

40 YEARS OF POSITIVE CHANGE IN TYNE AND WEAR
A BETTER PLACE TO LIVE AND INVEST
BUT A "LEVEL UP" STILL REQUIRED
A built environment perspective

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Much has changed in Tyne and Wear in the last 40 years. The region had been badly affected by the collapse of the coal, shipbuilding and iron and steel/heavy industries which had been the basis of its previous success and wealth. Its image was of poor housing high unemployment and a dirty industrial environment.

There now exists a totally different economic base within an attractive natural environment including The Roman Wall, Northumbria beaches and The Simonside Hills. There are well designed modern industrial and office parks. There is the world-renowned Newcastle Quayside complemented by the new Millennium Bridge, The Sage and The Baltic. Sunderland has an expanded University Doxford Park and another eye catching "Spire Bridge". But the region is still at the bottom of the league in terms of economic performance.

40 years ago, we looked forward with apprehension. Today we can look forward with confidence from an attractive built and natural environment. However, one needs to assess whether the present modus operandi of the authorities can deliver the "Level Up" still needed and promised. The resources of each individual local authority are insufficient to deliver a project such as Nissan or The Sage and others which have played an important part in the revival. Currently the resources available to The LEP or to a sub-regional mayor will tend to ensure some small-scale success may be achieved but nothing of any scale. There are a number of issues to be resolved: The absence of a consistent method of governance whether regional or local :Whether the national green belt policy is totally relevant to a region desperately trying to change its older housing stock : whether Enterprise Zones were positive and their future application if any: a better way to address town centre issues as previous efforts have had minimal success; Whether development corporation's have a role for specific areas or problems: Past success has seen large amounts of money invested in relatively few projects, the current approach sees limited funds being spread around a few different authorities so the attempted schemes tend to be constrained ; which is the better way?

If we are to "level up" the authorities should understand the basis of current success and indeed the reasons of any failures as identified in this book. A limited number of large successful concentrated programmes have been the basis of the current revival. A similar approach creating further employment might just make the area sustainable in its own way. A proper level up.

Background

The Coal industry had employed 250000 in the thirties but there were only two mines still operating in Tyne and Wear in 1980. At the same time Shipbuilding had severely contracted

after the post war need to replace the lost fleet and was employing around 20000. (Nissan currently employs circa 6000). Several previously used shipyards and engineering works were lying derelict. Unemployment was 17%

In 1980, Tyne and Wear had poor national and internal infrastructure. There was no motorway standard route to the south and a single lane route to the north. The airport was still relatively small and the central station in Newcastle was as grand as it had been 100 years earlier and not much changed. The new Metro rapid transit system however was about to be opened and would later be extended to Sunderland and Newcastle airport.

The problems of the area, easily apparent, had been there for years. Early attempts to regenerate had included the creation of new towns at Washington, Cramlington (a privately led scheme) and a township at Killingworth. T Dan Smith the Newcastle council leader had visions of the city being The Brasilia of the north. Unfortunately progress in some directions was more than offset by further decline in others.

Newcastle was the undoubted regional capital with a good institutional base. Its grand architecture reflected major success in the past. The historic quayside however was increasingly derelict.

Following the “winter of discontent” the Conservative government under Margaret Thatcher was elected. With the economy, in difficulty and the north particularly adversely affected, the government adopted the view the declining industries of coal shipbuilding and iron and steel could not be saved. There was criticism from all directions and particularly by the Labour Party and Unions who were dominant in the region.

Government action to address the issues included: Enterprise Zones (tax benefits and fewer planning controls). In 1986 The Tyne Wear Development Corporation was created, (with a restricted area of former riverside industrial sites now mainly empty on both rivers. (note Gateshead council refused to be involved): a new independent management of English Estates (originally formed to address similar problems in the 30's): the reduction in funding to local authorities especially in relation to housing and the encouragement of the Housing Association movement including enabling them to borrow from financial institutions to finance further development. Nissan was attracted to the region in 1986. In it-self it was significant but even more so as it also attracted a cluster of related businesses who supplied it as well as others in the automotive industry. All made a massive impact.

Following the demise of Margaret Thatcher, the Major government drifted along with much the same in policy terms with perhaps an easing of local authority spending, more emphasis on housing and further Enterprise Zone's

The 1997 election of Labour under Tony Blair brought a significant change in approach. Labour closed down TWDC and created ONE a regional development agency. It had a board of private and public people 400 staff and a budget of £250M rising to £300M during their life. They created a £125000 Access to finance fund, 5 centres of excellence in new areas of technology, a building for business partnership with the new owners of much of the former English Estates portfolio and a badly needed marketing strategy. Their process involved

close working with Local Authorities, universities and other public bodies. Improving housing and the environment were also a part of their strategy. They did much less in the way of reclamation and redevelopment of the old industrial areas.

The built environment changes not just by specific actions of the public and private sectors but due to the natural life cycle one can observe in both residential and commercial property. Land lasts forever but buildings have a much shorter life and require continuing investment. Change in lifestyle and working requirements has speeded up obsolescence in our built environment.

The motor car became a key feature in almost all new developments. Changes in business practice through international, national and local factors would change many businesses.

The computer has become a key driver of change. Town and City Centres have suffered through growth of internet sales (compounding the problem of all the out-of-town car-based retail developments). It has created the Call Centre industry now based in out of centre business parks. It has forced change in office design resulting in new uses or demolition for offices unable to adapt.

All the change over 40 years has occurred in a volatile economic environment with significant contraction in GDP growth in 1980/1, 1991/2 2008 and latterly with COVID with its consequent impact on unemployment levels. Change in confidence levels as a result of “recessions” have implications for economic activity more especially in the poorer regions.

It is debatable whether the huge cost in trying to regenerate inner city housing has had the impact required. While much has been done more is required. Changes in office and retail locations have caused difficult problems in town centres to emerge but efforts made to address these issues has had only marginal impact. In this respect Tyne and Wear is like other areas.

The built environment reflects those involved in its creation. There are many successes but also failures over the years. This is an attempt to understand how and why but also to suggest more is required to ensure we fully “level up”.

Change in where we live.

The nature of housing in Tyne and Wear reflects our social and economic history. A small number of families controlled much of the coal fields, the shipbuilders and the related engineering industries. Their wealth enabled many to have a country estate. Those businesses tended to employ a small number of managers who along with the professional and merchant class created a relatively small number of “middle class” houses. There were however masses of terraced houses for those thousands who walked to work nearby. In Tyne and Wear that meant close to the river. As business had expanded more basic council but also private units were built in bands out with the city centre.

An indicative measure of housing quality is that the percentage of units within the lowest 2 housing rate bands is over 70% while the highest 2 bands account for less than 1%, The national figures are 42% and 4% respectively.

In 1980, the authorities had two problems to solve. The difficult inner-city housing as well as the creation of better housing that social change was demanding. That meant more suburban housing and changing green belt problems.

The response of the Conservative government in the 80's to inner city problems was minimal. They of course introduced the right to buy of council houses. This reduced the stock of social houses and was widely criticised by the Labour dominated councils as well as nationally. They further restricted councils to build new council houses but eventually did enable and encourage Housing Associations to increase output.

There was a strong local political demand to solve the inner area problem. In the early eighties, two Housing Associations, Home Housing and Places for People, invested in major schemes in the west end of Newcastle. The "Home" scheme won awards but was largely empty again within 15 years. All the schemes failed to address the problems. Small scale local authority initiatives made minimal impact. They were spending relatively small amounts of money in a large area so little changed in the overall perception. It was not a place where people chose to move into but to many locals, it was home.

The main hope of the government was the new EZ's along the riverbank. They were expected to provide the jobs for those now unemployed living in those terraced house areas nearby. The jobs eventually created however required skills which were not often present in that population. So little change was achieved. Indeed, matters became worse as riots in Meadowell in North Tyneside and Benwell illustrated.

When the Labour government came to power in 1997, housing especially for the lower income groups became more important. "A new deal for Communities" followed by "Neighbourhood renewal funds" made only minimal progress. Those initiatives were followed by "Pathfinder" schemes for Newcastle and Gateshead. Exemplar urban villages were promised but never materialised. Some demolition was allowed while others campaigned to retain the terrace house. There were objections to possible "gentrification". There was limited progress and the population in the inner areas continued to decline. In the west end of Newcastle, it had been circa 60000, had reduced to 41000 in 1980 and was less than 28000 during the Pathfinder era.

