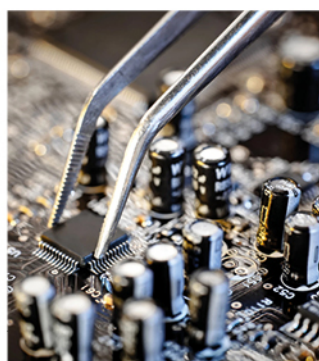
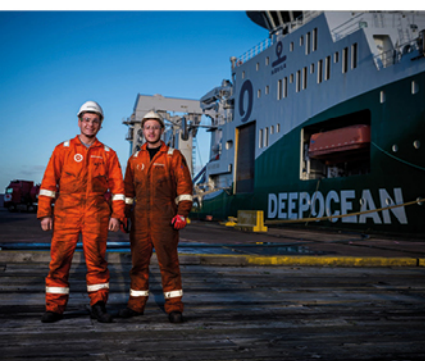


Northumberland

The place for prosperity

The Northumberland
Economic Strategy 2019–2024



Foreword - Our commitment to inclusive, industrial growth

Northumberland is the place for prosperity, a county with international leaders in industry, investment ready locations, innovative people, welcoming communities and globally significant culture and landscapes.

Our ambition is to deliver inclusive, industrial growth and empower all our residents. We are passionate about delivering a more productive, prosperous economy in our county and the wider region to deliver on the Government's Industrial Strategy here in Northumberland.

As part of the new North of Tyne Combined Authority we can better connect and combine our strengths with Newcastle and North Tyneside, harnessing the potential of our highly skilled workforce and the industrial and innovation assets in the area.

There is a commitment to harness more power from the Government to develop opportunities that everyone can share a stake in. Working together, our focus is to deliver for residents and businesses collaborating with our partners in the North East of England.

With our neighbours in Cumbria and Scotland we are developing the Borderlands Inclusive Growth Deal, and we will demonstrate that rural communities can deliver the Government's Industrial Strategy ambitions as a rural scale up exemplar for England.

This Economic Strategy for Northumberland 2019-2024 confirms our vision and ambition to deliver a real and lasting impact in all our communities.

A handwritten signature in grey ink that reads "Peter Jackson".

Cllr Peter Jackson

Leader of Northumberland County Council

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1. Introduction

1.1 A unique opportunity to deliver

This is an exciting time of change in Northumberland, a new North of Tyne devolution deal has been agreed and the Borderlands Growth Initiative is gathering momentum. Both present unique opportunities to deliver growth and change focused on our leading industries.

Together with our North of Tyne partners we have struck a deal with Government that unlocks new powers and opportunities to help meet our ambitions. At the same time we are pressing the Government for support through the Borderlands deal to realise the potential of our rural business community. We will be working at multiple levels with neighbouring local authorities, the North East Local Enterprise Partnership (NELEP) and the North East Joint Transport Committee in support of our common objectives.

The county council is playing a leading role working in partnership to ensure we strengthen Northumberland's position as a place to do business and invest in, a place where our residents are our greatest asset and international visitor destination based on our exceptional culture, arts, heritage and environmental offer.

1.2 Collaborating to support industry, residents and communities

Northumberland's economy works at multiple scales and much of the work to deliver this strategy will be undertaken in partnership. We want to harness the assets of our employment and business base as a place that is home to over 100,000 employees¹ and over 11,000 active businesses².

Fig 1: The North of Tyne Combined Authority



¹ ONS APS 2018

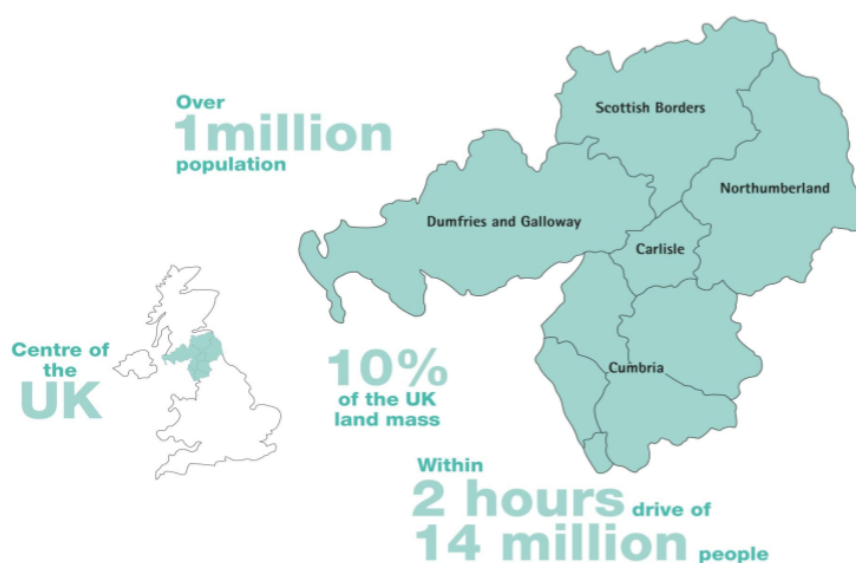
² ONS IDBR 2018

Of particular importance are the developing relationships within the new North of Tyne Combined Authority. Together we represent a functional and interdependent economy with a population of 819,000³ with 24,000 businesses⁴ and the total value of goods and services produced in the area of £17 billion⁵.

Alongside this we are progressing the Borderlands Growth Deal. Northumberland is part of a new Borderlands partnership established as a means of adopting an integrated approach to a functional economic area that straddles the Border of England and Scotland.

A Growth Deal has been proposed with Government to capitalise on shared opportunities and address common challenges in this area.

Fig 2: The Borderlands Partnership



The Borderlands, bringing five Local Authority areas together represents an economy of over 1 million people, there is a growing base of small and medium sized businesses, a range of international companies and national scale strategic investment/employment sites. The opportunity is to boost connectivity to take advantage of the areas position, access to markets, and natural assets.

Both provide new mechanisms to work with Government and industry to unlock growth alongside wider networks in the region, including our North East Local Enterprise Partnership (NELEP) who are currently developing a new Local Industrial Strategy pilot and the new North East joint transport committee in relation to strategic transport infrastructure.

Collaboration with partners South of Tyne continues to be important as we work regionally to grow the economy. Identifying the joint opportunities and challenges as a result of Brexit are an important example of our work together.

³ ONS Population Estimates 2017

⁴ ONS IDBR 2018

⁵ GVA 2016

1.3 Our commitment to inclusive growth

This Economic Strategy provides detail on our commitments to grow the economy as set out in the Council's Corporate Plan and the emerging Local Plan for Northumberland.

The Corporate Plan pledges that the Council will do everything in its power to create the right conditions for economic growth. This will involve working hard to support existing businesses to invest and grow, whilst also seeking to attract major investment externally to create not just more jobs but better, higher earning opportunities across the county.

The council's emerging Local Plan sets out proposals to create 15,000 jobs by 2036 along with greater choice in the housing market and new infrastructure to ensure communities are supported. We are developing our services in the Council to demonstrate that Northumberland is open for business with a focus on impacting positively on our communities and natural environment.

A new company launched in November 2018 is tasked with helping to drive economic development and prosperity across Northumberland. Owned by the county council, Advance Northumberland will turn ambitious regeneration plans into reality and play a critical role in delivering a step change in the local economy. Advance is the successor to Arch, the council's development company which has successfully delivered a wide range of projects in recent years.

Advance will bring an even sharper focus to attracting investment and delivering regeneration. One of its key challenges will be to identify new opportunities for investment to support the delivery of our Economic Strategy working with partners to bring schemes forward and attract employers into the area.

Focusing on place, we are working with each town in Northumberland to ensure local partners have the best possible support to develop town investment plans supported by forums and partnerships that support delivery. Our aim is to build on what is already a very successful county, continuing to work closely with a range of stakeholders and partners, delivering positive physical and economic development and fully including our residents as we do so.

The Council's network of services supporting this strategy includes culture and tourism, strategic transport, education and skills, economy and regeneration, planning, strategic estates and neighbourhood services alongside Advance as our economic development arm. Together, we are focused on delivering growth across the county.

We have a number of industrial growth opportunities where we can tacitly contribute to the national industrial strategy. This Economic Strategy sets the strategic framework for our work on this agenda.

2. Vision

2.1 Vision

In establishing our major areas of industrial opportunity we will focus on the measures needed to increase productivity and economic output. The national Industrial Strategy recognises that growth must benefit the community in which it occurs. We will concentrate on the delivery of inclusive, industrial growth in our communities and with our innovative businesses across the county.

Our vision is therefore to be a prosperous, inclusive and connected community.

