

Stakeholder presentation – business audience, 17/18 March

(Leader of the Council, Cllr John Shipley OBE begins the presentation.)

Thank you for joining us this morning, ladies and gentlemen and welcome to, what is now, the fourth of our annual sessions with our stakeholders in Newcastle.

These briefings are designed to give you a picture of what we have achieved over the last 12 months and to have a look at the big challenges we must address, if we are to be successful at delivering our vision of Newcastle - Newcastle as a vibrant, inclusive, safe, sustainable and modern European City. It's also an opportunity for you to give us your views and for us to answer any questions that you may have.

This year the Chief Executive, Ian Stratford, and I will be doing a bit of a double act to run through some of the key points. Then joining us for a Q&A panel will be some of our councillors and senior management team to answer any questions you might have.

Firstly I'd like to run you through some of what we've been doing recently and what our key priorities are for the coming year.

Back in 2004, when we took over the administration of the city, we set out very clearly our vision for the city. In the last year we have seen many of our policy ambitions bear fruit or start to, and I would like to take you through some of them now.

- We have kept council tax rises under the rate of inflation each year for four consecutive years (2005-8). This has been achieved through driving major efficiencies, particularly through investment in the in-house City Service where savings of over £20 million have been delivered.
- For too long the city has suffered comparatively low educational achievement. I'm delighted to say that as the fastest improving education authority in England, we are now well on the way to reaching the levels of other comparable cities and the other North East local authorities. In fact, very recently, five of our Newcastle schools celebrated being named amongst the most improved in the entire country - our congratulations must go to Benfield, Heaton Manor, Kenton, St Cuthbert's and Walbottle - all singled out for their outstanding improvements in GCSE results by the Specialist School and Academies Trust. In 2007 students' attainment at GCSE was above the national average for the first time. There is still a lot to be done, but this must be good news for our young people and for the future prosperity of the city.
- Sustainability and the environment have become key issues in recent years at a local, national and international level. We have made significant progress adopting sustainable, green policies to protect our environment for future generations. It's at the top of our agenda. We demonstrated our commitment by signing the Nottingham Declaration in September 2006, and followed up with an ambitious Climate Change Strategy and Action Plan launched just last month. Newcastle also leads on climate change for English Core Cities.
- Our priority is to limit the city's impact on climate change and to tackle the effects a changing climate will have, and to encourage our citizens to do the same. We have

measured our own carbon footprint as a Council and have developed plans to reduce this. The next stage of the plan will involve working with you all, and a range of other stakeholders in both the private and public sectors, to reduce carbon emissions and improve the environment for everyone.

- Recycling rates have risen four-fold since 2004; the street recycling and composting rate of household waste has increased to 31% in the last quarter of 2007, compared to 24% in same quarter of last year. Sustainability is built into all Council decisions and we are continuing to work on green procurement.
- The environment in neighbourhoods is always an important focus for us in terms of its impact on residents' quality of life. We introduced ward-based rapid response teams led by locally based Neighbourhood Managers and as a result our streets are much cleaner, and the quantity and quality of road and pavement repairs has improved significantly. And of course, we are in partnership with the Groundwork Trust to intensify delivery of our green agenda
- Our latest Customer Service Centre opened in Gosforth at the start of the year; 4 out of 6 are operational now and the remaining two in Benwell and Byker will follow later this year. Residents can now get information on 90 council services in each with 80% of enquiries being answered immediately by fully trained reception staff.
- As a direct consequence of these high levels of investment, residents' satisfaction rates are very high. We are now the fifth highest ranked council in England by the Audit Commission for residents' satisfaction. The European Commission's Quality of Life survey published in summer 2007 surveyed 500 residents in each of 75 cities across the EU reflecting the quality of their housing, health, education and employment, and it was pleasing to see Newcastle ranked third, and the top city in the UK.

We shouldn't underestimate the extent to which some of these 'soft' issues impact on the city's image as a place that welcomes visitors and investors – it's all part of the package we can offer when we say we're a city that wants to do business.

