



# Northumberland

## County Council

CABINET

12 OCTOBER 2021

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### ESTABLISHING A PILOT CULTURE AND CREATIVE ZONE IN NORTHUMBERLAND

**Report of:** Rick O'Farrell, Interim Executive Director of Regeneration

**Cabinet Member:** Councillor Wojciech Ploszaj, portfolio holder for Business and  
Councillor Jeff Watson, portfolio holder for Healthy Lives

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#### **Purpose of report**

To outline the opportunity presented by the North of Tyne Culture and Creative Zone prospectus and agree the pilot approach to be adopted in Northumberland to maximise this opportunity.

#### **Recommendations**

**Cabinet is recommended to:**

- **welcome the North of Tyne Combined Authority's intent to co-develop a Culture and Creative Zone (CCZ) pilot within each of the constituent local authority areas;**
- **note the process and its implications of applying the approach to Northumberland as set out in the North of Tyne Culture and Creative Zone Prospectus; and**
- **agree that initial pilot Zone for the county should focus on the town of Berwick-upon-Tweed.**

#### **Link to Corporate Plan**

This report is relevant to the "thriving" priority included in the NCC Corporate Plan 2018-2021.

#### **Key issues**

The culture and creative sector is a key part of the North of Tyne economy. As such, Combined Authority has developed an ambitious Culture and Creative Investment Programme to support the growth of this sector.

Taking inspiration from other UK and international cities, the Combined Authority is now supplementing this investment through the piloting of Culture and Creative Zones (CCZs) in different place-based settings.

This pilot Zone programme will focus on supporting the existing and emerging clusters within the North of Tyne through the progressive implementation of a range of tailored interventions that are authentic to the challenges and opportunities of that locality.

On this basis, the Combined Authority is inviting, via the issuing of a Prospectus, each of the constituent local authorities to work with the sector and broader stakeholders in each of their areas to establish models of sector clustering which may include co-location, digital networks, or a combination of both.

The Prospectus acknowledges that emerging proposals should be a representation of the collective priorities, ambitions, and challenges to be addressed in each locality. It therefore does not seek to be prescriptive but does identify several areas which the subsequent business cases must focus on sustainability; additionality; and partnerships.

On this basis, the types of activity that a pilot Zone could include workspace provision; business support; financial incentives; place-based repurposing; skills development; and community engagement.

The Combined Authority will work with and support its constituent Local Authorities as part of a co-development process to produce 5-year business cases for a zone in each local authority area. The co-development process is designed to be as flexible as possible to account for requirements of each area however it is anticipated that there will be four distinct phases: evidence base and making the case; solution design; detailed proposal and business case development; and development and submission of final package proposal. With the aim being to conclude this development process for each of the three pilots by June 2022.

This report, based on the premise that all the local and national evidence confirms that any public sector stimulation of business sector development needs to build upon an existing market-based foundation of some kind, seeks to define where the Zone pilot area should be applied in Northumberland to maximise the opportunity to showcase this approach.

Based on this assessment, it is considered that, on balance, and particularly given the deeper extent of culture and creative assets and sector presence, that Berwick-upon-Tweed offers the greatest potential to showcase the potential of the CCZ approach via a pilot in Northumberland.

## **BACKGROUND**

1. The culture and creative sector is a key part of the North of Tyne economy. As such, the Combined Authority's vision is to be renowned, by 2030, across the UK and globally as an exemplar for culture and creative-led inclusive growth, whereby the sector is at the heart of driving North East economic growth and productivity, enhancing quality of life, wellbeing and opportunity for our people and communities.
2. To achieve this vision the Combined Authority has an ambitious programme of investment including £3.25m for the Culture and Creative Investment Programme delivered in partnership with Creative England; an ambitious regional events programme which will see over £2.8m invested in new and existing home-grown events; over £1.5m for innovation and product development in the tourism industry; and £1.25m for sector skills.
3. Taking inspiration from other UK and international cities, the Combined Authority is now supplementing this investment through the piloting of Culture and Creative Zones (CCZs) in different place-based settings.
4. These Zones aim to create an environment in which the recovery, sustainability and future growth of the sector can be nurtured by building commercial confidence and resilience in the immediate post Covid-19 environment whilst also addressing the longer-term needs of the sector including on workspace, talent and skills development.
5. This more established and visible presence will subsequently contribute to a reimagined future for our places, creating more space to produce, showcase and celebrate the world-class cultural offer of our region that will create jobs, encourage more people to visit and stay longer and act as beacon attracting more companies to relocate, more students to attend our universities and more investment in our people and our place.

