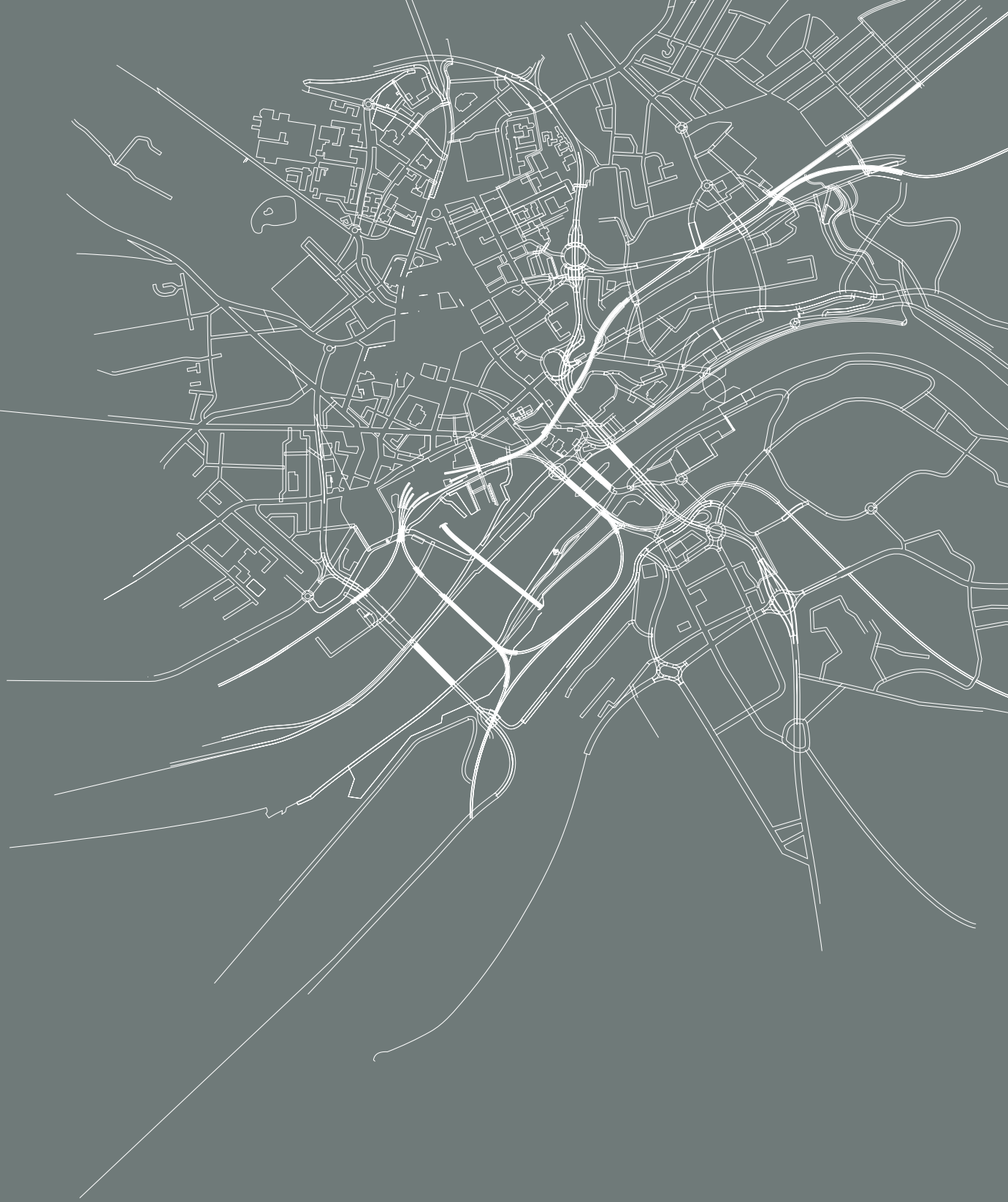


An economic and spatial strategy for NewcastleGateshead



This document has been produced by 1NG on behalf of the 1PLAN core partners, One North East, Gateshead Council, Newcastle City Council and the Homes and Communities Agency.



An economic and spatial strategy for NewcastleGateshead

	Introducing the 1PLAN	4
	Our Vision	6
	Executive Summary	8
Part 1	Context	
1.1	The 1PLAN: an economic and spatial strategy	16
1.2	Making a difference	18
1.3	The OECD report: catalyst for change	20
1.4	A place called NewcastleGateshead	21
1.5	Cities in the knowledge economy	22
Part 2	Performance and prospects	
2.1	Economy	26
2.2	People and skills	38
2.3	Place	40
2.4	The competitiveness of NewcastleGateshead	54
Part 3	Vision, strategy and priorities for action	
3.1	Economy, people, place, sustainability	60
3.2	The strategy explained	62
3.3	4 Big Moves	64
3.4	10 Key Steps for a prosperous, sustainable future	68
3.5	A placemaking strategy for the urban core	76
Part 4	Making it happen: implementing the 1PLAN	
4.1	A long-term commitment	94
4.2	A time of change and uncertainty	96
4.3	The 1PLAN partnership	98
4.4	Conclusion	100
Annex	Sources of inspiration	102



Lord Charles Falconer
Chair, 1NG



Jim McIntyre
Chief Executive, 1NG



Margaret Fay
Chair, One North East



Cllr John Shipley
Leader, Newcastle City Council



Cllr Mick Henry
Leader, Gateshead Council



Barry Rowland
Chief Executive, Newcastle City Council



Roger Kelly
Chief Executive, Gateshead Council



Alan Clarke
Chief Executive, One North East



Pat Ritchie
Regional Director,
North East Region Homes
and Communities Agency

Introducing the 1PLAN

Welcome to the 1PLAN. This is a groundbreaking document – the first joint economic and spatial strategy for NewcastleGateshead.

It sets out the themes and priorities that will drive our economic development and regeneration effort in the next 20 years.

The 1PLAN was commissioned by Gateshead Council, Newcastle City Council, One North East and the Homes and Communities Agency (HCA). It has been developed on our behalf by the new city development company, 1NG. All our organisations have endorsed the 1PLAN and we have made a commitment to work together – with businesses, investors and other organisations in NewcastleGateshead – to deliver the agenda set out in the following pages. The Gateshead and Newcastle Partnership has agreed to champion the 1PLAN and to monitor and report on progress and to ensure it is delivered.

In 2006, the Organisation for Economic Cooperation and Development (OECD) published its review of the economy of NewcastleGateshead and the wider city region. It was a challenging report that argued that we needed to develop areas of knowledge-based specialisation in order to prosper and match the performance of the most successful city-regions.

The decision to commission this strategy is evidence of our determination to grow the knowledge economy, building on our valuable assets – great businesses, outstanding universities and colleges, world-class research centres, attractive business locations and a pool of talented people.

The 1PLAN reflects that spirit of confidence. It sets out our vision of prosperity, fairness and sustainability, together with a programme for turning that vision into reality. It describes the 4 Big Moves and the 10 Key Steps which will provide the framework for action, underpinned by an exciting placemaking strategy for the urban core of NewcastleGateshead.

The world has changed a great deal since we first began work on the 1PLAN. Then we had lived through a decade of growth, and sustained public and private investment in urban renaissance. Now we are emerging from a prolonged recession, investor confidence is at a low ebb and we are facing cuts in public expenditure. But none of this has changed the essential features of the strategy. We know we are heading in the right direction, though we may have to work even harder and more creatively to achieve our goals.

We hope you will find the 1PLAN interesting and inspiring reading. If you want to play a part or find out more, please get in touch. You will find contact details at the back of this report.

Preface

A vision of prosperity, fairness & sustainability

In the industrial age, Newcastle and Gateshead changed the world. We worked at the leading edge of technology and innovation; global cities, exporting our products and skills around the world.

We are proud of our remarkable history, and at the start of the 21st century we have been reinventing the tradition of scientific, creative and technological excellence, producing world-leading research in the life sciences, healthcare, molecular engineering, marine technology, transport, environmental sciences, architecture and design.



The growth of NewcastleGateshead in the next 20 years will be driven by science, technology and innovation. We will produce a new generation of products and services which will address the global challenges of economic, demographic and environmental change. Science, creativity, skills and enterprise will transform NewcastleGateshead and the wider region, energise the business base, drive new firm formation, attract inward investment and provide high levels of employment. We will lead the way in creating a low carbon economy.

NewcastleGateshead will be an open, cosmopolitan, international place, connected to the circuits of the knowledge economy.

NewcastleGateshead has the most dramatic and memorable setting of any place in England, and townscape of exceptional quality: natural, historic and contemporary icons provide the setting for our daily lives. We will build on these assets to create a fitting gateway at Central Station, reconnect a revived Gateshead town centre to the quayside and make exciting new spaces and places. The urban core of NewcastleGateshead will be lively, civilised and liveable with a new generation of family-friendly neighbourhoods.

We will pioneer a new model of sustainable urbanism. By encouraging people and businesses to return to the urban core, delivering the best in public transport and giving streets back to people, we will break the link between economic growth and miles travelled by private car. We will end the cycle of child poverty, low aspirations and worklessness that has blighted so many lives for so long.

NewcastleGateshead will be a confident, cosmopolitan and tolerant place where everyone has the opportunity and motivation to fulfil their potential and live a good life.

Urban renaissance

NewcastleGateshead has changed beyond recognition in the past 20 years. We have earned a world-wide reputation as leaders in cultural regeneration, and the Angel of the North is one of the defining images of 21st century Britain. Newcastle tops the 2009 UK Sustainable Cities Index; our universities and hospitals are producing world-leading research in fields that will be vital to the health and wellbeing of the world, and the response to climate change. In the decade before the credit crunch and the recession, NewcastleGateshead had achieved strong growth much faster than the wider region in jobs and output. Unemployment was reduced by half from its 1993 peak. We believe that NewcastleGateshead has been one of the success stories of urban regeneration in the past 15-20 years. But the 2006 OECD report was a reminder that there is still a great deal to be done.

The 1PLAN has been prepared by the city development company, 1NG, on behalf of Gateshead Council, Newcastle City Council, One North East and the Homes and Communities Agency, to set out a blueprint for the future of NewcastleGateshead as an even more attractive, prosperous, equitable and sustainable place to rank alongside other great European cities. It aims to build on the achievements of the recent past and to address the persistent problems and challenges that we still face.

After the recession

The 1PLAN has been written at a challenging time. The benign economic climate of the first half of the decade has evaporated. For many people the credit crunch began in NewcastleGateshead with the traumatic collapse of Northern Rock. Years of employment growth have come to a halt and unemployment is rising. The effects are most severe in disadvantaged communities and among the unskilled. Business confidence is low, the volume and value of deals have slowed dramatically, and the property market has stalled across all sectors. The consensus of opinion is that the recovery, when it comes, will be slow. There is no realistic prospect of a return to the rapid growth and easy credit of the recent past. In NewcastleGateshead, like other northern cities, the public sector – government, education, healthcare – is a key economic player, and the threat of severe cuts in public sector expenditure is a real concern.

That is the context in which we will launch the strategy set out in the following pages. The events of the past year have not fundamentally changed our analysis of the strengths and weaknesses of the NewcastleGateshead economy, or of the attributes of the place. We do not believe that we can delay action on sustainability because we are in a recession. In some ways what has happened has been a shock to the system that has caused us to think hard about what is most important, and to focus on the things we need to do to speed economic recovery and to sustain it. One of the key lessons of this recession is that, while nowhere is immune from the effects of a global economic crisis, the cities that have coped best are those with skilled workforces and knowledge-based economies.

But it is important to stress that, while we have learned lessons from the harsh realities of recent events, we are not at all despondent. Indeed, we believe that the achievements of recent years have shielded us from some of the worst effects of the recession. NewcastleGateshead has great companies and institutions and we have a pool of skilled and talented people. This is a remarkable, stunning place that we are proud of, and that excites visitors. There is a lot to build on and we can look to the future with optimism.

This is a remarkable, stunning place that we are proud of and that excites visitors. There is a lot to build on and we can look to the future with optimism.

Figure 1.1: The 1PLAN: 4 Big Moves, 10 Key Steps, Placemaking



**The 1PLAN:
economy, people, place and sustainability**

The 1PLAN sets out a 20-year economic and spatial strategy for NewcastleGateshead. It presents our analysis of the challenges and opportunities and it maps out a strategy based on three key elements:

- **4 Big Moves** which establish the key themes of our approach – economy, people, place and sustainability
- **10 Key Steps** which describe the practical actions we are going to take in the next three to five years, and the priorities for action
- **A placemaking strategy** which shows how we will promote sustainable urbanism and transform the urban core.

How the 1PLAN will change NewcastleGateshead

How will we make our living in the future? No one can say precisely what the economy of NewcastleGateshead will look like in 2030, but the vast majority of jobs created in the UK were in the knowledge economy, and most experts expect that trend to continue. We see our task as creating an ecosystem in which knowledge-based businesses will flourish. The knowledge economy places a premium on skills at every level, including entry level jobs in retail, tourism, and other sectors. These are some of the key sectors which will drive our future prosperity:

- **Low-carbon:** NewcastleGateshead's continuing strengths in advanced manufacturing, marine and subsea engineering mean that we are well placed to play a leading role in developing low-carbon technologies for the world. North East England will be a leader in low carbon vehicle production, and NewcastleGateshead will play a key role in the regional supply chain.
- **Science and technology:** our universities will focus on the great societal challenges of our time. We are already generating world-leading research on stem cells and the science of ageing, and we are producing outstanding graduates and research scientists. World-class science will be the catalyst for a new generation of start-up businesses, and a magnet to attract UK and international businesses and key individuals. The universities will promote product and service innovation in the north east business base.
- **Culture and creativity:** the key elements are in place: some outstanding cultural venues; top research, education and training; a generation of smart design, creative and digital media businesses. In the coming years, and using the Northern Design Centre as a catalyst, the creative economy will take a big step forward: strengthening links with the manufacturing sector, expanding into international markets and growing businesses of scale.
- **Business services:** NewcastleGateshead will reclaim its role as the natural centre for business and professional services in the north east. A great regional capital needs a choice of top quality office space in a dynamic central business district. The recent trend for office employment to drift out to suburban locations is unsustainable, and by weakening the urban core it damages the whole region. We will re-establish NewcastleGateshead as the location of choice for high quality service sector jobs.
- **Tourism:** NewcastleGateshead will become one of the UK's top business tourism destinations. The International Conference and Exhibition Centre (ICEC) will attract major international scientific and academic conventions. The ICEC will create demand for new top quality hotels and bring hundreds of millions of extra expenditure to the region. NewcastleGateshead will host major events, festivals and cultural celebrations.

What kind of place will NewcastleGateshead be?

The 1PLAN treats economy and place together. In the knowledge economy, place matters, and our proposals will have a transformational effect on NewcastleGateshead. It will become a more compact, accessible and sustainable place, much less dependent on the car. It will be a fairer place, with a better quality of life for all. And the places left behind by the decline of traditional industry or blighted by bad development and big roads will have been transformed. We will pioneer new forms of sustainable urbanism:

- **The shape of the city region:** the 1PLAN will reverse a long-trend which has seen jobs, homes, shopping centres and leisure facilities migrate to the suburbs of NewcastleGateshead and the wider region. We can't change this overnight, but our long-term goal is to stem the tide of suburbanisation, and plan for a return to the urban core as the first choice for office and retail development – and as a great place to live. Out-of-town employment locations still have a role to play, but they need to develop from single-use locations into multi-purpose communities.
- **Knowledge hubs:** the 1PLAN will create a network of knowledge hubs – places where the key industries of the future will co-locate and grow, and where teaching, research, specialist services and businesses of all sizes will come together. We will market the knowledge hubs to attract investment and new businesses. Key sites include: Science Central (sustainable industries); Northern Design Centre (digital/design); the Campus for Ageing & Vitality (ageing and health); and the International Centre for Life (stem cells and regenerative medicine).
- **Central business district:** a key part of the return to the urban core will be a revival in the fortunes of NewcastleGateshead's under-performing central business district. The regeneration of Gateshead Quays and East Pilgrim Street will create attractive new mixed use quarters with modern office space for professional, business and financial services.
- **The north bank of the Tyne** is already home to key employers in the marine and energy sectors, and this part of the city has the infrastructure – and the skills base – to play a lead role as a low-carbon manufacturing centre in the next 20 years.
- **Urban neighbourhoods:** we want more people to come back to the heart of NewcastleGateshead, families as well as singles and empty-nesters. As in Edinburgh and Bristol, this should be the most prestigious place to live. A resident population of high earners will sustain local shops and services, and create greater vitality. The 1PLAN calls for the development of new neighbourhoods in the urban core.
- **Places and spaces:** we will establish a programme to enhance some of our most important streets and public spaces and invest in the green infrastructure. We want to make NewcastleGateshead a better place to walk and cycle. We will transform some of the motorway scale major roads that fragment the urban core, turning them into attractive streets and boulevards.
- **Access and movement:** we will work together to deliver essential investment for the city-region, including high-speed rail, super fast broadband and an improved strategic roads network. Stemming the tide of suburbanisation will help to break the link between economic growth and miles travelled by road, but this needs to be matched by investment to make public transport services more comprehensive, integrated, efficient and attractive.



■ Business winning

Key industries and knowledge hubs will provide the building blocks for a new approach to business winning in NewcastleGateshead. For a generation, the north east has sold itself on the basis of cost-based advantage, but we need to tell a different story – of our scientific excellence, our pioneering work in the low carbon economy, our skilled and talented workforce and great engineering tradition. The knowledge hubs will provide dedicated locations for wealth-creating sectors.

Making it happen: implementing the 1PLAN

We have been working on the 1PLAN for more than a year and we have received enthusiastic support from the people and organisations we have consulted. They welcome the idea of a single economic and spatial strategy for NewcastleGateshead, and they want to see the messages in this document reflected in the joint Local Development Framework Core Strategy and the Single Investment Plan.

But the message has been clear: the 1PLAN partners will be judged not by the words in this document, but by what we do. In the next few months, we will develop detailed action plans for each of the Key Steps. A project manager has been appointed to lead this process and to ensure the implementation of the plans. The Gateshead and Newcastle Partnership will oversee the implementation of the 1PLAN, monitor progress and publish regular reports.

In the heart of NewcastleGateshead, the places left behind by the decline of traditional industry or blighted by bad development and big roads will be transformed.



The Sage Gateshead, Gateshead

Part 1 — 14/23 — Context

Part 2 — 24/57 — Performance and prospects

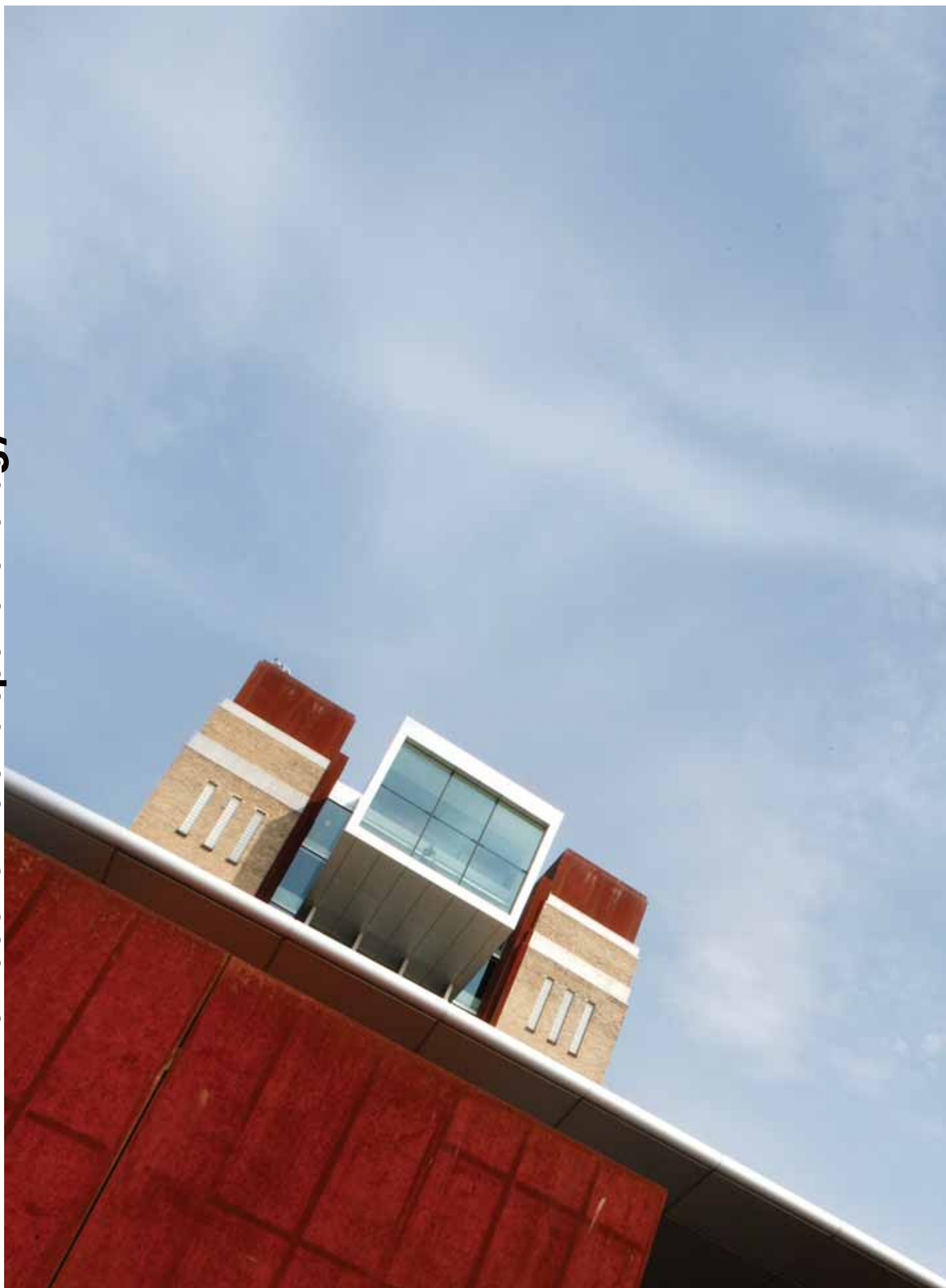
Part 3 — 58/91 — Vision, strategy and priorities for action

Part 4 — 92/101 — Making it happen: implementing the 1PLAN

Part 1: Context



1.1 1PLAN: an economic and spatial strategy



The 1PLAN is the first economic and spatial strategy for NewcastleGateshead. The document has been prepared by the city development company, 1NG, on behalf of Gateshead Council, Newcastle City Council, One North East and the Homes and Communities Agency:

- it is an integrated strategy for economic and spatial development: it shows how we will build a knowledge economy, and it describes the vital role of place-making
- it sets out an agenda for action in Newcastle and Gateshead together, because the fortunes of the two cities are inextricably linked and working together makes us stronger
- it addresses the challenge of sustainable urbanism by arguing for a return to living and working in the urban core and for breaking the long-term trend of suburbanisation.

The 1PLAN is in four parts:

Part 1 establishes the context for the strategy. It sets out the partners' objectives, revisits the 2006 OECD report on the Newcastle city region, and discusses the role of cities as drivers of the knowledge economy.

Part 2 sets out our analysis of conditions and prospects in NewcastleGateshead, building on the 2006 OECD report. We don't pull any punches: a great deal has been achieved in the past 10–15 years, but there is still a long way to go before the partners' vision of a prosperous, attractive, equitable and sustainable place can be achieved.

Part 3 is the heart of the 1PLAN. It sets out our vision, strategy and priorities for action. Transforming NewcastleGateshead into a dynamic, outward-looking knowledge economy will be a tough, long-term task, but it is the only way forward.

Part 4 describes how we will go about making it happen. It includes our proposals for governance and project management, and a model for partnership working based on setting clear priorities and cutting out waste and duplication.

A lot of people have been involved in the preparation of the 1PLAN. 1NG has worked closely with the elected members and officials of the two councils, and with One North East and the Homes and Communities Agency. We have consulted with the NewcastleGateshead Initiative, NE1, Bridging NewcastleGateshead and others. We have met with business groups including the CBI and the North East Chamber of Commerce, and many other stakeholders and individuals.

Transforming NewcastleGateshead into a dynamic, outward looking knowledge economy will be a tough, long-term task but it is the only way forward.

Gateshead Council, Newcastle City Council, One North East, the Homes and Communities Agency and 1NG are determined that the 1PLAN will make a real difference in NewcastleGateshead:

- the 1PLAN will help shape the first local development framework core strategy for NewcastleGateshead as well as the Local Investment Plan
- the 10 Key Steps will determine our operational priorities for economic development and regeneration
- 1NG's first business plan is a direct response to the 1PLAN
- we will coordinate our efforts with other key partners.

By aligning our efforts we can tackle the challenges set out in this document, and achieve measurable results including:

- a sustained increase in output, productivity and employment
- growth in key knowledge-based sectors and the low-carbon economy
- the creation of dynamic knowledge hubs: places where companies, teaching and research will cluster
- a skilled, educated and adaptable workforce ready to drive business growth and innovation
- a big reduction in under-achievement in schools, youth unemployment and workless households
- a property market that attracts private sector investment and delivers quality development
- a beautiful, vibrant, walkable place.

By aligning our efforts we can tackle the challenges set out in this document and achieve measurable results.

