

NewGrowth
NewcastleGateshead

New Growth Points

Expression of interest

October 2007



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Our proposals

Gateshead Council, Newcastle City Council and Bridging NewcastleGateshead, are submitting this proposal jointly.

Our joint aims are to support continued economic prosperity in the urban core of the Tyne and Wear City Region by accelerating the rate of new housing development, improving the quality of the residential offer, and work in partnership to maximise the opportunities of the Tyne corridor to create high quality, sustainable urban development. We aim to provide better access to housing for key market sectors which will underpin our economic growth aspirations.

Key elements of our strategy:

1. Reinforcing the role of NewcastleGateshead as the urban core of the Tyne and Wear City Region
2. Improving the quality of our residential offer, as a key driver of economic competitiveness
3. A commitment to the highest standards of sustainability – from the re-use of brownfield sites to the use of sustainable materials in construction, our aim is to create a new model for urban development
4. Locating new homes nearer the economic heart of the city region, at the same time, reducing housing pressure on the rural hinterland of the city region, by providing a greater range and flexibility in the housing market and new opportunities for developing sustainable communities
5. Maximising private sector investment, mobilising public sector resources
6. Integrating our approach to renewal **and** growth through effective delivery mechanisms

Our proposals are based on a clear spatial programme, with a number of sites identified for accelerated housing development on both sides of the river, backed by a programme of investment in infrastructure. Further details on growth locations are outlined below.

The case for growth

The case for a NewcastleGateshead New Growth Points is overwhelming.

The improving performance of the regional economy demonstrates a new economic confidence in the region. Tyne and Wear is the engine of the North East economy, and Newcastle and Gateshead together serve as the urban core of the region, with significant capacity for growth, as outlined in Gateshead's Sustainable Communities Strategy (Vision 2030) and Newcastle's Regeneration Strategy. Key elements of the economic rationale for a NewcastleGateshead approach include:

- NewcastleGateshead has 15% of the North East's population and a quarter of its jobs. Employment density is much higher than the national average and elsewhere in the city region. 100,000 people commute in to work and 27,000 more between Newcastle and Gateshead themselves

- Employment in NewcastleGateshead is generally higher-value (and higher paid) than elsewhere in the city region, though not as skills intensive as in many urban areas
- At 93% of UK output the area is already ahead of the 2016 RES aspiration
- NewcastleGateshead provides scale – 467,000 people, the sixth largest urban core area outside London – and identity

The Economic Masterplan for NewcastleGateshead identifies a number of key growth priorities which outline the context for NewGrowth NewcastleGateshead:

- **Growth:** achieve 120 per cent of UK average GVA per head by 2030
- **Jobs:** an extra 50,000 jobs in the urban core in 2030 compared with now
- **Population:** to reach 500,000 in 2030 (rather than 480,000-485,000)
- **Inclusion:** a higher employment rate among local people – we aspire to achieve an 80 per cent employment rate by 2030, rather than the current 70 per cent
- **Trajectory:** A higher-skill, knowledge-intensive, mixed economy on a higher development scenario

Both Newcastle and Gateshead are at the forefront of new and innovative approaches to regeneration and growth, and have a long track record of partnership and effective delivery.

Independent research for the Northern Way finds that Northern city regions in particular are experiencing a decline in their relative competitive advantage in terms of quality of residential offer. Partners to this bid have recognised the need to stem population decline, and to improve the quality and scale of urban residential development to attract investment, reduce the pressure on greenfield sites and reduce travel to work distances.

A complex picture – high and low demand

The activities of Bridging NewcastleGateshead have started to stabilise the housing market in this urban core area, and, following a robust strategic review of the roles, opportunities, challenges and needs of each area, will deliver housing market renewal in our target communities.

Evidence confirms that there remain significant structural weaknesses in parts of the market. This presents a complex picture and a need for both the continued renewal of existing stock alongside an increase in the scale and pace of new housing supply.

Growth will take place alongside renewal, within the overall objective of creating sustainable communities. NewGrowth NewcastleGateshead will ensure that early development takes place in Bridging NewcastleGateshead and key other sites, spreading out along the Tyne Gorge and north-south cultural axis in time. The balance of intervention will shift from neighbourhood restructuring to enhancing new building supply as the most obsolete stock is removed. Professor Glen Bramley's groundbreaking work on modelling future markets confirms that the scale of the future HMR programme in BNG, and its link to growth, is fundamental to the area's future.

