

# The economic geographies of the North East's areas of opportunity and enabling services

## Introduction

The North East Strategic Economic Plan (SEP) identifies four areas of opportunity where the North East has specialisms specialisms that area sources of competitive advantage. Three key enabling sectors which underpin the regional economy and help deliver growth in higher value employment are also identified.

This section of the report briefly profiles these areas of opportunity and maps their economic geography. There is more information about these areas of the economy in the SEP.

## Mapping our Areas of Opportunity

Two external data sets have been used in compiling the maps:

- Interdepartmental Business Register Data (IDBR) (for all sectors)
- Valuation Office Agency (VOA) floor space data.

The IDBR enables the employment base to be analysed for the areas of opportunity and enabling services (based on Standard Industrial Classification (SIC) codes). The scale of the employment shown on the map does not link directly to one business, but the aggregate of businesses

operating in the sector located at that postcode. Only businesses that have 10 or more (5 or more in the case of Creative and Digital, and Healthcare sectors) employees are included in the aggregate totals at each postcode.

The VOA data enables the mapping of a particular building to a sector.

In addition:

- 'Key Businesses' were identified internally by the LEP as a non-exhaustive list of key employers within each sector
- 'Economic Assets' are research and innovation centres operated by private and public sector organisations and universities. These were identified internally by the LEP as a non-exhaustive list of facilities that operate within each sector
- 'Key Sites' refers to Enterprise Zones and similar employment sites with specific links to one or more of the mapped areas of opportunities. Multi-use sites, such as Team Valley Trading Estate are not included as they do not have a specific link to any of the sectors – though businesses and premises within those locations are likely to be identified via the analysis of IDBR or VOA data points.