The harsh reality for regeneration schemes in difficult areas is the ability to affect change is limited given the scale of other forces (lack of jobs, crime, low incomes, health issues etc) together with different opinions as to how to proceed from different sections of the community, different views within the authorities and change over time in what are long term projects. All create confusion and an inability to act decisively.

This is best illustrated by the "Going for Growth" strategy as adopted and then abandoned by Newcastle Council. They had been trying to effect change over the previous 20 even 40 years but believed it was not delivering the improvements considered necessary. Their new

strategy which had taken considerable time and effort, involved more demolition of the existing poor stock in order to create a site of sufficient scale to enable a new environment or village to be created. The proposal was widely condemned by local community groups, local politicians and even Richard Rogers the eminent architect who had been advising the council on aspects of their plan. The strategy had to be abandoned. The officials had to revisit the whole issue again. This is not to argue one approach is right and another wrong but simply to illustrate how difficult it is to create an overall strategy when you are affecting where people live.

A study by Birmingham University undertaken around 2000 and looking at the North East suggested there were 220,000 house units in poor condition and requiring either significant refurbishment or demolition. That figure needs to be seen in the context the housing market was delivering 7000 new units per annum. In other words, the authorities had a massive task and were always falling behind.

Observation of strategies suggests that the authorities tend to look for where the largest problems exist and then attempt solutions no matter how difficult. A more business approach may be to identify those locations capable of been revived at sensible cost and where improvements to both the houses and the “place” are such that the areas become sustainable in its own way. It is a difficult argument to leave the most difficult areas till later when it is the inclination of most people making political decisions to try to help the most disadvantaged and most difficult areas first.

The Housing Associations had become the Conservative’s choice to provide “social affordable” housing. They enable the Associations to raise money from financial institutions. They were able to show those institutions that their housing stock was worth more than the value shown in their balance sheet. The institutions could see that around 60% of rent was actually paid by the government as housing benefit. The associations were able to borrow substantial sums which they used to both upgrade their stock as well as provide new units. This also meant government could reduce grant levels payable to Associations. Grant levels reduced from an average of circa 80% to a figure today closer to 20%. Government had partially privatised the Associations.

A feature of the Labour government from 1997 was they realised much of council and Housing Association stock needed upgrading. They released cash for that to occur and many estates now have homes to “decent housing standards”. Gateshead council realised the need to improve the image of those estates. They adopted a strategy of making the entry into those estates as attractive as possible.

As we have seen, the population of the inner areas has reduced considerably. There has been a drift to the suburbs not just because of poor conditions in the inner areas but also because of the improved environment that those with good jobs required. Much of the suburban stock has been built by Bellway Barratt Persimmon and Taylor Wimpey. It was the standard residential offer with a few larger “executive” homes included to improve the overall image of the new estate. The designs came in for criticism from planners and architects for the sameness of the estate layouts and house types notwithstanding the public appeared to like what was being offered. It can be argued however they had little

choice as those builders had a monopoly of supply. It was those large house builders who had the financial resources and expertise to challenge green belt designations in those locations.

A feature of the Labour policy was their insistence, backed up by local planning policy on using “brownfield” or previously used land for residential development. Such a policy was difficult to oppose but in Tyne and Wear it created severe difficulties. The brownfield land was the former shipyards, coal mines and demolished engineering industry sites often adjacent to remaining heavy industry where people did not want to live. Also, the land required decontamination and infrastructure that was unaffordable to the authorities or the house builders. The other main sites available were those in the inner city where some demolition had taken place. In essence, the house builders were being forced to consider reuse of sites where people did not want to live.

All the authorities were constrained by a tight green belt. The practical consequences were the better houses in Newcastle and South Shields became relatively more expensive. Families found themselves forced to consider less expensive locations beyond the green belt increasing travel times and congestion.

That of course created a counter reaction. The authorities were losing population and rate income. Challenge to the green belt was successful in 1981 1996 and again in 2016. One must wonder what the delays achieved. No doubt further extension will be required again.

TWDC did bring residential development back to the riverside sites vacated by industry. Significant regeneration was achieved at Albert Edward dock now renamed Royal Quays). It required major investment well beyond the means of Local Authorities. Even so it took Home Housing a Housing Association to demonstrate that with attractive infrastructure and landscaping, a scheme could be successful notwithstanding it being adjacent to the infamous Meadowell Estate.

Other riverside schemes were successful at Sunderland Marina, South Shields town centre river front and St Peter's in Newcastle. The TWDC had the resources necessary to carry the costs involved and which would have been beyond the financial ability of local authorities.



Royal quays before



Royal Quays after

Gateshead council had a similar success with the former Garden Festival site which had been reclaimed and prepared for that event in 1990. Originally the 200-acre site had been a former gas works and also a coke and tar works. It cost around £40m to reclaim. The council tried to market the site for industry after the garden festival was over but without success and some 5 years later decided upon residential use which had previously been considered impossible.

At the same time a well-known fashion designer complained about the “Wimpeyfercation” of housing saying the national house builders were creating a poor product for families. In the event Wimpey asked Wayne Hemingway the fashion designer to assist in the estate design and layout. It achieved massive publicity for its design but perhaps just as importantly, Gateshead was in the headlines as a progressive authority seeking innovative solutions. It was suggested the council’s approach gained it the credibility to enable it to attract the funding for The Angel of the North followed by The Sage, The Baltic and The Millennium Bridge all to be built around 2000.

Tyne and Wear had little in the way of private high-rise apartments. The TWDC enabled a relatively unambitious scheme by Miller Homes on East Quayside in 1995. It was a quick success ahead of expectations. That success brought forward more ambitious and larger schemes which made a big impression on the increasingly mixed-use Quayside environment.

The Miller scheme quickly followed by a Wimpey scheme to the rear, was evidence the Newcastle quayside was established. (4 office blocks and The Malmaison hotel were already completed). Gateshead Council could see their opportunity. They had bought the former Bridon rope works and had transferred a former “travellers” site to another location. They sought a developer and Taylor Woodrow were chosen to develop a mainly commercial scheme to include a new cinema complex. They failed to find an operator and the scheme proposed was aborted.

They switched the site to a related company, Bryant Homes, who constructed a large high rise apartment complex to the rear of the Baltic. It was also successful as were others on the Newcastle side of the river. Buyers were queuing up to buy apartments well before completion. Buy to let purchasers were involved as they continued to thrive under the Labour government.

Several other high-rise schemes were on the drawing board but in 2008 were abandoned in the financial crash of that year.

The other major change in recent years has been the proliferation of new student accommodation for all 3 universities. The growth in student numbers including foreign students linked to the decline in traditional halls of residence was the cause.

As of 2021, most sites released in the latest green belt review are being developed. It is probably only a matter of time before it comes under pressure for another release. Judging

by the new housing under construction in the suburbs, the drift from the inner areas is continuing.

Inner city housing areas are still the most difficult to resolve. As of today, national policy appears to direct investment in more social housing from the Housing Associations to joint schemes with the house builders. This invariably means being on the fringe and rarely in the poorer areas.

Perhaps we must consider the low value housing in the inner areas not as a problem but an opportunity. It could be more affordable than other regions and attract the mobile qualified personnel modern industry requires. Until a solution is found to make the inner areas a place where people want to live, the population will continue to move away if they can afford the alternative.

Change in where we work, factories and warehouses.

The late seventies and early eighties were particularly difficult economically for the country, but the situation in Tyne and Wear was compounded by the decline over many years in the major industries of coal shipbuilding and steel/heavy engineering. The massive imbalance meant that other sectors of the economy and particularly the supply chain to those industries, suffered much more in the north east than elsewhere.

The few shipyards that remained had been nationalised by the Labour government in 1977 but were struggling and building fewer ships. On the Wear, Sunderland Shipbuilders and on the Tyne, Swan Hunter each with 2 yards were the only remaining yards building ships. Previously there had been more than 20 albeit smaller yards. Limited ship repair work was carried on as it is today with new shipbuilding itself prevented due to an EU agreement. Monkwearmouth in Sunderland and Westoe in South Shields were the only remaining coal mines but closed in the mid eighties. Just outside Tyne and Wear there were a few mines still operating at Easington to the south and Ashington to the north.