We all know that we must continue to grow our population if we are to fill the jobs that will come from economic growth. Our ability to ensure that our residents and workers are healthy, have a sense of wellbeing, are skilled and can thrive and enjoy access to all aspects of quality of life will result in people wanting to continue to live and work in Newcastle, and this in turn will attract others.

- Take Crime. Crime has a direct link to Quality of life. In Newcastle, crime has dropped 16% in the last year and we are recognised by the Home Office for high quality outcomes in community safety. We have reductions in most categories of crime and we are the safest of the English Core Cities. But it's interesting to note that residents' perception of crime is slightly different – our residents' survey from Autumn 2007 shows that people feel less safe in both their local area and in the city centre, so clearly there is an issue here to be tackled. Reducing anti-social behaviour and the fear of crime will form a significant part of Safe Newcastle's agenda as they launch their new Community Safety Strategy next month.

Newcastle also became a Respect area in 2007 – an initiative which allows us to access funding to help us tackle the causes and symptoms of anti-social behaviour.

- From April we will have a city-wide Street Warden programme, with 45 dedicated full time staff to patrol estates. This has proved particularly effective in reducing crime and the public perception of crime, but other initiatives have included the late night taxi marshalls, a night-time noise hot line, special policy licensing areas, bottle watch, and alcohol exclusion zones to tackle on-street drinking. We are also a nominated Scrutiny Council for the review of the Licensing Act 2003, so we had the opportunity to feed into the evaluation report which the Government published earlier this month. Andy Burnham, Secretary of State for Culture, Media and Sport has indicated that the review reveals a mixed picture and that although overall crime and alcohol consumption are down, alcohol-related violence in the early hours of the morning has increased. He accepts that there is a need to rebalance action towards enforcement and to crack down on irresponsible behaviour and I would totally agree with that.
- And one other success which I would briefly like to highlight arises from the Year of Exercise and Sport 2006/7 which was a great success, shortlisted for several national awards and produced a significant rise in participation in fitness and sport activities in the city. This was followed up in 2007/8 with Fusion, a £200,000 programme for free coached sessions for young people in our leisure centres and pools to drive up participation rates in the face of rising child obesity, an investment that we've now built into our ongoing budgets..

Now, the overarching theme for all of our work is the regeneration, in the broadest sense, of our city.

Investment in the city, from both the public and private sectors, is now at an all-time high. We will spend over £1billion in leading regeneration programmes right across Newcastle over the next 5 years to transform our neighbourhoods and city centre as well as building many more homes to enable more people to live here. In 2006/07 this equated to capital investment of £706 per head of population, significantly above both the regional and national average.

- New schools such as Gosforth Central Middle and Wingrove Primary have been built and others, including the new Excelsior Academy, are well underway, contributing to the rapid improvement in educational standards I referred to earlier, with further improvements to be delivered through the Building Schools for the Future programme. Within the next couple of years the whole of the secondary school estate will be transformed.
- Culture-led regeneration has been central to the reinvigoration of the city and a £50m plus capital programme has helped to refurbish a range of exciting and high profile projects such as the Theatre Royal, Live Theatre, and Northern Stage (all opened in the last year) and Tyneside Cinema soon to reopen and the Waygood Galleries project approved for development, plus the £26m development of the Hancock Museum into

the Great North Museum, a flagship visitor attraction. This is complemented by work underway to replace the City Library with a new, modern, state of the art facility, due to open to the public in 2010. In fact I'll be attending the topping out ceremony later this week. We are also working with partners including St Nicholas' Cathedral and the Society of Antiquaries on a new Heart of the City project which we hope will bring reinvention and investment to other parts of the city's historic core.

Our increasing population reflects a renewed prosperity, and tourism has emerged as a significant economic force, growing at 5% a year for the last two years. Together with Gateshead, Newcastle forms an urban core area in which is concentrated nearly a quarter of the North East's employment. There are 181,000 jobs in Newcastle – higher than the resident working-age population – and around 90,000 people travel into the area each day to work. As such, economic development in Newcastle is not just of local but of regional significance.

