

# Northumberland Line Economic Corridor Strategy

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*NB. These photos were taken prior to the Covid 19 pandemic.*

## Foreword

The Northumberland Line Economic Corridor Strategy sets out the collective ambition of the North of Tyne Combined Authority (NTCA) to fully capitalise on the re-introduction of passenger rail services to this route through the interconnected communities of Northumberland, North Tyneside and Newcastle upon Tyne.

The vision of the Northumberland Line Economic Corridor is to:

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*Deliver a dynamic and inclusive clean growth economy across the North of Tyne, opening up opportunities to our communities and ensuring a more prosperous and resilient future*

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**A catalyst for transformational change**, this rail investment provides a once-in-a-generation opportunity to deliver growth which levels up economic performance in the region. This will secure better jobs, increase access to training, accelerate town centre renewal and the development of new homes in sustainable communities delivering a clean growth focused economy that all residents truly have a stake in.

Alongside the £166 million investment in the Line's construction, this critical integrated investment in an Economic Corridor can help unlock the transformation of the North of Tyne's economy. **New stations will connect to major economic growth occurring throughout the area in all three Local Authorities.** This includes new investment to accelerate clean energy and advanced manufacturing sector growth in revitalised communities throughout South East Northumberland who currently have no access to rail services meaning residents face barriers to accessing wider opportunities. Business growth is held back throughout the area as a consequence as access to markets and skilled labour is impacted with the railway potentially marking a major change to this.

The case for introducing an Economic Corridor is well evidenced, examples of similar projects delivered elsewhere in the UK have shown that although new rail connectivity can have a transformational effect on commuting patterns, access to jobs and regeneration, it does not generate growth on its own. Put simply, **infrastructure investment is necessary, but not sufficient.**

For this reason, alongside the Line's planned construction, an Economic Corridor strategy has been developed to set out the opportunity to deliver this transformational change. **The catalytic potential of the Northumberland Line can only be fully realised if the Line's reopening is combined with interventions that support local communities and businesses.** These interventions should take advantage of the opportunities presented by improved connectivity through the establishment of an ambitious and purposeful approach to economic renewal: the Northumberland Line Economic Corridor.

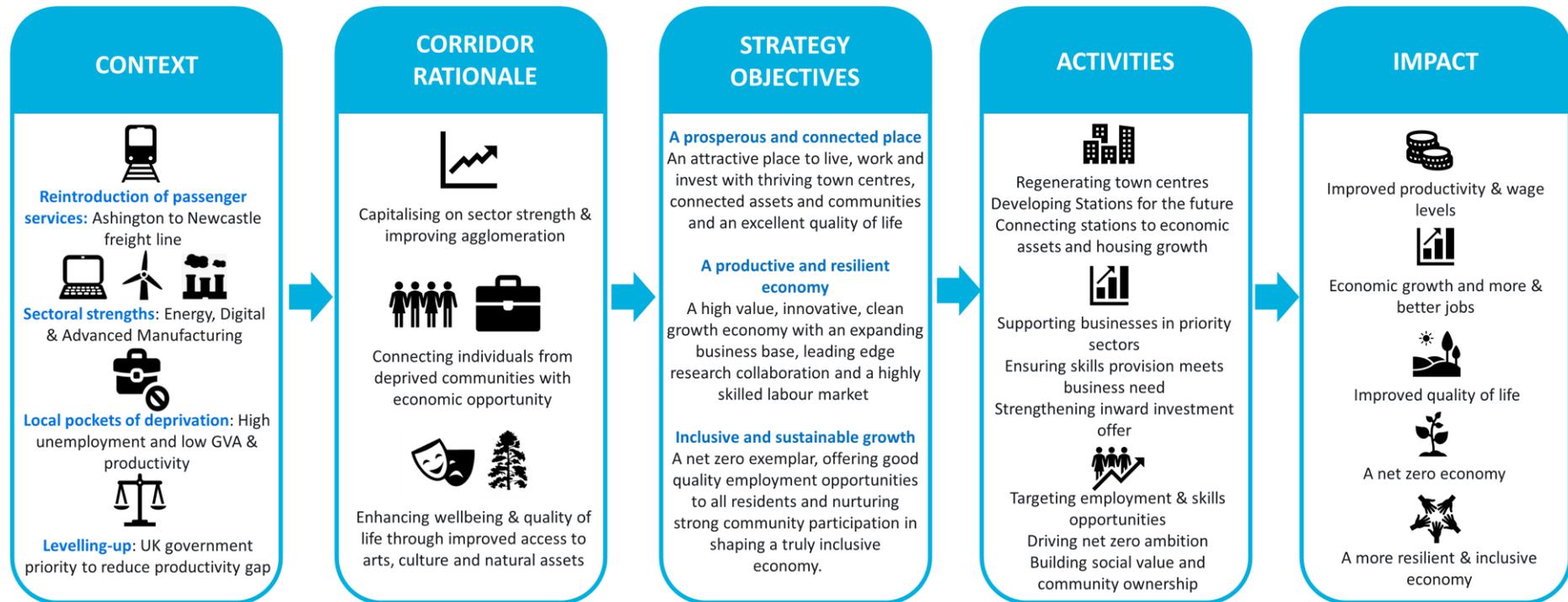
The North of Tyne region is a distinct and deeply interconnected place at the heart of the Northern economy with trading, employment and cultural relationships that expand far beyond its administrative borders. The region is built on a legacy of coal and heavy industries that have proudly shaped communities for centuries. Including England's northernmost county Northumberland, the region acts as a gateway that connects the United Kingdom, providing

opportunities for growth and development that are unique. **Targeted investment can help North of Tyne and the wider North East to develop into a resilient economic area** with clean growth at its heart, attracting a skilled workforce as well as providing opportunities for those already in the region.

Investment in an Economic Corridor has **the potential to enable truly inclusive and sustainable growth** helping the area build back effectively from the COVID-19 pandemic. The Economic Corridor will unlock this potential and accelerate growth in clean energy sectors, create employment and learning opportunities for residents and enhance the profile and perceptions of the local area. **This project will help the government work towards goals set out in critical policy areas** such as the net-zero carbon target and the levelling up agenda. Failure to act now could result in higher investment in the future to achieve the same benefits.

This Economic Corridor strategy sets out how real and lasting change can be delivered for residents and businesses. Public and private sector partners in the region have helped to shape this strategy. Working together with the support of central government we can secure transformational change by delivering a truly transformational investment programme integrated with the opening of the new railway service in winter 2023.

## Our Economic Corridor Strategy on a Page



# 1 Introduction

## Document Purpose

- 1.1 This document sets out the strategy for the Northumberland Line Economic Corridor, which seeks to capitalise upon the reintroduction of passenger services between Ashington and Newcastle as a catalyst for transformational change. The Northumberland Line is expected to have a major impact on the local economy by facilitating economic activity and improving public transport accessibility, providing the foundations for a new and ambitious clean growth Economic Corridor to be established. The Line is currently expected to reopen in winter 2023.
- 1.2 This strategy builds upon work undertaken from September 2019 to January 2021 including comprehensive baselining and stakeholder engagement. This strategy document sets out the rationale, vision, objectives and next steps for the Economic Corridor, providing the foundation for more detailed project development and investment planning across the sub-region.
- 1.3 Local partners are undertaking a range of activities and investments that will contribute towards the Economic Corridor objectives, however, the programme of interventions and investment introduced in this strategy is in development. We are working closely with central and local government partners, alongside the private and third sectors, to secure support and investment into an ambitious and deliverable package of activities that match the scale of the opportunity afforded by the reopening of the Line, and can deliver the desired scale of change and economic impact in the North East.

