

# Sunderland Economic Masterplan

## Core Document

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## Summary

The purpose of this Economic Masterplan is threefold:

- to help set the direction for the city's economy over the next 15 years
- to establish how Sunderland will earn its living over that period and what that will look like on the ground
- to set out the actions private, public and voluntary sector partners across the city need to take to ensure Sunderland has a prosperous and sustainable future.

The recent UK recession has highlighted the need to create new economic opportunities for the city. The planned reduction in public spending provides further impetus for a shift towards new forms of wealth generation.

The Economic Masterplan was funded by One North East and Sunderland City Council and delivered by a consortium of consultants led by GENECON LLP and overseen by a Steering Group. Wide consultation during its development has involved Councillors, citizens businesses, Government Agencies and local partner organisations.

## Policy

With the election of a new Coalition Government, the policy context is changing rapidly. A series of announcements have been made, notably:

- A commitment to investing in low-carbon technologies, including offshore wind
- The proposals to review employment and skills policy and get more people into work
- The focus on the expansion of the private sector to create new employment opportunities in key growth sectors
- The engagement of local communities in developing and managing a broader range of projects and services using different business models
- The dismantling of regional structures and a move to local accountability and decision-making

## Global trends

Four key global trends affect the future of Sunderland.

1. Globalisation – accelerating the decline in traditional industries, but also fuelling the city's recovery. Sunderland must build on local strengths and assets, including skilled labour and business expertise.

2. Climate change and energy generation – creating costs in limiting the impact of climate change but also opportunities in developing new business and employment.

3. Technological change – the city must continually refresh and update its ICT infrastructure and the skills of its population to adapt to technological demands.

4. People and skills – there is a growing premium on talent and skills and an ageing population brings new requirements for healthcare, social care and transport

## History and development

Sunderland is widely known for its coalmining and shipbuilding heritage. But in recent decades these industries have disappeared. Between 1975 and 1989 the city lost a quarter of its jobs. Since then Sunderland has replaced and exceeded the number of jobs lost, mainly through international business investment. However, Sunderland still suffers from serious deprivation as well as average wages that are lower than the rest of the UK.

Because of its history, the city displays a development pattern which does not focus on a single centre. With the A19 and A1 becoming the main arterial connections, more recent development has been focused away from the urban centres. The resultant pattern of development is now dispersed. Sunderland needs to focus on its core as an important driver of the economy.

## **Economy**

Sunderland city centre has suffered from new employment developing almost exclusively on out-of-town sites and from depressed economic activity. Only 16.6% of the district's employment is located in the city centre compared with 33% in Newcastle, which means less spending power 'on the doorstep'. Vibrant city centres largely depend upon well-paid office workers using shops, restaurants and other facilities. Consequently, it has fewer shops and leisure facilities than it should.

There is an opportunity to use key development areas such as Stadium Village, the former Vaux site, Farringdon Row and the Port to shift the orientation of the centre towards the sea and river. Several assets should be exploited to benefit the city centre:

- The former Vaux site and Farringdon Row to provide a central business district
- The two University campuses becoming an integral part of the city centre
- The Minster area as a new Minster Quarter

A linked chain of attractions could be developed on the north side of the river running from Stadium Village to Roker seafront. Making more of the riverside in this way would radically enhance visitor appeal. Meanwhile, the centre would be made more attractive and easier to navigate with upgraded public areas and key gateways, including the railway station. Better housing will help to enhance the centre as a whole and bring in new spending power.

Sunderland also has a number of important assets outside the city centre that could help to expand the local economy:

- The University and College for business development and skills improvement
- The Port
- Sunderland's digital connectivity
- Parks and green spaces as well as river and seafront
- The range of quality business parks and companies already located there
- Sunderland's track record at attracting international investment
- Nissan for its sheer scale and also its intention to produce electric vehicles

The current financial climate poses particular difficulties for commercial developments in the city centre. Consequently the city will need to identify new sources of funding, build-to-let residential models and focus on large high-quality pre-lets to enhance investor confidence.

Despite the creation of new jobs in the city in recent decades, Sunderland still suffers from high unemployment and a low skill base. If Sunderland matched the national picture then approximately 12,000 extra people would be in work. Sunderland has a high percentage of people qualified to NVQ level 1 and 2 and fewer qualified to NVQ level 3 and 4 – with the latter more likely to be earning higher wages. Many of the better paid jobs that do exist in Sunderland are taken by people who commute in from the surrounding areas.

Sunderland's labour force supplies local demand in the main. Eighty percent of those who work in the city also live in Sunderland. The private car (either as a driver or passenger) is by far the dominant transport choice for both residents and employees.

Sunderland's population decline appears to have halted but the city is still losing people in the 15-29 age group. Insufficient economic opportunities combined with weak housing, shopping and

cultural attractions, are responsible for young people leaving Sunderland to find higher-skilled and higher-paid employment and career opportunities elsewhere.

Sunderland has a high carbon footprint, higher than that of Newcastle. Although industry accounts for a significant portion of this, it is domestic carbon output that drives the figure up. Partners in the city need to consider how residents and businesses can be helped to reduce their carbon footprint.

Moving to an explicitly low- and zero-carbon regional economy could attract organisations serving the technical needs of such an economy. Sunderland should focus on those low-carbon industries where it enjoys a competitive advantage and exploit their carbon-reducing potential as well as their economic benefits.

### **Key challenges**

The growth of employment primarily in out-of-town locations has left the city centre underpowered as an economic driver. The scarcity of office jobs has hindered the development of better shopping and leisure facilities, leaving the centre insufficiently attractive to residents and businesses alike. This has made it difficult to improve the quality of the city centre. As a consequence, the city centre does not serve its purpose economically or socially.

Sunderland's economy remains too reliant on a narrow range of industries. The city has successfully moved from ships and coal to cars and contact centres, but does not have the variety of industries and career opportunities, nor the volume of well-paid jobs necessary to retain more of the younger population and to ensure a resilient economy.

In part, this narrow industrial base persists because Sunderland has been more successful in attracting international companies than in helping indigenous businesses to grow, as demonstrated by the scarcity of business start-ups in the city.

Sunderland is a city with a university, but does not yet possess the characteristics and qualities of a 'university city'. Its two campuses lie adjacent to the city centre but have not been properly integrated with it. The University of Sunderland has the potential to become an economic and culture-changing asset, with a strong civic role aligned to supporting the economic transformation of the city centre and of the city as a whole.

The relatively low skills and aspirations of the population mean that in general residents earn less than incoming commuters. Relatively few are highly qualified and an unacceptably large proportion of people of working age are not in work and therefore are not benefiting from the growing economy. The choice of housing in Sunderland has been limited in the past because of the large number of people in similar occupations on similar incomes. Housing choice has not kept pace with rising aspirations and incomes. As a consequence, the city has been losing younger people and young families.

### **Economic Opportunities**

Software Sunderland has assets that make it an attractive location for these types of businesses. High-quality sites and premises, excellent telecommunications connectivity, the School of Technology and Computing at Sunderland University and the support of a wide range of stakeholders. The sector also links closely to the low-carbon agenda, offering opportunities to use software to reduce carbon-dioxide emissions across a range of industries.

Offshore Energy Generation There is immense potential for offshore wind farms. Government policy dictates that power generation from offshore wind sources is a necessity both for electricity supply and to help meet stringent EC and worldwide targets agreed for reducing greenhouse-gas emissions. The Port of Sunderland's ability to play an important role has been underestimated in the past, but is now more widely appreciated. Sunderland is well placed to provide docking facilities for survey boats, for the operation and maintenance of offshore wind farms, component manufacturing sites and the potential for turbine assembly.

Electric Vehicle Production Nissan has recently announced that Sunderland will be the first European car plant to produce Nissan's electric car, the LEAF. This provides an opportunity to

ensure a sustainable future for the city's automotive industry, putting Sunderland at the forefront of technological development in this area.

Health and Wellbeing Business activities associated with health and well-being are projected to grow strongly in the city. These could have a double benefit: providing jobs and tackling one of the root causes of unemployment – namely poor health.

Creative Industries This sector includes art, design, technology and production. Utilising existing assets better, this sector could become a stronger player in the city economy. It fits well with the drive for a more distinctive, waterfront city centre and could support retention of the younger population, improve the external perceptions of the city and enhance its broader business investment appeal.

## **Vision and Aims**

The proposed vision is that Sunderland will become:

### **'An entrepreneurial University City at the heart of a low carbon regional economy'**

The Masterplan vision statement seeks to convey a number of central messages about Sunderland:

- The University will play a new role in the city's economic development
- The city will be a vibrant and attractive place, where enterprise is encouraged
- It will be at the heart of a newly designated "Low Carbon Economic Area" and must develop new infrastructure as part of this
- Its future is tied to the wider economy and the city must be collaborative and outward looking rather than driven purely by local ambition.

Sunderland must focus on a small number of important sectors and on the City Centre, and do this by developing a low carbon economy. It must make more of four key assets:

- Nissan, to exploit electric vehicle technology and become a world leader in producing electric vehicles
- The University of Sunderland, to redefine the city as a place where knowledge is part of the way of life
- The Port, to enable the servicing of new offshore wind farms
- Using specific development sites to create a new business district in the City Centre, more retail sites, and an electric vehicle technopole.

This vision for the Sunderland economy will be achieved through five Aims for what we want Sunderland to be:

**Aim 1 'A new kind of university city'** We want Sunderland to be a vibrant, creative and attractive city, with a strong learning ethic and a focus on developing and supporting enterprise, with the University of Sunderland at its heart.

**Aim 2 'A national hub of the low carbon economy'** We want to use the opportunities offered by new low-carbon technologies to stimulate economic activity in Sunderland. This Aim emphasises the city's national potential and the need to showcase projects such as electric vehicles.

**Aim 3 'A prosperous and well-connected waterfront city centre'** The city centre is important to Sunderland and the wider region. It will fulfil its purpose only when more people work in it and more people spend time and money there. The city's position on the waterfront is an important part of its sense of place and enhances Sunderland city centre's distinctive role in the region

**Aim 4 'An inclusive city economy for all ages'** We want to improve opportunities for people of all ages and sections of the community, targeting unemployment in particular. "Inclusive" means not just physical accessibility to the city's economic centre but addressing social exclusion. Sunderland

should also concentrate on tackling the decline in the number of younger people working and living in the city.

**Aim 5 ‘A one city approach to economic leadership’** We want to improve economic leadership in the city. We have deliberately chosen this as a central Aim to emphasise its importance, rather than relegating it to a “governance” section in the Masterplan.

A plan containing projects, timescales and responsibilities has been developed for each of Aims 1-4. These form a section each within the main body of the document.

### **Leadership**

There are three stages to making the Masterplan part of policy:

- Stage 1** - securing stakeholder and political support for the Vision and Aims
- Stage 2** - securing commitment to the Masterplan in economic decision-making.
- Stage 3** - aligning policy tools to support the Masterplan.

To give clear accountability, Sunderland City Council Cabinet will authorise the formation of an Economic Leadership Board that will be responsible for the Sunderland Economic Masterplan.

However, currently, effort is spread across lots of teams and bodies. We will establish linked teams – one for each Aim – to bring together the agencies involved. We will establish a fifth investment delivery team out of various regeneration organisations in Sunderland. This new team will be the focus for all aspects of physical and investment delivery associated with each Aim and will have a remit that covers the whole city. We will write a collaboration agreement, setting out the Economic Leadership Board’s collective and individual responsibilities regarding the Masterplan.

At the time of production, the Coalition has made several announcements about the creation of Local Enterprise Partnerships for “natural economic areas”, though the White Paper relating to these has not been published. Consideration will be given to the Economic Leadership Board becoming a Local Enterprise Partnership in this context.

### **Delivery plans**

Sections at the end of the Economic Masterplan describe how performance will be measured and what Sunderland will be like after 5, 10 and 15 years of the plan being implemented.

### **Partnership and Prioritisation**

For this Economic Masterplan to succeed, Sunderland must be prepared to publicly forego short-term opportunities to achieve longer-term goals. In tough times, resources will have to be redirected from generic programmes to more targeted activities. However, the prize is significant. Sunderland has the clear potential to move from its recovery phase into sustained and highly sustainable growth to the benefit of its citizens, businesses and visitors

# 1. Purpose and Context

## Purpose

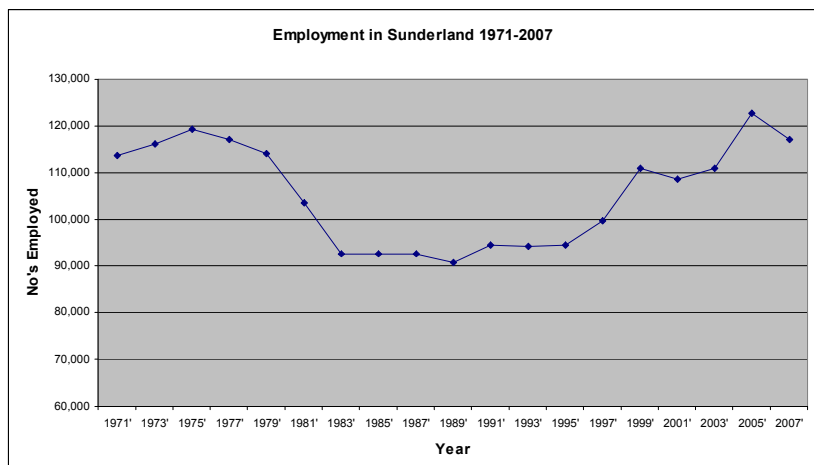
The purpose of this Economic Masterplan is threefold:

- to help set the direction for the city's economy over the next 15 years
- to establish how Sunderland will earn its living over that period and what that will look like on the ground
- to set out the actions private, public and voluntary sector partners across the city need to take to ensure Sunderland has a prosperous and sustainable future.

Sunderland is widely known for its coalmining and shipbuilding heritage. But its productive capabilities first became evident 14 centuries ago with the manufacture of high-quality glass. This developed into a hugely successful glass-making industry, with Sunderland glass being shipped across Europe and used in buildings such as Westminster Abbey and St Paul's Cathedral.

In recent decades these industries have declined, and Sunderland no longer has shipyards, coalmining or glassworks. Between 1975 and 1989 the city lost a quarter of its jobs.

Since 1989, however, Sunderland has replaced and exceeded the number of jobs lost through the decline of those industries. The city has attracted major international businesses, such as Nissan, Barclays, Nike and Berghaus, to name but a few. It has developed strengths in new industries. Automotive manufacturing, financial and customer services have led the growth in volume jobs, basing themselves in out-of-town business parks. Other jobs have come from the expansion of the University of Sunderland, shopping in the city centre and new software enterprises built on the city's excellent digital connectivity.



