin. education and health (O-Q)	34%	36%	36%	31%
Other services (R-U)	5%	6%	6%	6%

Over the last 6 years there has been a reduction in employment in Energy and water (B,D,E) and Manufacturing (C) and an increase in services sectors. Again, this trend was not exclusive to Hartlepool but similar across the Tees Valley, North East and GB. The differences that had taken place between these regions were in; the Construction (F) sector where Hartlepool experienced no change but reduction occurred elsewhere and; Distribution, hotels and restaurants (G,I) sector which increased by 12 per cent in Hartlepool, with no change in Tees Valley and reductions in the North East and nationally (5 per cent and 3 per cent respectively).

As this sectoral shift continues, there will be a need to ensure that the supply of skills matches new patterns of demand.

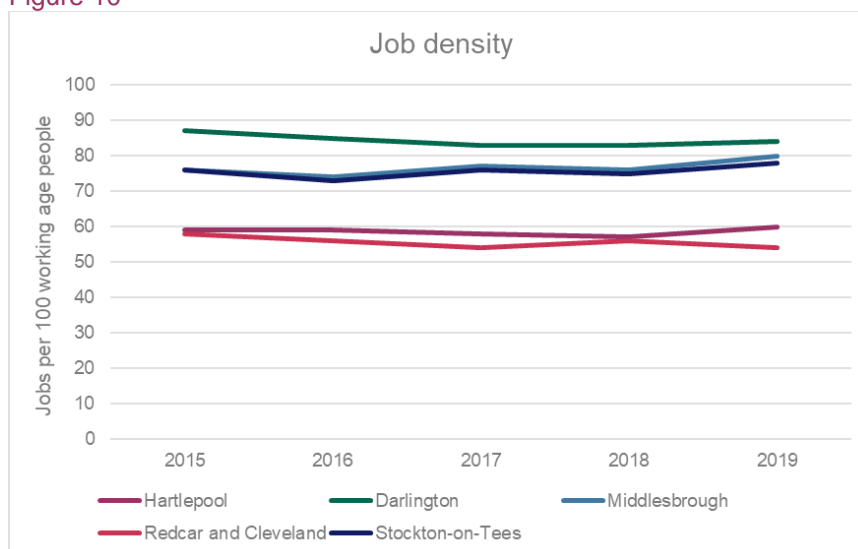
Figure 9



1.13 Job Density

Job density considers a local area as though it were a closed economy and the extent to which local jobs are available to local people. Between 2015 and 2019 job density in Hartlepool has remained constant. The latest data in 2019 shows that for every 100 people of working age there are only 60 available jobs, less than that of Darlington, Middlesbrough, and Stockton-on-Tees, which have on average 20 more available jobs per 100 people of working age.

Figure 10



Job density for Great Britain in 2019 was 87 jobs per 100 and for the North East 74 per 100, respectively 27 and 14 more jobs per 100 than Hartlepool.

1.14 Occupational Differences

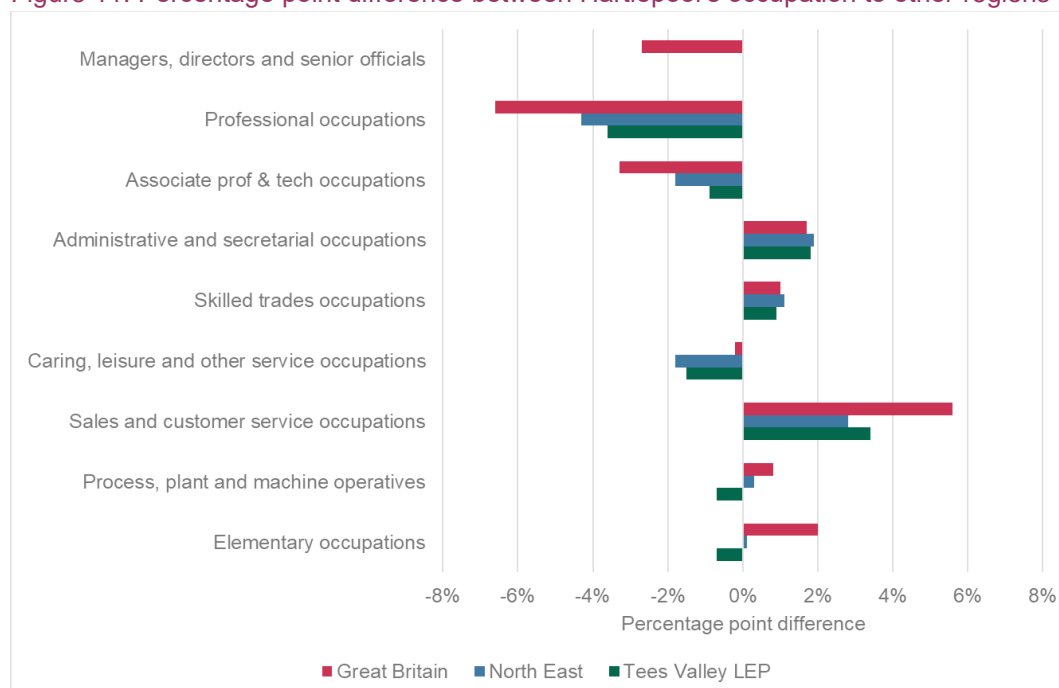
In Hartlepool, Professional occupations make up the largest proportion (16 per cent) of all occupations, followed by Sales and customer service, with Associate professional & technical occupations and Administrative secretarial occupations in joint third.

Table 10: Share of employees by occupation in 2020

	Hartlepool	Tees Valley LEP	North East	Great Britain
Managers, directors and senior officials	9%	9%	9%	11%
Professional occupations	16%	20%	20%	23%
Associate prof & tech occupations	12%	13%	14%	16%
Administrative and secretarial occupations	12%	10%	10%	10%
Skilled trades occupations	10%	9%	9%	9%
Caring, leisure and other service occupations	9%	10%	11%	9%
Sales and customer service occupations	13%	9%	10%	7%
Process, plant and machine operatives	7%	7%	6%	6%
Elementary occupations	11%	12%	11%	9%

Nevertheless, higher value occupations are less well represented compared to Tees Valley, the North East and, in particular, GB.

Figure 11: Percentage point difference between Hartlepool's occupation to other regions



Between 2015 and 2020, there was a small decrease in the proportion of employees in senior occupations, with some growth in 'blue collar' jobs.

1.15 Skills Differences

The table below shows the percentage of the working age population that have acquired National Vocational Qualification (NVQ) or equivalent ('+') to a certain level. One third of Hartlepool's workforce have NVQ4+ - qualification of certificate of higher education, higher apprenticeship etc.³ – which is marginally below that of Tees Valley and the North East but significantly below the figure for GB.

Table 11: Share of workforce by skills

	Hartlepool	Tees Valley LEP	North East	Great Britain
NVQ4+	32%	33%	34%	43%
NVQ3+	56%	56%	55%	61%
NVQ2+	76%	76%	76%	78%
NVQ1+	87%	87%	87%	88%
Other qualifications	6%	5%	5%	6%
No qualifications	7%	8%	8%	6%

³ NVQ4+ also includes higher national certificate (HNC), level 4 award, level 4 certificate, level 4 diploma, level 4 NVQ. see <https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels> for list of all equivalent qualification at each level.

2. Business Survey

2.1 Headlines

The survey was completed by 39 local businesses.

- Over the past three years, survey respondents fared better than might have been expected, with employment, turnover and profit all slightly positive and significantly higher investments in capital goods and in training. This suggests that businesses have taken advantage of any pandemic-related pauses or slowdowns to invest in the future, which should see Hartlepool businesses well placed to take advantage of opportunities.
- That said, nearly two thirds of respondents reported that COVID-19 had reduced turnover and profits, with half of the businesses having been closed for a period. As a result, nearly a quarter of respondents had to postpone planned expansions and staff hires, and 1 in 4 respondents had cancelled expansion plans altogether (although 1 in 6 had increased expansion plans).
- Respondents were very positive about prospects over the next 12 months: 80 per cent expect turnover to grow (in most cases by more than 10 per cent and with only one respondent anticipating a reduction); 64 per cent expect job numbers to grow (with only one respondent anticipating a reduction); 67 per cent expect profits to grow (with only two respondents anticipating a reduction); as well as continued strong investment in capital goods and in training.
- Driving this good performance and positive outlook are the skills of employees, which was overwhelmingly the most positive factor cited by respondents, followed by low cost of premises.
- The most frequently reported constraint on performance was said to be high labour costs followed by difficulties in recruiting new staff. This suggests that there is a danger that the growth plans of local businesses could be frustrated by a lack of suitable, affordable employees.
- Brexit appears to be a hinderance rather than a help to most import/export businesses, with particular problems in terms of the availability and cost of imported goods, and the bureaucracy of importing.
- There is a strong desire for more and better business support, especially in respect of marketing/business development, the recruitment and training of staff and in terms of digital/IT support. In addition, many businesses would feel supported by more effective promotion of Hartlepool to outside audiences.
- With regard to training, one in three respondents wanted information/support in relation to apprenticeships, with the same proportion wanting information/support about non-accredited vocational training/short courses. There was also strong interest in higher level training for managers/leaders and at NVQ Levels 1/2. This suggests that demand exists across a wide range of competencies.

A full breakdown of responses can be found in Appendix 2.

3. Key Themes

The Strategy is structured around three themes:

- **Developing Place** – transforming Hartlepool from the place it is to the place it wants to be, through capital investments, programmes that maximise the benefits for and numbers of beneficiaries of those investments, and by creating and promoting a new, vibrant and exciting sense of place rooted in the best of what Hartlepool has to offer.
- **Developing People** – ensuring that residents have access to a range of learning and employment opportunities, and can equip themselves with the skills, qualifications and experience that maximise their chances of having well paid, secure and rewarding jobs. Also ensuring that the skills needs of employers are met, now and in the future in order to enable them to fully exploit their growth potential.
- **Developing Business** – creating an environment in which new start-ups are encouraged, existing businesses are supported and external investors see attractive opportunities, both by consolidating sectoral strengths and pursuing specific opportunities within the creative sector.

Naturally, these themes are intertwined and cannot be viewed in isolation. Nevertheless, in the interests of a clear presentation, there is a focus on these individual themes in order to help partners to take forward specific plans and secure the funding needed to make progress on these issues and make the most of opportunities.

4. Developing Place

4.1 Context

In terms of the proportion of Lower Super Output Areas (LSOAs) in the most deprived 10 per cent in the country, Hartlepool ranks 10th nationally, with just over one third of LSOAs in Hartlepool being in the most deprived 10 per cent nationally (2019). This is the same national ranking as when the Index of Multiple Deprivation (IMD) was last calculated in 2015 (see Appendix 5).

Hartlepool scores relatively well in terms of *Housing & Services* and *Living Environment*, but especially poorly in respect of *Employment*, *Income*, *Health Deprivation & Disability* and *Crime*. With regard to each of the seven domains that make up the IMD, some of the key figures for Hartlepool are as follows:

- **Employment** - 43 per cent of Hartlepool LSOAs are in the most deprived 10 per cent in the country and 60 per cent are in most deprived 20 per cent nationally.
- **Income** - 38 per cent of LSOAs are in the most deprived 10 per cent in the country and 55 per cent are in most deprived 20 per cent nationally.
- **Health deprivation and disability** - 36 per cent of LSOAs are in the most deprived 10 per cent in the country and 60 per cent are in most deprived 20 per cent nationally.
- **Education** - 21 per cent of LSOAs are in the most deprived 10 per cent in the country and 42 per cent are in most deprived 20 per cent nationally.
- **Barriers to Housing and Services** - no LSOAs are in the most deprived 10 per cent in the country and only 2 per cent are in most deprived 20 per cent nationally (indeed, most LSOAs are in the least deprived deciles nationally).
- **Living Environment** - no LSOAs are in the most deprived 10 per cent in the country and none in most deprived 20 per cent nationally.
- **Crime** - 33 per cent of LSOAs are in the most deprived 10 per cent in the country and 47 per cent are in most deprived 20 per cent nationally.

From our consultations, it is evident that people who grew up, live and/or work in Hartlepool are rightly proud of the town. It is equally apparent that they remain frustrated by external misperceptions and the gap between Hartlepool as it is and how it could be.

A workshop with around 40 members of the Hartlepool Economic Forum, together with wider consultations with 26 local business and stakeholders, revealed a lack of confidence, seemingly born out of not being appreciated more widely and often ignored. This in turn had cultivated a rather insular attitude in some quarters. And yet the ambition is to be much more outward looking and have more opportunity to welcome people, ideas and investment from outside.

Unlike some other areas, Hartlepool's ability to become a more attractive place in which to live, work and enjoy leisure does not necessarily require substantial additional investment (over and above what is already in the pipeline). The Borough has enviable natural assets. It has attractive historical buildings, some of which are being brought back to life, as well as investment in new facilities. Many consultees strongly felt that to attract people to Hartlepool, the town should focus on promoting its existing assets and immediate plans.

In this context, it should be noted that a £100 million capital programme is currently underway. Although it pre-dates this Strategy, it feeds into it and will help to deliver it. It is also important to reflect on what is already being done before contemplating any additional expenditure or funding bids, other than those alluded to in the *Town Centre Masterplan*.

4.2 Current Capital Projects

The capital programme managed by Hartlepool Council comprises more than 30 individual projects totalling in excess of £100m of investment. The strategic approach to these investments is set out in the *Town Investment Plan* (2020) and in the *Town Centre Masterplan* (2021).

The single largest investment is in the new leisure centre in the marina, serving the dual purpose of bringing an abandoned site back into productive use and providing local people and visitors with a top-class leisure amenity. The list below is non-exhaustive and features some of the key investments likely to make a significant contribution to economic growth and wellbeing. The suite of Town Deal projects were all at business case stage at the time of writing and worth a total of £25 million.

