

Gateshead Economic Development Strategy

Good jobs, **growing businesses** **and great places**



A strategy to guide Gateshead's transformation to a fairer, greener and more resilient economy that enables everyone to thrive.

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Foreword

by the Leader of the Council



Gateshead is a place with a rich history of endeavour and enterprise, a powerhouse of the industrial revolution and the northern economy. It is a place with a strong spirit and great pride; a place where people care deeply about their neighbours and their local community. However, the economic and social inequalities faced today have become ingrained and are enduring; life has been a struggle for too many for too long.

Covid-19 has amplified these challenges, profoundly affecting the most disadvantaged, whilst also bringing into sharp focus the underlying fragility of some parts of our economy, and the importance of local businesses generating wealth and employment.

We are clear that the future is not pre-determined for any single resident or community – the potential for change, individually and collectively, is huge and our ambition to build a better economy is within our grasp.

Gateshead is a forward thinking and visionary town, and we strive to create opportunities for local people and businesses to Thrive. This Economic Development Strategy has been developed with our partners and our business community and seeks to deliver an inclusive environment built on sustainable economic principles. Economic growth is key to ensuring people have the opportunity for a healthier quality of life for themselves and for their children.

As such, this enabling strategy is brought forward in support of Gateshead's Health and Wellbeing Strategy - *Good jobs, homes, health and friends*. We are aiming higher in terms of quality jobs and business competitiveness, and deeper in terms of long-term societal benefits from this.

A handwritten signature in black ink, appearing to read 'M. Gannon'.

Cllr Martin Gannon
Leader, Gateshead Council

The uneven impact of the pandemic has highlighted the need to build an inclusive route to recovery. We must break the link between disadvantage and opportunity; creating an economy in which every resident can lead a good life, now and into the future. We can also use this opportunity to accelerate the just transition to a future economy that is more sustainable and more resilient.

It is also vitally important that economic development safeguards our people and businesses by addressing the climate change emergency, and through Gateshead continuing to be a leader in working towards carbon neutrality by 2030. Tackling climate change and accelerating progress towards Net Zero is central to this strategy.

This strategy sets the stage for a genuinely shared narrative for Gateshead, setting out over the next 3 years actions which will utilise the combined power of our public, private and voluntary sectors, so that we are all able to create good quality jobs now and, in the future, working together to make these ambitions a reality.

Our journey will lead to delivering a creative, innovative, net zero Gateshead, where everyone is able to play their part and achieve economic prosperity.

This is for Gateshead, its people and businesses to own and deliver. We look forward to working with you on achieving this vision. By doing so we will create an economy that enables everyone in Gateshead to realise their full potential and *Thrive*.

Delivering Thrive

The council has a strategic approach to make Gateshead a place where everyone thrives and has committed to five pledges. Underpinning this is the Health & Wellbeing Strategy that sets out a vision of 'good jobs, homes, health and friends' that will be achieved by addressing the wider determinants of health, including the economy.

Our strategic approach, 'Making Gateshead a place where everyone thrives', commits us to these pledges.

We pledge to:

- Put people and families at the heart of everything we do
- Tackle inequality so people have a fair chance
- Support our communities to support themselves and each other
- Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
- Work together and fight for a better future for Gateshead

We want Gateshead to be a place where everyone thrives.



**Our vision for health and wellbeing in Gateshead:
'Good jobs, homes, health and friends.'**

The policy objectives are:

Give every child the best start in life

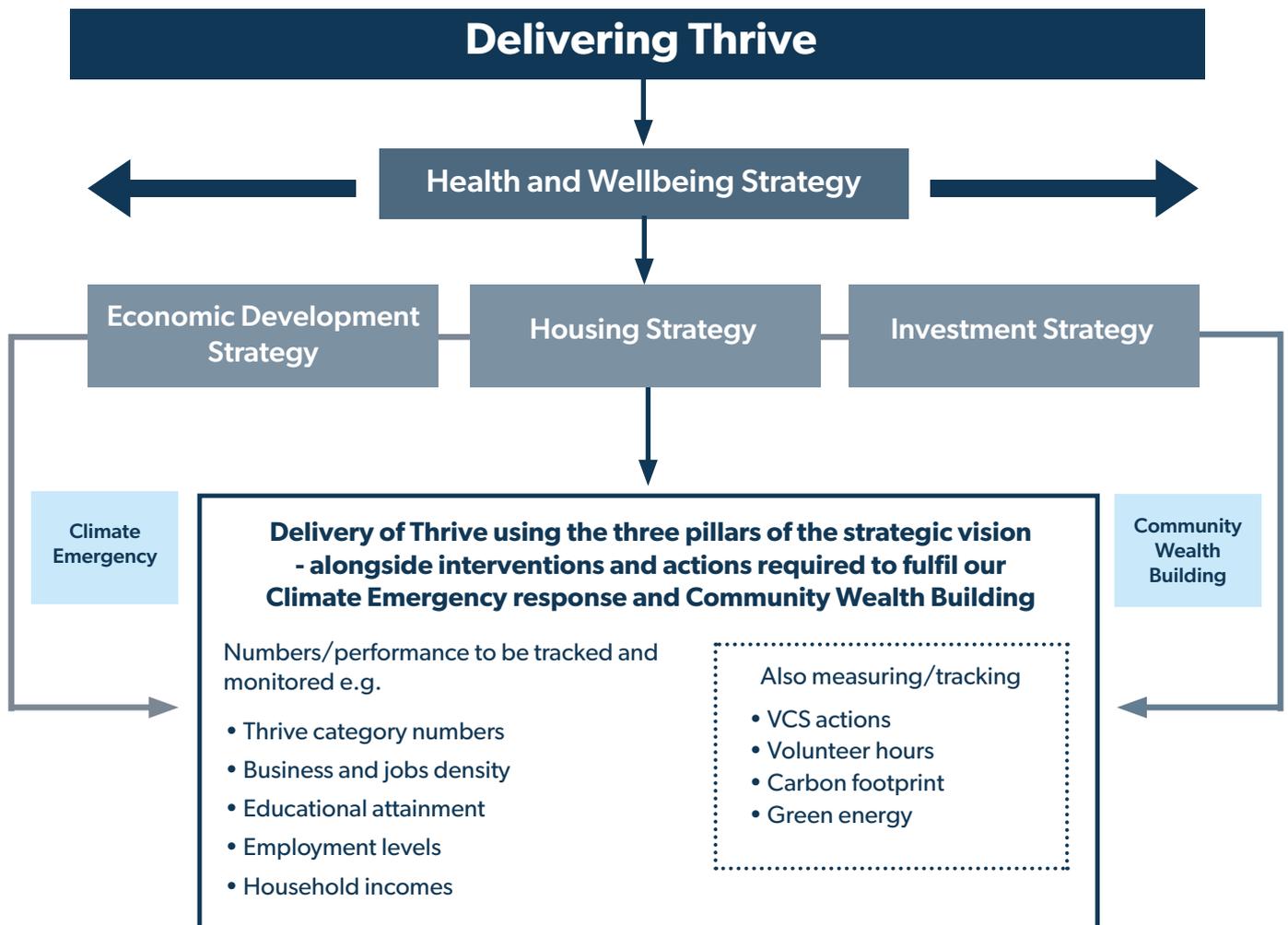
Enable all children, young people and adults to maximise their capabilities and have control over their lives

Create fair employment and good work for all

Ensure a healthy standard of living for all

Create and develop healthy and sustainable places and communities

Strengthen the role and impact of ill health prevention



Our Vision

In support of the Council's Thrive pledges and health and wellbeing policy objectives, our vision for Gateshead is of a fairer, greener and more resilient economy that enables everyone to thrive and delivers good jobs, growing businesses and great places.