2.2 Objectives

Fig 3: Economic Strategy Vision and Objectives

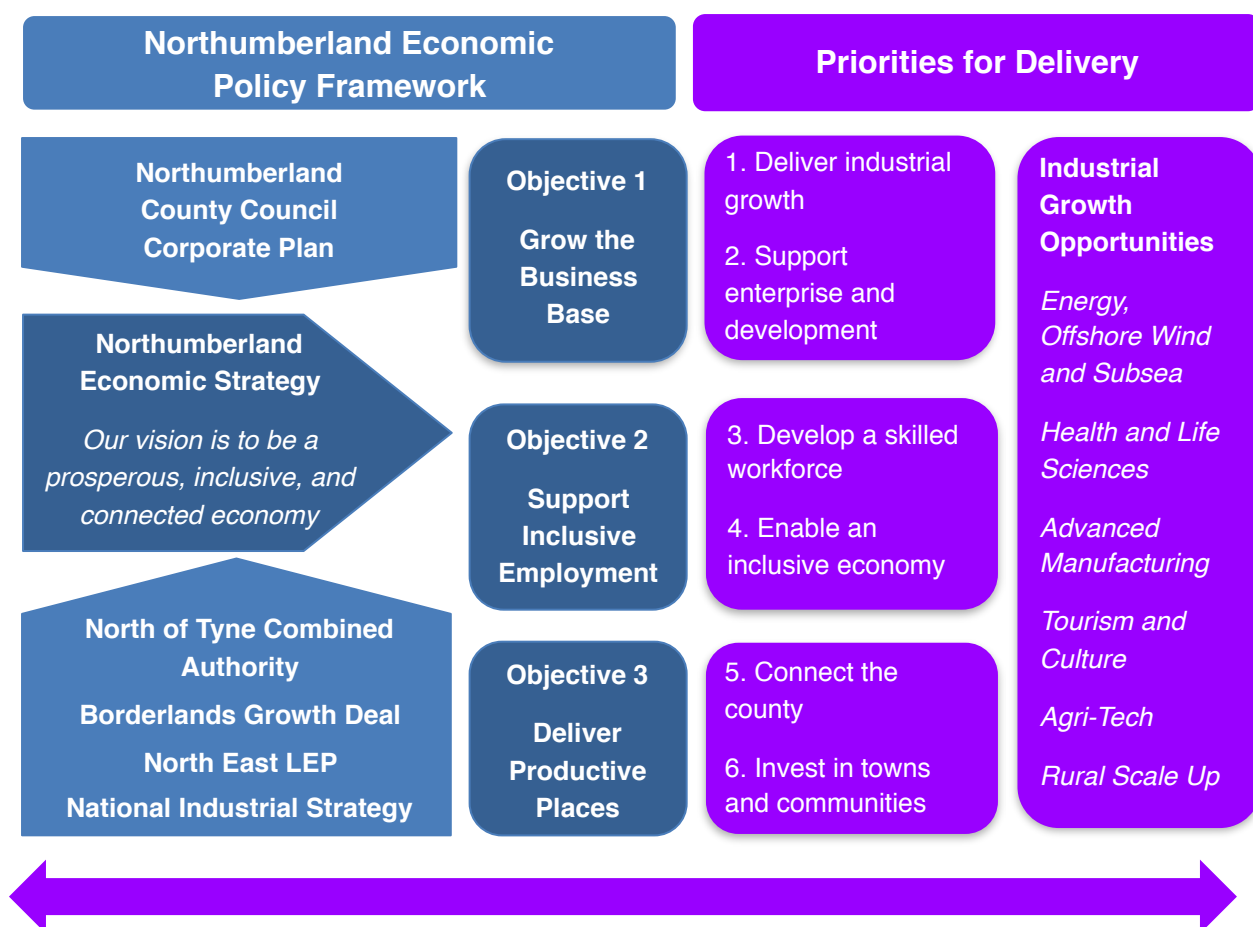


Our objectives to deliver this vision are:

- To grow the business base, with a clear focus on six major sector opportunities where we can contribute to the national Industrial Strategy and ensure we deliver services to enable business to have the best possible enterprise, innovation, development, finance and advisory assistance to operate here in Northumberland.
- To develop inclusive employment, our highly skilled workforce is a major strength, but we must ensure that the employment available is inclusive and accessible to all parts of our community.
- To ensure our towns and communities are productive places economically. It is vital that we are sensitive to each place's characteristics and the unique opportunities within them, our task is to develop effective support from the Council working with our partners to deliver improvements.

Part 3 of this Strategy sets out the six priorities for delivery to contribute to our vision and objectives as set out in the diagram overleaf:

Fig 4: Economic Strategy Policy Framework



2.3 Focusing on Industry

Part 4 of the Economic Strategy discusses our Industrial Growth opportunities. Key to our Economic Strategy is our ability to deliver industrial growth working with our partners in North of Tyne, the Borderlands and as the NELEP develops the new Local Industrial Strategy for the area to deliver against the national Industrial Strategy⁶.

We have identified six industrial growth opportunities where we will focus attention. Industrial growth must benefit our communities and we need to ensure our infrastructure is as effective as possible to support the economy. Our industrial growth opportunities will be linked to the six key priorities set out overleaf to help us grow the economic business base, ensure that residents are fully able to be part of growth that occurs in their communities and provide the underpinning place based infrastructure to enable development.

⁶ The Economic Strategy is founded on an understanding of our county and the economic opportunities we also share with North of Tyne and Borderlands partners. This is explored further in the supplementary paper Northumberland's Economy.

3. Priorities for Delivery

There are six priorities for delivery to grow the business base, support inclusive employment and deliver productive places.

Priority 1 is to develop industrial growth sectors with a clear focus on six major sector opportunities which are discussed further in part 4 of this strategy. Priority 2 focuses on developing our enterprise and development services to enable business to have the best possible enterprise, innovation, development, finance and advisory support services to operate here in Northumberland.

Priority 3 aims to develop our highly skilled workforce which is a strength, but we must ensure that the employment available is inclusive and accessible to all parts of our community. Priority 4 focuses on enabling participation in inclusive employment through the opportunities that growth provides.

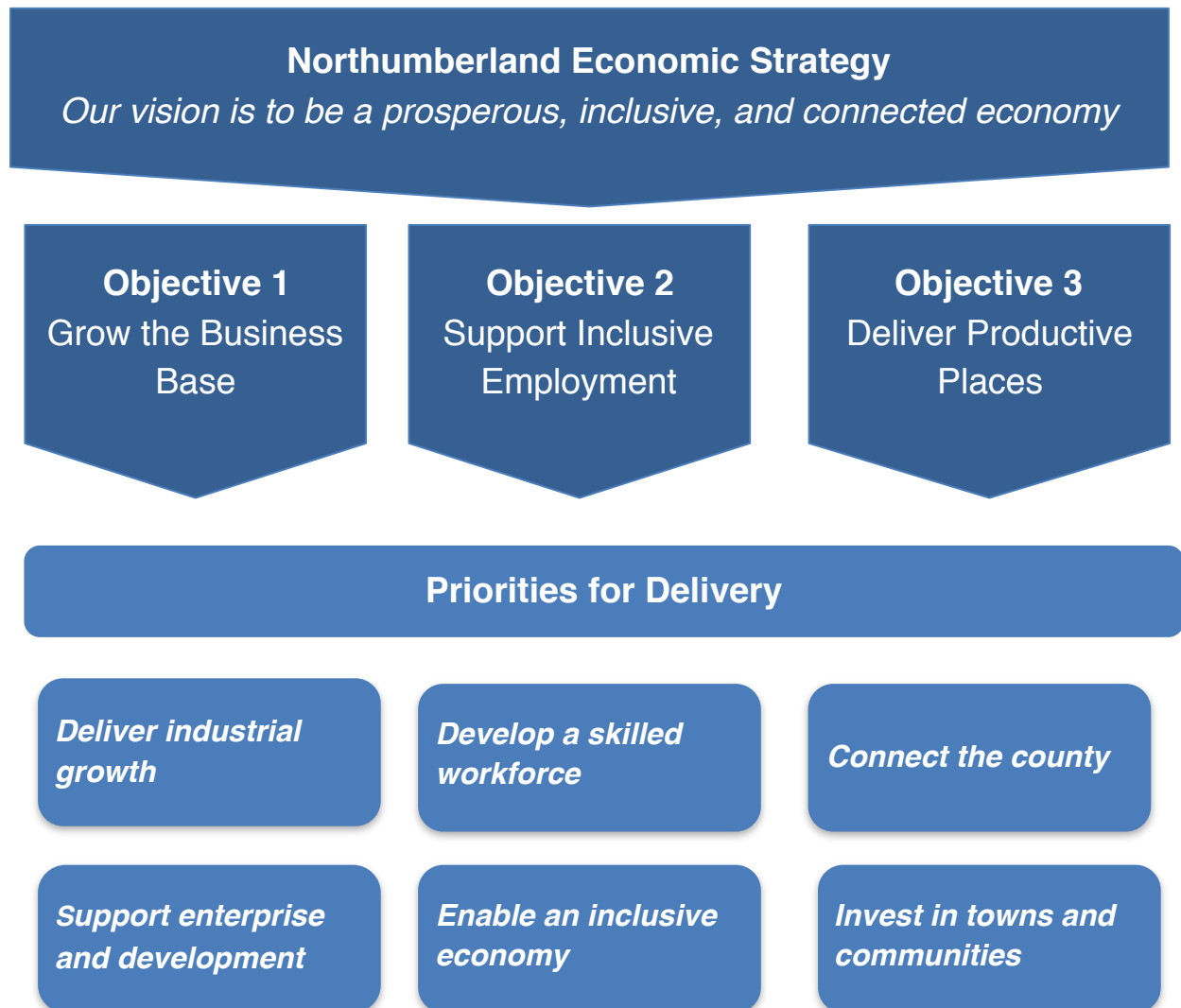
Priority 5 aims to provide the best possible digital, data and transport connectivity to support Northumberland's economy. Northumberland includes commuter, coastal and rural places. The infrastructure Northumberland provides, its roads, railways, bus services and digital provision needs to support our ambition to grow and ensure Northumberland is easy to get around and simple to connect with internally and into external markets.

Priority 6 concentrates on ensuring we drive investment into our network of towns and communities to ensure they are productive and attractive places. We will be sensitive to their characteristics and the unique opportunities within them. The Council has intervened and invested in developing our towns and communities and our task is to continue to deliver focused input, investment and effective support working with our partners.

In delivering the strategy we will establish a focus on our communities in all that we do by working at different economic geographies that make sense to communities and reflect where and how people live their lives and the types of businesses and their support requirements.

A key part of delivery will be a series of enabling measures with a place focus, much of which may be delivered through North of Tyne, Borderlands or North East partnerships. These measures will be pursued focusing on getting the right underpinning infrastructure and connectivity to ensure Northumberland can compete in a digitally enabled world combined with ensuring that finance, support and partnerships work effectively for Northumberland.

Fig 5: Economic Strategy Priorities



Priority 1 - Deliver Industrial Growth

Northumberland is home to leading global industries and is well placed to deliver against the ambitions of the national Industrial Strategy, particularly in relation to the clean growth and ageing grand challenges. The county has businesses operating in globally competitive supply chains, and unique assets for large scale investment.

We are focusing on six areas where we have a market opportunity to deliver investment, we want to drive up productivity and growth in:

- Energy, Offshore, and Subsea
- Health and Life Sciences
- Advanced Manufacturing
- Tourism and Culture
- Agri Tech
- Rural Scale Up

We are committed to ensuring that our businesses are successful doing everything in our power to create the right conditions for economic growth. We want to be recognised as a county that is open for business.