This success has put Sunderland in a much stronger position nationally and internationally. The city's economic output per resident is higher than the North-East average, and has been rising faster than the national average. However, the gap remains significant. Despite its recent success, Sunderland suffers from serious deprivation as well as average wages that are lower than the rest of the UK.

The recent UK recession has highlighted the need to create new economic opportunities for the city. The North East region, especially its construction and manufacturing industries, has been hit hard. Although Sunderland's unemployment rate is now decreasing, the city's economy will need to become stronger and more resilient if it is to provide jobs for future generations. The planned reduction in public spending provides further impetus for a shift towards new forms of wealth generation.

## Our Approach

The Economic Masterplan was funded by One North East and Sunderland City Council and delivered by a consortium of consultants led by GENECON LLP working with Sunderland partners. The project was overseen by a Steering Group and Management Group comprising representatives from the following partner organisations:

- |                            |                                  |
|----------------------------|----------------------------------|
| ○ Sunderland City Council  | ○ Homes and Communities Agency   |
| ○ One North East           | ○ Nissan International SA        |
| ○ Barclays                 | ○ North East Chamber of Commerce |
| ○ Nexus                    | ○ Learning and Skills Council    |
| ○ Sunderland Arc           | ○ Gentoo                         |
| ○ SES                      | ○ Sunderland Community Network   |
| ○ The Leighton Group       | ○ City of Sunderland College     |
| ○ University of Sunderland | ○ Tyne and Wear City Region team |

In developing the plan we also consulted:

- Elected Councillors (through briefings to Cabinet, Sunderland's five area committees and the Prosperity and Economic Development Scrutiny Committee)
- The Sunderland Partnership (briefings to the Board and the Delivery Partnerships)
- Representatives of Community Spirit (Sunderland's Citizens Panel)
- Representatives of independent advisory groups (Citywide groups formed to provide an opportunity for marginalised or hard-to-reach people in the city to contribute their views on public services and policy)
- A variety of business forums (including the Sunderland Branch of the North East Chamber of Commerce, businesses based at the North East BiC, the Sunderland Business Network, Hendon and East End Business Forum, and the Sunnyside Business Forum)
- Sunderland Youth Parliament
- Students at Sunderland University
- Executive teams of various partner agencies

We began by collating evidence about Sunderland's economy. After various consultations and interviews, we held an event with a number of key partners, including the Sunderland Partnership Board. This event helped to shape a new economic Vision for Sunderland and led to the development of five strategic Aims. In order to ensure the Economic Masterplan is built into the work programmes of partners, working groups of council and partner officers, with GENECON in a supporting role, produced a delivery plan for each Aim.

## Context

### Public policy

Under this heading, we consider the current and emerging policies that provide the context of the Economic Masterplan. With the election of a new coalition government, this context is changing rapidly and therefore we will review it frequently and adjust our plans accordingly.

'New Industries, New Jobs: Building Britain's Future' published by the Department for Business, Enterprise and Regulatory Reform and the Department for Innovation, Universities and Skills in 2009, identifies Low Carbon Industries and Ultra Low Carbon Vehicles as key areas for the region's economy. There is no indication that the Coalition will change these key areas. The Coalition is committed to using more renewable energy, including offshore wind. It wants to improve the energy efficiency of domestic, business and public-sector buildings.

One North East is committed to this agenda and to integrating business support, outside investment and developing innovation and skills in these areas (One North East Corporate Plan Update 2009-2011, p.10). Sunderland, because it is at the heart of the Low Carbon Economic Area, has a port, and because of its manufacturing past, has a vital role to play in developing these industries. With these assets, Sunderland is best placed to spearhead the regional low-carbon effort. The city will generate opportunities that will benefit the whole region, with other locations developing complementary specialisms.

'New Industries, New Jobs' also emphasized high-level skills in science and technology. The Regional Economic Strategy identifies the role of the North East's universities in the future regional economy. The region's research base must be used to generate innovation, competition and growth. The commitment to low-carbon technologies must draw on the talent we have in our universities.

The Regional Employability Framework and the Skills North East Regional Priority Statement are focused on removing barriers to employment. The Coalition is committed to reviewing employment policy. This national review is a good opportunity for Sunderland to evaluate its Working Neighbourhoods Strategy and to learn from it to ensure there is a comprehensive approach to work and skills support in the city. Investment in vocational and higher level skills forms a key part of the Masterplan. The City's strategic partners, including the business community, will need to continue to work closely to ensure that local people have the right skills to access new job opportunities.

The Coalition is also committed to enterprise, with a new programme – Work for Yourself – giving the unemployed access to business mentors and start-up loans. Sunderland has already been doing this through its enterprise programme and the aim of the Masterplan is to develop that further to tackle the weakness the city has in generating new business start ups and self employment. The Masterplan will aim to build on the good practice and partnership working that has been achieved to date.

The Coalition has announced that it will encourage the formation of Local Enterprise Partnerships of different scales in different areas to drive local economic development. Consideration will need to be given as to the potential role of a Local Enterprise Partnership in assisting the delivery of this Masterplan.

The Economic Masterplan will enable partners to focus on delivering the city's key priorities in the context of current and future budget constraints. While it is recognised that economic recovery may be slow and public expenditure limited, the Economic Masterplan will provide a clear economic direction to enable partners to prioritise and invest in the strongest projects. It will also provide the strategic framework to manage major programmes and projects in line with the emerging Coalition government's policies on regional development, notably enterprise and skills, jobs and welfare, low carbon initiatives, transport and physical regeneration.

The Coalition government's proposed changes to the planning system, particularly in respect of transferring regional planning and housing powers to local authorities, will promote greater control over strategic investment decisions in key areas of the city, through the Local Development Framework and Economic Masterplan. The phasing out of the ring-fencing of grants to local government will enable the City to target funding to better reflect key priorities identified in the Economic Masterplan.

The Masterplan has been developed with extensive input from third sector partners. It builds on the strong tradition of community action and social enterprise that has been established in the City, particularly in key areas such as health and social care, the environment, community development, training and skills development. The Coalition government's proposals for the 'Big Society' will aim to provide support for the creation and expansion of cooperatives, charities and social enterprises, and encourage volunteering and greater involvement in community based activities.

The Economic Masterplan provides an important statement of intent, articulating the city's aspirations and potential for economic development in key areas. By working closely with local,

regional and national stakeholders, Sunderland will be able to determine the best ways to achieve the Masterplan's objectives.

The current uncertainty over the UK's economic prospects and the potentially disproportionate impact of public spending cuts on the North East present additional challenges. The next three to four years will prove to be especially difficult. The way in which the Economic Masterplan's objectives are achieved and the timescales for implementation will depend on market conditions. These will be kept under review and partners in Sunderland will need to seek new ways to resource and deliver priorities.

## **History and development**

Sunderland's first major settlement was in the 7<sup>th</sup> century AD at Monkwearmouth where the Venerable Bede began his monastic work at St Peter's Church. For many years Monkwearmouth was a centre of religious and cultural learning. With the industrial era of the 18<sup>th</sup> and 19<sup>th</sup> centuries came the rapid expansion of Sunderland as we know it today. The expansion of the coalmining, chemical and glass industries and shipbuilding led to the growth of the central area of Sunderland around the river and port.

Outside the city centre lie a number of distinct communities. The south of the city, including Houghton, Hetton, Copt Hill and Shiney Row, is known as the coalfield area, with coal having been mined there since Roman times. One of the world's oldest recorded coal mines was at Rainton.

The Washington area developed around coalmining, but also has rural and agricultural communities. Washington F Pit was one of the earliest working deep pits in the country and by 1870 was the major coal producer in the area. When it closed in 1968 it employed 1,500 men and was producing half a million tonnes of saleable coal. In 1964, Washington Development Corporation was created and huge swathes of dereliction were subsequently regenerated, new homes were built, factories opened and thousands of trees and shrubs planted. Washington has been part of Sunderland district since 1974, when Sunderland became a metropolitan district council encompassing the geographical area of the city today.

Because of its history, the city displays a polycentric development pattern - one which does not focus on a single centre, but on many centres (Sunderland, Washington, Hetton-le-Hole, Houghton-le-Spring and others).

This polycentric development, combined with the emergence of the A19 and A1 as the main arterial connections, and the need for available sites on which to create large numbers of new jobs has meant that more recent development has been focused away from the urban centres. Instead, it has taken place in out-of-town industrial locations and business parks at Doxford International, Nissan, Washington, Rainton, and the north bank of the Wear. The resultant pattern of development is no longer polycentric, but dispersed.

The nature of Sunderland's development requires geographical planning that reflects its diversity of form. Sunderland needs to focus on its core as an important driver of the economy, but also on the other places that make up the city.

The retention of the green belt has created a valuable 'breathing space' between the city centre and outlying towns and villages, most notably Washington. In order to connect these various centres in a mutually beneficial way, the links throughout and across the green belt will become increasingly important. Furthermore, the many-centred nature of Sunderland's development has meant that in some instances commercial facilities are stretched thinly, so the quality and value of local centres has suffered. A sustainable approach would be to conserve and improve these centres as long as this is not at the expense of Sunderland city centre.

## Economy

### Global trends

In developing strategies it is vital to understand global economic trends. There are four key factors that affect the future of Sunderland, both in terms of its geography and influence. (Source: Centre for Cities, 'Global trends for the next 20 years: and their implications for UK cities', November 2009)

1. Globalisation. This has affected Sunderland dramatically in recent years, accelerating the decline in traditional industries, but also fuelling the city's recovery, largely as a result of foreign direct investment, as with Nissan and financial and customer services. The global economy encourages businesses to locate in the most competitive areas or lose out to their rivals. In order to continue to compete, UK cities must build on local strengths and assets, including highly skilled labour.
2. Climate change and energy generation. For Sunderland, these issues are likely to create costs in limiting the impact of climate change but also opportunities in developing new business and employment. These will be addressed in more detail later in this document.
3. Technological change. The prevalence and rapidity of technological change is altering the way we live and work. Ofcom has identified Sunderland as the best-connected city in Britain, but the city must continually refresh and update its IT infrastructure and the skills of its local population to be able to adapt to new uses of technology and stay at the forefront of changing technological demands.
4. People and skills. Globally, there is a growing premium on talent and skills, which means that cities must understand and target the populations they are seeking to retain or attract. It is estimated that in the UK, as elsewhere in Europe, an older population profile will continue to develop. An ageing population brings with it different capabilities within the local labour force that need to be integrated within the local economy. It also leads to requirements for new skills to meet the demands of older people for healthcare, social care and transport provision.

### City Centre

City centres form the hearts of the economies of large urban areas. Sunderland city centre has suffered both from the new employment developing almost exclusively on out-of-town sites and from depressed economic activity in the city following the rundown of the city's traditional industries. Only 16.6% of the district's employment is located in the city centre compared with 33% in Newcastle, which means less spending power 'on the doorstep'. Vibrant city centres largely depend upon well-paid office workers using shops, restaurants and other facilities. Sunderland has not achieved the critical mass of facilities needed to attract significant numbers of shoppers from outside. Consequently, it has fewer shops and leisure facilities than it should.

For a wider catchment area than the city itself (an area that includes Chester-le-Street, Seaham, Easington and West Rainton in Durham County and Boldon in South Tyneside), annual retail spending is estimated at over £1.9bn. About two thirds of this (£1.2bn) is retained within that catchment area, whereas less than £400m (21%) is spent in Sunderland city centre. Parts of the city – most notably Washington – look towards Tyneside, restricting Sunderland city centre's catchment area to a band running from South Tyneside, through the city and coalfield area to Easington to the south. (Roger Tym and Partners, Retail Needs Assessment, 2009)

Physically the centre of Sunderland has many strong assets including close proximity to a sandy beach, a port and a river. However, topography and geography prevents the centre feeling like a riverside or seaside city. There is an opportunity to use key development areas such as Stadium Village, the former Vaux site, Farringdon Row and possibly the Port to shift the orientation of the centre towards the sea and river. More crossings over the river would help, and the river canyon could be developed as an amenity. If better linked and presented, a chain of attractions could be developed on the north side of the river including Stadium Village, the St Peters candidate World

Heritage Site, the University, the National Glass Centre, Marina and Roker seafront. Making more of the riverside in this way would radically enhance the visitor appeal of the city centre.

There are other assets that could be exploited to benefit the city centre:

- The former Vaux site and Farringdon Row have potential to provide a central business district
- The two University campuses could become an integral part of the city centre and what it can offer
- The Minster area could be expanded and marketed as a new Minster Quarter within the city centre

In summary, the centre lacks the scale, quality, vibrancy and variety of uses that would normally be found in a regional city centre. Crucially, it lacks that city 'feel'. Although there have been several major successes, pockets of high quality of new residential development, and new assets such as the University developments, Winter Gardens, City Art Gallery, Mowbray Park and the regeneration of Sunniside, the centre still does not yet appear to be an integrated regional city centre. What is needed is a shared vision that will unify the assets and quarters and create a new commercial 'beating heart', achieving critical mass and improving vibrancy. Meanwhile, the centre would be made more attractive and easier to navigate with upgraded public areas and key gateways, including the railway station.

## **City Assets**

Sunderland has a number of important assets outside the city centre that could help to expand the local economy.

As discussed above, intellectual capital is vital to a successful 21<sup>st</sup> century city. Sunderland has a strong further and higher education sector. The University of Sunderland already supports business innovation, for example through the Institute of Automotive and Manufacturing Advanced Practice and the Sunderland Media Centre. It also has a Software Hatchery and 'Creativitiworks' that supports start-up businesses in creative industries. Based on exam results, Sunderland College is one of the most successful colleges in England and provides training in skills directly relevant to the city's economy, including retail and manufacturing.

The Port is another key asset, with council ownership meaning that its role can be shaped to fit with the wider economic needs of the city.

Sunderland is the best digitally connected city in Britain, with 66% of homes with broadband (UK average 57%) and 96% with digital television (UK average 85%), according to the latest Ofcom figures. Furthermore, the UK's IT 'backbone' runs through Sunderland, bringing resilient connectivity for business customers.

Sunderland also has a large number of environmental assets. As well as the seafront and river, it has a number of parks and green spaces, especially in the former coalfield.

The city has a number of successful business parks, including Doxford International, Rainton Bridge and Enterprise Park. Sunderland is home to international companies such as Nissan, Rolls Royce, Barclays, T-Mobile, Arriva and EDF Energy. Enterprise Park is also home to UK-based Berghaus and the North East Business and Innovation Centre (BiC) which supports entrepreneurs and young companies keen to expand.

Sunderland's business parks have great facilities. For example, the award-winning Solar Building on Doxford International uses photo-voltaic technology to minimise energy consumption, while Rainton Bridge South is being equipped with the highest standard of broadband connectivity.