Town Deal

- Redevelopment of Middleton Grange Shopping Centre
- Waterfront connectivity project (connecting the marina to the town centre)
- Wesley Chapel redevelopment to a boutique hotel
- Creating a Health and Social Care Academy
- Delivering a Civil Engineering Academy

Other capital schemes

- Strategic Leisure attraction
- Summerhill Cycling Hub development
- Refurbishment of the Borough Hall
- Waterfront public realm events space development
- Business park investment
- Museum of Hartlepool refurbishment
- Hartlepool Railway Station improvements

These developments offer the prospect of significant positive change to the town centre and the marina. In respect of the latter, the Jacksons Landing site (a former shopping centre) has been disused since 2004 and was purchased by Hartlepool Borough Council in 2013. It is now to become a sports and leisure hub and the nearby National Museum of the Royal Navy (NMRN) will be extended. These developments ought to boost both the visitor economy and attempts to tackle health-related issues amongst the local population.

An area for further consideration and development relates to the global decarbonisation and 'net zero' agendas in respect of carbon emissions. At the time most (if not all) of the above projects were conceived, decarbonisation was not as high a priority as it had become by 2022, not least in the wake of COP26 (the UN Climate Change Conference held in the UK in Autumn 2021). It is understood that, insofar as is feasible, this issue is being addressed retrospectively. For an area that – fairly or unfairly – has been associated with industries perceived as 'dirty', it is especially important that its future be seen as clean and green. Some consultees felt that more would need to be done to support businesses to align with the government's decarbonisation ambitions, for example through the uptake of electric vehicles, and noted that this would be key to ensuring that businesses in Hartlepool are not left behind by the green agenda. Hartlepool Borough Council is aiming to be proactive in its response to climate change and in January 2022 publically declared a 'Climate Pledge' to tackle decarbonisation and in doing so set a timetable for its new Net Zero Plan to be published. With a dedicated Net Zero Officer in place from August 2022, the plan due to be published early in 2023, will set out the pathway to net zero emissions from all council assets and operations, as well as focusing on a leadership role to support other sectors on their decarbonisation journey.

4.3 Sites and Premises

Hartlepool is relatively well-served in respect of business accommodation and respondents to the business survey cited the affordability of business accommodation as being a particular positive of what the town has to offer. Key locations include:

- The BIS, managed by Hartlepool Council, which offers 28 units for start-ups/small businesses in the creative sector, housed within the former General Post Office on Whitby Street and subject to a £4m redevelopment programme.
- Enterprise Court, which is situated on Queens Meadow Business Park, and provides managed grow-on workspace adjacent to the Innovation Centre, offering 21 hybrid office-industrial units.
- Hartlepool Enterprise Centre, which provides 47 business units for a variety of occupiers, including knowledge-based industries, training providers and community-focused services.
- Hartlepool Innovation Centre, which is also situated on Queens Meadow Business Park and operated by UK Steel Enterprise (UKSE) and focuses on the provision of easy in-out accommodation to start-ups in the advanced manufacturing and engineering sectors.

Most undeveloped sites are in public ownership, with some of the larger sites expected to be incorporated within the Freeport (the designation process was still underway at the time of writing). In respect of power, grid capacity is reported to be good.

Whilst not a feature of the business survey findings, some larger employers interviewed separately noted that business rates on some privately owned sites were becoming prohibitive and may lead to them relocating in future. Others felt that, although the business spaces available met the needs of their businesses, that there was a lack of services (such as shops, hotels and cafes) around certain premises, especially outside of the town centre. Whilst this cannot be addressed in all circumstances, it again highlights the need to create a generally attractive environment for businesses, especially those for which social interactions are important, such as in the creative sector.

Anecdotal evidence suggests there is a lot of demand for business premises at present, which in part may reflect pent-up demand due to expansion plans being put on hold during the pandemic. It will therefore be important that the quantity and quality of premises is kept under constant review in order to inform public and private bodies of development potential, as well as ensuring that resources that might be needed to gap fund developments are accessed, be it from the *Levelling Up Fund*, *Shared Prosperity Fund* or other sources. The counter to this – and still an unknown – is the switch to hybrid working that COVID-19 has encouraged and which many commentators believe is here to stay. This may result in office occupiers reducing the amount of space they need on the assumption that not all staff will be working in the office every day. Where employers see office working as a ‘good thing’, they will want to attract people into the office by being able to offer a good quality working environment. It will therefore be increasingly important that office premises in Hartlepool are able to offer this.

There is a specific opportunity for the development/re-development of premises in the Church Street area of the town centre in order to create a production village, linked to the new film and TV sound studios (along the lines of the Bottle Yard Studios in Bristol). This is likely to require the provision of premises available on easy-in-easy-out terms for people working on specific productions, as well as longer term lettings for businesses serving users of the studios on a more regular basis. In addition, there is a need/opportunity for businesses that provide some of the social infrastructure for the creative sector, contributing to the development of a ‘café society’. The development of creative industries in Hartlepool provides opportunities to strengthen networks in the sector amongst businesses and organisations.

There are plenty of examples of creative clusters (and supporting services) across the country, often in former industrial areas that have made a virtue of relatively low property prices to develop a creative sector ecosystem (Ouseburn area of Newcastle, Fruit Market area of Hull, the Custard Factory in Digbeth, Birmingham, Paintworks and the Tobacco Factory in Bristol etc.). Making this happen may require a dedicated manager and access to significant resources, but the potential benefits could be transformative. For example, as part of Margate's Town Deal, £9m will be invested in creative production and skills, which includes establishing a Creative Land Trust to support projects for creative production and education.

4.4 Transport Infrastructure and Services

Hartlepool's location on the coast poses a number of challenges in respect of access. For many people, it is a Borough that you drive past, not into, with a train station you are unlikely to pass through never mind visit. And yet, for many businesses the A19 is only a 10 minute drive away, with the A66 and A1 not much further afield, providing access to the national road network.

The proposed new A19 Tees Crossing (involving a widening of the existing A19 Tees Viaduct and a new bridge structure to carry local northbound traffic) aims to relieve the main bottleneck on the strategic road network locally, and thereby reduce journey times and improve journey time reliability. Prospectively, the new scheme could be open to traffic by 2028.

In respect of rail, the reality confounds perceptions, with Hartlepool reputedly being the busiest single platform station in the UK, used by around 630,000 passengers each year. Proposed investment would see the currently disused second platform at the station brought back into productive use, thereby increasing capacity, as well as investment in improving the functionality and appearance of the station. This includes development of a second entrance to facilitate access to the marina. The total cost of the proposed works has been estimated at £20 million.

The Port of Hartlepool extends to more than 300 acres and is operated and owned by PD Ports. It has bulk cargo facilities as well as serving the oil & gas sectors and the renewable offshore wind energy market. This includes both facilities that can be used by companies in those sectors and permanent accommodation for manufacturing businesses based within the Port. In 2021, Tees Valley was given Freeport status, with the designated area covering 4,500 acres, making it the largest Freeport in the UK, with the Port of Hartlepool Dock included. This is complemented by ABLE Seaton Port, which occupies a 51-hectare site with deep-water port in the mouth of the Tees.

In the context of this strategy, it is apparent that investments in transport infrastructure are not amongst the highest priorities of local businesses, nor did any consultees suggest any additional capital investment requirements.

Indeed, to the extent that transport was raised as an issue, the focus was more on the availability, frequency and cost of rail and bus services. This was in terms of both bringing in workers, learners and visitors and in helping local people to better access employment opportunities outside the Borough. Hartlepool is currently part of the three year Tees Flex pilot, funded by the Tees Valley Mayor and Combined Authority. Nine new minibuses operated by Stagecoach can be booked via a smartphone app, a website or over the telephone, picking up and dropping off at specific locations within the serviced area, as well as selected locations outside it. The service aims to help residents in more isolated communities access essential services along with training and employment opportunities. Whilst welcome, there is a concern that this pilot is unable to adequately address the fundamental issues of access to services and jobs by Hartlepool residents.

4.5 Uniquely Hartlepool

A consistent theme amongst consultees was that Hartlepool is unique. It is a Borough with a Headland, a marina, a beach and an historic town centre. However, in the consciousness of the wider public (in other parts of the North East, as well as beyond), these assets seem to be overlooked or remain undiscovered.

The 'Love Hartlepool' campaign has made great efforts to engender a greater sense of pride amongst local people, but there is a consensus that more needs to be done to promote positive images of Hartlepool to external audiences. However, it ought to be recognised that Tees Valley Combined Authority (TVCA) has lead responsibility for the promotion of place locally, in terms of both destination management and investment promotion. Some consultees felt that Hartlepool had previously been on the fringes of the TVCA's activities to promote the Tees Valley (because of not having a sufficiently strong offer) and that it would benefit from being more heavily featured in local promotion. Any attempt to come outside of this framework would be expensive and potentially counter-productive, but that does not mean adopting a passive approach.

Hartlepool Council and its partners need to adopt a clear vision as to what they wish to achieve and a coherent identity. Being part of Tees Valley-wide promotion does not imply that Hartlepool's identity would be lost; on the contrary, this mechanism provides a means of amplifying its voice. What is less clear at present are the messages that Hartlepool wishes to communicate and the images of itself that it wants to convey to external audiences.

Many of the capital projects currently underway or scheduled for the near future will serve to enhance the attractiveness and functionality of the town centre and marina. However, as welcome as they are, there are concerns as to whether or not they will be sufficient to bring about the step change that is required in order to make the town centre a place that offers the range and quality of services that will attract new residents and better retain existing residents. As such, it will be important to take forward other aspects of the Town Centre Masterplan, especially those relating to the Church Street area.

As many places (and parts of towns and cities) have shown, this is not an insurmountable problem, but does require a plan, commitment to deliver on that plan and the resources to realise that plan. In this regard, subsequent rounds of the *Levelling-Up Fund* and the *Shared Prosperity Fund* could have key roles to play. Much of this is already articulated in the *Town Centre Masterplan* for Hartlepool (2021) which not only addresses key issues relating to Middleton Grange Shopping Centre, waterfront regeneration and creation of a transport hub, but wider aspects of the future for retail, hospitality, leisure, learning and living within the town centre. Further, the amount of new housing developments in and around the Borough indicate a growing audience; the challenge for Hartlepool is to capture their business rather than see it go to other parts of Tees Valley and beyond.

4.6 Creative Hartlepool

One way of both creating a positive image and promoting a positive image of Hartlepool is through the further development of the creative sector. This has already been recognised by Hartlepool Council in commissioning a creative sector research study⁴ and in the publication of the Hartlepool Cultural Strategy 2022⁵. These publications set out sectoral strengths and weaknesses, as well as future opportunities and threats, which (unsurprisingly) have articulated by those consulted for this research and confirmed in the analysis undertaken.

Undoubtedly, there is scope to support Hartlepool's burgeoning creative sector through the establishment of a network of related professionals. Such a network could facilitate collaborations, be a mechanism for peer support and represent a promotional asset in seeking to attract more creative businesses and retain talented people.]

⁴ Creative Hartlepool (Chimera Consulting, March 2022)

⁵ Our Hartlepool, Our Stories, Our (Creative) Business

One mechanism for this would be to establish a mentoring programme, pairing newer/smaller businesses with experienced industry professionals. A current programme operating across large parts of South East England has had tremendous success in helping a wide variety of creative businesses, including costume designers, choreographers, sound technicians and a host of others. It would be eminently replicable in Hartlepool.

In respect of physical assets, Hartlepool's stock is growing and improving. With regard to two of its more established facilities, the Borough Hall and Town Hall, there would be merit in re-appraising the purposes they serve and the functions they perform in order to ensure that they can best meet the needs and aspirations of the town, its residents and the types of people that Hartlepool wishes to retain and attract, whilst also remaining commercially viable. Examples of good practice from which lessons could be learnt include The Arc at Stockton, The Customs House at South Shields and Hullabaloo at Darlington.

The opening of new production studios has the potential to be transformative. It is reported that there is already strong interest in making use of these facilities, bringing new investments and jobs to the Borough. The key now is to make the most of this opportunity. As film and television programme makers book slots at the studios, this news should be broadcast widely, both to attract more interest from production companies and to tell the world about the 'new' Hartlepool. More than that, the potential for the creation/conversion of business accommodation in the surrounding area should be explored, targeted at businesses within the studios' supply chain. Such accommodation might also prove attractive to graduates from the Northern School of Art looking for start-up accommodation. In addition, there will be supply opportunities for existing businesses, some of which may not be aware of the opportunities that exist, for example within traditional trades such as joinery and electrical works. The completion of the studios might be accompanied by a 'meet the buyer' type event, with a view to offer local businesses an inside track to supply chain opportunities.

Through the creation of a café culture and all that goes with that, Hartlepool could offer more people an attractive alternative to the well worn paths to London, Leeds and Manchester for creative talent. Attracting and retaining talent means providing an attractive quality of life, not just job or business opportunities. This will require significant investment in the Church Street/Whitby Street area of the town centre.

The staging of festivals and other events brings direct and indirect economic impacts in the short term, as well as helping to change negative perceptions through positive experiences.

So far as festivals are concerned, Hartlepool has been less active than other parts of Tees Valley over recent years (even taking into account the impact of COVID-19). However, there are significant incentives to scaling up the festivals programme in Hartlepool, with evidence of substantial returns on any public sector investment⁶ and the opportunity to showcase what the local area has to offer.