Key to this is securing the resilience and expansion of our existing companies. This means working with the larger international brands to maximise the success of their operations based within the county. It also involves supporting the extensive range of our smaller and medium sized enterprises to maximise their competitiveness whether through scaling up, extending their reach, diversification, or innovation.

Indeed, our ambition is for Northumberland to be nationally recognised as the place to be if you are a large company or small business owner who wants to both prosper and be located in or close to a high-quality rural setting.

Our ambition is to be a clean growth county and we are focused on realising our international assets including at Energy Central. This includes the Port of Blyth and the national Offshore Renewables Catapult at the core of our offshore wind and energy sector in the county. The attraction of new inward investment will also focus on reinforcing the supply chains of our key sectors. In particular, the nationally significant, deep-water Northumberland Energy Park, located on the River Blyth within Energy Central is an internationally significant sectoral business destination.

We are home to advanced manufacturing businesses leading innovation in new materials and manufacturing processes and our development company has recently launched a Manufacturing Action Plan to support our businesses to grow and be more productive.

Health and life sciences is a strength in the county and we are well placed to contribute to the national ageing grand challenge. Our ambition is to utilise our strong pharmaceuticals sector and university and NHS partnerships to power growth in this area both in terms of exporting our skills globally and creating value here. For example, Health International is a

new collaboration with developing economies to support the development of quality health and care using our track record for excellence here in Northumberland.

Tourism and culture is a vibrant and important sector in our economy and has the potential, with careful management, to attract more visitors to stay longer, at all times of the year, and spend more. We will continue to work with our attractions, hospitality businesses, and other partners to deepen the range and quality of the visitor experience.

The challenge is to continue to drive private sector investment in the sector to increase the quality of employment within it whilst ensuring the ecosystem that supports the industry in terms of the attractors across the county are maintained and improved.

The potential of agri tech solutions is important to the county's farming, forestry and fishing industries who are both suppliers of local produce and the custodians of our countryside and coastal waters. The County's land based sector is vitally important and underpins other areas of strength such as the tourism and creative sector.

Northumberland is home to competitive small businesses, our ambition is to support this base to grow and operate in new markets. Many face particular barriers to growth in rural communities and our mission is to remove as many as possible and ensure that all companies in Northumberland have the opportunity to reach their potential.

Our assets in the business base and in these sectors in particular are significant. We aim to drive industrial innovation by embracing new technologies in digitisation, 5G, data, artificial intelligence, energy management and low carbon applications. Our links to assets particularly in North of Tyne in relation to these opportunities are important such as the Stellium data centre at Cobalt Business Park, North Tyneside.

Many of our sectors operate as part of the wider economy of the North of Tyne, trading, collaborating and providing services with businesses in Newcastle and North Tyneside, particularly in terms of supply chains and also in the development of skills and innovation, working with our Universities. Much of our work is now being undertaken in collaboration to realise these assets together. For instance, our burgeoning energy sector is part of a strong network of companies and assets across the North of Tyne and our work on health is connecting with the National Centre for Ageing in Newcastle.

Key Deliverables

- Secure major development in the energy and offshore, health and life sciences and advanced manufacturing sectors
- Ensure Northumberland is an internationally significant tourism and culture destination
- Deliver rural business scale up and develop the agritech sector providing an uplift in micro / SME business growth as the rural exemplar for England

Priority 2 - Support Enterprise and Investment

Given our diverse geographical area, the key to delivering business growth is to ensure the right ecosystem is in place to support companies growth ambitions. This means finding the appropriate mix of infrastructure that is attractive to business, but aligned to support to develop effectively within a rural geography.

Whilst market conditions present challenges in achieving this, of particular importance to Northumberland will be ensuring the best possible employment sites and facilities are available. In particular supporting businesses wishing to capitalise on our transformational opportunities in key sectors is a focus whilst also ensuring there is a supply of good quality business space for a variety of needs.

There is a wide range of business support and finance tools available both nationally and regionally, we want to ensure that this support is helping Northumberland businesses to generate ideas, innovate and grow. Our development company provides a core service in helping businesses of all sizes find their way into the right support and we will seek to continue this approach.

As we move to a post Brexit world, we will seek measures that safeguard our business communities commercial viability, particularly in sectors where there is likely to be a major impact or direct changes required such as in the uplands as the agricultural and farming industry transitions to new support arrangements.

We want to ensure that entrepreneurialism can be fostered in Northumberland and will explore how we might intervene to encourage early stage enterprise development. Similarly the role of business operating for social purposes remains a key component of the mix of businesses here supporting a wide range of beneficial services to the communities of Northumberland.

We have learnt that understanding and serving rural market opportunities requires a bespoke package of intervention, we have seen the successful North East Rural Growth Network deliver this and plan to accelerate this type of support further. This means ensuring the county is networked with 'Rural Growth Hubs', a network of spaces which act as focus points for the establishment and growth of rural enterprise alongside bespoke support to nurture enterprise and growth scale up.

Businesses operating for social purposes are an important facet of our business base and contribute significantly to a wide range of supporting outcomes particularly in regard to inclusion. An example of the councils work in supporting this sectors development and sustainability is the development of the Northumberland Community Bank, this followed a merger of previous provision and now provides a new countywide service promoting financial inclusion.

Key Deliverables

- Support effective routes to finance to support development
- Provide business and commercial advice for enterprise, innovation, digitalisation and development
- Ensure that quality business infrastructure for growth is available

Priority 3 - Develop our skilled workforce

Our aim is to ensure that all our schools and colleges are good or outstanding so that all our young people have the confidence, experience and qualifications to take up good quality training and jobs. All young people and adults should have ownership of their economic future, with the chance to reach for high aspirations, with support to enable them to make good choices.

Our work will aim to increase the earnings, qualifications levels and progression routes accessible to local residents so that every resident has the tools and confidence to access the higher skilled jobs in the future and to have the opportunity to secure a good job that pays well and provides the prospect of a rewarding career.

Improving our education performance will benefit our economic prospects by laying the foundation for investment in the future. The council is working with the education community in Northumberland to drive improvements and focusing on narrowing the gap in the performance of children from disadvantaged households. This includes a focus on our SEND students to develop improved support and outcomes.

As we develop links between education and industry in the county we will focus on bringing about fundamental change to the whole lifelong learning system from early years, school age qualification attainment, progression to Further/Higher Education and work, through to employability, inwork learning and retraining.

This is a challenging agenda but together we need to create a new and shared culture that fundamentally lifts aspirations and puts learning excellence at the forefront of all of our minds. It will require leadership at all levels and throughout our mixed economy of education providers. As part of this, we believe the greater participation of our business community is critical.

We need to involve them in our schools. This could range from a firm becoming a school sponsor to more business leaders becoming governors or enterprise advisers. They can particularly help in promoting technical education (science, technology, engineering, and mathematics) where we know there are local career opportunities.

There are some excellent examples of collaboration already, the Blyth STEM Centre based near the offshore industry at the Port has supported 1000 young people through STEM activities in 2017/18 alone. The councils iNorthumberland broadband team also recently organised a STEM Day and the Northumberland Business Ambassador programme is focusing on STEM activities.

There is the potential to grow this community of practice working with industry into a network of STEM facilities across the county to inspire the next generation of young people to work in future industry. Ensuring there is a better representation of genders within parts of the workforce will be a focus too. We can also broaden our STEM agenda to encompass the arts given how important the cultural sector is to our county.

We also need to work with all our companies to support them in offering apprenticeships, training and skills development for their workforce. The University sector also has a key role to play. We need to increase their visibility and presence within the county - not only as a source of inspiration and motivation for our learners, but also as a catalyst and engine for ideas and innovation.

Digital skills are now a prerequisite for the modern workplace. Increasingly, not only do we need to have a grasp of the basics, we also need to grow and adapt our expertise as the technology develops. For this reason, we see the promotion of digital literacy as a fundamental strand of our learning strategy and will work to develop appropriate training that will help our residents to realise their full potential.

Key Deliverables

- Raise aspirations and attainment levels to ensure young people can take advantage of economic opportunities
- Inspire the future workforce with a focus on industry connectors relating to our key sectors in relation to STEM (Science, Technology, Engineering, and Manufacturing)
- Develop skills pathways, systems and networks to meet demand with a focus on effective apprenticeships and other measures linking supply to demand

Priority 4 - Enable inclusion in the economy

The national Industrial Strategy challenges localities to drive up productivity by addressing the fundamentals of local economies. This means the inclusion of people must be at the centre of economic development. Our objective is to ensure all residents have the opportunity to develop and be part of economic opportunity.

Northumberland's workforce is an asset and includes highly skilled employees, however the county also has significant concentrations of both deprivation and affluence. This includes multiple, persistent and long-term deprivation for many individuals, concentrated in some communities particularly along the former coalfield areas of south east Northumberland - with smaller pockets in our rural market towns.

A wide range of factors can impede development and hold back ambition and to address this requires a person centred approach. Of particular importance in terms of support are likely to be residents who are out of employment, fuel poor, in-work, low-earning individuals, individuals with low skills and young people not in education, employment or training.

Our focus is therefore to increase access to opportunity for all, removing the barriers which make it difficult for people to take up employment and training opportunities. We want to empower our people with the skills and resources they need to take ownership of their futures and secure good jobs with fair living wages.

We will be working together with our partners in North of Tyne focused on narrowing the gap across a range of indicators both between Northumberland, North of Tyne and the national average (outside London) to reduce inequality. The new Combined Authority will be developing an Inclusive Growth Board to embed an inclusive growth approach across its investment programme.

Too many of our residents have barriers to work that have prevented them from benefiting from jobs growth and disconnect them from the industrial growth occurring in their communities. Developing an inclusive economy means we must go further to connect those furthest away from opportunity with new industrial development.

The sectors we have discussed in this strategy need to include pathways for all ages to benefit from future growth, and we need to ensure that residents are equipped with the skills base to take advantage of a new world of work as the grand challenges related to trends including artificial intelligence and data; and clean growth influence our communities and employers.

We are experiencing employment growth; the full-time employment rate increasing and an uplift in the majority of these are 'better' jobs. We have had good employment growth in sectors which have high wages. However Northumberland as with the North East region is a two-speed area, with an unusually high proportion of very high productivity firms, but also the highest proportion of low productivity firms in the country. Our task is to work with business to understand any barriers to productivity, looking to increase productivity whilst creating good employment opportunities.

