



New models of development: Gateshead

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Overview

- **Guiding Vision for Gateshead**
- **Internal and External Challenges**
- **Responses to Challenges. The Thrive Agenda**
- **Impact on regeneration and development**
- **New models of delivery**

What guides the Council in the development of the town centre and wider urban core?

The Council's Vision

Our Vision 2030 :

Local people realising their full potential, enjoying the best quality of life in a healthy, equal, safe, prosperous and sustainable Gateshead.

The Council's Vision



The Council's Vision



The Council's Vision



The Council's Vision



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The Council's Vision



The Council's Vision



External and internal challenges

The Council faces unprecedented challenges as their services are impacted by internal and external factors.

- Austerity – £157m cut out of the budget since 2010, 2,200 fewer people employed by the Council, seriously affecting capacity
- Increased demand - Growing needs from an ageing population and population growth, health & social care
- Government led challenges
 - Welfare reform
 - Council housing reduced budgets
 - Housebuilding and placemaking
 - uncertainty of future funding of Local Authorities
- Public expectation – improved service delivery, pace and digital revolution present more informed services users

Response to external and internal challenges. The Thrive Agenda

The Council leadership, led by elected members, developed an evidence based approach and pledged to:

1. Put people and families at the heart of everything we do
2. Tackle inequality so people have a fair chance
3. Support our communities to support themselves and each other
4. Invest in our economy to provide sustainable opportunities for employment, innovation and growth across the borough
5. Work together and fight for a better future for Gateshead

Response to external and internal challenges. The Thrive Agenda

The Council will achieve this by;

- a) focus resources on those that need them most and tackle inequality
- b) focus resources to support people to help them become more self-reliant
- c) Develop a commercial approach
- d) income generation to provide more resources for the Council to prioritise against a) and b)

How does the Thrive Agenda impact on models for regeneration and development?

Develop a commercial approach exploring new models of delivery,

To increase income generation to provide more resources for the Council.

To help Council meet its Vision and Thrive Agenda pledges

Example 1. Gateshead Trading Company

Example 2. Gateshead Energy scheme

Example 3. Gateshead Quays

new models of delivery

Example 1. Gateshead Trading Company

Council as developer through Gateshead Trading Company Ltd.

Delivers Houses

- help meets Councils targets
- meets councils strategic housing needs

Delivers income

- profits from Trading Company
- income through in-house service fees and charges
- income through construction profits
- income from new homes bonus
- income from additional council tax

VALLEYVIEW DEVELOPMENT PLAN

A stunning collection of two, three and four bedroom homes



KEY

The Hazel
2 bedroom semi-detached

The Grayling
2 bedroom semi-detached

The Cedar
3 bedroom semi-detached

The Elm (end)
3 bedroom semi-detached with detached garage

The Elm (detached)
3 bedroom detached with detached garage

The Birch
3 bedroom detached with detached garage

The Maple
3 bedroom detached with integral garage

The Oak
4 bedroom detached with integral garage



new models of delivery
Example 1. Gateshead Trading Company

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Example 1. Gateshead Trading Company



new models of delivery

Example 2. Gateshead Energy scheme

Provides heat through 4km of pipes and electricity through 5.5km of private wire network to domestic, commercial and public sector customers

Delivers Environmental and Financial benefits

- Low carbon heat/power supply.

- cheaper power/energy to organisations and Council tenants

- sized to supply developments - Gateshead Quays and Baltic Quarter

Delivers income

- net profits through GEC

- income through in-house service fees and charges

Capture energy revenue streams locally, which previously go to National / multinational utility companies

new models of delivery

Example 2. Gateshead Energy Company

The scheme is funded and owned by Gateshead Council.

The scheme is operated by Gateshead Energy Company, a public limited company wholly owned by Gateshead Council.

Strategic control remains with Council, commercial risk / opportunity with company.