Consett Iron Co with its related plants at Swalwell and Jarrow had already lost more than half its workforce when it closed in 1981 with a further loss of 6000 jobs.

Government had been reacting to the growing problems of the area from the sixties. Washington new town, Cramlington (a private new town sponsored by Leech and Bell together with Northumberland CC) and Killingworth, all close to the former coal mining areas were developing. New modern industrial estates were created in those towns on green field areas. However, the amount of new industrial space and employment therein did not compensate for the large industrial closures. The rate of unemployment was twice the national average. The number of people employed in manufacturing was reducing. In addition to the new towns.

The English Industrial Estates Corporation was the main provider of factory units. Formed in 1937 following the problems of the thirties and as a response to The Jarrow March, their largest estate was around 1000 acres at Team Valley in Gateshead. There was also a range of other estates across Tyne and Wear and throughout the North East. It was essentially managed as an arm of the Dept Of Trade and Industry with strict rules affecting the use of any of its buildings. They were regarded as remote, difficult and inflexible landlords.

Warehousing was not permitted. In 1981 the Conservative government switched the management to a new body, English Estates, still publicly owned and financed but more independent of government. They used that independence to offer a different management of what was a very extensive portfolio which dominated the supply of industrial and eventually warehouse and trade park use accommodation.

Perhaps one of their crucial first actions was the demolition of some of their poor-quality historical stock. This was usually factory space built in the thirties to a basic specification, low eaves height, and with asbestos sheets, heating and maintenance issues. They were also difficult to access for the much larger lorries then in use. The emerging new industry did not want that type of accommodation, but its existence had overhung the market and provided a further negative image of decline. The removal of that poor factory accommodation together with extensive landscaping improved the attraction of the estates.

Demolition elsewhere became a feature of the changing landscape not just in the eighties but throughout the whole period. Property does not last forever. Business and the property they occupy are constantly evolving. It was not just the collieries or shipyards. The old Vickers Armstrong complex. Anglo Great Lakes Corporation at Newburn, Corning Glass, Thorn Lighting at Sunderland and Huwood (a mining supplier) in Team Valley. Clark Chapman in Gateshead and Reyrolle Parsons in Newcastle among others were also demolished through the eighties and nineties.

The closure after 2000 and eventual demolition of Newcastle Brewery, Vaux Brewery in Sunderland and the Federation Brewery in Gateshead illustrate the point that much of the industrial change was due to structural change in national and international markets outside the control of local management.

It took dramatic action to reverse the rate of decline existing in the early eighties. That came with the Nissan project opened by Mrs Thatcher in 1986 some 2 years after the initial announcement. They acquired the former Sunderland airport site of some 800 acres. The new facility was capable of building in excess of 500000 cars per year. It employs 6000 people. (note the shipyards on both rivers were employing 20000 in 1980) Just as importantly, they attracted a range of companies to supply Nissan (as well as other northeast companies in the automotive business). Many such as Unipress, based themselves close by in Washington new town. TRW a transmission supplier based itself at Rainton Bridge on the outskirts of Sunderland where the local authority had developed a new park. Other organisations including The Port of Tyne benefited significantly. The Nissan workforce was well paid and that further assisted the service industry.

A disappointment of the EZ structure of the Conservative Government was it was much less successful in what was its primary aim to encourage industrial development. In the event, the tax benefits were so attractive that they encouraged office development on the better located sites. However, the new Vickers tank factory at Scotswood Road (now Reece Group) was the first new unit and a number of other factory units were built at Silverlink Balliol, Team Valley, Sunderland riverside Doxford and Jarrow.

In the nineties, the major portfolio of English Estates was divested. UK Land Estates a locally controlled company acquired a large part of the portfolio including Team Valley. Northern

Trust also acquired several the smaller estates with small workshop units. Both purchasers had kept the estates, developing and improving them as a long-term investor, adding other uses as appropriate. In 2018 UK Land sold some of portfolio but retained Team Valley. It is noteworthy how many units have become "trade park" housing uses visited by the public for in effect retail purposes. Bathroom Kitchen, tiling, carpet suppliers among others proliferate all benefitting from a relaxation of the use classes order within planning controls. Companies such as Greggs would refit a small factory unit to service the breakfast, lunch and tea break market of the estate workforce.

The growth of the North Sea oil and offshore industries has brought activity back to some of the old shipyards but mainly on the Tyne. (ONE financed/encouraged the growth of NAREC in Blyth to assist the technical development of the off shore wind industry). Shepherd Offshore have revitalised one yard on the former Low Walker shipyard. Neptune yard and the old Hadrian/AMEC yard are being developed with good progress being made ahead of most expectations. Shepherd have also in 2021 acquired the former Swan Hunter yard from North Tyneside Council. The Council had been endeavouring to achieve development since they acquired it in 2009 for over £10M with £6M assistance from ONE. The council struggled to achieve much activity other than the creation of a business centre in the original office block.

On both rivers a few former shipyards have been redeveloped for residential use and in Sunderland for the expansion of the University. Some riverside/shipyard sites are still seeking a new use but requiring major investment. In the meantime, they are unlikely to be developed for modern industrial or residential use.

The need for new sites to be designated and prepared for new businesses has been an issue throughout the forty years. The private sector could rarely justify the costs of reclamation/infrastructure required for a modern industrial estate relative to the value that could be created. In essence it had to be a public sector involvement.

A key project for ONE was the preparation of the former Anglo Great Lakes site at Newburn in early 2000. Being a site involved with manufacturing of graphite, it required significant decontamination works as well as infrastructure. The Team Valley was approaching full development and it was considered there was a need to have further provision on the west side of the conurbation given that most of the new development activity had occurred on the east side around the A19 Tyne Tunnel on both sides of the river. The site has been partially developed with a mixture of offices and industrial units although recently part has been allocated for residential use.

Sunderland Council have at last and after prolonged debate managed to release green belt land adjacent to Nissan to be used as a technology park. Perhaps politicians need to review such difficulties given their desire to "level up". The site has been awarded EZ status to encourage development, but it should be appreciated the tax advantages are significantly reduced relative to the first EZ's. Other smaller sites in Tyne and Wear have been granted similar EZ status but development has been slower than hoped.

The economy of Tyne and Wear and indeed the North East is more balanced and in better condition than was the case in the sixties and seventies. It is however arguable whether it is

still too heavily dependent on Nissan and its cluster of suppliers. The battle to keep the North East as a base for industry in the future looks to require constant effort but combined with the inward investment and growth related to the office sector, it is in an immeasurably better position after 40 years of sustained effort.

Change in where we work: office.

As of 1980, most office users were to be found in Newcastle. The main private sector office users were the banking industry and insurance companies. Norwich Union, Commercial Union, Eagle Star, Pearl Scottish Life and General Accident had built large scale offices for their own use and sometimes for investment proposes. The banking industry had significant back-office functions.

Sunderland had a much smaller office base. The banks and insurance companies had branch offices reporting to the regional head office in Newcastle. The accountants and solicitors were much smaller as the large national and regional firms were centred in Newcastle. Those insurance companies have minimal physical representation today. But the regional office of the banks has moved to Leeds or Edinburgh. Reorganisation and the computer have forced great change.

Newcastle and Sunderland had both built new Civic Centres. Newcastle's was considered a highly attractive complex in a dominant landscaped location reflecting its status as the regional capital. The Sunderland Civic Centre won architectural awards when built but 50 years later is considered outdated inefficient and too expensive to reduce in size and improve that it is to be demolished.

The government were also large-scale users but their accommodation, while large in the city centre, was more widely dispersed. The DHSS was based in Longbenton some 3 miles from the city centre. In the seventies they still had staff based in army type Nissan huts, all in need of upgrading. The entrance to Newcastle from the Tyne Bridge was dominated by Swan House and mainly occupied by BT before it was privatised later by the conservative government. Interestingly another occupier in that block had been the Australian Immigration Office persuading local people to emigrate to a better life.

The move out of the city centre had begun in the sixties. JTBell built 2 blocks on the fringe of the city centre in Jesmond, followed by Scottish Life Assurance who built a large complex for part occupation but mainly for letting in the open market.