Earnings are a key factor and in work poverty is a concern. In the North of Tyne area as a whole 82,000 of our workers earn less than the 'real' Living Wage – that's 23% of our

workforce. Employment has been increasing, but wages have often stood still. Real wages in Northumberland are still lower than they were in 2009.

Wages are only part of what is needed to achieve good work. Our in-work poverty challenges are being compounded by a lack of in-work progression and training. The proportion of part time working has increased from 29% in 2009 to 32% in 2017. Though a similar trend has been seen nationally, the levels in Northumberland and the North of Tyne area are unusually high, in Northumberland almost 14,000 are not employed and are looking for work and there are 15,500 workless households. Northumberland inactivity is bigger in scale than unemployment, 6,400 residents are classed as unemployed, but a further 7,300 are economically inactive and say they want to work⁷.

This part of our potential workforce will be our focus in developing better tailored and integrated solutions to better match labour market supply with employer needs. We will seek to put our investment to work – developing an investment approach that will link growth with inclusion, investing in growth sectors, and basing our decisions on a place context of what will work in our diverse communities all underpinned by a commitment to extend opportunities to disadvantaged individuals.

We will work with business and civil society to encourage changes to working practices including:

- improving pay and conditions to attract and enable people to join the labour market - particularly sectors with hard to fill vacancies and;
- working with employers to promote the principles of 'good work' to improve employee well-being, supporting retention and positively impacting productivity.

This needs to be complemented with a social compact with residents - working with partners we aim to pledge to provide opportunities, pathways and to change the demand for better quality jobs, coupled with a willingness from residents to get on and to be responsible for taking up opportunities.

Working together through NTCA we will follow the principle that we need to trial and evaluate new ways of delivering integrated support solutions where we are convinced there is an opportunity to make a difference and unlock the potential of our people, businesses and places. We will adopt these principles to illustrate how mainstream approaches can work more effectively to make a difference to people's lives to become the national exemplar for showcasing the delivery of an inclusive economy.

Key Deliverables

- Support residents furthest from the labour market with into work assistance
- Address barriers to inclusive employment
- Encourage growth of better jobs with good work principles

⁷ ONS APS

Priority 5 Connect the county

Northumberland is the largest Local Authority geographically in England and includes commuter, coastal and rural places. The infrastructure Northumberland provides, its roads, railways, bus services and digital provision need to support our ambition to grow.

Our focus is to develop a high quality transport system, invest in faster digital infrastructure and utilise first class data systems to ensure our settlements have the best possible trading, employment and cultural relationships that enable business, housing and infrastructure development.

Given this geography we must ensure that Northumberland is well connected into the North of Tyne, Borderlands and wider regional economy, with the best possible intra-regional connectivity and external connections via national and international road, rail, sea and air routes. This needs to include a focus on existing infrastructure, such as effective transport networks in principal towns, employment sites and their hinterlands.

Digital and Data

Access to high-speed and reliable digital connectivity will be increasingly be central to achieving economic growth. The technology is now capable of providing hyperfast broadband and we will work tirelessly to make this a reality through the progressive insertion of a “full fibre” network. This will complement our ongoing efforts to secure, as a minimum in the short term, superfast broadband to all properties.

Northumberland currently has 92.73% superfast broadband coverage and only 1.90% of the county has access to full fibre networks. 4.93% of the county has coverage under 10mbps.

Digital services are increasingly important for growth, infrastructure and quality of life. Whilst the UK already has a strong digital economy, it is vital that we develop the best possible infrastructure in Northumberland to build on this and prepare for the future.

The national infrastructure commission is focusing on the rollout of full fibre broadband – with a 2033 deadline for full coverage and we are aiming to be at the front of the queue for this provision. Whilst major cities will receive full fibre broadband through market competition, our rural areas may need additional support and there are issues, particularly in terms of wayleaves that have hindered rollout to date.

We will seek to focus on ensuring our key developments and employment sites are well served (e.g. Enterprise Zones) should have full fibre broadband. Full fibre will be an important foundation for 5G connectivity and for improving 4G in rural areas.

We are working on numerous fronts to drive the development of digital provision which will be important for the development of the North East 5G testbed and demonstrator alongside proposals within the Borderlands to develop a rural 5G demonstrator. There is also the possibility to test satellite applications as a method for enhancing connectivity in rural and coastal areas.

Data sits alongside digital connectivity as a key driver of economic growth, competitiveness and quality of life. Demand for data is increasing and we want to improve digital connectivity to ensure that the technologies and applications that will rely on this infrastructure, including those that are heavily data-reliant, can develop.

Without investment into full fibre broadband, there is a risk that demand for bandwidth will outstrip supply. Connected and autonomous vehicles are a good example, in a county like Northumberland where there is dependency on cars it is easy to see how we will be held back in terms of delivering a revolution in road transport without the necessary investment.

Data is also crucial to our clean growth agenda, smart metering for instance is one of a suite of solutions that allow for energy demand to be fully understood and will help reduce water leakages contributing to sustainability.

The opportunity to develop a SMART rural approach will rely on the development of technologies such as sensors, artificial intelligence and digital twins which are allowing greater data to be collated and analysed on the performance of infrastructure.

This provides opportunity to improve the design, use and maintenance of infrastructure. In particular, data collection will be increasingly important in understanding the resilience of infrastructure, especially in relation to climate change.

Strategic Transport

Our objective is to have in place an infrastructure that enables improved productivity and business opportunity; as well as significantly increase consumer and learner choice and convenience. Physical access remains important, particularly given the proximity of both the Tyne and Wear and Edinburgh city regions together with the extent of our rural area. Our joint work together through the new Joint Transport Committee for the North East will be important as will the growing partnership on transport issues across the Borderlands.

We will continue to push for further improvements - beyond those already announced - to the strategic road network, in particular the A1 and A69. We will tackle congestion and accident black spots across the wider road network and within our main towns.

The existing rail line from Ashington through south east Northumberland to Newcastle Central Station is a dormant asset and is recognised in the North of Tyne Devolution deal as a major priority for the area. We will push to open it up as a new economic corridor by reintroducing passenger services alongside the existing freight services to unlock commercial investment throughout the area.

Maintaining and improving the quality of services on the wider bus and rail network is also critical. This includes improving the frequency and coverage of services as well as the information provided to passengers. The role of transport in supporting access and inclusion in employment and skills provision particularly in a rural context will be a focus in the way we design solutions and provision.

Sustainable transport options are vital to our low carbon agenda, encouraging regular walking and cycling and developing an effective network of infrastructure for electric vehicles. Looking further ahead, the introduction of automation will all be part of our strategy. This has the potential to reduce the impact of car journeys in a county where many are dependent on this mode of transport. The role of sea based infrastructure in terms of our Ports and related infrastructure is important to our coastal communities and strategic sectors such as offshore and wind energy.

Resilience of infrastructure in Northumberland is a vital component of economic success, this means ensuring we keep the county moving in the face of extreme weather events and maintaining and improving upon critical flooding and coastal infrastructure.

Key Deliverables

- Deliver digital services to be a 5G enabled county including high quality full fibre Broadband, data infrastructure, skills and business support
- Invest in high quality passenger transport including the reopening of the Northumberland to Newcastle rail line to passengers.
- Secure infrastructure improvements to the A1, A69, low carbon networks, interconnectivity within our towns and communities, flood and coastal resilience and high quality Port access.

Priority 6 - Invest in towns and communities

Our town centres are fundamentally important, they act as economic, social and community hubs and are central to the health and wellbeing of our communities. As places with ongoing demand from consumers, the council has consistently encouraged and directly delivered development facilitating strong private sector investment into Northumberland.

Ensuring there are ample social experiences to drive dwell time and the generation and retention of spend on the High Street is vital. This means working together to promote vitality and intervening where it makes sense to do so to support the provision of the right mix of uses including leisure, services, and retail in an increasingly complex and competitive place environment.

Our task is to continue working together with our partners to ensure each place uses its strengths to be successful in a rapidly changing environment. National vacancy rates since 2008 have risen to an all-time high of 11% and 2018 to date has been one of the most significant years for shop closures and a general slowdown. Massive shifts in consumer behaviour are leading to a restructuring of the retail sector and visibly impacting on the functionality of the high street. This is leading to a reconfiguration of the retail market coupled with rapid changes in consumer behaviour.

Despite this there is cause for optimism. The Government has recently announced that a new £675m Future High Streets Fund will be created recognising the need to focus on the future of our town centres. We are working with local partnerships such as Town Forums to develop and deliver solutions. The solutions are not simple, and public sector intervention remains challenging to fund requiring a long term approach.

We plan to support our towns to develop the best possible mix of uses to be places of diverse employment opportunities, including the co-location of activities like education, creative industries and tourism attractions alongside retail, leisure and hospitality. Enterprise and business facilities in town centres are vitally important to renewal and can boost productivity at the same time through clustering, economies of scale and innovation.

The delivery of key infrastructure such as amenities, transport connections, public realm and anchor locations to support new developments is vital to towns overall success. Some places in Northumberland have infrastructure gaps or poor-quality infrastructure which is hindering growth. The availability of resources to address such issues continues to be challenging however working together provides a better chance of funding integrated development that support a range of outcomes.

Community-led regeneration is fundamental to our approach and we provide targeted support to assist development and delivery through the sector. Places such as Kielder, Wooler and Amble have demonstrated this approach works and are rightly showcased. Many projects that are developed by and for the community are powerful in that they provide a sustainable asset base and bring about real change that lasts and grows over time.

One of our great strengths is that our historic and exceptional environment in our towns and communities are surrounded by beauty, with easy access to the natural environment. This of course underpins our tourism and culture sector welcoming visitors to the county and commercially as a place to invest and work in. It also requires careful management and investment to ensure our heritage is maximised economically for the future.

Part of the solution is ensuring that towns include well-designed market and affordable housing where appropriate. The role of housing that is supportive of the needs of the population, including those of older people links to the role of towns in supporting the health and well being of all residents as vibrant hubs for society.

The supply of good quality homes is a priority for the council and its role in town centres is increasingly important. The emerging Local Plan aims to support an additional 15,000 jobs between 2016 and 2036, provide greater choice in the housing market and ensure new infrastructure is provided to support communities.

