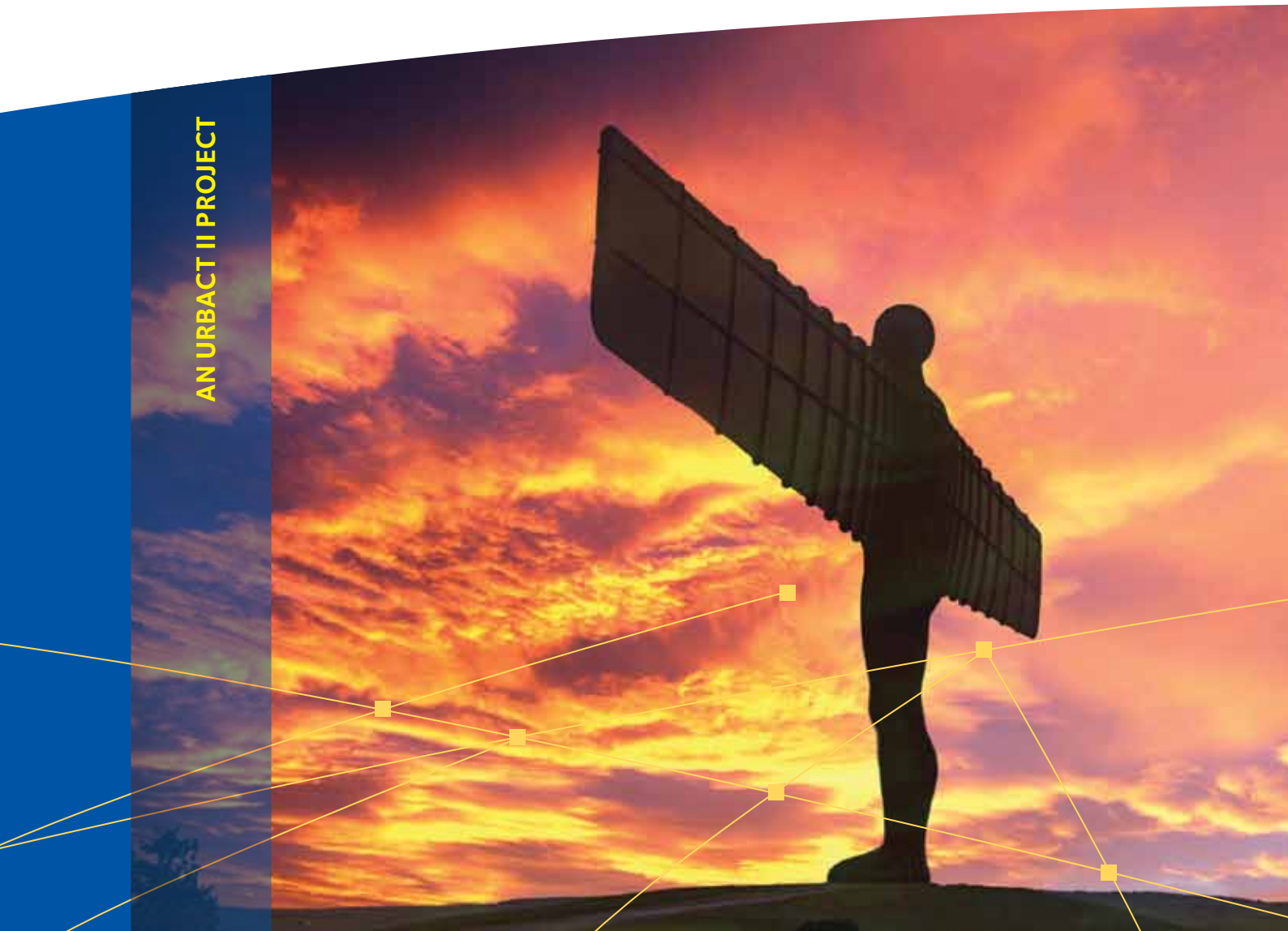




Gateshead Local Action Plan

RUnUP Thematic Network

AN URBACT II PROJECT



Connecting cities
Building successes



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Forward

Gateshead’s future economic prosperity will be heavily influenced by the development of powerful alliances between industry, academia and the public sector - the triple helix. The region’s universities are key economic drivers, and as magnets for international talent they will be at the heart of knowledge hubs of learning, research and enterprise.

Gateshead supports these aspirations by helping to create an environment that will promote the commercialisation of research and innovation by local companies; the development of start-up of businesses with a leaning towards science and technology; and attract investment.

In 2008, Gateshead was awarded funding through the URBACT II programme for the RUNUP (Role of Universities for Economic Development in Urban Poles) Thematic Network to explore how medium sized cities like Gateshead can develop new ways of working with universities to promote economic development through the ‘triple helix’. This is a transnational project led by Gateshead Council and involves partners from Italy, Spain, Greece, Sweden, Poland, France, Portugal and Germany.

A Local Support Group, comprising key stakeholders, has supported the Council through the project and has become an important economic partnership within the Gateshead Strategic Partnership, with a valuable range of experiences that will support the development of knowledge driven businesses.

We believe the knowledge economy represents a cultural shift within the economy alongside the emergence of new industrial sectors. Whereas traditional industrial economies have locality issues as a central role, the knowledge economy is driven by knowledge and skills development, innovation and creativity and entrepreneurship.

This Local Action Plan recognises the strategic context in which it will operate, particularly supporting the objectives of the North Eastern LEP and the delivery of the 1Plan, the economic and spatial masterplan for Newcastle and Gateshead. It sets out a series of practical interventions that the Council and its partners will implement in future to accelerate economic transformation.

A key step in this process was the securing of £9.9m ERDF and Single Programme Funding from One North East to develop Northern Design Centre (NDC) at the end of 2010. NDC is one of several regionally significant ‘Innovation Connector’ projects that aim to boost innovation and science within the North East, to develop long term improvements in regional productivity and competitiveness.

Gateshead has a history of innovation but we need to foster cross-disciplinary working and increase knowledge transfer between academia, the design community and businesses. NDC’s facilities will be a huge step to raising awareness of design and innovation as a means to improve business understanding, competitiveness and capacity.



Councillor Mick Henry
Leader, Gateshead Council

Executive Summary

The importance of building a knowledge economy is highlighted as the only viable and sustainable way forward for NewcastleGateshead. This represents a significant challenge for Gateshead.

To achieve its ambitions Gateshead needs to think differently about competitiveness. To improve and maintain competitiveness in Gateshead, it is clear that a move towards knowledge-based industry is necessary. However for this to be effective, Gateshead must take a sustainable and innovative approach to economic development.

URBACT II is a European Programme funded by the European Regional Development Fund (ERDF) aimed at fostering the exchange of experiences among European cities and disseminating knowledge on all issues related to sustainable urban development.

Gateshead was awarded funding in April 2008 through the URBACT II programme for the RUnUP (Role of Universities for Economic Development in Urban Poles) Thematic Network. RUnUP has explored how medium sized cities can develop new ways of working with universities to promote economic development through the 'triple helix' - the combination of the university, business and public sectors.

The transnational project is led by Gateshead Council and has eight key partners: Campobasso (Italy), Barakaldo (Spain), Patras (Greece), Solna (Sweden), Leszno (Poland), Dunkirk (France), Agueda (Portugal) and Potsdam (Germany) and is supported by a Lead Expert, funded directly by the URBACT secretariat - Dr Clive Winters from Coventry University Enterprises undertook this role.

A Local Support Group led by the Council's Economic Development Service has been established including Newcastle University, Northumbria University, RTC (Regional Technology Centre), Newcastle City Council, Engineering Employer's Federation, North East Chamber of Commerce, One NorthEast, Business and Enterprise North East and Gateshead College.

Introduction

This document recognises the distinction between strategy and action. It seeks to identify the strategic direction and scale of change required, and creates a platform for a continuous action plan which will be embedded in the overall Gateshead development strategy.

A baseline study conducted as part of the project identified the engineering, design and creative sectors, and entrepreneurship as areas of importance to improve the economic prosperity of Gateshead.

Gateshead is undergoing significant changes from a conurbation with traditional manufacturing industries at its core to an area with innovative architecture such as Angel of the North and The Sage Gateshead, which are leading the way in cultural regeneration.

Gateshead aspires to become a hub of innovation with large employment in the creative and digital sectors, and demonstrate leadership of design particularly into the engineering sector to ensure innovative working methods.

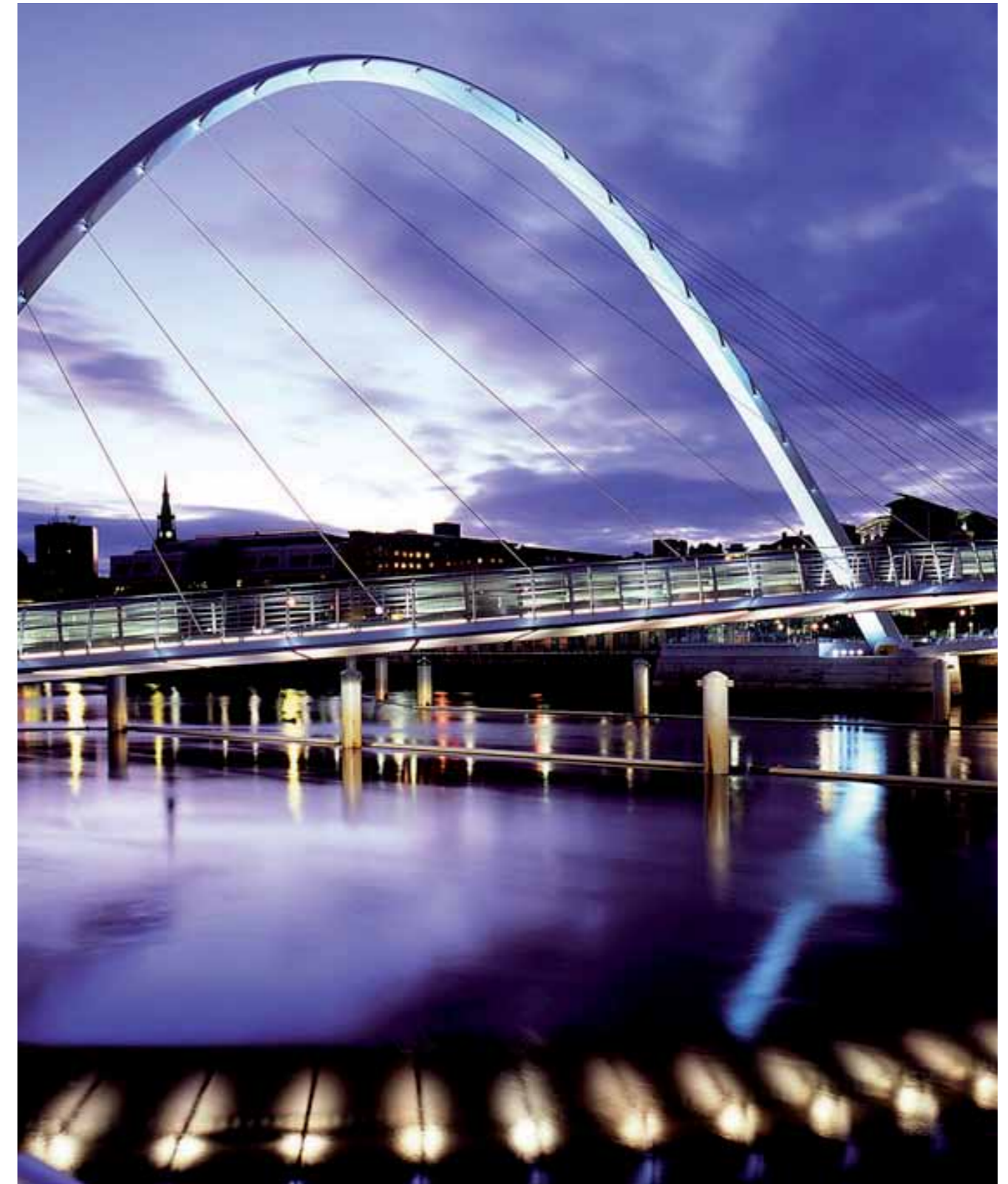
The Local Support Group (ULSG) has developed this Local Action Plan (the key output of RUnUP) that focuses on developing interventions to encourage innovation-based, high-order, high-productivity activities to promote economic vitality and improve quality of life for the resident population, both of which are depended upon for making a successful transition to a knowledge economy. This Local Action Plan focuses on entrepreneurship development, and the growth and sustainability of the engineering and creative/knowledge based sectors with the cross cutting themes of 'talent attraction' and retention and 'business winning'.