## Context

### The North of Tyne

- 1.4 Located on the North East Coast of England, the North of Tyne (Figure 1-1) is comprised of the three local authorities of Newcastle Upon Tyne, North Tyneside, and Northumberland. The region sits at the heart of the ambition for an East-Coast economic powerhouse from Edinburgh to Newcastle. This ambition is grounded in the Borderlands Partnership and the objective to unlock sustainable and inclusive economic growth across the South of Scotland and North of England<sup>1</sup>. North of Tyne partners work closely within the North East on strategic economic development and transport infrastructure planning as part of the North East Local Enterprise Partnership and North East Joint Transport Committee.
- 1.5 The North of Tyne has pronounced economic strengths in highly productive sectors and is home to a range of strategic employment sites and high-value innovation assets of national importance. These align to the region's sector strengths in advanced manufacturing, robotics, and low carbon and offshore wind. North of Tyne's communities and businesses are transitioning from a proud industrial legacy to a clean growth future that can make a significant contribution towards Net Zero and Clean Growth agendas.

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<sup>1</sup> Building the Post-Covid Economy: A second devolution deal for the North of Tyne (September 2020), North of Tyne Combined Authority

- 1.6 However, despite these strengths, the local economy as a whole is underperforming compared to national averages, with relatively high levels of deprivation and long-term unemployment. The North of Tyne needs to create more and better economic opportunities and ensure residents are better connected to these opportunities.
- 1.7 These challenges have been and will continue to be compounded by COVID-19, with the North East being particularly impacted by poor health outcomes. Targeted investment in the North of Tyne can help to drive recovery post-COVID-19 and accelerate the transition to an exemplar city-region, supporting the national recovery agenda. During the first wave of the pandemic (March to July 2020), the North East had a COVID-19 mortality rate of 106.0 per 100,000 compared to an average of 86.03 in England<sup>2</sup>.

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<sup>2</sup> Covid-19 and the Northern powerhouse: Tackling inequalities for UK health and productivity (November 2020), Northern Health Science Alliance (NHSA)

Figure 1-1: North of Tyne Map



## The Northumberland Line and the Economic Corridor Strategy

- 1.8 The reintroduction of passenger rail services on the Northumberland Line is a key economic priority for the North East region, identified in both the North of Tyne Devolution Deal<sup>3</sup> and the North East Strategic Economic Plan<sup>4</sup>. The Line will provide direct connections for communities in Northumberland, North Tyneside and Newcastle upon Tyne.
- 1.9 The Northumberland Line will have a major impact on communities that currently have no direct access to passenger rail services, increasing access to employment centres and a range of services throughout the area.
- 1.10 New stations will be built in Ashington, Bedlington, Blyth Bebside, Newsham, Seaton Delaval, and Northumberland Park (adjacent to the existing Northumberland Park transport interchange).
- 1.11 The Line provides a direct service to Newcastle and the interchange with Tyne & Wear Metro, regional and national rail services and Newcastle Airport via Northumberland Park, Manors and Newcastle Central. It will also provide Newcastle residents with access to the employment opportunities in South East Northumberland.
- 1.12 An Economic Corridor is a geographically targeted development initiative made up of integrated networks of infrastructure that are designed to stimulate economic development and connect relevant assets. The creation of an Economic Corridor to capitalise on the rail infrastructure will help to ensure that this Line is truly transformational, notably through:
- Connecting people to jobs;
  - Connecting businesses to each other, innovation assets and a wider labour pool; and
  - Delivering thriving town centres and communities that boast an excellent quality of life.
- 1.13 In turn, the additional investment and increased access to opportunity created through the Economic Corridor will drive users to the Line and ensure it is well utilised.
- 1.14 Implementing an Economic Corridor, integrated with the Line's re-opening to passenger services provides a unique opportunity to deliver the government's levelling-up agenda. This will catalyse economic growth and address deprivation across a range of communities within the North of Tyne area.
- 1.15 The Northumberland Line is seeking to secure investment of over £166 million to reopen the much-needed passenger services. £34 million funding for the preparatory stages of the Line's delivery was announced by the Government in January 2021. Alongside this, the Economic Corridor is seeking to establish a £140 million Catalyst Fund to capitalise on the rail infrastructure investment and the region's natural assets to establish a thriving and resilient Economic Corridor, with clean energy at its heart.

### Work so far

- 1.16 The work developing the Northumberland Line Economic Corridor strategy was preceded by two phases of work; the establishment of a baseline and broad stakeholder engagement. The project has been supported by the North of Tyne Business Case Development Fund and funding from Northumberland County Council.

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<sup>3</sup> North of Tyne Devolution Deal (2018), HM Government

<sup>4</sup> North East Strategic Economic Plan (2019), North East Local Enterprise Partnership

## Establishing the Baseline

- 1.17 A comprehensive three-part baseline report (presented in Appendix B) was produced in June 2020. This comprised of:
- **A socio-economic baseline of the North of Tyne area:** Collation, analysis, and presentation of relevant socio-economic data across four overarching themes: People and Human Capital, Infrastructure and Place, Business Environment and Knowledge and Ideas. The data provided a snapshot of the area's positioning and performance relative to North East LEP and national benchmarks, highlighting the North of Tyne's strengths, weaknesses, and areas of opportunity;
  - **An in-depth review of the North of Tyne's economic and innovation assets:** Informed by a series of one-to-one consultations with senior representatives from public sector organisations and private businesses locally, a summary of the Economic Corridor's key assets and their unique challenges and opportunities are presented with emerging insights on how the assets can be mobilised to create the strategy and Investment Plan; and
  - **Three detailed rail corridor development case studies:** A series of three case studies of schemes delivered elsewhere identifying good practice and lessons learnt relevant to the Northumberland Line. The case studies comprised: Borders Railway in Scotland (2015); the Ebbw Vale line in Wales (2008); and the Ebbsfleet High Speed 1 Line in England (2009).

## Stakeholder engagement

- 1.18 A series of workshops were undertaken with a diverse mix of stakeholders in June and October 2020. The purpose of these engagement sessions was to define priorities and identify a package of emerging initiatives that would best enable partners to capitalise on the transformative potential and investment being made in the Northumberland Line.
- 1.19 The first session was set up on the 18<sup>th</sup> June 2020 with **local economic development and transportation leads**. This workshop provided the intelligence to establish three key thematic groups for which initiatives would be organised. These were:
- **Business and Innovation**, 19<sup>th</sup> October 2020;
  - **Infrastructure and Place**, 21<sup>st</sup> October 2020; and
  - **Inclusion and Skills**, 22<sup>nd</sup> October 2020
- 1.20 The detailed findings from these workshops are presented in Appendix C. The facilitated discussions have provided the opportunity for extensive stakeholder engagement and provided the foundation for subsequent phases of work. Specifically, in underpinning the framing of this strategy and through developing a pipeline of projects to inform the proposed next stage of work; the Northumberland Line Investment Plan.

## Document Structure

- 1.21 The remainder of the document is structured as follows:
- **Section Two** provides a summary of the Northumberland Line;
  - **Section Three** explains the rationale for establishing the Economic Corridor;
  - **Section Four** outlines the Economic Corridor's vision and objectives; and
  - **Section Five** looks at how the Economic Corridor could be taken forward, including expected partnership and governance arrangements as well as next steps.

## 2 The Northumberland Line

### The Passenger Line

#### Overview

- 2.1 The Northumberland Line previously provided passenger services but moved to freight-only services in 1964. The proposed route is depicted in Figure 2-1 and worked to reuse much of this existing track with six new station facilities proposed along the Line. The Line is 23 kilometres long and passes through three local authorities (Newcastle upon Tyne, North Tyneside, and Northumberland). The anticipated capital cost of the project is £166 million.
- 2.2 The objectives for the Northumberland Line, as set out in the Outline Business Case are to<sup>5</sup>:
- Facilitate economic activity, employment growth and the delivery of housing sites within South East Northumberland and the wider region;
  - Create mode shift from car to public transport to improve local air quality and reduce highway congestion at key bottlenecks on the highway network between South East Northumberland, North Tyneside, and Newcastle; and
  - Improve public transport accessibility for commuting, retail and leisure trips between South East Northumberland, North Tyneside, and Newcastle.