## Tech North East: Our creative and digital community

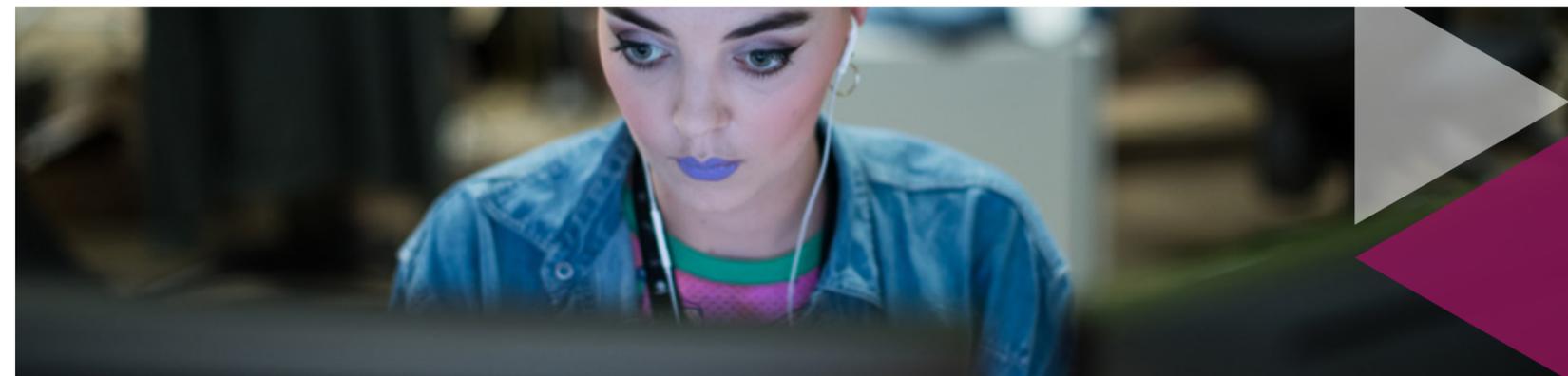
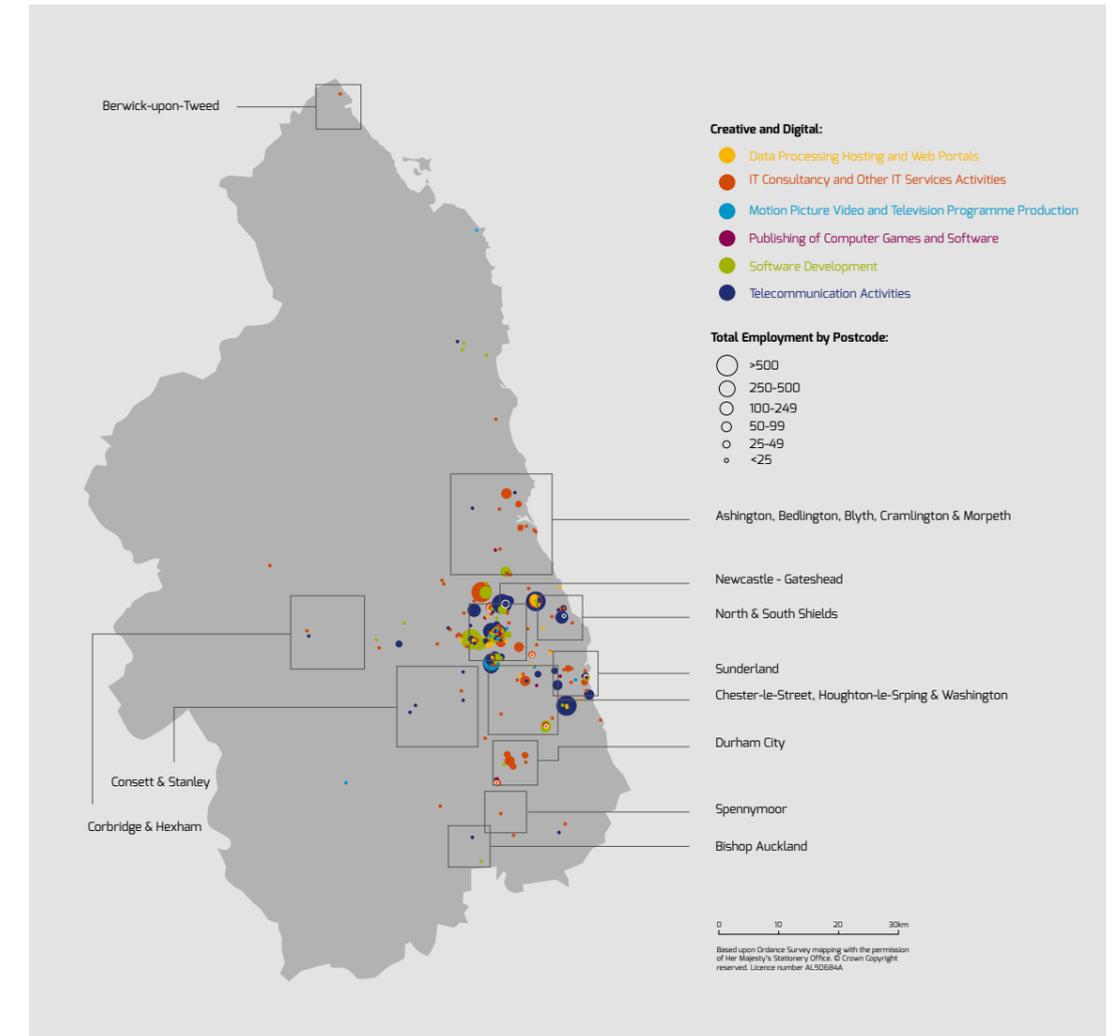
Start up, high growth and established businesses, innovation networks and incubators sit alongside North East universities with leading research capabilities and a number of Government agencies working with data and digital technologies to form one of the most diverse and productive tech clusters in the UK.

There are concentrations at various locations across the region.

Digital specialisms include software development, cloud computing, shared services, systems design and communications, buildings information modelling, games design and delivery.

Emerging specialisms include data analytics, virtual reality, smart data, and cybersecurity.

The North East is pioneering work on smart data across industry and public services and has an asset base helping shape digital delivery across the economy.