This was followed by more significant development in Gosforth at The Regent Centre again developed by JT Bell later to be known as North British Properties. It was a large-scale success attracting both public and private sector users. It provided extensive car parking. Northern Rock Building Society built their head office in the Regent Centre relocating from the city centre. The centre was successful but its image, architecture and specification together with parking restrictions affected its further growth as a office location notwithstanding its location at a major metro/bus interchange.

Barratt, a house building rival to JTBell started a scheme in Gateshead based on extensive car parking. The buildings had little architectural merit. Finding occupants was difficult and

the scheme never moved past the first phase. Gateshead, as was Sunderland, remained a secondary office location very much.

At the beginning of the eighties, the demand for offices was slow due to the economic problems inherited from the “winter of discontent”. This continued with the new Conservative government as it tried to come to terms with inflation and declining industries.

This was compounded by high interest rates; the miners’ strike and the government curtailing public expenditure.

The creation of EZ’s on Tyneside in 1981 was an eventual catalyst for much more change in the office market notwithstanding they were expected to stimulate industrial activity. The first major development in 1981 had been a new 350,000 sq ft tank factory which replaced the former Vickers facilities closer to the city centre. That site is now the site of The Newcastle Business Park. That area was the subject of proposals in the mid eighties to build a retail park. Office development on a large scale was considered impossible. The image, lack of infrastructure and a difficult site prevented any development. The local authority did not have the resources to provide the necessary infrastructure.

It took the formation of TWDC in 1987 to bring about development on what became Newcastle Business Park. They financed new infrastructure especially removing the impediment of an historic but unused railway line to enable direct access. River wall treatment, landscaping and road infrastructure were jointly financed with the developer.

Newcastle business park before



The developer had agreed not to proceed with retail development, but initially industrial and warehouse development was considered the likely outcome.

The tax benefits of EZ's were by 1989, apparent and the TWDC together with the developer took full advantage. The result was circa 600000 sq ft offices built within 3 years, all with good parking and in what had been transformed into an attractive riverside site. The Lawson economic boom of the late eighties was important as the site came on stream to catch a rising demand. Timing is essential for a profitable development. So too was the fact the developer could build an efficient modern block not only quickly but at much lesser cost than on a city centre site. City centre sites invariably had conservation issues, rights of light and party wall issues, very limited parking, as well as more expensive site costs. The strong tax incentives made EZ schemes so attractive that city centre sites even relatively easy ones could not compete.



Newcastle business park after

The scheme attracted among others, British Airways, an inward investor and the AA relocating from the city centre but also expanding the operation into a national centre. The EZ area at Team Valley had previously attracted new office development (together with a new and controversial retail park) but perhaps due to image and being spread among a mixture of old and new industrial buildings the amount of space built was less significant. Nat West Bank became an occupier centralising an essentially clerical operation.

1980 also saw the final demise of the All-Saints Office scheme. This was the late 60's early 70's attempt to revitalise the quayside in Newcastle. The concept had been to develop new

offices from the strength of the city centre down towards the quayside and involving the demolition of most of what were historic listed buildings. Issues such as conservation were lower on the list of priorities at that time. The first phase completed in 1971 but struggled to attract occupants. The scheme had difficult pedestrian access through unattractive underpasses underneath the Swan House roundabout. The concrete architecture and noise from the adjacent Tyne Bridge and roundabout was a problem.

Following the abandonment of the scheme in 1980, the council tried to revive the central quayside area which was or had been the home for coal and shipping companies together with related support industries. They had some success in persuading Home Housing a local housing Association to refurbish 2 former derelict office blocks as housing units. The buildings were made available at nominal cost. Also, a new housing scheme was developed by CM Yuill all with benefit of city grant and the site made available at a nominal cost.

Perhaps more importantly they eventually persuaded Government to locate a new Crown Court. This completed in the late eighties. Notably it took almost a decade to bring the idea to completion. The Council had minimal success with any commercial office development and throughout much of the eighties the overall image changed little. The private sector remained inactive throughout the period although a few speculators bought buildings hoping for gains later.

The redevelopment of the quayside was a prime objective of the TWDC when they were formed in 1986. They organised a competition to find the best scheme. A local firm Stanley Miller teamed up with Rosehaugh, a major UK property company who proposed a mainly retail scheme of "festival" shopping on the whole of east quayside including on land owned by others. As it transpired, Rosehaugh and Stanley Miller collapsed in the 1990 recession and the TWDC had to find a different solution. Perhaps Newcastle had a lucky escape. The retail model on which the Rosehaugh scheme was based was in Southampton but it failed within a few years? With competition from Eldon Sq the Metro Centre plus the recent change in the retail market, The Rosehaugh scheme would surely have failed if the scheme had proceeded.

There were further complications for TWDC relating to several owners of different sites wanting to be involved. Also, Procter and Gamble had an old manufacturing plant on part of the site and struggled to understand why they are being forced to relocate. A compulsory Purchase Order was required and of course that took a considerable time before the TWDC could take control of the site. The other complication was the huge cost of reclamation and rebuilding the river wall.

Encouraged by the success of the business park, they changed their approach. In 1992 an office scheme was proposed to an indicative layout prepared by Terry Farrell an internationally recognised and London based architect, well versed in commercial property development and who had studied at Newcastle University.

The plan was totally at odds with the planning policy of the City Council. The site was considered outside the city centre in the formal planning documents. The council were intent on trying to keep offices within their defined area and the historic core of what became known as Grainger Town. Even more controversial was the scheme included multi

storey car parks to provide the office users with a similar amount of car spaces they could expect out of town. This was also contrary to formal planning policy. There was of course no public transport to the area and a steep hill back to the city centre core.

The scheme was slow to develop. The economy was struggling in the aftermath of “black Monday” in 1993. The TWDC were trying to provide a higher standard of building design which increased cost. They also provided a standard of public realm well in excess of anything previously seen on Tyneside. They broke the rules again. The shipping insurance co North East P & I wanted a new head office but insisted on car parking immediately adjacent to their new office. Notwithstanding the objective of a pedestrian only Quayside, the TWDC acquiesced.

With a slow market, they had to offer financial inducements like those available within the EZ to persuade further tenants to commit to the scheme. KPMG the accountants and the 2 largest law firms in Newcastle, Ward Hadaway and Dickinson Dees agreed to take space in separate buildings, relocating from the city centre. It is noteworthy only one further office block was completed at East Quayside before the TWDC was wound up following the election of the Labour government in 1997.

It had taken nearly 10 years for TWDC to create five blocks of offices (they have also started on new residential development as well as completing a new “Malmaison” hotel within the former Coop warehouse).

We all tend to forget that without the building of a new interceptor sewer built in the seventies, redevelopment was unlikely. Thousands of gallons of raw sewage had previously been allowed to run straight into the Tyne. It had been a filthy river due mainly to industrial pollution but by the late eighties it was relatively clean. It was spending on basic infrastructure which created the possibility of the new environment.

The local authorities and TWDC had realised the powerful nature and success of EZ's. In the mid eighties the TWDC was struggling to have any impact on the riverbank sites at Sunderland and was under strong political pressure from Sunderland Council who complained TWDC had done insufficient compared to their activity elsewhere. But there was also an absence of a market. TWDC campaigned to have an EZ designation on part of the area within their control. Politics were no doubt involved with Sunderland Council also wanting their own EZ. Doxford Park at the junction of the A19 with the A690 was designated.

Other authorities wanted their allocation, and a new round of zones were prepared at Silverlink (Cobalt) Longbenton (Balliol/ Quorum) together with sites at Albert Edward dock and on former dock/industrial areas in South Tyneside. While a limited amount of industrial space was created on these sites, office development dominated.

The Silverlink site had initially attracted a major new facility for Siemens. They built a plant of very high-tech buildings incorporating clean rooms to produce microchips and semi-conductors. The plant became unviable within a very short time and the production buildings were demolished within a very few years, leaving only the large office unit at the front of the site.

In the meantime, the site to the rear of Siemens was being developed. Over a period of some 15 years, around 2 Million sq ft of buildings have been built on a 250-acre site now known as Cobalt. Occupants include P and G, Newcastle Building Society, EY accountants and more recently Sage Plc (relocating from the Great Park). Cobalt has become the largest business park in the UK and a massive success. It attracted inward investing organisations as large-scale occupiers. It was a similar story at Balliol now Quorum in Longbenton some 4 miles from the City Centre.