#### Transport and Connectivity Impacts

- 2.3 The Northumberland Line has the potential to dramatically improve transport outcomes for local residents. The journey time from Ashington to central Newcastle, currently approximately an hour by car, will take approximately 35 minutes.
- 2.4 The Line will strengthen connectivity between the three Local Authorities, not only providing better connectivity to Newcastle, but connecting communities, business clusters and economic assets located across the sub-region,
- 2.5 The scheme is predicted to generate circa. 1.1 million return journeys by 2039, with annual revenue of around £12.6 million in 2018 prices.

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<sup>5</sup> The Northumberland Line: Strategic Outline Business Case (March 2019), Northumberland County Council

Figure 2-1: The Northumberland Line Map



## Progress in reopening passenger services

### Work so far

- 2.6 The Northumberland Line scheme has been the subject of a thorough Governance for Railway Investment Projects (GRIP) study funded by NCC and undertaken by Network Rail and Jacobs in 2016. A subsequent value engineering exercise, overseen by Network Rail, Nexus, NCC and Rail North, was carried out in September 2017, with the report issued May 2018.
- 2.7 Since the summer of 2018, NCC has engaged AECOM and SLC Rail to critically review the engineering, operational and business casework undertaken to date, to identify a project which is capable of being delivered at an efficient level of capital and ongoing operational cost.
- 2.8 In 2019, Prime Minister Boris Johnson announced a £500 million Restoring Your Railway Fund to reverse the Beeching cuts; £6.5 million was subsequently designated to the Northumberland Line in 2020<sup>6</sup> to support project development. £34 million funding for the preparatory stages of the Lines delivery was announced by the Government in January 2021.

### Next steps and expected timeframes

- 2.9 The project is being progressed through close working with DfT and Network Rail as part of the Project SPEED (Swift, Pragmatic and Efficient Enhancement Delivery) initiative to look at accelerating delivery post-COVID. Passenger services are expected to reopen in winter 2023.
- 2.10 This strategy emphasises the critical importance of inclusive growth to levelling up the region's performance. The ticketing strategy for the Line is a key component of ensuring that a wide range of people can use the Line. An integrated ticketing strategy for the Line is currently being developed by the project team with the potential operator. As well as scoping out the potential for integration with existing ticketing in the area, incentives to increase patronage of target groups to support the objectives of the Economic Corridor are also being explored.
- 2.11 The improved infrastructure on the Line will also create the potential to explore complementary improvements to the regions freight links, for example the freight rail infrastructure serving the Ports of Blyth and Tyne.

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<sup>6</sup> <https://www.gov.uk/government/news/north-east-rail-revolution-begins-with-beeching-reversal-and-fund-for-new-trains-across-tyne-and-wear>

## 3 The Rationale for Establishing the Economic Corridor

### Why Establish an Economic Corridor?

- 3.1 The Northumberland Line provides a critical building block in unlocking the transformation of the North of Tyne's economy. The catalytic potential of the Northumberland Line can only be fully realised if the Line's reopening is combined with targeted interventions that support local communities and businesses. The Line builds on the success of the A19 employment corridor and should take advantage of the opportunities presented by improved connectivity through the establishment of an ambitious and purposeful approach to economic renewal; the Northumberland Line Economic Corridor.
- 3.2 Examples of similar projects delivered elsewhere in the UK, have shown that whilst new rail connectivity can have a transformational effect on commuting patterns, access to jobs and regeneration, it does not generate growth on its own. Put simply, infrastructure investment is necessary, but not sufficient.
- 3.3 An example of such a project is Borders Railway extension, delivered in Midlothian. A summary case study of this project is captured in Figure 3-1. Specific lessons for Northumberland to be taken from this include:
- The importance of accompanying the Line with plans for new housing around the stations as well as other game changing initiatives such as the roll out of better digital infrastructure.
  - The prospect of a significant model shift occurring from car to public transport.
  - Working with and promoting the Line to stakeholders to support its development.
  - The need for a robust governance and management structure to ensure effective delivery.

Figure 3-1: Borders Railway Case Study

### What was the context for intervention?

- The delivery of the Borders Railway was a fundamental part of delivering the Tourism Scotland 2020 strategy and promoting growth in Scotland’s visitor economy in 2020.
- Within the strategy, developed in 2012, the Scottish Tourism Alliance said it would work with sectors such as transport and finance to address the barriers to growth that can’t be fixed by tourism alone.
- The Government Economic strategy at the time (2011) reaffirmed the core purpose for the Scottish Government: “to focus Government and Public Services on creating a more successful country, with opportunities for all of Scotland to flourish, through increasing sustainable economic growth.”
- The value of goods and services produced in Edinburgh, Midlothian and the Scottish Borders is just under £20 billion, (c. 20% of Scotland total value). However, whilst Midlothian and the Scottish Borders account for around a third of these businesses they only contribute just over a tenth of the value.
- Midlothian and the Scottish Borders have proportionately, three times the number of companies in food and drink and tourism, reflecting their strength in these sectors and providing opportunity for growth.



**Borders Railway Extension**

### What was the intervention trying to achieve?

- Promote access to and from the Scottish Borders and Midlothian to Edinburgh, including the airport and the central belt.
- Foster social inclusion by improving access to key services for those without access to a car.
- Secure better access to Edinburgh’s labour market and prevent a decline in the Borders’ population
- Create a modal shift from car to public transport (train).

### How much did the intervention cost? What partners were involved?

- The key players were the Project Sponsor (Transport Scotland), the Project Delivery Partner (Network Rail) and the Project Partners (Local Authorities).
- The total cost of the project was £353 million, with construction costs reaching £295 million.

### What did they do?

- There was extensive mining remediation with just under a million tonnes of earth moved.
- Extensive infrastructure was built, including the laying of 30 miles of new railway and 90,000 sleepers.
- The project included the development of seven new rail stations and six station car parks.
- There were over 100 new and repaired bridges, road and path upgrades, signalling, telecoms, accommodation works and a train servicing facility.

### What did the intervention achieve?

- The project has promoted investment. The new railway was complemented by the roll-out of fibre-optic high-speed broadband and Digital Scotland investments, and inward investment incentives through Assisted Area Status within the Railway Corridor area.
- The project had a positive environmental impact. Approximately 21% of households in the Scottish Borders do not have access to a car, the project contributed positively towards this.
- The project continues to perform well in improving accessibility, with two trains per hour in each direction providing regular and reliable access to Edinburgh city centre.
- The project has opened labour markets. There is evidence from the Year 1 Evaluation that the Borders Railway has had an impact on peoples’ choice of workplace. Of respondents who had moved employment, over 80% stated that the re-opening of the line had been the main factor in their decision.
- The new fast, reliable, and efficient rail service provides people in the Borders and Midlothian areas access to employment in high-value sectors with higher than average wages, providing greater opportunities for social mobility.