## Making the North East's Future: Advanced Manufacturing in Automotive and Medicines

### Automotive manufacturing

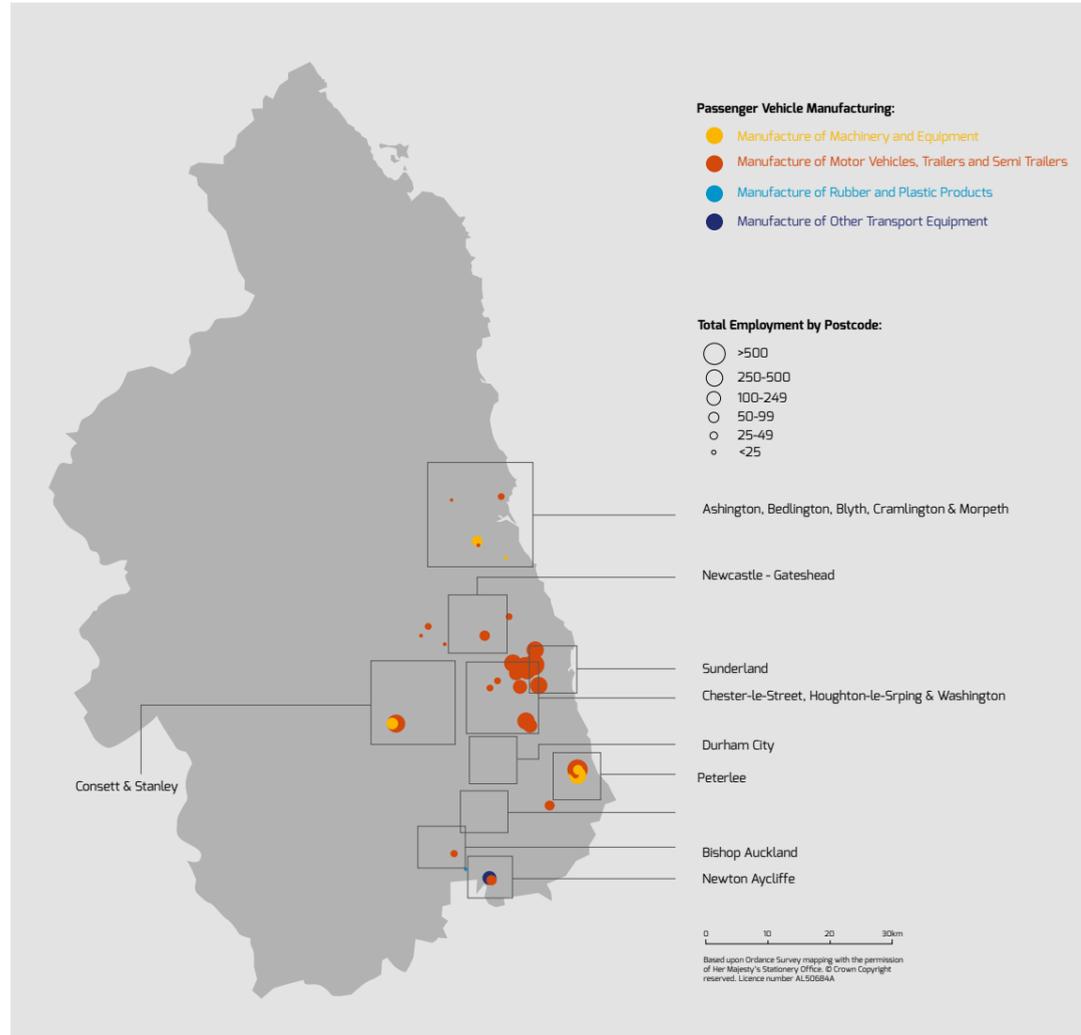
The North East Automotive sector includes world-renowned companies including Nissan, Komatsu, Caterpillar and Cummins, and supply chain companies including Calsonic Kansei, Gestamp-Tallent, Unipres, Vantec Europe, ZF-TRW and R-Tek.

There is growing investment into research and development and new and emerging technologies such as advanced propulsion and connected and autonomous vehicles. The automotive manufacturing cluster is focused around the A19 close to Sunderland and is shown on this map.