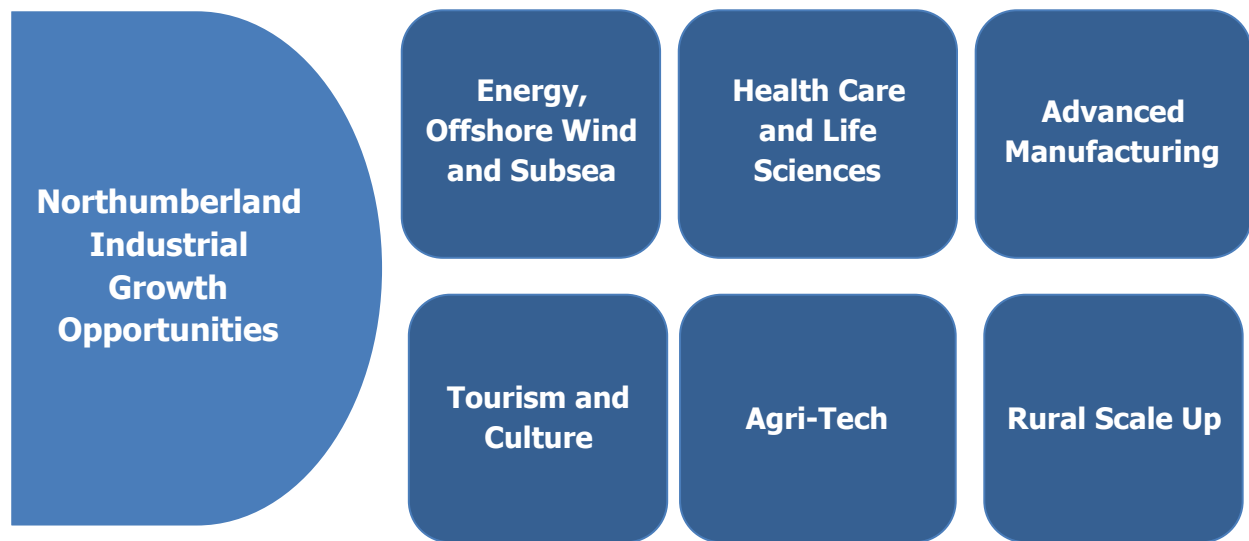
In the plan, a minimum of 17,700 homes is proposed, including affordable homes, and it puts more emphasis on ensuring older people and vulnerable adults are catered for (for example, through supporting the development of 'extra care' accommodation).

In recent years, Northumberland has delivered housing at a rate in excess of that proposed in the emerging Local Plan but we will be working closely with our partners in North of Tyne, and the Government and collaborating through the new Housing and Land Board to ensure delivery across the North of Tyne area is accelerated.

Key Deliverables

- Support place based investment in our towns and communities
- Develop targeted measures to boost town centre performance
- Deliver attractive housing providing choice and affordability

4. Industrial Growth Opportunities



4.1 A base for nationally significant industrial growth

Our county is home to leading global industries and is well placed to deliver against the ambitions of the national Industrial Strategy. The county has businesses operating in globally competitive supply chains, and unique assets for large scale investment linking into the wider economy of North of Tyne. This includes major employers on Tyneside and innovation and skill strengths from world class Universities.

Northumberland is home to over 100,000 employees⁸ and over 11,000 active businesses⁹ the majority being micro or small. The economy comprises 19% of employment in the public sector and 81% in the private sector¹⁰.

The largest sector¹¹ is Health, employing 18,000 people (16% of our employment), followed closely by Tourism, employing just over 17,000 (15%). Our Manufacturing sector is strong, sustaining 12,000 employees, equating to 11% of employment and this is mirrored by our retail sector¹². This influences the business base of Northumberland and impacts upon the skilled workforce of the county, in turn affecting our GVA performance.

⁸ ONS APS 2018

⁹ ONS IDBR 2018

¹⁰ BRES 2017

¹¹ based on grouping sectors by Standard Industrial Classification

¹² BRES 2017

This highlights that these sectors occupy a significant proportion of the business base of Northumberland and is employing the major share of the skilled workforce in the county as well as being a significant contributor to GDP.

Northumberland's tourism and creative sector is internationally recognised, our culture and tourism businesses support over 15,000 jobs and underpin a sector that welcomed 10.3m visitors during 2017, a 6% increase on 2016. Spend by visitors to the county has also increased up 6% on 2016 at £925.84m. The challenge is to continue to drive private sector investment to increase the quality of employment, whilst ensuring the ecosystem that supports the industry, in terms of the attractors across Northumberland, is maintained and improved.

Our sector opportunities, in offshore wind and energy, advanced manufacturing and health and life sciences, are based on the existing strengths of our manufacturers and the potential to grow a value chain based on innovation, technology development and diversification into these sectors alongside the tourism and creative sector, a major driver within the service sector of Northumberland.

This sits alongside the opportunities to unlock the value of our rural business base through innovation in agri-tech and scaling up growth in our SME community. The importance of the retail sector is an embedded part of the tourism and culture agenda connected to our focus on improving town centres including a focus on the future success of our High Streets.

4.2 Contributing to the national Industrial Strategy

We are already taking on the national Industrial Strategy Grand Challenges – the society-changing opportunities and industries of the future, by using our emerging and established strengths to become more competitive. The first four Grand Challenges are focused on global trends to transform the future:

- AI and data: putting the UK at the forefront of the AI and data revolution,
- Ageing society: harnessing the power of innovation to meet the needs of an ageing society,
- Clean growth: maximising the advantages for UK industry from the global shift to clean growth,
- Future of mobility: becoming a world leader in shaping the future of mobility

In relation to the Grand challenges, our strategy particularly focuses on our energy and offshore sector strengths in relation to the clean growth agenda, and also potentially in terms of robotics in the industry in relation to AI. We will be working on our health and life sciences sector in relation to the Ageing grand challenge.

Our business base, including our industrial opportunity areas is an asset that can demonstrate innovation in grand challenge areas and we will be working to ensure that there is support to develop new ways of working to meet these opportunities. Much of our work will be in collaboration with our partners in North of Tyne as we go forward.

4.3 Integrating industry growth, communities and places

To develop an inclusive, connected and prosperous economy, Northumberland must cultivate an environment that will attract and retain great companies and reward and encourage enterprise founded by a skilled and productive workforce and excellent business locations and infrastructure.

In delivering our strategy we have a focus on creating quality local jobs which will be derived from key sectors where there are likely to be gains in productivity, access to international markets and a highly skilled workforce. Northumberland continues to make products of international significance and the existing manufacturing industry remains a key driver of growth.

This and the attraction of new manufacturers is central to the vision for the Northumberland economy alongside our other major strengths in the tourism and creative sector, founded on our world class environment and attractors.

Our focus, as we seek to deliver the priorities of this strategy will be to ensure that work to boost the business base, our inclusive workforce objectives and interventions to improve the places in which we live and work are all focused on unlocking the opportunities for growth in the sector areas described in this strategy.

Energy, Offshore Wind and Subsea

Our first class energy, offshore wind and subsea sector is contributing to the national Industrial Strategy positioning Northumberland as the clean growth county.

The Government's ambitious blueprint for Britain's low carbon future is at the heart of the UK's Industrial Strategy. This is complemented by the Clean Growth Strategy¹³ which sets out how the Government plans to address the challenges to maintain and accelerate our rate of decarbonisation, including how innovation investment will be targeted. The national 25 Year Plan for the Environment articulates the potential for better management of our natural assets in championing sustainable development, promoting environmental science and innovating to achieve clean growth.

The Clean Growth Grand Challenge encapsulates the intended approach maximising the advantages for UK industry from the global shift to clean growth through leading the world in the development, manufacture and use of low carbon technologies, systems and services that cost less than high carbon technologies.

We want to contribute fully to the Government's commitment to clean growth; a reduction in emissions of 57% on 1990 levels across the UK. This is a stark challenge with action

¹³ <https://www.gov.uk/government/publications/clean-growth-strategy/clean-growth-strategy-executive-summary>

needed on alternative fuel sources to gas, decarbonisation of electricity driving a move to more renewable and low carbon sources, and the change from petrol and diesel cars to future proofed alternatives with the infrastructure needed to support electric vehicles and hydrogen looking further ahead.

Only a major shift to clean growth will bring about the transformation required.

Decarbonisation is the challenge of our time and although it will take time, work to realise it must be accelerated as delays will only make decarbonisation more difficult and expensive, which could impede our economic growth. A whole systems approach is needed, the opportunities from such an approach will set out the most economically advantageous pathway to clean growth and not just across energy. A truly networked and connected place compliments Newcastle and North Tyneside.

Opportunities for Northumberland include:

- energy storage, future-proofed heat networks and energy connectivity systems
- affordable low carbon warmth providing heat as a service and reducing fuel poverty
- opportunities for low carbon diversification and new technologies
- electric vehicles and public transport infrastructure
- eGrid platform and support service enhancing opportunities for research, development and demonstration across renewables sector

Low Carbon Energy Deployment

We can capitalise on our important assets including:

- Energy Central¹⁴ at Blyth which is already recognised as a hub for national and regional electrical distribution; National Grid, Northern Powergrid and EDF Energy all have active operations at the site. There are significant opportunities for battery power storage to support energy security and resilience within the national and local grid.
- Northumberland Energy Park, as part of Energy Central, is owned by Advance Northumberland who have partnered with the Port of Blyth¹⁵ and the ORE Catapult¹⁶ to help promote and develop the site. The site is 166 ha in size and is strategically located with deep-water quayside access. It has been proposed for land, office and industrial units for businesses operating in or related to the energy sector.
- The Offshore Renewables Catapult (ORE), located in Energy Central at Blyth the national industrial test facility is valued at £1/4bn and is an international innovation asset providing 628 industry collaborations since 2013 to develop the offshore renewables sector.
- The new North Sea Link¹⁷ – the world’s longest subsea interconnector between the UK and Norway. The interconnector allows countries to trade power, helping to

¹⁴ <http://energycentraluk.co.uk>

¹⁵ <http://portofblyth.co.uk>

¹⁶ <https://ore.catapult.org.uk>

¹⁷ <http://northsealink.com>

ensure safe, secure and affordable energy supplies. The interconnector, at 712km will be the longest subsea interconnector in the world when it becomes operational in 2021.