## Challenges and opportunities

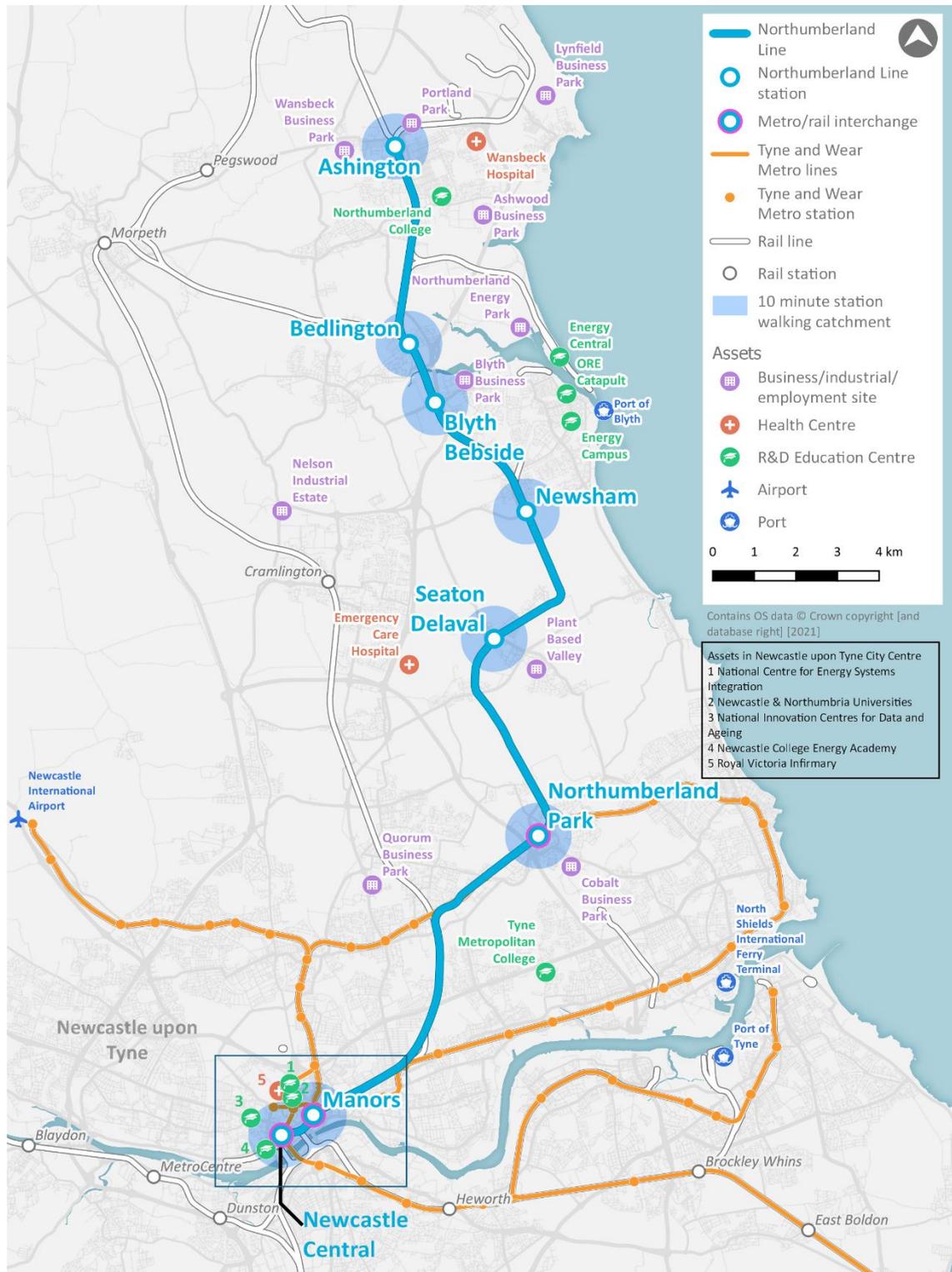
- 3.4 Key challenges for the North of Tyne and opportunities presented through the Northumberland Line are structured around the following three themes:
- Capitalising on sector strengths and improving agglomeration;
  - Connecting all individuals and communities with economic opportunity;
  - Enhancing wellbeing and quality of life through improved access to arts, culture, and natural assets.
- 3.5 By addressing these themes, the area will be on track to grow sustainably and inclusively, ensuring that those that are more marginalised from the labour market gain access to the wealth of opportunities available across the North of Tyne.

### **Capitalising on sector strengths and improving agglomeration**

#### *Strategic and economic context*

- 3.6 The North of Tyne possess a rich mining heritage dating back to the 12<sup>th</sup> Century. Other key historical industries that accounted for its economic prosperity include shipbuilding, heavy engineering, glassmaking, locomotive manufacturing, salt, and fishing. This heritage has played an important part in shaping its culture and history. However, like many other parts of the North of England, there has been a significant structural shift in the economy towards more service-orientated sectors.
- 3.7 Given the historical reliance on mining and heavy industry, the transition of the industrial base and labour market has been challenging; clearly evidenced by relatively low levels of economic output and high levels of socio-economic deprivation. In spite of this, the local industrial base is now home to a range of industry specialisms with strengths across energy, advanced manufacturing, life sciences and knowledge-based services.
- 3.8 The area also boasts a plethora of tourist attractions, attracting visitors from all over the UK and internationally. Whilst energy has always been a fundamental part of the local economy, the focus has shifted from the intensive carbon emitting fuel of coal to low-carbon, clean energy sources such as offshore renewables.
- 3.9 A summary of existing local economic assets is included in Figure 3-2. It shows that the Line provides a direct link between a range of employment, skills and innovation assets found throughout the Line and provide rail connectivity to the currently unserved communities in South East Northumberland.

Figure 3-2: Map of Northumberland Line Economic Assets



- 3.10 Advanced Manufacturing is one of the principal growth sectors locally, located throughout the North East, including in South East Northumberland. The energy asset base is anchored by the Blyth Estuary Enterprise Zone, containing the Port of Blyth - one of the UK's most important offshore renewable energy clusters and the Port of Tyne. There is significant potential to nurture and grow this emerging cluster and provide a major contribution to the government's clean growth agenda.
- 3.11 Another key development area is the knowledge-based business service sector. The Economic Corridor hosts major employers in the finance sector such as Santander, Leeds Building Society and Newcastle Building Society and is home to key employment hubs including Newcastle City Centre which has the greatest concentration of business services. The area has a range of significant business parks such as Quorum Business Park, Ashwood Business Park, Blyth Riverside Park and Cobalt Business Park all with the potential to be served more effectively by commuting by rail. Existing long commute times to these key sites are often major barriers for people living along the Line, significantly impacting the employment opportunities for local residents.
- 3.12 This economic geography faces a variety of challenges in building on these sector strengths and growing the local economy, not least the mismatch between supply and demand of skills. Local businesses struggle to recruit sufficiently skilled workers locally and, despite a variety of higher and further education institutions across the locality and in neighbouring areas, the skill levels of the workforce are insufficient to meet the needs of new industry and modern business requirements.
- 3.13 Challenges are expected to be further exacerbated due to the UK's exit from the European Union (EU) and the impact of COVID-19:
- The UK's exit from the EU is likely to further exacerbate local skills shortages, particularly within industries that draw heavily on migrant labour such as construction and agriculture. It is likely to also raise challenges for sectors that are dependent on international supply chains and export markets;
  - COVID-19 has already led to high unemployment levels across the country including the North of Tyne and has already caused structural change in key sector and businesses, the full effects of which not yet known. In addition, COVID-19 is likely to have further impacts on skills demand and supply, including a likely increase in demand for digital skills as many sectors pivot their working arrangements and offer to the 'new normal'.

*The opportunity*

- 3.14 Newcastle acts as a transport gateway to the Economic Corridor. The Line will create opportunities to grow existing labour market pools in areas such as Newcastle, Blyth and North Tyneside's business parks and create the potential to develop new and existing sector clusters along the Line. A larger talent pool will provide the potential to reduce skill shortages and improve the outward perception of the economy to attract investors.
- 3.15 In particular, securing inward investment in the renewable energy sector, wider clean growth economy and advanced manufacturing and digital sectors would provide a significant boost to the local economy and help to create sustainable high value industrial clusters.
- 3.16 The Combined Authority was one of the first of the UK's Mayoral Combined Authorities to declare a climate emergency, recognising that clean growth has been designated as one of the UK's Grand Challenges and therefore opportunities to expand the offshore renewable energy cluster are a key priority. The sector has the potential to provide thousands of jobs and increase the area's competitiveness as the UK shifts towards a greener, Net Zero economy.

