



**AGENDA ITEM 8
REPORT TO THE HDC BOARD**

22 MAY 2023

**REPORT OF THE
HEAD OF CREATIVE PLACE**

CREATIVE INDUSTRIES CLUSTER

SUMMARY

The Masterplan for the Hartlepool Development Corporation identifies the area around Church Street as the focus for a Creative Industries Cluster – a reinforced and expanded centre for Hartlepool’s education and creative industries with space for independent business, visitors and residents.

This reflects a once-in-a-generational opportunity to consolidate on investments and partnerships established to-date (as detailed in sections 1 – 6 below) and use the platform and leadership of the Mayoral Development Corporation to establish Hartlepool as a valuable contributor to the UK’s screen industries landscape, boosting regional, national and international competitiveness.

Plans to-date have been developed by individual stakeholders, albeit with awareness of each other and with shared underpinning values / ambitions. There is a risk that, without a cohesive and synergistic approach to future development and delivery, impacts of investment will be lessened, emerging opportunities missed and inefficiencies / duplications of effort may arise.

RECOMMENDATIONS

It is recommended that the Hartlepool Development Corporation Board:

- i. Notes the update in this report.

DETAIL

Progress to-date:

1. In 2018, Tees Valley Combined Authority committed £3.4m to the development of The Northern Studios – the only purpose-built TV & film studio facility in the North East. The Northern School of Art operates the facility.
2. In 2021, Tees Valley Combined Authority led other North East authorities to enter into an MOU with the BBC, securing £25m inward investment in sector skills and production and unlocking £11.4m of collective North East investment to stimulate wider sector growth, including the creation of a £3.8m Production Fund to incentivise productions to be made in the region and create opportunities for local employment / skills development.
3. In 2022, Hartlepool Borough Council received confirmation of investment of £16.5m through the Levelling Up Fund to enable the development of a Production Village in the area adjacent to the The Northern Studios. The investment will enable the purchase and redevelopment of key properties within the area to create flexible space, tailored to the needs of the screen industries and associated supply chains.
4. In 2023, international production company, Fulwell 73 and Sunderland City Council announced plans to develop large-scale studio facilities capable of delivering major motion pictures, in Sunderland.
5. Delivery of Tees Valley Combined Authority's Growth Programme for the Creative & Visitor Economies (£20.5m) has identified significant ambition within the cultural industries sector to grow content production in the region to increase cultural export and create more, home-grown opportunities for local and visiting audiences.
6. Tees Valley's designation as an Investment Zone will lever £80m investment or tax incentive equivalent, to support development of clusters in the region. The digital sector has been identified as the priority sector for this cluster (subject to development and approval of a business case), creating further opportunity for a place-based approach in Hartlepool.

Next Steps:

7. Momentum around the screen industries sector, which is worth £6.2bn to the UK economy, is rapidly building in the region and foundations have been laid in Hartlepool to shape and capitalise on this groundswell. The Mayoral Development Corporation is a uniquely placed vehicle for ensuring that development of a creative industries cluster is cohesive across stakeholders with a clear plan to maximise impacts of investment, catalyse meaningful and sustainable sector growth, attract partners and lever inward investment and, ensure competitiveness with other regions / facilities.

8. Expert advice is now needed from industry to establish the following:
 - a. A clear and distinctive identity for Hartlepool's Creative Industries cluster, including:
 - i. Specific consideration of the proposition for the screen industries sector, including supply chains;
 - ii. Opportunities for associated cultural / creative industries
 - b. Options & recommendations regarding:
 - i. Building use / spatial features, including market demand and financial / business models
 - ii. Revenue-based support which may be required to incentivise cluster development.
 - iii. Appropriate onward governance models to ensure sector-responsive dynamism, resilience and growth.

FINANCIAL IMPLICATIONS

9. The TVCA Investment Plan allocated £10m to HDC. A delegated decision (AF05-2022) was approved to commit up to £250k of this allocation to support the development of projects. It is anticipated that the consultancy fee required for the proposed intervention will be circa £40k and will be charged from this budget.

LEGAL IMPLICATIONS

10. There are no direct legal implications as a result of this update report.

RISK ASSESSMENT

11. Without a unifying strategy for development, there is a risk that the required critical mass of activity to enable an effective cluster to form may not be achieved or that activity is undertaken in a 'piecemeal' fashion, thereby missing opportunities to maximise impacts.
12. Although realisation of the plans will be a number of years in the making, the commitment of Fulwell 73 to establish a facility of scale in Sunderland has attracted national interest and there is a risk that Hartlepool is not seen as a credible contributor to sector growth in the wider region. Establishing an energised, high-functioning production village and creative cluster in the town which has capabilities for addressing sectoral needs elsewhere in the region (at speed) will help to ensure that investment and development in Hartlepool is not 'dwarfed' by developments further north.

CONSULTATION & COMMUNICATION

13. TVCA has engaged with partners at Hartlepool Borough Council and the Northern School of Art to understand ambitions / challenges and their perspectives on the role of the Development Corporation to galvanise a strategic and coherent approach to future development and delivery.

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