1.2 Making a difference

Baltic Place, Gateshead
Quayside skyline
Chinese New Year, Newcastle
The Sage Gateshead, Gateshead



1.3 The OECD report: catalyst for change



OECD Report, 2006

The OECD Territorial Review of the Newcastle City Region, published in 2006, offered a challenging assessment of the economic performance and prospects of NewcastleGateshead and the wider city region.¹

The OECD report has been a catalyst for change in NewcastleGateshead including the decision to commission the 1PLAN.

The OECD concluded that NewcastleGateshead, had performed reasonably well compared with other post-industrial city regions, but that it continued to lag behind comparable European cities on measures of wealth creation and innovation. The key message was that the city region needs to reinvent economic specialisation and achieve competitive advantage by building on the region's research base, focusing business support on high productivity sectors and investing in a skilled and adaptable workforce.

The OECD report “triggered a renewed sense of purpose among a range of agencies”. The analysis still commands broad support and we have therefore used the OECD report as the baseline for our research. We have revisited the OECD's data, looking for evidence of absolute or relative change since the report was published and building new data sets for NewcastleGateshead.

¹ OECD Territorial Reviews: Newcastle in the North East, United Kingdom, OECD 2006. Online at www.oecd.org/document

1.4 A place called NewcastleGateshead

The NewcastleGateshead brand was launched in the year 2000 to help promote the regional capital of the north east as a world-class place to live, learn, work and visit. Gateshead and Newcastle are neighbours, but they are different places, with their own histories and identities.

These traditions are very important to local people and they are part of what makes NewcastleGateshead special and distinctive. But from an economic, labour market and property market perspective the two cities function as one place within an increasingly integrated city region.

That is why we have called this document the 1PLAN. Aspects of the story focus specifically on Newcastle or Gateshead, but the thrust of the narrative is all about working together for mutual competitive advantage and driving economic growth in the wider region. The same insight has informed the two councils' historic agreement to produce a joint Local Development Framework (LDF) core strategy.



Winter Festival, Saltwell Park, Gateshead

1.5 Cities in the knowledge economy

The past 10–15 years have seen a revival of interest in England’s core cities. Closing the north-south gap must start with the cities as drivers of innovation, creativity and wealth creation. A Work Foundation report for the Core Cities Group argues that cities have a vital role to play in driving economic recovery and in responding to the challenges of jobs growth, economic adaptation, climate change and public expenditure constraints.²

Research for The State of the English Cities programme shows that the urban renaissance agenda has had a positive but variable impact on the core cities. Manchester and Leeds have become super regional capitals, building economic scale, commanding large labour markets and achieving strong growth. Sheffield, Liverpool and NewcastleGateshead have been lagging behind.

Predictions that globalisation, a “weightless” economy, and information and communications technology would herald “the death of distance” have proved to be wholly inaccurate.

Cities are more important than ever:

- throughout the world, urbanisation has accelerated, although the shape and form of cities has changed
- routine, low-skill economic activities have become increasingly footloose, and have gravitated to lower cost locations
- but high-order economic activities (and the skilled, creative people they depend on) tend increasingly to concentrate in specific locations in the developed world.³

In theory we can choose to live and work more or less anywhere, but “the reality of the global economy is that certain places offer far more opportunity than others”:⁴ NewcastleGateshead is not a global economy, but it is connected to global knowledge circuits in niche areas such as ageing, stem cell research, digital media, renewable energy and sub-sea technology. Intensifying the engagement of local businesses and institutions with these international networks provides a way for smaller cities to become international players and drivers of regional prosperity. NewcastleGateshead needs to become a truly international place, establishing links with growing economies in India and China and “borrowing scale” from global business and knowledge networks.

NewcastleGateshead has the potential to join the ranks of the most dynamic, creative and entrepreneurial cities in Europe. That means that our research, technology, businesses, people and places need to be world-class. The achievements of the past 20 years have transformed NewcastleGateshead and we have an international reputation as a pioneer of post-industrial regeneration. We have shown that we have the imagination and will to respond to great challenges. The 1PLAN is our manifesto for change in the next 20 years.

² Core Cities: Enabling Sustainable Growth. Interim report by the Work Foundation for the Core Cities Group, October 2009. ³ Saskia Sassen, “Why Cities Matter”, in Cities, Architecture and Society, catalogue of the 10th International Architecture Exhibition, Venice (2006) and Saskia Sassen, “Seeing like a city”, in The Endless City (Urban Age Project, 2007) ⁴ Richard Florida, Who’s Your City, 2008.



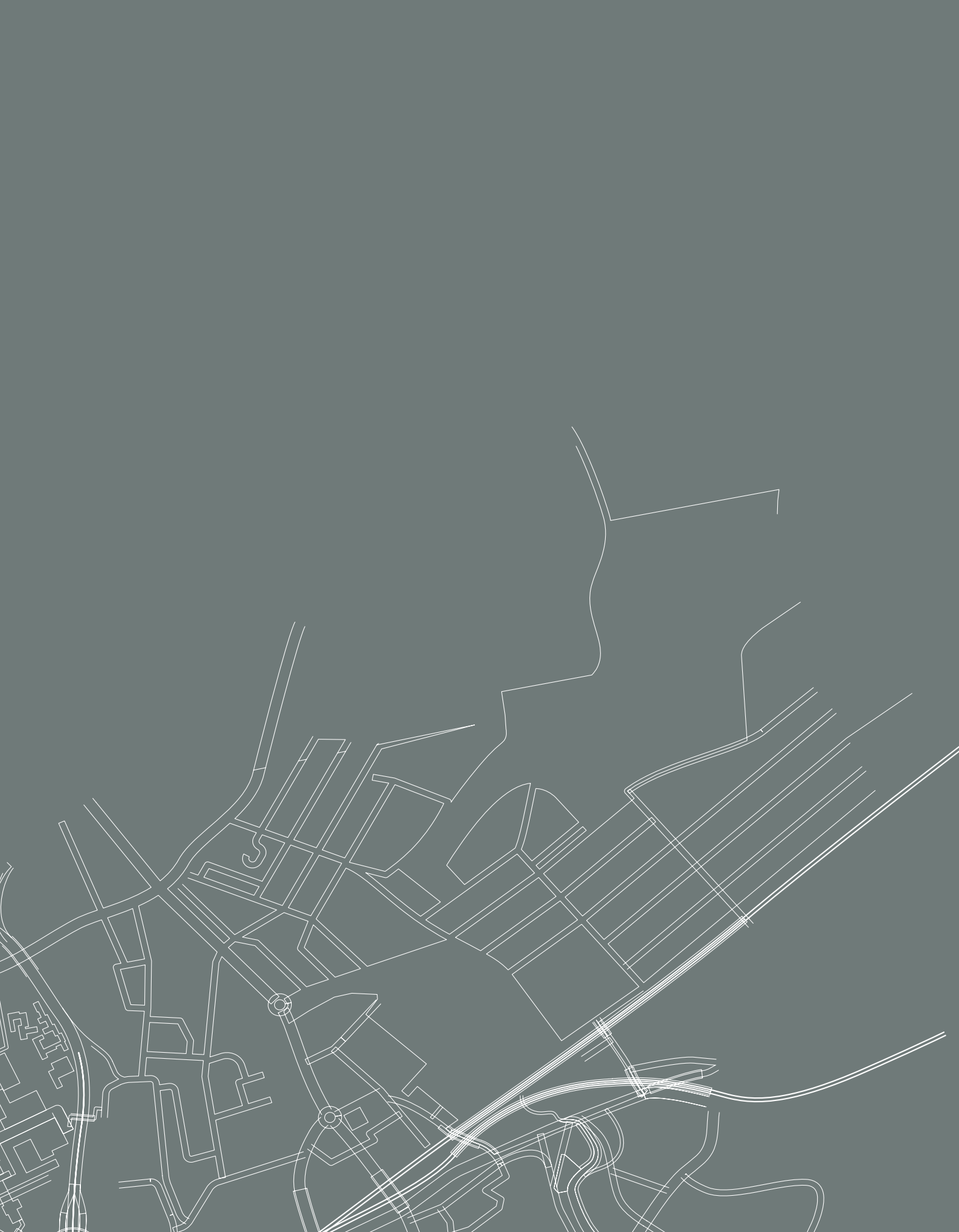
Clockwise from top
Novartis Building, Basel
Arabianranta, Helsinki
Beutenberg Campus, Jena
Hammarby Sjöstad, Stockholm

NewcastleGateshead has the potential to become one of the most dynamic, creative and entrepreneurial cities in Europe.

Part 2:

Performance and prospects





2.1 Economy

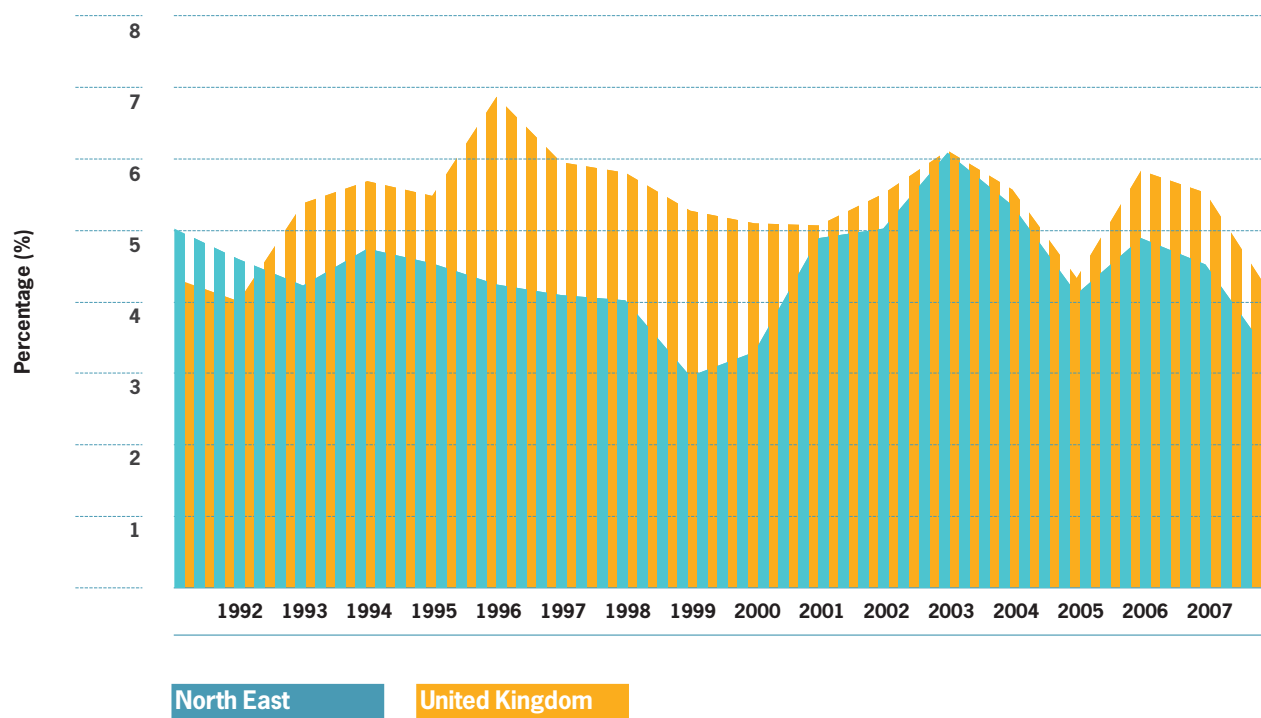
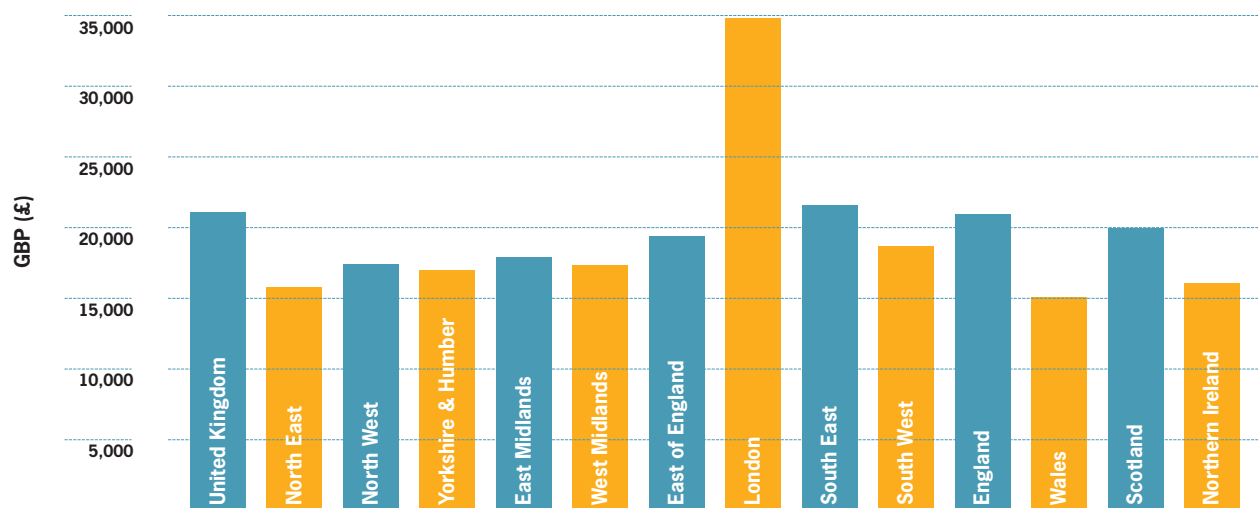
The economy of North East England continues to under-perform. North East England is the smallest English region in terms of population and economic output. In 2008 the region’s gross value added (GVA) was just over £40 billion. Figure 2-1 shows that, in the 20 years since 1990, GVA has grown more slowly in the north east than in any other region.⁵

The north east continues to lag behind, but NewcastleGateshead easily out-performs the rest of the region. The per capita GVA of the Tyneside NUTS3 area (which includes Newcastle, Gateshead, North Tyneside and South Tyneside) was 92% of the UK average in 2007, 19% above the regional figure. New research for the Northern Way confirms that NewcastleGateshead is a key driver of the city-region economy. Per capita GVA in the city of Newcastle exceeds the UK average by about 25%, and per capita GVA growth in Gateshead has outpaced the national trend so that it now stands at 92% of the UK average (Figures 2.1 and 2.2).

The economy of NewcastleGateshead provides employment opportunities for people living in the city-region and beyond, especially those working in knowledge-based occupations. In 2008, a total of 268,000 people worked in NewcastleGateshead, including more than 100,000 commuters from the rest of Tyne and Wear and beyond. NewcastleGateshead is the regional capital and the principal centre for government, higher education, medicine, research, culture and business services. The economic success of NewcastleGateshead is therefore vital, not just to the citizens of Newcastle and Gateshead, but to the whole of the region.

NewcastleGateshead is the regional capital and the principal centre for government, higher education, medicine, research, culture and business services.

⁵ This section is based on data from the Office for National Statistics (ONS), the Northern Way, NERIP and the Centre for Cities. Additional research by CEBR.

Figure 2.1: GVA growth 1992-2008: North East and UK**Figure 2.2** GVA per head 2008: UK regions

2.1 Economy

Business and employment

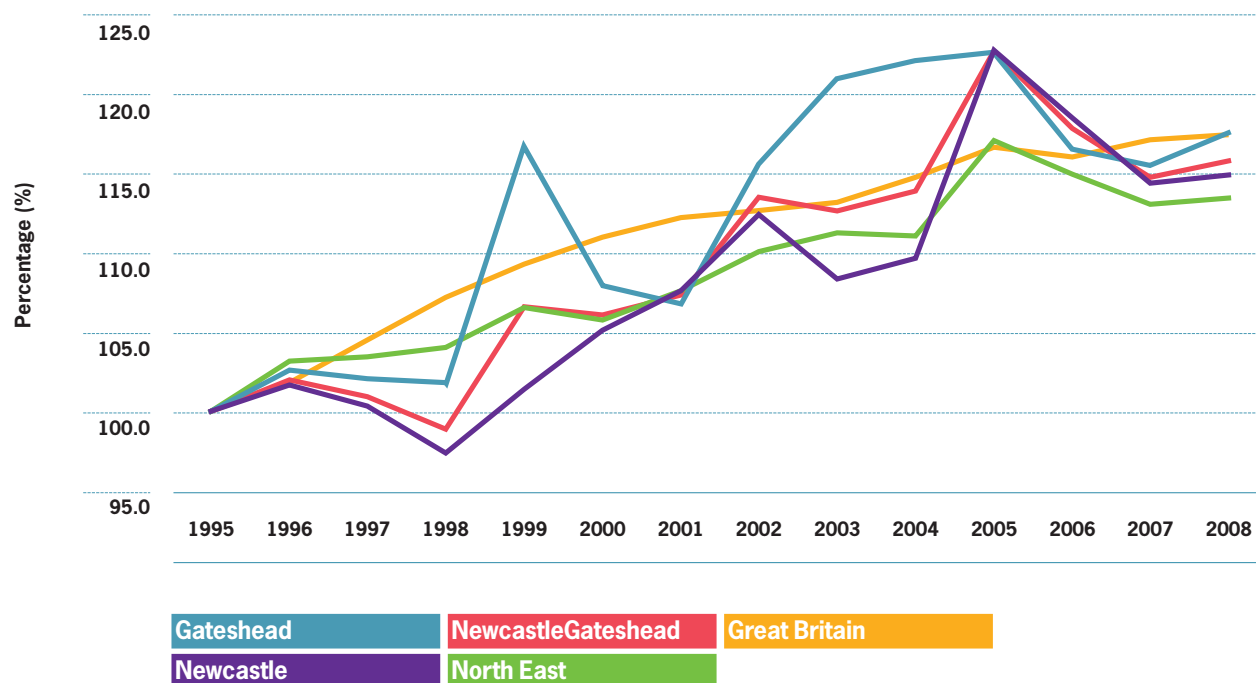
In 2008 there were 176,000 employee jobs in Newcastle and 92,000 in Gateshead – a total of 268,000 in NewcastleGateshead. Between 1995 and 2008 employment in NewcastleGateshead grew broadly in line with the national trend and more rapidly than in the region (Figure 2.3).

In 2007 there were just under 10,000 VAT registered businesses in NewcastleGateshead and many more micro-businesses below the VAT threshold. Medium and large firms employing 200 people or more accounted for more than 40% of jobs.

The employment profile of NewcastleGateshead is broadly in line with Great Britain, although manufacturing is slightly under-represented (8.4%/GB10.2%) and services are slightly over-represented (87.1%/83.5%). The most significant difference is NewcastleGateshead's dependence on public sector jobs (33.7%/27.0%).

Historically, Newcastle and Gateshead have played distinct and complementary economic roles, and these are still reflected in the employment data (Figure 2.4):

- 37.6% of jobs in Newcastle are in the public sector, compared with 26.4% in Gateshead, reflecting Newcastle's historic role as the regional capital
- 26.3% of jobs in Gateshead are in distribution, hotels and restaurants (Newcastle 19.1%), reflecting the important role of the Metrocentre in the Gateshead economy
- 23.4% of jobs in Newcastle are in finance, IT and business services (Gateshead 15.9%), reflecting the importance of Newcastle's central business district
- Gateshead continues to be a major manufacturing centre (14.4% of jobs/Newcastle 5.2%).

Figure 2.3 Employment growth 1995-2008: Gateshead, Newcastle, NewcastleGateshead, North East, Great Britain**Figure 2.4** Employment by sector 2008: Gateshead, Newcastle, NewcastleGateshead, North East, Great Britain

Sector	Gateshead		Newcastle		NewcastleGateshead		NE	GB
	No Jobs	%	No Jobs	%	No Jobs	%	%	%
Manufacturing	13,300	14.4	9,100	5.2	22,400	8.4	12.0	10.2
Construction	6,500	7.0	5,000	2.9	11,500	4.3	5.6	4.8
Services	72,500	78.4	160,900	91.6	233,400	87.1	81.0	83.5
- Distribution Hotels and Restaurants	24,300	26.2	33,500	19.0	57,800	21.6	22.1	23.4
- Transport and Communications	5,600	6.0	9,400	5.3	15,000	5.6	5.3	5.8
- Finance, IT and Business Services	14,700	15.9	41,100	23.4	55,800	20.8	16.6	22.0
- Public Administration	24,400	26.4	66,000	37.5	90,400	33.7	32.2	27.0
- Other Services	3,500	3.8	11,000	6.3	14,500	5.4	4.8	5.3
Total	92,400		175,700		268,100			
Full-time	66,900	72.4	122,600	69.8	189,500	70.7	68.2	68.8
Part-time	25,500	27.6	53,100	30.2	78,600	29.3	31.8	31.2

Economic competitiveness and the impact of recession

The Cities Outlook 2009 Economic Prosperity Index, devised by the Centre for Cities, ranked Newcastle (actually the Tyneside urban area) 45th out of 64 UK cities, and 7th out of 8 English core cities. The UK Competitiveness Index 2010 ranks single local authorities only: by this measure the city of Newcastle does better with a ranking of 24th out of 43 city authorities, and 4th of the English core cities. For our purposes, the Centre for Cities indices are more useful because they include all of NewcastleGateshead as well as the two other Tyneside areas.

The 2010 Cities Outlook report looks in detail at 8 key performance indicators. Overall, Bristol emerges as easily the most successful of the core cities, coming first by six measures, with Leeds a clear second. Newcastle has an average ranking of 4.3 out of eight, broadly in line with Manchester and Nottingham. Liverpool, Sheffield and Birmingham perform least well by most measures.

Newcastle's performance varies widely. By some measures, it is among the worst-performing urban areas: total employment grew relatively slowly between 2006 and 2008; the percentage of the workforce with a degree or equivalent qualification is relatively low; the employment rate is relatively low; and average weekly earnings are the lowest of any core city. By contrast, private sector employment grew faster than inner cities in the decade to 2008, albeit from a low base, similarly, the 2008 business birth rate was strong relative to a small business stock.

All cities have, of course, been hit hard by the recession and the effects have been particularly severe in the manufacturing and construction sectors, and on low-wage, low-skill economies. In many places, young people have borne the brunt of the recession and polarisation has increased. The number of Job Seekers Allowance (JSA) claimants in the Newcastle (Tyneside) area rose to 5.2% in November 2009, much higher than Bristol but again broadly in line with a group of other core cities. However, this represents a percentage point increase of 1.8 since February 2008 – a smaller increase than in any other core city apart from Bristol.

This figure, taken together with anecdotal evidence from various sources suggests that NewcastleGateshead and the rest of Tyneside have proved to be relatively resilient in the face of a deep and prolonged recession. However, there is certainly no cause for complacency, not least because NewcastleGateshead is very dependent on public sector employment and therefore vulnerable to the effects of public expenditure cuts in the next few years.

NewcastleGateshead and the rest of Tyneside have proved to be relatively resilient in the face of a deep and prolonged recession.



The knowledge economy: specialisation, research and innovation

Specialisation

The OECD argued that the challenge for the Newcastle city region was to reinvent specialisation by utilising its research base and its natural and cultural assets. The focus should be on high productivity knowledge industries, balanced by support for jobs-rich industries. The State of the Cities research found that the most successful cities combine economic specialisation with diversity. Specialisation drives wealth creation and builds sustainable competitive advantage; diversity makes cities more resilient and less vulnerable to economic shocks.

The OECD highlighted our relative strengths in the marine/offshore and automotive sectors, but still concluded that “...diversification through direct foreign investment has resulted in an economy without strong specialism... claims are made for environmental industries, call centres and life sciences, but evidence of cluster-based activities is difficult to identify.”

Location quotients (LQs) are a useful measure of specialisation.⁶ At the city region level, the highest LQs are in manufacturing, utilities and the public sector. In NewcastleGateshead (2007) the highest LQs were for: administration of the state (2.25), higher education (2.16) and monetary intermediation (1.95) – knowledge-intensive sectors that employ a high proportion of graduates and skilled people. Legal, accounting, consultancy and other professional services were all under-represented. Manufacturing has a high LQ, with evidence of specialisation in a few niche areas:

- **professional and business services** have grown steadily but are still under-represented, some firms have moved jobs to Manchester and Leeds, but there is evidence of specialist strengths in software, architecture, and engineering design
- **financial services** had been a star performer since the mid 1990s, especially retail banking; the collapse of Northern Rock and job losses at the Newcastle Building Society, have had a severe impact on the sector
- **higher education** has grown rapidly with increases in participation rates in the UK and overseas student enrolments; NewcastleGateshead now has more than 50,000 students and is recognised as one the UK's most student friendly cities; the 2008 Research Assessment Exercise (RAE) exercise identified world-leading research strengths in many disciplines
- **healthcare:** a £300m modernisation programme will provide state-of-the-art facilities for cancer care and paediatrics; research in ageing and regenerative medicine will help to attract investment and government funding
- **advanced manufacturing** continues to make a significant contribution to NewcastleGateshead's economic output, and the north east's status as a low-carbon region will create new opportunities: there is a cluster of sub-sea oil and gas companies on the north bank of the Tyne and the city region is a leader in the production of the offshore wind turbines
- **growth in the creative industries** has been modest but there has been some progress in digital media, music, design and visual arts and there is outstanding teaching and research in a range of creative disciplines; Ouseburn is emerging as a creative quarter and there is a cluster of digital media businesses in Gateshead
- **the value of tourism** has grown significantly in the past decade, and NewcastleGateshead has become an important cultural and city break destination; business tourism is constrained by the lack of a modern convention and exhibition centre
- **NewcastleGateshead is the dominant retail centre** in the north east, based on the twin attractions of Newcastle city centre and the Metrocentre; but Newcastle needs to strengthen its quality/speciality retail offer to match Manchester, Leeds and Liverpool.