The government has recently asked Councils to produce a Sustainable Communities Strategy. This document will encompass our Regeneration Strategy, but which will go much further in setting out the key challenges facing the city, our vision, aims and the priorities that the council and our partners will seek to deliver together over the coming years.

Key in helping us to deliver this will be the Local Strategic Partnership – Newcastle Partnership. Their role is to bring the key players together so that we have a joined up approach to tackling some of the big challenges in health, education, community safety, and work and worklessness in particular. It is this partnership that has responsibility for producing the Sustainable Community Strategy and the resulting actions outlined in the Local Area Agreement. Having agreed on priorities we all share, the challenge to all of us now is to ensure we work together on delivery and focus our collective resources.

These are the big challenges that we need and must address, I hope you agree with them. It will be how we tackle them and the success we have at this that will really be the key to taking Newcastle forward and Ian will discuss this in more detail.

On a final note, one challenge I have not mentioned is how we deal with transport and traffic congestion in Newcastle.

We discussed last year how the City would necessarily experience disruption as we pursued our plans for Eldon Square and the Haymarket. Work is still progressing on these schemes but I hope we have demonstrated that we can accommodate City Centre redevelopment without sacrificing effective vehicular access to the City and also shown that we are prepared to listen and change our approach as we did in Leazes village, where it was not working.

On the longer term issues of congestion you may be aware that we have been leading, on behalf of the Tyne and Wear districts, research, backed by some £1.7m of investment from central government, into how to reduce congestion within the wider city area.

From the evidence available through this research there is NO overwhelming case for developing plans to introduce any form of road user or congestion charging in the short term - certainly not within the next few years or so. Whilst there is localised congestion at certain times of the day within the conurbation there is no prolonged all day problem and the approaches to congestion charging that we have examined simply do not stack up or provide value for money.

However, we do still need to look at how we can best attract investment in transport and we will be considering how we can continue to work with Government to secure funding for the City, not least for the Metro and the Western Bypass.

(IAN) (Leader hands over to Ian Stratford, Chief Executive)

Thanks John.

I'm going to cover three things this morning:

1. How we are going to tackle the big challenges John highlighted and I'm going to try to give you an idea about the actual scale of the physical investment already underway;
2. I want to outline how we're going to deliver this; and
3. I want to discuss the councils wider role in ensuring the economic prosperity of the city

(SLIDE – SCS THEMES)

We know that what happens in Newcastle is very important to the people who live here but what happens to the economy in Newcastle can also be determined by the people who live and work here. We must continue to have growth in our population if we are to satisfy the job opportunities that will come from economic growth. Our ability to ensure that our residents and workers are healthy, have a sense of wellbeing and can thrive and enjoy access to all aspects of quality of life will result in people wanting to continue to live and work in Newcastle and this in turn will attract others.

Equally, important is the need to ensure that Newcastle is a safe, inclusive and cohesive place for them. In short, for our city to be successful our communities must be free from crime and anti-social behaviour. They should have a sense of belonging and our city should be a place where people want to live and work; and where they can achieve their full potential irrespective of their background.

Newcastle as a city where people want to live and work is essentially the backbone to the success of our economy.

As a city, we've changed dramatically over the last few years and things are continuing to change both in the city and in the wider environment. It is very clear that we are influenced massively by the global economy – recent events at Northern Rock, triggered by the failure of the North American mortgage market, have shown just how easily economies around the world can effect what happens here.

Over the last 10 years we have seen our economy has strengthen, unemployment rates have fallen and the overall employment rate has risen faster than the average for England. This is encouraging, but the reality check is that we are still under-performing the rest of the UK.