In 2020, TVCA advanced funding from its £20m Growth Programme for the Creative and Visitor Economies 2022-2026 to enable strategic investment through four interconnected pillars: Cultural Industries & Visitor Economy Recovery Programme; Product Development (festivals & events, destination development, leverage for capital development); Sector Growth & Sustainability; and Profile Raising (Strategic Place Marketing, growth of 'Enjoy Tees Valley' destination brand).

In January 2022, TVCA launched its Festivals Scale Up Programme as the first initiative of the Tees Valley Creative and Visitor Economies Growth Programme. The programme seeks to support the growth and sustainability of Tees Valley's most exciting indigenous festivals, by offering grant funding and business development support to a portfolio of 10-12 festivals that can demonstrate high growth potential.

⁶ Tees Valley Festivals 2021 Recovery Fund Evaluation (ERS, February 2022)

It is understood that access to TVCA's Growth Programme for the Creative and Visitor Economies will be through a combination of procurement, open calls and a challenge fund approach. The Programme will explore ideas at various stages of development: test and explore; mobilisation; and scale-up, and is likely to require match funding (to varying degrees).

This is an opportunity that Hartlepool should seize. Although TVCA is providing £2million towards Hartlepool's hosting of the 'Tall Ships Race', this does not preclude other bids to its Growth Programme. For example, this could include: a re-scaling of the Hartlepool Folk Festival or new events that utilise longstanding assets such as the Borough Hall (soon to be undergo a 12 month long refurbishment) and Town Hall or new assets such as the restored amphitheatre ('Elephant Rock') on the Headland. The completion of the film and TV studios might offer the basis for a Hartlepool Film Festival on a particular theme.

However, in order for Hartlepool to take full advantage of the benefits of investment in the creative industries, focus will be needed on supporting skills development and promoting jobs available in the creative sector in a way that feels accessible to local people (i.e. not all occupations in the creative sector are 'creative' occupations).

In taking forward its agenda in this year, it is essential that Hartlepool Borough Council can provide a clear vision and progress/encourage activities in a co-ordinated manner. At present, there appears to be some vagueness about where responsibilities lie within the Council for cultural/creative activities (with its cultural strategy emanating from one directorate and its approach to supporting creative industries from another). Further, there may be a need for a dedicated resource to drive forward this agenda.

4.7 Inclusive Hartlepool

Whilst the volume and value of capital investments in Hartlepool are to be welcomed, there is a need to ensure that the benefits generated spread throughout the Borough. The UK has seen too many regeneration schemes that provide impressive photo opportunities but fail to connect with local communities. It might even be argued that people living in disadvantaged wards across the Borough could benefit in disproportionately positive ways from access to culture and leisure, given the opportunities for learning and creativity, and to explore healthier lifestyles. It will therefore be important to ensure that all new capital investments identify all prospective beneficiaries and develop an engagement plan that does all it reasonably can to try to ensure inclusivity. Indeed, in future, Hartlepool might go further in pioneering a new approach to public procurement that requires not only statements of economic and environmental impact, but health impact too. This would tie in well with work already underway within Hartlepool Borough Council to embed Social Value principles within its procurement practices.

Some consultees highlighted the importance of a joined-up approach to Hartlepool's economic development to ensure that any benefits are inclusive of all residents and that opportunities to improve local wellbeing through investment are maximised. Consultees cited the Preston model of community wealth building⁷ as a positive example of how local authorities and businesses can work together to create a shared, holistic vision for local investment.

A key part of this joined-up approach could be a more strategic relationship between Hartlepool Borough Council, TVCA and the voluntary, community and social enterprise (VCSE) sector. Since the collapse of Hartlepool Voluntary Development Agency in 2017, the Borough has been without an infrastructure body for the voluntary and community sector (although support services have been provided by Hartlepool Council). It is unclear what the consequences have been for the voluntary and community sector and what the long term plan is for supporting individual organisations. In an economic development context, it will be important that all relevant agencies are involved in ensuring the benefits of Hartlepool's regeneration are shared across its communities and indeed that the capacity and energy of those communities is fully harnessed in driving that regeneration.

⁷ <https://www.preston.gov.uk/article/1335/What-is-Community-Wealth-Building>

This includes the rural communities in the Borough, such as Elwick, Greatham and Hart, for which Neighbourhood Plans have been developed but which also need to be (and feel) better connected to the opportunities that are being/will be created in the town centre. In part this relates to transport links (as previously discussed) but also ensuring that people in these communities are not overlooked in terms of learning provision nor more generally in feeling a sense of involvement in town centre activities and plans.

Hartlepool Community-Led Inclusion Partnership (CLIP) is a relatively new organisation that seeks to represent people living with long term conditions, disabilities and sensory loss (and their carers). Promoting better access to education and employment are key amongst its priorities. Engagement with this group would be another way to pursue inclusivity.

Measures to maximise social value are currently under consideration by Hartlepool Council. One of the most widely used definitions of Social Value is provided by The Sustainable Procurement Task Force: 'a process whereby organisations meet their needs for goods, services, works and utilities in a way that achieves value for money on a whole life basis in terms of generating benefits to society and the economy, whilst minimising damage to the environment'. There is a wealth of material in the public domain that can inform the Council's approach (e.g. [From the Ground Up - Improving the delivery of Social Value in Construction | IED - Institute of Economic Development](#)) and it is evident that there are significant potential benefits in pursuing social value in the letting of Council contracts, both to maximise economic and social benefits overall and to direct those benefit in ways that ensure inclusivity.

5. Developing People

5.1 Context

Consistent themes in the desk research and consultations undertaken for this Strategy have been the mismatch between the demand for and supply of certain skills, the need to raise levels of attainment in Hartlepool and the need to attract and retain talented people.

Labour Supply

Over the past five years, the population of Hartlepool has increased slowly, in line with the Tees Valley average but at half the rate of the national average. However, in line with the rest of Tees Valley, there has been a downward trend in the working-age population, reflecting the increasing number of retirees being greater than the number of new entrants into the workforce.

Hartlepool has a lower employment rate, higher unemployment rate and higher proportion of economically inactive people compared to the Tees Valley, North-East and national averages. Amongst Hartlepool residents who are economically inactive, just over one third (34 per cent) are long-term sick, a significantly higher proportion than is found amongst economically inactive people nationally (23 per cent). In addition, at 6 per cent, rates of temporary sickness in Hartlepool are three times the national average. Health initiatives in Hartlepool would therefore present gains, not simply in terms of health outcomes, but also crucial benefits for the economy (see Healthy People section).

In terms of the Education domain of the Index of Multiple Deprivation (IMD), there are two sub-domains: Children and Young People; and Adult Skills. The main cause of Education deprivation is the deprivation of Adults Skills (29 per cent of LSOAs are in the most deprived 10 per cent nationally), not education amongst Children and Young People (12 per cent of LSOAs are in the most deprived 10 per cent nationally). This reflects the low proportion of working age adults with no or low qualifications and/or poor English language proficiency.

Nearly one third (32 per cent) of Hartlepool's workforce are qualified to NVQ4+⁸ which is marginally below the figures for Tees Valley and the North-East but significantly below the figure for Great Britain (43 per cent).

Consultees cited retention of people with qualifications to NVQ Level 3 and above as being a particular issue, with job opportunities elsewhere seeming to be more plentiful and the quality of life offered by other locations perceived by many young people to be more attractive.

Labour Demand

'Public administration education and health' makes up one third of employment in Hartlepool. The second largest employment sector, with a over a fifth of total employment is 'Distribution, hotels and restaurants', which also continued to grow pre-pandemic in contrast to a decline nationally. The employment structure of Hartlepool broadly mimics that of the Tees Valley and the North East, but differs from the national profile. Hartlepool has proportionately less employment in 'Banking, finance and insurance' and proportionately more employment in 'Distribution, hotels and restaurants'.

In respect of job density, for every 100 people of working age in Hartlepool there are only 60 available jobs, compared to around 80 in both Middlesbrough, and Stockton-on-Tees, and a national average of 87 jobs per 100 people.

Professional occupations make up the largest proportion (16 per cent) of all occupations in Hartlepool, followed by Sales and customer service, with Associate professional & technical occupations and Administrative secretarial occupations in joint third. Nevertheless, higher value occupations are less well represented than is the case for Tees Valley.

⁸ NVQ4+ also includes higher national certificate (HNC), level 4 award, level 4 certificate, level 4 diploma, level 4 NVQ. see <https://www.gov.uk/what-different-qualification-levels-mean/list-of-qualification-levels> for list of all equivalent qualification at each level.

Projections of future job openings across Tees Valley, undertaken by Emsi (March 2020), suggest in excess of 92,000 openings for jobs between 2021-2028 (an average of 11,550 p.a.). The largest contributory clusters are expected to be: transport and distribution, food and beverage services, primary, secondary and further education, and retail, which between them account for more than a quarter of the total. In addition, it was noted that there will be growing skill requirements in sectors such as other manufacturing, chemicals & hydrocarbons and construction.

Further, Emsi's analysis of alignment between supply and demand indicated that there were multiple clusters where demand for labour may be higher than the education system across Tees Valley can deliver. Clusters cited as possibly having this imbalance include metal work, healthcare delivery and chemicals & hydrocarbons. This suggests that the proposed new Health and Social Care Academy in Hartlepool is well timed and that there would be merit in seeing how provision that meets the needs of chemicals and other processing industries could be boosted.

In August 2020, TVCA published the Tees Valley Skills Demand Analysis (which incorporated EMSI's work). Key findings of specific relevance to Hartlepool were that:

- Health and social work, wholesale and retail trade, and manufacturing were the key areas of employment, with the first of these having the greatest jobs growth potential.
- Industries traditional to the Tees Valley economy, including metals and chemicals, remain central to the 10 priority sectors for which analysis was undertaken. There are opportunities to build on these sectors whilst also developing new industries.
- There is a common theme in all sectors of needing to develop *professional* skills, to make Tees Valley more attractive to high-value investors, but also meet *production* skills needs.
- Different sectors exhibit very different workforce demands – only Digital is predominantly high skill (managerial, professional, technical).
- Chemical and Process, Bioscience, Logistics, and Creative, Culture and Leisure all have very high demands for low skill labour-intensive roles.

One in three respondents to the business survey conducted to inform this Strategy wanted information/support in relation to apprenticeships, with the same proportion wanting information/support about non-accredited vocational training/short courses. There was also strong interest in higher level training for managers/leaders and at NVQ Levels 1/2. This suggests that demand exists across a wide range of competencies.

5.2 A Learning Culture

Hartlepool College of FE, Hartlepool Sixth Form College and the Northern School of Art are three of the major post-16 learning providers with a significant presence in the town, and they offer a range of complementary provision. Further, there is higher education provision and links with Teesside University to facilitate access to HE provision not available within the Borough. For example, Health T Levels provided by Hartlepool Sixth Form commonly lead to students progressing to the study of nursing degrees at Teesside University.

Amongst its range of provision, Hartlepool College of FE is especially strong in *engineering* (including aerospace engineering), *construction* and *health & social care*, and is therefore directly addressing areas of significant skills demand. It is also apparent that the quality of provision is attracting learners from the East Durham coast as well as from Stockton and Billingham. In respect of engineering alone, the College currently has around 500 students studying at NVQ Level 3.

Hartlepool Sixth Form College is a specialist sixth form college providing a wide range of academic and vocational courses, working in partnership with the University of Sunderland. It has in place an energy and renewables centre through which it offers T Level courses. Further, it has already recognised the potential to develop other centres relating to the chemicals and nuclear sectors. This seems to be precisely the type of capacity that ought to be strengthened and further developed.

The Northern School of Art is the major HE provider in Hartlepool and is the only specialist art and design college in the North East. The School hosts around 600 undergraduates, drawn from all over the UK, and has enjoyed steady growth since establishing its Church Street campus in the town in 2017, complementing its nearby Church Square campus that has been operating since 1938. Courses offered at the new campus include: Commercial Photography, Production Design for Stage and Screen, Film and Theatre Production, and Costume design, amongst others. Shortly, it hopes to be gain its own degree-awarding powers.

As part of its investment on this site, the School acquired nearby bus sheds extending to 3,000 m² which are now the site of the development of purpose-built film and TV sound studios – the only such facility between the M62 and the M8. The School is a fabulous asset for Hartlepool, as an economic driver in its own right and in the learning it offers that can spawn new businesses and skilled employees for the creative sector.

Other significant learning providers include University Hospital of Hartlepool and Seymour Skills Academy. The former provides clinical training to medical students, nurse practitioners and foundation doctors. The latter is the largest civil engineering infrastructure training skills facility in the North East, with classroom, demonstration facilities and full-scale test ground training for infrastructure engineering, construction skills, planning, surveying, landscaping and ecology.

The recent Levelling-Up White Paper pointed to the possibility of bolstering post-16 provision in under-performing localities as a means of levelling up, specifically through 'elite' sixth forms. Research undertaken in preparing this Strategy suggests that this is not needed (at least not in terms of new/additional learning providers). Already, the town boasts two school sixth forms, a sixth form college, an FE College, the Northern School of Art and half a dozen or so private vocational learning providers (as well as providers outside the area seeking to attract Year 11 leavers).

Generally, although funding to provide FE and HE learning is in place and employers are engaged, there are ongoing difficulties in attracting (and, to some extent, retaining) learners, both young people and adults. It is thought that this may be a short term legacy of Covid., but there could be more fundamental issues at play that need to be explored.

Some consultees within the creative industry felt that there was a mismatch between the courses provided by local FE/HE institutions, expectations of young people graduating from these courses and the skills needs of creative businesses. For their part, learning providers would refute this, pointing to high and growing numbers of learners, as well as high levels of success in their onward progression into employment. Either some employers' needs are not being met or there is a lack of understanding of what learning providers are able to offer.