Actions have been developed to encourage the transfer of knowledge between organisations to increase levels of innovative working within the borough to increase the productivity of Gateshead's business base.

They will encourage collaborative working and facilitate the sharing of best practice examples within Gateshead and surrounding areas.

The action plan presented at the end of this document will be under constant review, with new actions related to the vision for Gateshead being developed as initial ones are completed. This will enable milestones to be achieved whilst future changes in economic circumstances can be taken into account.

The ULSG will continue to facilitate and monitor the delivery of the Local Action Plan after the project closes in July 2011, acting as the Business and Innovation sub group with the framework of the GSP



Economic and Policy Context

Gateshead has a population of 190,800, and is located in North East England alongside the City of Newcastle on the River Tyne.

Gateshead has seen significant growth in the creative and digital sector in recent years, and aspires to become a hub for innovation and design, developing the traditional manufacturing and engineering businesses to become more sustainable by introducing new innovative ways of working.

This section summarises the main features of Gateshead’s economy and future challenges the Borough faces.

Gateshead’s Economy

The Borough is a major contributor to the north east economy; as of 2009 there were 5,175 businesses and 77,000 employees within Gateshead. There are several large, well established companies located within a number of Primary and Secondary Employment Areas including the regionally important Team Valley; East Gateshead (including the Baltic Business Quarter); the wider Metrocentre area; Follingsby, and Durham Road, Birtley.

Gateshead has undergone significant transformation from traditional manufacturing industries (although this still accounts for 16.2% of employment), into a more service sector based economy. Regeneration in Gateshead has seen significant positioning around the cultural and creative sector with physical developments including BALTIC, The Sage Gateshead and the famous Angel of the North sculpture.

This is reflected in the sustainable community strategy for Gateshead, Vision 2030, which includes aspirations for the development of Creative Gateshead and status as the City of Gateshead.

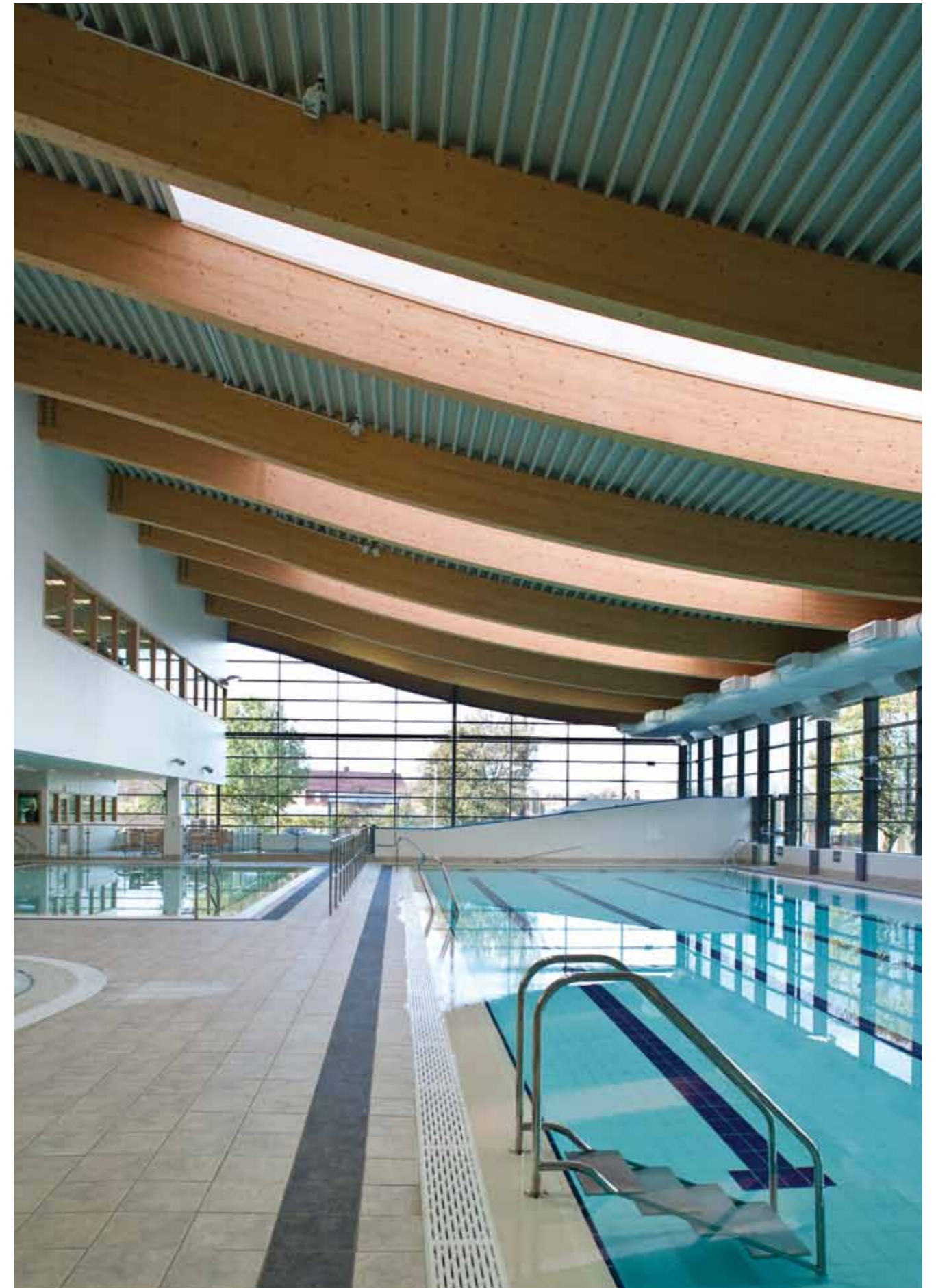
Although the Borough has benefitted substantially in recent years from successful regeneration initiatives, and most notably the redevelopment and rebranding of the Quayside area, Gateshead’s economy faces a number of challenges, not least the impacts of the ongoing recession; over-reliance on a manufacturing sector still undergoing long term restructuring; relatively high levels of deprivation and low (although improving) skills levels and educational attainment amongst its residential workforce. Worklessness remains a particular problem in the Borough.

Like most local authorities, Gateshead’s business base comprises primarily of small businesses, with 86% of firms employing fewer than 20 people. However, Gateshead has an above average proportion of large companies, with 2.2% of businesses employing more than 100 people, compared to a national average of 1.5%.

The table below highlights employment by industry in Gateshead:

Employment by Industry (2007, % of total)			
Primary and Utilities	0.1%	Finance	1.7%
Manufacturing	16.2%	Business	14.3%
Construction	6.9%	Public Administration	6.6%
Retail/Wholesale	21.6%	Education	7.3%
Hotel/Catering	5.2%	Health/Social Care	10.2%
Transport/Communications	5.7%	Other services	4.3%

Source: TWRI Gateshead Key Facts, 19 June 2009



In employment terms, Gateshead's key industrial sectors are manufacturing and banking, finance and insurance. Additionally, distribution, hotels and catering and public administration, education & health also account for a significant proportion of local jobs. The manufacturing sector accounts for a much higher share of employment within Gateshead than at the regional level and this is also the case for distribution, hotels and catering.

Conversely, public administration, education and health is significantly under-represented in comparison with the level observed across the North East. The proportion of employment in the typically more dynamic sector of banking, finance and insurance is slightly lower than the regional figure, although both lag significantly behind the national average.

However, banking, finance and insurance is Gateshead's fastest growing sector (in terms of absolute employment levels) over the period 1998-2007 (+55.0%). Strong growth was also observed in the construction (+34.6%) and public administration, education and health (+33.7%) sectors. For all three sectors, the rate of growth observed locally was far greater than the national average.

Manufacturing employment fell (-12.9%) however, the decline was much less pronounced than the level experienced across Great Britain (-30.2%), indicating that the manufacturing industry in Gateshead is particularly resilient.

Despite this decline, 16.2% of employment remains in the Manufacturing and Engineering Sector. Facilitating technology adoption and knowledge transfer into this industry will aid its sustainability in Gateshead.

An aspiration for Gateshead is to develop creative and innovative sectors of employment. Gateshead is already home to a number of creative and digital media businesses providing a platform for a new 'creative economy'. Many visible projects such as BALTIC have indirect, rather than direct links to the local economy.

An 'Innovation Connector' is being developed, which will underpin the development of the future creative and knowledge economy. Northern Design Centre (NDC), under development at Baltic Business Quarter will house a Knowledge Transfer Network (KTN), intended to enhance companies' ability to employ high-quality design, skills and processes, with commercial and incubation, conference, exhibition and meeting space for the creative industries.

NDC will provide a resource hub and focal point for design and innovation in the region, accessible to firms throughout the region.