### Medicines manufacturing

Medicines manufacturing in the region has built a strong reputation for regulatory expertise, high quality and a safe manufacturing record. There are key manufacturing sites across the region identified in the following map. Supply chain linkages and ownership are highly internationalised and a number of North East pharmaceutical sites are world leading in quality and unit cost of production.

There is a successful SME base working closely with these industrial partners and an increasingly strong group of innovation assets in or close to the region in areas including formulation and biologics.

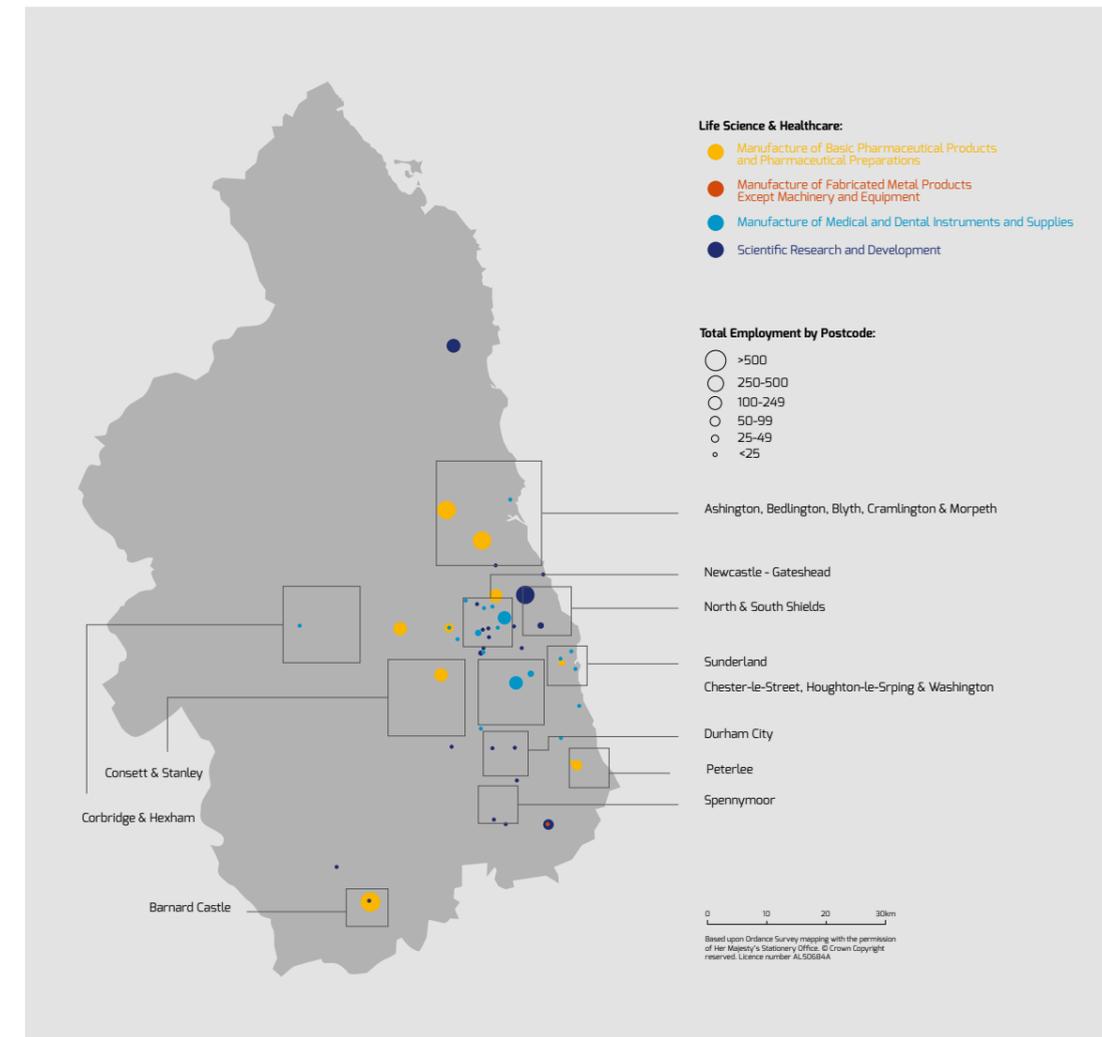


## Health Quest North East: Innovation in Health and Life Sciences

The North East of England has a unique combination of capabilities and networks arranged across the region.