### *Outline of the Programme*

6. In this first instance, this pilot Zone programme will focus on supporting the existing and emerging clusters within the North of Tyne through the progressive implementation of a range of tailored interventions that are authentic to the challenges and opportunities of that locality.
7. On this basis, the Combined Authority is inviting, via the issuing of a Prospectus, each of the constituent local authorities to work with the sector and broader stakeholders in each of their areas to establish models of sector clustering which may include co-location, digital networks, or a combination of both.

8. The Prospectus acknowledges that emerging proposals should be a representation of the collective priorities, ambitions, and challenges to be addressed in each locality. It therefore does not seek to be prescriptive but does identify several areas which the subsequent business cases must focus on:
- *Sustainability*: Zones must have financial sustainability considered from the beginning, business cases must investigate the on-going revenue requirements for each Zone and develop proposals which seek to deliver financial self-sufficiency within five years of a Zone's launch. Business cases must provide a clear explanation of how the model will be sustained in future years.
  - *Additionality*: Zones must add value to existing programmes, infrastructure and networks avoiding duplication and ensure that use of public funding is maximised.
  - *Partnerships*: Zones offer an opportunity to consider how strategic partnerships are developed, sustained and grown. Proposals must consider how expertise in finance, HR, export, Intellectual Property and innovation is leveraged to the advantage of cultural and creative industries and whether Zones can act as a regional testbed for new forms of partnership working within the sector.
9. The Prospectus also suggests the types of activity that a pilot Zone could include are:
- *Workspace*: Sustainable long-term studio, making, production and exhibition space have long been a challenge for the sector, particularly in town and city centres. Zone business cases may wish to consider how packages of funding can be co-ordinated to deliver creative workspace in localities. This may take the form of below or near below market rates, flexible tenures, co-work, Live-Work or new formulations of workspace. Wherever workspace is considered as part of proposals suitable market analysis should be provided to demonstrate demand.
  - *Business Support*: The Culture and Creative Investment Programme delivered in partnership with Creative England will provide business support to the cultural and creative industries. However, Zone business cases may wish to consider what additional bespoke support may be required, ensuring alignment to existing provision and taking a whole-system approach, complimenting existing or planned provision. This could include sub-sector specific initiatives for key identified growth areas such as Writing & Publishing or Film & TV Production or permanent sector-specific start-up and scale-up support.
  - *Financial Incentives*: CCZs provide an opportunity to position the North of Tyne as a premier location to start-up, scale-up and relocate creative industries. Business cases may wish to consider how Zones can secure additional investment and whether there are appropriate financial incentives which could help attract new businesses to the region.
  - *Place-based*: Our City, Towns and local centres are changing. As the economic structures of our places change, this presents challenges and opportunities for the cultural and creative economy. CCZ business cases may wish to consider a

broader place-based approach to the development of the sector which supports the changing role of our places.

- *Skills*: Zone business cases can include interventions which foster, support and provide opportunities to the next generation of creative talent. Zone proposals may wish to consider the skills needs of existing creative professionals, particularly freelancers and those employed in micro-businesses.
- *Community Engagement*: The cultural and creative industries are often viewed as being difficult to access and exclusive. Audience's tastes and expectations are changing. The rise of on-demand services continues to require the sector to reconsider what is meant by 'engagement' in a digitally mediated world. Zone proposals could include initiatives to experiment in new forms of engagement with communities and audiences to help grow current and future audiences, foster the at times dormant creative capacity of nearby communities and support the new generation of emerging creative talent.

#### *Co-development process with the Combined Authority*

10. The Prospectus outlines that the Combined Authority will work with and support its constituent Local Authorities as part of a co-development process to produce 5-year business cases for a zone in each local authority area. The co-development process is designed to be as flexible as possible to account for requirements of each area however it is anticipated that there will be four distinct phases:
  - *Stage 1 - Evidence base and making the case* - Build the evidence base for distinctive local CCZs proposals. This may include desk and market research, consultation and engagement with culture and creative organisations and communities to understand and evidence specific needs, challenges and opportunities to be addressed by the CCZs.
  - *Stage 2 - Solution design* - CCZ model to address the identified needs, challenges and opportunities. Facilitated design workshops / design sprint exercises with partners will produce clear CCZ design description. The CCZ design would be distinctive to each local area, with its own vision and characteristics, within the overall scope as set out by this Prospectus.
  - *Stage 3 - Detailed Proposal / Business Case Development* - The proposals will be structured as business cases for submission to NTCA in response to the Prospectus. Project proposals will articulate:
    - the vision for the CCZ
    - evidence of needs, challenges and opportunities
    - rationale for investment
    - CCZ objectives, outcomes, and benefits
    - costs and funding; value for money; financial sustainability