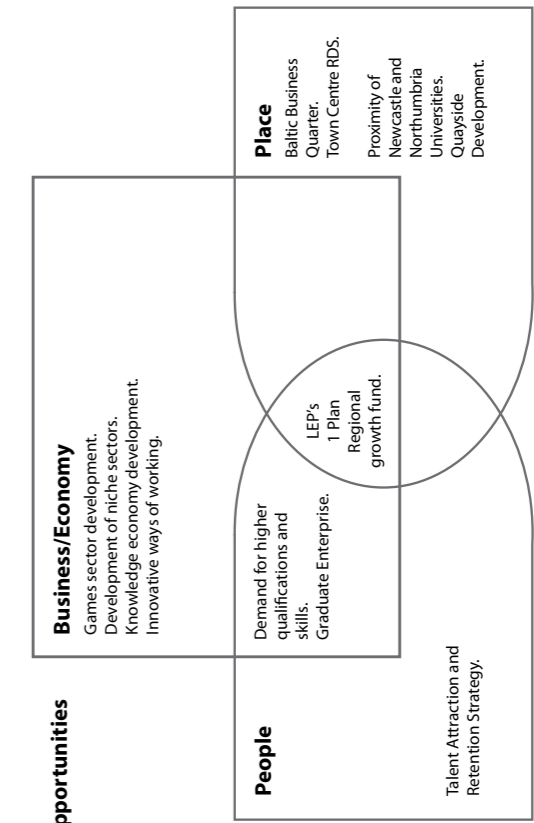
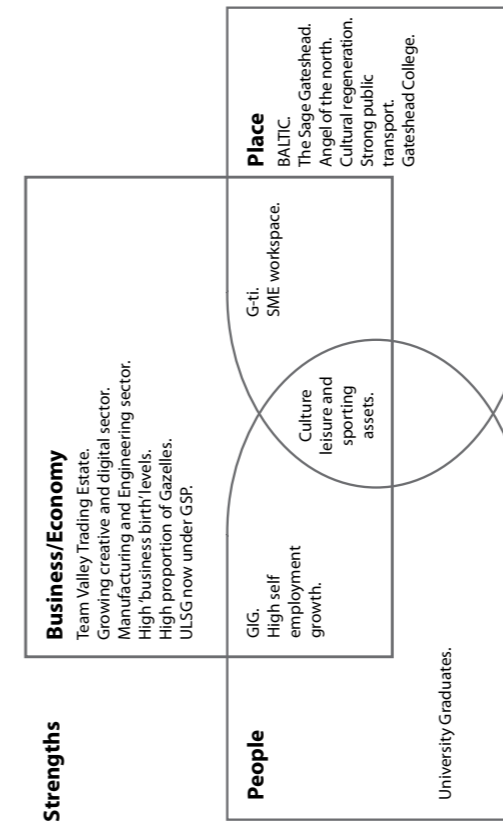
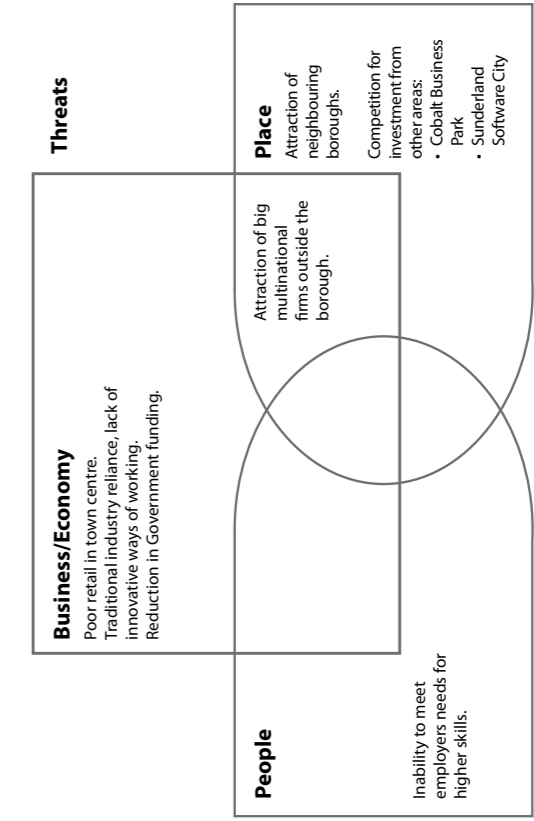
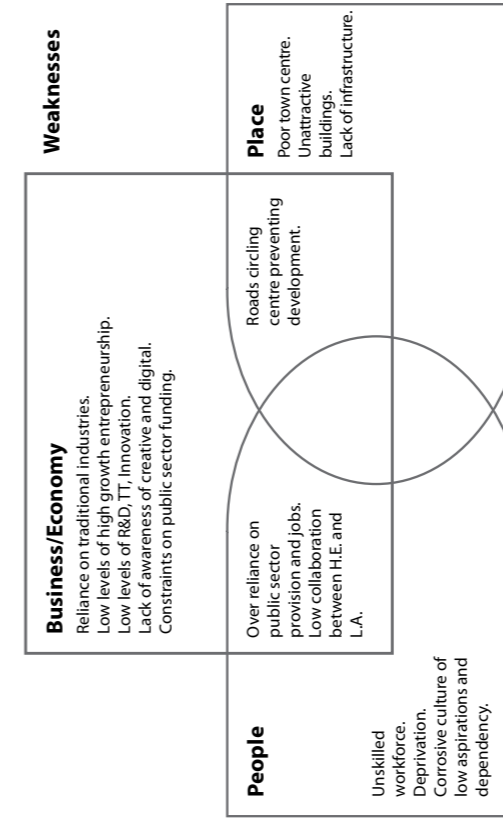
Comparison to Baseline study

The Baseline study completed by RUnUP Lead expert Dr Clive Winters of Coventry University Enterprises in Autumn 2008 was largely based on 2006 data and identified that: 'In recent decades Gateshead's economy has undergone significant structural changes - from traditional manufacturing industries towards more service sector businesses...' and that '...although significant areas of the Borough are classified as suffering from multiple deprivation, unemployment (6.3% in 2006) compares favourably to the rest of the North East (6.7% in 2006) although this is significantly higher than the UK average of 5.2% in 2006.'

These observations still hold true. The industrial composition of Gateshead is still progressively changing, Gateshead is still home to a high number of manufacturing and engineering businesses that in response to global competition, have invested in process, plant, machinery and people to now supply high value products to high growth markets both in the UK and overseas.

Emerging sectors such as commercial creative and design, recognised in the Baseline Study, have continued to grow and create employment in the conurbation. Both sectors remain important to Gateshead's economic future and are carried through as themes of intervention in the Action Plan in sections 6 and 7.

The following sections demonstrate that with the benefit of more up to date information the trends identified in the Baseline Study have continued, and that despite set backs resulting from the prevailing economic down turn, Gateshead GVA, competitiveness and business (SME) performance has increased.



Economic Competitiveness

Gateshead has seen the stock of VAT registered businesses increase since 1994 from approximately 3000 to 5,175 (2009). This represents a growth rate of 32.9% which is far higher than the rates observed for Tyne and Wear (22.9%) the North East (21.0%) and Great Britain (25.9%) over the same period and provides evidence of a strong level of entrepreneurial activity.

Knowledge based industries offer high levels of added value and are therefore essential in helping to increase productivity. Notwithstanding the large growth of new businesses, at 15.0%, Gateshead has the lowest percentage of knowledge based businesses in Tyne and Wear and lags behind both Newcastle and Great Britain which have levels above 20%. In comparison to other major cities in the North, Newcastle performs above Leeds at 20.4%, but is outperformed by Manchester at 24.9%. This low level of knowledge based businesses will impact on our productivity.

High growth businesses, sometimes known as gazelles, are pivotal to the future economic growth of the UK and regions. The UK average is 5.4% of total business stock, however this accounts for 60 to 70% of new jobs, bringing innovation, creativity and graduate jobs. Measured as HiQ (High growth company quotient), Gateshead performs well with a rating of 6.10% and 91st out of 380 local authority areas, and is only outperformed in the North East by Sedgefield with a rating of 6.44%. In comparison, Newcastle is ranked 323 out of 380 with a rating of 4.03%, and under the North East average of 4.5%. These figures demonstrate Gateshead's ability to provide significant and effective business incubation.

At present, the prevailing rate of unemployment within Gateshead (9.5%) is generally in line with the levels observed across the North East (9.7%) but higher than the national average of 7.7%. Unemployment has generally remained below the Tyne and Wear and regional averages over the previous decade and had been steadily declining until the onset of the recession. The profile of Gateshead's labour force is broadly in alignment with that of the North East. However, in general terms it contains fewer highly skilled occupations and more lower-skilled, manual jobs relative to the national average.

Just 22.5% of the Borough's working age population is qualified to degree level or above, which is below the levels recorded across the North East (23.9%) and Great Britain (29.0%). Clearly there is a need to improve the skills base of the population if Gateshead is to attract more knowledge-based businesses.

Although the numbers of young people who progress to higher education (HE) is below the national average, there are signs that this is improving. The number of applicants to HE from Gateshead aged between 18 and 29 increased from 709 in 1999 to 938 in 2007. This 32.3% improvement was the largest improvement in the North East and is around three times the regional average of 14.7% for the same period.

While Gateshead has demonstrated increased levels of business formation and improvements in skills levels which help drive up productivity, even a combined NewcastleGateshead lags behind most of the UK's other core cities in terms of its labour market and property market potential. The area is small by national and international comparisons, and reliance of the public sector limits entrepreneurial activity. GVA per head is measured against the UK average of 100. The South East at 106 and London at 168 strongly outperform the Tyneside figure of 93 (in 2007). However Tyneside has the strongest performance in terms of regional GVA per head and has seen an increase from 87 in 1995. This is in contrast with the negative growth seen for example in Tees Valley, Durham and Northumberland, which has brought the combined regional GVA figure down from 83 in 1995 to 79 in 2006. Sunderland has also performed well in this timeframe.

