

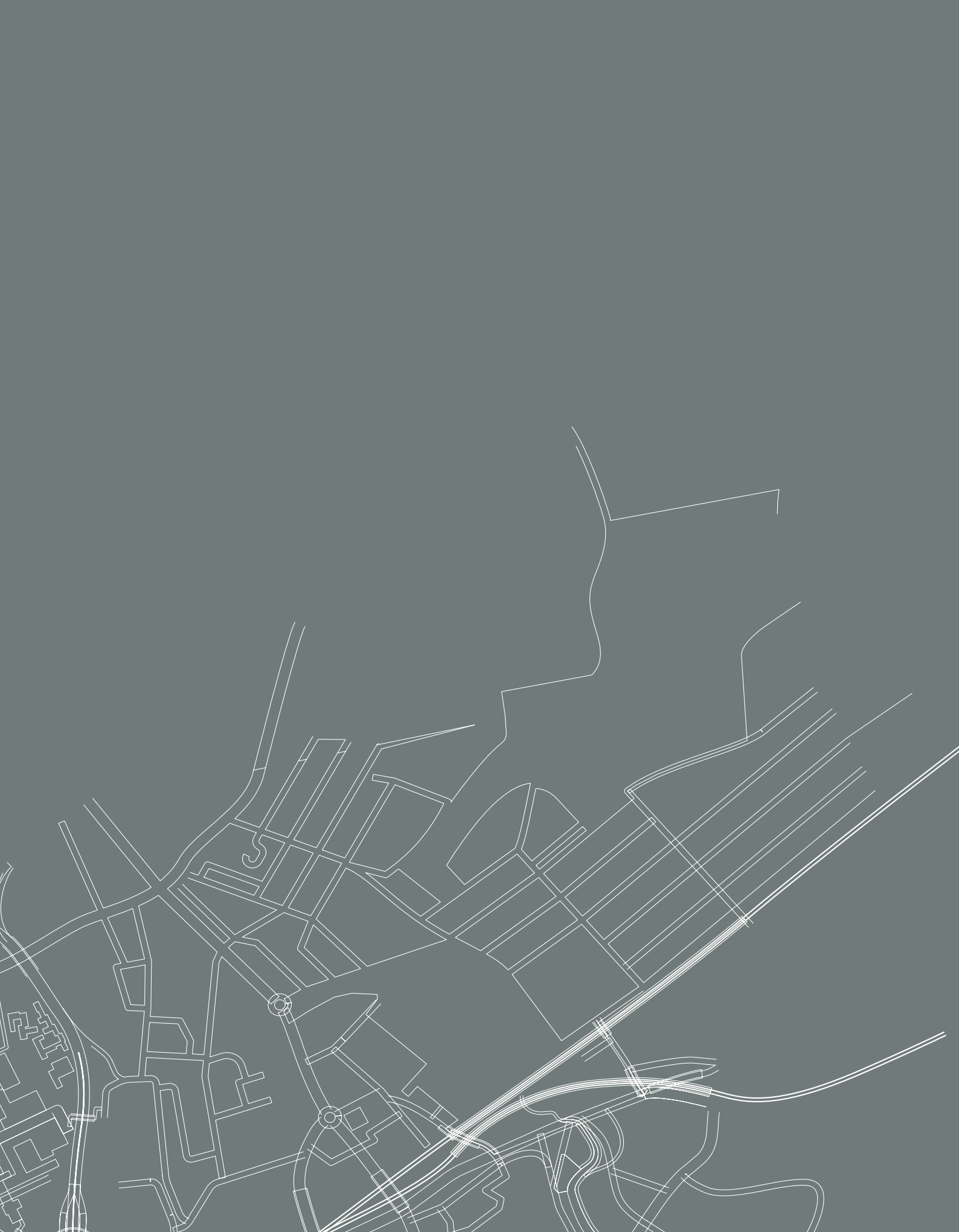
An economic and spatial strategy for NewcastleGateshead

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

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 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