- Northumberland has significant renewable energy resources and a history of deployment at scale for established technologies. For example EDFs 41.5MW Offshore Demonstrator¹⁸ is located 6km off the Blyth coast comprising of five MHI vestas wind turbine providing power to around 34,000 UK households.
- Onshore wind is significant, in 2016, Northumberland generated the second most electricity from onshore wind, and had the greatest hydro generation capacity of any local authority within England and Wales.
- Northumberland is also in the top six UK local authorities for total number of solar PV sites. We can provide the opportunity to de-risk and commercialise this renewable technology whilst focussing on the key challenge of decarbonising heat.
- Our high quality forestry sector reaches far into supply chains throughout Northern England and the Scottish Borders including major companies like Egger at Hexham and our clean environment provides an opportunity to utilise natural commodities and favours the region to benefit from the National 25 Year Plan for the Environment. The geothermal resources associated with abandoned flooded mines in Northumberland may also be potential future opportunities to meet the challenge of low carbon heat.
- We also aim to use our own assets, our estate and our fleet as well as influence over partners for instance in relation to public transport provision to drive a low carbon future and address fuel poverty.

We will be focusing on developing commercial viability through testing and developing new technology for the future as well as linking this agenda to our focus on science, technology, engineering and maths (STEM) skills with young people in terms of skills for the future. Our relationships through North of Tyne partners additional to our combined authorities in the HE sector and the new Energy Hubs provided by the North East LEP will be vital in partnering. The University of Newcastle for instance has an anaerobic digestion facility based at Cockle Park near Morpeth. Collaboration throughout the North East will be important too given the complementary specialisms in other parts of the region for instance in regards to EV infrastructure.

Offshore Energy

The offshore, renewables and oil and gas sectors are all thriving. Oil and gas companies based here have survived and grown despite recent market turbulence through innovation and diversification. Organisations include Royal IHC, Osbit, Dunlop Oil and Marine, Deep Ocean and Responsive Engineering.

Blyth is already a significant base and home to the Offshore Renewable Energy Catapult, the national centre for offshore wind turbine testing located at the heart of Energy Central which is being promoted as the premier offshore energy base at the Port of Blyth.

¹⁸ <https://www.edfenergy.com/energy/renewables-holding-page>

Companies already operating in the renewables sector include EDF Energy, Lynemouth Power and Estover Energy.

The national Offshore Renewable (ORE) Catapult is delivering the UK's largest clean growth opportunity by accelerating the creation and growth of UK companies in offshore renewable energy. The Catapults unique facilities, research and engineering capabilities bring together industry and academia and drive innovation.

The catapult delivers products and services in testing and validation operating the most comprehensive open access, independent test and research facilities anywhere in the world to enable the scale-up of offshore renewable energy technologies. The facility has:

- supported 410 SMEs in technology development, demonstration and product commercialisation support.
- 628 Industry collaborations have been developed across the globe.
- Support comes from the Catapult to the UK's research and innovation community through testing, validation and engineering expertise to accelerate the commercialisation of the latest new technologies and disruptive innovations.
- 301 academic collaborations have been developed with 89 different academic institutions worldwide.

Smart Energy Systems

The future deployment of clean growth technologies will require the development of smart energy systems. Some technologies which provide crucial flexibility are growing rapidly such as battery storage and demand side response and the costs could be effective as they become market ready.

There are significant established energy innovation and demonstration assets within the county, which can help accelerate commercialisation and de-risking. Many of these assets focus specifically on renewable energy, smart and flexible energy systems. The Offshore Renewable Energy Catapult in Blyth operates the most comprehensive open access and independent test and research facilities anywhere in the world to enable the scale-up of offshore renewable energy technologies including:

- Robotics and Autonomous systems
- Powertrains
- Wind Turbine Rotor Blades
- Electrical Infrastructure including the e-grid smart test bed
- Subsea, foundations and substructures
- Demonstration for testing, calibrating and verifying new products and services

We are also in close proximity to other partner assets including the National Centre for Energy Systems Integration (CESI) hosted by Newcastle and Durham universities, the Integrel collaboration between CESI, Northern Gas Networks and Northern Powergrid in Gateshead.

Northumberland is therefore well placed to develop and demonstrate the innovation required to deliver emerging energy technologies. Our businesses also stand to benefit from increasing take-up of such technology. We can develop a nationally important pipeline of innovation, demonstration, research projects, and deployment, to promote this agenda and solve national challenges. This also relates to the fuel and propulsion components of the transport agenda.

Industry case study: Energy Central

Energy Central is a unique consortium delivering significant investment and growth opportunities for companies operating in the offshore energy and subsea markets capitalising on the significant developments particularly in the North Sea over the coming years.

Located on the Blyth Estuary, this fully operational hub is made up of world-leading organisations, skills and infrastructure. It provides one of Europe's outstanding investment destinations for those operating in the oil and gas, offshore renewable energy, telecoms and decommissioning industries and is home to:

- world leading test and demonstrator facilities (the national Offshore Renewable Energy Catapult, EDF Blyth Offshore Demonstrator Wind Farm) and major subsea related specialist engineering companies.
- industry expertise with offshore energy focused vessel operators (DeepOcean, Global Marine, Helix Canyon) also have bases within the Port with many others regularly calling for mobilisation/demobilisation supported by an extensive associated supply chain.
- a range of major development sites located at Blyth developed to aid the development of the offshore energy sector in the region. The site provides access to expansive land development opportunities combined with deep-water access to open sea and port services provided by the Port of Blyth.
- Northumberland Energy Park, as part of Energy Central is a major development site 166 ha in size and is strategically located with deep-water quayside access. It has been proposed for land, office and industrial units for businesses operating in or related to the energy sector and benefits from Enterprise Zone status and a local development order enabling fast track planning and development.
- a new workspace facility at Energy Central recently added to the range of business facilities
- a new £4m Energy Central Learning Hub is also set to be developed building on the existing facilities on site. In 2017/18 alone the existing Blyth STEM Centre delivered training to over 1000 young people from schools locally. The new Learning Hub will provide the industry led capacity to deliver support across North of Tyne.

Health and Life Sciences

Northumberland is home to a significant group of businesses in the health and life sciences sector providing the opportunity to deliver new solutions to health and ageing challenges in rural and urban settings.

We are aiming to develop our business clusters and grow the quantum of businesses in this sector growing domestically and trading internationally. We will seek to develop new product and service innovation supporting the domestic population and developing new trading propositions for international markets.

Northumberland has particular strengths in pharmaceuticals, an integrated part of the overall Life Science Sector. The North East employs between 4,300 and 5,300 in pharmaceuticals and contributes £450 to £790 million to the region's Gross Value Added (GVA). Including indirect and induced effects, the industry supports between 18,800 and 23,500 jobs across the UK and £0.73 and £1.28 billion to the UK economy¹⁹.

Northumberland is home to a growing cluster of major medical manufacturing firms in this sector, including MSD, Aesica, Pirimal and Arcinova utilising some of the most advanced manufacturing and packaging facilities in the world.

There are major health and life sciences assets in the county including one of only three Proton Beam cancer care facilities in the UK. The concept of a new landmark health and life sciences facility looking to the future of extra care is being developed. Growth in the sector will be supported by facilities across North of Tyne including the National Institute for Ageing at Newcastle University the National Innovation Centre for Ageing at the Newcastle Helix Site and the International Centre for Life science village.

We are working together with our partners in North of Tyne on the Ageing Grand Challenge looking to capitalise on these strengths to develop and demonstrate research into areas such as innovations in medical technology, clinical diagnostics, and drug delivery and custom synthetic areas. There is also the opportunity to demonstrate the health sectors ability to utilise new technology in development and delivery, for instance in utilising digital and data infrastructure in supporting residents needs effectively.

Using technology supported new ways of working in integrated care presents opportunities to lead on the application of digital hospital solutions, solutions in primary care, enabling technology in the community, telecare, telehealth and managing the interface across care settings.

There is the potential to increase inward investment and create a new offer to external markets, providing new models of service delivery to support public service delivery by creating a new route to income to cross subsidise domestic services to residents. Work in

¹⁹ NELEP/CPI [First for Pharma](#) Report 2017

this area will take time to build long term relationships leveraging in other sectors underpinning health.

We are working on this agenda collaborating on global healthcare. Northumbria Healthcare Trust in partnership with the County Council has launched a new trading initiative, the NHS Northumbria International Alliance. The Alliance has already signing deals in China and the United Arab Emirates (UAE) to develop trade in the health and social care sector utilising specialisms in Northumberland and the wider region.

Our strengths in this sector combined with Northumberland's settlement pattern and rurality provides an opportunity to develop new approaches and methods for high-quality personalised care in appropriate settings (whether in housing or care facilities). Further developing an area wide reputation for excellence in this agenda can also support objectives to upskill both the health and social care workforce and provide good quality jobs in our communities.

Industry case study: NHS Northumbria International Alliance

Northumbria Healthcare Trust in partnership with Northumberland County Council has launched a new trading initiative, the NHS Northumbria International Alliance already signing deals in China and the UAE to develop trade in the health and social care sector utilising specialisms in Northumberland and the wider region.

This includes major opportunities around medi cities, systems, clinical, corporate, facilities, education, digital, workforce, and quality. We aim to combine our strength in the health and life sciences sector with our first class reputation for care as we look to the future post Brexit and potential new trading relationships.

Northumbria Healthcare is basing its offer internationally on its excellent track record. The organisation is independently rated outstanding having successfully delivering integrated care for 16 years with a strong financial track record. It has the highest staff retention in the NHS, award winning education and development and recognition for staff, including leadership with innovative research programmes. Northumbria Healthcare is part of the NHS vanguard creating new health and social care blueprints for the UK.

Advanced Manufacturing

Northumberland is home to a vibrant advanced manufacturing industry with businesses at the cutting edge of new markets and also niche producers of high quality traditional manufacturing output. Our manufacturing base is over 11% of the economy compared to 8% nationally²⁰.