Higher intervention would result in:

- Greater impact where there is more activity, especially with new build
- A greater reduction in the share of flats, thus providing a better choice of homes for families who are currently leaving the area
- Larger increase in owner occupation rather than private rent and other tenures
- Reducing concentrations of poverty, increasing access to opportunity
- Lower vacancies, especially after 2011

Strategic fit

Our strategy is distinct and clearly aligned to national, regional, city regional and local priorities.

- Our housing growth ambitions align with submissions to the Regional Spatial Strategy. Both authorities have consistently pressed for more residential development in recognition of the need to strengthen the urban core.
- Accelerating housing development and improving the quality of the residential offer forms a key strand of the Tyne and Wear City Region Development Programme
- The focus on the Tyne Growth Corridor is a key spatial priority in local development plans and regional strategies
- Growth proposals are an intrinsic element of the strategic approach of Bridging NewcastleGateshead to attract more people to live and work in the heart of the region and create more balanced communities

Our growth proposals

Urban focus

Our proposals cover the whole of both Districts and serve to reinforce the role of Newcastle and Gateshead as the urban core of the city region. There is also scope to other areas of the Tyne corridor in future years. Our programme is based on the following areas of focus:

- Brownfield sites within the Bridging NewcastleGateshead area
- Brownfield sites in the urban core area
- Potential Greenfield sites in the two districts

In adopting this approach, our objective is to provide a major new focus for housing growth within the housing market renewal area leading out to the inner west of both districts, through intensifying development in these locations, and in relieving development pressure on edge of centre and rural sites further west.

Our aim is to build on the success of the cultural developments in the Tyne Corridor, which have resulted in the development of world class cultural facilities, and investment of over £1 billion, to create a series of linked sustainable communities on both sides of the river, and to explore the scope for new connections across the river, bringing communities together and creating a more integrated urban form, utilising and enhancing the already high quality public transport links that exist.

Accelerating growth

Our proposals are ambitious but deliverable. We will use the opportunity provided by New Growth points as a catalyst for change. We aim to deliver a total of 20,800 new homes by 2021, and increase rates of net new provision by 71 % over the 2002 RPG baseline.

Such a scale of increase is consistent with the submissions of both authorities to the draft Regional Spatial Strategy earlier this year.

Sustainable communities

As part of these proposals, a minimum of 50% family housing (defined as three or more bedrooms) would be sought from new development, contributing to objectives to increase the population of NewcastleGateshead and create diverse and sustainable communities.