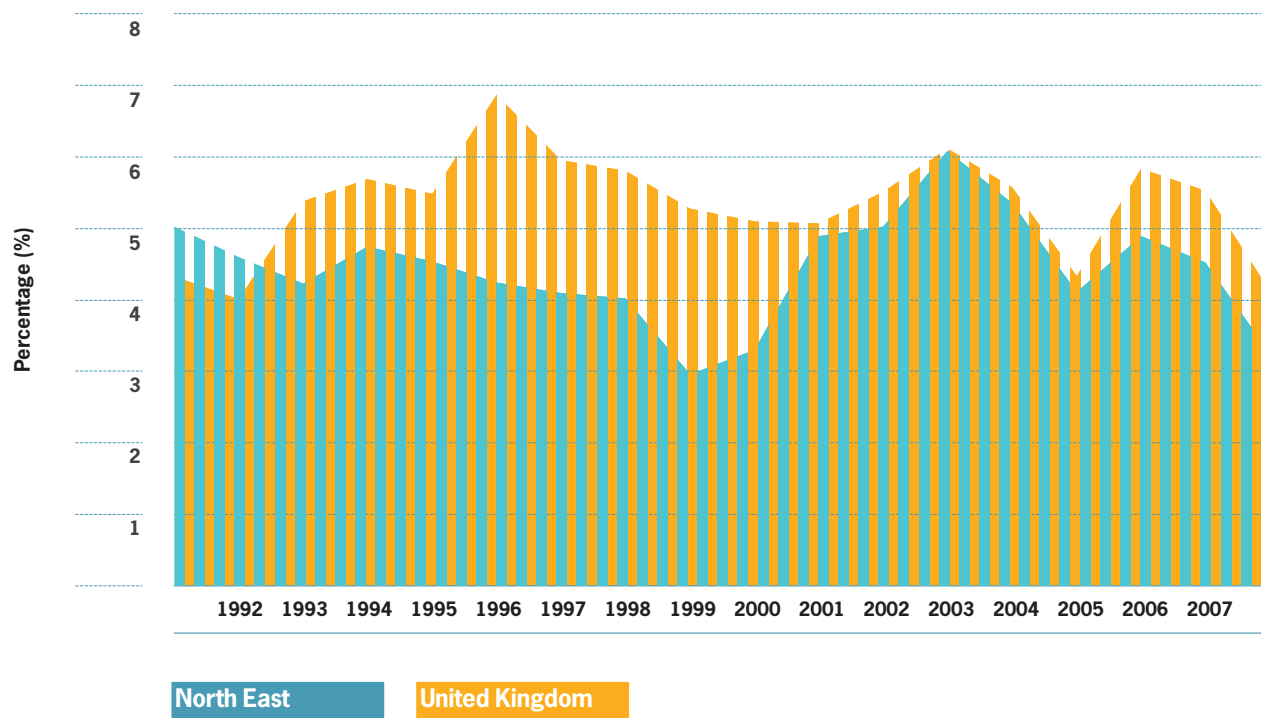
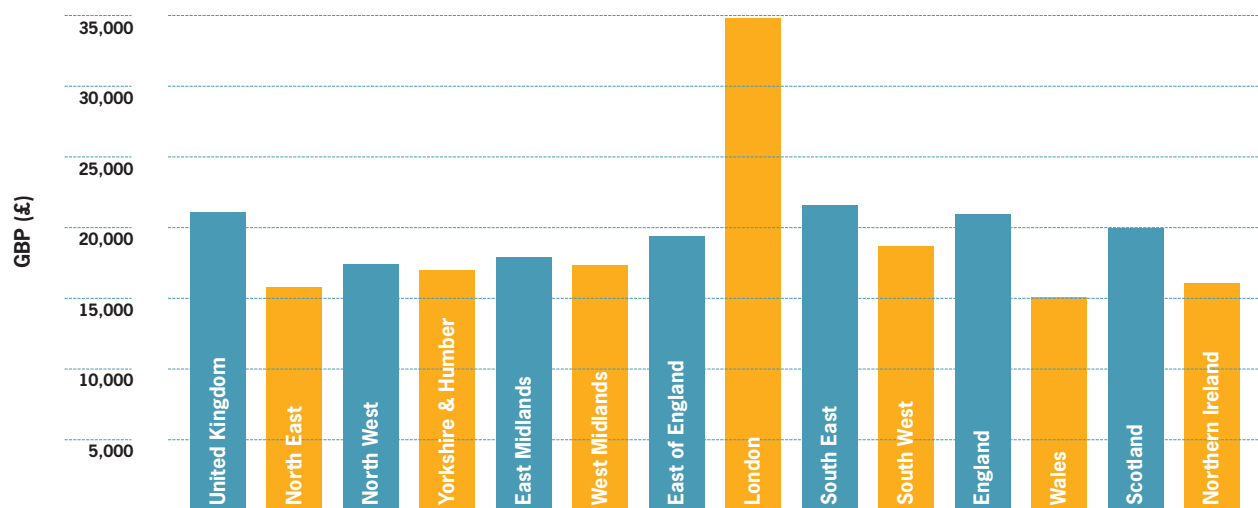