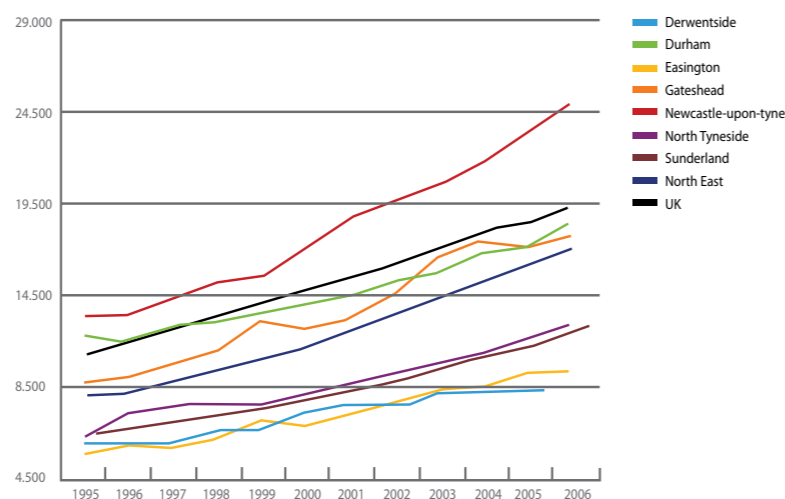


Figure 2: Tyne and Wear and the North East: GVA per capita 1995-2006, Source: ONS

Figure 2 opposite demonstrates how in terms of GVA per capita, NewcastleGateshead is outperforming the rest of the region and closing the gap on other core cities. Newcastle leads this, with GVA per capita increasing from 117% of the UK average in 1997 to 128% in 2006. In the same period Gateshead has increased GVA per capita from 86% to 92% of the UK average, reflecting the change in Gateshead's economic status. Together NewcastleGateshead has been closing the gap whilst the rest of the region has slipped back.

Strategic Context

There are many economic policy documents relating to future economic competitiveness. The following section provides an analysis of development frameworks which drive the direction of economic performance and competitiveness for Gateshead.

European Commission Innovation Union - Europe 2020 strategy

With an ageing population and strong competitive pressures from globalisation, Europe's future economic growth and jobs will increasingly have to come from innovation in products, services and business models. Innovation has been placed at the heart of the Europe 2020 strategy for growth and jobs. The Innovation Union aims to improve conditions and access to finance for research and innovation in Europe, to ensure that innovative ideas can be turned into products and services that create growth and jobs.

A Strategy for Sustainable Growth: Department for Business Innovation and Skills (July 2010)

A Strategy for Sustainable Growth states that to achieve economic growth and stimulate private sector investment it is important to protect and build on strengths in design, creative industries and innovative manufacturing.

It recognises that Innovation through the introduction and diffusion of new products, services and processes are one of the major sources of long-term productivity growth. Skills, science, research and innovation are essential investments for the UK economy, because the introduction of new products, services and processes will be the major source of growth in the long term. Investment in research delivers benefits to the economy through providing skilled workers, delivering improvements to existing businesses and creating new ones based on novel products and services.

The Strategy confirms BIS will continue to support collaboration between universities and businesses; the commercialisation of new technologies; and the building of relationships between institutions and businesses which foster the exchange of new knowledge.

North Eastern Local Enterprise Partnership (LEP)

Business and local authorities in Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland have agreed to form a Local Enterprise Partnership (LEP) to act as a key instrument for coordinating growth and development, and will work with Government to enable private sector enterprises to develop, expand and flourish.

The vision for the North Eastern LEP is to deliver smart, enterprising leadership between the private sector, local government, Higher Education and Further Education to rebalance the economy, and create Europe's premier location for low carbon, sustainable, knowledge-based private sector-led growth and jobs.

The strategic economic context of the North Eastern LEP area demonstrates that the fundamental building blocks - flexibility, innovation, creativity and competitiveness success - are in place to drive greater private sector growth and jobs. To achieve its vision, the LEP will focus on delivering actions against four strategic economic priorities:

- Supporting Enterprise and Private Sector Business Growth
- Building on Key Economic Strengths
- Improving Skills and Performance
- Strengthening Transport, Connectivity and Infrastructure

Vision 2030: Sustainable Community Strategy for Gateshead (2007)

The vision set out in the Sustainable Community Strategy focuses on people and place. It seeks for local people to realise 'their full potential enjoying the best quality of life in a healthy, equal, safe and prosperous and sustainable Gateshead'. By 2030, the aim is to make Gateshead an economically thriving city that focusses on people, unlocks the potential of local residents by giving them opportunities and nurturing their aspirations, and increases the GVA of the Borough.

Fit for a City: Gateshead Centre Regeneration Delivery Strategy (May 2009)

Gateshead's Regeneration Delivery Strategy (RDS) is a long term, inspirational vision to guide the regeneration of Gateshead Town Centre over the next 15 to 20 years. It provides a spatial plan and delivery framework, identifying development, public realm and transport projects, which can be developed both in the short-term and over the lifetime of the plan. The purpose is to develop a successful, attractive and sustainable mixed-use centre that makes Gateshead an integral part of the NewcastleGateshead urban core.

The RDS states that a market exists for new modern office spaces and the provision of more appropriate, independent spaces that will encourage culture, creativity and enterprise. The development of Gateshead Creative Quarter is supported by opportunities highlighted in the RDS.

NewcastleGateshead 1Plan

The 1Plan is an Economic Masterplan for NewcastleGateshead which sets out the economic and spatial strategy for the next 20 years.

The 1Plan highlights the growth of NewcastleGateshead in the next 20 years will be driven by science, technology and innovation.

The 1Plan aims for Science, Creativity, Skills and Enterprise to transform NewcastleGateshead, energise the business base, drive new firm formation, attract inward investment and provide high levels of employment. NewcastleGateshead will lead the way in creating a low carbon economy.

Summary

All of the strategies suggest sustainable growth will be achieved by pursuing knowledge-based, high growth industries. Notable sectors include digital, creative and technology based industries, with a focus to reinvigorate traditional industries by introducing innovative new ways of working.

Gateshead Local Economic Assessment (2011)

Over the past 18 months, Gateshead Council has undertaken a wide-ranging assessment of the local economy to help develop a better understanding of the issues facing the local economy and plan more effectively for the future. The assessment builds upon the aspirations of the Government's Local Growth White Paper, which explicitly states the central role of local authorities in supporting the economic development process, working with partners within the North Eastern Local Enterprise Partnership to promote local economic development.

In terms of Gateshead, the overall aim of the Council and its partners is to create a better, well-paid economy producing good quality jobs for skilled people.

Gateshead's population is predicted to rise to around 204,900 by 2033, an increase of around 15,000.

Long-Term recovery scenarios predict a growing, more specialised labour market with around 24,000 new jobs predicted in Gateshead by 2037. It is therefore unlikely that Gateshead will be able to meet labour supply just from indigenous sources; this is despite best efforts to reduce benefit dependency and increase the skills levels of both new and existing employees.

GVA changes are predicted at local authority level in the three-year period to 2012. Gateshead is predicted to see a 0.2-0.4% GVA increase, well below London's rise of between 1% -1.4%.

Growth sectors are expected to include retail and construction, public administration and defence, wholesaling, hotel and catering and business services, whilst machinery and equipment and paper, printing and publishing are predicted to see the largest decline in jobs.

There is a need to ensure the right mix of suitable housing to not only meet the needs of local residents, but to encourage inward migration and to retain graduates to ensure that the labour supply needs of knowledge based industries can be met fully.



Role of Universities in Urban Poles

The lack of a university in the Borough of Gateshead should not be seen as a barrier to economic development.

The North East region is home to a strong group of varied universities; Newcastle University, Northumbria University, University of Sunderland, University of Teesside and Durham University operating alongside knowledge transfer partners such as RTC North and Knowledge House. Gateshead is home to the Open University regional headquarters.

It is important for Gateshead to collaborate with universities and other educational institutions in the region, rather than competing against them, to support economic development priorities and linkages to the private sector in Gateshead.

To create and develop links with local universities, Gateshead Council has included Newcastle University, Northumbria University and RTC North as key partners in the URBACT Local Support Group.

Newcastle University is a top 20 UK University with more than 18,000 students and 4,500 staff. The University has a very strong academic base and aims to be a globally significant research institution. The University has highlighted Ageing (Faculty of Medical Sciences) and Sustainability (Science, Agriculture and Engineering Faculty) as their two major research challenges.

Through the Careers Service, the University is a significant provider of support to student entrepreneurs, aiding students and alumni wishing to start their own business, including the provision of Business Start up workshops, network society, enterprise competition, business advice and support, and access to an ideas incubator. Newcastle University provides support to industry through the delivery of a range of services such as:

- Access to students and graduates.
- Delivery of commercial services including research centres for Engineering Design and the Resource Centre for Innovation and Design, an engineering consultancy activity focusing on mechanical, electrical and electronic systems design and engineering, product development and software engineering.

- Training and skills, including Continuing Professional Development.

Northumbria University is located across two campuses in Newcastle with over 27,000 students. The university is recognised for teaching and sporting excellence, whilst beginning to establish a research base. Support to industry is provided by Northumbria Commercial Enterprises offering consultancy, applied research, short courses, customised training and development, Knowledge Transfer Partnerships, workshop and laboratory facilities and testing, and support to student enterprise start up linked to each of the university's academic schools.

Northumbria University Design and Innovation Lab (nuDIL) works across the boundaries of design, engineering and business, bringing together diverse communities of professional practice in design in a wide range of businesses, so students and staff are able to work on live projects in a flexible and versatile environment.

Commitment to Enterprise is supported through the Enterprise Campus programme, providing advice, support and assistance to students and graduates wanting to start or develop their own business. Knowledge Transfer Partnerships (KTP) is a part government-funded programme to encourage collaboration between businesses and universities in the United Kingdom.

KTP was launched in 2003. A KTP involves three 'partners':

- a company (this may be a private enterprise, public body or voluntary agency);
- a knowledge base (this may be a university or other higher education institution, research organisation or further education college); and
- an associate (a recently qualified graduate).

The aims of each KTP programme are to facilitate the transfer of knowledge and technology and the spread of technical and business skills to the company, stimulate and enhance business-relevant research and training undertaken by the knowledge base, and enhance the business and specialist skills of a recently qualified graduate.

RTC North is an independent innovation agency delivering initiatives and providing services to support economic growth. Excelling in the areas of technology transfer, commercialisation, business growth and open innovation, RTC North has worked extensively with local companies to create jobs, wealth and a better quality of life for the people of Northern England. The company was originally a spin out of Newcastle University and had worked extensively with the knowledge economy since its inception in 1989.

In addition, Gateshead College a founder college for the National Skills Academy Creative and Cultural Skills participates in the ULSG. The college is at the forefront of developments in creative industries.

Their extensive creative arts curriculum was judged to be outstanding by Ofsted (2009) and they were among the first to run apprenticeships in creative industries and work in close partnership with employers in the sector. The college has ambitious plans for further investment in their Baltic Campus on Gateshead Quayside, to enable them to develop a specialist Digital Academy.

The Digital Academy, launched in Summer 2010, has been developed with the vision Gateshead is set to become the hub of the creative digital industries in the UK.

Devised in partnership with the region's creative sector, the full time programmes deliver highly specialised skills directly inline with employers needs, creating graduates equipped with industry level knowledge and ready for entry into employment.

Digital skills and technology will be integrated into all creative programmes as well as areas such as engineering, IT and business.

Gateshead businesses can also benefit from services provided by Knowledge House, a collaborative service offered by the five North East Universities to help businesses access university skills, expertise and specialist resources.