Viasystems an American company and manufacturer of semi conductors built a large plant, but it too failed in a short time. The new factory buildings were demolished, and a developer acquired the site to build another office park. Demand initially was slow but as time elapsed and with the developer using the major tax benefits to offer rent free periods sometimes in excess of 5 years, it eventually became successful and around 1M sq ft of offices were completed. Again, several occupiers were inward investors.

Doxford in Sunderland was the other highly significant and successful office park. It attracted more inward investment to include EE, More Than, EDF and HP together with other local firms including Gentoo, the housing association. Some 1350000 sq ft of offices were created.

There was criticism of the EZ's. Many argued they had simply transferred jobs from one location to another but at massive cost to the exchequer. They also argued the relocating local firms had left a big hole in city centres.

But there were many positives. What the tax benefits achieved was the ability to develop large scale building speculatively to enable business to relocate when they were needed. They attracted significant inward investment. They enabled many local firms to modernise and expand at the same time which provided further impetus to grow. The alternative city centre was more expensive to occupy if indeed it could be found. Such buildings would have taken considerably more time to become available and were less efficient to operate. When a company wants to relocate, it simply does not want to wait perhaps 2 or 3 years. Inward investors could see what they were getting, and it was better than an alternative in most parts of the country. The region benefitted.

Most buildings left vacant in Newcastle city centre found occupiers but not always as offices. Some were converted to housing or hotels, (Scottish Life and Sandyford House in Jesmond Swan House, Eagle Star House and Douglas House in Newcastle City centre). The worst buildings (Wellbar House, Westgate House, Newgate House Bank House) were demolished which would have pleased most people. Around 1,000,000 sq ft of office use had either changed or demolished but that does not include the loss of occupation from the older Grainger Town buildings.

Some of the older buildings have been converted to suit the "easy in easy out" market for new and small firms seeking a base. Encouraging the growth of start up companies has been a key feature in the more recent overall regeneration strategy. The history of the dominance in the past of the very large companies involved in coal shipbuilding and heavy engineering meant that the culture of the region did not encourage new start ups. They were now

required to grow the economy so both the public and private sectors became involved. The public sector mainly built new buildings whereas in the main the private sector reused older buildings which had fallen out of favour for large scale use. It was argued that many of these new start ups did not want a modern building but rather a complex with a more informal style. Hoult's Yard in Byker is perhaps the best example with the former Maling Pottery complex from the 1850's transformed into a successful modern business centre offering a distinct "edgy" atmosphere to occupants.

While the move out of town has been the dominant theme, there was still demand in Newcastle city centre especially as the market improved in the latter stages of the Labour government when a generally buoyant economy existed similar to that in the late eighties. The alternatives in EZ's were becoming scarce. Private sector office development was successful at Gallowgate, on St James Boulevard, to the rear of the Central Station and together with a new Jury's Inn on a site close to the new Centre for Life. There has been no new office building within the classical Grainger Town.

In Gateshead, a new block was built just before just before the financial crash and struggled to find occupiers. It demonstrated the need for developers to time their developments to ensure any financial success. Office development outside of EZ's has always been difficult with marginal profits in good times but losses as and when the economy turned difficult. The economists would term the market as cost push rather than the demand led market as in the affluent south. In essence rents were just ahead of cost in the best times but less than cost when times were difficult.

The amount of cash required to build a new building of say 100000 sq ft will be in excess of £25m so it requires a very large and possibly international company to be prepared to invest in Tyne and Wear. So, it is interesting that Legal and General have committed substantial cash to help in developing Science City on the former Newcastle Brewery site as well as on the Vaux site in Sunderland.

Insurance companies such as L&G are not so much property developers in the traditional sense but are seeking long term investment opportunities. They are happy to own property let to organisations of undoubtedly good financial strength. Universities and local authorities would satisfy that criteria. The new building for the university on the science park and the civic centre to be completed on the Vaux site in Sunderland are such potential investments.

The problem of financing speculative buildings still needing to find an occupier such as proposed on the Vaux Sunderland site, Baltic Business Park in Gateshead and Science City in Newcastle is different. It is suggested that at difficult times in the economic cycle they can only be financed and built if the Local Authorities "guarantees" in some form at least part of the rent. The local authorities must accept at least part of the development risk. The exact nature of the risk will vary according to the circumstances. An alternative to the EZ method of financing new development has been found by innovative officials. The questions on this method relate to the level of risk imposed on the authorities. But now, it seems one of the few options available.

Over 30 years more than 5m sq ft of offices have been built using EZ funding. It must be extremely doubtful if this could have been possible without the tax benefits and the national authorities need to assess whether the Local Authority guaranteed method is preferable.

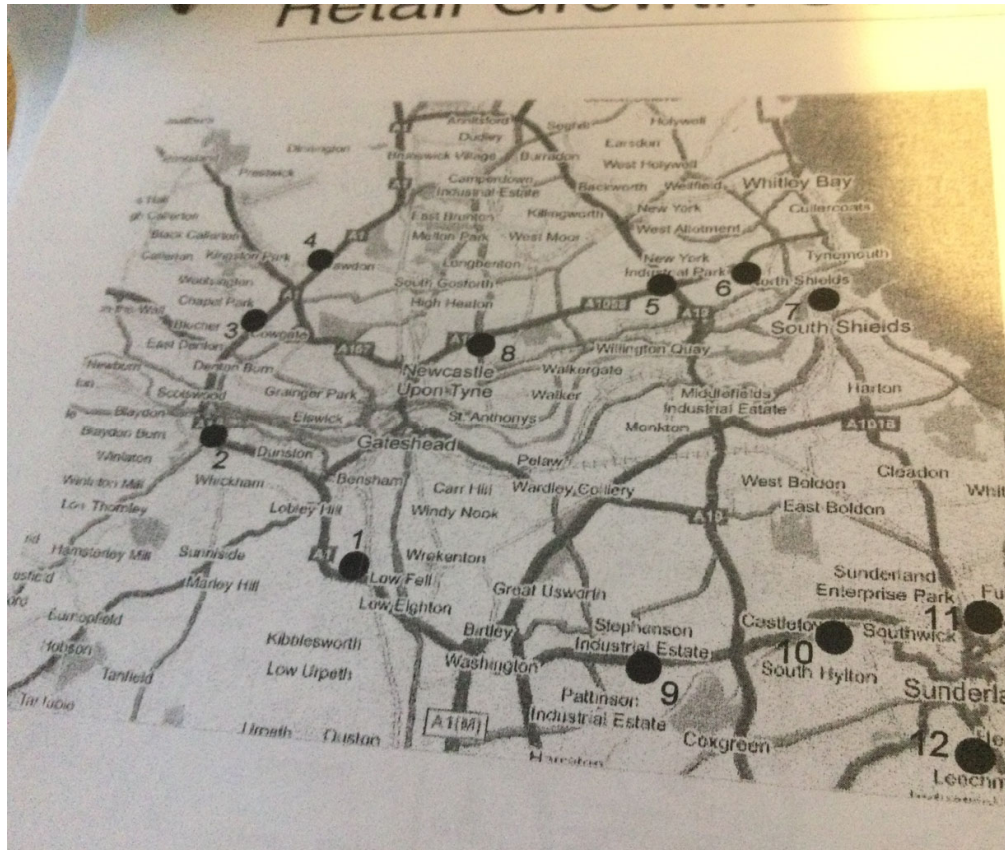
As we enter the post COVID environment where working at least a part of one's time is spent at home, the use of office space is possibly to reduce particularly for those organisations with a more clerical as opposed to a management function. Uncertainty regarding the future could easily deter further development by the private sector alone. The authorities will have continuing problems to solve.

Change in where we shop and town centres.

By 1980, most of the towns and cities had seen newly built shopping centres. Newcastle, Sunderland Gateshead, Jarrow, North Shields and Wallsend all had modern pedestrian only layouts grafted on to the original city streets. Those streets often still had buses and cars flowing through them as well as delivery trucks as several shops have no rear servicing. Newcastle was the dominant centre with Sunderland a close second. Newcastle had been further boosted by the arrival of the Metro rapid transit system in 1980. This brought shoppers from the neighbouring towns and suburbs avoiding the usual problems of car parking.