Sunderland has been very successful at attracting foreign investment. Around 60 international inward investment projects originating in a dozen different countries have chosen to set up in

Sunderland and together they employ 17,500 people - or 15% of all jobs in the city. The largest of these is Nissan which built its first car in Sunderland in 1986. The plant has been the UK's biggest car producer for 10 years and biggest car exporter for eight years. One in every five new cars built in the UK today is a Sunderland-built Nissan. Nissan's intention to produce electric vehicles in Sunderland represents an important development for the company, which now aims to be at the forefront of this important technology. This development is covered below, under Economic Opportunities.

## **Property market**

The structural changes in Sunderland's economy have influenced many aspects of the property market. The riverside, city centre and former coalfields are, in property terms, the inferior locations while areas with access to the road networks like the A1 and A19 have done better.

The success of Sunderland's out-of-town property market has been vital to the city's development to this point, but these developments currently do little to enhance the wider economy of the city. Furthermore, as they tend to be reliant on a limited number of industries, they could be vulnerable to global competition, technological change or relocation.

Sunderland needs to establish a viable office market in the city centre. It also needs to diversify the current office market into other sectors to ensure it is resilient. This could be done by targeting key inward investment opportunities, particularly from the public sector. The potential to kick start development through public sector relocations driven by rationalisation should be examined.

Sunderland city centre's retail market presents a rather disjointed picture with achievable rents within the Bridges Shopping Centre reported to be nearly three times those achievable for prime on-street, high street units. Sunderland needs new and better shops to attract consumers. Without them, the city centre will continue to lose spend to rival retail centres. Cities that are comparable with Sunderland in terms of economic performance typically charge much higher retail rents, even though they may have more retail space (Centre for Cities, Sunderland Comparator Cities analysis, 2009). Many of these competing cities are seeing population increases which suggest that they could pull away from Sunderland in the coming years.

New development is liable to leave some shops empty, particularly in the less desirable areas, and this could diminish the city's attractiveness to shoppers. Any new retail development will be a challenge in itself, and its long-term prospects would certainly be undermined by the presence of empty shops nearby. Public areas need to be improved and areas that are currently at risk of decline need to be upgraded so that they remain attractive areas to walk through.

The scarcity of cafés and restaurants could further restrict the development of the city centre as an evening venue, and make it a less attractive place to live. One option would be to convert redundant or underperforming retail units into leisure uses in accordance with the city's approved Evening Economy Supplementary Planning Document. The demand for a better evening experience will be driven by more city centre jobs, so the timing of such changes will be important.

Better housing will help to enhance the centre as a whole and bring in new spending power. Recent investment should be supported but care needs to be taken that the city does not reduce values through oversupply. The city needs carefully to address issues of unit type, phasing and the mix of future developments.

In order to fulfil its ambitions, Sunderland needs to make a good first impression on visitors. Improving the railway station and its surrounds will help, as will improving accessibility and movement within the city centre itself.

The current financial climate poses particular difficulties for commercial developments in the city centre. Nearly all the current and proposed developments will require public funding, but unless the private sector can make a substantial contribution, the level of investment required to deliver all the schemes would be beyond the budget of the public sector. Traditional funding methods (e.g. gap

funding) are also becoming more restricted. Consequently the city will need to identify new sources of funding (e.g. Tax Increment Financing, European money) and build-to-let residential models. It should also focus on large high-quality pre-lets and pre-sales to reduce risk and enhance investor confidence.

## Employment and growth

Four employment sectors within Sunderland represent over three quarters of all jobs: public administration, education and health (30.5%), retail and leisure (20.1%), manufacturing (14.9%) and financial and related business services (14.2%).

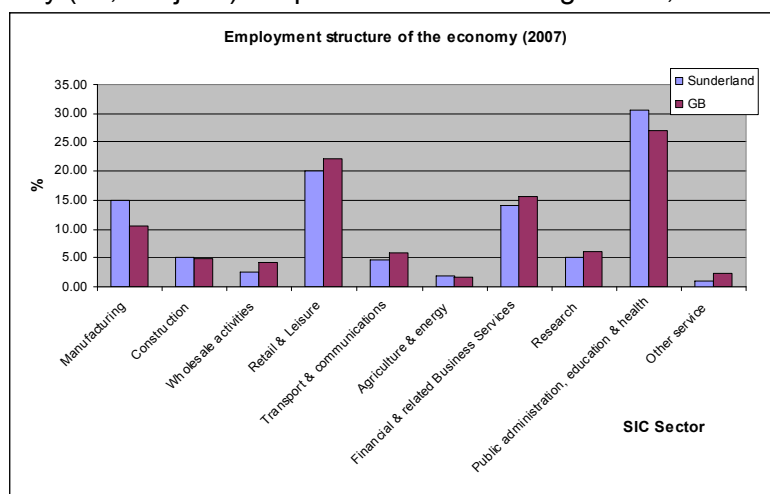
However, over the past 10 years the Sunderland economy has seen some encouraging signs of growth in the performance of its knowledge-intensive industries (based on the Eurostat definition). These have included:

- ❑ **Financial services and real estate.** A 140% increase in employment in these areas in Sunderland over the decade to 2008, bringing their contribution to total employment in the city to 6.7%, higher than in both the North East region (4.3%) and Great Britain (5.9%)
- ❑ **High technology-intensive services.** 30% growth in computer and related activities. At 1.7% in Sunderland, these remain below the GB level (2.1%) but somewhat above that of the region (1.4%). The Sunderland Software City initiative should lead to further growth in this sector.
- ❑ **Medium- or high-technology manufacturing.** An increase of more than 1,000 jobs since 1998 has seen employment in motor vehicle and transport equipment manufacturing in Sunderland rise to 7.2% of the city total, well above the regional (1.5%) and national (1.2%) equivalents
- ❑ **Education and health.** Employment in education and health & well-being has grown by about 15% in the city, with these two areas accounting in 2008 for 21% of total activity. This growth was much less than the national or regional average, but workforce-related issues within the local economy could cause it to increase further.

In common with many other northern cities, the public sector's share of total employment in Sunderland (35,100 jobs) is higher than the national average. The manufacturing sector remains a key sector within the Sunderland economy (17,700 jobs) despite national declining trends, particularly given the presence of Nissan and its supply-chain activities. Over the past fifteen years, Sunderland has also developed a growing specialism in financial and related business services, mainly through call centres, especially for life insurance and banking. Although these are not highly paid jobs, they call for skill and interpretation, and are rewarded accordingly.

Despite these successes, wages in Sunderland average £82 a week less than the average wage for the UK as a whole. Sunderland also

has a job density of 0.74, which is defined as the number of jobs divided by the resident population of working age (or 0.74 jobs per resident worker). Cities usually provide jobs for a wider area, so Sunderland's figure is low for a city. While the North East average job density is 0.72, and the GB average is 0.83, both of these averages take into account large rural, commuter areas. The density



SOURCE: NOMIS Annual Business Inquiry, 2009

for Leeds district, which has a widely defined geography, is 0.92 and for Newcastle with a tighter boundary it is 1.07. Furthermore, approximately 50% of Sunderland's workforce is employed within the top 50 public and private organisations in the city, emphasising the continuing reliance on large employers.

There are two routes for business growth. One is internal and the other is to attract businesses in from outside. The number of VAT registrations per head of population in Sunderland is one of the lowest in the North East - lower than Newcastle, Gateshead and North Tyneside - and the number of registrations per year has remained relatively steady, with only a slight overall increase since 2000. The percentage of self-employed people in Sunderland is also relatively low at around 5.8% compared with the national average of 9.1% and a regional average for the North East of 6.3% (Annual Population Survey, 2009).

## Labour market

Despite the creation of new jobs in the city in recent decades, Sunderland still suffers from high unemployment and a low skill base.

To an extent this has its roots in the region's industrial past. The adjustment to massive job loss from coalmining, shipbuilding and related engineering led many former workers in these industries to move onto incapacity benefits rather than unemployment benefits. As time has passed, many of these redundant workers are finally reaching pension age but in the absence of sufficient jobs to absorb all the available labour, it appears a new generation of less healthy and often less qualified workers are becoming marginalised and dependent upon benefits. This conclusion is supported by the high numbers of younger people, in particular the 35-44 age group, on long-term incapacity benefits.

Large numbers of men and women in Sunderland remain dependent on welfare benefits, with the single largest group being those on incapacity benefits. Across the UK as a whole they outnumber the claimant unemployed by three-to-one and lone parents on income support by a similar margin.

Just over one in five working-age people (22.5%) in Sunderland are claiming benefits, and a high proportion of these are long-term workless. As indicated in the table opposite, the number of benefit claimants within Sunderland is higher than both the regional and national averages.

If worklessness levels in Sunderland matched the national picture then approximately 12,000 extra people would be in work. This situation is inextricably linked with deprivation, low educational attainment and low skills. Combined, these produce a major drag on Sunderland's ability to fulfil its economic potential.

<b>Worklessness in Sunderland (November 2009)</b>	
	Number on Benefits (% of working age)
Sunderland	39 560 (22.5%)
North East	325,400 (20.4%)
GB	5,840,290 (15.8%)

SOURCE: NOMIS. DWP Benefit Claimant Counts

Sunderland has a high percentage of people qualified only to NVQ level 1 and 2 when compared with the region and UK average and has a smaller percentage of its working-age population that are qualified to NVQ level 3 and 4 – with the latter more likely to be earning higher wages. This perhaps reflects the relatively small proportions of jobs that require higher-level qualifications in Sunderland. As a result, weekly wages for Sunderland residents (£397) are lower than the regional (£422) and national average (£479) with low income affecting spending power. The Centre for Cities has examined cities with a similar industrial history but with stronger economic performance and suggests that they have succeeded because they have developed or attracted industries employing a high proportion of managerial and professional occupations. (Centre for Cities, Sunderland Comparator Cities Analysis, 2009)

Other work undertaken by The Centre for Cities (Sunderland - Challenges for the Future, 2009) has highlighted that many higher-value jobs in Sunderland are taken by non-residents, people who commute in from the surrounding areas, with local residents not competing well for knowledge-based jobs locally or regionally. Unsurprisingly, therefore, average earnings for Sunderland residents are lower than those for people who have jobs in the city but live elsewhere, with fewer people earning in the upper echelons of the pay scale.

In common with other areas that have suffered industrial decline, Sunderland faces deep-seated aspirational barriers among a new generation of young people, many of whom have grown up in a benefits-dependent family or who have continued to remain in a low-skilled job. However, there are some signs of promise including:

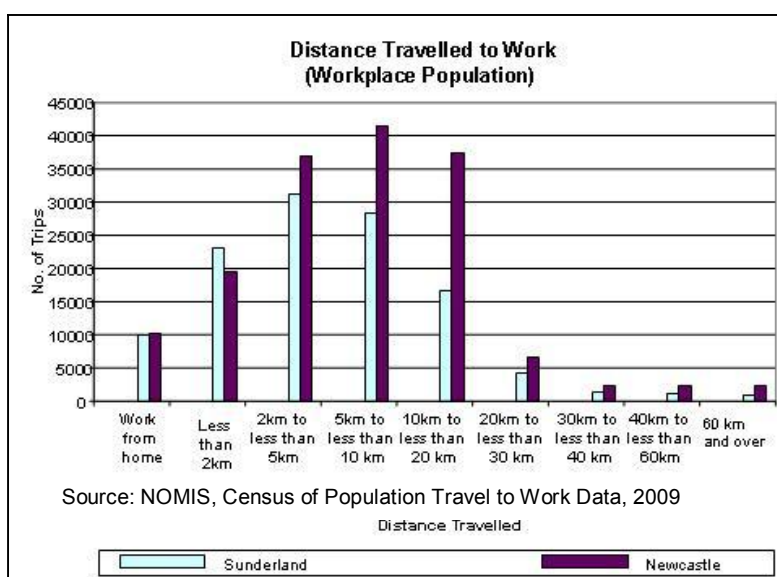
- ❑ **Improving educational attainment.** Education attainment has improved over recent years and has nearly closed the gap with national averages. For example, the number of pupils achieving five or more good GCSEs in 2007 for Sunderland was 59.4%, slightly below the national average of 62% (DfES, 2009)
- ❑ **16-19 year old apprenticeships.** 62.5% of 16-19 year old trainee apprentices achieved the full qualification in 2007, slightly better than the national average of 62.1%
- ❑ **Progression to higher education.** During 2005/2006, 9.42% of 18–20 year olds entered into higher education, slightly more than the regional average of 9.07%, although well below the average for England which was 11.83% (DfES, ONS)
- ❑ **More NVQ level 3 and 4 qualified residents.** It is encouraging that levels of qualification up to NVQ 3 and 4 are rising faster than the North East and UK average.

Sunderland's labour force supplies local demand in the main. Travel-to-work data shows that 80% of those who work in the city also live in Sunderland, with the majority of these workers travelling less than 10km. This indicates that there is limited penetration into external labour pools from the Sunderland labour market and that the connections between Sunderland's labour market and the wider North East economy are underdeveloped.

Population change is an important indicator of economic health and industrial restructuring can lead to a decline in the population. This can indicate that residents are leaving to secure employment elsewhere or that environmental and social conditions are reducing the attractiveness of the area for investment and as a place to live.

From 1991 to 2008, Sunderland's resident population declined at a faster rate (-5.1%) than the North East region as a whole (-1.2%). Over the same period the UK population grew by 6.9%, while neighbouring Newcastle upon Tyne experienced a 1.0% increase. However, recent mid-year population estimates show that Sunderland's population loss has now slowed to a trickle, following a faster rate of decline between 1994 and 2004.

More specifically, since 1991 Sunderland has experienced an 11.8% reduction in the 15-29 age group. Although there were also reductions here nationally (-4.3%) and regionally (-6.9%), the decline in Sunderland has been noticeably more severe. In contrast, Newcastle experienced an increase of 19.3% in this age group over the same period (much of this attributable to student numbers increasing sharply there). It is clear that insufficient economic opportunities combined with



weak housing, shopping and cultural attractions, are responsible for young people leaving Sunderland to find higher-skilled and higher-paid employment and career opportunities elsewhere. The scale of this loss at the younger end of the working age population indicates that the city may be storing up problems for the future in the size of its workforce, limiting the potential for population and economic growth.

## **Transport**

People's ability to find jobs and other things to do in Sunderland is clearly affected by their access to transport. Evidence from the 2001 Census suggests that the private car (either as a driver or passenger) is by far the dominant transport choice for both residents and employees in the area.

The Metro extension between Pelaw and South Hylton, via Sunderland city centre, opened following the Census, making it likely that modal share for Metro has increased from the 1% share in 2001. However, many parts of Sunderland, particularly western and southern areas, have no access to either the Metro or mainline rail services.

The variety of bus services across Sunderland provides a realistic alternative to the private car. Areas where bus access is poor need to be identified, so that services can be improved.