The sector's footprint is countywide and employment centres around South East Northumberland with the majority of the county's major manufacturing employers located in this area. Each main town in Northumberland has international manufacturing businesses including major companies such as Egger in Hexham, Coca Cola in Morpeth and Simpsons Malt in Berwick.

We have land available for future industrial development including four Enterprise Zones in Ashington, Blyth, Morpeth and Berwick offering a package of additional incentives to attract investment as well as the locational benefits of the deep water Port of Blyth.

Premises availability and suitability presents a challenge for the manufacturing industry. Whilst Northumberland has a stock of industrial premises and land ripe for development, it is often of poor quality and it is difficult to find suitable premises for businesses looking to expand from starter to next stage accommodation or to significantly larger facilities. This not only restricts growth but also results in companies leaving the area to realise their growth aspirations elsewhere where their requirements can be met. As such we will aim to increase and improve the range of facilities available to support growth.

A major challenge for the manufacturing industry is access to quality skills and training. Whilst this is a national issue, Northumberland-based companies repeatedly report that there is a significant skills shortage in the sector. This, allied to an ageing workforce presents a real risk to the sectors development. Accessing staff with the relevant technical capabilities and the correct aptitude is very difficult. Many businesses state that current training provision is inadequate and does not provide the teaching, nor develop common workplace values necessary to prepare the workforce of the future or to build or upskill the current workforce. Connecting the sector to the local labour market and including communities in employment equipped to utilise new technologies is therefore vital.

There is a real challenge in securing funding for companies to support their growth potential and we will continue to make the case for regional and national support for growth projects in the sector. Additional support for manufacturing development across the county would compliment the assistance focused on SMEs in the rural areas of Northumberland and provide an effective range of access to financial incentives and support to advance productive capacity.

We will seek to address these barriers to growth whilst supporting existing businesses to realise their growth potential and remain resilient as well as attract new businesses into the county to establish or expand their manufacturing operations here.

²⁰ BRES 2017

Industry case study: A world class base for future industry, Ashington Enterprise Zone and Akzo Nobel

A leading example of Northumberland's Advanced Manufacturing sector is the new £100m Akzo Nobel paint factory, the world's most advanced and sustainable plant of its kind. The facility is located at Ashwood Business Park in Ashington, South East Northumberland.

Ashwood Business Park is one of the four Enterprise Zones in Northumberland with the potential to create hundreds of jobs and generate significant inward investment, with plans in place for improvements to the site's infrastructure. The plant demonstrates many of the attributes needed to address challenges in relation to clean growth and new technologies influencing manufacturing operations such as the use of data and digital automation systems.

The hi-tech facility represents the largest ever global investment by the company's Decorative Paints business. It's the new center of production for Dulux, the UK's leading decorative paint brand. It houses one of only two Dulux Academies in the UK providing a customised training centre.

A variety of renewable energy sources are used, including photovoltaic cells and a biomass boiler, alongside a highly automated manufacturing process saving water, waste and energy. The carbon footprint per liter of paint produced at the site is estimated to reduce by 50% compared with the previous facilities.

The factory will be capable of doubling AkzoNobel's current UK production levels to 200 million liters a year – approximately enough paint to redecorate every living room, bathroom and kitchen in the UK. Covering an area of 100,000m², the facility also has the capacity to expand in order to support future growth plans.

Manufacturing technologies within the plant are managed by a single integrated computer system providing a highly agile production system which means the plant is capable of producing paint across the entire AkzoNobel range, which includes Dulux, Dulux Trade, Cuprinol, Polycell, Hammerite and Armstead.

Tourism and Culture

Northumberland has an award winning tourism and culture sector recently winning Gold at the British Travel Awards 2018 picking up the title of 'Best UK holiday county / destination of the year'. This recognition is founded on our strong sense of identity, our stunning landscapes and extensive coastline which provides the setting for our excellent arts, heritage and culture offer.

Our aim is to build on the existing energy and growth in the tourism sector and capitalise on our assets to be the rural destination in England. We will raise the areas profile regionally, nationally and internationally as a place acknowledged for its creativity and world class visitor offer.

As the most northern county in England we have a unique culture and identity with our own traditions, flag, tartan, and musical instruments including the Northumbrian pipes. This culture of place is deeply rooted and provides the foundation for a creative, diverse and contemporary business base.

Our tourism sector supports over 15,000 jobs, the county welcomed 10.3m visitors during 2017, a 6% increase on 2016. Spend by the visitors to the county has also increased up 6% on 2016 at £925.84m²¹. The value of the sector is in stimulating business growth, supporting placemaking and identity and celebrating and preserving the Northumberland landscape, built and natural environment and our way of life.

Areas of focus in supporting the development of the visitor economy include creating great visitor experiences in food and drink development, experiential tourism development and visitor information. The maintenance of effective infrastructure includes increasing the use and impact of digital media and the development of support for strategic management and collaboration.

Maintaining a careful balance is important, particularly in settlements where there may be concerns about housing provision being affected by holiday homes infrastructure. Ensuring the impact of the sector is positive in our communities needs to include measures to encourage environmental responsibility, better accessibility, and high quality standards whilst ensuring employment and skills, inclusion and health and wellbeing outcomes are supported.

The challenge is to continue to drive private sector investment in the sector with a focus on increasing the quality of employment. Our aim is to address issues affecting the sector. Tourism is highly seasonal with a third of visitor days taking place between July and September. There is an unchallenged perception that many tourism jobs have a low status meaning the recruitment and retention of skilled staff is a challenge.

²¹ Northumberland Tourism STEAM Report 2018

The attractors and facilities across the county which underpin the industry need to be both maintained and improved. In our towns and communities the role of tourism and how it interacts and supports the retail core and mix of uses in settlements is vitally important.

Effective product development, packaging and promotion of our offer is key to target positive visitor perceptions. For instance, the County Council has invested in the food and drink offer through the Produced in Northumberland scheme, a new quality mark for produce made in Northumberland which is raising the profile of a range of companies and the all important food and drink offer in the county.

The industrial strengths in tourism and culture are being further developed through our Northumberland cultural and tourism strategies and Destination Management Plan and will contribute to the economic strategy's objectives including:

Grow the Business Base

- Produced in Northumberland: a new initiative from the council supporting and promoting the County's high quality food and drink offer.
- Business Development: Business Northumberland and the Rural Growth Network have both provided support to this sector, for instance support for the creation of The Sill, the National Landscape Discovery Centre
- Creative Fuse North East: working with the five regional universities and creative industries/SMEs to be innovative through new digital technologies.
- Using our cultural exemplars: for instance celebrating our Christian Heritage utilising our major assets including Holy Island and north Northumberland coast promoting this area as a unified spiritual destination of national and international significance
- Major Exhibitions: Hosting nationally significant exhibitions, for example the Digital Landscapes exhibition at The Sill, the National Landscape Discovery Centre, showcasing how digital technology can be used to help us gain a deeper understanding and enjoyment of our landscape and the natural world

Develop Inclusive Employment

- Utilising the sector for skills development to develop talent and skills progression for our children and young people and literacy through the arts
- Promoting STEM learning through culture such as through Kielder Astronomy Village expansion
- Using an arts and culture community co-production project to support health and inclusion outcomes. For example, the BAIT project (Creative People & Places) uses the arts to benefit confidence building, wellbeing, educational attainment and skills development.

Deliver Productive Places

- Improving the attractions of our towns with new capital developments and a long term major festival programme being developed based on our track record delivering activities such as the Tour of Britain and Tall Ships events.

- An example of place based intervention is the work underway to position Berwick as an international cultural centre with investment in its visitor attraction, visitor offer and infrastructure
- Developing significant place based assets, for example Hadrians Wall improving the physical offer along the length of the Wall.
- Encourage Environmental responsibility, better accessibility, and high quality standards

Industry Case Study: Positioning Berwick as an international cultural centre

An example of place based intervention is the work underway to position Berwick as an international cultural centre with proposals to develop a new Theatre and Conference Centre alongside the development of Berwick Barracks Heritage Hub as well as investment in the surrounding Borders area through the Union Chain Bridge and Tweed Recreation Corridor promoting and enhancing walking and cycling routes, the great outdoors, adventure and landscape.

Developing the strength of Berwick in this agenda needs to be in tune and help to drive the wider needs of the town in terms of strategic infrastructure with planned investment in the Port to facilitate Cruise Ship passengers alongside access via the towns location on the East Coast Main Line and A1, improving the town centres offer and attractiveness and bolstering the visitor economy.

This involves carefully developing a suite of long term intervention including:

- *A New Theatre and Conference Centre:* currently proposed as a major Borderlands project an international design competition is planned to transform the Arts offer in a dedicated Arts centre for training, showcasing, inspiring and entertaining.
- *Major events* such as events developed by Berwick Visual Arts who have a track record of bringing internationally renowned events to Berwick. The potential of the town in this sphere builds on the towns existing strengths including its well established annual International Film Festival
- *Berwick Barracks Heritage Hub:* development of Berwick Barracks into a landmark Borders Heritage hub providing a new integrated visitor experience telling the remarkable story of Berwick and the surrounding Borders area.
- *Tweed Recreation Corridor:* Promoting and enhancing walking and cycling routes, the great outdoors, adventure and landscape
- *Union Chain Bridge (UCB):* Conservation of the World's oldest suspension bridge is the catalyst for STEM/STEAM learning and skills development through a cross territory border project.

Agri-tech

Northumberland's land based sector is a vital part of the economy and is a fundamental part of what makes the county unique and attractive. This includes our strengths in forestry, farming and fisheries.

Northumberland has a significant land based economy providing considerable opportunities for agri-tech businesses, particularly within precision agriculture and forestry. Our aim is to capitalise on this potential to address the challenges identified in the national Industrial Strategy to drive growth and productivity working with industry locally to tap into the regions networks in innovation and skills in this area.