⁶ A location quotient (LQ) of 1 means that a given industry's share of local employment matches its share nationally. An LQ in excess of 1 indicates that an industry is over-represented locally; an LQ of less than 1 indicates that it is under-represented.



Newcastle University, King's Gate, Newcastle



The State of the Cities research found that the most successful cities combine economic specialisation with diversity.

World-class research

Newcastle Science City has carried out an assessment of the scientific research base:⁷

- **stem cells and regenerative medicine:** useful technologies in stem cells for liver disease, media for growth of stem cells, and proteins for neural cell differentiation; research competitiveness based on the International Centre for Life; regional capabilities in biopharmaceutical manufacturing
- **ageing and health:** ageing populations create new personal and societal needs; local scientists are working on interventions to address those needs, focusing on the biology of ageing, nutrition, diagnostics and aids for daily living; plans to create the Campus for Ageing and Vitality
- **energy and environment:** research will focus on managing the use of fossil fuels, renewable energy supply, waste disposal and energy efficient systems; scientists and local experts will lead research initiatives and energy efficiency programmes
- **molecular engineering:** the research focus will be on health and medical systems, materials and energy; and on the technical challenges of biomolecules, synthetic nanomaterials, scale-up and manufacturing, and measurement and imaging.

The principal areas of research excellence in the region include cancer studies, clinical studies, nursing, environmental sciences, earth sciences, chemistry, applied maths, computer science, civil engineering, mechanical engineering, marine technology, transport, design, architecture, planning, and law. The Research Assessment Exercise (RAE) identifies world-leading research in these disciplines.

Newcastle University attracted £49.3m of Research Council funding in 2008-09, the 8th highest figure among UK universities.



Wind turbines, Blyth

2.1 Economy



International Centre for Life, Newcastle

Innovation

NewcastleGateshead continues to under-perform in terms of business innovation, reflecting the relatively weak business base. The OECD report called for universities and companies to work together to stimulate innovation and competitiveness by:

- promoting R&D and technology transfer in areas of existing technological competence
- raising skills and human capital in the region
- encouraging the genesis of new technology and creative industries
- helping traditional manufacturers to upgrade their technology.

The region's research strengths and the regional centres of excellence are key assets. Research can be translated into wealth and jobs through commercialisation, innovation by existing firms or inward investment, but success will largely be determined by the capacity of local firms to adopt new science and technology.



Cooper's Building, Newcastle
Gateshead Quays and Gateshead College, Gateshead

Commercial and industrial property⁸

The NewcastleGateshead office market reflects the area's economic fortunes. The market was buoyant until 2008, but demand slowed sharply in the second half of that year and remains depressed. Even in the good years, take up and prime rents did not match the most successful core cities, and there was little speculative development in the urban core.

Before the recession, the annual take-up of office space in NewcastleGateshead had been about 400-600,000 ft², of which about half was in Newcastle City Centre. Demand came from financial services, professional/business services and public sector relocations. Grade A rents peaked at £23 per ft², still well below Leeds or Manchester. Rents elsewhere were significantly lower: £17 per ft² at Baltic Business Quarter and Cobalt. Enterprise Zone incentives at Cobalt effectively reduced quoted rents by a third.

In Newcastle city centre, the traditional business district in Grainger Town has been superseded by modern offices at East Quayside. In recent years development activity has gravitated to new locations such as the Stephenson Quarter, Gallowgate and the Discovery Quarter.

Gateshead town centre has not previously been a major office location, but there are new developments at Baltic Business Quarter and Baltic Place. The former is anchored by Gateshead College and the Open University, and will be the site of the Northern Design Centre.

There are sufficient approved schemes to meet demand for office space in the city centre over the next few years. With 2 million ft² of city centre office development in the pipeline there is a nominal risk of over-supply in the urban core, but it is unlikely that all these projects will proceed. There is equally a risk of a shortage of space unless key schemes at Gallowgate and the Stephenson Quarter are "ready to go" when the economy moves out of recession.

The supply of modern Grade A space in the urban core is matched by out-of-town locations, especially in the North Tyneside Enterprise Zones. There is currently 255,000 ft² available at Cobalt, and 275,000 ft² at Quorum. There are long-term plans for an additional 1.5 million ft² of additional space at these locations which offer attractive financial incentives for occupiers.

⁸ This section is based on research by King Sturge.

Most of NewcastleGateshead's key industrial sites are in suburban or peripheral locations. Team Valley continues to be an important site for manufacturing and engineering, with over 550,000 ft² of units developed in the past decade. Parts of the site have been redeveloped for office and retail. There are other important sites at Follingsby Park, Newburn Riverside and Walker Riverside. Take up of industrial space in NewcastleGateshead in 2007 was around 378,000 ft², but demand has fallen sharply since then, leading to a surplus of industrial stock, longer void periods and a drop in prime rents from the peak 2007 level of £5.50 per ft².

Out of town, there is a huge volume of industrial development in the pipeline, including 5.1 million ft² with planning consents, at Cobalt South and other locations. Only a very small proportion of this is currently under construction.

The prime retail offer is concentrated in two locations: Newcastle city centre, and the Metrocentre. In the city centre, the prime retail pitch is the area around Grey's Monument, including Northumberland Street and Eldon Square. Rents in this area peaked at around £330 per ft², reportedly higher than in Manchester city centre, but there have been a number of recent store closures. There is 2.4 million ft² of retail space in Newcastle city centre; the Gateshead Metrocentre, extended in 2004, has an area of about 2 million ft², including leisure. Until 2008, demand for retail space at the MetroCentre was strong, with rents broadly in line with Newcastle city centre. Gateshead town centre is a local shopping centre with an estimated catchment population of 88,000. Quoted Zone A rents in the town centre are around £33 per ft².

The recession has had a major impact on the retail sector, reflected in an increase in voids, especially in secondary locations, and a drop in reported requirements. Despite this, demand remains strong in prime locations. Eldon Square South, a £170 million, 410,000 ft² retail development was almost fully pre-let when it opened in March 2010.



Team Valley, Gateshead
Newburn Riverside, Newcastle
Eldon Square, Newcastle
Cobalt Business Park, North Tyneside

In Newcastle city centre, the traditional business district in Grainger Town has been superseded by modern offices at East Quayside.

2.2 People and skills

In 2007 the resident population of NewcastleGateshead was 462,000 – down 7.3% since 1981. Population fell sharply in the 1990s, but there has been a modest recovery since 2000, because of a revival of interest in city living, the growing student population and an influx of migrant workers. The long-term net decline has been due to out-migration, with residents moving to the wider city region and beyond.

Office for National Statistics (ONS) projections suggest that in the next 20 years the population will return to the 1981 level. However, an ageing population means that there will be little or no change in the size of the working age population (Figure 2.5). NewcastleGateshead is not big enough to enjoy the agglomeration benefits of a large conurbation. This means that we have to adopt a more targeted approach, building scale and labour market “thickness” in key sectors.

NewcastleGateshead draws on a city region labour market that includes the Tyneside conurbation, and extends into Sunderland, County Durham and Northumberland. Newcastle dominates the economy of the city region: its jobs density is the highest of any core city – 1.17 jobs for every working age resident. NewcastleGateshead is not big but it is jobs-rich.

The city region labour market

There is a significant gap between the average earnings of people who travel to work in and those who live in NewcastleGateshead. High earners can choose to live outside the urban core, and many do so; low earners may not have a choice.

Workplace earnings in NewcastleGateshead are lower than in any English core city. In 2007, average earnings in Newcastle were 90% of the UK average; in Gateshead they were 86%. This reflects the occupational structure of the local economy and the skills of the workforce, and is further evidence of low levels of specialisation and innovation.

In terms of occupational structure, routine and elementary occupations are over-represented in NewcastleGateshead, managerial occupations are under-represented. Newcastle has a disproportionate share of the higher order jobs many of which are taken by commuters.

There has been a significant improvement in skills levels in NewcastleGateshead. Attainment in schools has improved and there has been an increase in higher level qualifications, while the number of people with no qualifications has dropped by a third. The qualifications of Newcastle residents now compare favourably with the national average, largely because of the large student population. There are more people with level 3 qualifications and above, and the number with no qualifications is close to Great Britain's average. There is a significant qualifications gap between Newcastle and Gateshead.

A low skills equilibrium?

When the demand for skills and qualifications is low, individuals are less likely to participate in education and training, and skilled people may need to move away to find suitable employment. This may make the area more attractive to firms offering low-level jobs than to knowledge-based businesses. This is a dangerous downward spiral; only a move towards a high-wage, high-skill knowledge economy will enable NewcastleGateshead to break out of the low-skills equilibrium.

Before the recession the aggregate demand for labour in NewcastleGateshead was strong, especially in managerial and professional, sales and customer service, and healthcare occupations. Tyne and Wear Learning and Skills Council (LSC) reported skills gaps relating to both technical/job specific skills and generic skills such as customer handling, problem solving and oral communications.

This suggests a more fundamental market failure, with the labour market failing to deliver the skills that employers need. This might be the result of structural change in the economy, with workers unable to adapt or upgrade their skills, or it could reflect the failure of the education and training system to produce people with the right skills and qualifications. These problems are compounded by a relatively small labour market which does not offer enough opportunities to attract or retain a large pool of talented people.

Persistent poverty & exclusion

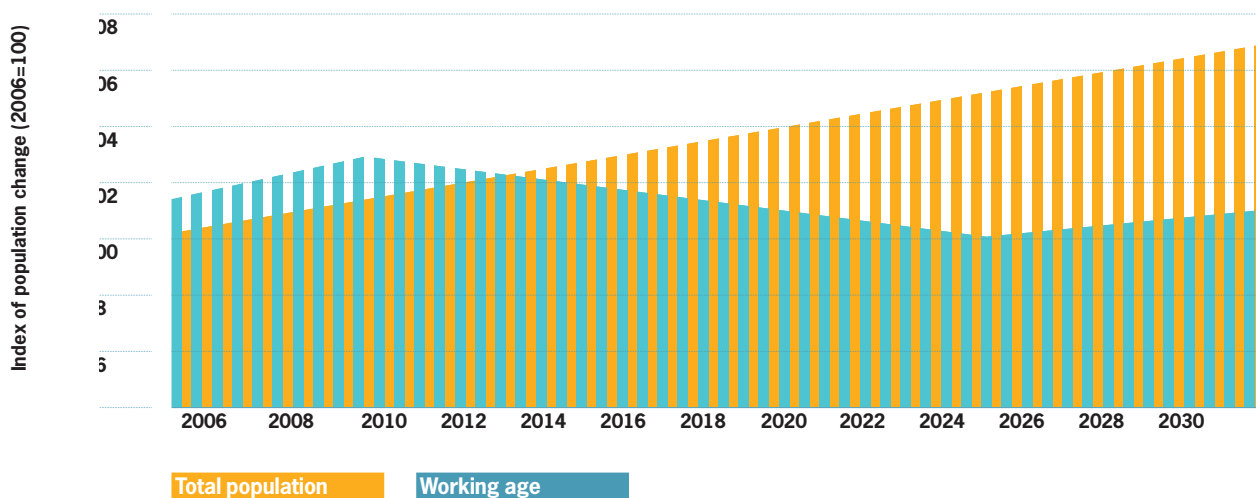
NewcastleGateshead has some of the most acute income disparities in the UK, and the recession has had a disproportionate impact on unskilled and manual workers. The problem is most acute in Newcastle where, in June 2008, only 65% of the working age population was in employment, while Gateshead (75%) was in line with the Great Britain average. Recent international research confirms the correlation between inequality and a range of social problems relating to physical and mental health, educational attainment, teenage pregnancy, crime and social mobility.⁹

In communities blighted by inter-generational unemployment, families can become trapped in a cycle of poverty, low aspirations, inadequate education and skills, and unhealthy lifestyles. Almost a third of children in NewcastleGateshead live in poverty. Children who grow up in poverty are less likely to attend school regularly, obtain qualifications, or progress into higher education. These are the people most at risk during a recession.

According to the Index of Multiple Deprivation (IMD) 2007, the percentage of neighbourhoods which are among the 20% most deprived in England is 40% in Newcastle and 35% in Gateshead – down from 46% and 44% respectively in 2004. The figures are still too high but this is encouraging progress reflecting efforts to tackle worklessness in both council areas. Many of the development areas described in this document are located close to disadvantaged communities: this creates an historic opportunity to connect workless people to jobs in the growth sectors which will drive the future prosperity of NewcastleGateshead.

⁹ Richard Wilkinson and Kate Pickett, *The Spirit Level: Why more equal societies almost always do better*, 2009.

Figure 2.5: Population and working age population projections 2006-2030, NewcastleGateshead Source: ONS population projections



2.3 Place

Newcastle and Gateshead have long and distinctive histories. Their shared setting on the banks of the Tyne is the most dramatic and memorable of any major place in England. On the north side of the river, historic streets wind down the steep slopes, linked by paths and steps. On the south side are Gateshead's great cultural facilities – The Sage Gateshead and the BALTIC Centre for Contemporary Art. The Swing Bridge and the Gateshead Millennium Bridge link the quaysides, while the High Level Bridge and the Tyne Bridge connect the city centres. Together with Richard Grainger's early 19th century town centre, they form one of Britain's iconic townscapes.

A remarkable place

This combination of topography, townscape and architecture is at the heart of the outstanding place quality of NewcastleGateshead. Not everything matches the setting: Gateshead town centre has been hollowed out by the decline of industry, in the urban core the quality of modern development is often mediocre or worse, urban motorways carve through the urban fabric and the public realm is disappointing, but at its best, the built fabric and a revived urban core combine to create a model of good city living. The heart of Newcastle is animated by student life, the evening economy, good shops and places to eat and drink, and a rich cultural offer.

20th century: decline and restructuring

The 20th century saw a steady decline in employment in the region's staple industries. Conditions were particularly bad in the inter-war period. The 1928 Tyne Bridge was intended to improve road and tram connections, but it was also a government funded job creation scheme. In the 1930s, government intervened to encourage new industries to locate in the area. The Team Valley Trading Estate opened in 1936 on a site almost two miles in length, aiming to provide 15,000 new jobs.

The post war recovery eased the transition to a more diverse, service-based economy. The appearance of NewcastleGateshead began to change: road schemes sliced through Gateshead, separating the town from the river, the central motorway carved through the east side of Newcastle city centre, creating a grim and hostile pedestrian environment. Good things happened as well, Newcastle built a superb Civic Centre, Ralph Erskine's Byker Wall was a ground-breaking housing project, and the development of the Metro system was a far-sighted investment in the public transport network.

The economic problems facing Gateshead and Newcastle persisted throughout the 20th century, with pockets of high unemployment, poverty and deprivation. Many people moved to the suburbs and the countryside in search of a better quality of life.

Gateshead has been a leader in cultural regeneration. Antony Gormley's Angel of the North was completed in 1998, creating an iconic image for Gateshead and the region.



The Gateshead Millennium Bridge, Gateshead
Grey Street, Newcastle
The Angel of the North, Gateshead

Urban renaissance

The past 25 years has seen a series of ambitious urban regeneration initiatives. The Tyneside Enterprise Zone was established in 1981; Enterprise Zone status played a key role in the development of out-of-town sites including Newcastle Business Park, Newburn Riverside and Team Valley. Enterprise Zones have contributed to a dispersed pattern of business location, with sites scattered across the conurbation and competing with the city centre office market. The MetroCentre opened in 1986: one of the first major out-of-town retail and leisure developments in the UK.

The Tyne and Wear Development Corporation led the regeneration of Newcastle's Quayside. New offices, public buildings, hotels and housing brought life back to the riverside. In Gateshead, the 1990 Garden Festival attracted more than 3 million visitors.

Gateshead has been a leader in cultural regeneration. Antony Gormley's Angel of the North was completed in 1998, creating an iconic image for Gateshead and the region. The Angel was followed by the Gateshead Millennium Bridge, which linked the Quayside with Gateshead's cultural attractions and provided another defining image. The BALTIC Centre for Contemporary Art opened in 2002 and The Sage Gateshead in 2004. The NewcastleGateshead Initiative played a key role in the development of NewcastleGateshead as a short break and cultural destination, stimulating private investment in hotels and other infrastructure. This established the platform for NewcastleGateshead's 2008 European Capital of Culture bid, and for the culture¹⁰ festivals and events programme.

But the urban core still lacks economic vitality, especially the central business district which, in spite of development in some new locations, remains weak for an area of our size and status, with too much tired and dated stock. NewcastleGateshead has not yet responded to the competition from out-of-town development in the same way as, for example, Glasgow and Manchester.

The Grainger Town Project rescued the historic commercial centre of Newcastle – the city's architectural glory – and brought it back to life as a mixed-use urban quarter. There have been major investments in our universities and colleges.

Work, life and leisure in a dispersed city region

Business, industry, shopping and leisure developments in Tyneside are dispersed across the urban area. The population of NewcastleGateshead may have declined, but the development footprint of the city region has expanded dramatically.

We live our lives in a larger space than ever before. Since the 1980s “the distance of essential journeys to work, school and shops [in the UK] has increased by up to 40 per cent”.¹⁰ The places where we live, work, shop, learn and play are separated by considerable distances, and we need cars to access them. People are better off and more mobile than ever before, they can choose when and where to spend their time. In an age of choice and hyper-mobility, we are much less dependent on local facilities and services.

These long-term trends have had a powerful effect on town and city centres. Newcastle city centre offers a richness and diversity of experience which has enabled it to co-exist with the Metrocentre, but Gateshead and other local centres have suffered as customers have chosen more attractive and convenient alternatives.



Bloklok, Gateshead

Dispersal – to the suburbs and beyond – has been a defining feature of the housing market. There has recently been a revival of city living – apartments for singles, childless couples and empty-nesters – in the heart of the city and on the riverside. But the depopulation and partial clearance of inner urban areas has continued. Many people have moved away to find affordable family housing elsewhere in the city region. NewcastleGateshead has some enclaves of popular and attractive housing for middle and higher earners, and Bridging NewcastleGateshead’s Growth Point strategy aims to revitalise the housing market, especially in the inner urban areas that encircle the urban core. But, for skilled workers and families in particular, there is still a lack of housing choice to counteract the flight to the suburbs.

Dispersed cities have their own logic. Spreading homes, jobs and amenities around the urban area distributes journeys and may ease congestion. The road system functioning as a network rather than a hub-and-spoke model. It is easier to provide parking in suburban locations and it makes sense to locate businesses that need a lot of space or generate heavy vehicle movements away from the centre. Knowledge-based city industries, tourism and retail all want city centre locations, but the benefits are much less clear-cut for manufacturing and routine services.

We have paid a heavy price for these trends:

- they have sapped the vitality of town centres and local centres, leaving a hole in the heart of many communities
- they have created acute car dependency; public transport simply isn’t flexible enough to service hyper-mobile lifestyles
- they have compounded social exclusion: by restricting access to work in places poorly served by public transport; local shopping centres cater for a captive market of people who are too old, too young or too poor to go somewhere else.

Dispersed cities are not sustainable, socially or environmentally. But we cannot simply “switch off” trends which reflect long-established lifestyle choices and market preferences. The answer does not lie in compulsion or prescription, which would alienate investors and residents, but in creating attractive and viable choices to return to the urban core as a place to live, work and invest.

¹⁰ Adam Ritchie and Randall Thomas (eds), *Sustainable Urban Design: An Environmental Approach*, 2009.

Access and movement in the city region

NewcastleGateshead is remote from any other major conurbation. The nearest English core city, Leeds, is 95 miles away; it is 120 miles to Edinburgh. The conurbation is reasonably well connected by rail and air. There is a fast and frequent rail service on the East Coast Main Line (ECML) to London and Scotland, with regular cross-country services to most other major cities. The ECML provides one of the best inter-city rail services in the UK, although the National Express franchise failed in 2009 and the service is currently in public ownership. Plans for a high speed rail (HSR) network have been much discussed. HSR has the potential to reduce inter-city journey times significantly and to replace domestic air travel, but the initial network proposals do not extend to NewcastleGateshead which would be very damaging. Cross country rail connections to other major cities, notably Leeds, Manchester and Birmingham are too often slow and expensive. This problem is not unique to NewcastleGateshead but our location – remote from other major conurbations – makes this a significant constraint.

Passenger numbers at Newcastle International Airport more than doubled in the decade to 2007, from 2.6m to 5.6m, although they dipped again in 2008 as the economic downturn began to bite. There are scheduled air services to European hubs including Heathrow, Amsterdam and Paris, and direct flights to a number of other UK and European destinations. Regular services to these destinations are vital for NewcastleGateshead's aspirations as a conference destination and to facilitate international business links.

Road connections continue to be a problem. The A1/A1M between Scotch Corner and Seaton Burn is one of the most congested strategic routes in England; there is also severe congestion around the A19 Tyne Tunnel, although this will be eased when the new crossing opens at the end of 2011. Long sections of the A1 north into Scotland are still single-carriageway.

The volume of traffic passing through the urban core is a concern. The A184 divides Gateshead town centre from the river; Newcastle's central motorway isolates the deprived neighbourhoods of the east end. On the north side of the river, east-west routes pass through the city centre. The presence of urban motorways in the heart of the city creates an alienating, car-dominated environment.

The Tyne and Wear Metro system provides an excellent service along both sides of the river to the coast. There are Metro links to Sunderland and Newcastle Airport. But the route network is lopsided, with very limited coverage to the west or to out-of-town employment centres. Suburban and regional train services provide links to Sunderland, Teesside and the rural hinterland although there is room for improvement in service quality and frequency. There is an extensive bus network, generally well integrated with the Metro, and including the Centre Link and QuayLink services, but cross-river services are weak.



A184 major road link, Gateshead
Newcastle International Airport
Tyne & Wear Metro, Haymarket, Newcastle

The urban core in context

The urban core of NewcastleGateshead has been fighting back. The great cultural attractions, the Gateshead Millennium Bridge, new shops and offices, investment in university and college campuses and the revival of city living are all evidence of our urban renaissance.

The urban core and the periphery both have vital and complementary roles to play in the life of the city but zone-based planning which separates business parks and shopping malls from residential areas is not sustainable. Continuing with a strategy which will increase car-dependency is not an option if we are serious about achieving a low-carbon economy.



The Gateshead Millennium Bridge, Gateshead

We need planning policies that encourage the right development in the right place, but which also offer real choice. We need to reconfigure the public transport system so that people can ride the Metro or take a quality bus service to work. We need to do more to make the case for the urban core as the first choice for an increasing number of businesses and residents:

- most knowledge industries are city industries: they seek out the buzz and prestige of a city centre location, and the benefits of proximity to rival firms, research laboratories and specialised services
- knowledge-based businesses often benefit from co-location in knowledge hubs: places for creativity and innovation, where business, research and intellectual and social networks interact and spark new ideas
- cities are the natural home for change agents, people and enterprises who will make things happen; cheap, flexible space on both sides of the river can help to incubate new industries
- the urban core is the shop window: it is the place where locals want to go to shop, eat out and meet, and the place that visitors want to see; it is the place where the best of NewcastleGateshead is found: townscape, culture, entertainment, contemporary architecture and historic buildings
- it is a place to live – for people of all ages – a place of proximity, where walking, cycling and short Metro hops are the best way to get around, and where people can live and work without a car
- it is a place of opportunity, where we can tap the potential of large tracts of brownfield land and under-used fringe areas
- it is an accessible place, where all the transport networks meet and intersect
- it is the physical and emotional heart of NewcastleGateshead.

The case for focusing on the core is clear, but the urban core can be a difficult place to make things happen. Higher land values, complex ownerships, the constraints of an historic environment and the challenges of topography may all deter investors and developers. These challenges are even greater as the economy struggles to emerge from the recession. The achievements of the past 15–20 years have reversed the flight from the urban core, and created a new climate of optimism and civic pride. But the regeneration of the heart of NewcastleGateshead is still work in progress.

The urban core today

Our definition of the urban core is deliberately flexible. It includes the Tyne Valley between Redheugh Bridge and Ouseburn. From Swan House, the central motorway defines the area as far as Spital Tongues. The urban core includes the Royal Victoria Infirmary and Leazes Park. From Gallowgate, St James' Boulevard and the Science Central site forms the western boundary. In Gateshead, the urban core extends south to Arthur Street.

This area contains all of NewcastleGateshead's central business district, its principal shopping streets, the entertainment district, the main museums, galleries and performance venues. It includes the university and college campuses, The Sage Gateshead, BALTIC Centre for Contemporary Art, Baltic Business Quarter and Gateshead town centre (Figure 2.6).

Figure 2.6: The Urban Core – NewcastleGateshead



The achievements of the past 15–20 years have reversed the flight from the urban core, and created a new climate of optimism and civic pride.

2.3 Place

The urban fabric

In Newcastle, the streets and market places of the pre-industrial town are still largely intact, and many historic buildings and townscapes survive. The Georgian town laid out by Grainger is remarkably complete. Grand streets converge on the Monument, contrasting with the organic form of the old town. The centre of Newcastle has a dignity and uniformity that only breaks down in places where late 20th century development has compromised its integrity. The area around Swan House suffered particularly badly in the 1960s and 1970s from big roads and mediocre development. Enclosed shopping malls have sapped the vitality of city streets.

Gateshead has a rich history, but many of the physical traces of the past have been lost and most of the surviving pockets of coherent urban form are surrounded by tracts of derelict land and major roads. Gateshead's history as a railway town is preserved at Greenesfield. The old Town Hall has been restored, but occupies an isolated site. The town centre bears the scars of its long decline. The most striking features of the 21st century are The Sage Gateshead, Gateshead Millennium Bridge and BALTIC Centre for Contemporary Arts, but work is needed to improve connections between the town and the river.

