

Coalfield Area Committee Meeting 9th September 2009

SUMMARY SHEET

Title of Report:

Developing an Economic Masterplan for Sunderland

Author(s):

Head of Strategic Economic Development

Purpose of Report:

To share with the Coalfield Area Committee the progress that has been made in developing an Economic Masterplan for Sunderland. To seek the views of the Area Committee on the economic vision that is emerging.

Description of Decision:

No formal decision will be required from the Coalfield Area Committee. The Committee will be required to discuss the emerging economic vision and share their opinions.

Developing an Economic Masterplan for Sunderland

REPORT OF THE HEAD OF STRATEGIC ECONOMIC DEVELOPMENT

1.0 Why has this report come to the Committee?

- 1.1 The purpose of this report is to share with the Coalfield Area Committee the progress that has been made in developing an Economic Masterplan for Sunderland and to seek the views of the Area Committee on the economic vision that is emerging.
- 1.2 It was recommended that this report be brought forward in the work programme of the Coalfield Area Committee in order to ensure the Committee is able to influence the economic vision that is currently being developed.
- 1.3 Members' views will help shape the economic vision, and will help shape the delivery plans that will implement the vision, by indicating key areas where activity will need to be focused.
- 1.4 The development of a successful Economic Masterplan for Sunderland will make a significant contribution to the achievement of Strategic Priority 1: Prosperous City. The input of all Area Committees as well as residents, businesses and others is required to increase the likelihood that the Economic Masterplan is successful in bringing about a transformation in the city.

2.0 Background

- 2.1 The Economic Masterplan is seeking to integrate both the urban economic strategy and the spatial framework for the area, to create both a powerful development and marketing/promotional tool.
- 2.2 The Economic Masterplan will respond to the following key questions affecting any city:

Question 1: How will this city earn its living over the next 10-15 years?

Question 2: What will (or could) this look like on the ground?

- 2.3 Following a report to Cabinet on the 30th July 2008 Sunderland City Council began the process of procuring consultants to deliver an Economic Masterplan for Sunderland. In April 2009, following a competitive procurement process, a consortium of consultants led by GENECON was appointed to deliver Sunderland's Economic Masterplan.

- 2.4 GENECON is a national economic and spatial regeneration consultancy with a good understanding of the economic issues facing the city and its current projects and programmes.
- 2.5 GENECON proposed to us a pragmatic approach, particularly in the current economic climate. There are four key principles underpinning their approach:
- Realistic – ambitious but credible
 - Outward-looking – collaborate to compete
 - Demand-led – market shift through perceptual change
 - Innovative – new models for delivery and economic governance
- 2.6 The GENECON team has identified a range of strategic responses running from defensive to progressive to transformational. Which response is adopted will depend upon how rapidly market conditions recover. GENECON emphasises that market conditions would have to recover significantly to support a truly transformational agenda.
- 2.7 At each stage of its development GENECON's approach to the Economic Masterplan will be underpinned by three processes:
- The Evidence process: reviewing and refining the existing range of data sources.
 - The Creative process: generating ideas and propositions in collaboration
 - The Reality process: testing proposals against deliverability frameworks

3.0 Timetable

- 3.1 The Economic Masterplan is due to reach draft final stage by Spring 2010 and will then need to go through appropriate approval processes.
- 3.2 Key Dates in the process are as follows:
- **The Strategic Visioning Event on the 29th/30th June:** This important stage of the project was an intensive participatory workshop held over two days to discuss what the vision for the city's economy should be and to try and reach some consensus in a very short amount of time. The event was attended by representatives of the Economic Masterplan Steering Group the Economic Masterplan Management Group and the Sunderland Partnership Board.
 - **July to September:** This period is focusing on testing the emerging vision and the options open to Sunderland for achieving the vision.

- **A City Centre Visioning event will take place on the 24th and 25th September:** This event will be another participatory workshop looking specifically at the City Centre and arriving at a vision and broad strategy for its development. The new City Centre Board, which has recently been established, has been invited to attend this event.
 - **November/December:** This period will focus on the development of the Delivery Plans, looking also at resourcing and governance.
- 3.3 Engagement work is being carried out with Community Spirit and the Independent Advisory Groups to explain and discuss the vision that is being developed.
- 3.4 We also intend to carry out awareness raising activity in the press, to share the outcome of the visioning event and to stimulate interest and discussion.
- 3.5 Engagement will continue throughout the development of the Economic Masterplan, with attendance at appropriate meetings across the city, and consultation at appropriate points.