The county has the following attributes that provide opportunities in this area:

- *Scale:* there is real scale for Agri-Tech applications. Farms in Northumberland have the scale required for the take-up of agri-tech technologies. 91% of total farmed area is represented by farms of over 100 ha compared to 74% for England²²,
- *A sustainable and growth location:* Between 2010 and 2016, the total number of farm holdings in Northumberland grew by 3.9% - more than double the rate (1.3%) for England as a whole²³.
- *Proximity to markets.* The significant base of agricultural contractors and agri-machinery companies in Northumberland as well as large farm holdings represents a large base of potential clients for agri-tech services.
- *A deep and broad farming industry:* The area's strengths in livestock farming, cereals as well as other uses is creating commercial opportunities for the precision agriculture supply chain.
- *An exceptional forestry sector:* The location of England's largest man-made forest in Northumberland as well as the presence of the Forestry Commission creates opportunities for trialling new precision forestry technologies.
- *Universities with agri-tech R&D capabilities:* Facilities are located within North of Tyne as part of the wider skills and innovation base in the area. This expertise at both the Universities of Northumbria and Newcastle facilitates agri-tech related commercial research partnerships. Newcastle University's Agritech Innovation Centres includes the Centre for Crop Health and Protection and the Centre for Innovation Excellence in Livestock.
- *A base of demonstrator farms for trialling new technologies:* The number of commercial demonstrator farms in Northumberland makes the area an ideal location for developing and testing new precision agriculture technologies.

Alongside the land based industries, fishing and its wider supply chain is an important activity on the Northumberland and North of Tyne coast and is supported by a Fisheries Local Action Group (FLAG) for the North of Tyne Coast including Northumberland and North Tyneside. Employment has declined over the last five years but the value of catches has

²² <https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june>

²³ <https://www.gov.uk/government/statistical-data-sets/structure-of-the-agricultural-industry-in-england-and-the-uk-at-june>

increased significantly in this period. The sector has an important role in the wider tourism and cultural sector on the coast and in the place based development of coastal towns and communities.

The FLAG has identified and is providing a range of support for what remains an important part of our coastal communities. This provides for the development of small scale infrastructure at ports and harbours, for marketing, branding and processing, adding value to fishery products and promoting access to existing and new markets for fishery and aquaculture products enabling the fisheries industry to market, brand and sell seafood and aquaculture products as well as training, reform and research measures.

As we go through the Brexit process it will be important to ensure there is a focus on supporting the land based forestry, farming and fisheries sectors to adjust to new arrangements.

Industry Case Study: Amble Seafood Centre

The Northumberland Seafood Centre is part of the Amble Harbour Village development; aiming to transform Amble into a visitor destination excelling in seafood, attract new visitors, create new jobs and help to sustain the wider economy of the area.

It has helped to redefine the centre of Amble increasing footfall and provide a visitor attraction and learning facility based on the town's niche industry strengths. Northumberland Seafood has three main centres of operation; wholesale, Creel Fish Club and harbourside sales and aims to put more local fish on local plates.

The facility provides:

- a Lobster hatchery where the eggs from adult lobsters are removed and nurtured until large enough for release, increasing survival rates and enhancing the local lobster population. Local fishermen and the Northumberland Inshore Fisheries and Conservation Authority assist with the release of the lobsters into the sea.
- a Processing centre - Locally landed fish and shellfish are now processed on site with freshly cooked crab and lobster and smoked fish available, adding to their product range.

In 2014 Northumberland County Council secured £1.8million of grant funding from the UK Government's Coastal Communities Fund to develop a new, small business village on the harbour-side at Amble. Centred on the town's seafood industry, the project was drawn up by Northumberland County Council in partnership with Amble Development Trust, Amble Town Council, business representatives and the wider community of Amble.

Amble now has the first seafood centre in the North of England embracing a sustainable ethos to support our local Northumberland fishing fleet.

Rural scale up

Northumberlands SME business base is a key asset and one we will seek to harness by providing focused rural scale up support. We will be focusing on rural scale up with our partners in North of Tyne, Borderlands and the wider North East region to drive growth and productivity gains as the Rural Scale up Exemplar for England.

Our focus on this is supported by the national Industrial Strategy which sets out a range of actions to support businesses that are ‘scaling rapidly’, reflecting that this group of businesses has unique challenges. The Scale-Up Institute identifies these as specific requirements for capital, management, skills and organisational processes and broadly describes the challenge as ‘growing pains’. The Scale-Up Institute states that the UK lags behind the US and other leading economies in the extent to which our companies scale – the ‘scale-up gap’. However, the issue for rural communities with general scale up definitions such as the OECD is that it tends to define it as being companies with over ten employees.

Reflecting on what we know about the business demographic in the rural areas of Northumberland in particular we know there are more businesses below the threshold of ten employees as this makes up the majority of our business stock. Much of the support already successfully provided by both Leader and the North East Rural Growth Network has focused on these businesses in recent years with much success.

We now think we can go further and provide longer term assistance both in terms of support, advice and finance to unlock more development and growth in this area. This will take the form of support to both scale up, and also shape up businesses to be more resilient, productive and able to withstand future change in markets. It is also the reality that within Northumberlands economy there are businesses that can be considered to be ‘lifestyle’ businesses, however this doesn’t mean they cannot become more successful and contribute more to the economy. Undertaking this work to scale up business growth will help to bridge the current gap between GVA performance which for rural areas of the North of Tyne, predominantly within Northumberland is 2.6% against 3.2% for the North East LEP area.

The approach to scale up is based on the premise that the aggregate growth of small businesses, say for instance a one person business increases to two jobs this doubles the quantum of employment. The value of this within a rural context multiplied many times cannot be overstated. There is also an argument that this type of growth reduces risk as the likelihood of business failure is spread across multiple businesses. This means developing longer term relationships with the business community to be able to work successfully with companies as they develop, short term grant programmes have proven to be problematic in this regard and we are making the case for a longer term approach.

A long term approach will help to address the barriers to growth, although all SMEs experience problems in scaling up arising from step changes in capital requirements, premises size, staff numbers and so on, rurality exacerbates certain issues associated with scale up, such as:

- Limited availability locally of higher skilled talent and skilled workforce;
- Lack of range of business infrastructure for growth; and
- Limited scale, resources, and reach available through rural business support networks such as growth hubs, mentoring, and LA core services

The issues above can also be exacerbated by other factors - the capacity of the management team, workforce skills and availability of finance and investment. Developing the right package of support linked to the broader offer in the business support environment is therefore crucial if we are to unlock this potential. Evidence from our Rural Growth Network indicates that for micro businesses standard intervention rates are a barrier and a more bespoke approach is required.

Industry Case Study: Rural Growth Network scale up support

The Rural Growth Network promotes economic growth in our rural areas by supporting businesses through funding and expertise and was established as a North East initiative.

To date the programme has contracted 34 projects, 18 are in Northumberland with £3m of grant awarded to these businesses, with the creation of approx. 175 jobs in the county. In total the programme expects to award £5m in grant and create approximately 400 jobs in the region.

An example of this support is Thornton Brothers Ltd, a strong rural business which has the potential to develop further whose planned expansion is leading to the creation of new jobs in the North East rural economy supported by RGN.

Thornton Brothers Ltd have operated in Northumberland for over 40 years and were awarded £48,800 from the North East Rural Growth Network. The business diversified into bus refurbishment after previously being involved in truck refurbishment and manufacture of recovery vehicles. The business has since emerged as a leading player in the national bus refurbishment market and boasts national customers such as Arriva, Abellio and London United.

The project was a good fit with the Rural Business Growth Scheme through support delivered as part of the Business Northumberland programme and an assigned high growth coach helped the company to prepare an application and the resultant grant award reduced the risks, enabling the project to proceed.

The company had previously specialised in coachworks and this expansion will enable it to also undertake mechanical and electrical work, providing a one stop shop service to its customers. The growth will lead to fifteen new full-time positions over the following two years, boosting opportunities in the local labour market.

5. Implementation

5.1 Partnership and Collaboration

Our Economic Strategy is about delivering real change in our communities. Delivery will require communities, businesses, the public and voluntary sectors to come together to realise our potential.

A range of support services are available and have a focus on the priorities outlined in this strategy. We want to use the new powers and funding as effectively as possible that come with devolution, and we will do this by working together in our local communities to achieve economic opportunities for Northumberland to deliver results.

5.2 Delivery Framework

Our objectives are embedded in the Councils 'regeneration investment pipeline' which helps us to identify the activities that will support the strategies implementation. A delivery framework will be put in place based on our six priorities for delivery with a focus on key industrial growth areas and place based delivery. The outline Delivery Framework is outlined overleaf.

Economic Strategy Delivery Framework		
Objectives		
Grow the Business Base	Support Inclusive Employment	Deliver Productive Places
Priorities for Delivery		
Deliver industrial growth	Develop a skilled workforce	Connect the county
<ul style="list-style-type: none"> Secure major development in the energy and offshore, health and life sciences and advanced manufacturing sectors Ensure Northumberland is an internationally significant tourism and culture destination Deliver rural business scale up and develop the agritech sector providing an uplift in micro / SME business growth as the rural exemplar for England 	<ul style="list-style-type: none"> Raise aspirations and attainment levels to ensure young people can take advantage of economic opportunities Inspire the future workforce with a focus on industry connectors relating to our key sectors in relation to STEM (Science, Technology, Engineering, and Manufacturing) Develop skills pathways, systems and networks to meet demand with a focus on effective apprenticeships and other measures linking supply to demand 	<ul style="list-style-type: none"> Deliver digital services to be a 5G enabled county including high quality full fibre Broadband, data infrastructure, skills and business support Invest in high quality passenger transport including the reopening of the Northumberland to Newcastle rail line to passengers. Secure infrastructure improvements to the A1, A69, low carbon networks, interconnectivity within our towns and communities, flood and coastal resilience and high quality Port access.
Support enterprise and investment	Enable inclusion in the economy	Invest in towns and communities
<ul style="list-style-type: none"> Support effective routes to finance for development Provide business and commercial support for enterprise, innovation and investment Ensure that quality business infrastructure is available 	<ul style="list-style-type: none"> Support residents furthest from the labour market with into work assistance Address barriers to inclusive employment Encourage growth of better jobs with good work principles 	<ul style="list-style-type: none"> Support place based investment in Northumberland towns and communities Develop targeted measures to boost town centre performance Deliver attractive housing providing choice and affordability



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Tharsus, design and manufacture of smart machines and robots, Blyth

Blagdon Farm, Blagdon nr Morpeth

Kielder Observatory, Kielder Water and Forest Park