Some of you may have already heard me talk about the review of Newcastle in the North East that took place in 2006/7. The review highlighted some positives but it also gave us plenty to think about – one of which was the lack of economic specialisms that we need to compete on the global stage. This is important if the economy of Newcastle is to continue to develop. But I believe that we do have the ability to address this – in particular through Newcastle Science City.

This is a rare opportunity for us to see Newcastle established as a nationally and internationally recognised location for commercial innovation in science and design, based on the strengths of our universities (Newcastle, Northumbria and Durham) and Newcastle College. It will provide an interface for entrepreneurs seeking to exploit the results of academic research, turning them into real business opportunities.

The potential to build on our unique heritage is another opportunity for us. John has already highlighted our investment in the cultural sector which has helped to transform the landscape of Newcastle. Future growth can now consolidate our position as a city renowned for culture and leisure and helping to create a significant number of new jobs.

Another key element is Newcastle's 'quality of place'. We need a fit for purpose environment that can meet business needs if our investment in the economic development of the city is to be a success.

And that brings me neatly onto the scale of investment we'll be seeing across the city over the coming years.

(CITY MAP SLIDE)

I want to try to give you a sense of what this actually looks like.

(SLIDE - MAP + SCIENCE CITY)

- I'll start with the old Scottish and Newcastle Brewery buildings on St James' Boulevard. I'm sure that none of you have failed to notice their disappearance recently. This is the largest UK city centre development site outside of the Olympics and in a few years time it will be the home of Newcastle Science City. The site will house a million square feet facility for research, teaching and business, including a wide range of incubator units for small business. It will also have a mix of green space, retail and new housing; and will revitalise a key part of the city centre.

(SLIDE – MAP + ELDON SQUARE)

- I expect most of you will also have seen the southern end of Eldon Square demolished during 2007. During 2008 we should see the new wing starting to take shape. It will encompass 3 levels of retail space anchored by a 180,000 square foot Debenhams

department store and should be open for business in 2010, creating a thousand new jobs.

(SLIDE – MAP + SCOTSWOOD EXPO)

- Early in 2009 we will be starting initial site works in Scotswood and Benwell on the Scotswood Expo and the wider area Masterplan. We have some way to go before the Expo in 2011. But we can expect to see an exciting housing-led mixed-used development that will transform 150 acres into one of the most up and coming parts of Newcastle, creating 1,800 new homes and providing a range of services, business, retail and community facilities.

(SLIDE – MAP + GNM)

- Work on the Great North Museum by Newcastle University, will be completed this year. This is a 26 million pound redevelopment of the Hancock Museum into a flagship visitor attraction incorporating collections from the Hancock Museum, the University of Newcastle's Museum of Antiquities, the Shefton Museum and the Hetton Gallery.

(SLIDE – MAP + E.PILGRIM STREET)

- This year we'll also be spending some time this year looking at how we can improve East Pilgrim Street and the area around it. The area is full of contrasts containing a number of important historic buildings and streets and it encompasses one of the city's most important medieval thoroughfares (Pilgrim Street) alongside a number of fine grain 18th Century and grand art deco 20th Century listed structures, which give the area a varied and interesting character. We want to build on this to create a new distinctive and lively area that will complement what we already have. We will share the results of the consultation over the coming weeks and I hope to be able to outline our preferred options report over summer, with a final report published before Christmas.

(SLIDE – MAP + STEPHENSON QTR PICTURE)

- Work is progressing well on plans for the Stephenson Quarter to the south of Central Station. We now have an initial planning application that is the start of a major 250 million pound redevelopment of the 8.6 acre site, which will see it transformed over the next 10 years with phased development that will include two hotels, including a 250-bed Crown Plaza; 320,000 square feet of office space and some retail units. It's an exciting proposal.

But there are many, many other things I could mention -

(SLIDE – MAP SHOWING ALL AREAS)

The Great North Park, the General Hospital site, Forth Yard, Ouseburn and Spillers Quay, plus work we're doing to look at regenerating some of our residential areas.

There's a lot going on.