Between 2000 and the end of 2009, Knowledge House had handled 13,000 enquiries of which 4407 were developed into a full project receiving university assistance and completed to enhance their business. 780 of these enquiries occurred in Tyne and Wear, including 104 in Gateshead. Increasing awareness of Knowledge House within Gateshead will assist local businesses receive university support, without the requirement for a 'Gateshead University'. Knowledge Transfer in the North East The North East England ERDF Competitiveness Programme 2007-2013 brings an additional £255 million into the region to support investment set out in the Regional Economic Strategy which places innovation and universities at the centre of key regional priorities.

The ERDF Programme is split into two priorities:

- Enhancing and Exploiting Innovation; and
- Business Growth and Enterprise.





Supported by the ERDF programme the North East is developing a set of innovation connectors with a geographical focus, enabling the development of world class facilities, new approaches to integrating business and universities, engaging with the community through education and access to employment initiatives including:

- Software city developed in Sunderland is a new initiative designed to inspire and encourage the growth of the software industry in the region, and to make the area an attractive location of choice for software business.
- Digital city based in Middlesbrough aims to create a digital supercluster containing a range of activities including business, culture, entertainment, education, community, infrastructure and finance.
- Newcastle Science City, part of Newcastle's vision to build the city as a world leader in Science, will be based around capitalising on science expertise and encouraging the creation of new innovations, ideas and business.

The North East is home to pockets of design and creative excellence; however there is a need to foster more collaborative working. Perceived barriers for businesses working together for mutual benefit need to be removed, and instead increase knowledge transfer opportunities, especially in science, engineering and technology.

One NorthEast, Terrace Hill and Gateshead Council are building Northern Design Centre (NDC), a four-storey building to provide over 4000 sq. m of space for creative businesses at Baltic Business Quarter.



Northern Design Centre has been highlighted as an innovation connectors having great potential for using innovation to stimulate economic regeneration across the region. The Innovation Connector will enable public/private and university cooperation in pursuit of innovation and economic development in a way that serves the needs of their respective communities of interest. Innovation Connectors are funded to develop and deliver activity which:

- Provide leading edge facilities for business and university R&D and commercialisation
- Engage in community awareness and engagement actions related to R&D and commercialisation
- Create and promote employment opportunities
- Use innovation-focused and tailored support geared towards the needs of SMEs with high growth potential and their supply chains
- Facilitate networks to enhance co-operation between SMEs in key sectors

In a regional environment which is also seeing huge investments in science, new and renewable energies, process industries, healthcare and printed electronics, it is an exciting time to be launching the catalytic design initiative. It is hoped the NDC will be a shining example of how a broad range of complementary businesses will work together and benefit from being located in such a creative place.

North East Finance: A new £125m holding fund has been established with investments from the European Investment Bank, European Regional Development Fund and One North East (ONE), the regional development agency for the North East of England.

North East Finance (NEF) has been appointed to be the holding fund management company, responsible for overseeing the introduction and operation of a number of individual investment funds for new and growing businesses in the North East of England.

Six new funds were launched in January 2010 targeted at start-ups and growing companies across sectors and stages of development and will invest from £5,000 to £1.25m between 2010 to 2014.

Moving Forward

The Government’s Local Growth White Paper 2010 states explicitly the central role of local authorities to support the economic development process. This is wide ranging and includes working through a revised planning process and partners within the North Eastern Local Enterprise Partnership to promote local economic development.

In terms of Gateshead, the overall aim of the Council and its partners is to create a better, well-paid economy producing good quality jobs for skilled people. Key considerations include:

- The successful regeneration of both Gateshead town centre and Gateshead Quays is essential to the economic, social and environmental wellbeing of the borough and its residents;
- Manufacturing diversification and the growth of new manufacturing sectors is essential to our economic success, given the importance of manufacturing to the borough in terms of jobs and businesses;

- Increasing business specialisation is vital to improving economic performance, working with universities to promote innovation and help businesses bring new products to market;
- Creative industries, business services and distributive trades are the sectors seen as having the greatest growth potential. Strong demand for office space is predicted at Baltic Business Quarter and Gateshead Quays;
- There is a need to help businesses become more sustainable through enhanced energy efficiency;
- There is a need to develop a robust approach to business winning and create the economic and social environment to ensure that high growth businesses, within key sectors such as business and professional services, creative and cultural businesses and high quality retail want to locate to Gateshead; and
- Whilst skills diversity is improving, there is a need to maintain this progress and ensure that the skill base of local people meets the needs of new and existing businesses.



Making the transition to a knowledge economy
The 1Plan identifies knowledge led transition as the way to build a sustainable economy focusing on sectors in alignment with those identified in the baseline study.

It identifies the need for intervention for ten ‘key steps’ and four ‘big moves’ as follows. These actions are broadly in alignment with the strategic challenges for Gateshead identified by the Local Support Group in the Baseline study e.g. to create new knowledge based industries, especially around design and creativity, modernise existing manufacturing and engineering sectors including opportunities arising through climate change and the low carbon economy and promote entrepreneurship.

4 Big Moves

- Growing the knowledge economy
- Developing skills and attracting talent
- Transforming the urban core
- Pioneering sustainable urbanism

10 Key Steps

1. City of Science
2. The Top 200
3. Low-carbon Economy
4. Business and Cultural Tourism
5. Business Winning
6. World-class Skills
7. Tackling Worklessness
8. Development and Regeneration
9. Places and Spaces
10. Complete Mobility

Focusing on innovation-based, high-order, high-productivity activities will encourage economic vitality and improve quality of life for the resident population, both of which are depended upon for making a successful transition to a knowledge economy.

Whereas traditional industrial economies have locality issues as a central role, the knowledge economy is driven by:

- Knowledge and skills development – skilled and adaptable workforce
- Innovation and creativity
- Entrepreneurship – raising aspirations, providing support
- Information and communications technology (ICT)

The knowledge economy represents a cultural shift within the economy rather than the growth of new industrial sectors.

To increase the sustainability of a knowledge economy, a key aim for Gateshead will be to focus on SME development both by indigenous growth and by making Gateshead an attractive location to grow and develop business. SMEs are often established by local people, money will be reinvested in the local area and the potential for retention increased.

The majority of local jobs are created from SMEs, and these local businesses and industries provide the products, services and amenities that help maintain and improve the quality of life residents enjoy.

To achieve its ambitions Gateshead needs to think differently about competitiveness. To improve and maintain competitiveness in Gateshead, it is clear a move towards a knowledge industry is necessary, however for this to be effective, Gateshead must take a sustainable and innovative approach to economic development.

Table 7.1: 4 big moves, 10 key steps from 1Plan

Strategic Opportunities

The growth of a knowledge economy will be linked to the redevelopment of the town centre, an emerging business district. Ambitious plans for regeneration will develop it into a 21st century town centre. 'Fit for a city', the regeneration delivery strategy created by the council and One NorthEast, focuses on drivers of creative, independent and niche retailing, new forms of housing, becoming a new urban destination and being 'green' physically and sustainability through construction and energy.

Baltic Business Quarter is a 21-hectare site, set back from the south bank of the River Tyne, and is Gateshead's newest business district. The area will be developed over a 10-year period to provide 139,000sq m of much needed grade A office space.

Baltic Business Quarter is central to Gateshead's plan for creating the infrastructure that will attract highly-skilled employment to Gateshead. Gateshead hopes to attract SMEs, especially within the creative and design sector, by providing superbly equipped facilities and securing sustainable economic growth.

Baltic Business Quarter is already benefitting from the installation of G-ti, a high capacity open access network for businesses on the site. The network improves broadband speeds to 10 gigabits per second with a capability of delivering speeds of up to 40 gigabits per second to meet future demand and enable businesses to use new technologies and applications.

As previously mentioned, work has commenced on NDC at Baltic Business Quarter.

	Traditional Approach	Added Value Approach
Objectives	Attract jobs and investment	High quality jobs. Globally-competitive, high value-added companies
Nature of Competition	Lowest cost	Flexibility, responsiveness, innovation, customization, value for money.
Competitors	Regional, national	Global
Competitive Assets	Low cost land Low wage labour Buildings Energy Hard Infrastructure	Skilled labour force Regional Institutions Quality of life Research & Development Technology Access to capital Global connectivity
Business Models	Simple, large integrated factory/office, regional scope	Networks, clusters, strategic alliances, global mandate
Interventions	Tax incentives, Marketing	Skills development Innovation Entrepreneurship Supportive business climate Partnership



Gateshead's URBACT Local Support Group

ULSG Development

To deliver the RUnUP project in Gateshead, a local support group has been established comprising key regional partners.

The core ULSG is made up of members from:

- Gateshead Council
- Newcastle City Council
- Newcastle University
- Northumbria University
- Gateshead College
- ONE North East
- RTC North
- North East Chamber of Commerce
- Engineering Employers Forum
- Business and Enterprise North East

The main role of the local support group was to:

- Develop comprehensive programmes that will bring universities, the business sector and the public sector together to drive forward economic development.
- Provide structured support to start-up companies, providing strategic consultation and helping the expansion of companies through partnership working.
- Ensure university curricula meet the skills needs and requirements of local businesses.
- Influence appropriate local economic regeneration practices and policies

The Gateshead ULSG has broadly agreed with the opportunities identified by the baseline study, highlighting the engineering, design and creative sectors, knowledge based industries and entrepreneurship development as areas of importance to improve the economic prosperity of Gateshead.

Design and Creative

As well as a significant regional centre for business and commerce, Gateshead has a long-standing reputation as a centre of excellence in creative and artistic innovation. Internationally renowned developments such as BALTIC and The Sage Gateshead provide the backdrop for a centre emerging as a hub for innovative TV, film, games and digital content.

Entrepreneurship

Gateshead Council and its partners are committed to supporting local business and fostering an environment in which businesses can prosper and grow.

Engineering and Manufacturing

Advanced manufacturing and engineering continues to be a significant employer in Gateshead (16.2%). Operating in global, high value and niche markets, the sector remains robust and sustainable although is faced with challenges, in particular access to new markets, access to skilled labour, and access to technology and technology transfer.

New business opportunities are emerging for this sector, in particular as a result of climate change and the development of the low carbon economy.

In addition, two cross cutting themes have been identified to support the opportunities highlighted in the baseline study.

Attracting and Retaining Talent: Gateshead lies within the heart of the Tyne and Wear City Region. The Regional Economic Strategy recognised that the city region offers a unique combination and interaction of market factors to enable the development of the critical mass needed for a sustainable and dynamic economy. This provides the platform and opportunity to attract creative talent nationally and internationally.

Business Winning: Local authorities seek inward investment because it is one way of increasing investment to the economy in the form of investment in capital, jobs and skills, and research and development.