Affordability

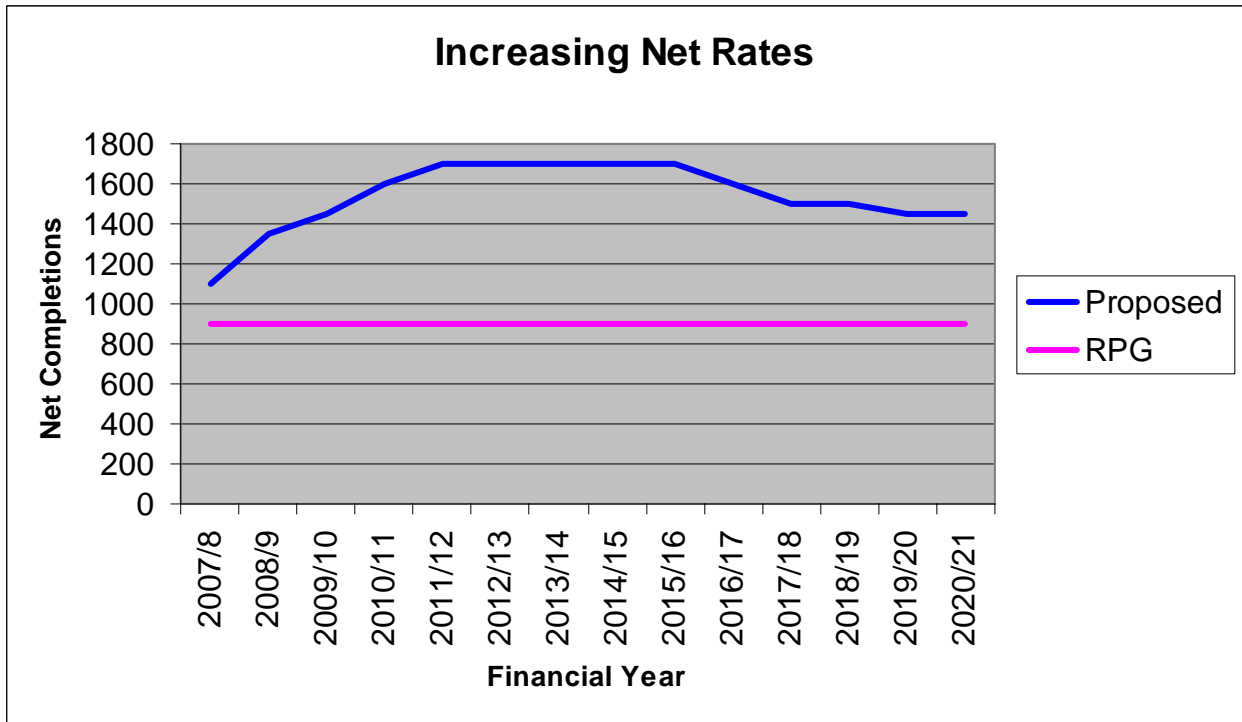
Our proposals will increase the housing supply: Professor Glen Bramley's work indicates that this will result in downward pressure on house prices and smaller rises in affordability ratios. We will be seeking a minimum of 25% affordable housing as part of these proposals. The phasing and location of affordable housing will be developed as part of the delivery programme.

Locations and phasing

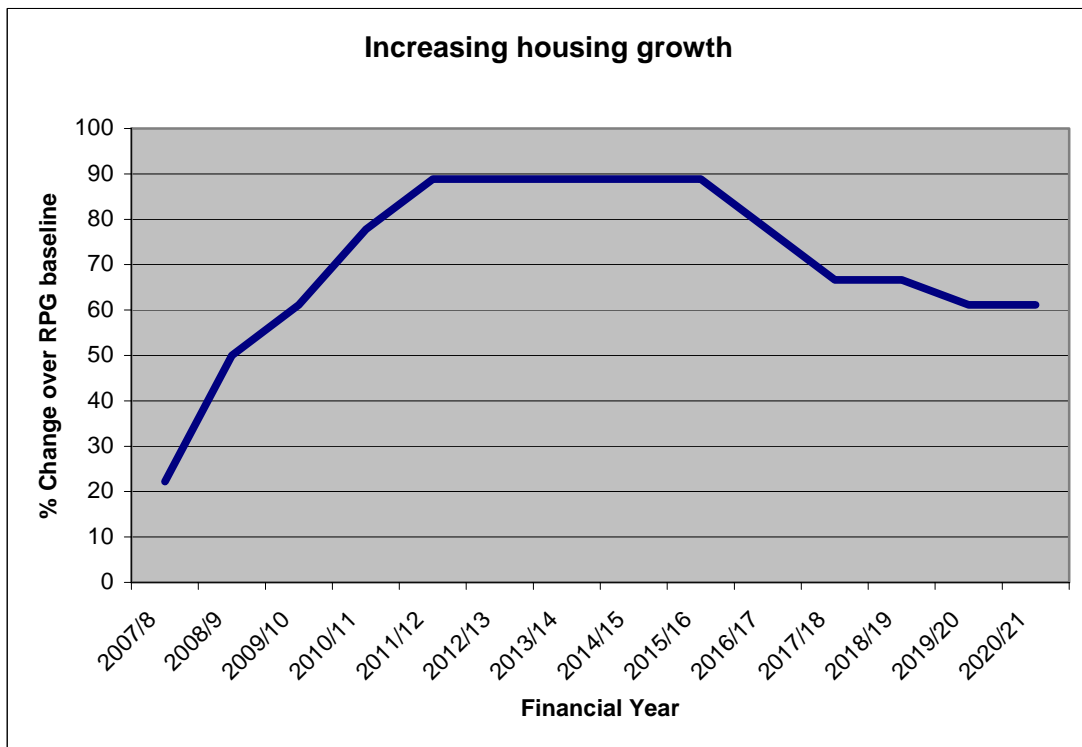
The New Growth point covers the whole of Newcastle and Gateshead. Our initial focus is on those sites already identified for growth by Bridging NewcastleGateshead. These sites will be delivered from 2008-11, and can deliver some 14,000 units.