Walking and cycling

The urban core is a compact, walkable area. It is less than 2km from Central Station to the Town Moor or Gateshead town centre. Walking through Grainger Town is a great experience; broad pavements, gracious buildings, legible form and pedestrianised areas encourage walking. Side is a notable piece of townscape, and the Quayside is an attractive environment for pedestrians with memorable views. By contrast, the area around Swan House Roundabout is fragmented, illegible and hostile. Over-engineered roads and a network of bridges and underpasses make this a place to avoid.

There are two attractive river crossings for pedestrians and cyclists: the elegant sweep of the Gateshead Millennium Bridge connects the BALTIC Centre for Contemporary Art to the Quayside. The High Level Bridge offers sheltered walking and wide views. The Tyne Bridge carries heavy traffic flows and both the bridge and the approaches are inhospitable places.

Gateshead is not a walkable town. Heavily trafficked major roads sweep through the space between the riverside and the town centre. Pedestrian routes zigzag across this area, signalling that the car is in charge. The Council recognises that this has to change, and the regeneration delivery strategy will reclaim sites for development by reconfiguring major roads as city streets.

The most striking features of the 21st century are The Sage Gateshead, Gateshead Millennium Bridge and BALTIC Centre for Contemporary Art, but work is needed to improve connections between the town and the river.



Newcastle, portraying a dense built form



Gateshead is more dispersed

Figure 2.7: Figure ground plan, NewcastleGateshead Urban Core



Over-engineered roads

2.3 Place

We need urban spaces that match the best of the city's architecture. There isn't enough comfort and tranquillity in the urban core and the quality of the public realm is mixed.

Public realm and greenspace

The quality of the public realm in NewcastleGateshead – streets, open spaces and parks – is generally disappointing. There are, of course, attractive and valued places. A recent audit of civic spaces in Newcastle showed that people enjoy the Quayside, Eldon Square and other spaces but dislike areas like Pilgrim Street and Manors. In Gateshead, the Council has invested in the popular Baltic Square and the spaces around the Town Hall.

We need urban spaces that match the best of NewcastleGateshead's architecture. There isn't enough comfort and tranquillity in the urban core and the quality of the public realm is mixed. Too many streets and spaces are dominated by cars and buses – even Grey Street is invaded by traffic; elsewhere, good intentions are undermined by cheap materials and poor maintenance; streetscapes are cluttered and badly managed.

A regular complaint is the lack of quality greenspace. There is very little in the urban core, but a lot in the area surrounding it, including the restored Saltwell Park and Leazes Park, and the informal open spaces of Town Moor. The lack of attractive greenspace is one of the reasons why people have fled for the surrounding suburbs and countryside.

Landmarks and gateways

The Sage Gateshead, Gateshead Millennium Bridge, BALTIC Centre for Contemporary Art and the Angel of the North; the three great 19th and 20th century bridges; the sweep of Grey Street and the Monument form a group of iconic images unmatched in any English city.

They are not the only landmarks in the urban core. In Newcastle, the cathedral, the castle keep and the tower of the Civic Centre punctuate the skyline, and St James' Park forms a dramatic backdrop to the north side of the city.

Landmarks define a city's image and help pedestrians to navigate their way around. The gateways – the points of arrival by road and rail – are less satisfactory. The experience of arrival by rail from the south illustrates the point: the view as the train crosses the Tyne is inspiring – one of the most dramatic entrances to any European city. But as passengers leave Central Station they find the portico clogged with taxis, and Neville Street is a shabby, traffic dominated mess. Points of entry by road also require attention, especially the approaches from the A1, along Askew Road and across the Tyne Bridge.

Clockwise from top:
Northumbria University, East Campus, Newcastle
The Sage Gateshead, Gateshead
Newcastle Central Station, Newcastle
Gateshead Quays, Gateshead



Newcastle City Centre



Ouseburn Village Green, Newcastle

2.3 Place

A combination of enterprise, community activism and public sector investment has helped Ouseburn to find a new role as a creative and cultural quarter. There is much more to be done but Ouseburn is already a 21st century success story.

Character zones

Within the urban core we have identified a number of key zones. The list does not pretend to be exhaustive, and the boundaries of these areas are deliberately fuzzy (Figure 2.8).

Civic Quarter

This important area wraps around the north edge of the urban core and contains many of NewcastleGateshead's most important economic, intellectual and institutional assets. The Civic Quarter includes the two universities, the Royal Victoria Hospital, Newcastle Civic Centre and the Haymarket transport hub. The area extends west to include Science Central, which will be a knowledge hub and a new urban quarter. Recent investment in the two university campuses has improved legibility, but the area is still not well connected internally or with the rest of the urban core. There is a need to bring cohesion and civic presence to the area, raising the quality of Percy Street and Barras Bridge and reducing the impact of traffic.

Newcastle Central

This area contains Newcastle's traditional city centre, including the prime retail locations clustered around the Monument, much of the evening economy, restaurants, cinemas, theatres and civic buildings. It includes Granger Town, a masterpiece of Georgian town planning, which was rescued from decline in the 1990s. The Collingwood Street/Mosley Street axis has become an important centre of the evening economy; nearby, the cathedral and the castle keep are reminders of the pre-industrial city. The urban form is largely intact, but the vitality and appeal of some city streets has been undermined by the long-term shift to indoor shopping malls. Around the fringes of the retail core are some transitional areas, including Swan House roundabout and East Pilgrim Street, where poor quality development in the 1960s and 1970s has eroded the urban fabric.

Ouseburn

The lower Ouseburn valley was one of the cradles of the industrial revolution in Tyneside and the home of a wide range of (often dirty) industries. A dramatic setting, with the valley straddled by viaducts, and the area's rich industrial heritage give Ouseburn its distinctive character. A combination of enterprise, community activism and public sector investment has helped Ouseburn to find a new role as a creative and cultural quarter. There is much more to be done, but Ouseburn is already a 21st century success story.

Discovery Quarter

This area, wrapped around the western edge of Newcastle city centre, is still in transition. St James' Boulevard has brought some cohesion to what was previously a fringe location, opening up development opportunities by the new road and in Gallowgate. Key actors including Newcastle College and the International Centre for Life, will transform this part of the city and have strong links to Science Central. South of the railway, recession has slowed the development of the Stephenson Quarter, but it remains an area of character and potential, with important links to the Quayside.



Newcastle Civic Centre, Newcastle
Discovery Museum, Newcastle



Quayside, Newcastle
Gateshead
Baltic Business Quarter, Gateshead
Gateshead Old Town Hall, Gateshead

Quayside

A rich slice of urban life and history, the Tyne Riverside includes the quays, the bridges, the cultural icons and the historic quarters that line the valley, north and south. On the north bank, the medieval streets contain a mix of uses in a variety of historic and contemporary buildings, while the Quayside is a popular place to walk, meet and relax. Gateshead Quays needs reinvigorating, there is limited access to the waterfront and a confusing and unwelcoming environment for pedestrians. The river is a valuable asset in its own right, for leisure and recreation and as wildlife habitat, but there is very little activity on the water.

Gateshead Centre

The town centre is marooned by major roads, and vacant shops reflect its decline as a retail centre. The transport interchange is a good arrival point, but it is not a place that encourages walk-in visits. Gateshead's Fit for a City strategy aims to revive the town centre through five key projects: a creative quarter; revitalisation of the retail core, creation of a new city park, Gateshead Green; a new residential neighbourhood on the south side of the town centre, and the transformation of the Gateshead Highway into a city boulevard.

Baltic Business Quarter

The nearest thing to a blank canvas in the urban core, this area – a wedge of land ranged around Hawks Road and close to the river – was largely derelict until Gateshead College located here and work began on the Baltic Business Quarter. It is still early days, but this is a pivotal place which will play a key part in extending the central business district south of the river and establishing a mixed use area with walkable connection between the town centre and the river. The Northern Design Centre will be located here.

Southern Gateway

The southern approaches to the urban core include Gateshead Civic Centre, the police station and law courts, the Tynegate Precinct, the Chandless housing estate and three cleared brownfield sites, including the former Freightliner site. The Gateshead Highway bisects the area. Plans are already in place to create a popular residential neighbourhood, with work due to start on developing the Freightliner site in 2012, and proposals to remove the Gateshead Highway and replace it with an urban boulevard.

The medieval streets contain a mix of uses in a variety of historic and contemporary buildings, while the Quayside is a popular place to walk, meet and relax.



Team Valley, Gateshead

Beyond the urban core

Business locations in the wider urban area have played a key role in the regeneration of NewcastleGateshead.

We have argued for a return to the core as the preferred location for economic, commercial and residential development, but locations such as Team Valley and Newburn still have a very important role to play.

The low carbon economy will generate demand for manufacturing facilities on the north bank of the Tyne and elsewhere in the urban area. The preparation of the Local Development Framework (LDF) will provide an opportunity to review land allocations in out of town locations, and the potential to transform single-use sites into multi-purpose centres.

Figure 2.8: Urban core character zones



2.4 The competitiveness of NewcastleGateshead

Until the recession hit, NewcastleGateshead had enjoyed modest growth in output and employment. In some respects it is a more competitive place than it was in the mid 1990s. But there has been little or no change in NewcastleGateshead's place in the urban hierarchy of the UK. By most measures of economic and social well-being we are still near the bottom of the cities' league table.

The economic recession has hit NewcastleGateshead hard and unemployment has risen sharply. Recent research suggests that we have proved to be more resilient than most other core cities, but there are concerns about the likely impact of public expenditure cuts.

Four headline messages emerge from the analysis.

They relate to:

- the performance of the economy
- the skills and qualification of the workforce
- the distinctive attributes of the place, and
- the urgent challenge of sustainable growth.

NewcastleGateshead has consistently out-performed the rest of the region in terms of growth in jobs, output and productivity, although this has not proved enough to help the north east to close the gap on the rest of the country. Much of the growth achieved before the recession was in the public sector.

Higher education, medicine and their associated research activities are key economic drivers. Public sector dependency is typical of many northern cities, but it is a source of concern at a time when the public finances are under enormous pressure. In the private sector the rate of new firm formation remains low and the business stock is small relative to population. Knowledge-based private sector industries have not performed particularly strongly, and there is only limited evidence of specialisation.

There is a relatively well qualified workforce. This reflects the large student population, and our role as a regional capital with jobs in universities, hospitals, local government and professional services. NewcastleGateshead provides employment for a wide hinterland but attracting and retaining the best talent remains a challenge. NewcastleGateshead is one of the most polarised core cities, with a big gap between rich and poor. Newcastle in particular has a low employment rate, and in some communities worklessness is endemic and cross-generational.

In the knowledge economy, place matters. Many of the key industries of the future will locate in the urban core, and all depend on their ability to attract and retain skilled people. When all cities can offer the same basic attributes, only the most attractive, vital and creative places will prosper. NewcastleGateshead is well placed to join the elite group of knowledge cities, but we need to raise our game. Suburbanisation has sapped the economic vitality of the urban core with out of town business, industrial, retail and leisure destinations competing with the city centre's.

The economic development and planning conventions that have shaped NewcastleGateshead in the past 20 years are no longer sustainable. A dispersed city region has driven up the distance travelled for essential journeys and increased car-dependency. People who do not have a car may be denied access to new jobs or amenities. The vision of a low carbon region creates economic opportunities for manufacturers in NewcastleGateshead. If we want to lead the way in green technology we need to 'walk the talk', and change the way we plan and build.

A number of specific opportunities and challenges have emerged from our research and consultations:

- NewcastleGateshead needs to translate scientific excellence into economic growth. Does the business base have the capacity to absorb science and convert it into new products and processes? We need to mobilise the knowledge, skills and creativity of scientists and entrepreneurs, with the support of the universities, local authorities and development agencies: this is the triple helix (science, academia and government) in action. In the knowledge economy, place matters. We need to grow clusters of businesses and specialist infrastructure in a number of knowledge hubs, building on key assets including the Centre for Life, Science Central and the Northern Design Centre.
- There is a lack of vitality in the business base. The performance of the private sector has been disappointing and some of the high performers in the first half of the decade have been hit hard by the recession. We have some outstanding companies in manufacturing and services, but our record in business start ups and growth is disappointing, and we have an indifferent record of product and process innovation. Knowledge intensive business services (KIBS) have been an important source of growth in the UK economy in the past decade, but they are under-represented in NewcastleGateshead. We have pockets of excellence, but no genuine clusters with the possible exception of marine/sub-sea.
- Our vision for the north east is of a low-carbon region enabled by renewable energy, intelligent networks and design. Areas of the north east have been designated as the UK's first low-carbon economic area for ultra low-carbon vehicles, and businesses in NewcastleGateshead will form an important part of the automotive supply chain. Local businesses are already playing an important role in the developing renewable energy sector, and there are opportunities for other firms to diversify into low-carbon production. The national centre of excellence, narec, is a vital asset.
- The urban core of NewcastleGateshead needs to re-establish its reputation as the prestigious central business district of the city region. The poor quality of the office stock in the urban core, combined with competition from suburban and out of town locations has resulted in a damaging drift, with occupiers who should be in the urban core receiving taxpayer subsidies to move to secondary locations. The Northern Way reports that this trend has had a negative effect on the economic performance of the whole city region.
- We need to improve the performance of the tourism sector. NewcastleGateshead is a popular short break destination. We have a long standing reputation as a party place, and a rich cultural offer. We have a good platform to build on but NewcastleGateshead is not yet a competitive business tourism destination. We do not have a modern convention centre and the quality of shops, restaurants and hotels does not always meet the expectations of discerning visitors, although there has been a big improvement in recent years. More full service hotels are required, and we need to strengthen the high-end and speciality retail offer.

In the knowledge economy, place matters. Many of the key industries of the future will locate in the urban core, and all depend on their ability to attract and retain skilled people.

2.4 The competitiveness of NewcastleGateshead

- A skilled workforce is an essential precondition for a knowledge economy. The impact of recession has been most severe on unskilled jobs and the manufacturing sector. The Work Foundation reports that the recession “has intensified the structural shift towards a service based, more knowledge intensive and skills-hungry economy”. We need to generate challenging jobs that will retain and attract highly skilled people. Key workers also need attractive housing choices that will encourage families to return to the urban core.
- There is a persistent problem of worklessness and poverty in many communities, with a big gap between rich and poor. In some places worklessness is endemic and cross-generational. We need to break this vicious circle by investing in key business locations, many of which are located close to the most disadvantaged areas. We need to ensure that people have the skills and motivation they need to find work, and that this serves businesses’ need for productivity and innovation.
- The transformation of the urban core will require development and regeneration especially in the key locations where knowledge-based industries will cluster. The commercial property market has stalled, and there is little development activity. The urban core was already facing strong competition from out of town locations, and the benefits of enterprise zone status appear even more attractive in the current market.
- Too many key places and spaces in NewcastleGateshead are under-performing. We need to give more attention to the “ordinary places” on both sides of the river. Major roads and ill-judged developments from a previous era have damaged the urban fabric in places, and the quality of the public realm in much of the urban core is poor – especially in comparison with recent transformational projects in Sheffield, Liverpool, Nottingham and other cities. This has a negative impact on the visitor experience and on the quality of life of people who live and work in the city.
- A more competitive and equitable urban core. NewcastleGateshead needs a new approach to access and mobility. Access to the city by rail and air is generally good, but there are threats. Air services are under review as passenger numbers fall and it is vital that NewcastleGateshead is part of the new high speed rail network. Congestion on the A1/A19 continues to be a problem, and too much traffic passes through the urban core. There is a major challenge to establish a sustainable movement strategy for the heart of NewcastleGateshead and the wider urban area, linked to planning policies designed to stem the tide of suburbanisation.



The Sage Gateshead, Gateshead

Conclusions

This is a challenging analysis and the task facing us is even more daunting as we emerge from a severe recession and with all the signs pointing to a slow recovery. Unemployment is rising and the recession has had a severe impact on the financial services sector. The cost of rescuing the banking system has driven up government debt, and repairing the public finances will take a generation. This will have an impact on the economy which is highly dependent on the public sector.

This only makes the task more urgent. We need to redouble our efforts to make NewcastleGateshead a more competitive and dynamic economy, and to develop sources of knowledge-based advantage. We cannot affect the course of the global economy, but doing the right things now will help us to capitalise on the recovery when it comes and to build on the progress – significant but not yet decisive – that we have made in the past decade.

In a time of risk and uncertainty, the economy of NewcastleGateshead has proved to be relatively resilient. We are better placed than many cities to weather the storm and build a prosperous, sustainable future. NewcastleGateshead is not yet a sufficiently competitive place, but we have the potential to be among Britain's most successful cities by 2030.

The strategy that follows is a direct response to this analysis. The 4 Big Moves address the headline issues and establish the strategic direction for the next 15-20 years. The 10 Key Steps are our priorities for the next three to five years.

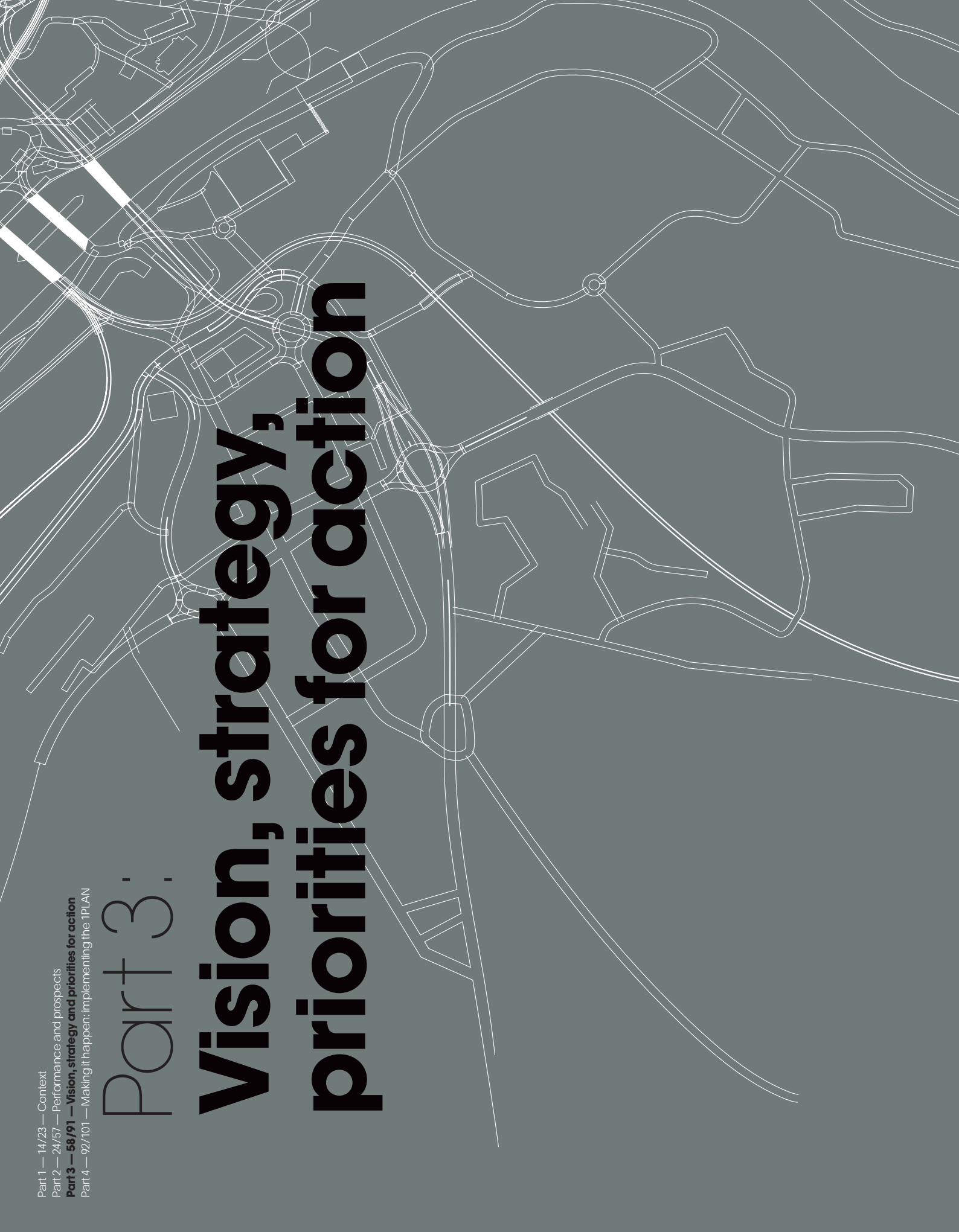
The analysis has shown that the issues of economy, people and place are inextricably linked. By focusing on creating a knowledge economy we will build on the linkages between key companies, higher education and research and societal needs – and we will invest in the places where the industries of tomorrow will cluster and grow.

In a time of risk and uncertainty, the economy of NewcastleGateshead has proved to be relatively resilient.

Part 1 — 14/23 — Context
Part 2 — 24/57 — Performance and prospects
Part 3 — 58/91 — Vision, strategy and priorities for action
Part 4 — 92/101 — Making it happen: implementing the 1PLAN

Part 3:

Vision, strategy, priorities for action



3.1 Economy, people, place, sustainability

The strategy set out in the following pages is built around the themes of economy, people, place and sustainability.

It argues that:

- building a knowledge economy is the only viable and sustainable way forward for NewcastleGateshead, the knowledge economy will drive output growth and create thousands of new jobs, but cost-based competition is the path to poverty and marginalisation
- we need to attract world-class skills and talent, but we also need to tackle poverty and deprivation by ensuring that all citizens have the skills they need to share the benefits of a more dynamic, knowledge-based economy
- we have a vision for the whole of NewcastleGateshead, but we need to give priority to investment in the urban core – the heart and natural home of the knowledge economy
- we need to pioneer a new model of sustainable urbanism: we will lead the way in low-carbon products and services, and in encouraging new forms of planning and low-carbon lifestyles.

The analysis in Part 2 identified the knowledge industries that will drive our future prosperity:

- the shift to a low-carbon economy and the increasingly urgent challenge of climate change will create opportunities in renewable energy, energy efficiency, electric cars and other products and services; we have a manufacturing base with skills and expertise, a highly regarded centre of excellence and world-class research in the region's universities, Science Central will be the knowledge hub for the low-carbon economy, with manufacturing in Gateshead and on the north bank of the Tyne
- the region's continuing strengths in manufacturing will provide opportunities to capture the economic benefits of our outstanding research capabilities in molecular engineering
- we lead the way in the science of ageing, which will be one of the great societal challenges in the next 50 years; the Campus for Ageing and Vitality will be a focus for research and training, and the catalyst for new businesses and inward investment
- the International Centre for Life will play a key role in maintaining the region's reputation for world-leading research in stem cells and regenerative medicine, promoting commercialisation, attracting talent and securing inward investment
- the Northern Design Centre will offer consultancy services in technology transfer and commercialisation as well as workspace for a new generation of design and digital media businesses; Ouseburn is already a hotspot for creative and cultural industries in NewcastleGateshead.

Growing these sectors means translating research excellence into economic outputs. That will be achieved by accelerating the rate of business start-ups, attracting inward investment and, above all, innovation by existing companies of all sizes.

We have identified the need to revive the fortunes of NewcastleGateshead's central business district, to ensure that jobs that belong in the urban core – professional, financial and business services – will not continue to drift away to the suburban fringe.

An economic renaissance will help NewcastleGateshead to retain more of its graduate output, and to attract world-class talent from the rest of the UK and internationally. Our universities, research centres and hospitals will play a vital role; they are key economic players in their own right and magnets for talent, helping to make NewcastleGateshead a more cosmopolitan and outward-looking place.

The growth of the knowledge economy will create jobs for a new generation of technicians and skilled workers, and – by attracting visitors and boosting the income base – will stimulate tourism, retail and other sectors which provide valuable entry-level jobs.

A culture of success will raise community aspirations and attainment, and our schools and colleges will play a key role in developing a skilled, enterprising and motivated workforce. But we know that we have to do more to ensure that the most disadvantaged groups and communities will benefit from new opportunities.

That means a renewed effort to stop the tragic waste of young people leaving school with no useful qualifications, and to break the cycle of hopelessness and stunted expectations in workless households.



Northern Design Centre, Gateshead

The growth of the knowledge economy will create jobs for a new generation of technicians and skilled workers, and – by attracting visitors and boosting the income base – will stimulate tourism, retail and other sectors which will provide valuable entry-level jobs.

Place plays a critical role in our vision for NewcastleGateshead. A more attractive and liveable place will help to turn the tide of suburbanisation, and make NewcastleGateshead a more appealing place to live, work and visit. Industry, universities and the public sector – the triple helix – will work together to create dynamic knowledge hubs.

The International Centre for Life, Science Central, the Campus for Ageing and Vitality and the Northern Design Centre will be at the heart of urban quarters where teaching, research, specialist services, start-up businesses and established companies will co-locate and prosper in bespoke accommodation benefiting from shared facilities and infrastructure. Businesses and organisations must be able to choose where to locate, but creating a network of knowledge hubs will give NewcastleGateshead a distinct competitive edge in the struggle to attract talent and investment.

Underpinning all this is our commitment to make NewcastleGateshead the role model for sustainable urbanism in the UK. In 2009 Newcastle topped the Forum for the Future's Sustainable Cities Index. This is a great accolade but we know there is still a long way to go.