Figure 2.2 GVA per head 2008: UK regions



2.1 Economy

Business and employment

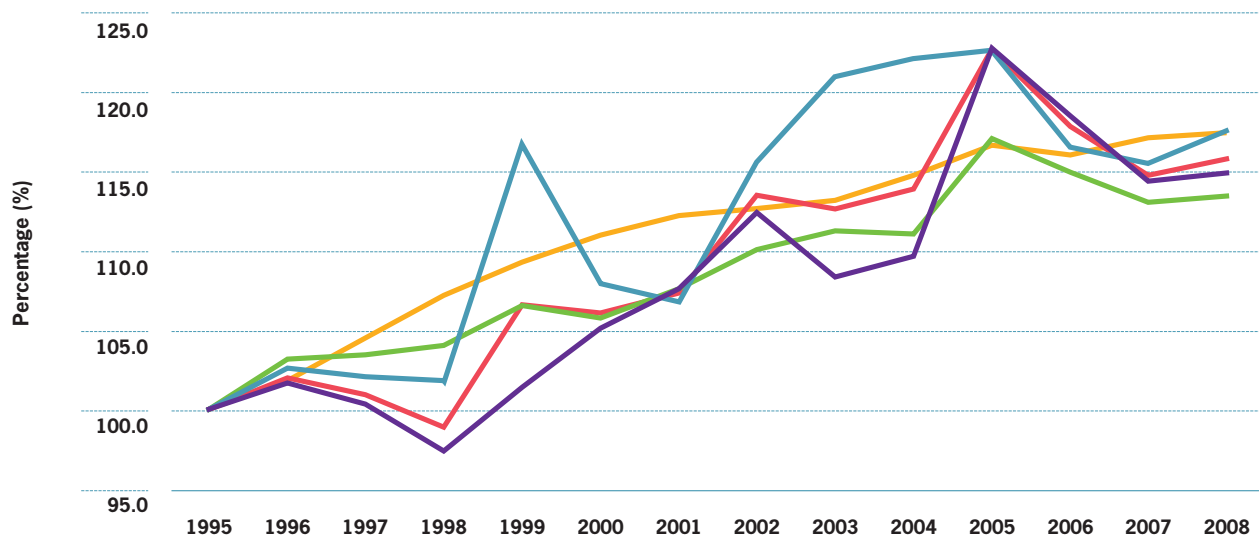
In 2008 there were 176,000 employee jobs in Newcastle and 92,000 in Gateshead – a total of 268,000 in NewcastleGateshead. Between 1995 and 2008 employment in NewcastleGateshead grew broadly in line with the national trend and more rapidly than in the region (Figure 2.3).

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 of 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



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.

2.1 Economy



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 Newcastle-Gateshead 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

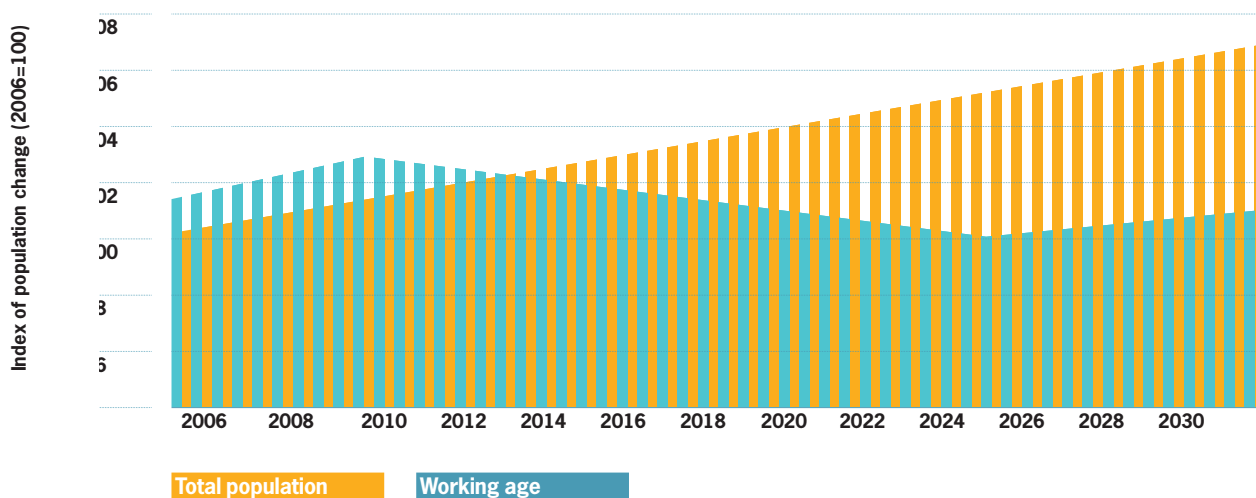
NewcastleGateshead has some of the most acute income disparities in the UK, and the recession has had a disproportionate impact on unskilled and manual workers. The problem is most acute in Newcastle where, in June 2008, only 65% of the working age population was in employment, while Gateshead (75%) 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 Millenium 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.