Sunderland also has plenty of cycle paths. Further opportunities exist to improve the quality and use of cycle tracks, particularly the C2C route which ends in Sunderland but is underexploited. Many of these routes follow disused rail tracks which could be adapted for other forms of public transport.

## **Sustainability**

Sunderland has a high carbon footprint, higher than that of Newcastle. Although industry accounts for a significant portion of this, it is domestic carbon output that drives the figure up. Partners in the city need to consider how residents and businesses can be helped to reduce their carbon footprint. Moving to an explicitly low- and zero-carbon regional economy could, if allied to sufficiently attractive incentives, encourage the attraction and growth of organisations serving the technical needs of such an economy. These goods and services could be exported beyond the city boundaries to meet needs elsewhere, both in the UK and beyond. However, many other cities are attempting to do this and competition is high. Sunderland should focus on those low-carbon industries where it enjoys a competitive advantage and exploit their carbon-reducing potential as well as their economic benefits.

Ecological footprints look more broadly at resource usage. They indicate how many more times their share of the earth's resources a person, or place, is using. More prosperous places tend to consume more resources and therefore have a higher ecological footprint. Sunderland's current ecological footprint is smaller than that of its neighbouring cities of Newcastle and Durham. But consideration should be given as to how the footprint will change as Sunderland's prosperity increases.

### **Key challenges**

The growth of employment primarily in out-of-town locations has left the city centre underpowered as an economic driver. The scarcity of office jobs has hindered the development of better shopping and leisure facilities, leaving the centre insufficiently attractive to residents and businesses alike. This has made it difficult to improve the quality of the city centre. As a consequence, the city centre does not serve its purpose economically or socially.

Sunderland's economy remains too reliant on a narrow range of industries. The city has successfully moved from ships and coal to cars and contact centres, but does not have the variety of industries and career opportunities, nor the volume of well-paid jobs necessary to retain more of the younger population and to ensure a resilient economy.

In part, this narrow industrial base persists because Sunderland has been more successful in attracting international companies than in helping indigenous businesses to grow, as demonstrated by the scarcity of business start-ups in the city.

Sunderland is a city with a university, but does not yet possess the characteristics and qualities of a 'university city'. Its two campuses lie adjacent to the city centre but have not been properly integrated with it. The University of Sunderland has the potential to become an economic and culture-changing asset, with a strong civic role aligned to supporting the economic transformation of the city centre and of the city as a whole.

The relatively low skills and aspirations of the population mean that in general residents earn less than incoming commuters. Relatively few are highly qualified and an unacceptably large proportion of people of working age are not in work and therefore are not benefiting from the growing economy. The choice of housing in Sunderland has been limited in the past because of the large number of people in similar occupations on similar incomes. Housing choice has not kept pace with rising aspirations and incomes. As a consequence, the city has been losing younger people and young families.

### **Economic Opportunities**

#### Software

The development of the Software City project began in 2007, when it was recognised that the global software market was growing rapidly and that Sunderland had assets that would make it an attractive location for these types of businesses. High-quality sites and premises, excellent telecommunications connectivity (Sunderland's position on the main national connectivity backbone ensures that it has resilient loop connectivity to Edinburgh to the north and London to the south), the School of Technology and Computing at Sunderland University and the support of a wide range of stakeholders were identified as key strengths (Deloitte, Sunderland Software City, May 2007, draft).

The case was compelling, and Sunderland's role in this industry was recognised at a regional level. This sector is now projected to grow ahead of the regional pace, albeit from a comparatively low base (GENECON). The sector also links closely to the low-carbon agenda, offering opportunities to use software to reduce carbon-dioxide emissions across a range of industries.

#### Offshore Energy Generation

There is immense potential for offshore wind farms, both for national renewable energy sourcing and for the benefit of the North East region. Government policy dictates that power generation from offshore wind sources is a necessity both for electricity supply and to help the Government meet stringent EC and worldwide targets agreed for reducing greenhouse-gas emissions. The Regional Economic Strategy sets out the North East region's proposals to deliver greater and sustainable prosperity to the region over the period to 2016. The strategy states that the region has "real capability in the area of wind power". The National Renewable Energy Centre (NaREC) in Blyth is

expected to play a leading role by attracting research and major inward investments, particularly given its development of the world's largest wind-turbine testing facility.

The growth in the offshore wind sector is a long-term economic opportunity for Sunderland, particularly for the heavy engineering, construction and maritime sectors. In due course, there should be economic benefits for a number of port towns and cities on the East Coast. The Port of Sunderland's ability to play an important role has been underestimated in the past, but is now more widely appreciated. Sunderland is well placed to provide docking facilities for survey boats, for the operation and maintenance of offshore wind farms, component manufacturing sites and - with good access to water transport - the potential for turbine assembly (although this would require substantial investment in converting the Port).

### Electric Vehicle Production

Nissan has recently announced that its battery plant will be located in Sunderland, and that Sunderland's car plant will be the first European plant to produce Nissan's electric car, the LEAF. This provides an opportunity to ensure a sustainable future for the city's automotive industry, putting Sunderland at the forefront of technological development in this area. This decision was supported by the designation of Sunderland, along with South Tyneside and Easington, as the UK's Low Carbon Economic Area (LCEA) for Ultra Low Carbon Vehicles.

The purpose of Low Carbon Economic Areas is to:

- Accelerate the growth of low-carbon industry in places where there is already economic strength
- Provide a common focus at the local and regional level for sectors that are important as we move to a low-carbon economy

For the LCEA for Ultra Low Carbon Vehicles the focus will be on electric vehicles and subsequently other low-carbon vehicle technology such as hydrogen, and related technology including electrical networks, infomatics and charging infrastructure. It will bring together different elements required for the transformation of the automotive industry. (One North East, Leading the way in Low Carbon Vehicles, September 2009)

### Health and Wellbeing

Business activities associated with health and well-being are projected to grow strongly in the city. These could have a double benefit: they could provide jobs and thereby increase economic activity; at the same time, they could tackle one of the root causes of unemployment – namely poor health and inactivity. Health and well-being is already a significant sector in the city economy and is poised to capture an increasing share of regional growth in this sector with direct relevance to wider city agendas.

### Creative Industries

This sector is more difficult to define but includes art, design, technology and production. The combination of assets, including university facilities and specialisms, the Music City initiative, the recent growth of artistic endeavour in Sunniside and programmes linked to the National Glass Centre, offers a base from which this sector could become a stronger feature of the city economy. It fits well with the drive for a more distinctive, waterfront city centre under Aim 3 of this Masterplan, where more visible creative activity and associated events programmes could support retention of the younger population, improve the external perceptions of the city and enhance its broader business investment appeal.

### Other Opportunities

As well as keeping the above opportunities under review, it would be appropriate from time to time to examine new economic developments to see what their potential is for Sunderland. These should be appraised in the context of the vision set out in this Economic Masterplan.

## 2. The Economic Masterplan Vision and Aims

The new vision for Sunderland's economy combines a detailed understanding of the city and its economy with the ambitions and priorities of its partners. To help develop this vision, an event involving many participants was held over two days. Representatives of both local and regional organisations attended and contributed ideas. Discussions were also held with representatives from the Citizen's Panel and other business and community groups to get local residents' views.

To help partners understand the direction Sunderland's economy might take, partners considered three scenarios for Sunderland's development. These were not designed as options from which one should be chosen, but were meant to set out some possible ways the city might develop. These scenarios raised a number of questions about how Sunderland should position itself. Should Sunderland try to tackle its lack of entrepreneurs, or should it focus on a higher volume of less specialised jobs? An alternative was to focus on being an attractive place to live, with enhanced access to green space and coastal amenities, and focusing on low-carbon technologies for economic growth.

Perhaps inevitably the direction for the Economic Masterplan is a blend of all the scenarios. Stakeholders felt that the best scenario should involve building an entrepreneurial city and developing knowledge industries. But at the same time it should not lose the strength in inward investment and job growth that Sunderland has developed, nor should it ignore the city's natural environment and the opportunities offered by low-carbon industries.

The proposed vision for Sunderland's economy is that Sunderland will become:

### **'An entrepreneurial University City at the heart of a low-carbon regional economy'**

The Masterplan vision statement seeks to convey a number of central messages about Sunderland:

- The University will play a new role in the city's economic development
- The city will be a vibrant and attractive place, where enterprise is encouraged
- It will be at the heart of a newly designated "Low-Carbon Economic Area" and must develop new infrastructure as part of this
- Its future is tied to the wider economy and the city must be collaborative and outward looking rather than driven purely by local ambition.

The Masterplan proposes that, to become more prosperous, Sunderland must focus on a small number of important sectors and on the city centre, and do this by developing a low-carbon economy. To achieve this it must make more of four key assets:

- Nissan, to exploit electric vehicle technology and become a world leader in producing electric vehicles
- The University of Sunderland, to redefine the city as a place where knowledge is part of the way of life
- The Port, to enable the servicing of new offshore wind farms
- Using specific development sites to create a new business district in the city centre, more retail sites, and an electric vehicle technopole.

This vision for the Sunderland economy will be achieved through five Aims for what we want Sunderland to be:

**Aim 1 'A new kind of university city'** We want Sunderland to be a vibrant, creative and attractive city, with a strong learning ethic and a focus on developing and supporting enterprise, with the University of Sunderland at its heart.

**Aim 2 ‘A national hub of the low-carbon economy’** We want to use the opportunities offered by new low-carbon technologies to stimulate economic activity in Sunderland. This Aim emphasises the city’s national potential and the need to showcase projects such as electric vehicles.

**Aim 3 ‘A prosperous and well-connected waterfront city centre’** The city centre is important to Sunderland and the wider region. It will fulfil its purpose only when more people work in it and more people spend time and money there. The city’s position on the waterfront is an important part of its sense of place and enhances Sunderland city centre’s distinctive role in the region. Connectivity is both external, to improve the city centre’s credentials as a business location, and internal, to make it better and easier to enjoy.

**Aim 4 ‘An inclusive city economy – for all ages’** We want to improve opportunities for people of all ages and sections of the community, targeting unemployment in particular. “Inclusive” means not just physical accessibility to the city’s economic centre but addressing social exclusion. Sunderland should also concentrate on tackling the decline in the number of younger people working and living in the city.

**Aim 5 ‘A one city approach to economic leadership’** We want to improve economic leadership in the city. We have deliberately chosen this as a central Aim to emphasise its importance, rather than relegating it to a “governance” section in the Masterplan.

### **3. Aim 1 ‘A new kind of university city’**

It has become clear in recent years that Sunderland’s future lies away from the basic production and automated services that have moved to cheaper locations. Knowledge – its generation, application and reproduction – is now the critical factor in building competitive advantage in both production and service industries.

Universities are vital instruments in the creation of a knowledge-based city. If graduates can be retained, they can create a more skilled labour force. University research and technological developments should be commercialised in collaboration with local industry for their mutual benefit. Perhaps most important in the context of the Economic Masterplan, universities can also drive cultural change in cities through engaging with their business and resident communities. Sunderland University is particularly well placed for this since it already has an entrepreneurial orientation, is a key focus for innovation in Sunderland and is well regarded by local business and government.

The notion of a university city includes a physical sense of attractiveness, vibrancy and cultural appeal - not only to students, but also visitors and investors. The ‘new kind of university city’ we seek will use the University to change Sunderland’s economy and culture with a stronger civic role than a traditional university.

The ‘new kind of university city’ envisaged in the Economic Masterplan is based explicitly on collaboration between the public sector, private enterprise, Sunderland University and other related institutions. This may require new hybrid organisations to act as intermediaries, hubs for new networks and centres of innovation and entrepreneurship. In particular, the University should take on an even more prominent role in the city’s economic development, not only through links with business but also through disseminating knowledge amongst the resident population and by supporting cultural and physical change in the city.

The long-term Aim is to use the city’s assets to create wealth and jobs. The University can build the foundations for this by:

- Promoting enterprise
- Improving the city’s reputation and influence
- Fostering cultural change

#### **Promoting enterprise**

A new ‘City Enterprise & Innovation Strategy’ will provide a model for promoting entrepreneurship and innovation in the city and practical collaboration between the City Council, University and other organisations that support business improvement.

This will establish a framework of support for businesses at all levels including:

- entrepreneurship development programmes on the curriculum of schools, college, university and private training providers
- more support for new businesses, such as offering advice and after-care to would-be entrepreneurs looking to start their own businesses
- a new unified business network, which will ensure that all businesses in Sunderland have access to a range of business support networks
- targeted support for established small and medium-sized enterprises
- targeted support to attract outside investment

- ensuring that an appropriate mix of business premises and capital infrastructure (broadband connectivity, transport links, etc) is developed and maintained
- better access to business services (finance, legal and accounting support)

Building on the partnership framework for Sunderland Software City, the strategy will include plans for sector-specific support, linked with the sector plans being developed in Aim 2. It will also take account of their higher-level skills needs, as part of a wider skills strategy for Sunderland.

The programme will ensure development of industry-standard premises and facilities to support university/business collaboration on innovation and business growth. The programme will target investment in infrastructure to support collaborative research, innovation, business support and inward investment.

As part of an innovation programme aligning University Research and Development (R&D) with the Economic Masterplan's priorities, Aim 1 will also work to increase the number of interactions between knowledge-based institutions and businesses in the city through more collaborative R&D investment and more access to knowledge-transfer platforms and products, such as Knowledge Transfer Partnerships, innovation vouchers and internships.

The Enterprise and Innovation Strategy will be developed by the University, working with the Business and Investment team at Sunderland City Council in 2010. The University will lead on developing the innovation programme, and will work with the College to understand the skills needs of the new sectors.

The University of Sunderland will support innovation within the priority sectors through two key facilities: the new Ultra Low Carbon Vehicle Testing & Development Facility at Nissan's Washington site and the Sciences Complex on the City Campus. There is strong potential for the former to develop into a National Centre of Excellence for Ultra Low Carbon Vehicles & Renewable Technologies. These facilities will increase opportunities for collaboration between University research teams and local businesses and will start operating by spring 2011.

As a result of investment secured through the Sunderland Software City initiative, new enterprise centres at the North East Business and Innovation Centre and at Toward Road will be created over the next two years. Both centres will showcase the city's software sector and provide accommodation and services infrastructure for the industry. The University is also reviewing how it can further support the creative sector through Creativitiworks and The National Glass Centre. The Leadership Programme will be developed by Sunderland University and will be launched before the end of 2010. The refurbished Science Complex will be completed in 2011. The Ultra-Low Carbon Vehicle Testing & Development Facility at Nissan's Washington site will also be open in 2011. The Software Centre will be opened by the Software City board in 2012.