We will address the challenge in two ways. We will build a low-carbon economic base, adapting on our engineering traditions and applying our research skills. We will reverse the long term suburbanisation of industry, homes and retailing, and encourage more compact, accessible and sustainable growth around a revitalised urban core.

3.2 The strategy explained



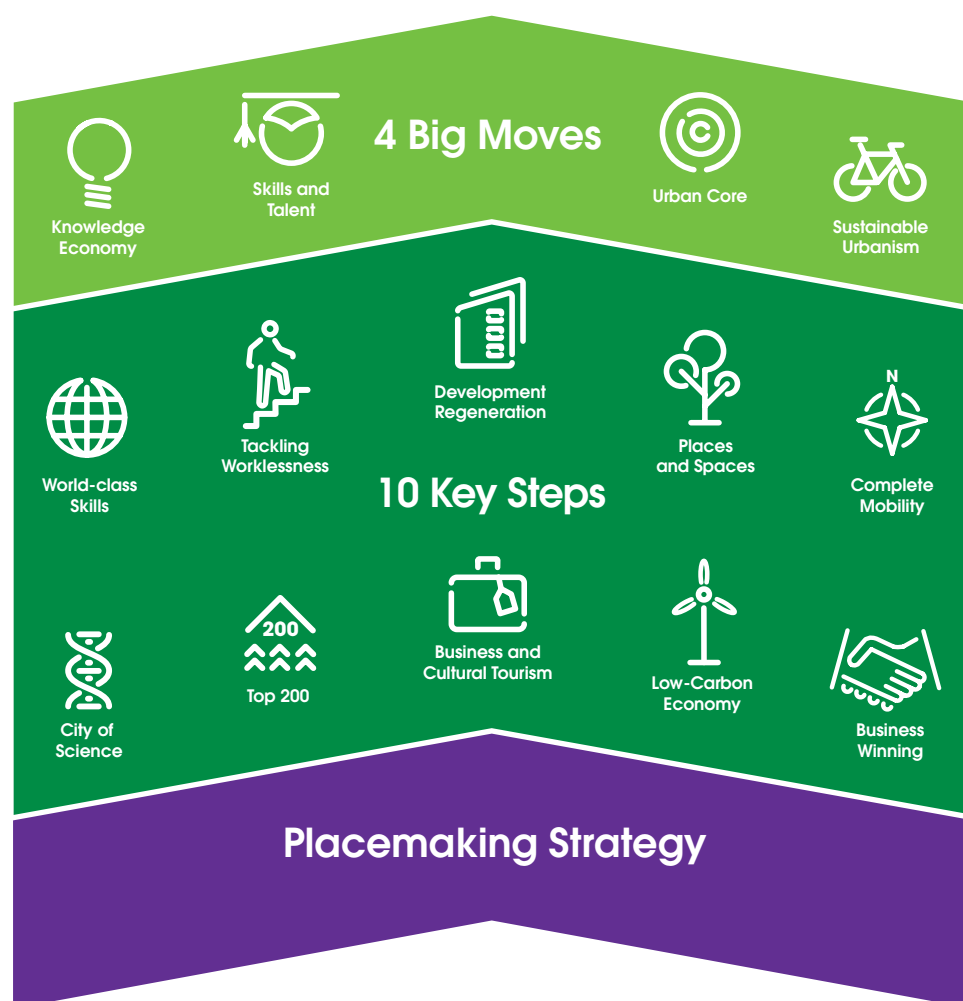
Dance City, Newcastle

The 1PLAN shows how we will translate strategy into practical action. We are clear about where we are heading and we know what needs to be done.

Figure 3.1 summarises the key features of the 1PLAN:

- 4 Big Moves – on the knowledge economy, skills, the urban core and sustainability – set out the long-term direction
- the 10 Key Steps describe our priorities for action in the next three to five years; these are the things we will do to deliver sustainable change in NewcastleGateshead
- a placemaking strategy underpins the key steps; it shows how new development and regeneration projects will work together to make the heart of NewcastleGateshead a more competitive, attractive, accessible and walkable place.

Figure 3.1: The 1PLAN: 4 Big Moves, 10 Key Steps, Placemaking



3.3 4 Big Moves



Big Move 1: Growing the knowledge economy

“The distinction that matters these days is between low-skilled and high-skilled jobs. Just as one threatens impoverishment and drudgery, the other promises a thriving economy.”¹¹

Cost-based competition for inward investment has been the traditional response to industrial decline in the UK. Government grants and fiscal incentives attracted thousands of low-skill, low-wage jobs to the north east. But the cull of low-skilled jobs in the recession shows that cost is not a basis for sustainable advantage. Many companies have left the north east for lower cost locations in eastern Europe and the developing world.

High-order, high-value jobs tend to be “sticky” rather than footloose, especially when they cluster together in knowledge hubs. They are attracted by advanced factor conditions (research capability, specialised skills and services, qualified graduates or a regional supply chain) which cannot easily be replicated elsewhere. Medicine, science, civil engineering and shipbuilding are part of the DNA of NewcastleGateshead, and these skills and traditions will drive the growth of a new generation of knowledge-based and low-carbon industries.

Establishing knowledge-based advantage may be a slow process, but the effects are cumulative and enduring. Local firms will innovate, creating and protecting valuable production jobs. Commercialisation will create new enterprises, and world-class science will help us to attract investment by global businesses. Industry bodies and specialist services will gravitate to the urban core as clusters begin to develop.

A growing knowledge economy creates a virtuous circle, as NewcastleGateshead builds a reputation in its areas of specialisation it will find a place in the global networks that drive these industries, making it easier to attract world-class talent. This will boost the income base, driving up consumer spending and providing employment in retail, hospitality and other services. Knowledge hubs will be the natural homes for clusters and organisations in key sectors.

We will strengthen NewcastleGateshead's role as a regional capital, by growing knowledge intensive business services, including specialist services and headquarters serving national and pan-regional markets.

Cities with strong links to global knowledge networks and international collaborators "possess greater innovative momentum than those that are more locally embedded". Under-performing cities are often characterised by strong local networks which may prove to be "a barrier to starting and developing new ideas".¹² There is no place for parochialism: NewcastleGateshead must be open to the world.

Growing the knowledge economy will create good jobs for skilled manual workers, technicians and support staff as well as for scientists and creative entrepreneurs. But we will also need entry level jobs in tourism, hospitality, retail, healthcare and social care.

Tourism is a key area of opportunity, NewcastleGateshead is already an established city-break destination; the business tourism market has been growing, but is constrained by the lack of modern conference and exhibition space. Opening up that lucrative export market will be a high priority.



¹¹ The Economist, 10 January 2009

¹² James Simmie et al, History Matters: Path dependence and innovation in British city regions, National Endowment for Science, Technology and the Arts (NESTA) Research Report, July 2008.

¹³ Prosperity for all in the global economy – world class skills, Leitch Review of Skills, Final report, December 2006

¹⁴ Who cares? Who dares? Providing the skills for an innovative and sustainable Europe. Background report for the European Business Summit 2009.

Big Move 2: Developing skills and attracting talent

Knowledge cities depend crucially on their ability to develop, attract and retain skilled people. The 2006 Leitch review stated that world class skills are "the key to achieving economic success and social justice in the new global economy", warning that "...the UK's skills base remains weak by international standards, holding back productivity, growth and social justice."¹³

The UK has an historic skills deficit and we still lag behind most of our key competitors. In OECD comparisons of 30 countries, the UK ranks 17th on low skills, 20th on intermediate skills and 11th on higher skills, results which reflect inequalities in our society. Skills inequalities contribute to child poverty and income disparities in NewcastleGateshead and other UK cities. The UK has made some progress in recent years and NewcastleGateshead has done particularly well but we have been running to stand still. Even if current UK skills targets are met, our competitive position will not change significantly.

Leitch argues that "predict and provide" strategies – asking employers to articulate their future needs so that training providers can deliver – have failed, and need to be replaced by a more responsive, demand-led system. The 1PLAN reflects this, and the report's recognition that it is simply not possible to predict future occupational needs with any accuracy. However, we do know that we need a smarter, more highly skilled and better qualified workforce at all levels:

- at the higher level we need "global knowledge economy talents" to drive leadership, management and innovation¹⁴
- at intermediate level we need to improve occupational skills for productivity and innovation
- at entry level we need to improve basic literacy, numeracy and IT skills and promote adaptability.

This will require a focus on young people – in school and during the transition from school to work – but an ageing population and the prospect of longer working lives mean that improving the skills of working age adults is also imperative. This is a shared responsibility, employers, individuals and the public sector all have their part to play.

3.3 4 Big Moves

Big Move 3: Transforming the urban core

NewcastleGateshead is a dispersed urban area, where employment, retail, leisure and other uses are distributed across the area. Some activities, like manufacturing and distribution, need out of town locations. But, for too long, the suburbanisation of the economy has been the default position. Enterprise zone status has enabled out-of-town business parks to capture demand that should have been met in the urban core.

The 1PLAN aims to turn the tide and encourage a return to the urban core, by offering choice and creating a level playing field. We need a positive approach that creates compelling reasons for developers, investors, businesses and residents to choose the urban core. The centre of NewcastleGateshead should contain a rich mix of prime office stock, affordable space on the fringes, and no-frills flexible workshops and studios for start-ups and the creative industries. There is still room for industry and the riverside will be a key location for subsea, offshore and environmental industries.



We need to show that the centre of NewcastleGateshead is the most desirable place to be for most businesses. By expanding the central business district and creating great office environments at Gateshead Quays and East Pilgrim Street area, we will reclaim our role as a major office centre. It will be accessible to the whole of the city region: employers have a larger labour pool to draw on; employees get the benefit of a “thick” labour market. Businesses are close to hotels, conference facilities and transport links; staff prefer the attractions and amenities to life on an anonymous business park.

The urban core is the natural home for a group of industries which are critical to our future prosperity, notably the bio-medical, higher education, professional services and creative/digital media sectors. These industries depend on the exchange of ideas, and access to centres of learning and research, rival firms and social networks. We will encourage the development of knowledge hubs where related businesses and like-minded people can cluster. This is already happening in Ouseburn, where there is a concentration of creative and cultural businesses and at the International Centre for Life. Science Central will create a new city quarter where teaching, research and enterprise will meet and interact. The Northern Design Centre will be a catalyst for change in Gateshead.

Another group of jobs-rich sectors – retail, tourism, culture and hospitality – also need to be in the urban core. They are integral to the NewcastleGateshead experience, attracting tourists from the UK and internationally. The 1PLAN sets out a place-making strategy for the urban core – to celebrate its unique history and heritage, bring life back to the river, and strengthen links and crossings.

The urban core is a place to live, for families as well as singles and empty-nesters. Knowledge workers want to live in distinctive, quality places. Our benchmark cities are all places where high-earners live in the centre and where the urban core has a diverse demographic profile. The popularity of neighbourhoods like Summerhill proves the point and we propose the creation of a number of new urban neighbourhoods in the heart of NewcastleGateshead.

Big Move 4: Pioneering sustainable urbanism

We need to break the link between economic growth and growth in the distance travelled by car. The suburbanisation of work, shopping and leisure has encouraged car-dependency. This is bad for the environment and it contributes to economic and social exclusion. People who don't have a car are disadvantaged in the labour market, and are restricted to jobs that they can reach by public transport. This is inefficient and inequitable – and a significant barrier to getting the unemployed back to work. Creating a place of short distances means striking the optimum balance between a thriving and dynamic urban core and access to local jobs and services.¹⁵

We need to plan NewcastleGateshead in a new way, for a low carbon future. We certainly don't have all the answers, but that cannot be an excuse for inaction. Other European cities are well ahead of us and they are taking practical steps to reduce the consumption of non-renewable energy by, for example, planning cities where people can meet their daily needs without a car; investing in excellent public transport and infrastructure, setting high energy efficiency standards for new buildings, and using renewable energy, green roofs and sustainable drainage systems.



Tackling this agenda is an urgent necessity. Brave decisions will be required if we are to “go low carbon” and achieve our economic goals. Focusing on the urban core makes economic sense, because it supports the growth of the knowledge economy, and of jobs-rich sectors like tourism and retail. But it also makes environmental sense by bringing new homes and jobs into a compact, pedestrian-friendly urban core, promoting walking and cycling and reducing road miles travelled. By pioneering sustainable urbanism, NewcastleGateshead can establish a leadership role in the UK.

Sustainable urbanism will create economic opportunity. Energy and environmental technology is one of the four priority themes of Newcastle Science City and we will be aiming to support local firms that produce green products and services that can be exported to other cities and regions.

A key challenge will be to reduce the volume of traffic passing through the urban core. NewcastleGateshead has a network of major roads to cater for these strategic journeys. Over-engineered roads and fast-moving traffic blight parts of the urban core and fragment the urban fabric. We should cut non-essential journeys to a minimum, reserving road space for access, and downgrading major roads to city streets.

Ours is one of the most polarised cities in one of the most polarised countries in Europe, with extremes of poverty and wealth in both council areas. The long-term flight from the centre of NewcastleGateshead has contributed to the earnings gap between local residents and out of town commuters. It has resulted in concentrations of poverty, deprivation and worklessness. We can address this in part by removing the barriers that prevent motivated people from finding work or building a career.

We can launch initiatives to link opportunity and need, offering job guarantees in new retail and leisure developments to people who complete training courses. But there is also a substantial minority of workless people trapped in a cycle of poverty, low aspirations and low skills, who have effectively withdrawn from the labour market. Helping these people into a job and making sure that they keep it requires special skills and intensive support. Dedicated professionals in NewcastleGateshead have helped to reduce worklessness significantly. This work remains a top priority.

¹⁵ Hank Dittmar, Transport and Neighbourhoods (Edge Futures report, 2008).

3.4 10 Key Steps for a prosperous, sustainable future

The Big Moves define the four themes of the 1PLAN; the 10 Key Steps describe what the 1PLAN partners are going to do in the next 3–5 years. They reflect the outcomes of consultations undertaken in the past year.

We have also undertaken a “first-cut” review of existing activities and programmes, which has identified gaps, overlaps and weaknesses in existing services, as well as new opportunities for collaboration. There is a strong consensus that we need to focus our efforts. In the following pages we say more about the priorities for action and how we will deliver them.

The 10 Key Steps represent a careful balance between impact and deliverability. We have focused primarily on tasks that we have the powers and resources to start work on now, and which will make a real difference in the next few years. We have also included some themes (for example, Complete Mobility) which will have a transformational effect on NewcastleGateshead in the medium-long term, but which will require further research and innovation to bring to fruition.

The emphasis on practical action is important. Lobbying will be important, for example to ensure that NewcastleGateshead is part of the new high-speed rail network, but as far as possible we want to focus our efforts on things that we and our partners can start work on straight away.

Action plans will be prepared for each of the Key Steps. The partners have nominated champions to prepare the plans, secure the necessary funding and ensure that they are delivered. The action plans will set targets and monitor progress. These arrangements are described in Section 4.



Key Step 1: City of Science

We will build a powerful alliance between industry, academia and the public sector – the triple helix – designed to make NewcastleGateshead one of the UK's top science cities. The region's universities will be key economic drivers in the next 15 – 20 years, magnets for international talent and a source of inspiration for young people in NewcastleGateshead. They will apply their skills and expertise to the great societal challenges of our time, and be at the heart of knowledge hubs of learning, research and enterprise. We will support these aspirations by helping to create a science ecosystem which will promote the commercialisation of research and innovation by local companies, and attract investment.

We will mobilise publicly-owned resources and assets to support Newcastle Science City, the Northern Design Centre, the Campus for Ageing & Vitality and other key projects. We will also capitalise on our teaching and research strengths in transport, social sciences, architecture, design and other fields.

Our three to five year priorities will be:

- 1.1** Secure private and public investment and deliver the first phase of Science Central creating a dynamic environment for research, business incubation and collaboration between industry and academia.
- 1.2** Work with the universities and others to support the development of the Campus for Ageing and Vitality, the Northern Design Centre and other knowledge hubs.
- 1.3** Accelerate the rate of science-based business start-ups by scaling up Newcastle Science City's ground-breaking Innovation Machine programme, which focuses on identifying unmet demand linked to areas where the region has world-leading research capabilities.

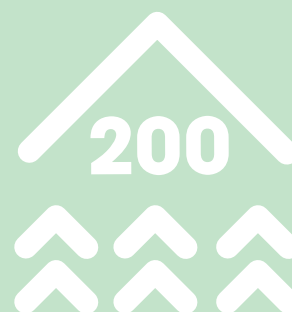
Key Step 2: The Top 200

We will identify a cohort of up to 200 private sector businesses of all sizes which will play a vital role in creating wealth and employment, especially in knowledge-intensive sectors. Recent research in Manchester has confirmed that locally owned businesses are the major source of jobs growth in the local economy.

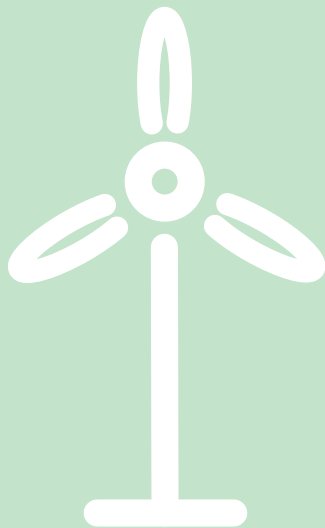
The Top 200 will be identified on the basis of local ownership and/or significant management and R&D functions, export orientation and growth potential. Scale (as measured by jobs and turnover) will be a factor, but micro businesses and SMEs with growth potential will be included. This elite group of businesses will play a pivotal role in achieving knowledge-based competitive advantage for NewcastleGateshead. It will include, but will not be confined to, companies in the priority industries.

Our three to five year priorities will be:

- 2.1** Work with the Top 200 to identify barriers to growth relating to skills, premises, infrastructure, investment or other issues. We will work with business support agencies to ensure that the identified needs of the Top 200 are met, developing elite group programmes on workforce skills, productivity, innovation, design, the low-carbon economy and internationalisation.
- 2.2** Use elite group events to develop sector initiatives, linked to the City of Science themes and other key sectors such as professional/business services; these initiatives will help to generate demand for workspace in the knowledge hubs, with clusters of related firms in incubator, start-up and move-on space, linked to teaching, research and other specialist services.
- 2.3** Make NewcastleGateshead business-friendly by ensuring that all our services to business are focused, effective and responsive. We will ensure that the Top 200's views are taken into account when designing a range of public sector services, including education and skills provision.



3.4 10 Key Steps for a prosperous, sustainable future



Key Step 3: Low-carbon economy

The designation of the north east as a low-carbon region creates an outstanding opportunity for advanced manufacturing businesses in NewcastleGateshead. Using the resources of Newcastle Science City and market intelligence from the Top 200, we will implement targeted initiatives to grow the low-carbon economy, focusing on the themes of commercialisation, innovation and inward investment. Green industries, including the production of electric cars, offer a unique opportunity to apply our engineering skills to new challenges and to revitalise the manufacturing base of NewcastleGateshead. The low-carbon economy will be an important source of entry-level and technician jobs.

The three to five year priorities require further development but may include:

- 3.1** Through the Top 200 programme we will support the growth of the low-carbon economy, and encourage local firms to develop and adopt low carbon technologies. We will explore new financial instruments which will enable the private sector to invest and secure a return in reducing carbon.
- 3.2** Embed the principles of sustainable urbanism in the Local Development Framework core strategy so that NewcastleGateshead will 'walk the talk' on a low-carbon future. New planning policies will focus development on the urban core and around sustainable public transport nodes, promote energy efficient buildings and sustainable drainage, and encourage walking and cycling. We will plan infrastructure investment to ensure that the north bank of the Tyne remains a leading location for the renewable energy industry.
- 3.3** Establish the strategic case and a business model for a low-carbon skills academy to deliver workforce re-training, apprenticeships and training for the unemployed; this may require a phased build-up to ensure that supply does not run ahead of demand in the real economy.

Key Step 4: Business & cultural tourism

NewcastleGateshead has become a popular city-break and cultural tourism destination, and this has created a platform we can build on. To fully capitalise on the successes of the past decade we need to maintain the momentum on culture and raise our game on service and skills.

We are still not competitive in business tourism, there is no modern purpose-built conference centre in NewcastleGateshead and there is room for further improvement in the food and hospitality offer. Business tourism will support the Science City agenda; attracting scientific and academic conferences will provide a global shop window for the region's world-class scientific research.

Our three to five year priorities will be:

- 4.1** Create the north east's first International Conference and Exhibition Centre (ICEC) at Gateshead Quays; this flagship project will attract top international and national conferences, with a particular focus on scientific events; it will directly contribute more than £25m a year to the regional economy, creating at least 2,000 jobs in hotels, restaurants and shops.
- 4.2** Linked to the ICEC investment, attract at least two 4/5 star full-service branded hotels to NewcastleGateshead, including a high quality riverside hotel at Gateshead Quays. Work with colleges, employers, developers and end-users to raise industry service standards across the board and, specifically, to design and implement targeted recruitment and training initiatives which will build bridges with local communities and ensure that unemployed local people benefit from the ICEC and other new investments.
- 4.3** Ensure that NewcastleGateshead takes advantage of opportunities arising from a decade of sporting and cultural events. NewcastleGateshead Initiative will lead in bidding to host events and capture business opportunities, while local partners will work together to maximise the benefits to the whole community, in terms of jobs, health and well-being.

Key Step 5: Business winning

The business winning effort in NewcastleGateshead is unfocused and poorly resourced. We recognise the efforts of One North East and Tyne & Wear Development Company (TWDC) in pursuing investment from UK and international markets. However, our consultations suggest that we have failed to articulate our aspirations clearly enough: the default position in the north east and Tyne and Wear is still cost-based competition.

We have already commissioned a study to look at options for improvement. We need to develop compelling propositions – especially for the key sectors and the knowledge hubs – that will attract the investors we want and differentiate NewcastleGateshead from the competition.

We also need to ensure that our service to prospective investors is second to none, listening carefully to the needs of customers, offering a choice of attractive locations and ensuring that all available support and incentives are wrapped up in an easy to understand package.

Our three to five year priorities will be:

- 5.1** Develop an exciting and compelling whole place narrative for NewcastleGateshead, based on the city of science, key sectors, knowledge hubs, the revival and expansion of the central business district, a skilled workforce, placemaking and sustainability. Available in print and digital media, this will be the master document: our vision and our prospectus for the future.
- 5.2** Develop a series of key sector propositions for low carbon, creative and digital media, life sciences, ageing etc which will articulate our competitive advantage (at the regional level) in research, education, skills and business capacity – and showcase the current and planned knowledge hubs.
- 5.3** Ensure that companies considering investing in NewcastleGateshead receive outstanding and professional customer service. We will respond to inquiries promptly and meet generic information requests relating to land, property and labour on demand. We will develop information packs for key sectors and knowledge hubs.

3.4 10 Key Steps for a prosperous, sustainable future

Key Step 6: World-class skills

Raising the level of workforce skills and qualifications is one of the most effective ways to address economic exclusion and worklessness. We will focus our efforts on three fronts. We need to reduce to an absolute minimum the number of young people leaving school without any useful skills or qualifications; raise the level of intermediate/technician workforce skills, to create more adaptable, productive and innovative businesses; and attract and retain the talented people who will drive the knowledge economy in NewcastleGateshead.

Our three to five year priorities will be:

- 6.1** Achieve a dramatic reduction in the number of young people leaving school with no qualifications, and the number who are not in work, education or training. Family and early years support will have a key role to play, but every school must have a culture of optimism, confidence and attainment. Raising aspirations will encourage more young people to take up a university education. We know that the best schools in NewcastleGateshead do this; we must ensure that every school matches the best.
- 6.2** Develop a Top 200 skills programme to achieve a decisive uplift in workforce skills, from level 2 to level 3 and above. We will treat workforce development as an integral part of each company's plans for innovation and internationalisation. We will facilitate discussions between the Top 200, schools and colleges, to ensure that the latter have a clear understanding of the future direction of the NewcastleGateshead economy and of the nature of demand in a changing labour market.
- 6.3** Work with the universities and colleges to establish NewcastleGateshead as the UK's best student city, underpinned by a marketing campaign, and the promotion of degree and postgraduate courses in the STEM disciplines (science, technology, engineering, maths).

Key Step 7: Tackling worklessness

We must break the cycle of low achievement, unemployment and poverty that blights too many lives and communities. We will improve opportunities for children in deprived areas and raise levels of attainment and aspiration. The days of a job for life are gone, so we will also work with adults who need to retrain. Some of the development sites identified in this plan are close to NewcastleGateshead's most disadvantaged communities. This creates opportunities to ensure that local people benefit from the ICEC, the growth of low-carbon manufacturing by the Tyne, the Campus for Ageing & Vitality and other projects.

The problems are systemic, and we need to identify interventions which will make a lasting difference.

Our three to five year priorities will be:

- 7.1** Linked to the world-class skills agenda, we will help every school to establish a culture of attainment; this will mean introducing best practice principles relating to behaviour, expectations, recognising success and engaging with families and communities.
- 7.2** Applying the principles of "never give up" and "no one written off", we will continue to provide intensive employability support: a wrap-around service that has gained national recognition as an effective way of breaking the vicious circle of low aspirations and low achievements in households and communities where unemployment has become the norm.
- 7.3** Form a LOAN (linking opportunity and need) response team which will be on stand-by to design and deliver bespoke recruitment and training programmes linked to major regeneration projects, to ensure that unemployed local people benefit from new jobs.