These include:

- **A thriving life science community:** world-leading health research, excellent NHS healthcare organisations with a consistently UK leading research pedigree. An SME base in digital applications including precision medicine and medical technologies, and testing and clinical trials. Centres of excellence in personalised medicine, digital health, advanced therapies and biopharma manufacturing
- **An established pharmaceuticals manufacturing sector:** including 15 pharmaceuticals manufacturers with deep sector knowledge and a global outlook. The sector is diverse with a range of business models, international links and a strong export performance
- **An internationally recognised specialism in ageing and age-related diseases:** Newcastle is a globally recognised hub for the development of medical science and social research in response to the challenges and opportunities of ageing populations. The Newcastle Campus for Ageing and Vitality is Europe's largest multidisciplinary site focused on ageing and the forthcoming National Innovation Centre on Ageing will drive innovation delivery in this area.



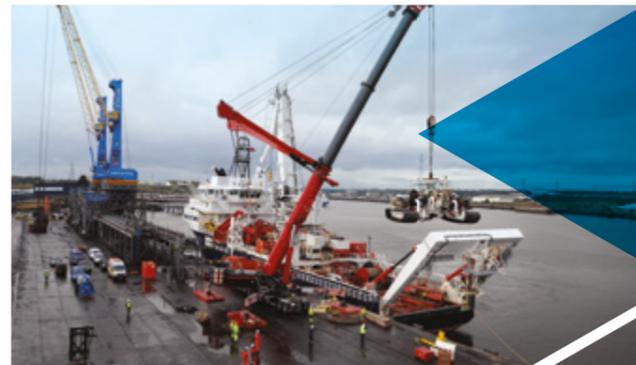
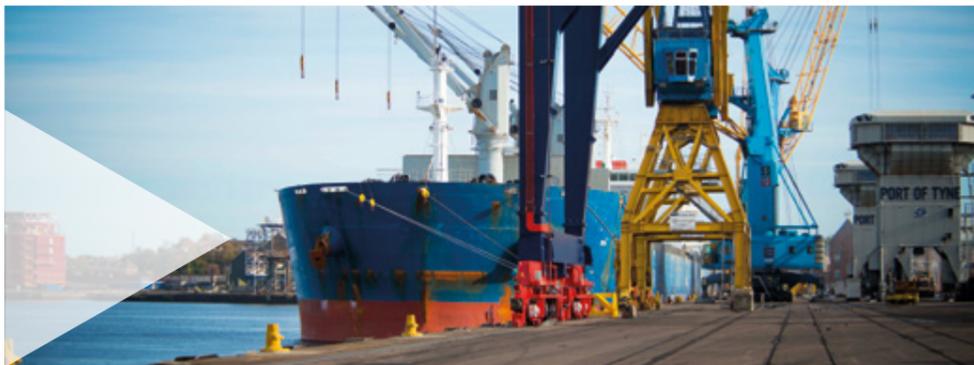
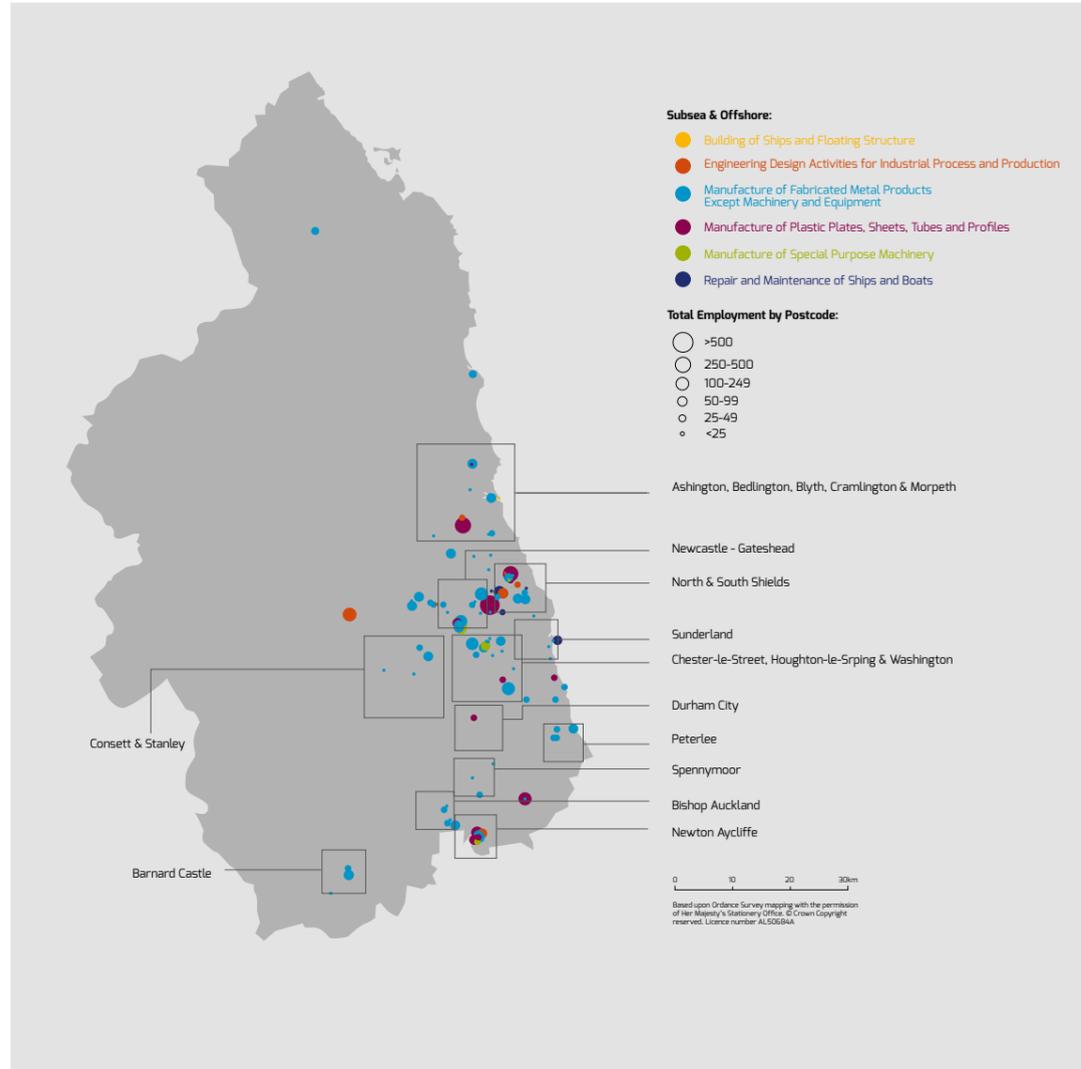
### Energy North East: Excellence in sub-sea, offshore and energy technologies