Good jobs, growing businesses and great places

Our vision is of an economy that is fairer and greener. This will be achieved by promoting a more equitable distribution of wealth, health and wellbeing, while protecting the planet's resources.

To fulfil this vision, we need a resilient economy across the whole of Gateshead, urban and rural alike. This means one that is diverse, productive, has a large share of jobs in high value-added industries and is more self-reliant.

This fairer, greener and more resilient economy will make it possible for everyone to lead a meaningful and fulfilling life, now and into the future.



Riga



Proto



Gateshead Energy Centre



Komatsu, Gateshead



Jobs Fair - showing Gateshead school children the opportunities available in Gateshead

Our Current Position

There is a need to tackle the root causes of Gateshead and the regions enduring economic challenges in order to realise the vision of:

A Resilient Economy



was the **productivity gap** between Gateshead's Gross Value Added per hour and the UK average in 2019. This gap has widened in recent years



Higher productivity industries

are **under-represented in the Gateshead** economy compared to the UK average.

This difference in industry structure is the main cause of the productivity gap, although some of our key industries also under-perform in comparison to the average.



£411m



was the amount North East businesses **spent on Research, Development & Innovation** in 2019, the **lowest of all UK regions**.



5,380 businesses

were **trading in Gateshead in 2020**, a density of 322 per 10,000 adults compared to 523 in England. These helped to provide 0.81 jobs for every person of working age, higher than the North East average of 0.74, but lower than the England average of 0.88



£13.14

was the median hourly pay of jobs in the Borough in 2021, compared to £14.01 in the North East and £15.64 in GB, reflecting the higher proportion of lower value jobs.

A Fairer Economy



51.3% was the proportion of **residents** who are **qualified to NVQ Level 3 or above** in 2020 (equivalent to 2 or more A-Levels). This is 10 percentage points lower than the national average.



40.7% of **residents** who were **economically inactive** was as a result of **long-term sick** in June 2021, compared to 29.6% in the North East and 23.8% in GB in 2021.



7,510 **residents were claiming a benefit** because they were unemployed in Sept 2021. This is 5.9% of the working age population, compared to a national rate of 5%. Closing this gap would represent a fiscal benefit of £14.6m per annum to Government.



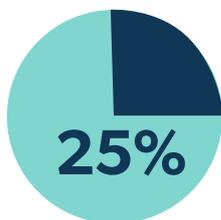
72% of **working age residents were in employment** in June 21 compared to the North East rate of 70.5% and GB rate of 74.4%. But significant employment rate gaps exist for the 50-64 age range (-7.6), the 20-24 age range (-11.2), the disabled (-22.7) and those with a health condition or illness lasting more than 12 months (-25.4).



£13.99 was the **median hourly pay of residents** in 2021, compared to £14.05 in the North East and £15.65 in GB, reflecting factors such as skills and access to higher-paid jobs. The gap between the lowest and highest pay percentiles was more than £12 per hour.



£16,477 was the **gross disposable household income** per head of population in 2019; £5,000 less than the UK average.



of children lived in relative low income households in 2020, less than the North East rate of 26% but higher than the UK rate of 19%.



of people were Thriving in Gateshead in 2021 and 16.7% were Managing, but 41.7% were Just Coping and 31.9% were Vulnerable

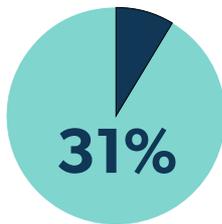


Household wealth in the North East fell by 12% between 2006/08 and 2016/18, but grew by 78% in London and 32% in the South East

A Greener Economy

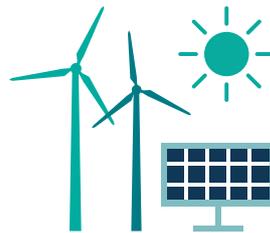
Net Zero by 2030

Gateshead has declared a climate emergency and is committed to be carbon neutral by 2030.



of Gateshead's
carbon emissions

in 2019 came from business and the public sector.