Some consultees also highlighted a lack of awareness amongst local people of the types of jobs available and skills needed in the creative sector. Some consultees stressed the need for a joined-up, collaborative approach to addressing skills gaps, with training and development organisations highlighting their potential role in supporting businesses struggling to recruit.

In respect of digital specifically, whilst there were some misgivings amongst consultees about the quality of the infrastructure (specifically in Seaton Carew) the most pressing issue for many people relates to the development of digital skills. Further, this goes well beyond the digital sector given the growing importance of digital skills within occupations across a variety of industries. The flip side of this is that individuals lacking in digital skills face even higher obstacles to gaining employment. One consultee highlighted the low rate of digital apprenticeships in Hartlepool and suggested this as an area for development. It was also suggested that there was a need for a specific digital strategy to adequately address these issues. This might incorporate some of the lessons learnt from the 'Digital Bootcamps' delivered by Teesside University as part of an Institute of Coding-led programme of 20 Skills Bootcamps nationally. The first of these ran from September 2021 and were free to people aged 19 and over who could demonstrate that they were unemployed, self-employed or were wishing to make a career change, with Teesside University also offering a bespoke employability programme. Employers sending learners to the courses received a 70% subsidy.

Prospective investments in a new Health and Social Care Academy and in a new Civil Engineering Academy have the potential to deliver significant benefits. Health and social care is a sector that is currently experiencing a significant staffing shortfall and all expectations are that the shortage of suitably qualified staff is going to continue for some time to come (and may indeed worsen with an ageing population and therefore growing levels of demand). In respect of civil engineering, the construction of HS2 and other major capital investments has exposed the shortage of people in related disciplines. In terms of both the wider economy and the civil engineering skills needs relating to proposed capital investments in Hartlepool and across the Tees Valley, there is a clear opportunity to help meet demands for skills and facilitate access to good quality employment opportunities for local residents. It was suggested that learning provision in respect of retail and hospitality might be an area justifying further investment in order to meet the anticipated increase in demand for skilled staff as the economy opens up and given potential boosts to the visitor economy.

In addition, new employment opportunities are being created as a result of emerging good practice, changing consumer preferences and legislation. For example, from 1 April 2025, all new build domestic dwellings must have a fossil-fuel free heating system. This will require those involved in design, manufacture, installation and maintenance/servicing of such systems to acquire new skills. Ahead of this legislation, there are already a number of schemes in place designed to encourage consumers and businesses to adopt more sustainable options for heating (e.g. Green Homes Grants and Social Housing Decarbonisation Funds). However, it is reported that a lack of skills is a key (albeit not the only) obstacle to achieving higher levels of take-up.

There is a need to undertake a skills mapping exercise to determine the nature and scale of any mismatch between labour demand and supply. For example, in respect of the process industries experts report current and worsening skills shortages related to an ageing workforce and an apparent lack of appreciation amongst potential new entrants of the opportunities within the sector for secure and well-paid employment. Although the chemicals and other processing industries are much smaller than they once were, they remain sizeable and a potential source of a significant number of jobs for many years to come.

Teesworks Skills Academy has been established to equip local people with the skills required to take advantage of the new jobs and opportunities that are being created at the Teesworks site in Redcar & Cleveland, with Hartlepool College of FE being one of many partners drawn from across Tees Valley. The aim is to develop a skills plan to co-ordinate training and recruitment, working with organisations to match employers with potential employees. Given the location of Teesworks and previously mentioned transport issues, this may be of less importance to Hartlepool residents than people living south of the Tees, but nevertheless ought not be overlooked as a potential route to employment.

Local Skills Improvement Plans (LSIPs) were introduced in the Skills for Jobs White Paper in January 2021. They aim to give SMEs a much stronger voice in local skills planning and help to ensure that provision is more responsive to emerging and changing skills needs. Tees Valley is one of eight LSIP areas in the first wave, with the initiative led by the North East Chamber of Commerce (NECC). The extent to which this impacts on Hartlepool is as yet unclear, but is something to be monitored.

It seems to be widely acknowledged that adult education is poorly served (again, not something that is unique to Hartlepool). Further, prospective demand for adult education is often to be found in more deprived communities where educational attainment is lower than average and unemployment/economic inactivity is higher than average. There would appear to be significant potential for greater provision of community-based adult education in order to make participation as accessible as possible. Data relating to relatively high levels of economic inactivity in Hartlepool would appear to support this being an area for action. In addition, consultees indicated that learners from disadvantaged areas, as well as those with special educational needs, tend to be under-represented amongst post-16 learners. With funding for adult education now devolved to Tees Valley, there are opportunities for more local conversations about the particular needs of Hartlepool in this regard. Furthermore, in highlighting the various barriers that local people may face to engaging with adult education and training, some consultees suggested that services need to be in place to support people to build confidence and soft skills before progressing to further training.

5.3 Productive People

For many years, the UK (and the North East in particular) has struggled with issues of productivity. Whilst a number of different factors have determined the country's poor performance, an important element has been a lack of suitably qualified and experienced people across many sectors of the economy. Given its relatively strong infrastructure in respect of post-16 learning and a desire to develop this offer, Hartlepool is in a good position to ensure that local employers have the people they need, that prospective investors can be reassured about the availability of skills that they need and that local people are equipped with the skills that will maximise their employment opportunities.

In part, low levels of productivity relate to the structure of the economy (as discussed in the 'Business' section of this document). However, it also relates to relatively low levels of economic activity and of educational attainment, as well as relatively high rates of unemployment.

There are/have recently been two major programmes that operate across Tees Valley: Step Forward Tees Valley, led by Humankind Charity and operating out of the Hartlepool Enterprise Centre, which is aimed at people with multiple and complex barriers to employment; and Routes to Work, a TVCA and DWP initiative focused on long term unemployed people over the age of 30, also with a local base in Hartlepool. The former will operate through to March 2023, whilst the latter concluded at the end of March 2022.

The pathways out of worklessness that these programmes have been providing may become blocked unless adequate replacements are put in place. At present, there appear to be no plans to do so. There is therefore a need for discussions with partners, not least TVCA, to ensure that the types of support that these programmes have provided remain in place. There may even be potential to link such programmes to areas of skills shortage such as health and social care, hospitality etc. In so doing, it will be important to learn the lessons of other employment programmes, one of the key lessons being to adopt a person-centred approach.

It should be noted that through its work on employment and skills, Hartlepool Council is already putting in place pathways to employment in priority industries (i.e. those with particular skills shortages), such as health & social care, retail, distribution and manufacturing. These initiatives mainly focus on the employers' perspectives (e.g. the new Amazon Distribution Centre at Wynard) but could perhaps be joined-up with the support provided to individuals seeking work.

In respect of the occupational aspect of productivity, a key issue is the lack of graduate (or equivalent) roles within the workforce. In this regard, graduate recruitment is key. There may be potential to explore graduate placement programmes whereby employers are offered no or low-cost graduates (resourced by public sector funding) with the hope that they would appreciate the value they bring and offer them longer term employment at the end of their placement.

It should also be recognised that in terms of productivity employers have a key role to play in the health and happiness of their employees. Further, as much as Hartlepool needs jobs, it wants good jobs, created by good employers. In this regard, the North of Tyne Combined Authority has introduced a 'Good Work Pledge'⁹ which seeks to have employers commit to good practice in a number of areas and is a model that might be replicated in Hartlepool.

⁹ [Good Work Pledge - NTCA \(northyne-ca.gov.uk\)](https://www.northyne-ca.gov.uk/good-work-pledge)

5.4 Healthy People

Although public health is a separate topic, it is relevant to this economic strategy because of the extent to which health issues impact on economic activity and therefore the employment opportunities available to residents and the skills available to employers.

Indeed, 60 per cent of the Lower Super Output Areas (LSOAs) in Hartlepool are within the bottom 20 per cent of LSOAs nationally in respect of Health Deprivation & Disability.

Hartlepool is one of many coastal regions that are experiencing issues with health deprivation and disability. According to the Health in Coastal Communities report¹⁰, there is a 'coastal excess' of disease even when accounting for the age structure of coastal areas. Life expectancy (LE), healthy life expectancy (HLE) and disability free life expectancy (DFLE) are all lower in coastal areas. The report states that Hartlepool has a higher amount of mental health disorders than the England average for both the 16 years+ population and the 65 years+ population.

There is a strong correlation between the risk factors that affect health and those of deprivation. For example, deprivation in terms of education and income (both apparent in Hartlepool), can impact awareness and affordability of healthy eating. Meanwhile, many fast food options are seen as cheaper and more convenient (it was reported that Hartlepool has the highest number of fast food takeaways per head in the country). In this respect, there is clear crossover between economic development, public health and planning policy in terms of permissions being granted for fast food outlets in or near to more deprived areas.

Health disparities between Hartlepool and the rest of the country are stark and threaten to limit the Borough's future economic prosperity, as well as being divisive in the pursuit of inclusivity. A public health strategy ought to include a focus on fitness for work, covering both physical and mental health. In so doing, it should utilise all available resources across the public and VCSE sectors.

It is also worth noting the status of Hartlepool Hospital, although not so much as a provider of health services as an economic anchor. Hospitals represent significant providers of a wide range of employment opportunities, as well as supply opportunities and as such tend to be important economic drivers within local economies. In that context, the removal of services will have had economic (as well as wider) impacts. As an anchor institution, Hartlepool Hospital's future ought to be closely monitored.

¹⁰ [Chief Medical Officer's annual report 2021: health in coastal communities - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/612222/Chief_Medical_Officer's_annual_report_2021_health_in_coastal_communities.pdf)

6. Developing Business

6.1 Context

In 2019, total Gross Value Added (GVA) in Hartlepool – i.e. the size of its economy - was £1,398 million (in 2018 prices), which is 10 per cent of the total GVA for Tees Valley – the smallest contribution amongst its constituent local authorities. However, relative to the working age population, Hartlepool is seen to perform slightly better (overtaking Redcar & Cleveland), with a contribution of just over £24,300 per person of working age.

Productivity levels in Hartlepool are 27 per cent below the Tees Valley average and 47 per cent below the national average. When it comes to ‘levelling up’ on productivity, there is a huge gap to be bridged. **All things being equal, if Hartlepool were able to match the GVA per head figure for Tees Valley, its economy would be £0.5 billion bigger; if it matched national rates it would be £1.3 billion bigger.**

In 2020, there were 2,300 registered businesses¹¹ in Hartlepool. Hartlepool is just below the Tees Valley average, with 245 businesses for every 10,000 residents, which in turn is just below the North East average. It is considerably lower than the national average of 410 businesses for every 10,000 residents.

If Hartlepool were able to match the number of businesses per 10,000 population in Tees Valley, it would have another 141 businesses; if it matched national rates, it would have another 1,549 businesses.

In each of the past four years (to 2020), Hartlepool has failed to keep pace with the national rate of business births relative to existing stock. Further, for each of the five years between 2015-2019, the rate of business closures in Hartlepool was higher than the national average, although this trend was reversed in 2020. Between 2015-20, whilst the overall GB business stock grew by 12.4 per cent, the Hartlepool business stock contracted slightly (-0.4 per cent).

After one year in business, new start-ups in Hartlepool have a slightly higher survival rate than the national average. However, at three years a gap emerges and widens through to five years. By this stage, 40 per cent of businesses nationally are still operating, whilst in Hartlepool the figure is around 31 per cent. This would suggest that there may be a need to intervene around the second anniversary of a new business start to try to identify the factors that might imperil business survival and seek to provide appropriate business support where possible.

The largest sectors by employment (Health, Education, Retail, Accommodation, food and beverage, Manufacture of metals, Public administration and defence) are all quite close to national levels of productivity, but smaller sectors show a much bigger gap. **If productivity were at national levels, keeping the industrial structure constant, the local economy would be 5.4% bigger than at present.**

High-value sectors that are under-represented include: Information and communication, Other professional, scientific and technical activities and Financial and insurance activities. **If the local industrial structure matched the national economy with local productivity held constant, then the local economy would actually be 6.3% smaller than at present. The present industrial structure is therefore advantageous.**

¹¹ Number of VAT and/or PAYE registered enterprises

The results of the business survey – albeit from a relatively small sample- conducted to inform this Strategy were more encouraging:

- Over the past three years, employment, turnover and profit were all slightly positive, with significantly higher investments than previously in capital goods and in training. This suggests that businesses have taken advantage of any pandemic-related pauses or slowdowns to invest in the future, which should see Hartlepool businesses well placed to take advantage of opportunities.
- Although COVID-19 had depressed turnover and profits, and forced respondents to postpone planned expansions and staff hires, they were very positive about prospects over the next 12 months, predicting strong growth in turnover, profits and employment, as well as continued strong investment in capital goods and in training.
- Driving this good performance and positive outlook are the skills of employees, which was overwhelmingly the most positive factor, but a potential limit on performance was said to be high labour costs followed by difficulties in recruiting new staff. This suggests that there is a danger that the growth plans of local businesses could be frustrated by a lack of suitable, affordable employees.

6.2 Green Jobs

Predictably, there was much talk amongst consultees of 'green' jobs, although little detail on exactly what this meant beyond general reference to the renewables sector (even though there are 'green' occupations throughout the economy). There would therefore be merit in further exploring what types of 'green' sectors and what types of 'green' jobs that Hartlepool has now, is best placed to attract and for which it is well placed to provide learning opportunities. In this regard, much of the competition for these jobs is likely to come from elsewhere in Tees Valley and especially from the Teesworks site, however there are wide ranging business and commercial opportunities as the sustainability and climate agenda grows in prominence. For example government policy (such as the recent Minimum Energy Efficiency Standards and Net Zero Strategy) is driving the ambition for 'Net Zero emissions' by 2050 with local policies attempting to accelerate the date. Sectors such as domestic energy retrofit and energy efficiency, electric vehicle infrastructure, renewables manufacture and installation are growth areas and will require an expanding supply chain. The Borough's location in relation to National Grid infrastructure and the ability to connect large scale renewables also provides a prime opportunity for business growth in the renewables supply chain.