Our region has strengths in all four Grand Challenges and is home to nationally significant innovation assets.

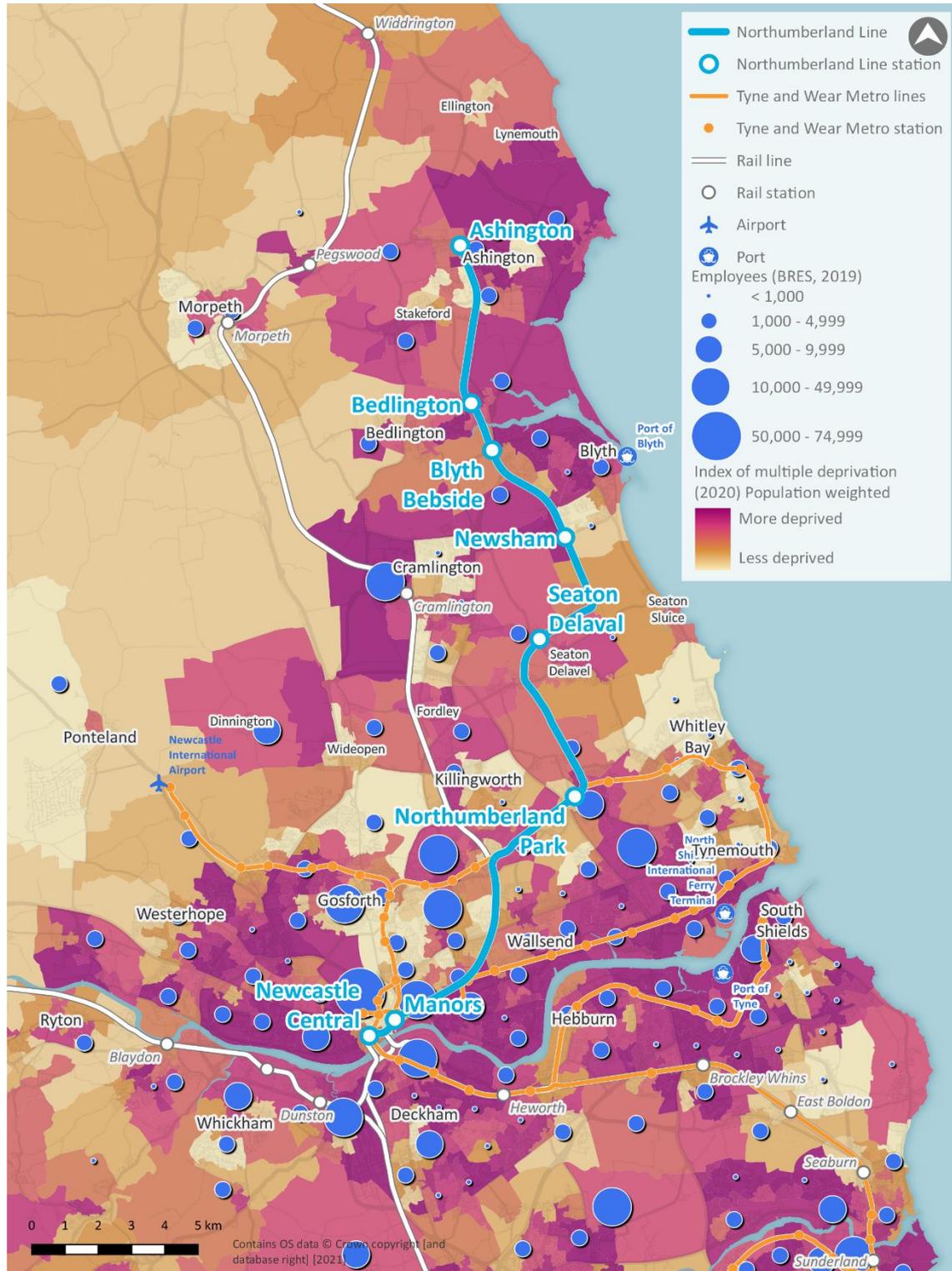
- 3.17 As well as the opportunity to integrate the renewable energy cluster, our Net Zero ambitions are underpinned by the development of the Line itself. The Line will alleviate congested roads by providing an alternative mode of transport. Rolling stock will initially be diesel-powered, but plans are in place for the development of an alternative, sustainable fleet operating on the Line post 2025. This is being discussed with the potential operator as part of project planning.
- 3.18 There is an opportunity to align investment in the Economic Corridor to existing and future strategic programmes and bidding opportunities in the region, this includes the delivery of the Levelling Up Fund, UK Shared Prosperity Fund and the UK Community Renewal Fund.

### **Connecting all individuals and communities with economic opportunity**

#### *Strategic and economic context*

- 3.19 The proposed Northumberland Line route connects marginalised communities which include notable pockets of acute deprivation, particularly clustered around the North of the Line in Ashington, Bedlington and Blyth and communities along the River Tyne including North Shields, Wallsend, and Byker. These areas display concentrations of low educational attainment, high long-term unemployment levels and a high proportion of low-income households.
- 3.20 Although varying across the three local authorities and depending on the level of qualification, on average there are lower levels of educational attainment locally. In particular, Northumberland and North Tyneside’s working age population is characterised as ‘lower-skilled’ with individuals more likely to have a maximum attainment at a GCSE-level (NVQ2), compared to an average maximum attainment of A-level (NVQ3) nationally. Newcastle has a higher proportion of the working age population with a degree (NVQ4) but also a relatively high proportion of the working population with no qualifications, when compared to the national average. This has contributed to not only high levels of adult worklessness but high levels of youth employment. Figure 3-3 shows the extent of deprivation along the Line alongside the concentration of jobs in Newcastle. Although deprivation levels are high in Newcastle, there is a high concentration of jobs and therefore job opportunities present, this contrasts with areas along the Line where the concentration of jobs is much lower. Individuals from communities with fewer opportunities will need to be connected to economic opportunities elsewhere.
- 3.21 The extent of marginalisation is also reflected in the very low level of car ownership in several areas along the Line, in particular Blyth Cowpen and Ashington Hirst where 42% and 46% of households respectively are without cars. This implies that on a whole, the population in South East Northumberland is highly reliant on public transport to move throughout the North of Tyne and indeed the North East region. For those in possession of a car, it is their preferred way to commute; further highlighting the inadequacies of the existing public transport infrastructure in place.