- *Stage 4 - Development and Submission of Final Package Proposal* - This will include an overall approach for North of Tyne CCZs, and will articulate the needs, challenges, and opportunities across the region.
11. As part of this co-development process, the Combined Authority will provide support for development of each of the three proposals from early-stage articulation of the evidence for each proposal through to the development of detailed business case documents to make the case for investment. Proposals will need to articulate how they contribute towards a sustainable cultural and creative sector in the North of Tyne and put in place a supportive and attractive environment for creative and cultural businesses and people to locate, start-up, grow, and flourish.
  12. Each proposal will take the form of a full business case which needs to present a deliverable value for money proposition with a clear rationale for investment. Proposals will need to demonstrate how they contribute to the following outcomes:
    - More resilient and sustainable culture and creative freelancers, businesses, and organisations.
    - Innovative and effective partnerships between the culture and creative sector and other sectors.
    - Increased investment and economic growth in places.
    - Increased opportunities for residents and wider audiences to experience and be inspired by culture and creativity.
  13. The Combined Authority will take an active role in learning from the process of co-development and will support emerging workstreams that resonance beyond any one local authority to ensure that, where appropriate, economies of scale can be delivered throughout the programme. To assist with this, the Combined Authority has established a North of Tyne forum of relevant culture and creative stakeholders who will be engaged at various stages of the Zone development process.
  14. In order to facilitate this approach, the Combined Authority is provided dedicated capacity – via New Skills Consulting - to each of the local authorities to support the development of the Zone proposals and associated business case.
  15. In addition, each pilot Zone is eligible for up to £500,000 in the first year (following business case approval, i.e., in 2022/23) with action plans setting out the evidence base and rationale for additional investment.

*Applying the pilot to Northumberland*

16. Following discussions with both the Combined Authority and New Skills Consulting since the Prospectus was published, the following indicative timeline has been agreed for the development of the pilot proposals for Northumberland:

- September/October 2021 – town to act as the Zone pilot confirmed
  - October to December 2021 - Research undertaken to identify specific needs and opportunities in selected town together with consultation and engagement with relevant culture and creative sector stakeholders, at both local and regional level
  - January to March 2022 - Solution design ready to provide outline of CCZ proposals by March 2022
  - April to June 2022 - Development of full business case for approval by NCC Cabinet and subsequent submission to NTCA in June 2022
17. Throughout this period, New Skills Consulting will provide critical friend and objective review, whilst specifically assisting with:
- Building the evidence base for the selected town - mapping sector and assets, needs and opportunities in Berwick.
  - Facilitating partner engagement about CCZ focus, objectives and activities, local and regional partners.
  - Developing of initial project/s and logic model.
18. The County Council will retain responsibility for coordinating the development of the action plan and preparing the subsequent business case. This will be facilitated by officers from both Cultural Services and the Economy and Regeneration Service.

*Selecting the pilot Zone for Northumberland*

19. When it comes to any form of business sector development, all the local and national evidence confirms that any public sector stimulation of that sector needs to build upon a market-based foundation of some kind. In other words, it is possible to nurture and support the growth of an existing sector, however small, but impossible to create a new sector in any place from scratch.
20. The Arts Council for England invests in National Portfolio Organisations as leaders in their areas with a collective responsibility to develop our national arts and cultural ecology. On this basis, an assessment of those place-based assets in the county benefitting from this programme provides a reasonable proxy for generating a short list of towns to be considered for the Culture and Creative Zone pilot.
21. This establishes a shortlist of three potential towns, as follows:
- Ashington (Woodhorn Charitable Trust)
  - Berwick-upon-Tweed (The Maltings Berwick Trust and Berwick Film & Media Art Festival)
  - Hexham (Queens Hall Arts and Bloodaxe Books)
22. In the case of Ashington, work is currently ongoing to develop a comprehensive Growth Plan with a view to making a substantial bid to a future round of the Levelling

Up Fund. It is anticipated that this will be similar in scale to the bid made to the Town Deal Fund for Blyth, and like the Blyth Town Investment Plan, it will include projects relating to cultural development that reflect the considerable presence of the Woodhorn Museum. It is therefore considered that interventions akin to a Creative and Culture Zone pilot will be developed, as appropriate, as part of this work. As such, it is recommended that Ashington is discarded from this selection process.