<b>Outcome</b>	<b>How will we know?</b>
An improved enterprise culture	More new business registrations
A more competitive city	Increased GVA and employment across the city
Recognition of Sunderland as a centre for innovation and R&D in key growth sectors (Software / Health / Low Carbon)	Increased take-up of Knowledge Transfer Partnerships, Collaborative Innovation Partnerships and Innovation Vouchers, and Internships by businesses
Improved business collaboration with knowledge institutions	Increase in collaborative R&D Investment in the priority sectors
A greater stock of knowledge-based businesses with high growth potential and job prospects	More knowledge-based businesses and more people employed in them
A greater proportion of highly skilled people living in the city	More residents qualified to NVQ 4

## Improving the city's reputation and influence

The city's ability to market itself is linked to the strength of its economic leadership. In line with the Economic Masterplan, Sunderland's 'Top Team' will be supported by an Economic Leadership Programme building on the progress already made by the Sunderland Partnership. The people responsible for the major economic investment and spending decisions that are made in the public, private and not-for-profit sectors in Sunderland need to become a strong team. The Programme will use the best leadership models to create regular opportunities for new learning and collaborative working supported by external experts and advisors.

A comprehensive Communication Strategy in the Economic Masterplan will ensure that all investors and stakeholders understand the need for economic development, the mechanisms that create growth and the planned outcomes for the various sectors and constituents in the city.

Both the Leadership Programme and Communication Strategy will be supported by a City Champions Programme. This programme will encourage entrepreneurial role models to champion the city, promoting Sunderland's interests nationally and internationally.

Outcome	How will we know?
Sunderland's brand and external perceptions will be stronger	National & international demand for university places; improved external investor perception of Sunderland; increased international trade
The city will increase graduate and business retention	More VAT-registered businesses and more people qualified to NVQ Level 4 and above
Sunderland will have improved entrepreneurial leadership	More collaborative working, research and programme delivery; expansion of business networks; university and city working together on strategic economic planning
Innovative institutions linking to regional, national and international opportunities	Establishment of Centre for Entrepreneurship, Enterprise and Innovation Sunderland's economic leadership regarded as an exemplar

## Fostering cultural change

In the short term, the University will support the development of the city centre Events and Festivals Strategy and look for opportunities to engage the students further in city centre activities, perhaps through joint events or more promotion.

To better support creative industries in Sunderland, we will develop a Creative Industries Sector Plan to establish their requirements.

We will develop a Widening Participation Strategy to promote education opportunities to the residents of Sunderland aligned to employment in the city and the wider region. A key part of this strategy will be to raise the profile of the University and College in schools. A commitment to effective market signalling will convince more people to acquire the skills needed for a successful and sustainable knowledge-based economy.

The University and College will work together to develop the Economic Masterplan Widening Participation Strategy, which will begin delivery from 2011. The Creative Industries Strategy will be developed in 2010.

<b>Outcome</b>	<b>How will we know</b>
A stronger learning culture and learning aspirations of residents across the city	More people involved in college and university education and outreach activities; more local people at university and better exam results
A city centre befitting a university city to attract and retain young people	More graduates retained within Sunderland (as represented by NVQ 4 qualifications); more graduates attracted to the region
Pilot schemes for innovative approaches to carbon reduction	To be delivered by Aim 2
Improved community engagement and community enterprise	To be delivered by Aim 4

## **4. Aim 2 ‘A national hub of the low-carbon economy’**

Aim 2 is to establish Sunderland as a leading UK city for low-carbon technology and production and to support the wider region in developing a sustainable, low-carbon economy.

In the summer of 2009, the Government issued a comprehensive plan to shrink Britain’s carbon footprint. The Low Carbon Transition Plan plots out how Britain will meet emission-reduction targets by 2020. Also in 2009, Nissan Sunderland announced its intention to invest in a new facility to pioneer electric vehicle battery production, just as the Government announced that the UK’s Low Carbon Economic Area (LCEA) for Ultra Low Carbon Vehicles would be centred on Sunderland.

This provides Sunderland with the opportunity to place itself at the front of a highly significant national policy, where it will attract attention, respect and the prospect of international investment. It is the first time a national economic policy designation has been put to Sunderland based on its assets rather than its problems. Covering South Tyneside, Sunderland and Easington, the city is at the geographical heart of the LCEA.

This is an opportunity to present the city as a national exemplar, promoting showcase projects including electric vehicles, but also other low-carbon technologies and lifestyles. With the emergence of a cross-Whitehall Office for Low Emission Vehicles (OLEV), the city can take a leading role in policy and strategy development, based on Sunderland’s experience in pioneering this technology.

While low-carbon sectors present a clear opportunity to strengthen and diversify the Sunderland economy, other existing sectors will play an important role. New businesses in new sectors may also seek to set up here. The degree to which they receive specialist support should be determined according to their contribution to the vision set out above.

This Aim includes ways to help develop low-carbon businesses in Sunderland and is designed to ensure Sunderland becomes a low-carbon place, nationally renowned for its role in the low-carbon technology sector.

### **Low-carbon businesses**

These low-carbon sectors include advanced engineering, such as electric vehicles, renewable energy and software. Software as an industry supports low-carbon activity in other industries, with advances such as video-conferencing removing the need for people to travel to meet. There are also specific links to renewable energy and electric vehicles, for example new software to support charging points and smart grid technology to improve the management of our electricity supply.

In the short term, the city must develop a detailed understanding of electric vehicles, offshore wind and software, and an action plan to accelerate their development in Sunderland. We will draw up a Sector Plan for Electric Vehicles, to determine the needs of the sector and how to support them. This will include supply-chain mapping and analysing physical infrastructure and financial support.

We will also draw up a Sector Plan for Offshore Wind, building on the initial assessment of the role of Sunderland’s port to establish the land requirements for Sunderland’s offer to this sector. To further diversify the city’s economic base, this Aim will build on the success of Sunderland Software City (for which a sector plan is already being deployed) to ensure a thriving software development sector in the region, with Sunderland as its focus.

A Marketing & Inward Investment Strategy will build on the sector plans, to make certain the city’s offer to these sectors is communicated effectively to potential investors, and to promote the city as an attractive location for low-carbon businesses.

The development of Sunderland’s ‘Low Carbon Technopole Hub’ around Nissan in Washington will make the city a leader in electric vehicle technology. This will include an R&D facility alongside the

test track at Nissan (potentially linked to the proposed national network of 'technology and innovation centres' designed to encourage and facilitate commercialisation of new technologies); a 'green collar' training centre to address new skills needs and physical infrastructure (including a rail link to improve export and import).

The University and College will help to develop these sectors by delivering appropriately trained and skilled workers. This links directly to Aim 1 in terms of innovation and a more entrepreneurial approach to the city's economic development.

Work on all three sector plans should be complete by March 2011. The project leads are the City Council (Business Investment Team), One North East, the University of Sunderland and Nissan. The first stage of the technopole development will place over the next three years. This project is being delivered by One North East, Sunderland City Council, The University of Sunderland and Nissan.

The Council's Business Investment team will lead on the development and implementation of the Marketing and Inward Investment Strategy, with support from partners.

<b>Outcome</b>	<b>How will we know?</b>
More people employed in the target sectors	Official statistics
The skills needs of target sectors are met	When numbers in sector development plans have been achieved
Sunderland established as national centre of excellence in low-carbon sector skills	National Skills Centre for sustainable manufacturing and green-collar jobs established (part of technopole); R&D centre for Ultra Low Carbon Vehicles (ULCV) established
Students qualifying in low-carbon related disciplines	Completed courses in construction and green buildings; renewable energy technologies; battery or fuel-cell technologies; carbon sequestration and geo-engineering; more start ups in the "green economy"

## **A low-carbon place**

An Ultra Low Carbon Vehicle City Strategy will support the use of electric vehicles across the city. Putting charging points in the city will promote their use. Our public-sector partners will be encouraged to use ULCVs in the delivery of public services and the strategy will seek to extend the plans for low-carbon public transport.

Feasibility studies will provide a business case for introducing low-carbon measures into plans to develop and market new commercial premises for initiatives such as combined heat and power provision in existing commercial premises. The Washington Business Centre, located close to the centre of the Low Carbon Economic Area, will set an example for all businesses in the area.

We will develop demonstration low-carbon homes, focusing on retrofitting existing homes to be more energy-efficient. This will lead to a blueprint for citywide rollout of low-carbon city villages. The Skills Centre, located in the Technopole Hub, will train Sunderland residents in low-carbon construction.

Sunderland's Super Connectivity Project will provide the necessary ICT infrastructure to attract low-carbon businesses to Sunderland. After analysing business requirements and feasibility, an open procurement procedure will culminate in citywide deployment of a connectivity infrastructure (this will incorporate city centre IT connectivity, which is addressed in Aim 3).

We will implement a Low Carbon City Campaign, with a range of promotional activities to encourage businesses and residents to make changes to reduce their carbon footprint. This will include surveys to gauge the success of the campaign in terms of raising environmental awareness and

changing attitudes. It will also aim to specifically engage large employers with a presence in Sunderland.

Funding for charging points has already been approved and pilot points will be in place by 2011. Project leads are the City Council, One North East and Nexus.

We will undertake initial feasibility work into low-carbon commercial buildings within 12-15 months. The City Council is leading this project.

A demonstration 'low-carbon homes' project could be worked up in six months and implemented within 18 months but would need funding. The Homes and Communities Agency and Gentoo would be involved alongside the City Council.

We will finish research into the infrastructure needs of software companies within six months – this will then be further developed by the Superconnectivity Project. Project leads are the City Council and One North East.

The survey and campaign plan for the Low Carbon City Campaign will be completed within 3-6 months (funding permitting). The project lead is the City Council.

<b>Outcome</b>	<b>How will we know?</b>
Low-carbon vehicles being adopted	Number of charging points installed; number of electric vehicles registered in the city
City recognized for pioneering approach to low-carbon buildings – commercial and residential	Commercial buildings winning awards for low-carbon excellence in design and performance, with environmental performance statements; numbers of new buildings achieving BREEAM "Excellent"; proportion of new housing where Code for Sustainable Homes (CSH) targets met ahead of building regulations; reduction in average CO2 emissions of new homes
Technopole 'hub' established with concentration of facilities and development land near Nissan	Serviced development land supply; R&D facility for ULCV established; businesses engaging with the technopole (measured through numbers using facilities)
Renewable energy generation	Exemplar renewable installations in place; more installed capacity of renewable or low-carbon energy; more businesses generating energy on their own sites
Low-carbon city campaign and culture programme in place	More organisations with carbon-reduction targets, or carbon-management accreditation; more residents and businesses aware of low-carbon city aspirations

## 5. Aim 3 ‘A prosperous and well-connected waterfront city centre’

City centres are recognised as important drivers of city economies. They provide not only a concentration of business, retail, leisure and institutional activity but are often the best locations for knowledge businesses, advanced business services and tourism.

Aim 3 is to improve Sunderland city centre performance as an economic ‘motor’ for the city and wider region.

With support from the other Aims, the city centre will be strengthened as a business hub, as a place to visit, live and learn in. The city centre will take greater advantage of its attractive waterfront location. It will be home to a new wave of companies and new jobs. The employees of these companies will support the other parts of the city centre by providing demand for retail, leisure and other aspects.

A new city centre will help Sunderland retain more highly skilled younger workers. We want it to be a more attractive and vibrant place to live and work and for it to use its assets of people and place - in particular the waterfront - to complement other regional cities. Aim 3 will make Sunderland better connected and more accessible to its surrounding communities, the wider region and beyond.

Our Aim is for Sunderland city centre to acquire three essential qualities:

- Prosperity
- Distinctiveness
- Connectivity

### Prosperity

In order to create the number of jobs that generate improvements to shopping and leisure in Sunderland, we need to develop the former Vaux & Farringdon Row sites fully.

The Sunderland Arc (Sunderland’s urban regeneration company), the City Council and their funding partners have made good progress on acquiring sites (such as the former Vaux site and those in Holmeside, Stadium Village and Sunnyside). This investment, combined with the property already held by partners, means that despite the current climate, the city is well-positioned to regenerate the following strategic sites:

- **Former Vaux site and Farringdon Row** – to create a new central business district and to increase the number of people living in the city centre
- **Holmeside** – to create a high quality development that takes advantage of its location opposite the transport interchange and proximity to the retail core and Civic Centre
- **Crowtree Leisure Centre/Town Park (Minster Quarter)** – to create a new mixed-use civic space that connects a number of key places in the city, including the Empire Theatre and the university city campus and provides the potential for further development of the Bridges shopping centre.
- **City Campus** - to provide learning, research, sport, arts and cultural facilities for use by the wider community
- **Sunderland station** – to create a new gateway to the city
- **Sunnyside** – to continue the development of a dynamic and distinctive mixed quarter, including businesses, niche retail, quality restaurants and family living.

- **Stadium Village** – to create sustainable and accessible sporting, health, education and cultural facilities of national repute
- **St Peter's/Bonnersfield** – to link assets such as the candidate World Heritage Site, Sir Tom Cowie University Campus and to act as a gateway to the seafront

In order to maximise the social and economic benefits of investment in the city centre, it is vital to write effective city centre management and maintenance regimes. Well-maintained, safe, attractive and vibrant cities inspire civic pride, build investors' confidence and attract customers.

Outcome	How will we know?
Stronger economic and employment role for the city centre	More jobs in city centre offices
Better commercial property performance in the city centre	Commercial property yields and rents
Improved city centre vitality and viability	More pedestrian traffic in the city centre at different times of the day; more diverse use of city centre; fewer vacant or unfit street-level properties
More people living in and around the city centre	Official statistics
More city centre trade	'Catchment comparison' expenditure retained by the city centre; retail ranking; visitor numbers to top attractions

## Distinctiveness

Sunderland's waterfront could be one of the greatest assets of a city rich in high-quality public open spaces and activities. But it is unexploited.

Securing World Heritage Site status for St Peter's will enhance the profile of the city and the proximity of the seafront to the city centre can be used to improve perceptions of the city. In the short term, more will be done on the riverside. The city centre lies at a point where the river gorge is at its most impressive, so we will try to use the gorge's visual splendour to encourage new development along the river.

The city centre must offer more exciting spaces for people and business. The creation of memorable public areas will attract investment and young people.

Sunderland's leisure and cultural facilities have improved in recent years with the development of the Empire Cinema and bowling complex on the edge of Sunnyside in 2004. The city must build on new and existing assets to augment the public and private facilities it already possesses and link them by better use of public spaces. An Events and Festivals Programme will bring visible cultural activity into these spaces, in particular the riverside and the University campuses so more students visit the city centre. This will lead to increased spending, which will, in turn, produce a 'buzz' in leisure and employment.