Newcastle does benefit from its location but the transformation of the city in recent years has not happened by chance. Strong partnership between the public, private, voluntary and community sectors has underpinned our recent successes and will continue to drive improvement for years to come.

As a council we play a leadership role in instigating the actions we need to deliver our vision, we then work with a wide range of organisations and partnerships to see them take shape, and to manage them in a coherent way.

(SLIDE – LIST OF THOSE BELOW)

(CDC)

The City Development Company that we're in the process of setting up with Gateshead will take the lead on economic regeneration in the urban core. The CDC has a number of important jobs. It will help us:

- Produce and oversee the economic masterplan for NewcastleGateshead;
- Help to co-ordinate and deliver some of the key regeneration areas of economic opportunity I mentioned;
- It will co-ordinate pump-priming investment; and will
- Provide targeted investment marketing and business winning.

This isn't a repeat of the Regeneration Companies we saw many years ago – it's a locally focussed organisation that will ensure that we don't take our eye off the ball, while trying to balance a number of priorities across the city.

The CDC is beginning to take shape and we hope to have the company up and running from this April. We have an initial business plan, which you can download from their website and we have started to recruit for a Chief Executive and Chair who we hope to have in place over summer.

(SCIENCE CITY)

I've already mentioned Science City - a catalyst for development of knowledge industries in the city. It's going to play an important role in the future development of our economy and, in fact, it will also impact on the wider city region.

(PRIVATE SECTOR)

Investment from the private sector plays a significant role in the regeneration of the city and we are looking at how we can continue to work with the private sector using the range of public private investment tools available to us, to help develop key parts of the city. We have gone somewhat down the line already in selection of a partner on the development of the Scotswood Expo and Masterplan and we will be looking at other models over the coming period that we can use for future developments.

(HOUSING)

In terms of housing, we already have Bridging NewcastleGateshead successfully managing housing investment in some parts of the city and this is now set to continue, following the announcement of an additional £95 million to continue their work.

Very recently Newcastle was selected as a pilot area for a Local Housing Company. Although we have some way to go before a company is up and running, we can already see that it has the potential to be an organisation that will help us co-ordinate and drive forward the rate and scale of future investment.

Alongside this, only last week, we were also short listed as a Housing Growth Point – this will further support the rate of development in housing that we need and will reinforce the role of Newcastle Gateshead as the urban core of the Tyne and Wear city region.

(CCP)

In 2006 we helped to set up the City Centre Partnership as an independent, autonomous organisation to strengthen and promote economic, cultural and social activity in our city centre. The partnership is focussing on delivery of specific regeneration projects and will provide advice and challenge to those organisations whose activities have a direct impact on the city centre. They are currently looking at proposals to establish a Business Improvement District in the city centre – the money raised (from an additional levy of 1% on the rateable value of each business) will then be used to improve the area in accordance with wishes of the businesses that are there. I understand that a decision on this will be made towards the end of 2008.

(NCL FUTURES)

Set up more recently was NEWcastle Futures – an organisation delivering services directly to people without work, supporting them to address skills, health and other barriers. It will also co-ordinate a range of services provided through other agencies including the voluntary sector and private providers and will make a significant impact on employment in Newcastle, whilst improving the life opportunities of many of its disadvantaged residents.

(LSP)

And finally, over arching all this, we have the Local Strategic Partnership – Newcastle Partnership. Their role is to bring the key players together so that we have a joined up approach to tackling some of the big challenges that we've spoken about. It is this partnership that has responsibility for producing the Sustainable Community Strategy and the resulting actions outlined in the Local Area Agreement.

Last year the government published the review of sub-national economic development and regeneration, which set out a clearer and stronger role for councils in dealing with the challenge of increasing local economic prosperity. We see this role as being about a number of things:

(SLIDE - OUR ROLE LIST)

- Leadership – As I have already mentioned the city council will be leading on addressing the ‘big challenges’ that John outlined. We will be giving strategic direction and through the Newcastle Partnership and the other organisations and partnerships I’ve mentioned we will be drawing together those people that have a role to play in achieving our vision.