23. This leaves the two towns of Berwick-upon-Tweed and Hexham with the table below summarising the cultural assets and opportunities presented by both.

	<b>Berwick-upon-Tweed</b>	<b>Hexham</b>
<b>Arts Council National Portfolio Organisations</b>	<ul style="list-style-type: none"> <li>• Berwick Film and Media Art Festival</li> <li>• The Maltings Berwick Trust</li> </ul>	<ul style="list-style-type: none"> <li>• Bloodaxe Books</li> <li>• Queen’s Hall Arts</li> </ul>
<b>Other culture and heritage assets</b>	<ul style="list-style-type: none"> <li>• Elizabethan Town Walls</li> <li>• Berwick Castle and Ramparts</li> <li>• Berwick Barracks</li> <li>• Berwick Museum and Art Gallery</li> <li>• Kings Own Scottish Borderer's Museum</li> <li>• Granary Gallery</li> <li>• Gymnasium Gallery</li> <li>• Paxton House</li> <li>• Waxwing House</li> <li>• The Lowry Trail</li> <li>• Royal Border Bridge</li> <li>• Union Chain Bridge</li> </ul>	<ul style="list-style-type: none"> <li>• Hexham Abbey</li> <li>• Hexham Old Gaol Museum &amp; Moot Hall</li> <li>• Forum Cinema</li> <li>• Tyne and Green Country Park</li> </ul>
<b>Sector visibility and presence</b>	<ul style="list-style-type: none"> <li>• Berwick Visual Arts</li> <li>• Berwick Creative Guild</li> <li>• Berwick Civic Society</li> <li>• Regular programme of events – Food Festival, Literary Festival, etc</li> <li>• The Maltings artist residency programme in partnership with Newcastle University’s Institute for Creative Arts Practice</li> </ul>	<ul style="list-style-type: none"> <li>• Hexham Book Festival</li> <li>• Hexham Core Music</li> <li>• Animating Hexham Programme (via HSHAZ)</li> <li>• Hexham Civic Society</li> <li>• Antony Gormley studio and artist spaces at Allendale Forge studios</li> <li>• Allenheads Contemporary Arts</li> <li>• The Hearth in Horsley.</li> </ul>

	<ul style="list-style-type: none"> <li>• Evidence of fledgling creative industries on Bridge Street</li> <li>• Evidence of latent demand for more studio spaces</li> <li>• Creative Spaces and Artists Hub at Marchmount House near Duns</li> </ul>	
<b>Other considerations</b>	<ul style="list-style-type: none"> <li>• Gateway to Scotland (Destination Tweed)</li> <li>• Ready access to Edinburgh and London via East Coast Main Line</li> </ul>	<ul style="list-style-type: none"> <li>• Gateway to Hadrian's Wall</li> <li>• Served by a train station on the Tyne Community Rail Line</li> </ul>

24. Based on this assessment, it is considered that, on balance, and particularly given the deeper extent of culture and creative assets and sector presence, that Berwick-upon-Tweed offers the greatest potential to showcase the potential of the CCZ approach via a pilot in Northumberland.

### Implications

<b>Policy</b>	The progressive development and growth of the culture and creative sector is consistent with the Northumberland Economic Strategy.
<b>Finance and value for money</b>	An initial £500k is available from the North of Tyne Combined Authority for 2022/23, with the potential to unlock additional resources in subsequent years, subject to the approval of an action plan and associated business case. No funding is required from the County Council at this stage.
<b>Legal</b>	None
<b>Procurement</b>	None
<b>Human Resources</b>	None
<b>Property</b>	None
<b>Equalities</b>	(Impact Assessment attached) Yes <input type="checkbox"/> No <input type="checkbox"/> N/A <input checked="" type="checkbox"/>
<b>Risk Assessment</b>	One of the rationales for the pilot approach is to better understand any risks associated with the creation of CCZs and the means of mitigating those.

<b>Crime &amp; Disorder</b>	None
<b>Customer Consideration</b>	None
<b>Carbon reduction</b>	The consideration of carbon reduction measures will be an integral feature of the CCZ action plan and business case prepared for the Northumberland pilot area.
<b>Health and Wellbeing</b>	None
<b>Wards</b>	All

### **Background papers**

[North of Tyne Culture & Creative Zones Prospectus](#)

### **Report sign off**

***Authors must ensure that officers and members have agreed the content of the report:***

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