Figure 3-3: Connecting individuals and communities with economic opportunity



- 3.22 In terms of existing transport infrastructure, even though Newcastle is also home to a number of major transport assets, such as Newcastle airport, the A1 motorway and the East Coast Mainline, all of which provide easy access to other parts of the country and beyond, connecting to these assets for many South East Northumberland residents is difficult. Public transport connectivity within this area is poor and this hinders residents' ability to access economic opportunities. This is a barrier to retaining and attracting higher skilled workers to the area and is reflected in the working-age population forecasts for Northumberland which, in the absence of concerted effort and investment, are projected to fall.
- 3.23 The effects of COVID-19 on the economy has been significant and will be felt for some years to come. This may include lower passenger numbers in the Line's first years of operation. Despite this, the Line presents an opportunity for the area to pave the way for building back better and ensuring that the local economy remains resilient in a time of unprecedented change. The High Streets along the Line will face significant challenges as the area recovers from COVID-19 with support needed for businesses to reopen and/or recover in towns and the City Centre and for longer term structural adjustment to the infrastructure needed for settlements to thrive again.
- The opportunity*
- 3.24 The Line will connect areas of deprivation throughout the North of Tyne and the wider region, with opportunity both through the Line directly and via the additional network access it provides to communities and employment centres served by the existing infrastructure in the area e.g. Tyne and Wear Metro.
- 3.25 An integrated transport network will create connections between existing housing and economic assets. It will also open up the potential for increasing housing supply and unlocking additional housing sites beyond allocations in current Local Plans. The Line will connect marginalised communities to jobs, businesses and future growth including concentrations to the south of the Line around the Newcastle conurbation, around the major Cobalt Business Park in North Tyneside and in growing sectors in South East Northumberland including offshore wind, renewables and wider clean energy and advanced manufacturing specialisms.
- 3.26 The government's levelling-up agenda and focus on town centre regeneration (e.g. the Future High Streets Fund (FHSF) and the Towns Fund) is critical for the area as is the development of high streets in all places along the Line. There are significant needs for targeted regeneration including Manors and Newcastle City Centre, and notably Blyth, which recently secured £11 million after a successful bid for the FHSF and is currently preparing a bid for the Towns Fund. In Ashington a significant programme of town centre renewal is underway to diversify its use-mix and 'offer'. Feasibility work on the regeneration of the prominent Wansbeck Square development site, which provides the access point to the town from the new Ashington station, is underway. Transport hubs in these towns will provide a unique opportunity to increase a town's connectivity and consequently its footfall; helping to catalyse on town centre redevelopment and increase the attractiveness and viability of residential development in the surrounding areas.
- 3.27 The government's recent announcement of further funding; the £4.8 billion levelling-up fund, will further enhance the area's opportunity to bid for funding to invest in projects that support the objective of being of a dynamic and more inclusive economy. As part of enabling a more dynamic area, local cycling and walking infrastructure plans are being developed. This will not only help to increase more sustainable ways of transport but will also support the health of local residents. In addition, the £4.6 million North of Tyne Growth Fund will also play an

instrumental role in helping to grow and support the local economy, with a focus on strengthening and expanding the SME landscape.

**Enhancing wellbeing and quality of life through improved access to education, arts, culture, and natural assets**

*Strategic and economic context*

3.28 The quality of life varies considerably across the Economic Corridor, with communities along the Line including densely populated areas of relative affluence adjacent to areas facing significant socio-economic challenges associated with acute deprivation. There is a mixture of semi-rural coastal settlements, lower quality old terraced housing and estates in the centre of key towns such as Blyth and Ashington and new housing in outlying suburban areas. A higher proportion of the working age population in areas such as Blyth reside in social and rented housing compared to the national average. The types of housing and access to green space can have a significant impact on the quality of life.

3.29 Health outcomes correlate closely to levels of deprivation and several areas along the Line are characterised by very low healthy life expectancies relative to the national level, particularly among men. Low healthy life expectancies contribute to greater levels of economic inactivity and therefore poorer productivity levels. COVID-19 has exacerbated the North’s health and wellbeing position, an extra 12.4 more people per 100,000 died in the Northern Powerhouse due to COVID-19 compared to the rest of England during the first wave<sup>7</sup>. The North East was hit particularly badly with a mortality rate of 106.0 per 100,000. As the area emerges from the pandemic, supporting people to lead healthy productive lives across all ages will become even more important, and tackling physical, mental, and financial health issues will be key areas of focus.

*The opportunity*

3.30 Northumberland has many natural assets including Northumberland National Park, a 400 square mile area of outstanding beauty and the Northumberland Coast covering around 40 miles of coastline. These natural assets will be more accessible to both residents and visitors through improved public transport infrastructure.

3.31 There is a concentration of arts and cultural assets throughout the area including a high concentration of organisations in Newcastle. The Arts Council currently supports 223 National Portfolio Organisations (NPO) across the North of England, eight of which are in the North of Tyne Combined Authority. Newcastle has a strong track record in securing this funding and hosts the majority of these. Northumberland, North Tyneside and Newcastle are all home to a range of key cultural and heritage assets, for example, the UNESCO world heritage site of Hadrian’s Wall. There are some notable existing strengths and planned enhancements along the route of the Line in addition to the assets in Newcastle City Centre. This includes the National trust owned Seaton Deleval Hall, Ashington’s planned cinema development and Blyth’s proposed cultural centre. Cultural engagement remains relatively low particularly in South East Northumberland in areas demonstrating acute levels of deprivation exacerbated by limited connectivity. The opportunity is there through the re-opening of the line to increase cultural engagement in the areas overall excellent and varied offer.

3.32 With such an abundance of natural assets, the Northumberland Line brings an opportunity to allow households in Newcastle, many of which may infrequently visit natural assets due to

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<sup>7</sup> <https://www.thenhsa.co.uk/app/uploads/2020/11/NP-COVID-REPORT-101120-.pdf>

accessibility issues, to use a more sustainable mode of transport to reach these assets. Not only does this contribute to lowering carbon emissions but it helps to increase physical activity and ultimately health outcomes. Tackling health barriers will be key to ensuring people are fit for work and ultimately improve labour market participation.

- 3.33 The North of Tyne Combined Authority is home to many educational assets. In general, there are many Higher Education and Further Education providers across the North East region. Newcastle, with all its educational assets, provides a real opportunity for upskilling and enhancing the lower academic achievement levels in both Northumberland and North Tyneside. For example, Newcastle University achieved research excellence scores for STEM subjects in particular. In general, there is a real focus on developing significant industry led education assets throughout the corridor, such as the planned Energy Central Campus in Blyth and the Line will help to connect learners to these facilities.
- 3.34 Overall, the Line will improve access to education, arts and cultural events and assets for residents living across the North of Tyne, linking people and institutions up to a concentration of assets in the City.

### Levelling-up the economy

- 3.35 Creating an Economic Corridor that works to address challenges and capitalises upon existing strengths and future opportunities (as outlined above) will allow the economy to:
- Maximise and leverage the impact of infrastructure investment such as bringing forth housing sites;
  - Capitalise on the green economy shift by accelerating growth in clean energy and priority sectors;
  - Reduce dependency on car as a mode of transport;
  - Improve employment and training opportunities in growing sectors such as digital and health and life sciences for local residents;
  - Tackle deprivation and raise quality of life; and
  - Enhance the profile and perception of the local area.
- 3.36 Most notably, this will allow an improvement in productivity and for the economy to level-up. The economic goal for levelling-up is considerable. Raising GVA per worker from £48,887 to national levels of £61,295 would deliver an additional £4.7 billion per year to the local and national economy.

## 4 An Economic Corridor – Vision and Objectives

### Vision

4.1 The vision of the Northumberland Line Economic Corridor is to:

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*Deliver a dynamic and inclusive clean growth economy across the North of Tyne, opening up opportunities to our communities and ensuring a more prosperous and resilient future.*

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### Objectives

4.2 The vision will work to deliver the objectives of:

- **Creating prosperous and connected places:** An attractive place to live, work and invest with thriving town centres, connected assets and communities and an excellent quality of life;
- **Building productive and resilient economies:** A high value, innovative, clean growth economy with an expanding business base, leading edge research collaboration and a highly skilled labour market; and
- **Ensuring inclusive and sustainable growth:** A net zero exemplar, offering good quality employment opportunities to all residents and nurturing strong community participation in shaping a truly inclusive economy.

4.3 For each of the objectives, there are three strategic priority areas that align to the challenges for the local area and the opportunities the Line presents. These are summarised in Figure 4-1. Examples of proposed activities presented in Figure 4-1 are described in more detail in the next section.