Key Step 8: Development and regeneration

Our goal is to create a climate of confidence among investors and developers which will sustain development activity while we emerge from recession and position NewcastleGateshead for a rapid recovery when conditions improve. We will work with the private sector in innovative ways, applying new financial models and sharing risks and rewards. We want to make NewcastleGateshead the first choice for investors and developers. We will help to establish knowledge hubs at Science Central, the Campus for Ageing & Vitality, the International Centre for Life, Northern Design Centre, the north bank of the River Tyne and Ouseburn.



The knowledge hubs will provide a natural habitat for business, research and education in key sectors and technologies, but our approach will not be prescriptive. The benefits of a growing knowledge economy will ripple out across NewcastleGateshead.

Our three to five year priorities will be:

- 8.1** Through the LDF process establish a planning framework which actively promotes the urban core as the place to live and work, which locates the knowledge hubs and other key employment areas, and sets challenging but achievable standards for design quality, energy efficiency and sustainability.
- 8.2** We will work with developers and landowners to increase awareness of development opportunities in NewcastleGateshead. We will apply new forms of public finance to enable private sector investment, including an enabling fund to kick-start projects which have stalled in the recession.
- 8.3** Act as development facilitators to bring forward complex projects such as the knowledge hubs and the mixed-use schemes at East Pilgrim Street and Gateshead Quays. We need to establish a reputation which will do everything possible to attract investment of the right type and the right quality – in the right place.

3.4 10 Key Steps for a prosperous, sustainable future



Key Step 9: Places and spaces

We will bring forward a programme of placemaking interventions based on the principles and spatial priorities set out in the placemaking strategy. Placemaking projects will make NewcastleGateshead more legible and a more attractive place to live, work and visit. They will create outstanding urban environments for the knowledge hubs. They will support the tourism, hospitality and retail sectors, helping to create thousands of new jobs. Public realm improvements will be integral to major projects such as the ICEC and Science Central. The provision of greenspace and a safe, attractive public realm will encourage families to return to the heart of NewcastleGateshead as a great place to live, promoting the concept of urban neighbourhoods.

Our three to five year priorities will be:

- 9.1** Create a new gateway to NewcastleGateshead by transforming the entrance to Newcastle Central Station and Neville Street into a people-friendly public space. We will also deliver a programme of public realm investment in the cardinal routes linking Newcastle Central Station to the Monument, the bridges, the quayside and Gateshead town centre.
- 9.2** Transform Gateshead Quays into a vibrant urban quarter of offices, homes, hotels, shops and restaurants; the regeneration of both banks of the river will create Britain's best urban waterfront.
- 9.3** Develop the concept of urban neighbourhoods in the heart of NewcastleGateshead and select potential sites; working in partnership with BNG we will develop the business case and masterplan for the first great urban neighbourhood and work will start on site within three years.

Key Step 10: Complete mobility

Economic competitiveness and mobility go hand in hand. In addition to improving inter-city connections, NewcastleGateshead will lead the way in the UK by promoting sustainable urbanism. We acknowledge the importance of mobility in the modern world. We will address the needs and expectations of demanding consumers, the negative impacts of road traffic and the potential of enabling technology. We will need a twin-track approach: practical action now to achieve a better balance between the car and other forms of transport, and a programme of research and development leading to a complete mobility strategy.

Our three to five year priorities will be:

- 10.1** Develop a movement strategy for the urban core based on the principles set out by the Planned City Working Group; cars and buses will have access to the urban core via a ring of arrival points, with priority given to walking, cycling and energy efficient shuttle buses in the heart of the urban core.
- 10.2** Start work on the development of an infrastructure plan for NewcastleGateshead. The plan, which will be agreed with sub-regional, regional and national partners, will establish priorities for transport investment in the city region, and identify new funding mechanisms to accelerate the pace of implementation. Likely priorities include an expansion of air services to UK and international destinations, and developing the economic case for a high speed rail link to NewcastleGateshead.
- 10.3** Explore the potential of technology applications including traffic management, monitoring movement, payments and communications: these technologies can help to make NewcastleGateshead a Smart City where travel behaviour is changed, not by compulsion or prohibition, but by positive choice and incentives.



Figure 3.2: Key Steps and priorities for action: a summary

Key Step 1: City of Science

- 1.1 Science Central
- 1.2 Other knowledge hubs
- 1.3 Science business start-ups

Key Step 2: The Top 200

- 2.1 Barriers to growth
- 2.2 Sector initiatives
- 2.3 Business-friendly

Key Step 3: Low-carbon economy

- 3.1 Growing low carbon businesses
- 3.2 Sustainable urban planning
- 3.3 Low-carbon skills academy

Key Step 4: Business and cultural tourism

- 4.1 Conference & Exhibition Centre
- 4.2 Customer service excellence
- 4.3 Major events

Key Step 5: Business winning

- 5.1 NewcastleGateshead proposition
- 5.2 Sector/place propositions
- 5.3 Customer service support

Key Step 6: World-class skills

- 6.1 Raising attainment in schools
- 6.2 Top 200 skills programme
- 6.3 Best student city

Key Step 7: Tackling worklessness

- 7.1 Culture of attainment
- 7.2 Intensive employability support
- 7.3 LOAN response team

Key Step 8: Development and regeneration

- 8.1 Focus on the urban core
- 8.2 Finance for development
- 8.3 Development facilitators

Key Step 9: Places and spaces

- 9.1 Key gateways
- 9.2 Gateshead Quays
- 9.3 Urban neighbourhoods

Key Step 10: Complete mobility

- 10.1 Urban core movement strategy
- 10.2 Infrastructure plan
- 10.3 Smart city technology

3.5 A placemaking strategy for the urban core

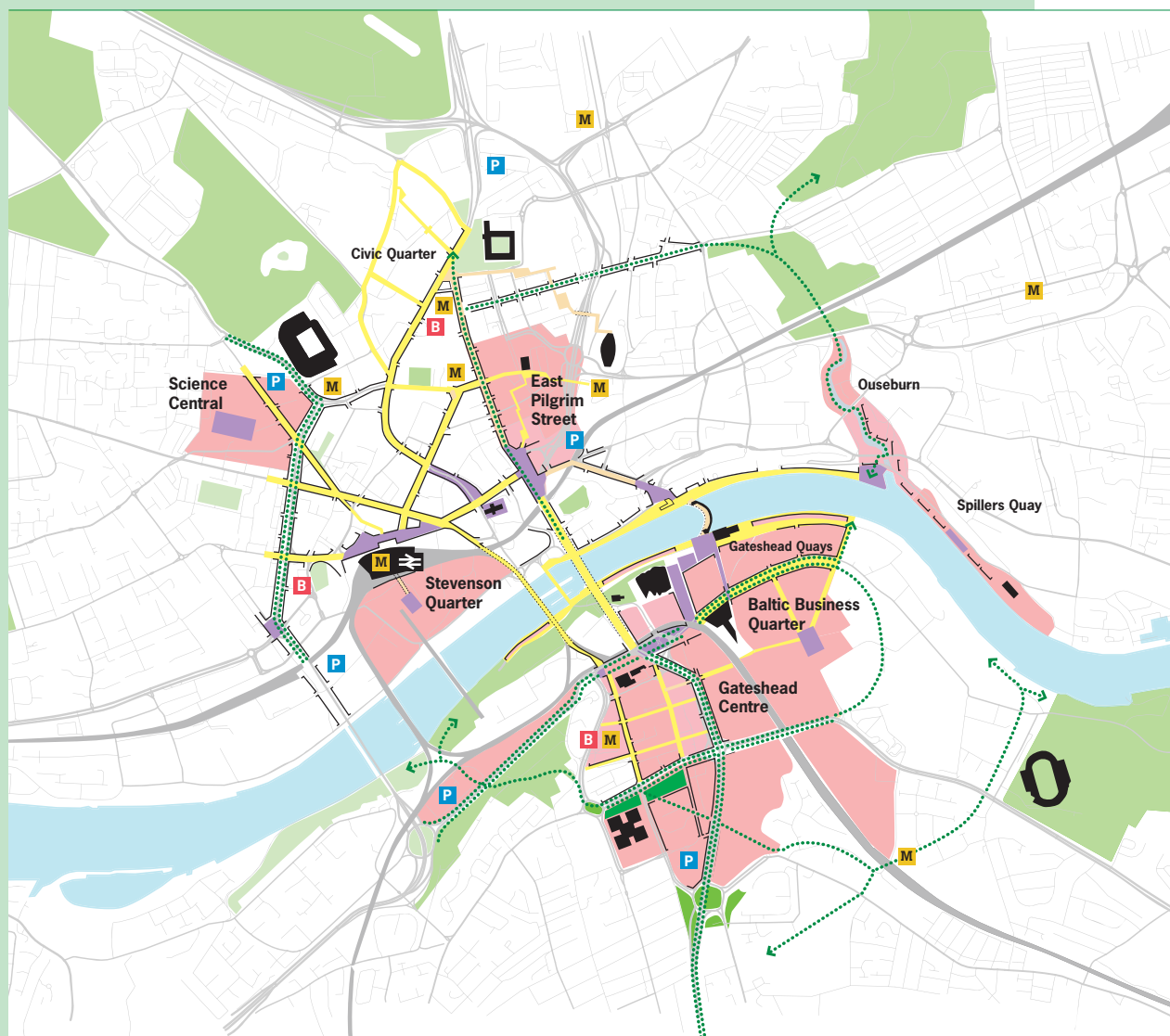
Placemaking is central to our vision for NewcastleGateshead. The 1PLAN has set out the case for a network of knowledge hubs: places which encourage enterprise, and the natural home for the key industries of the future. This network is present in embryonic form, but as development accelerates in the next three to five years it will become one of the key forces shaping the urban core.

The present scattered pattern of development will coalesce into arcs of knowledge and creativity, encircling the heart of the urban core. We will give a new lease of life to the central business district, creating high quality mixed use developments at Gateshead Quays, Baltic Business Quarter and East Pilgrim Street.

These changes will happen incrementally. Some developments will start in the near future, but elements of the programme may take 10 – 15 years to complete, bearing in mind the depressed state of the property market and the state of public finances. Long time scales mean that plans will change and new priorities may emerge. We need an adaptable placemaking strategy which identifies strategic priorities and provides a robust but flexible framework to shape development and raise standards.

The framework also addresses the connections between the key development sites by focusing on the routes, connections and crossings that will make NewcastleGateshead a more comfortable, accessible, cohesive, walkable and civilised place. It therefore reflects the spirit of the Servant Plan for the Core of Newcastle and Gateshead, prepared by the Planned City Working Group, which calls for “fine grain, sensitive responses” to the placemaking challenge which will “set the urban grain” of NewcastleGateshead.

Figure 3.3: Strategic framework



Key

- | | |
|----------------------------------|---------------------------|
| Boulevard | Development opportunities |
| New green link | Central station |
| New / enhanced public spaces | Metro |
| New / enhanced primary streets | Parking (indicative) |
| New / enhanced secondary streets | Main Bus station |
| Existing open spaces | Key building |
| New linear park | |

3.5 A placemaking strategy for the urban core

Structuring principles

Figure 3.3 sets out a strategic framework for placemaking in the urban core. The key features include:

Strategic routes

The Tyne and Redheugh bridges are strategic north-south routes that carry high volumes of road traffic across the river. The long-term aim is to reduce the amount of through traffic passing through the urban core. In the short-term, the strategy will be to civilise these routes, changing urban motorways into city streets. Transforming Gateshead Highway into a boulevard will create new development sites in Gateshead and help to re-establish walkable links between the town and the river. The central motorway severs Newcastle city centre from the east end; new pedestrian crossings and, in the future, covered sections will help to heal the urban fabric.

Greenspace and green infrastructure

The urban core of NewcastleGateshead is surrounded by high quality parks and open spaces, but there is a dearth of greenspace in the urban core. We need to invest in green infrastructure. Linear parks, boulevards and green links will cross the heart of the urban core and link it to surrounding parks and open spaces. Green corridors will provide refuges for wildlife and promote biodiversity. Sheffield's experience shows the benefits that tree planting and sequences of green and open spaces can bring, by providing oases of calm, comfort and shade.

Parking and cardinal routes

We need to establish principles for access and parking in the urban core, based on a ring of car parks and an effective traffic management regime. This will reduce the amount of traffic and enable the progressive removal of parked cars from Grey Street and elsewhere. Car parks should be easily accessible to the attractions of the city centres, on foot or by shoppers' buses. The success of this strategy depends on: (i) ensuring that the car parks and their immediate environs are safe and attractive points of arrival, and (ii) establishing a network of high quality pedestrian routes linking the parking places to shops, entertainment and commercial premises. These cardinal routes will enhance the legibility of NewcastleGateshead and the quality of the public realm must set a high standard.

Public spaces

There is a shortage of high quality public spaces in the urban core, especially south of the river. Nottingham's Old Market Square and Sheffield's Peace Gardens are examples of open spaces that have changed perceptions of their respective cities and provided popular gathering places at all times of the year. The strategy calls for investment in some of NewcastleGateshead's existing spaces and the creation of new ones. Indoor shopping malls have depleted the stock of public space by enclosing and privatising streets. The best new retail areas are built around revitalised city streets and are accessible at all hours. Just as important as the creation of public space is the way it is managed and animated. This is an area where NewcastleGateshead needs to do better.

Quaysides and crossings

The regeneration of Newcastle's quayside has been a real success story, and the aim now is to extend the urban waterfront to the south side of the river, securing public access to Gateshead Quays, from the Swing Bridge to the Gateshead Millennium Bridge. New developments and a high quality public realm will knit together the BALTIC Centre for Contemporary Art and The Sage Gateshead into a lively and attractive urban quarter. This will create a quayside loop which could in time be extended further east to a new river crossing for pedestrians, cyclists and public transport.

River Tyne

The river is the physical and, for many people, the spiritual heart of NewcastleGateshead. A key objective of the proposals set out here is to bring life back to the river. Regeneration of the Newcastle quayside in the 1980s and 1990s made a big difference, but there is a feeling that the process has stalled, partly because this is still a one-sided waterfront. Developing Gateshead Quays as an integral part of the central business district will bring year-round vitality and encourage movement across the water. The river should be an attraction in its own right and a haven for wildlife. We need to animate the water, by maximising its potential for passenger transport, water sports, events and spectacles.

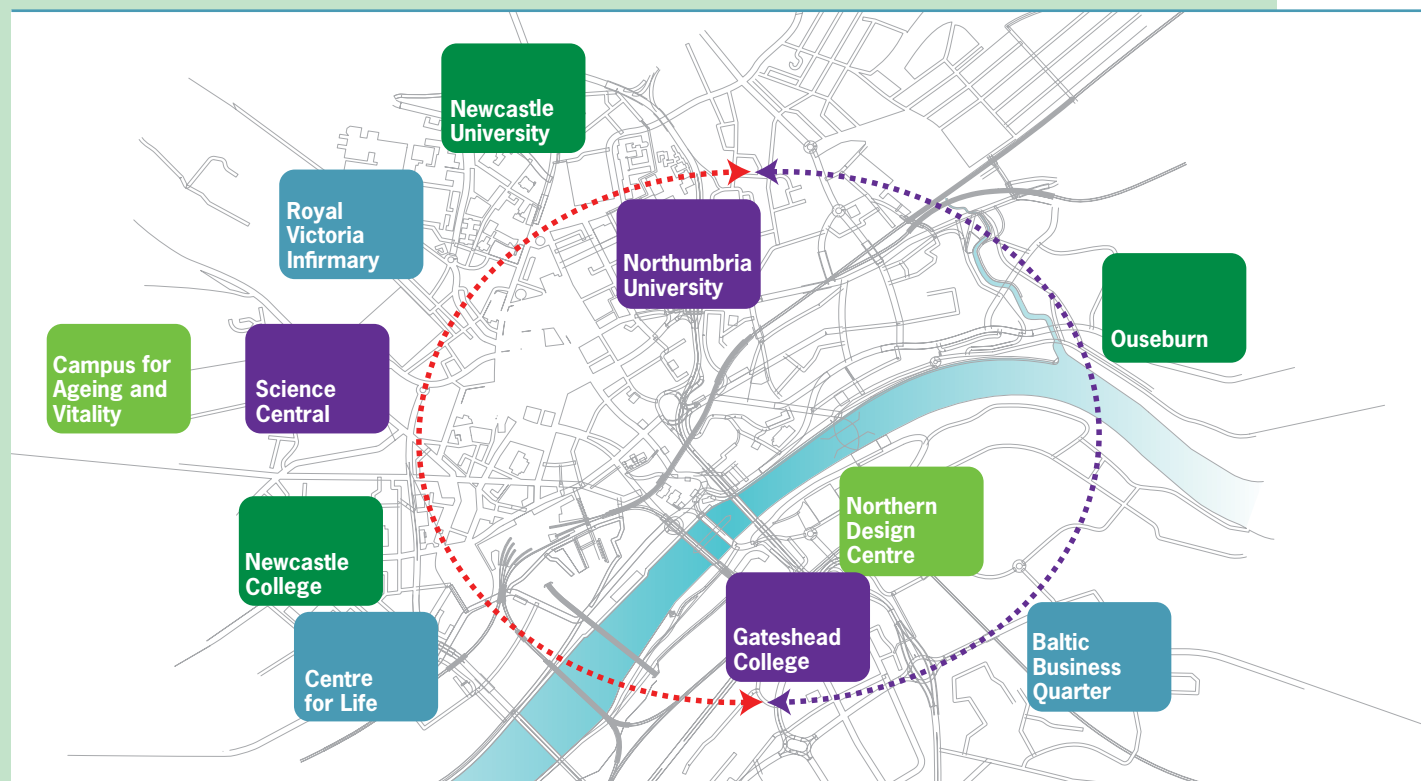
Transport hubs and points of arrival

The 1PLAN aims to encourage more people to live and work in the urban core and to reduce car dependency. Development should cluster around transport hubs, and extensions to the urban core should factor in improvements to public transport infrastructure. This will encourage public transport usage and stimulate investment in some underperforming parts of the urban core, for example Gateshead Centre.




From knowledge hubs to an arc of knowledge and creativity

A network of knowledge hubs – new and existing locations – will define the geography of the knowledge economy in the urban core. As they grow, these hubs will merge into an arc of knowledge and creativity, cradling the central business district (Figure 3.4). North of the river, this approach will create a sweep of science- and knowledge-based activities from the International Centre for Life, through Science Central to the hospital and the two universities. The arc will extend across the river to the Northern Design Centre and the ICEC, and east to Ouseburn. The development (by Gateshead Council and Alcatel-Lucent) of a fibre-optic open-access broadband network for businesses will help to make NewcastleGateshead a competitive knowledge economy location.

Figure 3.4: Arc of knowledge and creativity



Key

-  Creative Sector Arc
-  Science and Innovation Sector
-  Knowledge Hubs and Centres of Learning and Research

3.5 A placemaking strategy for the urban core

Key locations

The placemaking strategy sets out guiding principles for development in five key locations in the urban core. Detailed plans will be prepared for all these locations in due course, so the concepts shown here should be treated as illustrative not prescriptive:

Gateshead Centre and quays

This large area offers a unique opportunity for transformational change in the heart of Newcastle-Gateshead (Figure 3.5).

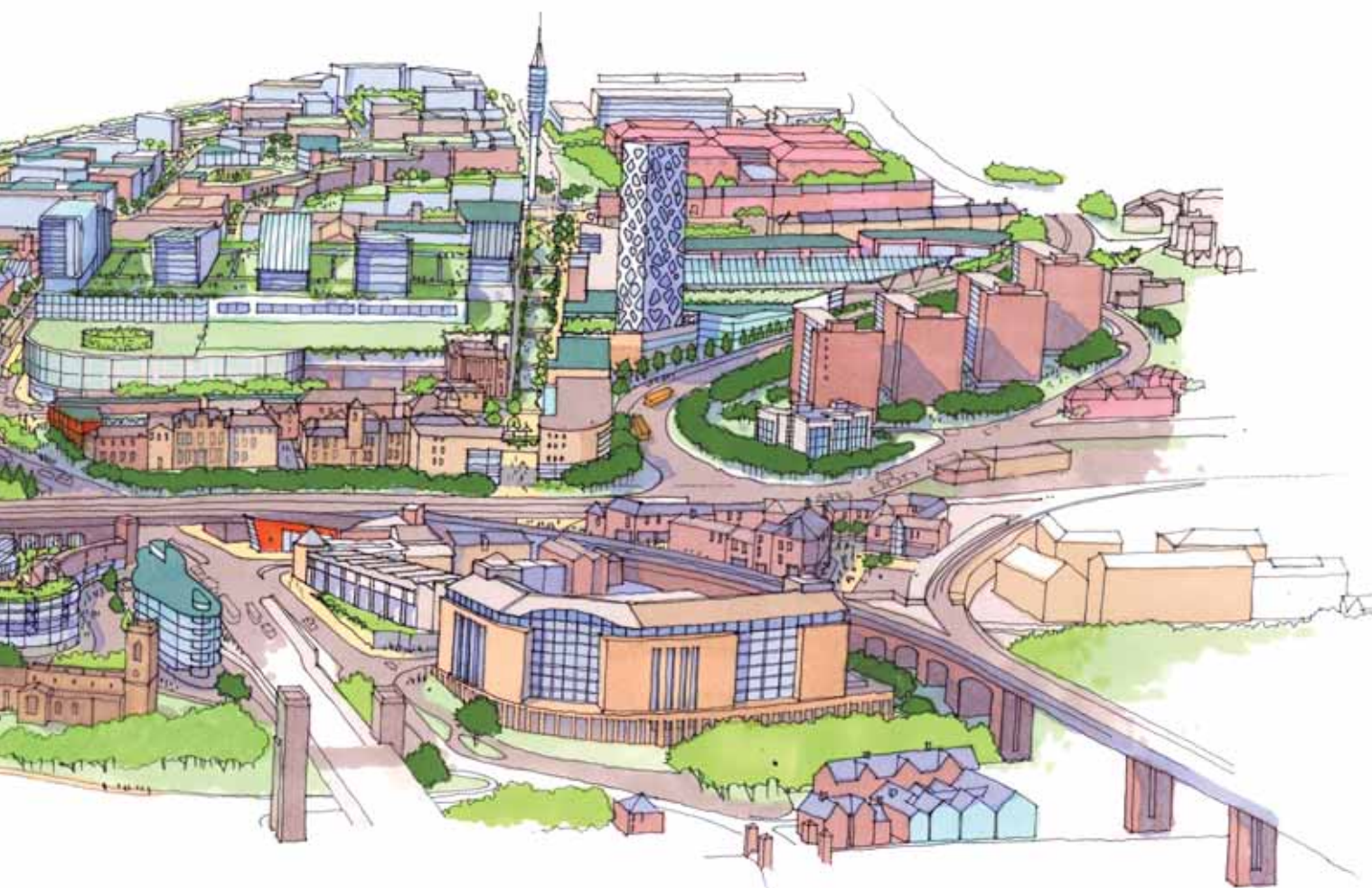
Figure 3.5 A future view of Gateshead city centre



Our approach builds on the Regeneration Delivery Strategy, Fit for a City, and focuses on four key objectives:

- reinventing Gateshead town centre and creating a vibrant gateway to the urban core
- creating a mixed use urban quarter at Gateshead Quays, with a world-class ICEC and a lively and attractive waterfront
- facilitating the development of Hawks Road and the Baltic Business Quarter
- reconnecting the waterfront to a regenerated town centre, by simplifying the roads infrastructure and creating sites for development.

The ICEC will be a catalyst for regeneration in the area and a key asset for Newcastle Science City; it will complement and share some facilities with The Sage Gateshead. A key challenge will be to procure a building that reflects Gateshead's city aspirations, complement The Sage Gateshead, and is a lively and welcoming presence in the city.