Gateshead Strategic Partnership

In 1999, Gateshead Council invited a large number of agencies and organisations working with Gateshead to join a strategic partnership. The strategic partnership had the aim of developing and co-ordinating the large amount of partnership working taking place in Gateshead.

Membership of the partnership includes:

- Local people and community partnership networks
- Voluntary groups and special interest groups
- Statutory agencies
- Business community

The partnership aims to provide a framework for other partnership-based activity in the borough in relation to regeneration, neighbourhood renewal and sustainable community planning.

Gateshead Strategic Partnership is underpinned by a series of themed partnerships. The steering group is supported by the Economy, Skills, Housing and Transport (ESHT) themed partnership which take responsibility for monitoring the delivery of the ESHT element of the Sustainable Community Strategy, concerned with economic growth and performance, and highlighting where improvement is not meeting expectations.

Gateshead URBACT Local Support Group was approved as a sub group of the Economy, Skills, Housing and Transport partnership in March 2010. Acting as the Business and Innovation focus group, the ULSG will monitor and amend the delivery of the local action plan after the RUnUP project closes in May 2011.

Methodology

The aim of RUnUP is to maximise the economic, innovation and entrepreneurship potential of medium sized poles. Gateshead has developed the the Local Action Plan to drive towards the objectives of the RUnUP project, and in doing so will build on the significant progress to date and aim to overcome the issues highlighted in the baseline study, such as:

- The lack of a university within Gateshead.
- Undeveloped partnership working between Gateshead Council and the universities.

To develop the Local Action Plan, ULSG members have participated in a number of exchange and learning activities including study visits to:

- Tampere, Finland - learning best practice from Tampere, the third largest city in Finland and a centre for IT-based innovation.
- Enschede, Holland - focusing on the University of Twente where 'The cooperation between the private sector, the university and the government is unique.'
- Coventry, UK - exploring how the city of Coventry works in collaboration with the university.

And thematic network events in:

- Agueda, Portugal - exploring how cities can harness the triple helix as a motor of local development.
- Potsdam, Germany - exploring the Urban Poles' potential of being a city of science.
- Barakaldo, Spain - exploring how cities can adopt talent attraction and retention strategies to foster growth.

A number of successful pilot initiatives have been developed as a result of opportunities identified by the Local Support Group, including:

- The launch of The Hub, a business collaboration network for the creative sector - www.thehubgateshead.co.uk
- Graduates in Gateshead (GIG) the provision of business accommodation and support for graduate enterprises locating themselves in Gateshead
- Delivery of support and incubation services and support to entrepreneurs within the council's business incubation centres.
- A professional award delivered by Northumbria University to aspiring Gateshead entrepreneurs, and offering credits towards further HE participation
- A collaboration by Gateshead Council and the Engineering Employers Federation (EEF) to launch the Gateshead Manufacturing Forum. The forum will support the wider engineering and advanced manufacturing sector and focus on promoting skills development, technology transfer and access to markets and new market opportunities.
- The launch of Gateshead Digital Summer, 24 May to 30 June 2010 - www.gatesheaddigitalsummer.com
- Development of a Multi-Disciplinary Design Innovation (MSc/MA) programme to support knowledge based enterprise creation and growth through the development of strategies for business improvement for selected Gateshead enterprises operating in priority sectors, delivered by Northumbria University.

Action	Achievement Date	Lead Partner(s)	Business Winning	Talent Attraction
Economic Partnership				
1 The ULSG is approved as a sub group of the ESHT partnership, as the Business and Innovation Group	March 2010	Gateshead Council		
2 Relationship Management protocol developed with ULSG partners	March 2011	Gateshead Council & ULSG representatives		
3 Explore opportunities for Economic Partnerships within the RUnUP network	December 2011	Gateshead Council, others as appropriate	■	■
Entrepreneurship and Innovation				
4 Targeted promotion of entrepreneurship opportunities to university alumni and students	June 2012	Gateshead Council Newcastle University		■
5 Develop appropriate workspace for new and young businesses and SMEs	December 2011	Gateshead Council	■	■
6 Establishment of Knowledge Transfer Network (KTN)	April 2011	Gateshead Council	■	■
7 Implementation of a sustainable model for the Graduates in Gateshead project	October 2011	Gateshead Council Newcastle University Northumbria University		■
8 Delivery of Certificated Enterprise Programme to Gateshead entrepreneurs	October 2011	Gateshead Council, Northumbria University		■
Economic Partnership				
9 Ensure the continued delivery of Multi-Disciplinary Design Innovation Programme for SMEs	November 2011	Gateshead Council, Northumbria University		■
10 Implement a private sector led business support solution for SMEs Development of the Gateshead Business Forum	March 2012	Gateshead Council, service providers, SMEs		■
11 Development of the Gateshead Manufacturing Forum	March 2011	All		■

Action	Achievement Date	Lead Partner(s)	Business Winning	Talent Attraction
Advanced Manufacturing and Engineering Sector				
12 Development of the Gateshead Manufacturing Forum	March 2011	Gateshead Council Engineering Employers Federation	■	■
13 Improve access to university/ college services available to advanced manufacturing and engineering sector	March 2012	Gateshead Council, Newcastle University Northumbria University Gateshead College Engineering Employers Federation	■	
Commercial Creative and Design Sector				
14 Produce an investors guide to the Gateshead Creative Quarter	March 2011	Gateshead Council	■	■
15 Establish The Hub advisory group/ creative industries focus group	September 2011	Gateshead Council	■	■
16 Improve access to university/college services available to Gateshead's creative and digital businesses	September 2011	Gateshead Council Newcastle University Northumbria University, Gateshead College.	■	■



Local Action Plan Delivery

A series of actions have been developed as a result of RUnUP and ULSG activities. Actions have been grouped under sub headings.

Economic Partnership

The main objective of the RUnUP project is to encourage universities, private businesses and the local authority to work together to support economic development, innovation and entrepreneurship to create a triple-helix structure.

The ULSG will develop innovative ways to deliver this approach at a Gateshead level by developing new contacts and forming close working relationships between all organisations.

Action 1

Title:	The ULSG is approved as a sub-group of the Economy, Skills, Housing and Transport Partnership, as the Business and Innovation group.
Lead partner:	Gateshead Council
Timescale:	March 2010
Resources:	Nil cost
Key steps:	<ul style="list-style-type: none"> The ULSG will feedback progress to the ESHT Partnership, during and after the project closes in May 2011. This will provide a structure for the future governance of the activities in the Local Action Plan

The Economy, Skills, Housing and Transport Partnership is a themed sub-group of the Gateshead Strategic Partnership which sets out long term visions for Gateshead, overseeing their delivery.

The Gateshead ULSG has been approved as the Business and Innovation Group of the Economy, Skills, Housing and Transport Partnership with a focus to develop a triple-helix structure and encourage economic development through the exploitation of innovation.

Through the Business and Innovation Group, the ULSG will manage the delivery of the LAP, continually reviewing and refreshing the programme as priorities within Gateshead change, to ensure the document remains relevant after the RUnUP project closes in May 2011.

At present, the relationship between the private sector, education institutions and the local authority is underdeveloped.

Action 2

Title:	Relationship Management protocol developed with ULSG partners
Lead partner:	Gateshead Council,
Timescale:	October 2011
Participants:	All ULSG representatives
Resources:	Nil cost
Key steps:	<ul style="list-style-type: none"> Establish a point of contact within each of the partners as an access point to each organisation Development of Memorandum of Understanding(s) between key ULSG partners as appropriate

To encourage efficient collaborative working, the ULSG will establish points of contacts within each organisation to effectively manage contact between organisations and avoid duplication, and ensure queries are dealt with effectively.

A separate memorandum of understanding (MOU) has been agreed between Gateshead Council and both Business and Enterprise North East and University of Northumbria. Further MOUs will be developed between ULSG participants as appropriate to further opportunities for collaborative working. The Gateshead Creative Quarter is fast developing as an attractive and dynamic area for creative industries as a result of a strong sector presence, world class facilities and state-of-the-art infrastructure.

It promises to become one of the most dynamic business environments in the UK through a mix of high quality design, unique architecture and the creation of a thriving, sustainable community creating thousands of new employment opportunities in the high-end digital media sectors.

Action 3

Title:	Explore opportunities for Economic Partnerships within the RUnUP network
Lead partner(s):	Gateshead Council
Timescale:	December 2011
Participants:	Other stakeholders as appropriate
Resources:	To be identified as appropriate
Key steps:	<ul style="list-style-type: none"> Identify opportunities for collaborations with

There is synergy between the council's aspirations and some of the partner cities within the RUnUP network presenting an opportunity to accelerate economic growth through a collaborative arrangement.

To initiate this process, there are a number of approaches that could be considered to develop relationships between Gateshead and appropriate cities. It is proposed that a Memorandum of Understanding focusing on facilitating trade and investment is the most appropriate, rather than a political agreement.

A flexible partnership arrangement could be developed whereby Gateshead and a partner city would facilitate and encourage investment projects from each other's business community, with the vision this will lead to additional opportunities for trade and tourism links, exchanges and involvement of educational and knowledge institutions for mutual benefit.

An arrangement will be developed in such a way that it does not exclude additional agreements being considered with other cities, as such strategic partnerships present opportunities to add significant value through likeminded networks. The development of such economic partnerships is not restricted to RUnUP Network partners.

It is hoped an agreement would commit each of the respective partners to offer similar levels of assistance to investors looking to establish themselves or do business in the partner city through the provision of business support, access to incubators and appropriate business accommodation and business networks.



Entrepreneurship

Figures demonstrate Gateshead has a high level of business start-ups compared with the rest of the North East. Regeneration initiatives are improving the profile of Gateshead, attracting business investment and developing the Gateshead brand.

Gateshead aspires to become recognised as a location for high-growth, knowledge based businesses and start-ups. In addition the borough will be known for offering excellent business support and incubation services. Gateshead Council and its partners will create imaginative ways to develop business opportunities and enable Gateshead residents to exploit their creativity and entrepreneurialism.

Gateshead Council’s innovative and flexible use of business centres has been pivotal in the delivery of projects such as Business Incubation Gateshead (see action 11) and Graduates in Gateshead (see action 8).

Action 4

Title:	Targeted promotion of entrepreneurship opportunities to university alumni and students
Lead partner(s):	Gateshead Council
Timescale:	June 2012
Participants:	Newcastle University, Northumbria University
Resources:	To be met from existing resources
Key steps:	<ul style="list-style-type: none"> • Promote Gateshead as a location for entrepreneurship and graduate enterprise • Focus on commercial creative manufacturing sectors

To build upon this success, the ULSG will also develop innovative ways to develop new incubator space in order to attract and retain more high-growth businesses and become recognised as an area for attracting and developing Gazelles.