But we will not be getting in the way. We will be playing a leadership role in terms of direct delivery, but we will leave those better qualified to deliver to do their job, organisations such as Business Link, Project North East and Entrust.

We will also be playing a leadership role in particular areas where we are in a position to drive things forward in the city– like wi-fi access and ensuring digital inclusion. And we will work with those organisations that can put the physical infrastructure in place.

- We need to pro-actively attract investment in the city, something that we’ve never really done before and the City Development Company will be key to making this happen.
- We will be moving from our previous mentality around planning – the phase “development control” sums it up – to development management. We have an important role to ensure that the development and regeneration which takes place today is right for the long-term future of the city. Obviously we’re not always going to say yes to every proposal we have, but developers should be confident that there is consistency in our approach and I’m sure that there will be many areas that we can work together to achieve the end result.
- We will be looking at how we can turn challenges into opportunities. Climate change is the best example of this - I’m sure there are many ways in which we can turn some of the issues we need to deal with into business opportunities for companies in Newcastle.
- I am determined that regulation will not be a burden to business in Newcastle, but that it will be something that can help you do your business better. I think the changes we could make in licensing, to make life easier for business, is a good example of this.
- We understand that we have to take a whole Council approach to economic prosperity – we know that what happens with our roads, education, procurement and cleanliness is just as important to business as what is done by our economic development teams and this is an approach that we’ll be focussing on in future.

We already have a good relationship with our partners and stakeholders through the Local Strategic Partnership and our representation on the many Boards and Committees we attend, including the City Centre Partnership. More recently my senior management team have taken an ‘account manager’ role with a number of the larger employers in Newcastle, and we have received good feedback from them.

I’m sure you can appreciate that it’s not possible for us to speak individually to all businesses in Newcastle. However, I’m setting up a series of smaller discussion groups with businesses to look at some of the issues that affect you and how the Council can improve its service so that we’re not hindering your work. We’ve had one really helpful

session so far and will be having more over the coming year. If you would like to be involved please let me know.

Later this year we will be coming to talk to you soon about how we implement stage two of our Carbon-Neutral City plan. We have a major challenge in balancing growth in our city with the need to reduce the impact we have on our environment and our contribution to climate change. I think the trick for us here is in not viewing this as a limiting factor but to look at how we can strengthen the economy with environmental sustainability.

Some time ago we set out our desire for Newcastle to be the world's first carbon-neutral city. Stage one of this was agreement on the Council's Climate Change Strategy, which we now have and we'll be spending some time over the coming weeks making sure that we have our own house in order and can manage our own business to become more environmentally friendly.

Stage two of the plan will involve talking to you and other businesses in Newcastle about how we can all cut our carbon emissions - the start of a city wide climate change strategy. This strategy will include a city-wide carbon footprint, the development of community energy, the adoption of planning policy and increased focus within the local transport plan towards reducing carbon emissions. I hope that when the time comes you will get in involved - this strategy will not be achieved with council involvement alone. It needs the support of our partners, our businesses and the people to live and work here – I hope that you will be one of them

On a final note, I've touched briefly on the changes we'll be making as an organisation in how we operate. We know that we need to change our approach so that we can meet the changing environment and our 'customers' growing and changing expectations and I will be personally overseeing that change. I hope that you will see these changes over the coming year, when you deal with us – but if you don't or if you think our approach isn't right, then let me know.

We have also made some recent organisational changes, strengthening the leadership team that we have and in mid-April, David Slater will be joining us in a new role as the Executive Director of Environment and Regeneration. David's role will be to develop and improve the social, economic and physical infrastructure and environment of the city, in partnership with other agencies, to help realise our vision.

Well, that's enough from us – I hope it's given you a fair snapshot of the scale of we're doing.

If I can ask the rest of the team to join me we'll try and answer any questions that you might have.

(SLIDE - Q&A PANEL)

End