

# An economic and spatial strategy for NewcastleGateshead

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**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**



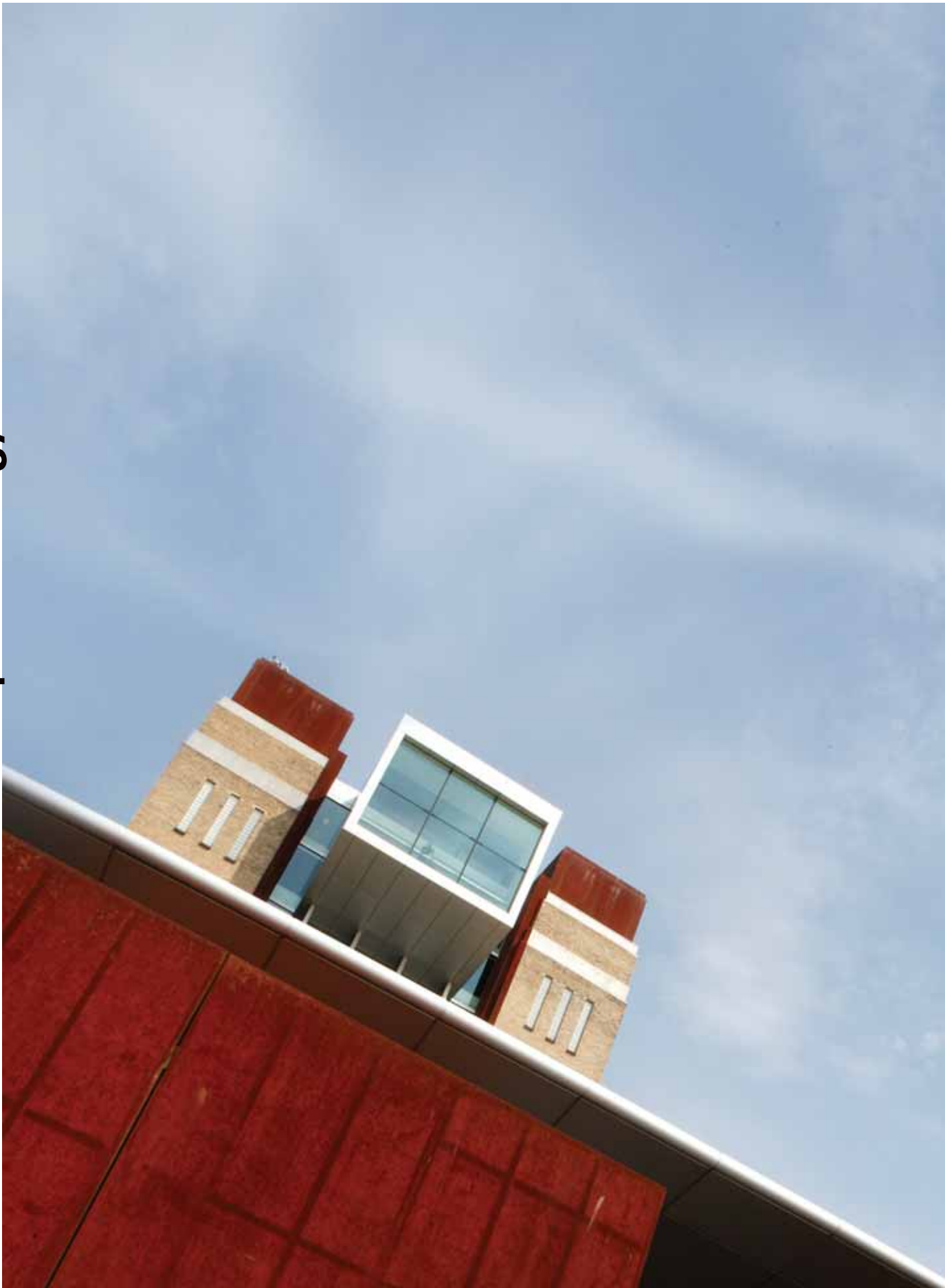
**Part 1 — 14/23 — Context**

Part 2 — 24/57 — Performance and prospects

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## 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.

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**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.

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## 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.<sup>1</sup>

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.

<sup>1</sup> OECD Territorial Reviews: Newcastle in the North East, United Kingdom, OECD 2006. Online at [www.oecd.org/document](http://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.<sup>2</sup>

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.<sup>3</sup>

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”:<sup>4</sup> 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.

<sup>2</sup> Core Cities: Enabling Sustainable Growth. Interim report by the Work Foundation for the Core Cities Group, October 2009. <sup>3</sup> 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) <sup>4</sup> 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.