ABLE Seaton Port at Hartlepool has the facilities and planning consents for offshore wind manufacturing activities and the full erection/assembly of offshore wind turbines. The UK has the largest amount of offshore wind capacity in Europe, with 45% of all installations. This dominant position is set to grow further as a result of the Dogger Bank developments. The requirement for Dogger Bank A and B is 190 turbines. Dogger Bank C will be the first project to use the largest commercially available turbines in the world. Development is scheduled to commence in 2023, with commissioning in 2024/25. ABLE Seaton Port in Hartlepool has been confirmed as the marshalling base for Dogger Bank. It will serve as the base for turbine service equipment, installation and commissioning activities. Evidently there is a need for skilled labour and there are opportunities for other such work to come to the area in the future. Again, serious competition comes from the south banks of the Tees.

Hartlepool Power Station has been generating electricity since 1983 and is unusual in having been built close to an urban area. It was originally scheduled to shut down in 2009, but its life has been extended on several occasions, with the most recent anticipating decommissioning in 2024. However, that may not be the end of the story given the cost and environmental factors driving further moves away from fossil fuels and technological advances such as the development of small modular nuclear reactors. The Power Station continues to represent an important source of jobs and supply opportunities locally.

6.3 Process Industries

Chemicals and other process industries have been a very important part of Hartlepool's economy for decades. Although now reduced in scale, the companies that remain tend to operate in higher value-added areas of the market, often involving the production of specialist chemicals, and offer good employment and significant supply chain opportunities. In addition, there are examples of small ecosystems operating across Teesside, with the products of some chemicals companies feeding into the processes of others. As such, these companies are less footloose than many other manufacturing and service businesses.

These companies are very alive to the issue of decarbonisation and the UK's net zero target and, in this context, the switch to hydrogen as a fuel source is already underway. There is therefore no suggestion that the economic gains from expanding this cluster need to be traded for any negative environmental impacts, as perhaps was once the case. Hartlepool has suitable sites, adequate energy supplies and well-respected learning providers who can help provide prospective investors with a suitably trained workforce. However, other parts of Teesside (not least at Wilton) can make a similarly attractive offer. For many employers the availability of a workforce is likely to be a key factor in choosing the location for a new operation and it is in that respect that learning providers might be able to offer Hartlepool a competitive edge especially if they are able to obtain good intelligence on the current and future skills needs of employers.

It is also important to recognise that not all companies in this sector align with the clichés of miles of pipework and billowing clouds of steam. Many of the newer companies are operating in specialist areas and looking for high quality premises in good, clean environments.

6.4 The Freeport

Freeports offer a package of tax reliefs, simplified customs procedures, excise duty suspensions on goods and a streamlined planning process. They are therefore of particular interest to businesses looking to construct new premises, install equipment and process/manufacture goods that involve the importation of raw materials/components and the exportation of final products. The Tees Valley Freeport awaits final confirmation, but is expected to cover the Port of Hartlepool as well as Liberty Steel, LV Shipping, Teesside Airport, Teesworks and Wilton International. As such the Freeport covers a large geographical area. It is anticipated that it will primarily attract investment from businesses in the clean energy (especially offshore wind) and chemicals sectors, and it is estimated that 18,000 jobs will be created.

At this stage, no specific work has been published setting out what the expectations are of the types and natures of investments that it is hoped will be made within the Port of Hartlepool, but there appears to be an expectation that there will be significant investments from the two main target sectors. With keen competition for such investments across the Tees Valley (and between Tees Valley and other locations) it will be important for Hartlepool to make a clear and strong offer. In that regard, its ability to offer a suitably qualified workforce could well be a compelling argument it can make to prospective investors. Hartlepool Borough Council are continuing work closely with Tees Valley Combined Authority to establish the opportunities available to businesses relating to the Freeport and promote the initiative as an inward investment opportunity.

6.5 Business Support

At present, business support is available from a wide variety of agencies, each with a particular remit covering different types of businesses, different sectors, different geographic areas etc. In the first instance it would be useful to have a database or matrix of all of the different types of support available to particular businesses in Hartlepool. It may well be the case that in many instances businesses are unaware of the support that is available, whilst support providers (especially those covering a larger spatial area) have found it difficult to identify and engage candidate businesses in Hartlepool. This exercise could help to inform the Council's role in helping to match providers with

businesses and how it can define its own role in this regard. It might also reveal any duplication or gaps in provision. Similarly, a database of Hartlepool businesses and their support needs/potential support needs would be invaluable to support providers, for example identifying exporters/potential exporters (all businesses with a turnover greater than £0.5 million are seen by the Department for International Trade as having export potential).

Start-up support is available from a number of agencies (each with a particular focus, but with some potential for overlap). The ending of the furlough scheme was expected to see an increase in unemployment, leading to a rise in self-employment/new business formation, but this was reported not to have transpired on any significant scale. Most of the interest in new start-ups tends to involve people offering personal services (e.g. hairdressers) and tradespeople.

It should be noted that the Covid pandemic significantly disrupted the delivery of business support. For example, visits to individual businesses all but stopped (and online support is generally regarded as less valuable, in terms of being able to fully understand business needs). Similarly, events were cancelled or had to be delivered online and business support was interrupted by staff absences (including the closure of embassies that would otherwise have been available to assist exporters).

The flip side of this is that there may be significant pent up demand for business support, as plans to export, to innovate, for growth etc. are dusted off as the UK and other economies start to open up again.

It is worth noting that much of the business support available has been resourced by European Structural and Investment Funds. It will therefore be essential that appropriate support continues to be available, funded through the Shared Prosperity Fund and other relevant sources.

The business survey revealed a strong desire for more and better business support, especially in respect of marketing/business development, through the promotion of Hartlepool to outside audiences, in respect of the recruitment and training of staff, and in terms of digital/IT support. It also revealed a lack of satisfaction with business support provision, although it is not clear as to whether this relates to the extent, cost or quality of provision.

One of the areas for potential development in business support could be in the period beyond initial start-up and immediate post start-up support. An observation from business failure rates is that after three years there is a marked divergence between Hartlepool and the national average, with Hartlepool businesses starting to fail at a much higher rate. Again, the reasons for this are unclear, but there would be merit in exploring the potential for a Year 2/3 health check with businesses to see what support might aid their sustainability. Focusing all attention on start-ups when failure rates are so high is rather like running a bath whilst leaving the plug out.

At Tees Valley level, work being undertaken by the Combined Authority on local supply chains is 'boundary blind' and, amongst other things, aims to connect suppliers and buyers of relevant goods and services. It also seeks to ensure that employer needs for particular skills can be met across Tees Valley (and employment opportunities accessed by residents across Tees Valley).

6.6 Social Enterprise

A social enterprise is a business established primarily to pursue social aims whilst also being economically viable. In a Hartlepool context, it would appear that there is significant potential for the development of social enterprises given the extent of disadvantage and the need to better connect local communities with the delivery of a variety of services, as well as business opportunities.

Consultees noted that there have been instances where social enterprises are being commissioned by Hartlepool Council to deliver services, most notably in social care, however some felt that this could be done to a greater extent to further relieve the burden on Council services.

Hartlepool, along with Redcar & Cleveland, is one of only six UK locations to be offered a share of £4m as part of an investment programme managed by Local Access, a partnership between Access – The Foundation for Social Investment, and Big Society Capital. The partnership (which includes HartlePower) is known as LARCH, (Local Access Redcar & Cleveland and Hartlepool) and includes a variety of local charities and social enterprises, key local infrastructure bodies, the two local authorities, a number of local funders, social investors and social enterprise development agencies. Its aim is to grow the social economy locally and tackle community issues. The challenge now is to identify social entrepreneurs and organisations with business ideas and then take them forward. This will be done through events, workshops, professional support and mentoring from other successful social entrepreneurs and organisations, with grants and loan finance available.

6.7 Visitor Economy

Hartlepool already boasts a number of key assets:

- Hartlepool Marina represents one of the largest leisure craft marinas in the country, with 500 berths, and is within walking distance of the town centre (with proposals to improve access to/from the railway station). It will soon see the development of a new leisure centre.
- National Museum of the Royal Navy, based at the marina and comprising a recreated 18th Century Seaport and HMS Trincomalee, built immediately after the Napoleonic Wars. It also houses the Museum of Hartlepool.
- Seaton Carew, a seaside resort that has been rejuvenated through recent investments including a promenade that connects Seaton Carew with Hartlepool Marina. This also marks part of the new England Coast Path, as well as National Cycle Route 14, which extends through to the Headland.
- The Historic Headland is an important site of early-medieval Christianity in Britain and includes the 13th Century St Hilda's Church. In the 20th Century, the Headland played an important role in Britain's coastal defences, as commemorated at the Heugh Battery Museum. The Headland also houses the Borough Hall (one of Hartlepool's main entertainment venues) and 'Elephant Rock', a newly constructed amphitheatre.
- The Town Hall Theatre, with a 402-person capacity plays host to a diverse range of professional and non-professional performing arts, including comedy, drama, children's theatre and music.
- Hartlepool Art Gallery stages exhibitions of regional, national and international artists.
- RSPB Saltholme is a visitor centre and reserve in the Tees Estuary, whilst Teesmouth National Nature Reserve is an internationally-important habitat for migratory sea birds and waders.

Over the past two years, the visitor economy has been one of the hardest hit by the COVID-19 pandemic, as is apparent from the extent to which businesses in that sector had to close temporarily (and, in some cases, permanently) and furlough staff. Even when permitted to open, the restrictions on them and their customers routinely entailed higher costs, reduced capacity and general inconvenience.

STEAM quantifies the local economic impact of tourism, from both staying and day visitors, through analysis and use of a variety of inputs including visitor attraction numbers, tourist accommodation bed stock, events attendance, occupancy levels, accommodation tariffs, macroeconomic factors, visitor expenditure levels, transport use levels and tourism-specific economic multipliers.

The most recent STEAM data for Hartlepool is for 2020 and reveals the extent to which COVID had hit the visitor economy locally:

- The number of day visitors was down by 57 per cent
- The number of overnight visitors was down by 75 per cent
- Visitor expenditure was down by 62 per cent
- Employment in the tourism sector was down by 61 per cent

This followed five successive years of growth in visitor numbers, which was especially strong (nearly 6 per cent) in both 2016 and 2017.

Although all government restrictions in England were lifted at the end of February 2022, guidance remained in place and, more particularly, the behaviours of many consumers were altered by the experience of the preceding two years and especially by very high case numbers being reported in Spring 2022. As such, it may take some time for the visitor economy to recover, but there are reasons to expect it can do so and go on to flourish.

On the demand side, there are a number of factors that suggest taking holidays and short breaks within the UK is set to rise, as a result of risk averse consumer behaviours discouraging foreign travel, the increased cost and complexity of visiting European Union countries and the rising cost of living encouraging the pursuit of cheaper leisure options.

On the supply side, significant investment has been made (and continues to be made) in making Seaton Carew, the Headland, the Marina and the town centre into even more attractive places to visit. In addition, Hartlepool will be hosting the Tall Ships Race in 2023 and when it previously hosted the event in 2010, nearly one million visitors were believed to have attended. Between now and then it is vital that a strategy is developed to fully exploit this opportunity and to demonstrate to visitors attracted by this event why they should stay longer and return for other reasons. This in turn links to other aspects of this Strategy around the creative sector and giving the town the buzz that will attract new audiences. It also links to the development of Hartlepool as a place more generally and the need to establish a clear identity.

Finally, there is potential for Hartlepool to develop heritage trails and to promote walking and cycling routes that connect different parts of the Borough and which link to hospitality and related businesses.

7. Hartlepool's Ten Point Plan

Moving Hartlepool from where it is to where it wants to be will require bold, innovative actions. Above all Hartlepool needs to be **looking ahead, beyond the short to medium term**, to get ahead of the pack to generate, attract and retain high skill, high GVA businesses. While drawing on sub-regional plans and structures, it requires fine-grained understanding of the local specifics of Hartlepool, as well as significant resources and some risk taking, involving commitment, courage and political will. But the size of the potential prize is significant.