The North East universities have a large base of alumni. Between them the five north eastern universities produce between 10-15,000 graduates each year.

It is understood that Newcastle University have around 180,000 alumni on their database, of which they have regular contact with about 100,000.

To date, Gateshead has not sought to collaborate with the universities to utilise the valuable information held on alumni for the purposes of exploring opportunities to promote talent attraction and retention.

Through this action the ULSG will explore opportunities to pilot initiatives with Newcastle University, and Northumbria University where appropriate, to market Gateshead as a location for entrepreneurship and graduate enterprise, focusing in particular, on opportunities in the commercial creative and advanced manufacturing and engineering sectors.

Action 5

Title:	Develop appropriate workspace for new and young businesses and SME’s
Lead partner(s):	Gateshead Council
Timescale:	December 2011
Resources:	£4.95m ERDF and £4.95m Single Programme Funding secured for Northern Design Centre
Key steps:	<ul style="list-style-type: none"> • Expand the provision of incubator offices • Influence private sector provision of SME workspace • The development of Northern Design Centre • Support development of The Shed and the starter for ten initiatives



The North East incubator study highlights a business centre, as a result of manager intervention will produce on average 30% more jobs, turnover and GVA than standard workspace.

In addition, the study highlights incubator facilities are more fundamental to the occupiers who need them, and on average will generate 70 to 80% more jobs, turnover and GVA than if the business had began within standard workspace.

Gateshead Council manage three business centres, which offer a range of basic business facilities such as shared utilities, administration services and meeting rooms in addition to individual office provision.

Northern Design Centre, a 5,900sq m facility, to be located on The Boulevard on Baltic Business Quarter will provide over 2000 sq m of high specification office space for design led, creative and knowledge driven business as well as conferencing, showcasing, a resource area and interdisciplinary rooms.



Gateshead has a distinct lack of creative workspace for small start-up businesses. To address this, Gateshead Council have worked with Wayne Hemingway to develop a project called The Shed by transforming The Bed Shed, a redundant furniture store on Gateshead's High Street into a thriving creative cluster for small businesses.

The initial phase of starter for ten began in November 2009, and The Shed became home to 11 creative start up businesses. The project proved very successful, and further levels of The Bed Shed were renovated to accommodate future tenants.

The Shed now offers open plan studios to artists, designers makers and digital media companies, and there are plans to develop exhibition space in the entrance areas for tenants to exhibit their work.

The council will also work with developers, property agents and business owners themselves to influence the provision of suitable business accommodation for SMEs in the Borough and explore ways to support the development of the Starter for Ten initiatives

Action 6

Title:	Establishment of Knowledge Transfer Network (KTN)
Lead partner(s):	Gateshead Council
Timescale:	April 2011
Participants:	ONE North East
Resources:	ERDF and Gateshead Council (approved)
Key steps:	<ul style="list-style-type: none"> • Publication of OJEU notice • Appointment of KTN delivery partner • Develop a membership bringing together both suppliers and users of design services • Promotion of multidisciplinary working and open innovation • Completion of Northern Design Centre development

Northern Design Centre will be the physical hub for a Knowledge Transfer Network (KTN) and the focal point for design in the North East.

The KTN will capitalise on the existing regional strengths in design by building upon the level of knowledge transfer between science, engineering, design and business within the region. Specifically the KTN will:

Develop a membership of businesses, bringing together both suppliers (supply) and users of design services (demand) and other related partners. A key feature of the network will be access to regular knowledge dissemination and networking events.

Facilitate the promotion of multidisciplinary working involving academic experience, suppliers of design services, and the wider private sector through an open innovation platform enabling the development of specific product and enterprise development projects.

Showcase the best of regional design and increase awareness and embed understanding of how design can lead to business improvement through a programme of community engagement, events and workshops.

It is anticipated that the network will support up to 250 members, 5 - 10 multidisciplinary projects will be undertaken in each of the first three years and 200 businesses will be engaged through workshops, seminars and training events.

One of the key weaknesses in the under performance of the North East economy is the low rate of graduate retention. One way of addressing this issue is to encourage graduates to start up their own businesses, and become involved in small businesses, locally.

However, it is difficult for the universities to provide accommodation to these businesses once they start trading as a commercial enterprise. In addition, demand for incubator accommodation and support in a commercial environment is high and increasing year upon year.

Title:	Implementation of a sustainable model for the Graduates in Gateshead project
Lead partner(s):	Gateshead Council
Timescale:	October 2011
Participants:	Newcastle University, Northumbria University
Resources:	To be agreed. Gateshead Council, Newcastle University, Northumbria University
Key steps:	<ul style="list-style-type: none"> • Increase the number and survival rate of business start-ups • Provide an environment for small and young businesses to grow and prosper. • Improve the graduate retention rate in the region. • Secure a direct university presence in Gateshead.

Space within the Council's business incubation centres was provided under licence during 2009/10 and 2010/11 to Northumbria and Newcastle Universities for the provision of free accommodation for up to one year to new businesses formed by graduates and university spin outs and delivery of support to appropriate occupiers and students.

The cost of the project was met by Gateshead Council's 10 Point Plan for Economic Resilience which was launched in February 2009 to support local residents and businesses to manage the impact of the economic downturn. The action will seek to identify and implement a sustainable model for the Graduates in Gateshead project post March 2011.

Action 8

Title:	Delivery of Certificated Enterprise Programme to Gateshead entrepreneurs
Lead partner(s):	Gateshead Council
Timescale:	October 2011
Participants:	Northumbria University
Resources:	To be met from within existing Gateshead Council and Northumbria University resources.
Key steps:	<ul style="list-style-type: none"> • Increase the number and survival rate of business start-ups • Provide an environment for small and young businesses to grow and prosper. • Encourage further HE participation • Secure university activity in Gateshead.

During the Implementation phase of the RUnUP project the ULSG identified an opportunity for Gateshead Council to collaborate with Northumbria University to deliver a professional award to Gateshead residents to support business development and implement best practice.

The two module award has been developed by Northumbria Commercial Enterprises, the student and graduate enterprise arm of Northumbria University which is worth 20 credits towards a relevant higher education degree qualification participants may be interested in.

Action 9

Title:	Ensure the continued delivery of Multi-Disciplinary Design Innovation Programme for SMEs
Lead partner(s):	Gateshead Council
Timescale:	November 2011
Participants:	Northumbria University
Resources:	To be agreed. Gateshead Council, Northumbria University
Key steps:	<ul style="list-style-type: none"> • Identification of resources and facilities as appropriate. • Identification of SME participants • Delivery of Multi-Disciplinary Design Innovation projects • Promotion of business collaboration with universities

The structure of the professional award means students can learn about enterprise whilst beginning trading.

The action will require the partners, Northumbria University and Gateshead Council to explore and identify resources to roll out the delivery of a Certificated Enterprise Programme to Gateshead entrepreneurs as appropriate, to promote business start up and higher education participation among Gateshead residents.

Action 10

Title:	Implement a private sector led business support solution for SMEs
Lead partner(s):	Gateshead Council
Timescale:	March 2012
Participants:	Service providers, SMEs
Resources:	To be confirmed
Key steps:	<ul style="list-style-type: none"> • identification of participating service providers • Development of delivery framework • improved access to business and professional advice

During the Implementation Phase of the RUnUP project the ULSG identified an opportunity for Gateshead Council to collaborate with Northumbria University to deliver a series of multi-disciplinary projects through the University's School of Design MSc/MA Multi-Disciplinary Design Innovation programme to mutually support student development and local business development.

The action will require the partners; Northumbria University and Gateshead Council, to explore and identify resources to continue the delivery of Multi-Disciplinary Design Innovation projects Gateshead SMEs, to provide student learning and experience opportunities and support SME development.

The action seeks to build upon the success of existing initiatives by collaborating with intermediaries, advisers, existing beneficiaries, business centre occupiers, members of The HUB and other business representative organisations including the North East Chamber of Commerce to establish a private sector led business support solution.

Facilitated by the Council's Economic Development service this project will seek to improve the take up of business and professional advice by SMEs and promote the sharing of knowledge and experiences between young businesses with entrepreneurs with more experience.

Action 11

Title:	Development of the Gateshead Business Forum
Lead partner(s):	Gateshead Council
Timescale:	March 2011
Participants:	All
Resources:	To be met within existing resources
Key steps:	<ul style="list-style-type: none"> • Increase participation at Gateshead Business Forum • Use of Social media and other appropriate channels to raise awareness. • Develop a programme of events • Promote Triple helix and innovation support to SMEs

To encourage collaboration between local businesses, Gateshead Council manages the Gateshead Business Forum.

The Gateshead Business Forum aims to engage, inform and support businesses and social enterprises within the Gateshead area by delivering networking activities, creating and supporting a collaborative 'community' framework. The Forum will provide the opportunity for enterprises from the Gateshead area to work for, collaborate with and learn from, successful businesses throughout Gateshead.

A communications programme co-ordinated by Gateshead Council will ensure that the business community is informed, engaged, connected and included. Participation by all businesses in the Borough is encouraged.

The ULSG will develop new innovative ways in which the Gateshead Business Forum can be accessed by all SMEs as a mechanism for raising awareness of support and promoting the triple helix in Gateshead and to facilitate collaboration and peer-to-peer support.

Advanced Manufacturing and Engineering Sector

Throughout the UK, the engineering and manufacturing sector is in decline, however in Gateshead it provides 16.2% of total employment.

Action 12

Title:	Development of the Gateshead Manufacturing Forum
Lead partner(s):	Gateshead Council
Timescale:	March 2011
Participants:	Gateshead Council, Engineering Employers Federation
Resources:	To be confirmed
Key steps:	<ul style="list-style-type: none"> • Collaboration between Gateshead manufacturing businesses. • Establish a point of access to support and provide information on new markets, technology transfer and workforce development.

To retain this important sector in Gateshead, new innovative ways must be developed to make the sector sustainable.

Gateshead Council and the Engineering Employers Federation are collaborating to launch the Gateshead Manufacturing Forum.

The forum will act as a self-help forum for all businesses in Gateshead's wider advanced manufacturing and engineering sector, focusing on driving the commercial agenda, and supporting the industry through facilitating a collaborative network.