Outcome	How will we know?
A low-carbon city centre	Proportion of new development built to sustainable construction standards, in excess of building regulations; city-centre employers with carbon reduction targets, or Carbon Trust standard supply to the city centre from low-carbon energy sources (measured in megawatts installed)

Outcome	How will we know?
Public spaces that are well used and well loved	Increased public and business satisfaction, together with recognition through the achievement of Awards for the quality of public realm and cultural/art activities; more independent specialist shops.

## Connectivity

Sunderland city centre can only be transformed by making it more attractive to private investment. We will concentrate on the handful of target locations with the greatest investment potential and the greatest opportunity to raise perceptions of the city.

Public funding and effort will therefore be concentrated on specific investment corridors that will serve the following key functions:

- **Connecting both new and existing assets** such as the transport interchange to Fawcett Street and Holmeside via Vaux to the waterfront/seafront area. Connecting them through public realm improvements and by transport modes, broadband and wifi but also emotionally by ensuring that the surrounding local communities believe that the city centre is also serving their needs and desires.
- **Integrating the ‘city campus’** with the city centre through the new buildings and facilities; new measures for pedestrians and cyclists and environmental improvements along key routes.
- **Promoting a place made for people** with high-quality low-carbon living and working environments, in attractive buildings and spaces that are low-carbon exemplars for others to follow; integrated sustainable transport, such as electric buses and charging points and other facilities to encourage the uptake of electric vehicles; better safer street design, that encourages walking and cycling and; attractive and safe public spaces and events and festivals to promote their use.
- **Providing an investment focus** on ‘doing a few things really well’ rather than trying to solve all the problems that face the city centre at once.

These corridors broadly cover the area below and include the route between the transport interchange, Holmeside and Vaux, and between the University’s City and Sir Tom Cowie campuses.



A planned approach to creating and reinforcing better transport links from the ‘city villages’ (see Aim 4) to the centre will help keep local expenditure in Sunderland and give better access to city-centre

jobs. A network of green infrastructure, including superfast broadband, electric vehicle charging points and public transport, will strengthen Sunderland's low-carbon credentials. Key gateways and corridors will be upgraded to support a focus on better transport to the city centre and the Low Carbon Economic Area (LCEA) Technopole (see Aim 2).

An engagement strategy and programme will seek to build relationships with developers and investors to demonstrate Sunderland's potential and engender confidence that partners, especially in the public sector, will deliver their part of the agreement. We must persuade businesses to help design programmes and projects and support them in their day-to-day and longer-term business needs.

The investment corridor strategy will start to be implemented within the next three years. This work will be led by Sunderland City Council and involve Sunderland Arc, the University and other partners.

<b>Outcome</b>	<b>How will we know?</b>
Positive overall experiences for city centre users	Ask customers and residents their views on accessibility, environmental quality, safety, shopping, and their overall experience of the city centre
Better IT connectivity	Number of businesses accessing high-bandwidth network
Better public transport connectivity in and around the city centre	Number and frequency of buses accessing the city centre; improved car parking; extension of city centre's immediate catchment area (within 40mins)

## **6. Aim 4 ‘An inclusive city economy – for all ages’**

This Aim will guarantee that all residents get the best opportunity to be a part of and benefit from the city’s economy.

Sunderland cannot become more prosperous unless residents are able to access new employment opportunities and earn wages that can be spent in the city. Sunderland also needs its workers to stay in the city. There is already a strong focus on ensuring access to opportunity and reducing unemployment.

Sunderland’s living environment and housing must also improve if they are to meet the desires of an increasingly affluent population. With this in mind, we are developing a Local Investment Plan (LIP) for the city, which will set out our housing priorities and reaffirm the importance of housing to our economic success. The Economic Masterplan will link with other strategies to ensure that barriers to employment such as ill-health, crime, low self-esteem and inadequate transport are tackled alongside employment and skills.

In particular, Aim 4 will need to identify the communities that suffer the greatest economic deprivation in the city and establish how we can close the gap between them and the rest of the city. We will also consider other groups who struggle to find employment in the city.

There are four components to this Aim:

- Engaging neighbourhoods in the new economy
- Developing city enterprise
- Taking a strategic approach to raising skills
- Attracting and retaining young people in the city

### **Engaging neighbourhoods in the new economy**

The Economic Masterplan sets out the need for a comprehensive approach to regenerating communities across Sunderland, to help the people in those communities to engage in the wider economy of the city, to make them attractive places where people want to live and to promote Sunderland as ‘a national hub of the low-carbon economy’.

This approach to regenerating the city’s neighbourhoods starts by recognising that the city consists of around 60 neighbourhood ‘villages’. Each possesses its own special character, even though some appear more cared-for than others. We want to re-establish some of that village ‘feel’ and celebrate it as a part of life in Sunderland. This programme will work to understand and support the facilities and activities that contribute to a successful ‘city village’.

At the same time, it is vital that more people are helped back into work and into better-paid jobs. An Employment Strategy will therefore be developed with partners, building on our success in getting people into work. As part of getting people into employment we will: work with employers and jobseekers to match the right people with the right jobs; tackle issues that inhibit people from working; support people once they have a job; and encourage enterprise at a neighbourhood level.

This strategy should ensure people in Sunderland are able to find jobs and increase their wages, not only in the target sectors but also through enterprise and in the wider economy. This will help to bridge the poverty gap that exists in the city.

The Health and Wellbeing sector appears to offer employment opportunities for people of widely varying skill levels. An ageing population and demand for greater choice are driving changes. It is likely that a range of organisations will be involved in delivering Health and Wellbeing services.

These are likely to include social enterprises, commercial mutuals and community-owned organisations. Sunderland already boasts a large network of these. Nearly ninety organisations

employ over 1,000 people and have a combined turnover in excess of £20m per year. Additional opportunities for social enterprises are likely to exist in environmental industries, arts and culture and food.

These organisations will need appropriate business support. It is also important to identify the career routes into this sector. Projections suggest that there could be an additional 6,000 jobs in this sector by 2025. If Sunderland were able to meet the needs of its community and share successful business models and ideas with other areas, this figure could be even higher.

The Employment Strategy will be in place by March 2011. Its development is being led by the City Council.

A likely increase in public-sector commissioning will provide a mechanism for improving local employment and skills development, over which public sector partners will have direct control. This will build on the work of the pilot project, which looked at ways to target recruitment and training, primarily for construction projects, to individuals from disadvantaged communities.

By the end of 2010 we will understand the Health and Wellbeing sector in the city much better and will start putting measures in place for it to become a bigger part of Sunderland's economy. This work is also being led by the City Council.

By March 2011 we will understand what we have to do to make our 'city villages' successful. This work is being led by Sunderland City Council with particular support from Gentoo.

Outcome	How will we know?
Lower unemployment, especially in what were previously black spots	Overall employment rate (The proportion of people of working age who are in work)  Numbers of working-age people on benefits across the city and particularly in the worst performing neighbourhoods.
People finding jobs and staying in work, supported by their city.	
A larger proportion of the local community engaged in the economy of the city and region	
People getting into work and out of the bottom earnings quartile	Average residence-based weekly earnings

## Developing city enterprise

The citywide Enterprise and Innovation Strategy (see Aim 1) is a prerequisite for Sunderland to become an 'entrepreneurial university city'. This will be a multi-layered strategy addressing the lack of enterprise and entrepreneurship in Sunderland at all levels.

It will include supporting enterprise at a neighbourhood level, building on the success of the Sunderland model's neighbourhood-based 'talent scouts', to ensure that setting up a business is a viable alternative to working for someone else.

Outcome	How will we know?
More entrepreneurial neighbourhoods	More business start-ups in deprived areas; enterprises being established or assisted through the programmes – and surviving
More entrepreneurship across the city	New businesses in all areas

## A strategic approach to raising skills

The city's future depends on educated, enterprising and ambitious people with the skills to contribute to the city's economy and the region's labour market. The Skills Strategy will establish processes and interventions that, when delivered, will:

- Provide children, young people and adults with the skills required to support the growth and development of current and prospective industries. Training will cover skills ranging from green construction techniques to engineering and healthcare
- Include a focus on Science, Technology, Engineering and Maths (STEM) subjects in the city's learning institutions
- Develop a curriculum that gives people the skills to make themselves employable, then supports them as they move on to higher-paid work
- Promote career opportunities through introductions to the world of work and greater employer involvement in college and university courses

The Skills Strategy will be in place by January 2011 and is being developed by a group of partners involved in business, enterprise and skills delivery, particularly the City Council, the University, Sunderland College and private training providers.

Outcome	How will we know?
More working-age people with NVQ Level 3 and above	Official statistics
Sufficient high-quality skills provision	Employer skills needs met

### Attracting and retaining young people

Young people will be a particular centre of attention in the employment and skills strategies, but the challenge of attracting and retaining them will be addressed throughout the Sunderland Strategy.

Young people in the city will be supported by the city's engagement with schools as part of the skill strategy. This means maximising productive, entrepreneurial opportunities for young people through 'enterprise in schools' support, city champions and the development of industries such as the creative sector. Exploiting the 'great outdoors' will be part of leisure and culture activity. Another element will be the creation of an inspirational city centre, with 'special places' and good quality, affordable housing across the city.

Sunderland City Council will complete the Local Investment Plan by September 2010, detailing the links between housing and the Economic Masterplan and setting investment priorities.

Outcome	How will we know?
More young people (15-29) living and working in the city	Official statistics on ages of residents; also better housing, with a higher proportion of homes in Council Tax bands C – H
More graduates living and working in Sunderland – whether they graduated here or elsewhere (also addressed by Aim 1)	Number of residents qualified to at least NVQ Level 4 (Degree Level)
All children and young people in the city being suitably prepared for working life.	Number of young people not in education, employment and training

## 7. Aim 5 ‘A one city approach to economic leadership’

Because the Sunderland Economic Masterplan involves a lot of different agencies and policies, it has to be governed properly. We want a Masterplan that:

- places economic vision at the heart of policymaking
- has a strong political direction
- embraces a wide set of stakeholders
- gives greater confidence to the private sector and reduces investment risk
- is based on strategic planning, not opportunism

We want the Aims of the Economic Masterplan to become embedded in the city’s public policy. They need to be considered in all decisions with implications for the city’s economic development. There are three stages to making the Masterplan part of policy:

**Stage 1** - securing stakeholder and political support for the Vision and Aims

**Stage 2** - securing commitment to the Masterplan in economic decision-making

**Stage 3** - aligning policy tools to support the Masterplan

We will write a ‘Reputation and Influencing Communications’ strategy to present a new, dynamic image for the city. City branding is found increasingly often in urban strategies and its importance should not be underestimated. A weak branding strategy (or no branding strategy) can have long-term negative consequences, while good branding can serve to transform a place.

We will equip senior representatives across the city with appropriate skills to act as champions for the vision and to lead the city as a team.

### **Governance and Management**

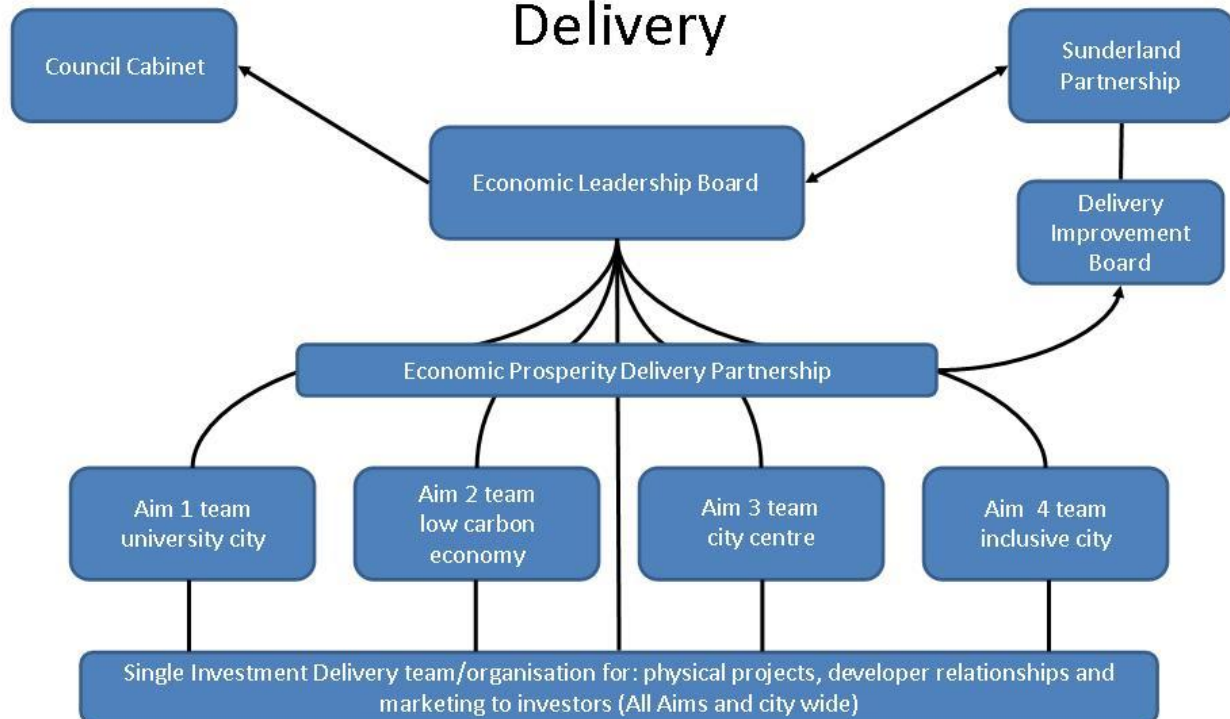
To give clear accountability, Sunderland City Council Cabinet will authorise the formation of an Economic Leadership Board that will be responsible for the Sunderland Economic Masterplan and act as the commissioning body to fulfil its Aims. The Economic Leadership Board will make sure the proposed actions take place on time and on budget. The Board will also have private-sector representation from important players in the city.

The first step is to determine which current activities will be replaced by activities in the Delivery Plans.

The second step is to improve how these activities are managed. Currently, effort is spread across lots of teams and bodies. We will reorganise the activities in line with the diagram below:

# Sunderland Economic Masterplan

## Governance and Delivery



We will establish linked teams – one for each Aim – to bring together the agencies involved:

- The 'university city' team (Aim 1)
- The 'low-carbon economy' team (Aim 2)
- The 'city centre' team (Aim 3)
- The 'inclusive city' team (Aim 4)

These teams, with expertise and influence from many different agencies, will co-ordinate the plans for each of the Aims and report to the Economic Leadership Board on their progress. Given the number of agencies fulfilling the Aims, it may be appropriate to identify a sponsoring agency for each delivery team. For example, Sunderland University might be the sponsoring agency for the 'university city' team. We will consider this further.

We will also consider whether the teams need dedicated resources. This will take different forms, depending on the nature of the Aim.