Further large sites on the fringe of the BNG area will be brought forward for delivery from 2011. In this period we propose to focus on developments in the inner west on both sides of the river. This would encompass growth proposals in the Metro-Centre area (Metro Green) in Gateshead and at Scotswood in Newcastle. This provides the potential for a significant urban village with associated commercial development, a new village green connecting the Metro Centre to the river, and a new bridge (aspired to by local people on both sides of the river), linking to Scotswood, where an enhanced Hadrian's Way will border the 2011 housing EXPO, the first stage of an exemplar housing scheme, as well as attractive open space, new neighbourhood centre and educational facilities.

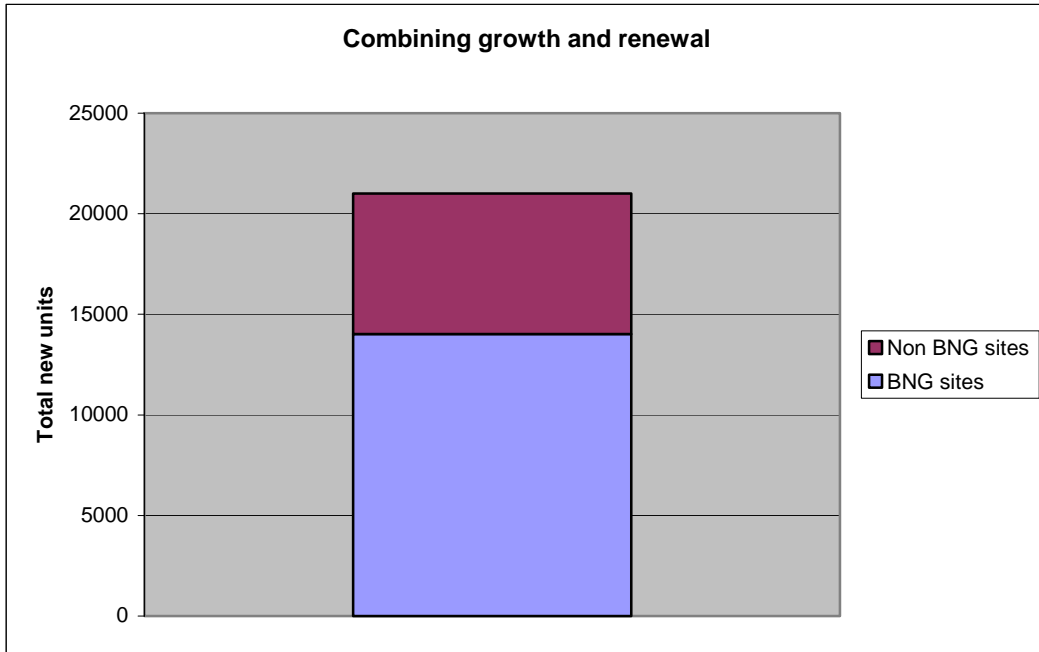
Our proposals will result in an additional 8,900 units above the RPG baseline:



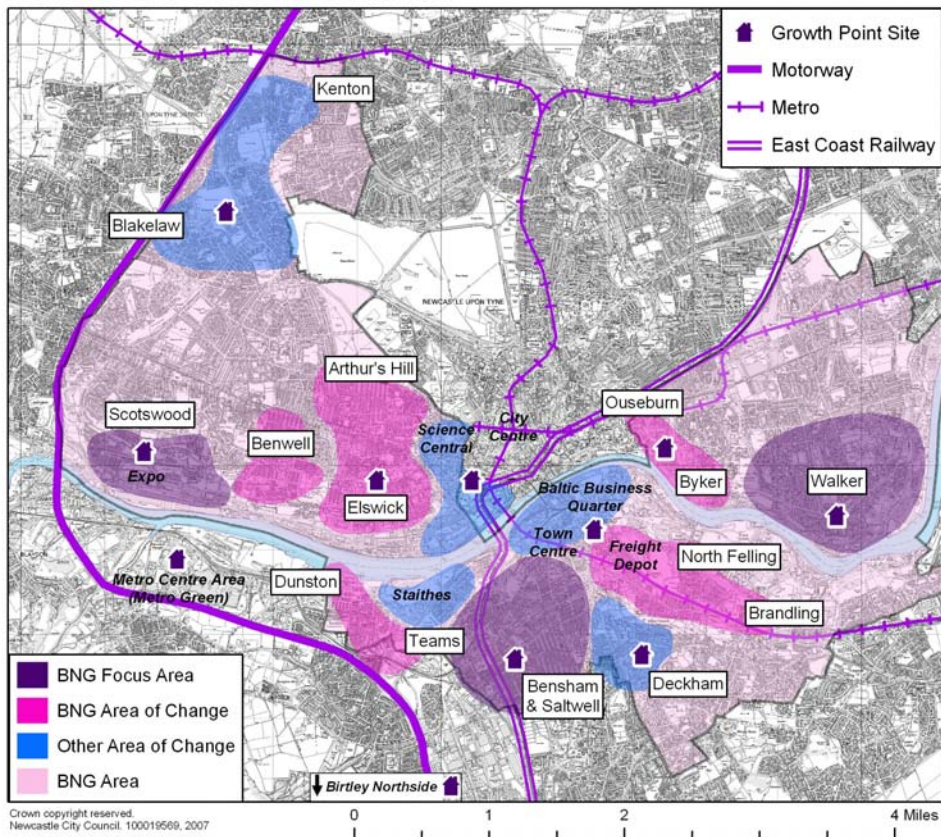
We will increase rates of new housing growth by 71% to 2021. The increases over RPG2 baselines are set out below:



Our focus will be the urban core, with an emphasis on sites within the BNG area;



NewGrowth NewcastleGateshead



Sustainable solutions

Our strategy will emphasise a commitment to a sustainable approach:

- Our programme is based on intensifying the scale of development in the urban core of the city region – an area with one third of the region’s employment and 15% of the population
- Our emphasis is on brownfield development – 75-80% of new development will be on brownfield sites
- We have a clear focus on sustainable design and construction
- We will strive for excellence in sustainable construction, working initially to Code level 3 as a minimum but seeking to demonstrate how higher standards can be achieved
- Green corridors and green infrastructure – we will strengthen and enhance the current green infrastructure in the Tyne Corridor, including the Keelmans Way and Hadrian’s Wall corridors
- Sustainability appraisal - a number of sites have already been subject to environmental appraisal, and emerging sites would be tested in the context of the emerging LDF.

Reconnecting communities

Communities within the BNG area are often cut off from each other and employment and leisure opportunities by sites that have been derelict for up to 30 years – as a result of deindustrialisation and housing abandonment and low demand, not least in Scotswood.

Just outside the BNG boundary at Dunston, is massive scope to deliver very positive impacts in terms of social cohesion by linking deprived communities across the Tyne with a major employment site and to turn the MetroCentre, an out-of town shopping centre, into a sustainable mixed use development.

Transport and infrastructure

Infrastructure investment will be required to support our proposals.

Locations for new growth are focused on the urban core, and will be developed in line with the principles outlined in the Congestion Reduction Plan, which outlines a strategy based on core public transport corridors and associated improvements including Quality Bus partnerships. Transport modelling will provide accurate and real time assessments to determine the impact on local road networks.

Additional infrastructure requirements will include:

- The development of a new bridge across the River Tyne
- Development of new district centres
- New community facilities
- Improvements to the public realm and green infrastructure

The growth potential within the BNG area and elsewhere, is under severe pressure through lack of local infrastructure requirements eg retail centres inhibiting the potential to regenerate the urban core.