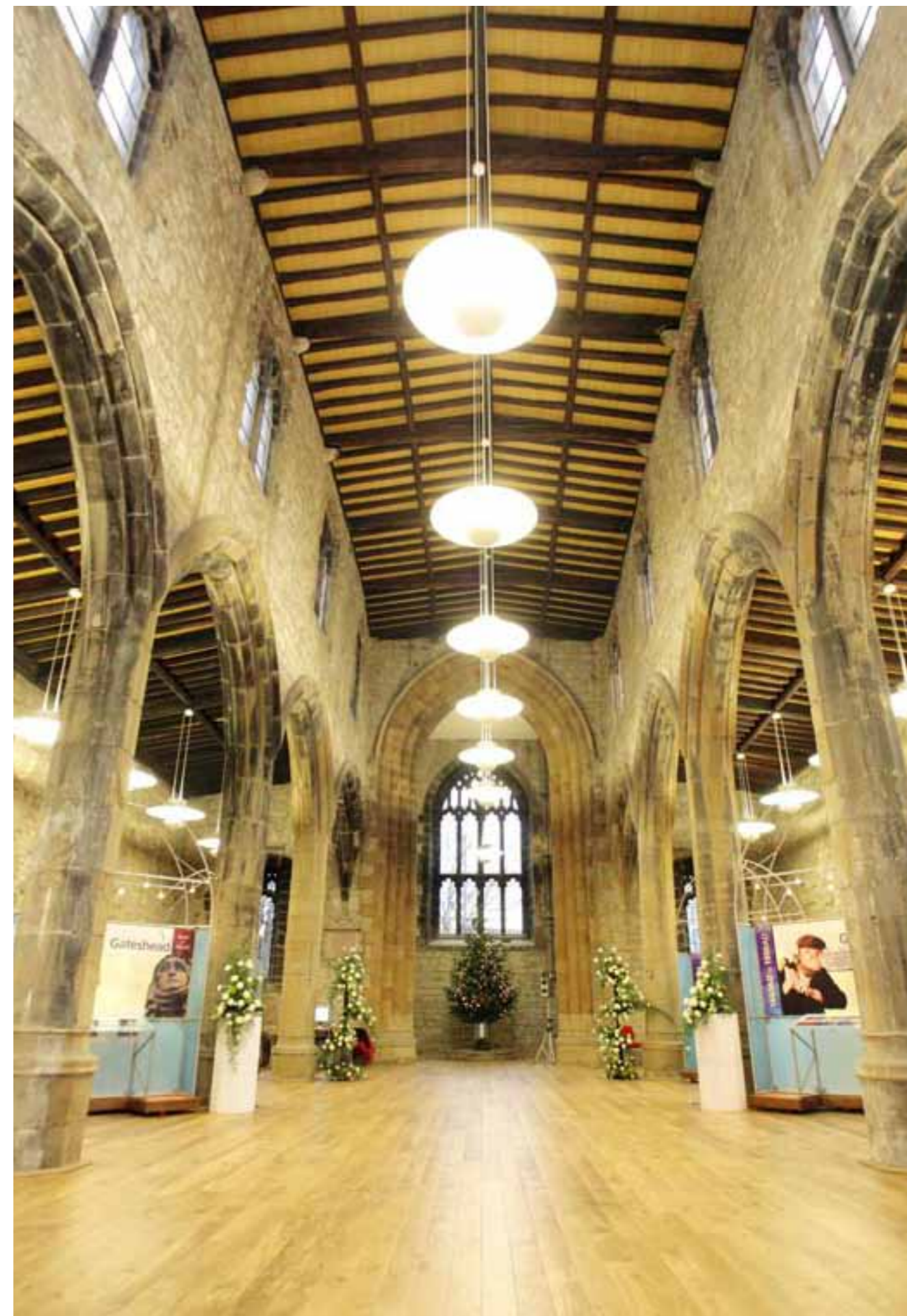
All businesses in the wider engineering and manufacturing sector within Gateshead will be invited to join the network giving them access to market information and new market opportunities, workforce skills development support, technology transfer advice, and collaboration opportunities.

Gateshead Manufacturing Forum activities will include an interactive website and a network agenda with a programme of events including; annual events, themed and informative events and a member visit programme promoting best practice.

Action 13

Title:	Improve access to university & college services available to Gateshead's advanced manufacturing and engineering sector
Lead partner(s):	Gateshead Council
Timescale:	March 2012
Participants:	Gateshead Council, Newcastle University, Northumbria University, Gateshead College, Engineering Employers Federation
Resources:	Existing resources
Key steps:	<ul style="list-style-type: none"> • Address barriers to accessing support services • Brand university and college services into one easy accessible point of contact • Promotion of Gateshead Manufacturing Forum

Building upon work undertaken during the RUNUP implementation phase by Newcastle University's Business School, NESTA and Business and Enterprise North East (BE-NE) to understand what services the creative and digital sector need for growth (see Action 5), a wider brief will be developed to look at existing support for Gateshead based SMEs in the advanced manufacturing and engineering sector, offered by Newcastle and Northumbria Universities and Gateshead College. It will seek to identify new ways of working to improve access to this support through the Gateshead Manufacturing Forum being developed by the engineering employers Federation and Gateshead Council.



Action 14

Title:	Produce an investors guide to the Gateshead Creative Quarter
Lead partner:	Gateshead Council
Timescale:	March 2011
Participants:	All ULSG representatives
Resources:	Existing Gateshead Council resource
Key steps:	<ul style="list-style-type: none"> • Raise the profile of Gateshead as a place for creative businesses • Secure investment and growth in commercial creative sector.

Commercial Creative and Design Sector

The baseline study has highlighted the creative and digital sector as an opportunity for high growth, however at present there is little awareness of such activity in Gateshead.

As well as a significant regional centre for business and commerce, Gateshead has a long standing reputation as a centre of excellence in creativity and artistic innovation. Internationally renowned developments such as BALTIC and The Sage Gateshead provide the backdrop for a centre emerging as a hub for innovative production of TV, film, games and digital content.

The Gateshead Creative Quarter, to the south of the NewcastleGateshead quayside is fast developing as an attractive and dynamic area for creative industries as a result of a strong indigenous sector presence, world class facilities and state-of-the-art infrastructure.

Gateshead Council will produce marketing materials to promote the support on offer to attract creative and digital businesses to the Borough, detailing the area the creative quarter covers and what support is available to businesses locating to the area.

Action 15

Title:	Establish The Hub advisory group/creative industries focus group
Lead partner:	Gateshead Council
Timescale:	September 2011
Resources:	ERDF and Gateshead Council resources approved to March 2012
Key steps:	<ul style="list-style-type: none"> • Knowledge Hub for creative/digital collaboration • Sustainable Business Collaboration Network • Gateshead brand development • Gateshead is recognised as an investment location for the creative industries

The creative industries are recognised to have high growth potential in Gateshead.

To encourage collaboration between businesses in the creative and digital sector, the ULSG have assisted the development of 'The Hub'. The Hub is a business collaboration network designed to help make the most of the collective minds in the Gateshead creative business community.

Establishing and developing an advisory group, comprising of local creative business will give direction and encourage members to work together, learn together and share resources with one another whilst having the opportunity to express thoughts, ideas and solutions.

It is hoped the development of The Hub network will raise the profile of Gateshead and assist with talent attraction and retention in the creative and digital sector.



Action 16

Title:	Improve access to university & college services available to Gateshead's creative and digital businesses
Lead partner(s):	Gateshead Council
Timescale:	September 2011
Participants:	Gateshead Council, Newcastle University, Northumbria University, Gateshead College
Resources:	Existing resources
Key steps:	<ul style="list-style-type: none"> • Brand university services into one easy accessible point of contact • Promotion of Digital Academy • Students with skills to work in the creative and digital industries

Building upon work undertaken during the RUnUP implementation phase by Newcastle University's Business School, NESTA and Business and Enterprise North East (BE-NE) to understand what services the creative and digital sector need for growth a wider brief will be developed to look at existing support for small and medium sized creative businesses in Gateshead offered by Newcastle and Northumbria Universities and Gateshead College, and to identify new ways of working to improve access to this support.

The exercise will highlight the key barriers that small and medium sized creative businesses might face in trying to make their organisations grow and become more sustainable in the medium and long terms and to identify ways to help these enterprises address such barriers



Conclusion

This action plan has been developed by the Gateshead Local Support Group. During the Implementation Phase of the RUnUP Thematic Network local stakeholder have participated in a wide range of activities facilitating the exchange of information, ideas and learning to increase knowledge of the partners within the network.

Despite set backs resulting from the prevailing economic down turn the observations of the original Baseline Study completed in 2008 still hold true. Indeed Gateshead's GVA, competitiveness and business (SME) performance has increased. The URBACT Local Support Group has remained committed to the opportunities recognised in the Baseline Study and this is reflected in the actions that have been agreed.

The actions identified set out a clear path to support a cultural shift to foster the growth of new industrial sectors driven by knowledge and skills development, innovation and creativity, entrepreneurship and ICT.

The actions fall in to four sections:

- Economic Partnership
- Entrepreneurship and Innovation
- Advanced Manufacturing and Engineering Sector
- Commercial Creative and Design Sector

The Local Action Plan also recognises the strategic context in which it will operate in particular supporting the delivery of the 1Plan, the North Eastern Local Enterprise Partnership proposal and emerging business plan and, tackling the challenges set out in the 2011 Gateshead Economic Assessment - principally:

- Redevelop the town centre and the wider urban core as a catalyst for the economic regeneration of NewcastleGateshead.
- Reduce the long-term impact of the recession by helping skilled people return to work and businesses return to growth.
- Support business specialisation to create higher value sustainable jobs;
- Diversify and increase the size of the business base, especially knowledge businesses, to increase the competitiveness of the borough and promote GVA growth;.

- Encourage entrepreneurship, including self-employment and social enterprise to develop economic capacity and create employment;
- Exploit the economic potential of green growth and the low carbon sector.
- Ensure that the skills needs of local people meet the needs of business by improving the skills levels of all residents whilst attracting and retaining talented individuals.

Each action seeks to strengthen the work undertaken by the URBACT Local Support Group to date by developing innovative ways to deliver new approaches at a Gateshead level. The actions are practical interventions the Council and its partners will implement in the future to ensure an accelerated economic transition.

This commitment is demonstrated by the development of Northern Design Centre (NDC), marking a £9.9m investment, as an 'Innovation Connector' with an anticipated opening in January 2012, and the commissioning of a Knowledge Transfer Network that is promoting knowledge transfer between science, engineering, design and business within the region.

The action plan will be under constant review by the Business and Innovation partnership, with new actions related to the vision for Gateshead being developed as the initial ones are completed. This will enable milestones to be achieved, future changes in economic circumstances taken into account, and opportunities to enhance activities and promote economic growth through ERDF and InterReg programmes and participation in Euro Cities identified.

URBACT II

URBACT is a European exchange and learning programme promoting sustainable urban development.

It enables cities to work together to develop solutions to major urban challenges, reaffirming the key role they play in facing increasingly complex societal challenges. It helps them to develop pragmatic solutions that are new and sustainable, and that integrate economic, social and environmental dimensions. It enables cities to share good practices and lessons learned with all professionals involved in urban policy throughout Europe. URBACT is 181 cities, 29 countries, and 5,000 active participants

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