We will establish an investment delivery team out of various regeneration organisations in Sunderland. This new team will be the focus for all aspects of physical and investment delivery associated with the Masterplan and will have a remit that covers the whole city.

It is vital that the organisations developing the Economic Masterplan are committed to delivering it too. To make certain of this, we will write a collaboration agreement, setting out the Economic Leadership Board's collective and individual responsibilities regarding the Masterplan

**Relationship to Council Cabinet:** It was the Council Cabinet that authorised the Steering Group to develop the Economic Masterplan and it will be the Cabinet that provides the democratic authority and has ultimate accountability for the Masterplan.

**Relationship to the Sunderland Partnership:** We must integrate the Economic Masterplan with existing Sunderland Partnership (LSP) strategies, plans and structures. The Economic Masterplan will therefore replace the Prosperous City chapter of the Sunderland Strategy. The Economic Leadership Board will become part of the Sunderland Partnership with responsibility for the entire economic prosperity remit. The Economic Prosperity Delivery Partnership will sit between the Economic Leadership Board and the delivery teams, and ensure that partners combine to fulfil the Aims. In particular, that group will ensure that the delivery teams for the first four Aims work together and communicate properly. For that reason, the leader of each Aim team will be part of the Delivery Partnership. The membership of all groups will be considered in line with the changes to the role and function of each group.

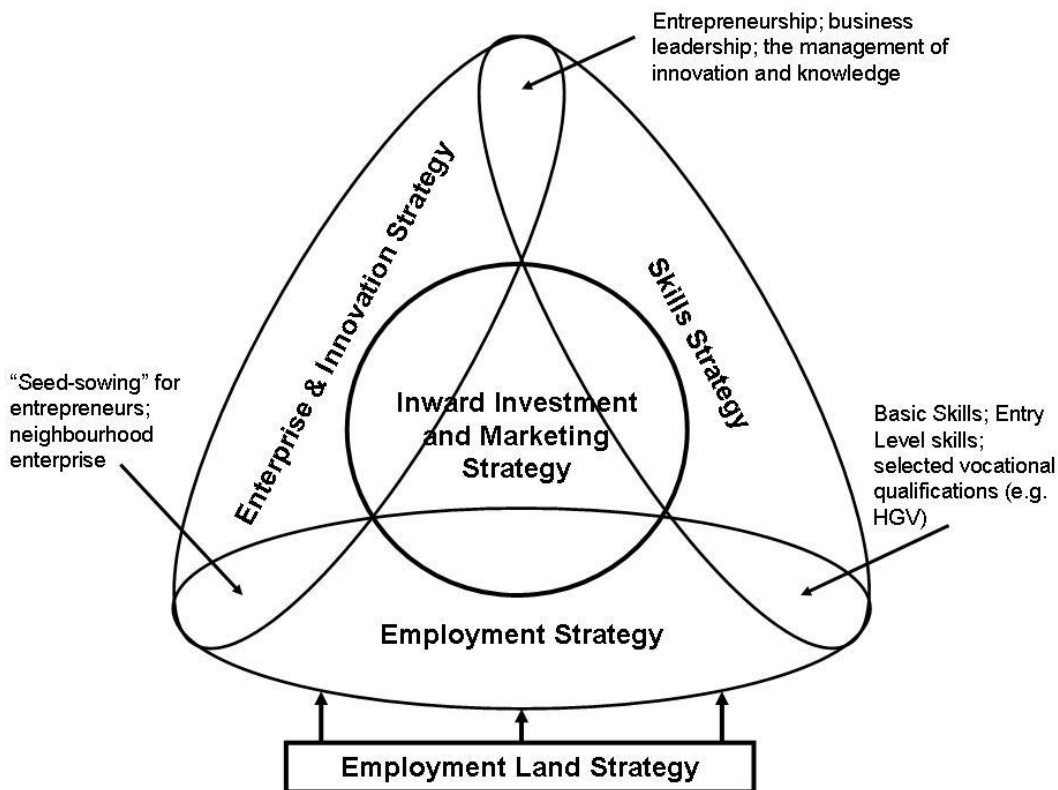
**Relationship to Government:** The Economic Leadership Board will need to develop even stronger relationships with Government departments and agencies as regional tiers are removed. Among others, these will include: Business, Innovation and Skills; Communities and Local Government; Work and Pensions; Children, Families and Schools; Culture, Media and Sport; and the Homes and Communities Agency. At the time of production, the Coalition has made several announcements about the creation of Local Enterprise Partnerships for “natural economic areas”, though the White Paper relating to these has not been published. Consideration will be given to the Economic Leadership Board becoming a Local Enterprise Partnership in this context.

## 8. How the principal strategies will work together

Five principal strategies underpin the delivery plans:

- Enterprise and Innovation Strategy
- Inward Investment Marketing Strategy
- Employment Land Strategy
- Skills Strategy
- Employment Strategy

The diagram illustrates how they will combine to provide a coherent framework that will support business growth, skills development and employment.



Employment and enterprise overlap where we will be supporting new entrepreneurs at local level. For those who prefer to earn their money as employees, both basic skills training and vocational qualifications will be available. We will improve development of leadership and management skills and enterprise and innovation in line with our skills strategy.

The Inward Investment Marketing Strategy will support all three (enterprise & innovation, skills and employment), while the Employment Land Strategy will arrange for the supply of the land required by Sunderland's new and growing employers.

## 9. Performance Framework

The diagram on the following page describes how the Sunderland Economic Masterplan's performance will be measured. Success in delivering each of the Aims will be measured as the plan progresses by a set of key performance measures. Achievement of the Vision will be measured by the successful delivery of a small set of high-level outcomes that build on the achievement of the Aims.

### Measuring Sunderland's Relative Performance

It will be important to measure Sunderland's economic performance in absolute terms (how fast does the economy grow?) and in relative terms against comparable cities and towns. We will adopt a three-tier system, comparing Sunderland's progress with three sets of three cities.

Comparator category	City/town
"In the same boat"	Barnsley, Doncaster, Stoke
"Grass is greener"	Bolton, Swansea, Wigan
"Rising stars"	Coventry, Derby, Plymouth

Barnsley, Doncaster and Stoke have been selected as being 'in the same boat' as Sunderland economically. These cities provide a baseline against which Sunderland can judge its performance. The cities were selected on the basis that they achieved a similar ranking in the Centre for Cities indices and have a similar population size and employment rate.

A second set of 'grass is greener' comparator cities were identified as having stronger economic performance than Sunderland despite having similar social characteristics and industrial history. The three cities – Bolton, Swansea and Wigan – all came in the top 45 in the Cities Outlook 2009 economic performance index. They are not the super-performers of the South, but these cities are places of a similar size to Sunderland that the city can aspire to emulate. In March 2008, before the recession, all three of the cities had a stronger employment rate than Sunderland.

A third group of cities identified as 'rising stars' represent places that economically might not be considered to be much stronger than Sunderland, but are on a path which means that they are likely to pull away from the city over the next decade. These cities – Coventry, Derby and Plymouth – were selected as having a similar ranking in Cities Outlook to Sunderland, but that have experienced a higher rate of population growth, a key indicator of a city's direction of travel. The 'rising stars' may offer Sunderland some insight into policy options that it needs to take to revitalise its economy.

# SUNDERLAND ECONOMIC MASTERPLAN PERFORMANCE FRAMEWORK

Vision	'An entrepreneurial university city at the heart of a low-carbon regional economy'						
High-level Outcomes	More wealth creation (GVA per head)	More businesses making more money	Higher employment, particularly in target sectors	More jobs in the city centre	More people with high-level qualifications	Higher earnings of residents of the city	Fewer people on out-of-work benefits
Key Performance Measures	Aim 1 'A new kind of university city'		Aim 2 'A national hub of the low-carbon economy'		Aim 3 'A prosperous and well-connected waterfront city centre'		Aim 4 'An inclusive city economy - for all ages'
	<ul style="list-style-type: none"><li>• Increase the number of VAT registrations per 10,000 population.</li><li>• Increase knowledge-industry-based employment and businesses.</li><li>• Increase collaborative R&amp;D investment by 2015 in priority sectors.</li><li>• Increase educational attainment to NVQ 4 (as a proportion of the working age population).</li><li>• Increase demand for university places.</li><li>• Make a sustainable commitment to joint university/city strategic economic planning and working.</li></ul>		<ul style="list-style-type: none"><li>• Increase the number of electric vehicles registered in the city.</li><li>• Increase the number of commercial buildings achieving recognition for low-carbon excellence in design and performance, with environmental performance statements.</li><li>• Increase the numbers of new buildings achieving BREEAM "Excellent".</li><li>• Increase the level of district employment in target sectors.</li><li>• Increase the installed capacity of renewable or low-carbon energy.</li><li>• Increase the number of organisations with carbon reduction targets, or carbon management accreditation.</li><li>• Increase the number of residents and businesses working to be part of the low-carbon economy.</li></ul>		<ul style="list-style-type: none"><li>• Increase the proportion of jobs in the city centre.</li><li>• Increase employment in offices.</li><li>• Increase commercial property yields.</li><li>• Increase pedestrian traffic in the city centre.</li><li>• Increase diversity of city centre uses (by number, type and amount of floorspace).</li><li>• Improve customers' and residents' views on their overall experience of the city centre.</li></ul>		<ul style="list-style-type: none"><li>• Increase the overall employment rate.</li><li>• Reduce the number of working-age people on out-of-work benefits (including the worst performing neighbourhoods).</li><li>• Increase average weekly earnings.</li><li>• Reduce the number of young people not in education, employment and training.</li><li>• Increase the overall proportion of the population aged 15-35.</li><li>• Improve housing for residents, with a higher proportion of homes in Council Tax bands C-H.</li><li>• Increase the educational attainment to NVQ 4 (as a proportion of the working age population).</li></ul>

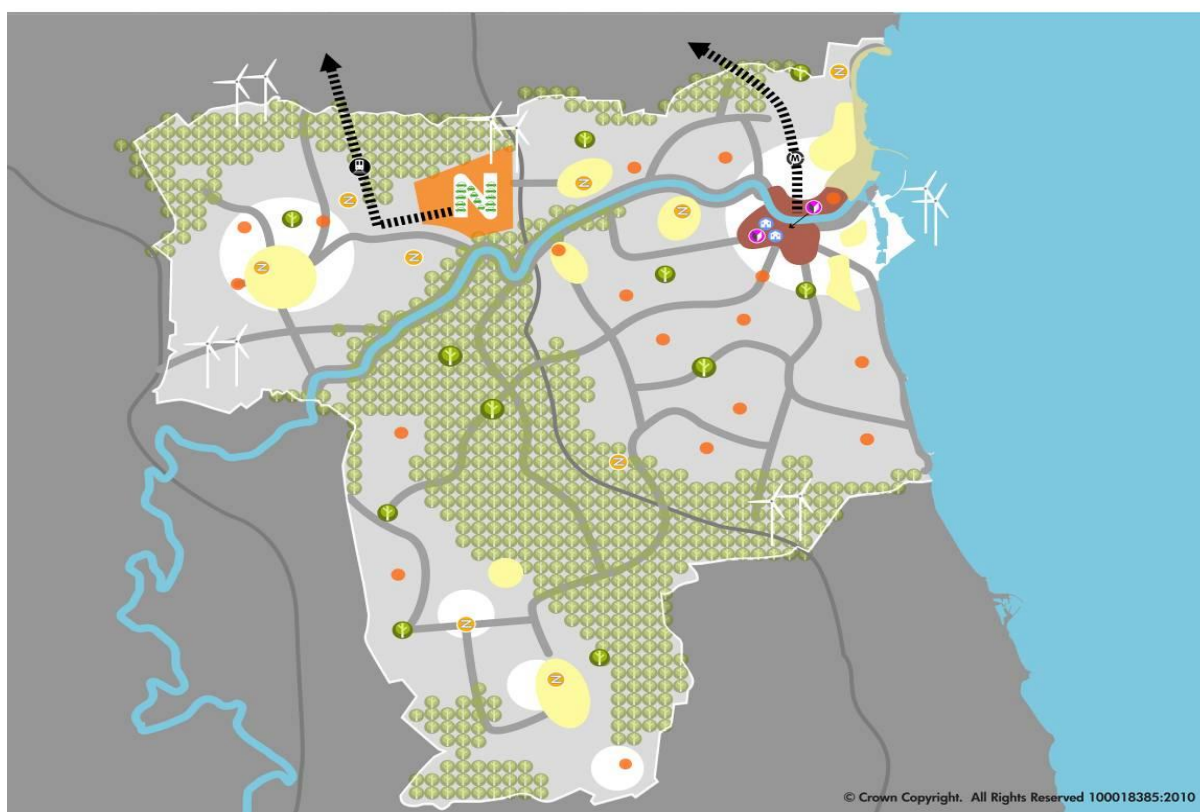
## 10. How will Sunderland change?

Sunderland will change in many ways as the Economic Masterplan is put into action. We describe the key activities, when they will take place and their short-, medium- and long-term results below.

### Years 1-5 of the Economic Masterplan

- improving the city centre
- establishing the Low Carbon Economic Area
- making sure that local people benefit

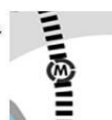
### Phase 1 : Pioneering New Sunderland



**LCEA TECHNOPOLE HUB & SATELLITES**  
CENTRED ON NISSAN



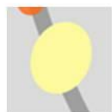
**CHARGING POINTS**  
PILOT PROGRAMME FOR COMMERCIAL ZONES & PIONEER CITY VILLAGES



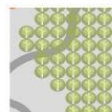
**LCEA EXPRESS LINK**  
UPGRADE METRO TO PROVIDE SUPERLINK TO NEWCASTLE STATION, EAST COAST MAINLINE & AIRPORT



**LCEA AREA RAIL LINK**  
LEAMSIDE LINE RE-OPENED AND LINKED TO TYNE PORT



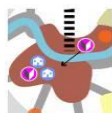
**LC CITY VILLAGES - PIONEERS**  
PRIORITISED GROWTH - NEW ECONOMIC, LEARNING & LIVING OPPORTUNITIES



**LOW CARBON GREEN & WATERFRONT INFRASTRUCTURE**  
PROTECT & PLAN MOVEMENT LANDSCAPE & BIODIVERSITY SPINES AND GREENBELT



**LCEA ICONS : WIND TURBINES**  
ENERGY ICONS AT NON-SENSITIVE GATEWAYS TO SUNDERLAND



**CITY CENTRE**  
CITY CENTRIC GROWTH FOCUSED ON LINKING UNIVERSITY TO CITY CENTRE AND WHOLE CITY TO WATERFRONT



**KEY GI ASSETS**  
PLAN FOR ENHANCEMENT OF IMPORTANT ICONS, PARKS AND NATURE RESERVES

## **What will happen in the first five years?**

### **Behind the Scenes**

Sunderland's Economic Leadership Programme will start helping city leaders to work together better.