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.

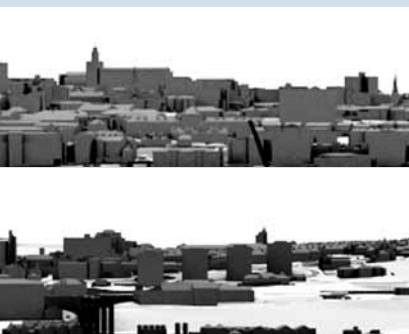


Newcastle, portraying a dense built form



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, BAL TIC 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.

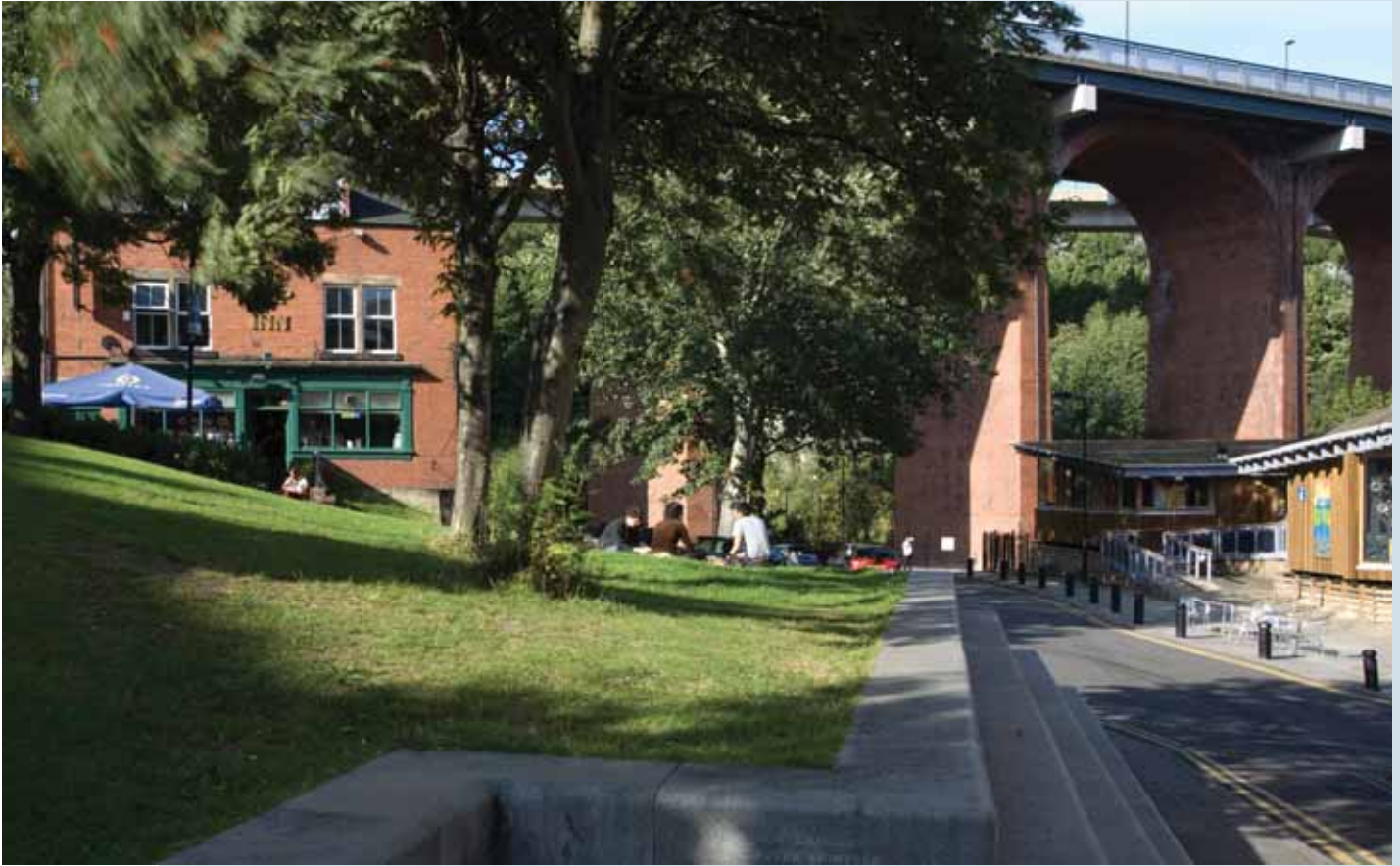
They are not the only landmarks in the urban core. In Newcastle, the cathedral, the castle keep and the tower of the Civic Centre punctuate the skyline, and St James' Park forms a dramatic backdrop to the north side of the city.

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, Newcastle-Gateshead 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.