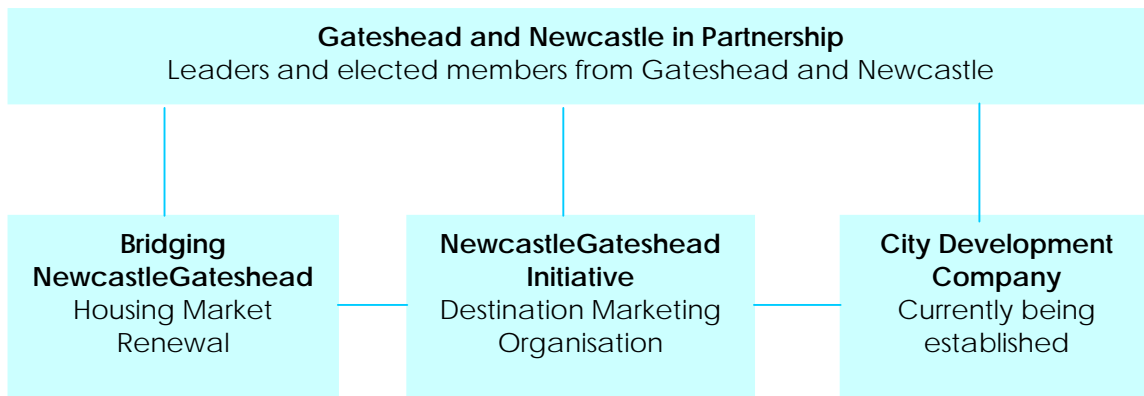
Governance and delivery

Both authorities and BNG have a track record for delivery, and partnership working. New Growth Points provides the overarching vision for housing growth. We will explore the options for delivery within the framework of the Gateshead and Newcastle Partnership Agreement.

Leadership and Governance.

The NewcastleGateshead Partnership has been successful in raising the profile of Gateshead and Newcastle in the past and has had a significant impact in several important areas. The two Councils have been looking together in recent months at the scope to renew and expand the Partnership, against the backdrop of the recent Local Government White Paper, the Treasury’s sub national review of economic development and the growing focus on urban areas in driving local and regional economic prosperity.

Both Councils have agreed to reinvigorate the Partnership between Gateshead and Newcastle Councils. As part of this, the Councils have also agreed to the establishment of a City Development Company as the means of achieving accelerated economic growth in NewcastleGateshead.



The purpose of the new Partnership, Gateshead and Newcastle in Partnership is:

- To provide a high-level political overview of the activities of joint initiatives between the two Councils in the sphere of economic prosperity and growth, including
 - Bridging NewcastleGateshead (Housing Market Renewal Pathfinder)
 - the NewcastleGateshead Initiative (Destination Marketing)
 - the City Development Company (accelerating economic growth)
- To consider how the exercise of the functions of the two Councils can be coordinated in a way that best supports these activities.
- To ensure that the spirit of partnership between the two Councils is sustained and developed in the interests of promoting the sustainable and inclusive growth of Gateshead and Newcastle

- To receive reports from the joint initiatives on their activities
- To give informal consideration to, and advice on, development proposals before such proposals are submitted to the executives of the two Councils.

Each Council will appoint five elected members, as follows:

- four elected members of the majority group, including the Leader of the Council
- one elected member of the minority group.

Each Council will arrange for the attendance of appropriate senior officers.

Membership will be reviewed regularly to ensure maximum engagement with all sectors and organisations operating in NewcastleGateshead.

Gateshead and Newcastle in Partnership will provide the overarching governance structure for NewGrowth NewcastleGateshead. It will provide the framework for joint decision-making, strategic overview and political accountability.

The Partnership is meeting on 12th November to consider options for managing NewGrowth in the context of existing programmes, focusing on:

- The integration of housing growth and renewal;
- Clarity and focus on both strategy and delivery across all programmes. This options appraisal will explore the scope for the programme to be managed by an existing partnership or whether a new single delivery structure might be required.

The Leadership of both Councils is keen to explore this further with CLG following the submission of this proposal.

Our approach to delivery

We will explore a number of options for delivery.

We will focus on capturing the uplift in market values created by new infrastructure investment, and new mechanisms for maximising the role of public and private sector resources.

There is a clear synergy between the emerging proposals for the Newcastle Local Housing Company and NewGrowth. The Newcastle LHC will become an important delivery vehicle for growth and will operate alongside complementary arrangements with the ALMOs and the private sector to increase the pace of housing development.

The LHC will focus on the delivery of new homes in sufficient numbers, at the right time and in the right locations to support economic growth and create sustainable mixed communities.

As part of our commitment to a long term approach, we will also develop a common planning framework across the two districts to support delivery, including joint standards on design, sustainability and affordability.