4.4 The Economic Corridor is a key opportunity to implement the North of Tyne Combined Authority's (NTCA) shared ambition to deliver its COVID-19 Recovery Plan. Working with local, regional and national partners, the Economic Corridor will support the government's key agendas around levelling up, clean growth and delivering 21<sup>st</sup> century infrastructure to build back better as we recover from COVID-19.

4.5 The Economic Corridor will be integrated into the major workstreams and programmes being developed by NTCA (the importance of the corridor is highlighted in NTCA's devolution deal and economic vision) and NTCA are fully committed to working with Local Authorities to progress both the Line and related investment.

Figure 4-1: Our strategic framework



Source: Steer-ED, 2021

## 5 Delivering the Economic Corridor

### Partnership and governance

- 5.1 Local and regional partners have been working closely on the Economic Corridor initiative, establishing a working group comprising Newcastle City Council, Northumberland County Council, North of Tyne Combined Authority and North Tyneside Council. To help take forward the strategy, this group has been supported by specialist consultants Steer-Economic Development and Cadenza Transport Consulting.
- 5.2 Around 70 partners have contributed to this emerging pipeline from the commercial, innovation, education and public and community sectors along the Line. This engagement has comprised a combination of consultations and group workshops. The purpose was to develop joint thinking on the transformative potential and investment being made in the transportation corridor and there was considerable enthusiasm and untapped potential to align, accelerate and capitalise on existing work as well as bringing forward new developments.
- 5.3 The wider emerging programme of projects identified to date extends to in excess of 35 projects. The projects range from early stage development concepts to projects and programmes either in development and resourced or existing activities which could be enhanced or accelerated. Considerable further work is now needed to develop robust business cases to secure support for programme delivery.
- 5.4 The programme areas in this strategy provide a framework to accelerate the initial development of project activities to fully establish a package of deliverable initiatives integrated with the Line's development.
- 5.5 Looking ahead to the next phase of work, there is a need to establish more formal and joint leadership and governance model (as indicated in Figure 5-5). This model will be integrated into existing governance arrangements and align to and leverage existing programmes through NTCA and partners e.g. Housing and Land Board, Inclusive Growth, NTCA Investment Fund. NTCA has well established assurance mechanisms and a strong track record to deliver a programme of this scale. This will be achieved through working closely with national government and pooling and leveraging local, regional and national resources to create a deliverable and effective programme through innovative delivery models.
- 5.6 Collective leadership and governance will align to and learn from other examples, and build on work to date in establishing this strategy. Work to date has included the convening of local leaders from a range of sectors and disciplines who recognise opportunities to collaborate and are mobilised to move into the next stage, working together to deliver the collective ambition to realise the potential of the Line.
- 5.7 As an integral part of the Economic Corridor strategy and programme development, a comprehensive logic model has been designed and an accompanying output and outcome

monitoring framework. These are presented in Appendix A. These will be reviewed and updated on an ongoing basis throughout the lifecycle of the programme.

## Delivery Programme Areas

- 5.8 A package of projects to support Economic Corridor objectives are in development. Prior to the establishment the Economic Corridor’s proposed delivery plan, four indicative programme areas expected to mobilise in this next phase of work are included below with example projects for each.

Figure 5-1: New Homes and Communities Accelerator

**Programme ambition**

- To ensure communities can grow and be fully included in the economic opportunities of the future through capitalising on transformative opportunities for residential development along the Line.

**Project example**

- There is the potential to unlock an estimated increase of 9,000 households in sites around the Line resulting in an estimated 4,000 new homes.
- Significant new development could occur particularly at Ashington, Blyth, Seaton Deval and Northumberland Park.
- This major priority of the North of Tyne Housing and Land Board will help accelerate the schemes by linking housing growth to the introduction of the Line infrastructure.
- Killingworth Moor in North Tyneside is an example adjacent to Cobalt Business Park (a major base for digital service businesses including Accenture, Sage, and EE), and a short walk from Northumberland Park. The site is an LA priority site allocated for housing in the Local Plan and could deliver 2,000 homes.
- Multiple landowners, developers and the Council are working to deliver the site. Strategic infrastructure requirements (including new roads and junctions) are a barrier to construction given their impact on site viability.



**New Homes & Communities Accelerator**

Figure 5-2: Town Centre Rapid Renewal

**Programme ambition**

- To realise the Line’s ambition for growth, there needs to be a regeneration and change in perception of town centres.

**Project example**

- Ashington Central Renewal Programme (Wansbeck Square). An example of town centre renewal linked to the Line’s development.
- This includes the development of a landmark new central attractor at Ashington station: The Northern Gateway into North of Tyne via the Northumberland Line.
- The development is to be principally focused at Wansbeck Square. This is next to the new Ashington Central Station and the main access route to the town centre, including Station Rd ‘the High Street’, the new Portland Park development and business parks nearby.
- The site is already home to a national retailer and significant employment but is not fit for purpose – accelerated renewal will introduce new attractors and uses including retail, office, education, and health services complimented by compelling public space to draw visitors into the town centre to drive footfall and spend.



**Town Centre Rapid Renewal**

Figure 5-3: Station Gateway Development

**Programme ambition**

- To realise the Line’s ambition for growth, access to strategic employment centres needs to be improved; accelerating this investment to secure more job and training opportunities for local people.

**Project example**

- This project will accelerate plans to create the Stephenson Gateway, a southern entrance to Newcastle Central Train Station, and infrastructure works at Stephenson Quarter to unlock 2000 jobs.
- The Stephenson Quarter is a strategically important economic area for the region, located directly adjacent to Central Station, it is a prime Newcastle city centre site which is rich in engineering history as the site of the Robert Stephenson and Co Locomotive Works.
- Just as the site was the catalyst for the industrial revolution, it will be a critical centre of employment and training for key sectors and the future of work in the region.
- Newcastle Central Station is in the heart of the city and is the national and international gateway into the whole of the Economic Corridor.



**Station Gateway Development**

Figure 5-4: Clean Growth Business and Skills Connector

**Programme ambition**

- Unlock the potential for inclusive accelerated growth in the clean energy sector – building on the existing cluster and assets in offshore wind, subsea technology, and the associated supply chain.

**Project example**

- A Line-wide clean growth business environment, innovation and skills programme enabling the rapid job creation to support the growth of the sector.
- Invest in the business ecosystem to support innovation, commercialisation, diversification, and exports.
- Ensure businesses along the Line have access to skilled labour.
- Provide the skills pathways to enable a just transition as the UK initiates a green recovery.
- Change perceptions for the local and future workforce as the North of Tyne being a place to build a successful career in clean growth.