4.0 Current position

- 4.1 The GENECON team has detailed in the Baseline report the nature of the problems Sunderland has to tackle, and some of the opportunities that are available to the city. The headline socio-economic issues that the team has identified are:
- Sunderland is one of the least competitive places in the UK. It is ranked 369th out of 407 local authority areas (Huggins Index 2008).
 - 45% of the city's population live in a ward ranked amongst the top 20% most deprived in England.
 - Since 1991, there has been a population decline of 16,000 in the city. This is particularly strong amongst young adults.
 - The city's employment structure is dominated by public sector, financial and business services and manufacturing.
 - Sunderland has an under performing city centre.
 - Property prices are low, with a lack of mid priced family homes.
 - Low levels of enterprise activity (business start ups, self employment)
 - GVA¹ above regional but well below national averages.
 - High levels of economic inactivity and worklessness.
 - Life expectancy in Sunderland is significantly below the UK average.
- 4.2 Whilst the council has always recognised these weak points in the city, the GENECON team has expressly identified these as the headline

¹ GVA is a measure of the value of all goods and services produced in an area

socio-economic characteristics of the city, which the Economic Masterplan has to consider.

- 4.3 As a result of their research, and following the discussion with stakeholders that took place at the Visioning event at the end of June, the GENECON team has gone a long way to identifying what the Economic Vision for Sunderland should be.

5.0 The Vision

- 5.1 Following the Strategic Visioning event GENECON began the process of developing the vision by outlining three scenarios for Sunderland's development. These were not designed as options where one should be picked, but were designed to set out the possible parameters of the city's development.

- 5.2 The three scenarios were as follows:

5.2.1 Northern Gateway:

- Building on the existing strength of the city's location in the region and its potential as a 'trading city' with good strategic road access (A1/A19) and a port.
- Positioning Sunderland as a 'regional city' that would function as a trading gateway for the North.

5.2.2 Entrepreneurial Nimble City

- Building on the city's existing strength as a city that 'produces' and our strengths in high value manufacturing and associated services.
- Positioning Sunderland as a 'smart' city that is attractive to knowledge workers, has high levels of local enterprise and is a focus for innovation.

5.2.3 Creative Park City:

- Building on the strength of the city's environmental assets, focusing on low carbon technologies, creative industries and lifestyle sectors.
- Positioning Sunderland as a green sustainable city that would show case low carbon technology, and offer a high quality of life that would be supported by lifestyle and leisure industries.

- 5.3 A preferred direction has now been developed, combining elements of each of these three in differing degrees. The proposed, but still draft, vision could be described as: 'An entrepreneurial University City at the heart of a low carbon regional economy'

- 5.4 The key elements of this draft vision as they relate to businesses, skills and jobs in the city, are detailed further below.

5.4.1 Business:

- Protect the existing business base and our strengths in production
- Increase support for businesses to start up and locate to the city
- Focus on higher value innovative industry, building on our strengths in the automotive and software industries
- Become a national focus for businesses linked to low carbon technology
- Increase the role of the University in supporting business growth.

5.4.2 Jobs:

- Create and attract higher value jobs
- Provide more support for self employment
- Have more jobs in the city centre
- Offer a range of job opportunities at all skill levels to support a stronger, low carbon economy
- Reduce barriers to work in the most deprived communities

5.4.3 Skills:

- Increase the role of the University in promoting higher skills and higher aspirations, linking to colleges and schools
- Promote entrepreneurship through the education system
- Develop higher level skills in IT, advanced engineering and services to support growth sectors and improve the ability of local people to compete for higher value jobs
- Attract and retain graduates
- Support basic skills to reduce barriers to work

5.4.4 Spatial:

- Improve the city centre as a business, shopping, leisure and housing location
- Help the city centre to become a real 'University City'
- Deliver improvements to smaller centres to create 'city villages' with better neighbourhood facilities and support for business start-ups and training.

5.4.5 Business Property/Residential Property

- More diverse housing for all, but a focus on knowledge workers and families
- More energy efficient buildings
- Create a ladder of business premises to support business growth
- New office development in the city centre
- New manufacturing facilities to support higher technology companies.

6.0 Next Steps

- 6.1 There will be a presentation at the Coalfield Area Committee Meeting that will describe the emerging vision in more detail. There will also be the opportunity for the committee to raise comments and questions.
- 6.2 The proposed vision will be reviewed based on comments received from Area Committees and from further consultation.
- 6.3 Development of the City Centre Strategy has already begun and this will progress after the visioning event on the 24th and 25th September 2009.

7.0 Recommendation

- 7.1 Members are recommended to note the content of this report and raise comments or questions at the meeting.

8.0 Background Papers

- 8.1 Report of the Chief Executive (Acting), 30th July 2008, Cabinet Report: 'Developing an Economic Masterplan for Sunderland'.
- 8.2 GENECON, 2009, 'Sunderland Economic Masterplan. Setting a Direction: Position Statement'.

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