3.5 A placemaking strategy for the urban core

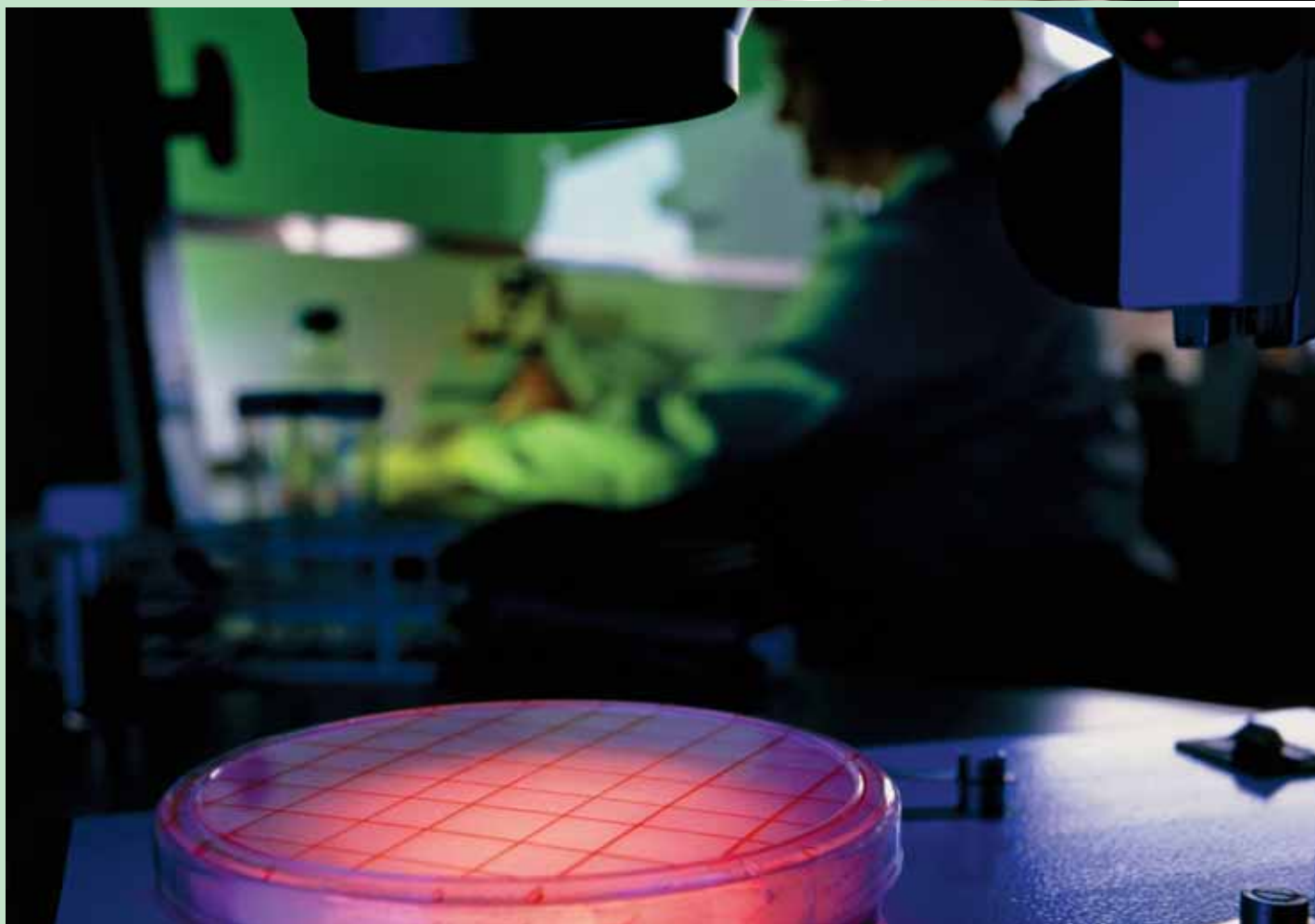
Science Central

Science Central will be the key knowledge hub for a range of teaching, research and business activities focusing on sustainability and low carbon technology. A masterplan for the Science Central site will be completed in 2010. It will address issues such as:

- This is a large site, and development may need to be brought forward in stages: where should development start and how should vacant land be treated in the short-medium term?
- The partners need to establish robust demand projections for research centres, incubators and science-based enterprises: science will be the dominant use, but other activities will be required to create a deliverable scheme and a lively urban quarter: how should land be allocated?
- Science Central should be seen as an urban quarter not a self-contained campus: the masterplan needs to establish an appropriate urban form of streets and frontages which will restore the fragmented urban fabric on the fringes of the city centre, and create links to the city centre and the surrounding residential neighbourhoods.



Phase 1, Newcastle University Business School, Science Central, Newcastle



3.5 A placemaking strategy for the urban core



Swan House roundabout, Newcastle

East Pilgrim Street

This is a part of the city where the urban fabric has been severely damaged by road schemes and developments dating from the 1960s and 70s. The area has the potential to play a key role in the regeneration of the urban core, as a site for large-scale mixed use development. The future of a large tract of land east of Pilgrim Street is already under consideration (Figure 3.6). For the purposes of the spatial framework, there are two major issues:

- the area around Swan House roundabout is a hostile, traffic-dominated environment with a series of brutal mega-structures, we need to simplify traffic circulation, possibly by removing the roundabout and creating a new south-facing public space
- the redevelopment of the area north of Swan House is a site of commercial opportunity, with the potential to restore the damaged urban fabric; there are hidden gems in this area and, as far as possible, the historic street pattern should be preserved and celebrated in line with current best practice.

Figure 3.6: East Pilgrim Street regeneration opportunity area

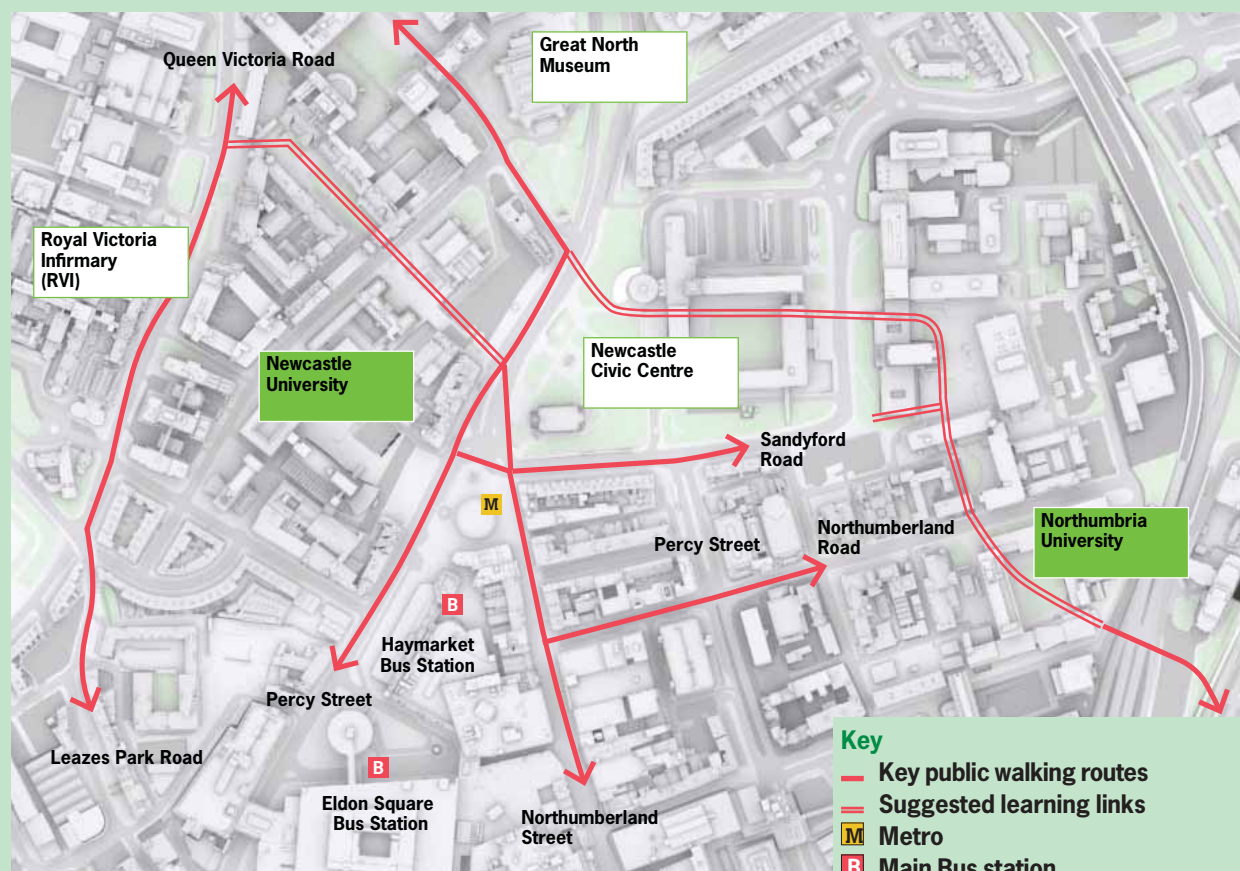


Civic Quarter

Many of NewcastleGateshead's most valuable economic and intellectual assets are contained in this area. On the north side of Newcastle centre, the universities have made major investments in their estates, and the New Victoria Wing and the Great North Children's Hospital have created a new heart for the RVI. But it remains an isolated quarter, cut off from the life of the city. Our sketch, inspired by ideas from Terry Farrell and Partners, shows how the key assets in this area might be connected with each other, with the Civic Centre and the University of Northumbria campus, and with the commercial heart of the city (Figure 3.7).

Scaling down the roads that encircle the Civic Centre would help to create a better setting for a great 20th century building, and to overcome the barrier created by Barras Bridge and the Great North Road.

Figure 3.7: Civic Quarter



3.5 A placemaking strategy for the urban core

Central Station

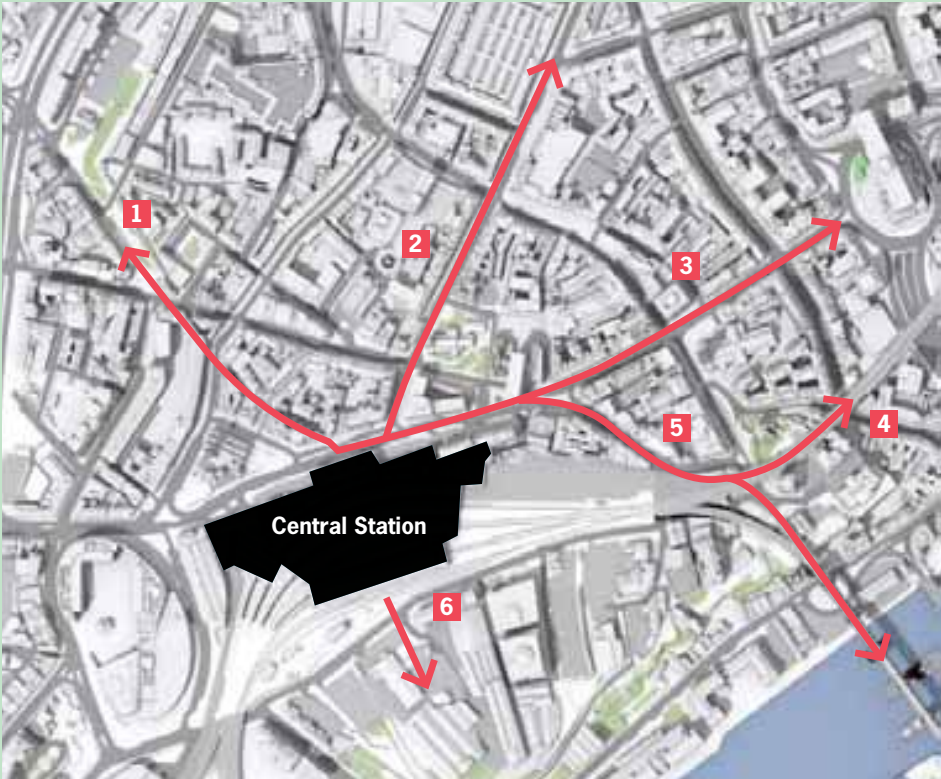
Arriving in Newcastle by train is a memorable experience, especially from the south, and Central Station is a great 19th century building. The view of the river and the bridges generates a sense of excitement and anticipation, but the transition from the station to the town is a disappointment.

The portico at the entrance to the station is crowded with taxis and other vehicles. Neville Street is busy with a high volume of traffic, and the buildings lining the street are a ragged mixture, some of poor quality. The quality of the public realm is poor, with an assortment of materials and cluttered with signs and railings.

The priority is to create a stylish, high quality point of arrival for NewcastleGateshead. Existing buildings need to be refurbished or redeveloped; we will create a consistent, uncluttered streetscape using quality materials, and a new traffic management regime to achieve a more relaxed pedestrian environment. It may be possible to relocate the taxi pick-up point.

From the station we propose public realm works along the cardinal routes (Westgate Road, Clayton Street and Collingwood Street) – and improved connections with the Stephenson Quarter, the Quayside, the High Level Bridge and the centre of Gateshead (Figure 3.8).

Figure 3.8: Key walking routes from Newcastle Central Station



- 1 Pink Lane — Science Central
- 2 Grainger Street — Retail Core
- 3 Mosley Street — Swan House roundabout
- 4 Side — Quayside
- 5 Westgate Road — Gateshead Town Centre
- 6 Stephenson Quarter

Figure 3.9: Urban Design Framework for the Lower Ouseburn



Ouseburn

Ouseburn is a well-established knowledge hub, and a preferred location for creative and cultural enterprises with a vibrant small business base. Lime Street is now well established as a popular urban quarter with a lively night time economy, and the new tidal barrage means that the whole of the lower valley now enjoys high water.

The focus in the next three to five years will be on the lower valley and, in particular the project to transform the derelict Toffee Factory into a dedicated centre for creative businesses, meeting identified demand for move-on accommodation. We will also support mixed use development, with a strong residential component, at Malmo Quay and on the east bank of the Ouseburn, helping to establish Ouseburn's credentials as an urban village and a model of urban living (Figure 3.9).



Toffee Factory, Newcastle

3.5 A placemaking strategy for the urban core

Urban neighbourhoods

If NewcastleGateshead is to become a location of choice for knowledge-based industries and key workers it must offer a choice of excellent housing of all types and tenures. Work commissioned by the Northern Way suggests a need to continue to invest in existing neighbourhoods, and to ensure that new housing meets identified gaps in the market.

Bridging NewcastleGateshead is rejuvenating deprived communities in inner urban areas. Elsewhere – for example, in Jesmond, Gosforth and Low Fell in Gateshead – demand is high but there is a shortage of supply at the higher end of the market. NewcastleGateshead has the opportunity to address this gap by offering high-quality family housing in the heart of the urban core where residents could benefit from available services, public transport links, walkability and a lively, attractive urban environment.

We have reviewed the case for a new generation of urban neighbourhoods which will move us on from the 1990s model of “city living” apartments, by creating places where aspirational households want to live. The Servant Plan also calls for family housing in the heart of the urban core, with provision for play and amenity space and communal gardens.

The new neighbourhoods in NewcastleGateshead are still under discussion and no sites have been chosen, but Ouseburn will evolve into a vibrant urban neighbourhood and central Gateshead and Westgate Road have also been mooted as possible locations.

The defining features of these new neighbourhoods will be:

- mixed communities by age, occupation and tenure, with a strong appeal for aspirational professionals, key workers, and families
- high density housing based primarily on town houses and low-rise apartments
- sustainable design, district heating systems, energy efficient buildings, car-free zones, excellent public transport and walking routes, green roofs and permeable surfaces
- quality architecture and urban design reflecting the best of NewcastleGateshead’s urban traditions and contemporary best practice
- social infrastructure including schools, shops and healthy living centres
- greenspace, allotments, orchards and community gardens.



Clockwise from top:
 Staithes South Bank, Gateshead
 BedZED, Sutton
 Vauban, Freiburg, Germany
 Summerhill Square, Newcastle

NewcastleGateshead must offer a choice of excellent housing of all types and tenures.

3.5 A placemaking strategy for the urban core

Quality architecture and design

The quality of recent architecture and urban design in NewcastleGateshead has been very mixed. In addition to the BALTIC Centre for Contemporary Arts, The Sage Gateshead and the Gateshead Millennium Bridge, there have been other high quality projects on a smaller scale, including Dance City, i6, Hotel du Vin and Live Theatre. But most modern office and retail development in the urban core is mediocre or worse, and the treatment of the public realm has generally been perfunctory.

Iconic structures can be powerful tools for branding and changing a place's image, but more attention needs to be given to the places in-between, the ordinary places where daily life and business happen. The heart of NewcastleGateshead is a place with a strong personality; we need to ensure that all new development respects the character, history and quality and celebrates its distinctiveness.

We must also ensure that our commitment to sustainable urbanism is reflected in what we build. That means energy efficient buildings, and developments that generate their own energy; it also means developments that encourage walking and the use of public transport, and the introduction of features such as green roofs, permeable surfaces and sustainable urban drainage.

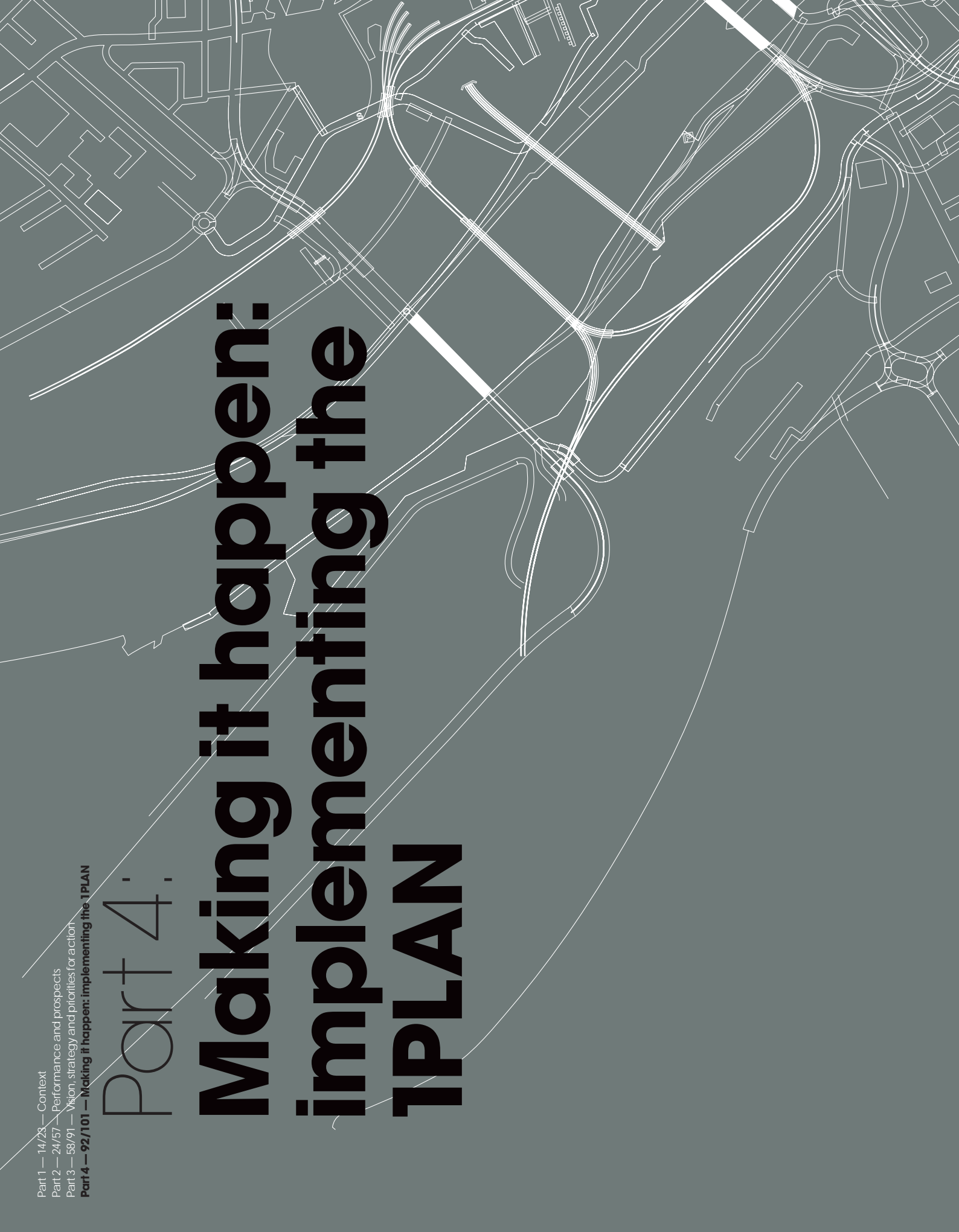
Iconic structures can be powerful tools for branding and changing a place's image. More attention needs to be given to the places in-between, the ordinary places where daily life and business happen.



Waterfront offices, Stockholm
 Sheaf Square, Sheffield
 Pedestrian foot bridge, Amsterdam Sporenburg



Part 4: Making it happen: implementing the 1PLAN





4.1 A long-term commitment

It will take at least 20 years to achieve our vision of prosperity, fairness and sustainability.

0-5 years

In the first five years we will lay the foundations, completing early action projects, establishing the right policy framework, and achieving some key early wins: the ICEC will have been completed, together with the first phase of development at Science Central; the seeds of the knowledge economy will have germinated in the form of new ventures and business innovation; the gateway at Newcastle Central Station will have been transformed; the number of children leaving school with few or no qualifications will be sharply reduced.

10-20 years

After 10 years, there will have been a measurable change in the business base and the occupational structure of NewcastleGateshead: the proportion of jobs in the knowledge industries and at managerial/professional level will be rising faster than in any other core city; the development of Science Central and the other knowledge hubs will be well advanced, investments in public transport combined with a new appetite for living and working in the urban core will start to create a place of short distances; the number of young people not in employment, education or training, and of workless households will be reduced to an historic low.

20+ years

After 20 years, the essential features of the vision will be in place: a thriving knowledge economy; the heart of NewcastleGateshead encircled by an arc of knowledge and creativity; a beautiful and dynamic heart of the region; a model of sustainable urbanism and the most equitable core place in the UK.



4.2 A time of change and uncertainty

The UK economy is emerging from a deep recession, with the prospect of a slow recovery and a backdrop of unprecedented levels of public debt.

Capital grants to local government will inevitably be reduced, the prudential borrowing regime may come under review, and the Private Finance Initiative will be threatened by the lack of liquidity in money markets. A report by the New Local Government Network (NLGN) concludes that “the prospects for the future of infrastructure and regeneration are bleak”.¹⁶

The 1PLAN sets out a powerful case for prioritising investment in development and regeneration, universities and colleges, transport infrastructure, sustainable landscapes, business development and skills. It is clear that, in a time of acute uncertainty and risk aversion, the public sector has a vital role to play. Turning off the tap at a time when there is still so much to do would be extremely damaging but we have to face the harsh realities of budget cuts. So the onus is on the local and regional partners to be disciplined and to focus only on projects which will make a real difference to the sustainable competitiveness of NewcastleGateshead, and coordinate our efforts to get the best possible value from our investments. That is what the 1PLAN is about.

A strong public sector is not a bad thing. In NewcastleGateshead the public sector is an important source of knowledge-based jobs, and it helps to attract and retain talented people. The universities and hospitals have become vitally important players in the economy and investment in cultural projects has fuelled growth in the tourism and retail sectors. Nevertheless, our dependency on the public sector is not healthy or sustainable, and the 1PLAN is predicated on the understanding that future growth needs to be founded on a vibrant, innovative and enterprising business base. Creating a more competitive economy and accelerating wealth creation are absolute requirements of the 1PLAN.

The 1PLAN sets out a powerful case for continuing investment in development and regeneration, universities and colleges, transport infrastructure, sustainable landscapes, business development and skills.

¹⁶ Tom Symons and Chris Leslie, *Capital Contingencies: local capital finance in an era of high public debt*, New Local Government Network, 2009

But getting there will take time, and the public sector still has a vital role to play. Major projects like the ICEC and the knowledge hubs – Science Central, the Toffee Factory and the Northern Design Centre, will only happen if the public sector takes a leading role. On the understanding that the public sector should only intervene when the private sector is unwilling or unable to do so (or when intervention will accelerate development and/or raise quality) the 1PLAN sets clear priorities for investment, based on the following criteria:

- supporting investment in higher education and healthcare – eds and meds – as the sectors which will be co-producers of the knowledge economy
- projects which directly support the goals of growing the knowledge economy and creating a low-carbon economy in NewcastleGateshead
- projects which will generate net additional wealth and employment at the regional and UK level
- property and infrastructure projects which will significantly enhance the place competitiveness of NewcastleGateshead, by creating locations for new knowledge hubs
- public realm projects which will have a transformational effect on the urban core
- projects which will have a measurable impact on the goal of a more sustainable and equitable place.

Projects which do not meet these criteria or which will have little impact will not be supported. The success of the 1PLAN will depend critically on our ability to make tough choices and to prioritise investment.

The new activism

Faced with unprecedented challenges, the 1PLAN partners will take a new approach to economic development and regeneration.

We propose a new activism which will:

- accelerate the development of the City of Science by developing a triple helix alliance between universities, business and the public sector; we may use our assets to help key players to co-locate in industry quarters and knowledge hubs
- embed the concept of sustainable urbanism by coordinating planning policy and transport planning, actively promoting the urban core as the place to be for knowledge businesses and knowledge workers, and stemming the tide of suburbanisation
- bring a more aggressive approach to business winning for NewcastleGateshead, this may mean attracting inward investment, students, key workers, conferences, events or visitors; we will develop compelling market propositions and we will offer a business friendly service for prospective investors.



Tall Ships, NewcastleGateshead Quayside 2005

This document has set out a vision of prosperity, fairness and sustainability in NewcastleGateshead. It has described the 4 Big Moves and the 10 Key Steps which will form the basis our work programme in the coming years. But we know that we will be judged not by what we say but by what we do, by our ability to do things differently and to make change happen.

The 1PLAN is being launched at a challenging time but we are determined to press ahead with the programme outlined here. The economy is recovering only slowly from recession, and we are facing budget cuts, but this only makes us more determined to work together effectively and to make the best possible use of available resources.

We know that working together we are stronger. One North East, Gateshead Council, Newcastle City Council, the Homes and Community Agency and 1NG decided to commission this strategy and we are committed to a joint effort to implement it. We have already started to review our respective programmes, looking for opportunities to cut out duplication, bureaucracy and waste. We will focus our efforts on the 10 Key Steps and only act when it is clear that we can add value. If the private sector can do the job better, we will step aside. Wherever possible, services will be planned and delivered across NewcastleGateshead; we will learn from best practice – local, national and international – and share skills and resources. We also intend to extend the partnership by engaging with the private sector and other agencies.

4.3 The 1PLAN partnership



High Level Bridge, NewcastleGateshead

Governance and project management

The 1PLAN has been formally endorsed by the Gateshead and Newcastle Partnership (GNP) and they will oversee the implementation of the plan. The GNP has already played an important role in testing and shaping this strategy and their involvement in the delivery of the plan will help to ensure democratic accountability and transparency.