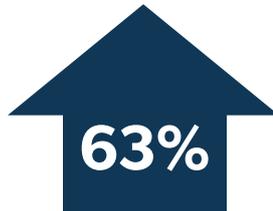
£60 million

has been invested by the Council in installing building energy saving measures and low carbon technology for our own operations and the wider community.



of all power used by
employers

in Gateshead now currently **comes from our energy centre.**



Cost of public transport

in the UK has risen between 1980 and 2014
– **buses 58%** and **rail 63%**,
while the cost of motoring has fallen 14%.



Carbon emissions

from the Council have reduced by 55% since 2010.

Our Approach

To overcome the challenges that we face and achieve our vision, we have identified five strategic policy objectives. These provide a framework for collaboration with a wide range of regional and local partners, communities and citizens who are determined to make Gateshead a place where everyone can thrive.

We need to build on our strengths, serve local needs and look to a vibrant economic future through a place-based approach that puts people and planet first.

Our five policy objectives are:

1. Building the Economy of the Future

Accelerate the transition to a fairer, greener and more resilient economy that enables everyone to thrive.

2. Supporting Businesses

Create the conditions for businesses to prosper and provide good jobs for all, now and in the future.

3. Helping People

Build the capabilities of people to find, sustain and progress in employment and achieve economic security.

4. Shaping Future Places

Create sustainable places and communities that attract people and businesses and benefit health and wellbeing.

5. Improving Connectivity

Enhance connectivity to ensure everybody can live, learn and earn.

Objective 1

Building the Economy of the Future

Accelerate the transition to a fairer, greener and more resilient economy that enables everyone to thrive.

To realise our vision, we need a fundamental shift in the structure of our economy as well as the direction of growth. We need to focus on key economic and societal challenges. Our approach will be bold, ambitious and confident; moving at pace, whilst recognising this is a long-term endeavour. Harnessing the power of innovation – developing new ideas and ways of working – will be key to making this happen.

A collaborative approach is needed that integrates interventions within a place. We will bring together public, private and voluntary sector partners, together with academia, trade unions and residents to co-design plans and activity. The footprint of some of this work will be regional not just local.



This will be achieved by focusing on policies and actions that:

- Transform the borough by creating new opportunities for the economy to thrive in harmony with people and planet
- Ensure the policy framework and institutional landscape enables change
- Boost innovation across industry to respond to challenges and, in so doing, deliver good jobs at scale
- Support a just transition to the future economy through large-scale workforce development and widening access to opportunity
- Target public and private capital to critical game-changing infrastructure
- Build movements for change across industry and communities



We have identified four strategic challenges that, if solved, will help to build a fairer, greener and more resilient economy. These present major opportunities for Gateshead and will make a significant contribution to regional and national economic plans.

The Challenge:	Digital Economy Keeping pace with accelerating technological change	Green Economy Tackling climate change and environmental degradation	Visitor Economy Reimagining culture and tourism in a post Covid world	Local Economy Creating the conditions for a strong local economy that maximises the Gateshead pound
Recent Trends:	New ways of working and living have quickened the pace of digitisation, exemplified the criticality of digital connectivity and exacerbated the digital divide	Changing behaviours and heightened awareness has increased the appetite for bold steps to be taken to tackle the climate and ecological emergency	The impact of restrictions on travel and tourism, both locally and globally, will lead to evolution within the visitor economy	The importance of the local economy in providing essential goods and services and good work has been amplified during the pandemic
The Opportunity:	<ul style="list-style-type: none"> • Capitalising on our specialism in immersive technologies • Harnessing the power of new technologies in social innovation e.g. tech-enabled care • Encouraging digital adoption across wider industry • Ensuring everyone can benefit from the digital economy by improving digital skills, access to hardware, and fast broadband and mobile connectivity 	<ul style="list-style-type: none"> • Expanding district energy networks and their supply chains • Developing our wider opportunity in heat decarbonisation • Progressing InTEGREL and the future of hydrogen with our partners • Supporting a just transition into the green jobs of the future, including skills and training for green trades with our partners 	<ul style="list-style-type: none"> • Maximising the economic impact of the Quays Arena, Conference & Exhibition Centre • Building a world-class business events offer • Supporting the sustainability of the Metro Centre • Ensuring an enduring legacy for Land of Oak & Iron • Improving job quality and progression in these industries 	<ul style="list-style-type: none"> • Building community wealth through <ul style="list-style-type: none"> • Progressive procurement • Fair employment • Community use of land and assets • Local financing • Growth in enterprise that reinvests in local communities • Strengthening businesses that provide the goods and services we all rely on, including a sustainable food supply