1. A **vibrant creative quarter (Production Village)** could transform the town centre and Hartlepool's economic ambitions. Building on investments by the Northern School of Art, Hartlepool Council and others in the Church Street/Whitby Street area of the town centre, the feasibility of a more comprehensive re-development should be explored, taking full advantage of and supporting the new film and TV production facilities and the School's ambitions for further expansion. This is consistent with the approach set out in the Town Centre Masterplan to "open up the area to more uses and a wider range of users." This will require major investments in buildings (refurbished and new) as well as in the public realm, to give the area a cohesive feel. It also involves looking at what it takes to create and maintain a high quality working and leisure environment, with a buzzing creative hub where people want to live, work and spend leisure time.
2. Allied to the above, would be a clear and detailed **action plan to support creative businesses**. The combination of the two may need to be overseen by a dedicated manager who can ensure all the right connections are made and in a timely manner. As well as capital investments, this would include running networking events, setting up a mentoring programme, sharing information, identifying needs and ensuring appropriate business support was in place. The work of that manager might be supported by an industry-led creatives group.
3. A **business support strategy** is needed that begins with an audit of the help available to different types of businesses, in order to identify any duplication or gaps in provision and then ensure that all businesses have access to the support they need, when they need it and delivered in the most effective form. In particular, there would be merit in health checks for businesses during their second year of operation to anticipate challenges and try to avoid the divergence in business failure rates between Hartlepool and the national average from Year 3 onwards. It could start with looking at the latent demand for business support, post pandemic and considering whether the balance is right and focused on the stages of business development and growth.
4. Hartlepool is relatively well-served in respect of business accommodation, particularly that which is affordable. Evidence suggest there is a lot of demand for business premises at present, which in part may reflect demand due to expansion plans being put on hold during the pandemic. A study should be commissioned to understand the current supply and demand for **business accommodation** to include start up provision in Hartlepool, and identify opportunities to develop further sites and premises. There are specific opportunities associated with the Teesworks, green and process industries. Hartlepool's existing port operations and the future of the Power Station site remain important economic drivers. Infrastructure requirements such as high speed internet must also be considered.
5. Initiatives to develop **learning and skills** are recommended to ensure that the potential mismatch between the demand for and supply of employment skills is avoided. This needs to take into account the situation across the Travel to Work Area as a whole and look ahead to future skills needs. It should also be driven by a clear desire amongst Hartlepool businesses to grow, but which may be inhibited by a lack of availability of suitable skills. Further, in order to increase the available workforce, there need to be programmes to replace those that have recently come to an end or will shortly do so, that have improved the employability of the unemployed and economically inactive. Hartlepool has excellent learning providers and ambitious employers; the potential barrier to appears to be the recruitment of people to be trained. This may require better promotion of learning and employment opportunities, as well as delivery of foundation learning (including adult education) to provide a platform from which

to access vocational training. Specifics might include support for digital skills, to underpin a wide range of businesses and job opportunities, looking at the New Build legislation (post-2025) and tooling up and training the construction sector now for the forthcoming changes linked to the green agenda and bolstering provision for the offshore wind/renewable energy sector. It might also include measures to encourage more businesses to take on graduates. In many cases, employers are looking for particular skills or an ability to carry out particular tasks to an acceptable standard for which there is no recognised formal qualification. However, the difficulty in providing **non-accredited learning** has been in acquiring funding, which is typically linked to the achievement of NVQs or their equivalents.

6. Two of the underpinning issues that seem to have held back progress are low levels of **confidence and aspiration**. This could be addressed by establishing better links between schools and local employers, opportunities for residents to complete training and qualifications with businesses, and an ambassador programme with local business leaders to raise the aspirations of school pupils.
7. Connections between statutory bodies and the community and voluntary sector need to be improved, as do connections between third sector organisations. Specifically, more needs to be done to support the **development of social enterprises**.
8. **Public health impacts should be considered on the same footing as economic and environmental impacts**, in determining funding allocations and planning permissions. Improving health outcomes impact productivity. Levels of poor health in Hartlepool, including amongst the economically inactive, are disproportionately high, depriving residents of access to learning and employment opportunities and depriving employers of prospective employees. This is an area where Hartlepool Council could lead the way. In addition there is scope for a programme of events and initiatives for businesses to support the development of healthy workforces linking to the Hartlepool Health Strategy.
9. Hartlepool Council and its partners need a **clear shared vision** of what they wish to achieve and to adopt a **coherent approach to place promotion**. Working within existing Tees Valley structures, Hartlepool needs to find its identity, and promote it more effectively, for the benefit of local businesses and to external audiences. This could include through the use of Ambassadors, with a brief to deliver particular measures to specific audiences. A broader Ambassador Programme might see people promoting other issues, such as learning, employment and business opportunities. These might be targeted at some of the Hartlepool diaspora, inviting them to come home, bringing their skills and businesses with them.
10. The **tourism offer** needs to be strengthened with a Destination Management Plan that ensures that Hartlepool is afforded the attention it deserves within wider strategies, based on what it has to offer. This would include a new and improved programme of festivals that take advantage of new/revamped facilities and access to funding at Tees Valley level. It would also include a specific plan to maximise the long as well as short term benefits of hosting the Tall Ships Race. Consideration should also be given to the purposes served by the Borough Hall and Town Hall.

7.1 Summary Action Plan

In order to take forward these recommendations, Hartlepool Council will need to develop an action plan, having considered its priorities and determined what resources (human and financial) it might be able to deploy in taking forward these agendas. The table below presents a summary of key actions and potential partners; in due course, there will be a need to consider prospective timescales and required funding.

Action Area	Actions required	Potential partners	Performance Indicators
1. Developing a Vibrant Creative Quarter (or 'Production Village')	Develop the concept of a Production Village regeneration area that capitalises on the new Film and TV Studios development	Northern School of Art TVCA NESIP	Sq. m. of space (re)developed and occupied
	Map out current property ownership in the area, identify barriers to development and opportunities linked to the Production Village regeneration area	Existing occupiers Property owners Property investors	Sq. m. of space (re)developed
	Promote the creative quarter as a desirable location for potential investors across a range of commercial, leisure, housing, community and education uses	Existing occupiers Property owners Property investors	Sq. m. of space (re)developed and occupied
	Continue to operate The BIS as a managed workspace for creative businesses and look at opportunities to strengthen its proposition	Creative sector businesses	No. of businesses supported
	Develop a programme of events to raise the profile of the creative quarter/production village	Creative sector businesses Northern School of Art	No. of people participating in events
	Establish a business forum for the creative quarter / Production Village	Creative sector businesses	No. businesses engaged
2. Supporting creative businesses	Establish and service a creative/cultural sector forum	Creative sector businesses TVCA NSoA	No. of businesses engaged
	Organise networking events/mechanisms for creative professionals	Creative sector businesses Northern School of Art	Numbers of events/attendees

	Develop and seek funding for creative sector-specific business support packages	TVCA	Increase in business starts Reduction in business failures Increased contribution to GVA
	Assess opportunities for the development of further creative business accommodation	TVCA	No. of premises developed
	Establish better links between education providers and creative industries to develop career opportunities in the sector	Northern School of Art HCFE Schools Creative businesses	No. of jobs and opportunities created
3. A business support strategy	Identify any gaps in the provision of business support services available in Hartlepool, and consider opportunities to address the gaps	Business support providers TVCA	More business starts Fewer business deaths
	Continue to provide support to start-ups, existing businesses and inward investors through the Council's Economic Growth Team	Business support providers	No of businesses and jobs created or safeguarded
	Develop a proactive engagement and events plan to ensure more businesses benefit from existing businesses support services	Business support providers TVCA	Higher take up of business support
	Undertake a study to understand why Hartlepool has a higher proportion of business deaths from age 3 years onwards and look at options to address the issues identified	Business support providers	Fewer business deaths
	Develop and implement pathways to self-employment for schools and college leavers	Schools Colleges	More business starts
4. Sites and premises	Commission a study to understand the current supply and demand, and opportunities to develop business accommodation in Hartlepool	TVCA Commercial property agents	Business accommodation developed
	Support the development of the Teesside Freeport and the associated sites in Hartlepool, alongside continued	TVCA Able UK PD Ports	Inward investment

	support for development to Hartlepool Port and Able Seaton Port.		
	Work with Hartlepool Power Station and TVCA to identify continued use of the site post decommissioning	EDF Energy TVCA	Jobs safeguarded
	Continued support to the process industry including addressing future skills requirements	TVCA	
	Explore opportunities to support the development of sites for green jobs.	TVCA	Inward investment
	Support programmes to boost digital connectivity across the Borough, linked to the Tees Valley Digital Strategy	TVCA Digital providers	Improved digital infrastructure
5. Learning and skills development	Establish a clear and detailed picture of current and anticipated skills needs	Key employers Local learning providers TVCA	Detailed and quantified assessment of skills shortages and gaps
	Work with learning providers to develop initiatives to address future skills needs, including exploring funding opportunities	Key employers Local learning providers TVCA	Lower unemployment Higher productivity Fewer skills shortages and gaps
	Identify current barriers for Hartlepool residents to engage with training, employment and related support services, and explore initiatives to address these	Key employers Local learning providers TVCA	Lower unemployment Higher productivity Fewer skills shortages and gaps
	Develop a joined-up marketing plan to promote learning and training opportunities to Hartlepool residents	Key employers Local learning providers TVA	Lower unemployment Higher productivity Fewer skills shortages and gaps
	Support the development of the Health and Social Care Academy and in a new Civil Engineering Academy to provide training opportunities for Hartlepool residents	Key employers Local learning providers	Lower unemployment Fewer skills shortages and gaps

	Establish links with Teesworks Skills Academy to provide job opportunities for Hartlepool residents	TVCA	Lower unemployment
	Explore opportunities to address perceived gaps in digital skills in the borough to address barriers to employment	TVCA	Lower employment Fewer skills shortages and gaps
	Establish the nature and scale of demand for non-accredited learning amongst local businesses and develop opportunities for programmes in Hartlepool, including exploring funding opportunities	Key employers Local learning providers TVCA	Detailed and quantified assessment of demand
6. Raising confidence and aspirations	Establish better links between schools and local employers to promote careers opportunities available in Hartlepool	Local schools TVCA	Improved attainment Increased participation in FE/HE
	Continued support of opportunities for local residents to undertake work placements, apprenticeship and graduate apprenticeships with local businesses	Key employers	
	Develop an ambassador programme with local business leaders to raise the aspirations of school pupils	Local schools Key employers	Improved attainment Increased participation in FE/HE
7. Developing social enterprises	Explore opportunities to strengthen support to existing and new social enterprises	LARCH HartlePower Social enterprises and charities	Higher levels of turnover amongst social enterprises Higher levels of employment in social enterprises
	Support charities and social enterprises in the area to grow through the LARCH partnership	LARCH HartlePower Social enterprises and charities	
8. Public health impacts	Explore feasibility for businesses and developers to detail potential impact on public health when seeking planning permission, licences and funding.	Departments across Hartlepool Council TVCA	Improved public health indicators

	Deliver a programme of events and initiatives for businesses to support the development of healthy workforces linking to the Hartlepool Health Strategy.	TVCA	Improved public health indicators
	Develop a clear vision of the type of place Hartlepool aspires to become and joined-up approach to place promotion	Hartlepool Economic Forum TVCA	Greater confidence locally
9. Developing a vision and place brand	Develop a Hartlepool ambassadors initiative to promote the town externally		
	Develop a Destination Management Plan for Hartlepool linked to the Tees Valley DMP	TVCA Local tourism businesses	Increase in visitor numbers
10. Developing the tourism offer	Develop and deliver a marketing plan to promote the town's tourism offer	TVCA Local tourism businesses	Increase in visitor numbers
	Assess opportunities to develop a more ambitious programme of events and festivals and seek funding opportunities	Local venues TVCA	Increase in number of events Increase in visitor numbers
	Devise a plan to maximise short and longer term opportunities linked to the Tall Ships Race 2023	Local venues Local tourism businesses TVCA	Increase in visitor numbers Employment growth in tourism sector
	Continue to strengthen the position of Hartlepool's tourism and cultural assets including Council owned facilities i.e. the Borough Hall, Town Hall, The Waterfront and Elephant Rock.	Local venues	Increased attendances Improved financial sustainability

Appendix 1: Data sources

Metric	Table / Figure	Source	Accessed on	Link
Number of businesses	Table 1	ONS	January 2022	https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/ukbusinessactivitysizeandlocation
Business births, deaths and survival	Figure 1, 2, 3 and 4	ONS – Business Demography	January 2022	https://www.ons.gov.uk/businessindustryandtrade/business/activitysizeandlocation/datasets/businessdemographyreferenceable
Location quotients and sectoral strengths	Table 2	ONS	January 2022	https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/regionalgrossvalueaddedbalancedbyindustrylocalauthoritiesbyitl1region
Size of Businesses	Table 3 and 4	ONS – Inter Departmental Business Register	January 2022	https://www.nomisweb.co.uk/reports/lmp/la/1946157059/report.aspx?town=hartlepool#tabidbr
Gross Value Added (GVA)	Table 5 and Figure 5	ONS	January 2022	Regional GVA: https://www.ons.gov.uk/economy/grossdomesticproductgdp/datasets/regionalgrossvalueaddedbalancedbyindustrylocalauthoritiesbyitl1region GVA: https://www.ons.gov.uk/economy/grossvalueaddedgva/datasets/nominalandrealregionalgrossvalueaddedbalancedbyindustry
Share of total GVA by industry	Table 6	ONS	January 2022	As above
Snapshot of demographic data	Table 7	ONS – Population estimates	January 2022	https://www.nomisweb.co.uk/reports/lmp/la/1946157059/report.aspx?town=hartlepool#tabrespop
Share of working age in population	Figure 6	ONS – Annual Population Survey	January 2022	https://www.nomisweb.co.uk/reports/lmp/la/1946157059/report.aspx?town=hartlepool#tabempunemp
Snapshot of economic activity in 2020	Table 8	ONS – Annual Population Survey	January 2022	As above
Reasons for inactivity	Figure 7	ONS – Annual Population Survey	January 2022	https://www.nomisweb.co.uk/reports/lmp/la/1946157059/report.aspx?town=hartlepool#tabeinact

Employment rate	Figure 8	ONS – Annual Population Survey	January 2022	As above
Employment by industry	Table 9 and Figure 9	ONS Business Register and Employment Survey	January 2022	https://www.nomisweb.co.uk/reports/lmp/la/1946157059/report.aspx?town=hartlepool#tabjobs
Job density	Figure 10	ONS – Job density	January 2022	As above
Occupational differences	Table 10 and Figure 10	ONS – Annual Population Survey	January 2022	As above
Share of workforce by skills	Table 11	ONS – Annual Population Survey	January 2022	As above

Appendix 2: Business Survey

Background

To date there have been 39 responses, 28 from businesses operating in the services sector, 3 from construction businesses, 7 within manufacturing, and 1 in the primary sector.