GNP will monitor progress and commission an annual report which will be presented to the annual 1PLAN summit which will be attended by business leaders and other partners. GNP is committed to engaging with the private sector and during 2010 they will invite prominent figures from business, the universities, the development industry and the voluntary sector to support the 1PLAN by acting as champions for the key steps.

Day-to-day supervision of the 1PLAN and the delivery plan will be the responsibility of the 1PLAN Management Group, comprising senior managers from the partner bodies. The group, which will be assisted by a dedicated project manager, will be responsible for:

- the preparation of a detailed, costed action plan, renewable every three years
- establishing a performance management framework and targets
- securing funding for the action plan
- ensuring that the plan is delivered on time and on budget
- providing briefing and reports to GNP, including an annual report.

Work programme

Work is already under way on the production of the action plan: an interim plan is being published in June 2010 to coincide with the launch of the 1PLAN. The first full action plan will be published in autumn 2010, and thereafter at 3-yearly intervals. The first 1PLAN summit will be held in autumn 2011, and annually thereafter. A comprehensive performance review will be undertaken in 2013.

The success of the 1PLAN will depend critically on our ability to make tough choices and to prioritise investment.

4.4 Conclusion

This document has set out the results of a wide-ranging review of the competitive advantage of NewcastleGateshead. The results give us some cause for encouragement but they are also very challenging.



They reflect the real progress made in the past 15–20 years, which goes well beyond the iconic symbols of the cultural renewal. But the OECD report and number of the other studies show that NewcastleGateshead continues to lag behind the most prosperous and successful cities in Europe.

We want to join that elite group and realise a vision of prosperity, fairness and sustainability. We have identified 4 Big Moves for a prosperous, attractive, equitable and sustainable place, offering opportunity and an unrivalled quality of life for the people who live and work in NewcastleGateshead.

The 1PLAN sets out 10 Key Steps, which describe the practical actions we need to take in the next 3–5 years and the priorities for action. These are underpinned by a placemaking strategy which establishes a robust but flexible framework which will guide development and investment in infrastructure and the public realm.

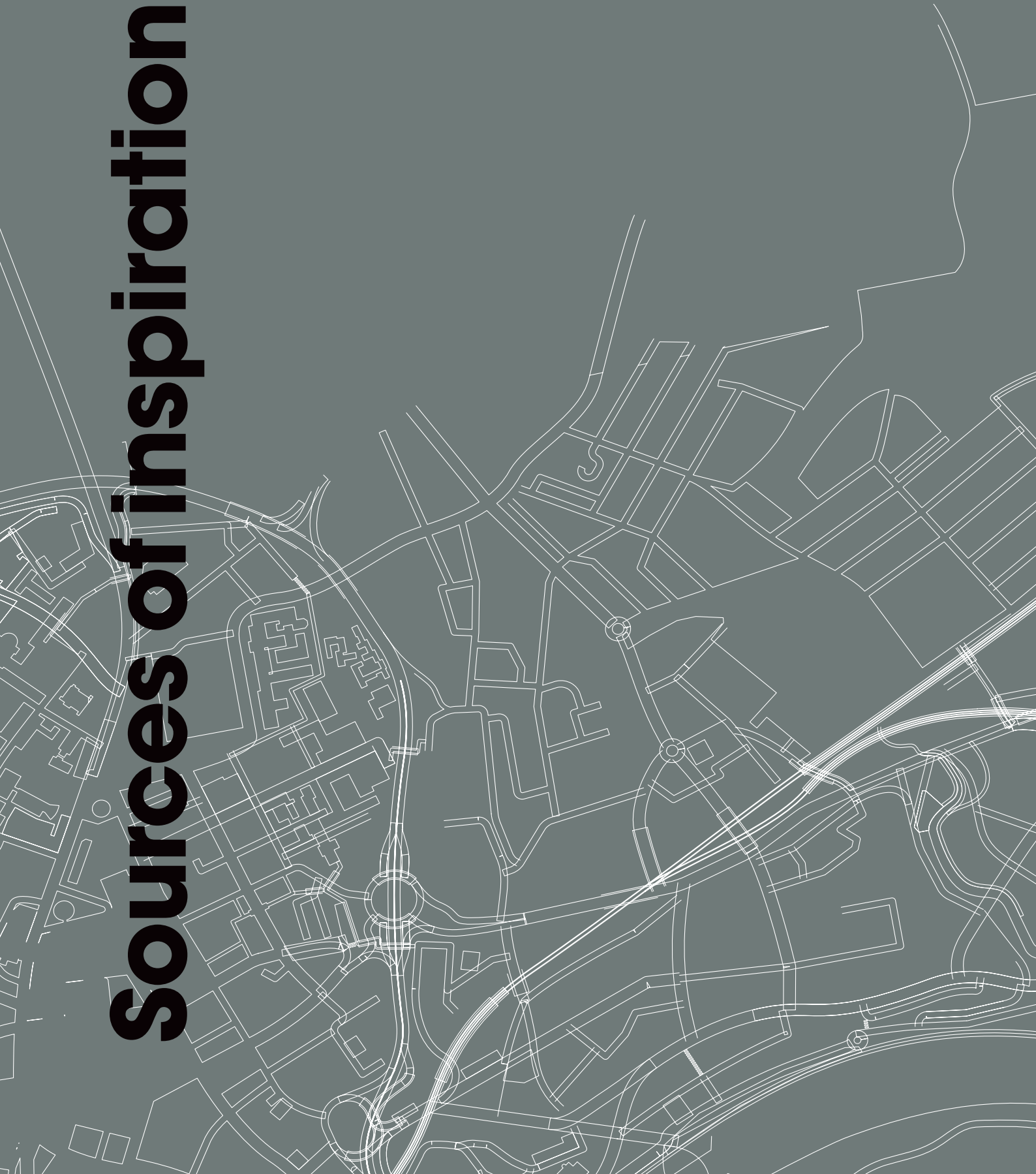
This is a plan for the people of NewcastleGateshead. It will create opportunities for all, regardless of race, gender, disabilities or sexual orientation.

In this final section of the document we have outlined our proposals for implementing the 1PLAN. We propose light touch arrangements for governance, project management and performance management. Wherever possible, the partners will pool resources and work together across NewcastleGateshead.

The 1PLAN is being launched at a tough time, at the end of a deep recession and with the prospect of a slow recovery and tight constraints on public expenditure. But we have not compromised our aspirations for NewcastleGateshead.

We believe in NewcastleGateshead and we are excited about the future.

Sources of inspiration





Learning from European cities

Benchmarking places is notoriously difficult. International comparisons raise questions about governance, institutions and culture as well as statistical methodology. We may not be comparing like with like and the lessons we learn may not be easily transferable. Despite these difficulties there is much to learn from elsewhere in the UK and the rest of Europe, and there is an extensive body of research literature to draw on.

We should not lose sight of the fact that NewcastleGateshead is already regarded as a pioneer of culture-led regeneration; policy-makers and academics from around the world have visited to see The Sage Gateshead, the BALTIC Centre for Contemporary Arts and the Angel of the North and to learn from our experience. The Newcastle Science City agenda formed the centrepiece of the 2009 Academy of Urbanism conference which was held in the city.

A recent Joseph Rowntree Foundation report, *Regeneration in European Cities*, looks at the experience of Gothenburg, Rotterdam and Lille-Roubaix, all cities with an industrial tradition¹⁷. Gateshead Council took part in this study which identified 10 criteria for successful regeneration which have helped to shape the 1PLAN:

- recognise that cities are in competition
- focus on the wider metropolitan area
- work together across boundaries, sectors and professions
- devolve power and resources to local authorities
- provide incentives for success
- create attractive and balanced urban neighbourhoods
- invest in infrastructure and the public realm spread the benefits of economic development across the community
- build permanent delivery organisations
- value the role of culture in regeneration.

In the following pages we highlight UK and European cities which we can use as sources of ideas and inspiration. We have focused on three key themes: the knowledge economy, placemaking and sustainability.

¹⁷ Christopher Cadell, Nicholas Falk and Francesca King, *Regeneration in European cities: making connections*, Joseph Rowntree Foundation, 2008

Knowledge cities in Europe

Cities tend to benefit from scale. Large cities offer “multiple clusters of activity, combining various markets, technologies and types of firms”. The evidence suggests that these benefits have been reinforced in recent years, and it has been argued that the organisation of the global economy is now concentrated in a network of about 40 global cities.¹⁸ But some small and medium-sized cities have continued to prosper, typically by nurturing forms of specialisation that enable them to find a strategic role in global knowledge networks. Competitive advantage may be achieved by adaptation and innovation in traditional industries, combined with research in regional universities and specialised education and training.

In some cases, the commercialisation of research has enabled the emergence of new industry clusters in life sciences or digital media. The OECD report highlighted the failure of NewcastleGateshead to “reinvent specialisation” following the decline of traditional industries as the root cause of the area’s long-term relative decline. The success of other cities of comparable scale demonstrates the power of specialisation as a source of knowledge-based advantage.

Edinburgh

Edinburgh is NewcastleGateshead’s near neighbour. It has an employment rate of 77.1%, higher than any major UK city outside London, and average weekly earnings are higher than in any city except London – 25% higher than in NewcastleGateshead. The city claims to be a “world influencer” in science, financial services and tourism.

Edinburgh is the UK’s second financial centre after London and Europe’s fourth by equity assets. In world terms, it ranks ahead of Dubai, Amsterdam and Washington in the Global Financial Centres Index. The city’s financial services sector has proved to be remarkably resilient despite the global financial crisis. A number of major companies are headquartered in the city, and Edinburgh has a history of innovation and an exceptionally well-qualified pool of talent, with a high proportion of graduates.

Edinburgh has been ranked as one of Europe’s top ten locations for science and technology. High-profile innovations such as the cloning of Dolly the Sheep and the creation of the first genetically engineered vaccine for Hepatitis B have contributed to the city’s international profile. Edinburgh’s universities specialise in disciplines including informatics, stem cell research, biotechnology and microelectronics.

Edinburgh BioQuarter, a landmark UK life sciences real estate development, is currently being developed. It aims to become one of the world’s top ten centres for biomedical commercialisation. Edinburgh Science Triangle is a collaboration involving seven science and technology parks housing more than 3,000 researchers and more than 100 market-leading companies.



Edinburgh: modern offices and skyline

¹⁸ James Simmie (ed), *Innovative Cities*, London 2001; Ricky Burdett and Deyan Sudjic (eds), *The Endless City*, London 2007; Foundation, 2008

Jena

Jena is a small city which has bucked the trend towards depopulation and rising unemployment in the former East Germany. Described by the Financial Times as “a thriving high-tech hub”, it is characterised by the “symbiosis of cutting-edge research and high-end manufacturing” and this small city is home to seven listed companies.

After reunification, the state-owned VEB Carl Zeiss optical equipment factory was privatised: a new company, Jenoptik, emerged together with numerous start-ups. Now there are 90 optical industry companies in the city. A long tradition of pharmaceutical manufacture has led to synergies and Jena is now a leader in optoelectronics and biotechnology; there are eight research institutes on the city's Beutenberg campus which acts as a knowledge hub for the region.



Beutenberg Campus, Jena

Basel

Basel is one of Europe's most dynamic and competitive medium-sized cities. Two of the world's leading pharmaceutical companies, Roche and Novartis, are headquartered in the city and the latter is aiming to transform the St. Johann site - its headquarters in Basel - from an industrial complex to "a place of innovation, knowledge and encounter" in the centre of the city. The presence of these major players, and of local universities with outstanding research strengths, has stimulated the growth of a dynamic life sciences cluster, extending along the Rhine into France and Germany – the BioValley. The chemical industry, nanotechnology and medical technology are other notable strengths.

Public sector support for innovation and commercialisation is provided through i-net BASEL. Like Newcastle Science City, i-net BASEL "supports and accelerates innovations in future technologies" by providing "a neutral, professionally-managed platform through which researchers, developers, suppliers and customers are brought together...[to] participate in the development of innovative solutions." The programme's current priorities are nanotechnology, green technologies and communications technologies.

The experience of Edinburgh, Jena and Basel shows that small and medium-sized cities can still play an important role in the global economy, creating jobs and wealth for local people and attracting talented people. In each case, the skills of the workforce are of paramount importance: knowledge workers drive innovation and new firm formation, and the presence of a pool of talent and skills attracts investment. All three cities have been successful at marrying traditional industrial strengths to new science and technology and key businesses have been quick to adapt and innovate. They are striking examples of the importance of specialisation as the best way to secure prosperity and sustainable advantage in the knowledge economy.

Basel: Novartis Campus Plan
Frank Gehry Novartis Building, Basel



Placemaking: Sheffield's Gold Route

We have chosen to highlight Sheffield as an outstanding example of urban placemaking in the UK in the 21st century. The Gold Route is about 2 miles long and comprises nine public realm projects. The route was first identified in the 1994 City Centre Strategy, work began in 1996 and the final project was completed in 2010. The total aggregate cost was in the order of £60m, but the nine projects were integral to a much larger programme of capital works and infrastructure projects in the heart of the city.

The Gold Route starts at Sheffield Station which now opens out onto a new public space, Sheaf Square, providing a memorable point of arrival in the city as well as an entrance to the Sheffield Hallam University campus and the Cultural Industries Quarter. It climbs the hill towards the city centre up Howard Street, which has been pedestrianised and transformed by new lighting, gardens and water features. The route passes through the Millennium Galleries/Winter Garden complex before reaching the Peace Gardens, a stunning open space in the heart of the city. It continues west through Barkers Pool, where there is a new fountain, and on to Devonshire Green. From here it is a short walk to the University of Sheffield.

Each of the nine spaces has its own character and features and two – Sheaf Square and the Peace Gardens – are major new city squares with spectacular water features. Some common themes run through the scheme. Fountains and flowing water are features of the Gold Route projects, recalling the fact that Sheffield is a “city of rivers”, some of which now run in underground culverts. The use of Pennine sandstone and metal recalls Sheffield’s history and distinctive character, and much use is made of lighting and public art.

The Gold Route unifies and gives coherence to a previously undistinguished city centre. The city had grown up in a strongly linear form, the Gold Route forms a second axis helping to create a sense of place and identity that was missing before. It connects the two universities to each other, to the retail and office core, cultural attractions and transport hubs. Sheffield is a hilly city, and lifts and escalators improve access on the steepest part of the route. Wherever practicable, cars have been excluded and traffic calming measures have been introduced at points where the Gold Route crosses major roads. Many of the projects include greenspace and planting into the centre of the city.

The Gold Route has won numerous awards and is hugely popular with local residents. It has made Sheffield city centre a more beautiful, accessible, green and convivial place, it has changed perceptions of the city and resulted in a measurable increase in footfall and active use of public space. One of the keys to the scheme’s success has been the very high standard of cleaning, management, maintenance and supervision carried out by teams of trained ambassadors.

NewcastleGateshead can learn from this attention to detail which recognises that city spaces are only as good as their management regime. The Gold Route is also an outstanding example of the strategic use of the public realm in an urban setting. It has changed the way people use the centre of Sheffield and opened up previously neglected or under-used places. It has created a renewed sense of civic pride and encouraged people to return to the city centre, and it has added to the distinctiveness and personality of the Steel City.



Clockwise from top:
 Sheaf Square, Sheffield
 Bakers Pool, Sheffield
 Sheaf Square, Sheffield
 Peace Gardens, Sheffield
 Gold Route plan, Sheffield



Sustainable cities and new urban neighbourhoods

Sustainability takes many forms. Some cities, like NewcastleGateshead, are seeking to adapt traditional engineering skills to become leaders in low-carbon manufacturing. Smart cities are leading the way in improving public transport and managing the transport system more efficiently. These case studies focus on the development of new urban neighbourhoods, founded on the principles of energy efficiency, reducing dependency on the car and creating new communities.

Many industrial cities, including NewcastleGateshead, have experienced long-term depopulation resulting from the flight to the suburbs and the countryside. In England's core cities this often meant that inner urban areas experienced high concentrations of poverty and deprivation, although one of the features of the recent urban renaissance has been a return to city living, especially for singles and young couples. However, in some of our most popular and successful regional cities, better off families have continued to live in sought-after urban neighbourhoods in the centre of town. Edinburgh's New Town is a pre-eminent example of a great urban neighbourhood; Clifton in Bristol is another, close to the university and within walking distance of the city centre.

The 1PLAN has argued that the creation of new urban neighbourhoods in the heart of NewcastleGateshead will help to make a more attractive, competitive, accessible and sustainable place. Our vision is of real functioning communities which will be attractive to people of all ages, and which will offer a range of housing types, schools, shops and social infrastructure.

There are many examples of new urban neighbourhoods across Europe. In the UK, the New Islington community in Manchester is being created on a large tract of derelict land on the edge of the city centre. Progress has slowed since the recession hit, but New Islington will offer a wide range of housing including family homes, social rented housing, plots for self-build properties and apartments. The new neighbourhood is being formed around a canalside park and a network of tree-lined streets; a healthy living centre has been completed and a primary school is planned.

Two of Europe's most ambitious and best developed new urban neighbourhoods are in Sweden and Germany: Hammarby Sjöstad in Stockholm and Vauban in Freiburg.

European inspiration



Urban neighbourhoods
Dean Village, Edinburgh
Ruoholahti, Helsinki

Hammarby Sjöstad

Hammarby Sjöstad is a new district being built on industrial brownfield land close to the centre of the city. Masterplanned by the City Planning Bureau, this new 200 hectare city district will provide housing for 20,000 people, and 200,000 sq m of commercial floor space which will provide jobs for 10,000 people. More than half of the total area has already been developed and it is anticipated that the scheme will be completed by 2015.¹⁹

Environmental sustainability is the guiding principle of Hammarby Sjöstad. The Hammarby Model is an eco-cycle solution, devised by the utility companies to integrate the energy, water and waste requirements of homes and offices in the area. The stated goal is to create a residential environment based on sustainable resource usage. Combustible waste is used to produce electricity and to provide the district heating system.

Hammarby Sjöstad is naturally defined by a hilly nature reserve to the south and Hammarby Lake, which is the district's central focus, its "blue eye" and its most attractive public open space. Pedestrian boardwalks, quays and linear parks line the waterfront and residents have access to boat moorings in the summer.

The design is urban rather than suburban, and follows standards for Stockholm's inner city in terms of street width, block sizes, density, and land use. This traditional city structure has been combined with a new architectural style that responds to the waterside context and promotes the use of sustainable technology.

The spine of the new district is a wide boulevard and transport corridor, which connects key transport nodes and public spaces, and creates a natural focus for activity and commerce. The ground floors of nearly all the buildings along this route have been designed as active spaces, suitable for commerce, leisure or community use.

A network of parks, greenspaces and walkways runs through the district. Where possible, the natural landscape has been preserved and has provided inspiration for the development. The original reeds and rushes remain along the waterfront, in between which secluded walkways out into the water have been built. Birch trees create the landscape for a beautiful waterfront park and rocky oak-woodland defines the edge of the district.

The area is easily accessible by public transport and the creation of new road and tram infrastructure has been central to the development. There are four tram stops in the heart of Hammarby Sjöstad which connect the area directly to the underground network. Three new bus routes and one night bus also serve the area. A free ferry link across Hammarby Sjö has been introduced, and residents have access to a car-pool. Shops, cafes, restaurants and other services have already been attracted to the area. Community provision includes a church, two state schools, a private school, a pre-school and nursery, a GP practice, a library, a sports centre, a ski-slope, a football pitch and a basketball court.

¹⁹ The case studies in this section draw on evaluations carried out by CABE

Vauban

Vauban, the redevelopment of a 38 hectare former army barracks on the outskirts of Freiburg, has a more suburban character than Hammarby Sjöstad but it is an outstanding example of innovation in planning and of the embedding of sustainability in the design process. Planning began in 1993 and the third and final phase of development was completed in 2006, so Vauban is now a well established community of more than 5000 people and a district centre with 600 jobs.

The city council has led the process throughout, adopting the principle of “learning through planning”. The aim was to enable residents (and prospective residents) to engage directly in the planning of the neighbourhood, exploring how the ecological, social, economic and cultural objectives of the project could be met in practice. The masterplan provided a framework based on principles rather than prescriptive design guidance, although it does call for relatively high-density development in order to achieve a compact, walkable urban form.

Land was divided into small plots and allocated to private builders and co-housing groups. The result has been a variety of housing types and forms given coherence by sustainable design, energy efficiency and a strong emphasis on car-free and parking-free living. Most of Vauban's households are 'car free', supported by excellent public transport (buses, a new tram line and a new railway station) and a car sharing system. Car-free households save the substantial cost of a parking space in the community car park, as do development companies who put up car-free apartments for rent.

The energy-efficiency concept for Vauban was developed in partnership by the community, the city council and Freiburg Energy Company (FEW). All houses in Vauban meet the council's energy efficiency standards and many exceed them. There are over 50 passive houses and at least 100 units produce more energy than they need. Vauban claims to be one of the largest 'solar districts' in Europe. Solar panels and photovoltaic cells are common throughout the development. A co-generation plant uses wood chip and natural gas to provide hot water and district's electricity requirements. Extensive use is made of sustainable urban drainage systems (SUDS).

The streets and public spaces at Vauban have been planned as playgrounds for children and places for social interaction. The design of the public greenspaces and streets were developed during meetings and workshops with residents. There are three main greenspaces in the neighbourhood and green corridors between building plots provide space for social activities and recreation.

A district centre has been created with shops, a primary school, kindergartens and public greenspaces. Vauban has been designed to create a 'district of short distances' where the schools, farmer's market, businesses, shopping centre, food co-op, recreation areas and workspace will all be within walking and cycling distance.



Vauban, Freiburg, Germany



Both Hammarby Sjöstad and Vauban have been studied exhaustively in the past few years. Evaluations, including case studies published by CABI, show that not all of the high aspirations for these two new communities have been met. In Vauban there has been some resistance to the car-free living concept and Hammarby Sjöstad, though remarkably efficient in its use of energy is still some way short of achieving environmental sustainability.

Yet the consensus of opinion is that both these new communities are remarkable because so many of their stated aspirations have in fact been realised. The key factors, which should inform the development of new urban neighbourhoods in NewcastleGateshead, include strong leadership by local authorities; a clear planning framework, based on principles rather than prescriptive design guidance; a commitment (especially in Vauban) to engage with communities; and partnerships with developers, utility companies and other partners.

With thanks to: a lot of people have been involved in the preparation of the 1PLAN and we would like to thank them for their valuable contribution. We have consulted with BNG, NGI, NE1, Gateshead and Newcastle Colleges, Northumbria and Newcastle Universities as well as business groups including the North East Chamber of Commerce and CBI. Our visioning and 4 Big Moves events, placemaking and transport workshops have also helped shaped the strategy.

Yellow book has co-ordinated the 1PLAN on behalf of the partners with input from Urban Initiatives, Shared Intelligence, King Sturge and Gardiner Richardson.

1NG – Pg 91 Office Stockholm, Pg 91 Footbridge Amsterdam and Pg 105 Edinburgh Offices/skyline

Peter Atkinson – Pg 49 Quayside/Bridge and Pg 57 The Sage Gateshead

CABE/David Cowlard – Pg 23 Hammerby and Pg 89 Vauban, Freiburg

CABE/Alex Ely – Pg 113 Vauban Gardens, Building Detail and Exterior

CABE/David Milligan – Pg 89 Staithes

Tom Chance, Bioregional – Pg 89 Bed Zed, Sutton

John Donoghue – Pg 33 Newcastle University Kingsgate

Marcus Ginns – Pg 6 Gateshead Millennium Bridge, Pg 13 The Sage Gateshead, Pg 16 BALTIC Centre for Contemporary Arts, Pg 44 Gateshead Millennium Bridge and Pg 100 Gateshead Millennium Bridge

John Lord – Pg 109 Sheaf Square, Pg 109 Sheffield Barkers Pool, Pg 109 Sheaf Square and Pg 109 Sheffield Peace Gardens

Steve Mayes – Pg 19 Quayside skyline, Pg 19 Baltic Place, Pg 37 Team Valley and Newburn Riverside, Pg 35 International Centre for Life, Pg 41 Gateshead Millennium Bridge and Grey Street, Pg 43 Road Links and Newcastle Airport, Pg 47 Roads, Pg 49 Central Station, Pg 50 City Centre and Ouseburn, Pg 51 Discovery Museum, Pg 52 Quayside and Gateshead Town centre, Pg 53 Team Valley, Pg 62 Dance City, Pg 84 Swan House Roundabout, Pg 89 Summerhill Square and Pg 98 High Level Bridge

David Millington – Pg 91 Sheaf Sq Sheffield

NGI – Pg 13 Tall Ships, Pg 19 Chinese New Year, Pg 21 Gateshead Winter Festival, Pg 31 Electric Car, Pg 31 Man in Lab, Pg 31 Electric Vehicles, Pg 52 Old Town Hall and Pg 97 Tall Ships

Dr Bill Hansson – Pg 23 and Pg 106 Beutenberg

One North East – Pg 11 Test tubes, Pg 33 Student computer, Pg 34 Wind Turbines, Pg 57 Man with computer, Pg 83 Lady with microscope, Pg 83 Man in glasses and Pg 83 Petri dish

Ryder Architecture – Pg 36 Westgate Road/Cooper Building and Pg 37 Cobalt Business Park

Mark Savage – Pg 19 Girl at The Sage Gateshead and Pg 49 The Sage Gateshead Interior

Timo Vehmaskoski – Pg 23 Arabiantra

James Williamson – Pg 36 Gateshead Quays and Gateshead College Aerial