A research report from The British Council of Shopping Centres said "in 1971 the 200 largest shopping centres took 50% of all comparison goods sales. By 1998, those centres took 75%" In essence, it was the largest centres that were growing at the expense of the smaller towns. It is generally accepted they increased their dominance until the arrival of significant internet sales after 2012. (Internet sales are estimated to have grown from less than 5% in 2005 to over 30% by 2019 and COVID has driven that % higher.)

The problem for smaller towns was not just the increasing dominance of Newcastle and Sunderland, the internet but also the growth of out-of-town retailing. Retail parks and The Metro Centre are all easily accessible by car from the main road network and surround the region. In addition, there are large scale supermarkets which incorporate specialised baker, butchery pharmacy and optician units. The even larger stores would have clothes and household goods. Latterly restaurant cafes have been added. There was no need to go to the town centre for regular shopping.



Over the last forty years, national planning guidance reinforced by local planning policy has been to protect town centres and to discourage out of centre retail. But planning policy was often side-lined. Developer's arguments that schemes would create badly needed new jobs was often the political justification for the grant of permission.

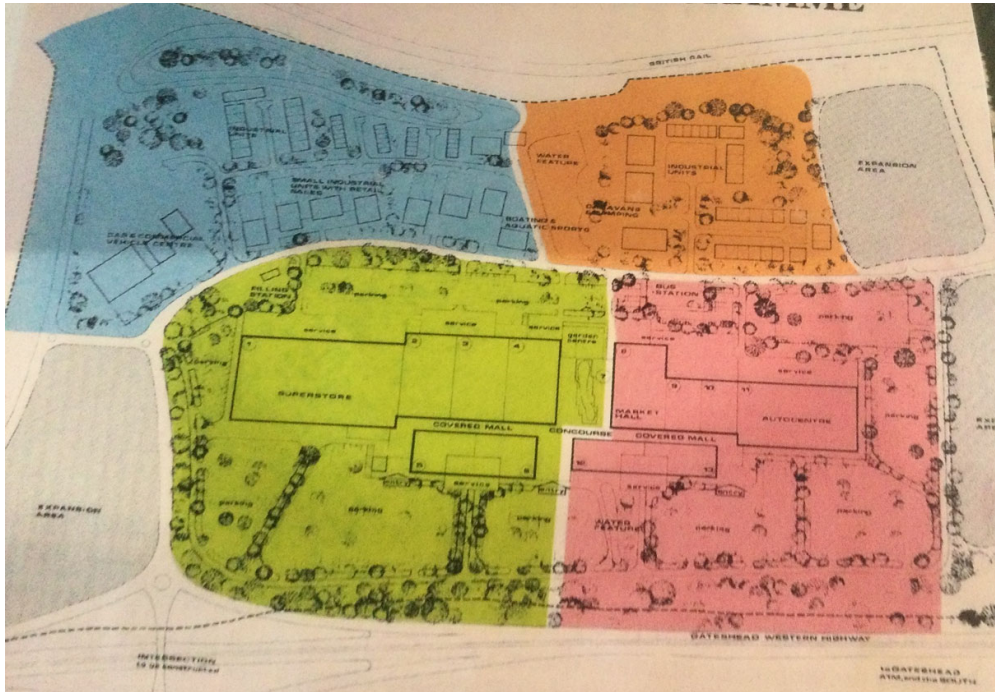
Gateshead Council had adopted an encouraging stance to enable the Metro Centre to be built. The site was a former Central Electric Generating Plant which had been largely demolished but in need of de contamination. Electric pylons, difficult and expensive to relocate, remained. The site, close to the river and on difficult "made" ground was such any buildings needed a special and expensive foundation solution.

While it was to be built within an EZ, and planning rules were less restrictive, the council needed to be cooperative particularly regarding road access but also other matters. Perhaps the council acted out of the political need to rival the dominant Newcastle. Also, perhaps they recognised the reality their own town centre had been a disaster with its brutish design and even worse layout.

The initial plan for the Metro Centre proposed a mixed-use scheme totally different to what was built. Those proposals were very much like an everyday retail park with other parts of the site indicated to be used for office and industrial use. The initial proposals did not work.

The cost of road access with the road interchange, de contamination, building foundation issues and pylon relocation, were too expensive.

A further design was contemplated with a Coop supermarket as an anchor but also did not work from a financial perspective. Sir John was struggling to find sufficient interest and a viable solution. Success came when Marks & Spencer decided to take a large unit with its car park immediately adjacent. The fact M&S were taking a store made every national retailer.



Original metro centre scheme

consider the scheme. Perhaps Sir John's real achievement was the ability to react as quickly as the market dictated, change his original ideas and develop the Out-of-town retail mall concept. He could probably only be able to do that in an EZ location.

Sir John had to change several design features after it was initially completed. More car parking was needed. The road access was transformed but the design and layout problems were solved. It became one of the largest out of town complexes in Europe and by 2008 (the height of the property boom) valued at £1.3 B. It had been bought ten years earlier at around £325M. That growth in value reflected the demand in the market and optimism for retail investment. It is difficult to suggest its value today, but it could be less than 50% of the 2008 figure. Markets can change dramatically.

The range of activities in the centre itself has also changed. There is less retail activity as Debenhams House of Fraser and many other fashion and household goods retailers have closed. There is much more food beverage and leisure activity in excess of 30% of all space but even that is struggling in the COVID environment. In totality, it can easily be argued the centre is now much too big.

The growth of food beverages and leisure has also been a feature of most town and city centres but has not compensated for the reduction in retail activity.

Design and layout are key factors in the success or otherwise of any centre. Those that got it wrong suffered badly (Stockton outside Tyne and Wear is a particular example). Design and layout have been an issue for most older centres. The sheer length of the shopping streets in Wallsend Whitley Bay and Shields Road in Newcastle mitigates against success. This is compounded by narrow pavements, buses and traffic congestion, inadequate parking and the converted nature of some of the older properties making them inefficient for a modern retailer.

The design of retail parks is relatively straightforward. The developer enables the shopper to park close to the retailer. He provides a large easily constructed warehouse style unit at much less cost than the equivalent space within a shopping centre. The size enables the retailer to optimise his shopping layout. There is a rear service yard for efficient deliveries. The whole concept is very popular with the public, retailers and investors.

They have suffered lately due to growth in internet shopping and the reality there is too much retail space. However, retail parks at Silverlink and Team valley are considerably more economically relevant than their nearby town centres.

Concerned about the effect of out-of-town shopping adversely impacting the town centres they were trying to protect, the authorities sort to provide new retail space on the fringe of centres. This was in the belief such development would increase total footfall and customer spend and therefore protect the total centre. But this could only work if the linkage to the town centre was such that it really was part of the town. In many cases, it was not and simply increased total retail floor space forcing less efficient shops in other parts of the town to close.

Town and City Centres have been changing over the decades and the recent moves to solve the current problems are not new. Prior to The Eldon Square development, there was much more retail activity in Grainger and Clayton streets Newcastle. In Sunderland, the focus was previously on Fawcett and High street. But department stores, Joplings and Binns in Sunderland closed their doors well before the recent problems with oversupply, out of town competition and growth in internet sales. Likewise, the Coop and Shepherds Department stores in Gateshead had closed in the eighties. In the sixties Gateshead had been assessed as the 5th largest shopping centre in Tyne and Wear but as a regional shopping destination it is now irrelevant.

Even apparently successful centres have changed. Redevelopment to satisfy the larger store format required by national retailers has been carried out. Eldon Square for example rebuilt the southern section so they could accommodate new stores for Apple, River Island and Debenhams. But the retailer wanting that new size of store even just 10 years ago tends to be the ones now closing. Other parts of a scheme have focused on the restaurant market to take space retailers did not want. It will take time after COVID to discover how successful those attempts by specialists in the market work but certainly, it is not a forgone conclusion they will be successful. But it is now the authorities who are endeavouring to resuscitate

those areas of the town or city now looking depressed and in need of attention. They will need to “read” the market better than the specialists!

Within Tyne and Wear, Grainger Town was the original heart of Newcastle and in many respects the gateway to the region. It was of fundamental importance with a high concentration of listed buildings some Grade 1 and of national importance. It was vulnerable not just to retail change. There was minimal use of many of the upper floors above the ground floor use. It had lost retail strength to the main retail area concentrated in the northern section of the city centre around Eldon Square. The retail area was partially secondary but most even tertiary. It had also lost office users to the Business Parks and East Quayside. The Grainger Town Initiative was formed with resources from ONE, English Heritage and the City Council to reverse the decline.