How long has your organisation been established in Hartlepool?	
<i>Response</i>	<i>Frequency</i>
Less than a year	4
1-5 years	13
6-10 years	1
11-20 years	4
More than 20 years	17

Please indicate whereabouts in Hartlepool you are based.	
<i>Response</i>	<i>Frequency</i>
Town centre	11
Oakesway	2
Longhill and Sandgate	6
Tees Bay Retail Park	0
Usworth Road	0
Park View Estate	1
Sovereign Business Park	0
Golden Flatts	0
Tofts Farm East	0
Tofts Farm West	0
Hunter House	0
Queens Meadow Business Park	2
Seaton Carew	4
The Headland	3
Other	10

How many people do you employ?	
<i>Response</i>	<i>Frequency</i>
1-9	27
10-19	4
20-49	3
50-99	3
100-249	1
250-499	0
500+	1

Performance

Compared to three years ago how has your business fared in terms of...					
	<i>Reduced by more than 10%</i>	<i>Reduced by less than 10%</i>	<i>Stayed the same</i>	<i>Grown by less than 10%</i>	<i>Grown by more than 10%</i>
Employment (n=35)	4	7	17	3	7
Turnover (n=36)	11	5	5	7	11
Profits (n=36)	11	4	7	4	13
EU Exports (n=26)	2	0	24	0	2
Non-EU Exports (n=26)	2	0	22	0	4
Capital Investment (n=34)	4	1	16	8	8
Training Expenditure (n=35)	3	2	23	5	5

What do you expect changes to be over the next 12 months?					
	<i>Reduce by more than 10%</i>	<i>Reduce by less than 10%</i>	<i>Stay the same</i>	<i>Grow by less than 10%</i>	<i>Grow by more than 10%</i>
Employment (n=36)	0	1	13	15	10
Turnover (n=36)	1	0	7	10	21
Profits (n=36)	1	1	11	11	15
EU Exports (n=27)	1	0	24	2	2
Non-EU Exports (n=27)	1	0	24	0	4
Capital Investment (n=35)	2	1	22	4	9
Training Expenditure (n=36)	1	0	23	7	8

Roughly, what percentage of your sales are...	
	<i>Average response (%)</i>
To customers in Hartlepool	46
To customers in other parts of Tees Valley	20
To customers in other parts of the UK	35
Exports	6

Positive impacts

What are the top 5 factors positively impacting the success of your business? ¹²		
Response	Frequency	Average ranking (1 being most important)
Good skills amongst existing staff	28	1.4
Easy to recruit new staff	4	2.5
Brexit creating new opportunities	2	2.5
Low cost of premises	12	2.6
Good transport connections	10	2.9
Good digital connectivity	12	2.9
Low labour costs	5	3.0
Good access to finance	9	3.0
Low transport costs	3	3.0
Accessible other business support	11	3.2
Good premises availability	8	3.3
Accessible support for innovation	8	3.6
Other	9	2.1

Please add any further comments on how these positive factors have helped your organisation.

“As a new business we have relied purely on our expertise to launch but could do with more council support to continue and grow.” – Information and communication business, 1-9 employees

“Recruiting and training apprentices to meet our specific requirements. Working to the specific requirements of our customer base. Investing in equipment that allows us to meet these requirements. Investing rather than focusing on personal profit.”

“Managed to maintain and extend our capability offering.”

Negative impacts

What are the top 5 factors negatively impacting the success of your business? ¹³		
Response	Frequency	Average ranking (1 being most important)
High labour costs	7	1.7
Difficulties recruiting new staff	22	2.3
Poor quality of business support	9	2.4
High energy costs	23	2.7
High cost of premises	9	2.7
Difficulty accessing finance	10	2.7
Poor digital connectivity	3	2.7
Brexit damaging market opportunities	6	3.0
Covid-19	17	3.0
Poor transport connections	5	3.2
High transport costs	5	3.2
Lack of suitable premises	6	3.3

¹² Impacts and ranking questions skipped by 1 of 39 respondents.

¹³ Impact and ranking questions skipped by 1 and 3 of 39 respondents respectively.

Lack of support for innovation	6	3.7
Not knowing where to go for help	9	3.8
Lack of skills amongst existing staff	3	4.0
Lack of support for exporting	2	4.0
Other (please specify)	6	2.0

Please add any further comments on how these negative factors have hindered your organisation.

We have been trying since launch last July to try and work with the council but have got nowhere so far. – Information and communication business, 1-9 employees

Difficult to plan ahead with any certainty – Financial and insurance services business, 1-9 employees

Covid – couldn't open when staff got covid and no help given. The furlough scheme has driven hospitality staff away. No buses or taxis early or late on at night for Seaton. Power cuts and poor wifi doesn't help businesses either – Accommodation and food services business, 1-9 employees

Grants and help often have a minimum number of employees such as 5. I'm a sole trader and for many opportunities I cannot access help because I have less than 5 staff.

"As a new business there has been zero support or automatic access to funds due to the effect of Covid. We are not entitled to a single penny of support yet have had to pay sick pay for staff when off, and even had to close twice due to it. Recruiting new staff is impossible and I have no idea why. we pay over NMW and have great T&Cs but get little interest. There is no (to my knowledge) Hartlepool wide online jobs portal which is a shame. I am avoiding the job centre because ppl come for interviews who are not interested in the job but come because they have to keep their benefits. I do not have the time to waste on this. The internet and mobile connections in Seaton are terrible and regularly fail, making taking payments impossible. This makes us look like amateurs and does nothing to help a new business. Last year an enterprise group for Seaton was created, there was one zoom meeting then I have heard nothing since."

Covid-19

In respect of Covid-19, please indicate its short term impacts on your organisation.¹⁴	
<i>Response</i>	<i>Frequency</i>
Turnover reduced	24
Profits reduced	24
Business closed for a period	18
Staff placed on furlough	16
Bounce back loan taken out	15
Significant staff absences (illness and self-isolation)	15
Increased hours for staff still working	8
New staff hires postponed	8
Expansion postponed	8

¹⁴ Question skipped by 5 of 39 respondents.

Reduced staff hours	6
Moved more business online	6
Staff made redundant	5
Turnover increased	3
Profits increased	2
New jobs created	2
Other	2

Please add any further comments on how Covid-19 has/will impact your organisation.

Working within the hospitality sector has badly limited production and engagement physically and electronically setting the business back 18 months – Arts, entertainment and recreation services business, 1-9 employees

Lack of footfall. Indoor small premises could not run at full capacity – Accommodation and food services business, 1-9 employees

Businesses who would usually advertise with us have had restrictions and difficulties in finance to do so. – Information and communication business, 1-9 employees

Staff working longer (but not regularly) and then being impacted by higher rates of taxation.

A lot of our work is within NHS, we are finding it more difficult to tender for work due to the uncertainty of timescales on projects due to covid.

In respect of Covid-19, please indicate its longer-term impacts on your organisation.¹⁵	
<i>Response</i>	<i>Frequency</i>
Cancelled expansion plans	9
Increased expansion plans	7
Encouraged diversification of markets served	5
Encouraged diversification of product/service offer	4
Permanent shift to more online trading	4
Increased likelihood of business closure	3
Likely to move to smaller premises	2
Likely to move to home working	2
Other	14

¹⁵ Question skipped by 5 of 39 respondents.

Brexit

In respect of Brexit, please indicate its <u>positive</u> impacts on your organisation. ¹⁶	
Response	Frequency
Easier to export	2
Reduced costs for overseas customers	2
Easier to import supplies	1
Cheaper to import supplies	1
Higher export profit margins	1
Less bureaucracy in importing	0
Less bureaucracy in exporting	0
Other	27

In respect of Brexit, please indicate its <u>negative</u> impacts on your organisation. ¹⁷	
Response	Frequency
More expensive to import supplies	13
More difficult to import supplies	11
More bureaucracy in importing	8
Higher costs for overseas customers	4
More difficult to export	2
More bureaucracy in exporting	2
Lower export profit margins	2
Other	18

Please add any further comments on how Brexit has/will impact your organisation.

Reduction in recruitment of EU nationals as students. – Education services business, 100-249 employees

“Reduced amount of overseas visitors and workers to fill our accommodation. Higher prices on just about everything.”

“We are finding it difficult to source certain materials due to import. Either costs of importing or availability.”

Slight delays in products arriving into country effecting my product and stock delivery

Imports of products difficult due to tariffs and paperwork

¹⁶ Question skipped by 7 of 39 respondents.

¹⁷ Question skipped by 7 of 39 respondents.

Support needs

In which of the following areas would support be beneficial to your organisation? ¹⁸	
<i>Response</i>	<i>Frequency</i>
Promotion of Hartlepool to outside audiences	19
Marketing/business development	18
Digital/IT support and advice	15
Recruitment of staff	15
Training of staff	13
Identifying new suppliers	10
Gaining access to larger businesses in Tees Valley	9
Compliance with health and safety law	7
Achieving quality standards	6
Innovation/R&D	6
Compliance with employment law	6
Tackling crime	4
Importing	3
Property search/provision	3
Exporting	1
Other	2

In respect of training specifically, please indicate any areas where you would benefit from information/support. ¹⁹	
<i>Response</i>	<i>Frequency</i>
Apprenticeships	13
Non-accredited vocational training/short courses	12
NVQ Level 1/Level 2 training for staff	10
Higher level training for managers/leaders	10
Health and safety training	9
Mental health/wellbeing training	8
Diversity and inclusion training	7
Communication skills training	5
Export/import documentation training	2
Other	3

¹⁸ Question skipped by 7 of 39 respondents.

¹⁹ Question skipped by 7 of 39 respondents.

Local economy

What would you say are the Hartlepool economy's... ²⁰	
	Responses
Main strengths (n=16)	<ul style="list-style-type: none"> • Local trade sole traders • People stay local. Small local businesses support each other • Nice location • Low cost of premises and labour • Flexible workforce • The free port • Great educational opportunities, HCFE, H'pool 6th Form • Tourism • Good start up support, available premises, access, Tees Valley • Location by the sea and it's history; independent businesses
Main weaknesses (n=19)	<ul style="list-style-type: none"> • Business support from council • Perception of town • Lack of surplus cash to spend on what might be "extras" • Too many and poor quality councillors • Town reputation. Lack of attractive retail / leisure opportunities • No big attractions to visit-town centre, everything is on a small scale • Location • Poor connectivity and unattractive place to live & work for young people coming out of university - can't compete with cities • Lack of skills • Accessibility • Focus on vanity projects vs job creation • Lack of ambition (council), lack of cheap business premises • Local transportation • High costs
Biggest opportunities (n=15)	<ul style="list-style-type: none"> • Council support for business growth • Move into other areas • Inward investment whilst we have a Tory MP and Teesside Mayor • Tourism • Port and offshore industries • Freeport status • Promoting Hartlepool across the UK • Expansion of green industries and tourism

Additional comments...

We look to promote Hartlepool businesses and could benefit from council support to do so. - Information and communication business, 1-9 employees

I'm worried about rising fuel costs as it could impact on the ability to produce items for sale. Prices may need to rise to accommodate this and people may not be able to pay! – Accommodation and food service business, 1-9 employees

²⁰ Question skipped by 8 of 36 respondents.

Oakesway industrial estate is ideally situated for the docks and access to the A19 northbound. Business does not seem to be encouraged on the estate, there is a perception that the land is set aside for housing, giving any existing or potential businesses some doubt over whether to invest there.

Appendix 3: Index of Multiple Deprivation

The Index of Multiple Deprivation is set of relative measures of deprivation for Lower-layer Super Output Areas (LSOAs) across England, based on seven different domains of deprivation:

- Income Deprivation
- Employment Deprivation
- Health Deprivation and Disability
- Education Skills and Training Deprivation
- Barriers to Housing and Services
- Living Environment Deprivation
- Crime.

Each domain is based on a set of indicators (see Research report¹ for details on which indicators are used). Each indicator is based on data from the most recent time point available on a consistent basis across neighbourhoods in England. The domains are then weighted together to form the Index of Multiple Deprivation².

Analysis of Hartlepool

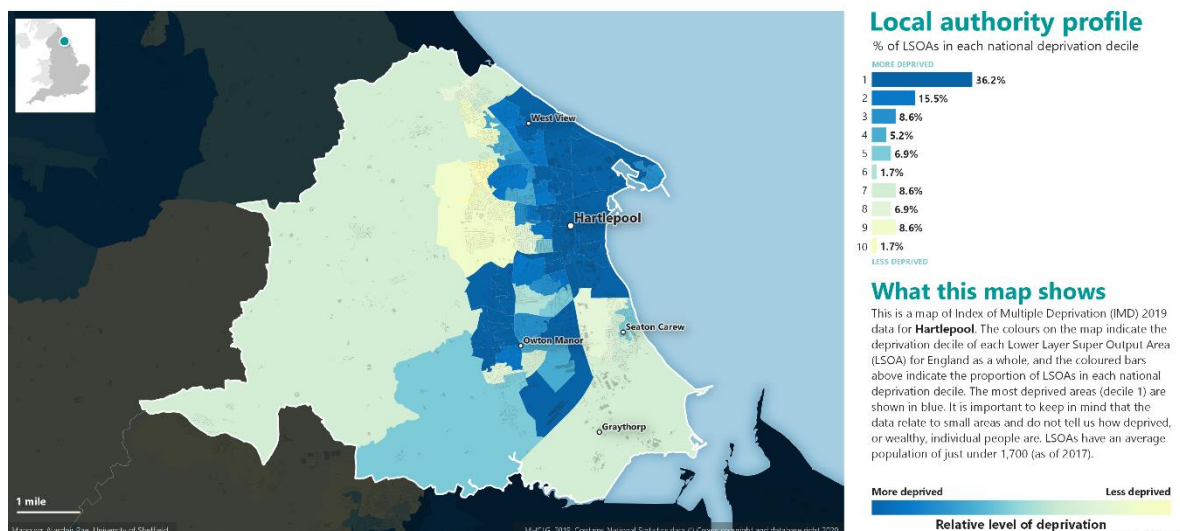
In terms of the proportion of LSOAs in the most deprived 10 per cent in the country, Hartlepool ranks 10th - 36.2 per cent of Lower-layer Super Output Areas in Hartlepool are in the most deprived 10 per cent.