The North East is home to a critical mass firms in subsea, offshore and energy technologies and a range of research and science strengths in Durham, Newcastle and Northumbria Universities.

The region is designated nationally as one of six Centres for Offshore Renewable Engineering (CORE) and has access to a range of UK continental shelf oil, gas and offshore wind areas and proximity to the largest development zone, Dogger Bank.

The regional infrastructure includes excellent facilities at three deep water ports; Port of Blyth, Port of Tyne and Port of Sunderland, and a number of Enterprise Zone sites clustered along the East Coast and inland along the banks of the rivers.

Newcastle and Durham universities are both leading significant research and industry facing activities including through the Newcastle Institute for Sustainability and the Durham Energy Institute. The National Centre for Energy Systems Integration is based at Newcastle and Durham working with four other UK Universities.



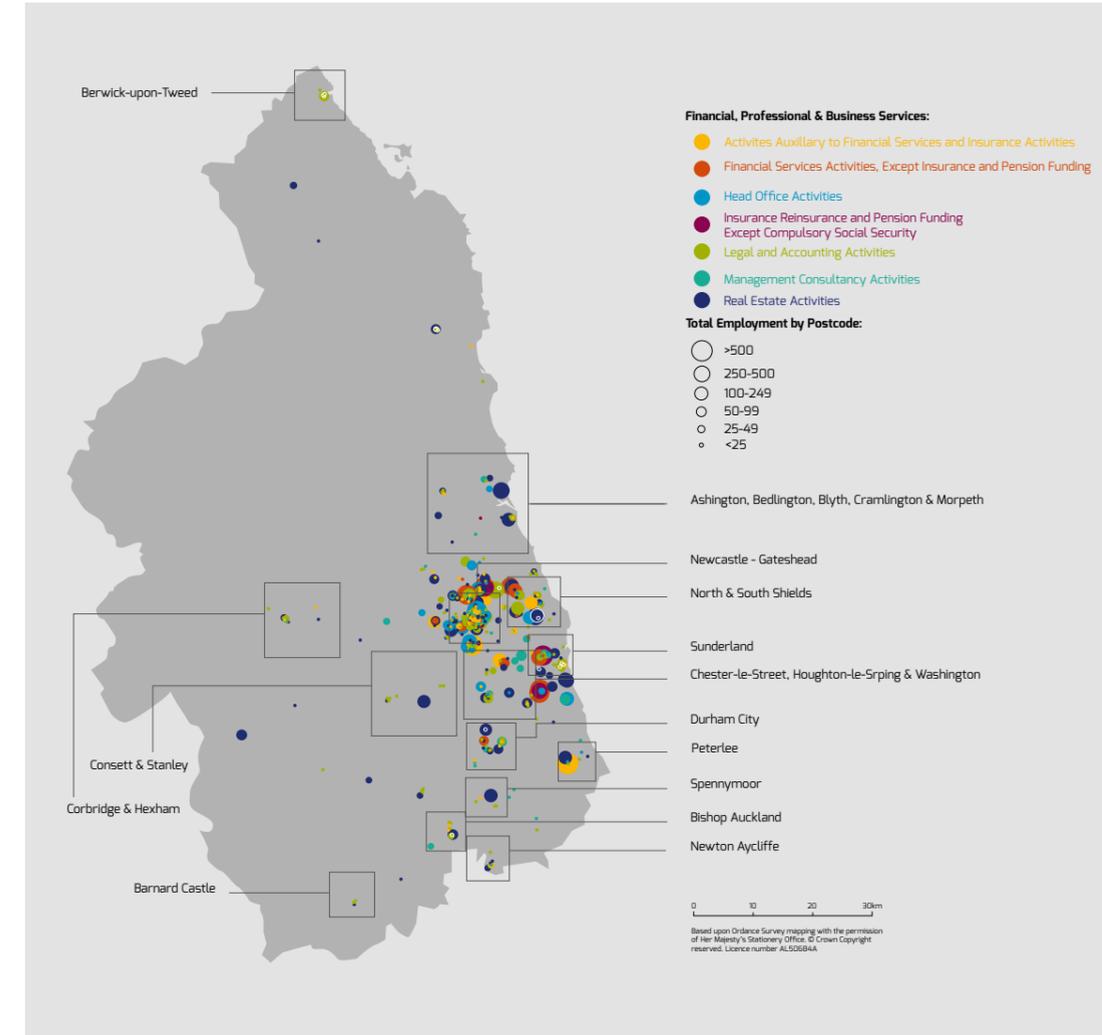
### Financial, Professional and Business Services

The North East hosts a diverse cluster of financial, business and professional services businesses.

They are concentrated in Newcastle city centre, with other key locations in the City of Durham and on key employment sites in the Team Valley, at Cobalt in North Tyneside and in Sunderland.

Many of the regionally owned companies have successfully diversified from one discipline and work across law, finance and consultancy.

Alongside specialists providing advice and consultancy to key industries such as offshore energy and construction, the region has a particular niche in hosting shared services and call centre activities, which sustain significant jobs. A number of financial technology businesses are growing successfully in the region.