**Clean Growth Business & Skills Connector**

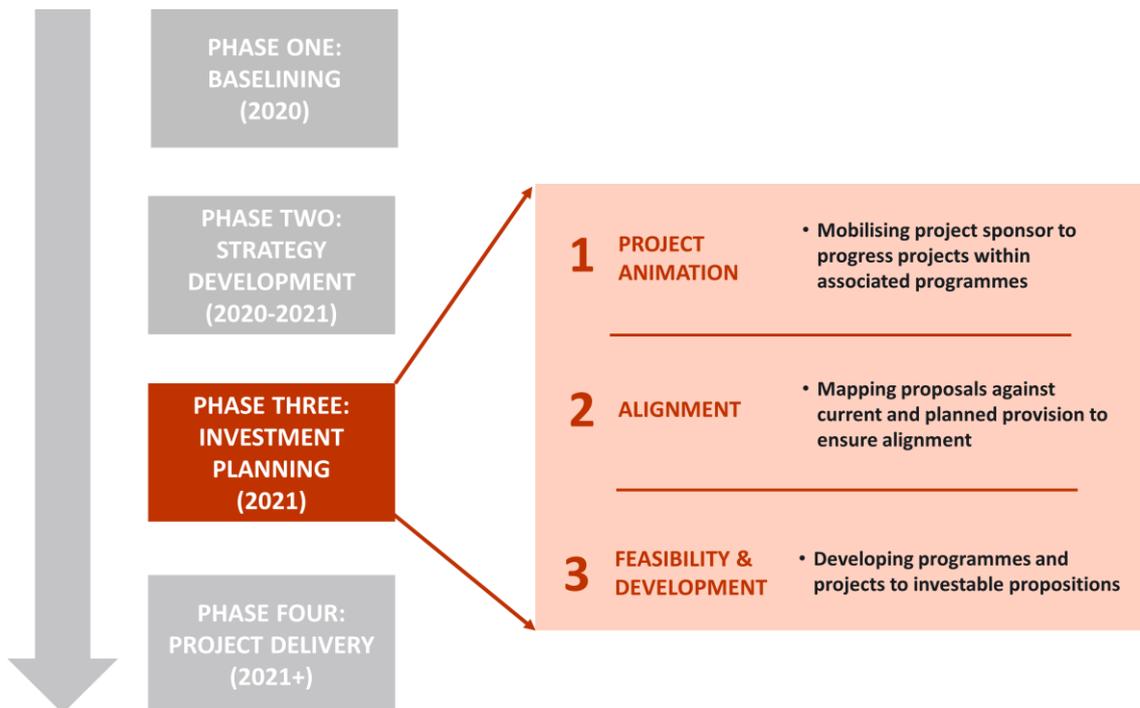
## Investment Planning

5.9 The expected forward process for the investment plan is not yet finalised. However, an indicative view is summarised in Figure 5-5.

5.10 Critically, investment planning (as part of phase three) will:

- Align to the complementary work developing the social value and sustainability strategy currently being developed;
- Align and respond to the North of Tyne COVID-19 response; and
- Be responsive to the evolving funding landscape and remain well positioned for future funding opportunities.

Figure 5-5: Establishing the Economic Corridor

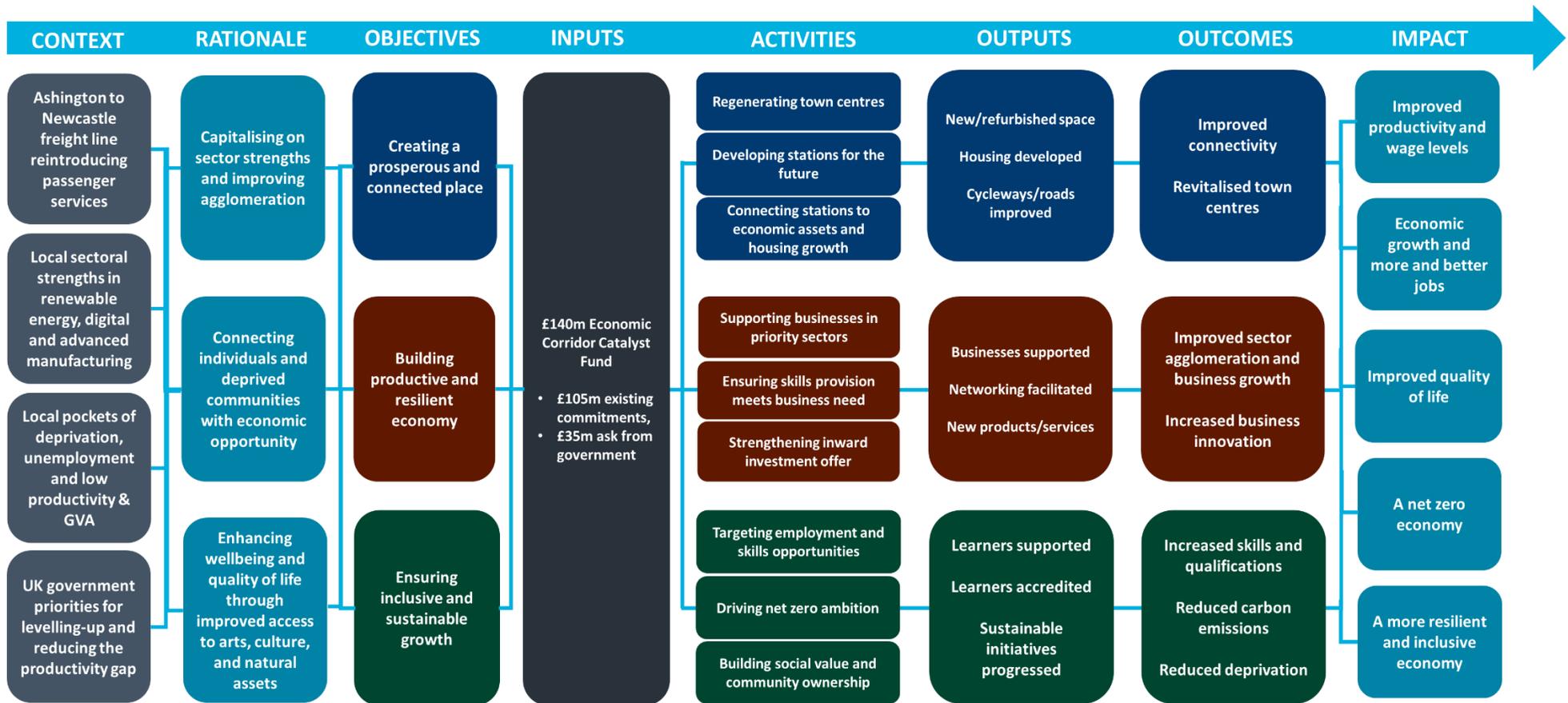


# A Outcomes & Monitoring

## Logic Model

- A.1 The Northumberland Line Economic Corridor logic model is included in the figure overleaf. This has been developed through a literature review and consultation with local partners.

Figure A.1: Revised logic model



## Proposed outcomes monitoring

A.2 In alignment with the logic model, a summary of the proposed outcomes that may be used to measure the success of the Northumberland Line is included in the table below. This can be used as a starting point in developing a Monitoring & Evaluation plan in the upcoming phase of work.

**Table A.1: Proposed outcomes monitoring**

Objective	Outcomes	Proposed Indicators
Creating a prosperous and connected place	Improved connectivity	<ul style="list-style-type: none"> <li>• Reduced travel times</li> <li>• Increased investment in public transport/active travel</li> </ul>
	Revitalised town centres	<ul style="list-style-type: none"> <li>• Improved business occupancy</li> <li>• Increased town centre footfall</li> </ul>
Building productive and resilient economy	Improved sector agglomeration and business growth	<ul style="list-style-type: none"> <li>• Increased number of businesses</li> <li>• Increased business turnover</li> <li>• Increased exports</li> <li>• Increased GVA</li> <li>• Increased number of gross jobs</li> </ul>
	Increased business innovation	<ul style="list-style-type: none"> <li>• Increased number of new products opportunities</li> <li>• Increased partnerships with universities</li> </ul>
Ensuring inclusive and sustainable growth	Increased skills and qualifications in the local workforce	<ul style="list-style-type: none"> <li>• Increased number of local people qualified to NVQ3+ and NVQ4+ qualifications</li> <li>• Improved education attainment in skills</li> </ul>
	Reduced carbon emissions	<ul style="list-style-type: none"> <li>• Increased sustainable travel</li> </ul>
	Reduced deprivation	<ul style="list-style-type: none"> <li>• Reduced proportion of young people not in Education or Employment (NEETs)</li> <li>• Reduced proportion of population involuntarily excluded from the labour market</li> <li>• Improved accessibility to housing and other local services</li> <li>• Reduced crime</li> <li>• Improved health outcomes</li> <li>• Improved living local environment</li> </ul>

# Progressive thinking

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