Work was carried out to improve the public realm with new paving signage etc. Grants were made available to create residential flats within a few of the upper floors. A new leisure complex incorporating cinema bars and restaurants was built on the cleared site of the former Newgate House. A new hotel and car park was created within the former Coop Department Store. It was fighting against a drift of people and business of both retail and office use out of the city centre. It was considered a successful initiative in a subsequent appraisal by academics. The reality some 15 years later, is that the drift has continued and recently become more apparent with COVID and it is apparent more needs to be done.

Gateshead has, as have other authorities, endeavoured to improve their centre for the last 40 years or more following their disastrous “GetCarter” 70’s scheme. It has been difficult. The problems bear some resemblance to those encountered in Grainger Town but also the difficult residential areas of the city. These include multiple ownerships, some occupants trading well, others less successful and other units empty. There are lots of vested interests and multiple ideas to solve the many issues. If there is the prospect of major public investment with grants and assistance in other forms available, one may find a few “speculators” become involved making life even more difficult.

But the bigger problem is that perhaps Gateshead has already built its centre with cinemas restaurants bus stations and car parking. It is called the Metro Centre and is 2 miles away. Even the retail park at TVTE is substantially more important in shopping and economic terms than the town centre. That complex was valued at its peak in the market at £120M which will be perhaps 10 times the value of the shops excluding Tesco in the town centre. Add in the Metro Centre once valued at £1.3 M but now less than half that figure and the transfer of value out of the town centre is dramatic. Shopping catchment areas have changed because of the strength or otherwise of the new out of town competition. The Gateshead centre will have to be of a different size and type to reflect the new reality. Gateshead perhaps have struggled to come to terms their centre is now not much different from a “district” centre.

It is a similar but even more difficult task for North Tyneside council. They have 3 struggling centres in North Shields Wallsend and Whitley Bay. Perhaps their new town centre (in shopping terms) is the Silverlink park as the Council even have their main office located at Cobalt adjacent. But there is also competition from The Coast Road retail park, and several

large supermarkets within a 4-mile radius. Plus of course it is an easy trip on the metro rapid transit to Newcastle. Perhaps success for the old centres will only become a reality if the council plans for 3 “district” centres much smaller than the existing. So, It is a major task and beset with problems and especially political problems. Following the advice within the various “Portas” and “Grimsey” reports is not guaranteed as each town is different. No councillor wants to admit their town is failing.

- One sector of the shopping market that has remained largely successful has been the local parade. It seems to remain a hub of activity for those living nearby and reminds everyone that shopping is not just a function of price and variety but also of convenience and service that many local traders provide. However, the large operators, Tesco, Sainsbury’s Aldi Netto and the Coop are all focussing on smaller units to challenge that market but with design and layout criteria they are not always easy to fit into a town centre.

Shopping has changed drastically in the last 40 years. The only certainty is it will continue to change.

Change in our local and cultural environment.

The north east has a long list of natural assets that are the envy of many regions. The Roman Wall, Northumbria beaches, The Simonside hills, Tynemouth Priory, The Durham Moors, Durham Cathedral and Castle, the Tyne Bridge and Greys Monument at the head of “the finest curved street in Europe” plus the various assets of The National Trust and English Heritage.

Tyne and Wear is also well provided with parks. Heaton Park and Elswick park in Newcastle, Mowbray and New Herrington park (on reclaimed colliery waste land) in Sunderland and in Gateshead, Saltwell park have received significant investment all encouraged by the policy adopted by ONE.

Combine those with the natural environment of the unique Town Moor in Newcastle, Jesmond Dene and the beaches at Whitley Bay South Shields and Roker in Sunderland and the leisure recreational value is first class.

The image of the region in 1980 did not reflect the reality or the potential. The image was dominated by dirty smokestack industry, pit heaps, the Jarrow march and the general air of depression. National governments were always talking in a negative manner of the difficult issues to solve. Local Councillors were always asking for more assistance because of all the problems. The negative issues and the problems to solve were the focus of local as well as national news. That did not help to create the confidence regeneration requires to succeed. Solving this issue was never possible for the TWDC given its focus on a restricted area on the riverside. It is a regional issue to solve, and it became a focus of activity for ONE when it was formed by The Labour government. Their slogan was “Passionate People Passionate Places”. It was argued that simply offering financial inducements for firms to relocate was not sufficient. Locations had to be attractive in themselves to persuade people to want to work in the region as well as persuade people (with emphasis on University students) to stay. ONE

also realised that tourism was a growth industry for the region and the 2 elements fitted together. Newcastle has become a “party city” with a subsequent growth in the hotel industry not just for the

It is in this context that much of the work of ONE in terms of regeneration must be considered.

The Baltic, The Sage and The Millennium Bridge all became possible under the Blair government as did improvement to other cultural assets including theatres in most local authority areas. Funding from The National Lottery was a key ingredient in many of those improvements. There was investment in schools, universities, colleges, hospitals and other health facilities all creating a major change in the built environment. Northumbria University formed in 1982 from the former Polytechnic has seen much new investment to provide growth but also to replace difficult 1960’s buildings. Particularly noteworthy is the creation of an attractive landscaped campus in the heart of the city centre that rivals a similar impressive campus for Newcastle university.

Two other schemes should be mentioned. As the TWDC was being wound down it conceived the idea for the Centre for Life. This type of development requires public money to enable the initial construction but also needs an income in the future to keep operating. So TWDC created around the Centre, large scale accommodation for among others The University and The NHS together with bars and restaurants. It is the income from these tenants which provides in part for the continuing operations of “Life”.

Also, The Live Theatre on the quayside acquired a derelict site which had stayed empty from the early seventies. The site had failed to find a viable development solution in private sector terms even during the period when the economy was growing because of various problems with the site. The theatre used its “arts” to raise an ERDF grant and other funds which in large part paid for a new office building adjacent to the theatre. The rental income from tenants will serve to keep funds flowing into the theatre. It had used public money to create a commercial scheme to finance its future.

Together with The Theatre Royal, The Sage and Baltic together with Beamish Museum just outside Tyne and Wear, there is a full cultural offer. We should also never forget Tyne and Wear has 2 of the best football stadia in the uk both holding international events.

Reflection of the regeneration.

Over the last 40 years, Tyne and Wear has been transformed both in appearance and in the quality of life possible, through a combination of improved leisure, social, housing and business assets. Success has been achieved where the public investment has enabled the private sector to thrive.

It has required some very large investments in a few specific areas and sites, most of which have been highlighted earlier. Planning rules and the consensus have had to be challenged to effect change. The Thatcher government made a big change but is unlikely to be forgiven

by the communities impacted by unemployment in those industries now closed. Nissan, Enterprise Zones, The Development Corporation, the freeing up of Housing Associations together with the creation of English Estates have been an undoubted success story. The Blair government concentrated more on the housing, cultural and public sector (health, education and local environment) and that too was necessary to improve the prospects of the region. Much more effort was made to market the North East as an attractive region.

Regeneration has been political. Arguments abound as to whether the “Blair” approach was better than the “Thatcher” approach but perhaps both to a greater or lesser degree were required. TWDC incurred the wrath of Sunderland council who believed they had spent their budget mainly in Newcastle. A possible criticism of ONE was they had to please all the local authorities within the North East, so they spread their resources too thinly and in physical terms, never achieved the dramatic impact of the TWDC. Just as one political party had argued the other had concentrated too much on the private sector side of the economy to the detriment of the public services available to the population, the situation was reversed as it was argued the growth in the public sector was unsustainable in the long term.

Irrespective it is clear that politics and the public sector has played an important role in the regeneration of Tyne and Wear. The public sector is around 40% or more of the total economic activity within the region. The policies they adopt to spend that vast resource is critical to success. It is not just their investment in national and regional infrastructure of road rail and airports. Their influence on universities and education together with health facilities are perhaps even more relevant. Within Tyne and Wear, they have also been required to finance the vast clean up resulting from the old industries, provide the local infrastructure to enable their reuse, as well as support private sector investment in selected areas.