Objective 2

Supporting Businesses

Create the conditions for business to prosper and provide good jobs for all, now and into the future.

Businesses have an essential part to play in supporting Gateshead's recovery; whether as an employer, investor, purchaser or provider of goods and services, businesses will help to meet the needs of our communities and reduce inequalities.

The structure of our economy and fragility in some of our businesses has left the local economy susceptible to the impact of disruption and economic change. There is a need to build resilience, individually and structurally, to create a strong post-Covid economy.

By creating the conditions for responsible businesses of all sizes to thrive, we will unlock the scale of investment in skills and capital needed to solve our greatest challenges. Our long-term success depends on increasing enterprise, innovation and productivity; remaining an attractive location for investment and maintaining a skilled and adaptable workforce.

Providing help and support to ensure businesses comply with and can navigate the regulatory environment is vital.



Creating environments where new and young businesses can prosper and grow

The pandemic has also highlighted the importance of nurturing locally-owned enterprises that have the community at heart, are essential to the wellbeing of local people and can strengthen key supply chains. Our diverse local neighbourhoods must also provide space for local enterprise alongside amenities for art, culture, sport and leisure to thrive.

We not only seek to address barriers to business performance and survival, but to accelerate and share the benefits of business and job growth at every opportunity.

This will be achieved by focusing on policies and actions that:

- Create more jobs but also better jobs
- Increase productivity and innovation across-the-board
- Focus on growth from within, boosting start-ups and helping existing businesses to survive and expand
- Foster a supportive and fair business environment through stable and predictable regulation
- Connect businesses and employers to their local community
- Develop key traded clusters whilst supporting the viability of the foundational economy
- Raise the profile of Gateshead as a business location to attract new companies and institutions
- Match labour supply to demand, including retaining and attracting talent
- Improve business practices in terms of fair employment, social value and environmental impact

Objective 3 Helping People

Build the capabilities of people to find, sustain and progress in employment and achieve economic security.

People's working lives and future careers have been hugely impacted by Covid-19 restrictions. Disrupted education, unemployment, prolonged periods of furlough, precarity and redundancy are amongst the biggest challenges people face as we deal with the employment impact of the pandemic.

Pre-existing disadvantage and inequality in the labour market has been exacerbated, young people face uncertain futures and adults are confronted with the need to reskill, upskill and change jobs throughout their working lives. The long-term scarring effects of unemployment on wealth, health and life chances is significant.

Left unaddressed, these interacting factors will inevitably lead to greater disadvantage. We must act, not just to tackle these challenges, but to ensure people are equipped with the skills, agency and access to opportunity necessary to lead long, fulfilling and healthy working lives that reflect their true potential.



Will we provide work inspiration for young people leaving education

Developing the workforce to satisfy future employment demand requires long-term planning and partnership working with employers, skills providers and the workforce – navigating change together and empowering people to seize opportunities.

This will be achieved by focusing on policies and actions that:

- Ensure success at each stage of life
- Prepare young people for the world of work
- Help people to sustain and progress in good work throughout their working lives
- Enable people to achieve the minimum income standard required to live well in retirement
- Support the re-skilling of the workforce
- Improve employee retention
- Reduce both economic inactivity and unemployment
- Close the employment gap for under-represented groups
- Promote fair employment practices
- Embed employment-related services in wider systems supporting people

Objective 4

Shaping Future Places

Create sustainable places and communities that attract people and businesses and benefit health and wellbeing.

