

## **THE MIXED ECONOMY IN HAYLE**

### ***TERMS OF REFERENCE***

At the last Business and Enterprise group meeting, I was asked to prepare a report for the meeting being held on 30<sup>th</sup> April, to consider the Mixed Economy in Hayle. This report is a summary of the key characteristics of the local economy and is intended to provoke a discussion of the key issues that need to be considered.

It will be prepared by Charlotte Chadwick and presented to the sub-group on 30<sup>th</sup> April 2007.

### ***INTRODUCTION***

Penwith District Council's annual business survey (2006/7) contains information pertinent to analysis of the economy of Hayle. The business survey findings are robust in terms of data quality and provide a useful insight into the business composition of Hayle.

This report will also draw on other data sources including the National On Line Manpower Information Service (NOMIS) and the Census of Population.

### ***HAYLE BUSINESS PROFILE***

The following information is derived from the Penwith District Council business survey 2006/07.

The economy of Hayle is dominated by the following sectors; Hotels & Restaurants, Retail & wholesale and Community, social & personal services activities.

#### **Location of businesses**

29% home based  
28% Other  
19% Industrial base  
13% Shop based

#### **Legal Status & life-cycle of business**

35% Partnership  
27.5% Sole trader  
18% Limited company

34% in business for 15 years or more  
31% in business for between 3 – 5 years duration.

#### **Self-employment & business size**

65% self employed

56% of businesses are micro in size, having between 0 – 2 staff

### Turnover of businesses

The majority of businesses turned over less than £50,000 per annum, which is in line with other parts of Penwith.

### Wage levels & Travel to work patterns

Average wage levels are very low - £6-£10,000 per annum.

Employees travel either very short distances to work ie. less than 1 mile or 11-20 miles to work, possibly in the neighbouring authorities of Kerrier and Carrick.

### Trading patterns

Businesses derived trade mainly from tourists and residents and derive trade in near equal proportions from local customers and from the rest of the UK. (37% and 33% respectively).

### Business growth

The majority of businesses reported that they wanted to grow, and perceived the route to this growth as being via:

- internet sales
- Footfall increase in Hayle

However when asked what was constraining such growth, factors such as red tape and the lack of customers were cited as the main reasons.

Businesses felt that their main strengths were product and customer service and their main weakness is marketing. When asked why they had not accessed public business support agencies who could help them achieve this growth, most businesses felt that business support was 'not appropriate'.

### Perception of the Hayle retail sector

42% of businesses felt that the Hayle retail sector was performing below average, with a further 31% who felt it was performing averagely. Image was cited as the main reason as to why businesses felt this was the case.

### Business environment and Labour supply

Businesses were asked why they thought a business would relocate to Hayle and Location and Business reasons were cited as the main factors, with 68% of businesses also expressing their support for the Hayle harbour proposals. When asked why a business would not relocate to Hayle, the business environment was stated as the main reason.

In terms of recruitment, worryingly, 63% of businesses reported difficulties recruiting staff with the right attitude, followed by 24% of businesses who reported difficulties recruiting staff with the right skills. In the main, recruitment attention focused on sales and customer service occupations. The majority of training is 'on the job'.

## Economic activity in Hayle

The following figures are drawn from the Census of Population 2001;

### **Hayle North**

	Hayle North	Penwith	UK
Economically active population	75.4%	71.4%	76%
Self-employed	10.9%	15.8%	9%
Unemployed	7.3%	7.7%	5.8%

### **Hayle South**

	Hayle South	Penwith	UK
Economically active population	71%	71.4%	76%
Self-employed	11.9%	15.8%	9%
Unemployed	7.7%	7.7%	5.8%

### **Gwinear, Gwithian & Hayle East**

	Hayle South	Penwith	UK
Economically active population	74.2%	71.4%	76%
Self-employed	15.4%	15.8%	9%
Unemployed	6.8%	7.7%	5.8%

As can be seen from the above, Hayle North has the highest percentage of working population, who are economically active, Gwinear, Gwithian & Hayle East has the highest percentage of self-employed persons and also has the lowest percentage of unemployed persons.

## Employment & Skills

As can be seen in the attached appendices, taken from the National Online Manpower Information Service (NOMIS), the trends are as follows;

### **Hayle North:**

18.3% employed in Skilled trades  
16.4% employed in Elementary occupations  
11.4% employed as managers and senior officials

44.5% with no qualifications  
44.4% with lower level qualifications  
11.1% higher level qualifications – below national average of 20.4% and Penwith average of 16.1%

### **Hayle South:**

19.2% employed in Skilled trades  
15.1% employed in Elementary occupations  
12.5% employed as managers and senior officials

43.5% with no qualifications  
46.8% with lower level qualifications  
12.3% higher level qualifications – below national average of 20.4% and Penwith average of 16.1%

### **Gwinear, Gwithian & Hayle East:**

20.1% employed in Skilled trades  
13.4% employed in Elementary occupations  
13.2% employed as managers and senior officials

40% with no qualifications  
46% with lower level qualifications  
14% higher level qualifications – below national average of 20.4% and Penwith average of 16.1%

Overall, Gwinear, Gwithian & Hayle East have the highest percentage employed in skilled trades, Hayle North has the highest percentage employed in Elementary occupations and Gwinear, Gwithian & Hayle East have the highest percentage employed as managers and senior officials. In terms of qualifications, Hayle North has the highest percentage with no qualifications, Hayle South has the highest percentage with lower level qualifications and Gwinear, Gwithian & Hayle East have the highest percentage with higher level qualifications.

## **THE ECONOMIC CHALLENGE FOR HAYLE – A MIXED ECONOMY APPROACH**

As can be seen, Hayle has a mixed economy, not least with the current key sectors of Hotels & Restaurants, Retail & wholesale and Community, social & personal services activities, but also the creative industries, including the emerging cluster at Harvey's Foundry and the knowledge based industries, including the proposed RDA project, the Wave Hub. In addition, there is momentum and an emerging supply chain to support Hayle as a centre for watersports related businesses.

It is important that Hayle businesses, whatever their sector exploit their growth potential and access business support which is available to them. It is important that Hayle businesses continue to capitalise on the opportunities available in local markets, but that they also exploit new customer markets in the rest of the county, region, UK and globally. Businesses need the help and support in the area of marketing including exploiting IT to realise this potential.

In terms of skills and labour, there are many initiatives which could enable businesses, (including micro businesses) to work more closely with local schools and the education sector, to ensure that the current and future workforce have the skills and competencies needed for competitive advantage and the ability to expand the economic mix in Hayle's economy.

It is hoped that the above report can provoke a discussion as to how best the Hayle sub-group can work with partner organisations, including business support agencies and the private sector, to bring about business development, growth, jobs and enhanced gross value added.

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