The city will understand the needs of businesses involved in offshore energy generation, electric vehicles, creative industries, healthcare & wellbeing and software. Partners will be working together to make Sunderland more attractive to those businesses.

Partners will be working to an 'Enterprise and Innovation Strategy for Sunderland' that will put entrepreneurship development programmes on the curricula of the city's schools, college, university and private training providers, provide better start-up support for new businesses and help established small and medium-sized enterprises to grow.

A programme will be established to help businesses benefit more from the university, through knowledge exchange, more internships and more research opportunities.

The Ultra Low Carbon Vehicle City strategy will be in place, and partners will be working together to make sure the city is supporting drivers of low-carbon vehicles, and that companies across the city are using ULCVs as fleet vehicles etc.

We will introduce more energy efficiency measures to all plans to build new commercial premises. This will identify significant energy users in up to three locations and – with their agreement and that of the property owners – package them as low-carbon investment opportunities.

The Low Carbon City campaign will encourage people and businesses to reduce their carbon footprints and raise the city's profile as a low-carbon hub.

In the city centre, partners will be developing our approach to the investment corridors and work will be under way at the planned sites.

Partners will have agreed plans for how to manage the city centre and for events and festivals.

Partners will have developed a skills strategy to ensure that we have people in the city with the appropriate skills to support the businesses we are trying to attract. This will be important in the short term, as the success the city has in attracting offshore wind-turbine manufacturers, for example, must translate directly into employment for local people.

Partners will have developed a robust employment strategy with routes into work for all those who need help. Procurement in the public sector will include provisions to support and encourage contractors to employ local residents.

### **What will be different?**

People in Sunderland will be encouraged to set up their own businesses and it will be easier for those who want to.

More jobs will be available in the city, in particular in the industries we have targeted, and residents will have access to appropriate training. Students at Sunderland University will be able to take Masters courses in low-carbon related disciplines including Low Carbon Vehicle Technology.

We will have installed charging points for electric vehicles in Sunderland.

The Nissan Leaf will begin to be manufactured in Sunderland with improved access to the Port of Tyne for export.

The city centre will be more attractive and events and festivals will entice visitors and students.

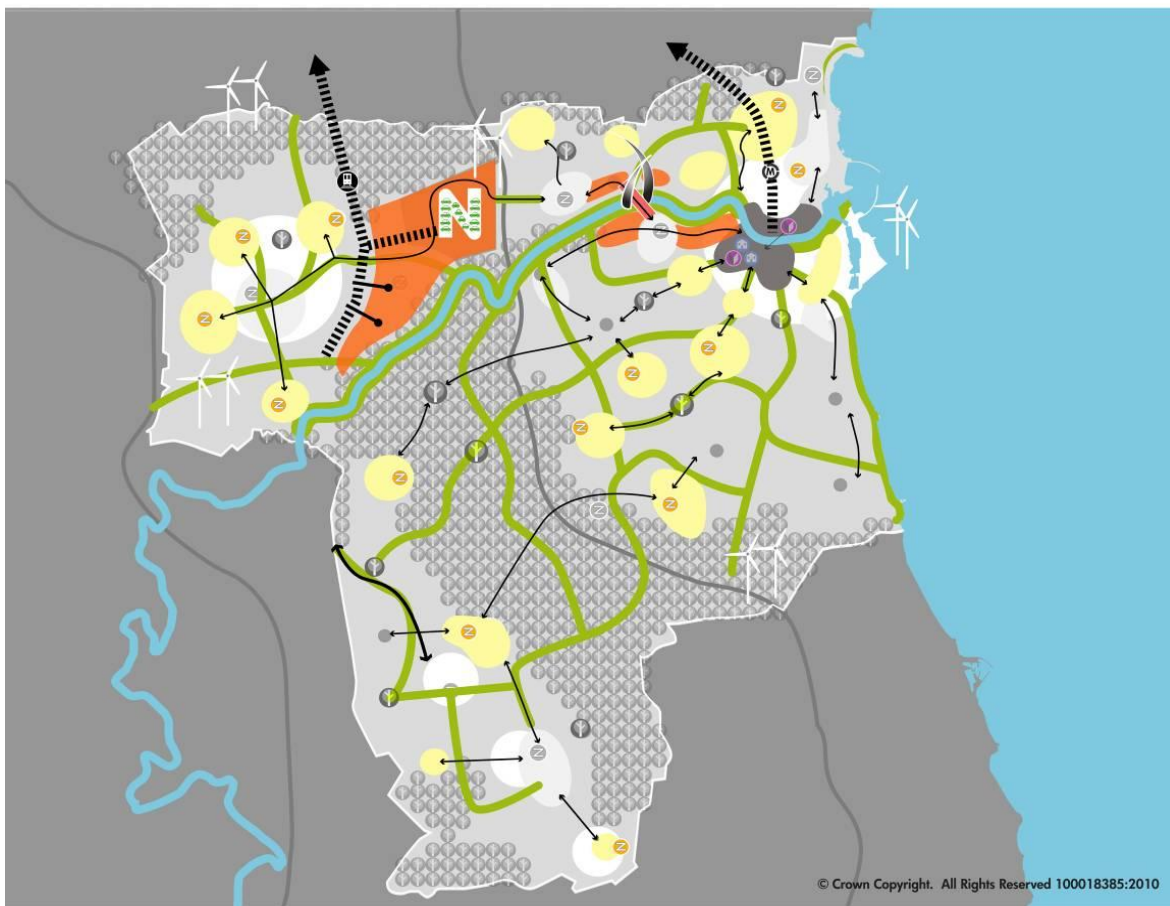
It will be easier to cross St Michael's Way from the university to the city centre.

An electric shuttle bus will run from the two university campuses to the hospital and the seafront.

## Years 5-10 of the Economic Masterplan

- Diversifying the city centre
- Nurturing the Low Carbon Economic Area
- Connecting communities to economic opportunities

## Phase 2 : Growing New Sunderland



**NURTURING THE LCEA TECHNOPOLE HUB**  
EXTENDING LCEA SITE & INFRASTRUCTURE  
AROUND NISSAN



**EXPANDED TECHNOPOLE**  
ADVANCING WEAR SIDE EMPLOYMENT, LOW  
CARBON HOUSING, 'RIVER WEAR CANYON AD-  
VENTURE PARK', LINKED NORTH & SOUTH BANK  
VIA NEW BRIDGE



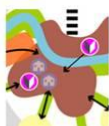
**CHARGING POINTS**  
ROLLED OUT THROUGHOUT



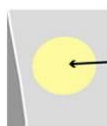
**LCEA RAIL LINK**  
EXTEND LEAMSIDE LINE TO SERVE BIGGER  
TECHNOPOLE



**LCEA GREEN & WATERFRONT INFRASTRUCTURE**  
REUSE THE LANDSCAPE, WALKING/CYCLING &  
QUALITY BUS INFRASTRUCTURE TO INTEGRATE  
CITY VILLAGES INTO CITY CENTRE AND  
TECHNOPOLE



**CITY CENTRE**  
CITY CENTRIC GROWTH FOCUSED ON LINKING  
UNIVERSITY TO CITY CENTRE AND WHOLE CITY  
TO WATERFRONT



**LOW CARBON CITY VILLAGES (SECOND WAVE)**  
PRIORITISED GROWTH - NEW ECONOMIC,  
LEARNING & LIVING OPPORTUNITIES &  
UNIVERSITY PRESENCE

## **What will happen in years 5 to 10?**

### **Behind the Scenes**

The Port will begin to be developed to meet the needs of the emerging offshore wind sector.

The Low Carbon Technopole site will have expanded to include a research & development centre, and a 'green collar' training centre. A significant volume of businesses will have moved to the technopole, both as part of the Nissan supply chain and to benefit from the technopole's facilities.

Sunderland will share its expertise in low-carbon vehicles with other regions. Sunderland will be seen as a national low-carbon exemplar from which other cities can learn.

Development will continue in the city centre, within the defined investment corridors. Design options will have been developed for the Minster Quarter.

### **What will be different?**

Businesses in the city centre and at the technopole will have access to high-speed digital connections.

Businesses in the target industries will be able to recruit people and find the best sites and premises locally.

Residents will have a variety of new jobs open to them and will be able to train in skills ranging from low-carbon construction techniques to Masters courses in low-carbon related disciplines.

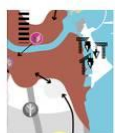
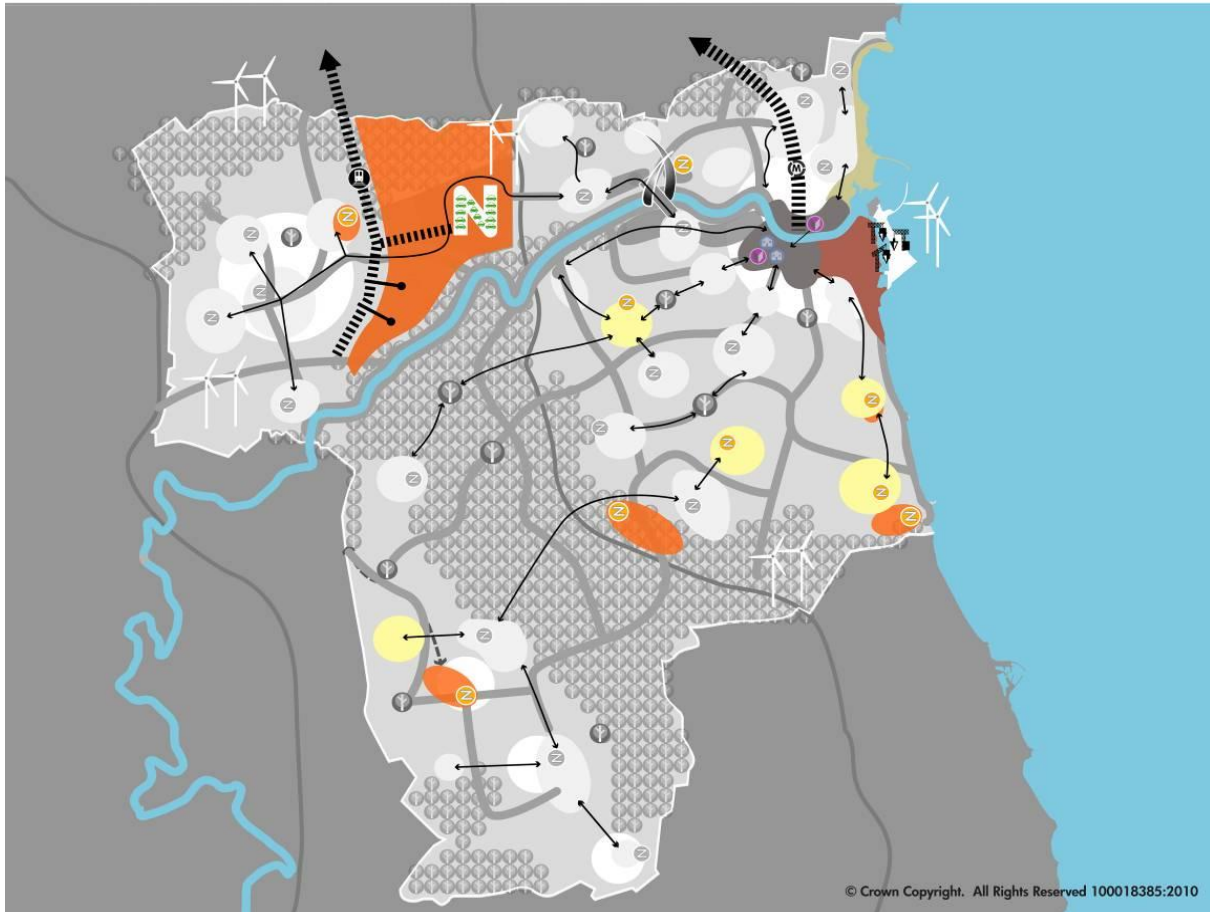
Routes into the city centre will have improved. Development will have started in Station Square and at the Minster.

Young people in Sunderland will learn about Sunderland University at school, and should be keen to attend college and university.

## Years 10 – 15 of the Economic Masterplan

- Growing the city centre
- Strengthening the Low Carbon Economic Area
- Transforming external perceptions.

## Phase 3 : Sustaining New Sunderland



**SEAFRONT CITY**  
GROW THE CITY CENTRE ALONG THE SEAFRONT TO EXTEND UNIVERSITY OFFER & RADICALLY TRANSFORM PERCEPTIONS. LINK CITY ON NORTH BANK WITH WEAR BRIDGE.



**CHARGE POINT COMMERCIAL ZONES**  
EXTENDED & NEW ZONES CREATED.



**FOCUSED VALUE ADDED PORT**  
MAINTENANCE HUB FOR OFFSHORE RENEWABLES. NEW ROLE: LEISURE/MIXED USE.



**REINVIGORATED SEASIDE TOWN**  
A SEASIDE RESORT & FOCUS ON SUPPORTING UNIVERSITY CITY.



**CITY VILLAGES - FINAL WAVE**  
EXPANSION OF CONCEPT TO SMALLER NEIGHBOURHOOD & NEW SETTLEMENTS.

## **What will happen in the years 10 to 15?**

### **Behind the Scenes**

The city will be planning for the next 15 years of economic development.

### **What will be different?**

The city centre will be much improved. The former Vaux site and Farringdon Row will be redeveloped, creating an attractive place to work and bringing new jobs into the city. Developments along the investment corridors will link the university campuses to the city centre, making it easier for people to visit the north side of the river and enjoy the attractions.

The 'Park axis' will run from north to south through the city centre, from Stadium Village on the north of the river to the former Vaux site, then down to Holmeside and Mowbray Park.

A new area – the 'Minster Quarter' – will have been developed at the crossroads of the two axes, bringing together the university's City Campus, the Empire Theatre, The Bridges and the historic Minster within an environment supported by businesses including retail, dining etc.

At the former Vaux site, a new central space will be a focal point for the city and link the site to the rest of the city centre.

A park will be built to make the most of the dramatic but isolated open space at the River Wear level between Vaux and Farringdon Row.

At the north of the axis, Stadium Village will offer leisure facilities of national repute and high-quality housing.

The east-west university axis will make stronger connections between Sir Tom Cowie and the City Campus. High Street West, Union Street, Fawcett Street and Green Terrace, Blandford Street, Athenaeum Street will all offer new leisure and retail facilities. Station Square will have new buildings facing a new and improved square.

More people will visit Sunnyside, leading to more leisure facilities, small businesses and housing.

The banks of the Wear in the Panns Bank location will be physically connected making it easier to reach the north of the river, with the National Glass Centre and Marina, as well as creating an area of waterfront cafés and bars.

[ENDS]