As we entered the eighties, the Tyne and Wear county council was providing the overall local strategy. Such an overarching strategic role was rejected by national government in the eighties. It was reintroduced after 1997 in the form of ONE. That approach was changed to be replaced later by the regional mayor proposal plus Local Enterprise Partnerships, but the regional mayor suggestion was rejected by Newcastle Gateshead South Tyneside and Sunderland Councils. The reality is that Tyne and Wear has been a Labour stronghold and the Conservative government has been in control nationally for 28 out of the last 40 years. In such circumstances, when disagreements on how best to regenerate are inevitable, it is regrettable that there has been no better agreement on local governance structures.

The main physical issues of the day requiring significant further action are inner city housing and town centres. Both are not just TyneWear issues but are national problems as most cities have similar matters to resolve. The inner-city housing is still the most difficult and no doubt very expensive issue to resolve. As of today, national policy appears to direct investment to more social housing being built on the fringe of the conurbation in conjunction with the major house builders. This will be a less expensive method to increase numbers of units built which is a national political imperative. In the meantime, perhaps people will have continued to move away creating the possibility of a large enough site to create a new environment. Indeed, to some extent this has occurred over a period as continued migration from the inner areas together with demolition has created a

sufficiently large area for the house builders to invest. “Going for growth” may have achieved its objective by market forces but 20 years later than planned.!

The now relatively struggling town centres have problems of many different owners and occupiers together with officials and councillors all having differing viewpoints on how to address the issues involved. Over the last few years, the politicians seem to have aspired to retain a centre of equivalent status and expecting to inject a few new uses into their growing retail vacancy. Even the major shopping centre owners such as Intu and Hammerson have struggled to change to the new market realities. New housing and the provision of more public services will no doubt be part of the solution, but it may require a big bold plan for a large site under essentially single ownership. That will require an organisation/developer focussed on delivering an environment where people want to live with considerable change to the immediate environment.

Sometimes the market for what the politicians desire does not exist. Efforts to regenerate the Vaux site are only coming to fruition nearly 20 years after the site became available. The site between The Sage and Baltic could have been developed by Gateshead council with a residential complex but the authority wanted to create an exhibition centre for what is a unique site. It may succeed but the site has been available for more than 15 years. It currently has planning consent. As ever the size of funding required at around £250M will be the big challenge.

But regeneration is also a continuous, indeed never-ending process. Buildings do not last forever, and the requirements of occupiers is changing even faster. Many 60’s and 70’s office blocks have already been demolished. The Newcastle city library built in the late sixties and designed by an acclaimed international architect Sir Basil Spence has been replaced. Regeneration discussed in this book started when the old complexes for building ships or turbines were not required for the market demand that existed. With no alternative use they needed to be demolished.

Property led regeneration has been subject to criticism since TWDC and particularly regarding EZ’s One suspects much dislike is linked to the image of “the property developer” together with the inclusion of retail development in the initial zones. Also, many academics initial objections were based on the fact some occupants within the zones had simply relocated from a site just outside the zone which implied limited net gain but at huge cost. However, the alternative could surely not have been to leave them derelict. An examination of their positive impact is required.

Much of the new development for the growing service sector of the economy and which has assisted the transformation of Tyne and Wear has occurred within EZ’s. Those sites are close to full development. As the private sector is generally unwilling to build large complex’s speculatively, the current method of procurement can involve a Local Authority being required to guarantee at least in part and in some form, a financial return to the investor. This has the benefit of the authorities being in control of where a scheme can be provided but the full cost, if any, to the authorities will not be known until the “guarantee” has expired. That guarantee could vary from scheme to scheme and will require a full examination of risk.

Regeneration is much easier if one organisation owns and controls a large enough site. The schemes that have produced the most impact, Silverlink, Team Valley, Doxford, Albert Edward Dock and The Quayside were essentially cleared sites. Other than the site north of Nissan and both Science City and Vaux the opportunities on cleared sites elsewhere are now reduced with most such sites having been developed over the last 30 years. Whilst nothing is easy, it is far easier to regenerate a large, cleared site than to regenerate a current built up area such as town centres or inner housing. Indeed, the evidence shows both the latter are remarkably difficult and expensive.

Long term funding is invariably an issue. Its availability depends to a large extent on the economic cycle and a positive financial appraisal for the buildings envisaged. It also depends on the priorities of the national government who often allocate funds for a particular reason.

Regeneration is expensive. The public purse was opened in a substantial way to provide the tax relief that persuaded long term investors to become involved in the EZ's. The East Quayside scheme required an estimated £70M (against an original estimate of £8.7M prior to the scheme starting). The Sage, The Baltic and The Millennium Bridge are estimated to have cost in excess of £150M. The contrast with today is stark where schemes costing as much as above seem off the agenda.

The Newcastle Gateshead quayside demonstrates the importance of eye-catching architecture together with quality landscaping which together create an attractive place which the public can enjoy. Without that it is difficult to envisage such a successful outcome. The need on occasions to break the planning rules or at least change the concept of development for a particular site is illustrated by that and other schemes over the years. Regeneration has also required the motor car to provide accessibility. It was even necessary in the city centre and on the quayside but particularly on most shopping and business park developments. Yet the authorities have been trying to limit its use. As the motor car becomes electric it will be interesting to see whether that remains the case and its effect on further development/regeneration.

Regeneration also requires entrepreneurial flair. Few people could have overcome the problems faced by Sir John Hall before the Metro Centre was completed. Shepherd Offshore have demonstrated the ability to regenerate river-based industries when others have tried and failed. David Goldman is one of the few local people who built an international company, Sage PLC, from scratch and based in Tyne and Wear.

In the public sector it is possible to single out George Gill leader and Sir Les Elton, Chief Executive of Gateshead council who realised the opportunity after the success with The Angel of the North to bring about The Baltic Sage and Millennium Bridge. They did much to revive Gateshead as a whole. Winning a prize at Chelsea Flower Show or being involved with Wayne Hemingway in the garden festival site development might seem largely irrelevant but Gateshead acquired an innovative reputation which enabled it to take advantage of the funding opportunities that existed at the time. Also, Alan Kilburn, the Chief Executive of Home Housing, led the way on housing on Newcastle Quayside, St Thomas's street in central Newcastle and Hendon in Sunderland as well being the first to develop new housing at

Albert Edward dock. All schemes were high risk when they started. He was also important nationally as it was his organisation that persuaded national government to allow Home Housing to raise money from the City which was then used to create more public/social housing. That was of massive national significance and it became a key element of finance for all Housing Associations across the country. The most controversial was perhaps Alistair Balls who led TWDC. He was prepared to act independently and often totally against the wishes of local politicians to achieve effective regeneration. In a small community such as Tyne and Wear it takes courage to step out of line, but he demonstrated it was necessary. So local people with a deep knowledge of the area was a fundamental ingredient in the overall achievement. They realised that regeneration was about creating an “attractive place” where people and business could thrive.

One cannot understand the change in the built environment by simply looking at what has been achieved. The highly successful quayside resulted after several failures over some 25 years. The abandonment of the All-Saints office scheme, the failure of Rosehaugh which meant their festival retail scheme did not proceed and Newcastle City Council’s refusal to find a new site for the Royal Sinfonia which led to Gateshead creating The Sage. The metro centre had various initial designs before it emerged later as a regional shopping destination. On a smaller scale the number of consultants reports over several years before the Whitley Bay Dome and related development was completed is indicative of many efforts before a solution emerged.

Practitioners are all working in a local national and even international market economy that is complex to understand and constantly changing. The decision by Siemens to close a “flagship” microchip factory after a few short months could not be anticipated. Not many originally expected EZ’s to be the engine of growth for the service sector. Not many owners of retail town centres appreciated the full impact of the internet until recently. It is not a case of understanding what has or is occurring in markets but rather understanding the direction of markets in the future which is altogether more difficult.

All the successes are when a proposal has found a market. All the failures are when the market did not materialise. Analysing markets and the financial details which determine their success or otherwise is the weakest link in a complicated chain.

The current state of Tyne and Wear has resulted from an amalgam of national regional and local policies, national and local political expediency and rivalry between authorities operating in a variable economic environment. The private sector has had to understand those issues and that is just as difficult as the public sector understanding the occupier and financial markets that the private sector is working within and which are essential for regeneration to be successful.

Long term visions are no doubt essential for successful regeneration but without market demand, they cannot be realised.