We need to create places that generate more and better jobs without compromising the health and wellbeing of our people and the planet. People who want to live and spend quality time in the borough should find ample opportunities to do so, recirculating the value of the Gateshead pound for all our communities.

Reduced commuting, increased home working and more online shopping has the potential to alter demand for space across the borough. Our Urban Core and MetroGreen area must adapt by creating multi-generational, enjoyable experiences for individuals and families of all ages.

Increasingly, people are seeking neighbourhoods that can provide everything they need within easy reach – a decent, affordable home, rewarding work, clean air, green spaces, good food, active leisure, culture and local services – healthier places to live, learn and earn. Improving quality of life means creating a place rich in amenities that are accessible within 15 minutes by foot, bike, or public transit. Re-thinking our

local and district centres will be key to meeting residents' needs now and in the future.

Renewing older employment areas is a longstanding challenge; ensuring they are competitive, can attract investment and appeal to high growth companies driving the economy forward. We also need to protect our major employment areas, like Team Valley, from the impact of climate change, especially flooding.

Thriving rural village communities are integral to the wider attractiveness and success of Gateshead. Our rural areas are undergoing substantial change due to the climate emergency, agricultural reform and the need to improve our natural environment. On the edge of a major conurbation with an attractive natural and heritage environment, we are well placed to promote growth in the visitor economy. We need to support the evolution of our rural areas to guarantee their continued prosperity.

This will be achieved by focusing on policies and actions that:

- Capitalise on the urban core and our iconic waterfront
- Modernise employment locations
- Improve the vitality and viability of our high streets
- Create complete neighbourhoods
- Ensure an affordable housing supply that meets the needs, budget and aspirations of people seeking to make Gateshead their home
- Provide quality, accessible space for learning and ideas
- Regenerate our natural environment
- Ensure we maximise the opportunities to use our land in a just and sustainable way, supporting the new greener economy and mitigating the impacts of climate change

Objective 5

Improving Connectivity

Enhance connectivity to ensure everybody can live, learn and earn.

The restrictions in response to the pandemic have had a huge impact on mobility. A steep decline in traffic levels and public transport use occurred as shops and facilities closed and office-based staff began working from home. At the same time, cycling rates are increasing and more people are walking in their local neighbourhoods and countryside.

Recovery poses major challenges to maintaining the connectivity people and businesses need while adapting to longer

term trends in transport and travel patterns resulting from the pandemic, climate change and global supply chains. As one of the biggest contributors to carbon emissions, it is essential that transport investment reduces pollution and improves air quality while enhancing access to markets, services, employment and workers.