1. Middlesbrough
2. Liverpool
3. Knowsley
4. Kingston upon Hull, City of
5. Manchester
6. Blackpool
7. Birmingham
8. Burnley
9. Blackburn with Darwen
10. Hartlepool

Two LADs within Tees Valley are in the top 10 most deprived of the country, Middlesbrough and Hartlepool.

Index of Multiple Deprivation 2019

HARTLEPOOL



Most of the LSOA which are in the most deprived 10 per cent of the country are located on South of the centre and the North-West Coastal region.

Comparison overtime

Since the last IMD was calculated in 2015, Hartlepool has experienced an increase in the proportion of LSOA ranked among the most deprived 10 per cent by 3.4 percentage points (from 32.8 per cent to 36.2 per cent). There has been no change in the rank of Hartlepool for this metric, it remains in position 10 out of 317 LADs. This would suggest that there is a general downward trend of deprivation among the most deprived areas of the UK.

Analysis of domains in Hartlepool

Of the seven domains Employment, Income, Health Deprivation and Disability, and Crime, are the domains of serious concern for Hartlepool. Whereby, each of these domains has at least 30 per cent of Hartlepool's LSOA in the most deprived 10 per cent of the country.

Table 1: Per cent of LSOA in each decile (1 = most deprived 10 per cent, 10 = least deprived 10 per cent)

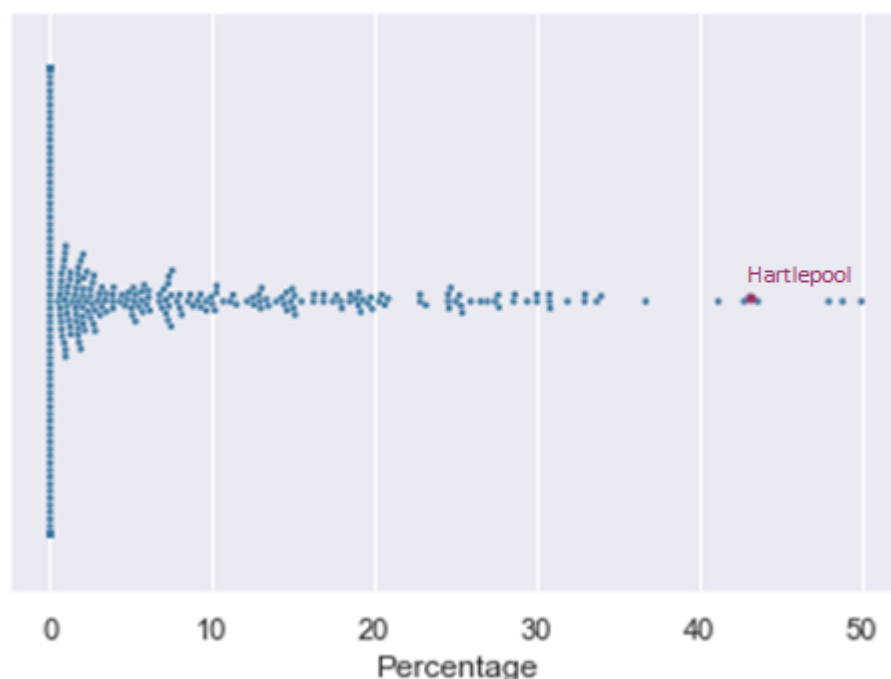
	Employment	Income	Health Deprivation and Disability	Crime	Education, Skills and Training	Barriers to Housing and Services	Living Environment
1	43%	38%	36%	33%	21%	0%	0%
2	17%	17%	24%	14%	21%	2%	0%
3	3%	10%	12%	16%	3%	5%	3%
4	9%	2%	9%	3%	9%	5%	3%
5	10%	5%	10%	9%	9%	7%	5%
6	2%	9%	5%	7%	7%	9%	5%
7	3%	2%	2%	7%	7%	10%	2%
8	10%	10%	2%	7%	9%	9%	7%
9	2%	3%	0%	5%	12%	26%	21%
10	0%	3%	0%	0%	3%	28%	53%

Employment

In terms of Employment, 43 per cent of Lower-layer Super Output Areas are in the most deprived 10 per cent in the country, 60 per cent in most deprived 20 per cent in the country. There are no LSOA in the least deprived 10 per cent in the country. 18 per cent of the population is employment deprived in Hartlepool, equivalent to being ranked 4th compared to other (317) LADs.

The chart below shows how Hartlepool compares to the other LADs, the majority of which are clustered to the left, indicating less deprivation. Whereas Hartlepool, indicated by the pink marker far out to the right.

Figure 1: Employment - Proportion of LSOAs in most deprived 10% nationally



In total this relates to 9,700 people in Hartlepool that are employment deprived, or 17 per cent relative to the working age population (57,500).

Income

in terms of income, 38 per cent of Lower-layer Super Output Areas are in the most deprived 10 per cent in the country, 55 per cent in most deprived 20 per cent in the country. According to the average score, 23 per cent of the population in Hartlepool is income deprived, equivalent to being ranked 5th compared to other LADs. Income deprivation can be alleviated through targeting employment deprivation.

Health Deprivation and Disability

The situation around Health deprivation and disability is not as severe as income and employment deprivation would suggest. Hartlepool is ranked 16th in terms of the proportion of LSOAs in the most deprived 10 per cent nationally: equivalent to 36 per cent of LSOA in the most deprived 10 per cent in the country and 60 per cent of LSOA in most deprived 20 per cent in the country. So, there is still cause for concern.

Hartlepool is one of many coastal regions that are experience issues with health deprivation and disability. According to the Health in Coastal Communities report³, there is a 'coastal excess' of disease even when accounting for age structure of coastal areas. Life expectancy (LE), healthy life expectancy (HLE) and disability free life expectancy (DFLE) are all lower in coastal in coastal areas.

The report states that Hartlepool has a higher amount of mental health disorders than the England average for both the 16 years + population and the 65 years + population.

Education

The situation for education is more positive than income, employment, and health. Only 21 per cent of LSOA are in the most deprived 10 per cent of the nation. This domain is made up of two sub-domains:

- Children and Young People,
- and Adult Skills.

The main cause of Education deprivation is from deprivation of Adults Skills, not education amongst Children and Young People. In terms of Children and Young People 12 per cent of LSOA are in the most deprived 10 per cent in the nation whereas for Adults Skills (low proportion of working age adults with no or low qualifications and English language proficiency), 29 per cent of LSOAs are in the most deprived 10 per cent nationally.

Barriers to Housing and Services

There are no LSOAs in the most deprived 10 per cent in the nation, in fact the distribution of deprivation is opposed to that of the other domains. Over 50 per cent of the LSOAs are in the *least* deprived 20 per cent in the nation. Barriers to Housing and Services are made up of:

- Geographic barriers (Road distance to post office, primary school, general store or supermarket, GP surgery), and
- Wider barriers (household overcrowding, homelessness, and housing affordability).

Accessibility to important services is not a concern for Hartlepool. In terms of geographical barriers, the LSOAs are evenly distributed across the deciles, with small proportions (3 per cent) in most deprived 10 per cent and (9 per cent) in least deprived 10 per cent.

Space within and affordability of housing in Hartlepool is a particular strength of Hartlepool. In terms of wider barriers, 28 per cent of the LSOAs are in the least deprived 10 per cent of the nation.

Living Environment

The Living Environment (both indoor and outdoor) in Hartlepool is even more of a strength, 53 per cent of the LSOAs in the least deprived 10 per cent in the nation, and 74 per cent of the LSOAs in the least deprived 20 per cent in the nation.

This domain is made up of two sub-domains:

- Indoor conditions (houses in poor condition and without central heating), and
- Outdoor environment (air quality and road traffic)

Hartlepool has an excellent housing stock, not in poor condition and with central heating: 41 per cent of the LSOAs are in the least deprived 10 per cent in the nation.

Its outdoor environment is good, with good air quality and little road traffic. Although only 9 per cent are in the least deprived 10 per cent of the nation, 45 per cent are in the least deprived 20 per cent of the nation.

Appendix 4: List of partners and stakeholders consulted

Organisation	Interviewee	Position
Confederation of Passenger Transport	Andrew McGuinness	Regional Manager
Department for International Trade	Amanda Rowan	International Trade Advisor
Federation of Small Businesses	Reshma Begum	Development Manager for North East
FW Capital	Alexandra Gent	Investment Executive
Hartlepool Borough Council	Paddy Brown	Chair of Economic Growth and Regeneration Committee
Hartlepool Borough Council	Mike Young	Vice Chair of Economic Growth and Regeneration Committee
Hartlepool Borough Council	Beverley Bearne	Assistant Director (Development and Growth)
Hartlepool Borough Council	Gemma Ptak	Assistant Director (Preventative and Community Based Services)
Hartlepool Borough Council	Paul Taylor	Strategic Development and Sustainability Manager
Hartlepool Borough Council	Tony Hanson	Director of Neighbourhoods and Regulatory Services
Hartlepool Borough Council	Craig Blundred	Director of Public Health
Hartlepool Borough Council	Scott Campbell	Acting Head of Service - Employment and Skills
Hartlepool College of Further Education	Darren Hankey	Principal
Hartlepool Sixth Form College	Toni Rhodes	Principal
Hartlepower	Juli Simons	Development Officer
North East Enterprise Agency	Sue Parkinson	Project Manager
North East of England Process Industry Cluster	Phil Aldrige	Chief Executive
Northern Film & Media	Alison Gywnn	Programme and Partnership Director
Northern School of Art	Patrick Chapman	Vice Principal
Orangebox Training Solutions Ltd.	Simon Corbett	Chief Executive
Tees Valley Combined Authority	Geraldine Brown	Head of Strategy and Policy
Tees Valley Combined Authority	Chris Beck	Director of Business and Skills
Tees Valley Combined Authority	Charlie Kemp	Head of Creative Place
Tees Valley Rural Action	Rita Lawson	Chief Executive
Teesside University	Lynsey Robinson	Director, Digital City
The Prince's Trust	Fran Ruthven	Youth Development Lead - Enterprise
Totally Local / Love Hartlepool	Janice Auton	Vice Chair (Love Hartlepool)
UKSE	Sarah Thorpe	Area Manager

Appendix 5: Hartlepool Economic Forum

Summarised below is the feedback gathered at a workshop with around 40 members of Hartlepool's Economic Forum, held on 17 February 2022.

Developing Place

How would you describe Hartlepool?	
<i>Positives</i>	<i>Negatives</i>
Unique	Insular/parochial – people living in a bubble
Having potential	Ignored (drive past it)
Having a strong sense of community	In the shadows of neighbouring areas
Generous, friendly, loyal people	Lacking in confidence/aspirations
Undiscovered gem	'Monkey hanging' label
Seaside town	A place young people leave

How would you like to be able to describe Hartlepool?

Confident
 Up and coming
 A town with opportunities
 Welcoming, supportive and friendly
 Historic
 Uniquely positioned in Tees Valley
 Prosperous
 A place you can easily like
 Vibrant
 Prosperous

How does it get from where it is to where you want it to be?

Develop its people through learning
 Raise aspirations
 Better retention of local talent
 Fast track investments that can create positive change
 Initiatives that effectively tackle deprivation
 By changing the narrative to a more positive/accurate one
 Developing a clear identity (breaking away from 'Cleveland')
 Making the most of the Tall Ships Race
 Having a good business accommodation offer
 Having someone who represents the town and champions it causes

What does it need that it hasn't got?

More good quality business space
 A hotel aimed at businesspeople
 Better tourist accommodation offer
 Enhanced public amenities
 Better transport connectivity
 Strong marketing messages based on a clear identity

Developing People

Improving rates of economic activity

Motivate more people to want to work/break generational inactivity
Provide a good range of jobs
Promote opportunities in schools

Upskilling the workforce

Encourage higher levels of learning
Develop softer/social skills
Provide better careers advice/clearer careers pathways
Better provision of/improved access to adult education
Good apprenticeship programmes

Retaining local talent

Provide mentors/role models for young people
Provide flexible job opportunities
Fitting learning provision to growth sectors/occupations

Attracting new talent

Have an organisation/individuals who can help raise the town's profile
Showcase positives through a figurehead

Developing Business

Supporting existing businesses

Prioritise start-ups and micro-businesses
More needs to be done by the local authority
Clearer information on availability of different types of advice and how to access it
Uncomfortable levels of Business Rates
Initiatives to drive higher footfall
More networking to explore business collaborations and supply chain opportunities
Consideration of how to develop/promote a circular economy
Enhanced digital connectivity
Greater use of local businesses by the Council and other local public agencies
Develop a business database to aid networking/supply chain development/promotion of business base

Making Hartlepool more attractive to new start-ups

Better marketing of the town, including smarter use of social media
Ensure skills needs are met
Provide free parking to business owners
Ensure a supply of good quality and affordable business accommodation

Helping Hartlepool capture larger investments

Better marketing of the town, based on clear branding/identity
Targeted marketing of the Freeport – define what is wanted not just taking what comes
Ensure skills needs are met
Present case studies of successful larger employers
Ensure a supply of good quality sites and premises
Look at how other locations have achieved success