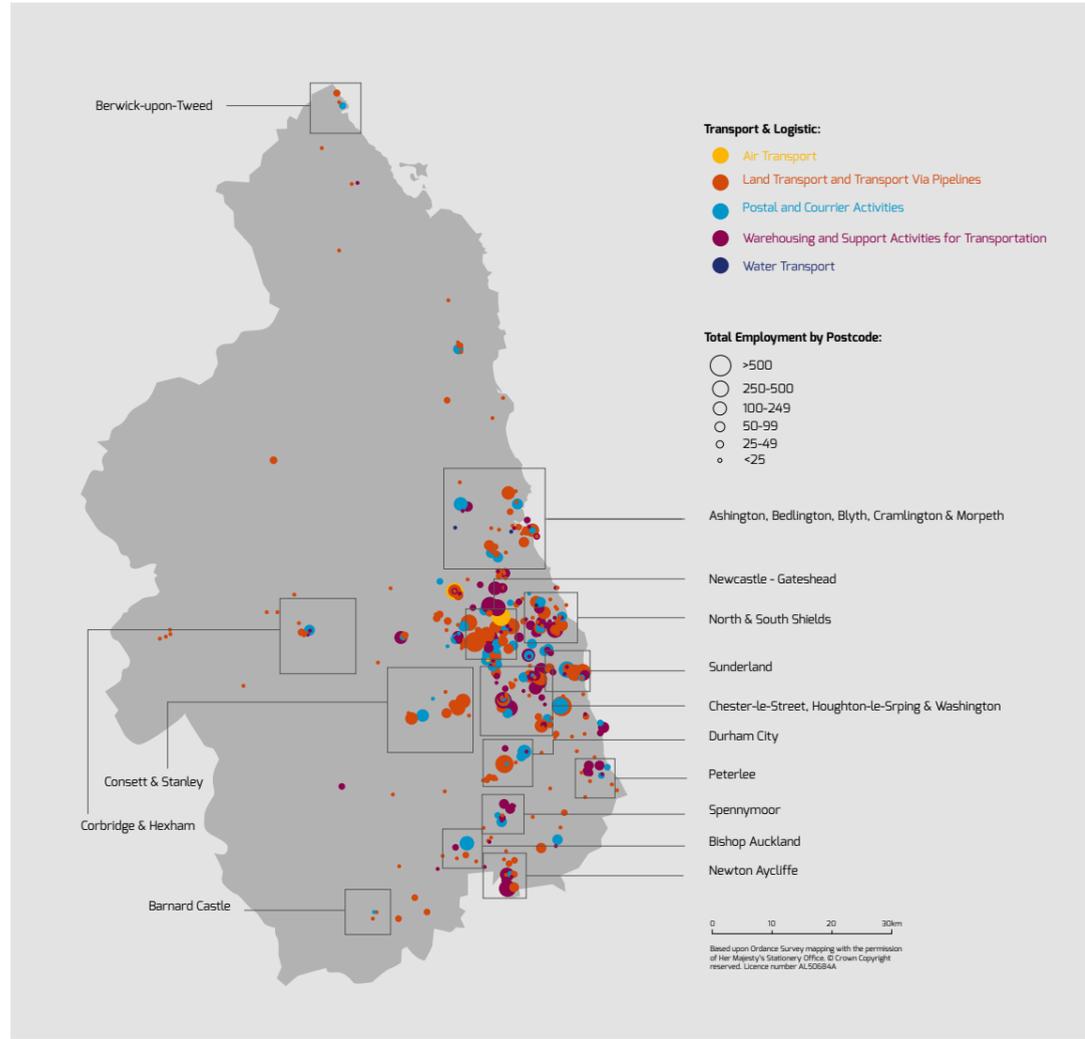


### Transport and logistics

Transport and logistics businesses are crucial enablers of the wider North East economy, supporting both freight and passenger movement.

These include Newcastle International Airport, five sea ports and rail access from stations in Newcastle, Sunderland and Durham.

The wider sector includes a range of local businesses in the public transport system, freight and private hire.



### Education

The North East has a diverse education system with four universities, Durham, Newcastle, Northumbria and Sunderland.

The region has nine Colleges of Further Education and over 1,300 schools as well as two University Technical Colleges and a number of private providers.