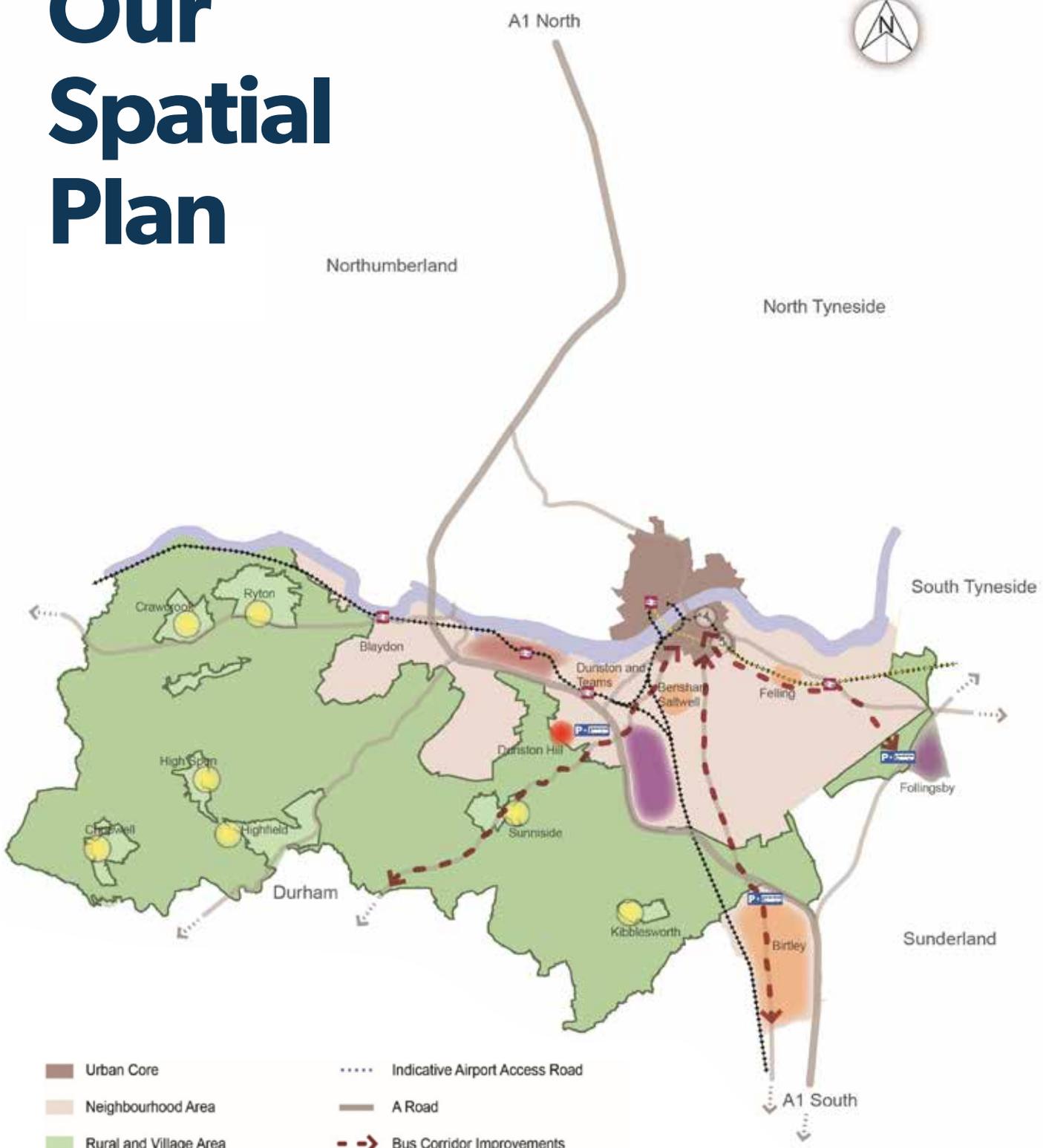
Transport networks must also facilitate the creation of attractive, accessible and liveable neighbourhoods that encourage physical activity and enable people to stay fit and well.

This will be achieved by focusing on policies and actions that:

- Provide an effective and affordable public transport network that continues to meet changing travel patterns
- Ensure new growth is supported by sustainable transport infrastructure - rail, bus, cycling or walking - as an effective alternative to individual private car use
- Manage existing road networks to relieve congestion and encourage sustainable travel
- Connect people and places
- Reduce the negative impacts of existing transport infrastructure on local neighbourhoods and centres
- Improve national and international transport connections



Our Spatial Plan



- Urban Core
 - Neighbourhood Area
 - Rural and Village Area
 - Green Belt
 - Neighbourhood Area of Change
 - Neighbourhood Growth Area
 - Neighbourhood Opportunity Area
 - Village Growth Area
 - Key Employment Area
 - Indicative Access Road
 - Indicative Airport Access Road
 - A Road
 - Bus Corridor Improvements
 - Park and Ride
 - Rail Station
 - Rail Network
 - Metro Network
 - Airport
 - River Tyne
 - Urban Core Key Site
1. Science Central
 2. East Pilgrim Street
 3. Stephenson Quarter
 4. Gateshead Quays
 5. The Exemplar Neighbourhood