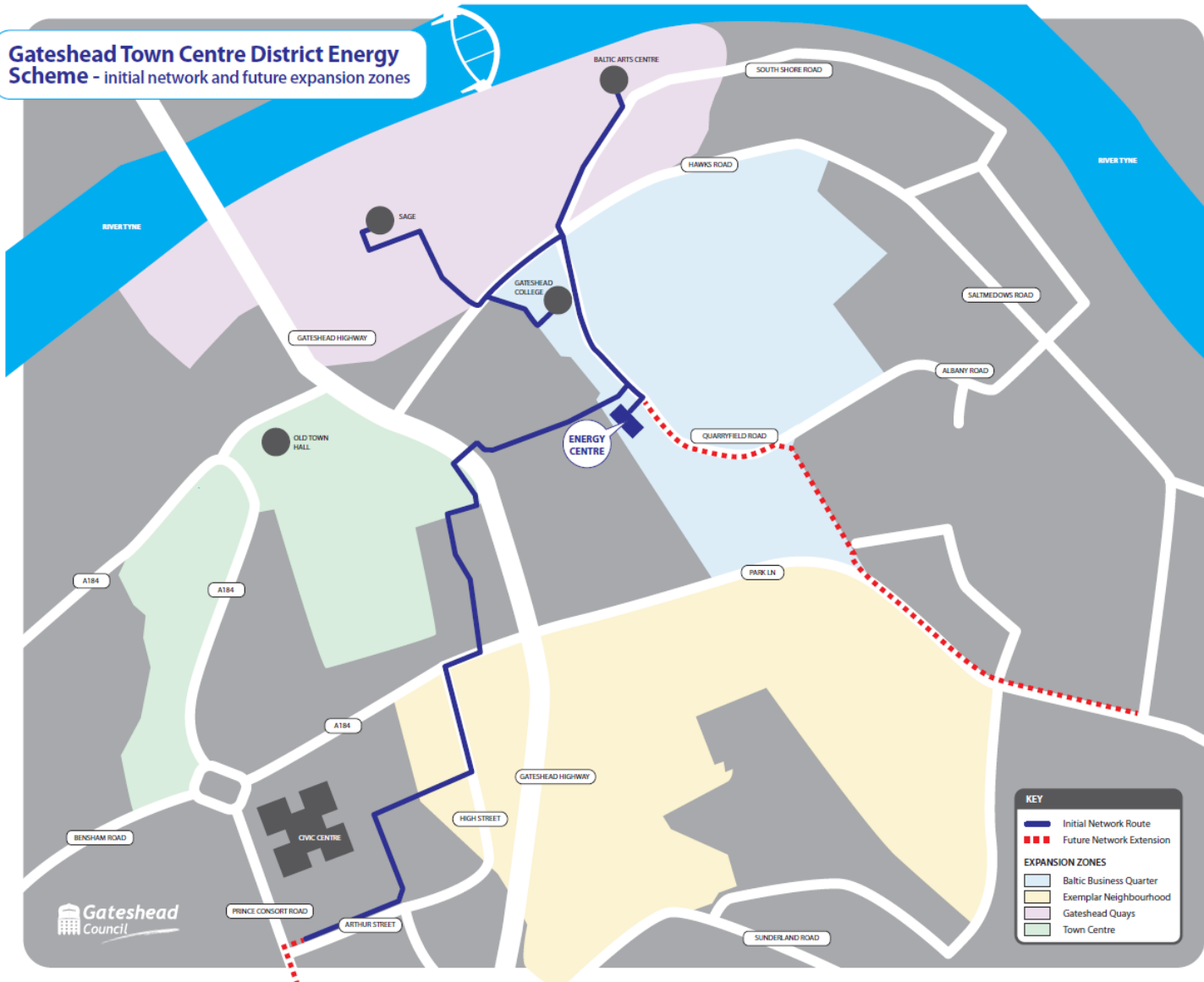


gateshead
energy
company



new models of delivery

Example 2. Gateshead Energy Company



new models of delivery

Example 3. Gateshead Quays

- The quayside attracts a million visitors a year, drawn by its nationally renowned attractions: BALTIC Centre for Contemporary Art, Sage Gateshead and the Gateshead Millennium Bridge.
- Working alongside our development partner ASK and Patrizia, we have announced plans to build a £220m+ state-of-the-art 12,500 seat entertainment arena alongside a conference and exhibition centre as well as hotels, bars and restaurants and apartments.
- The development will be on a prime riverside site between the BALTIC and Sage Gateshead.

new models of delivery

Example 3. Gateshead Quays



new models of delivery

Example 3. Gateshead Quays



new models of delivery

New forms of governance, structures and financial models

Trading Companies, Joint Ventures

New limited liability Companies, Boards of Directors, commercially focussed

Wholly owned by Council aligned to deliver outcomes, priorities and purpose via commercial and traded activities.

Operating within, or without, administrative boundaries

New financial models. Appraisal, investment, business case, Risk

Elected member role, Council led, Advisory groups

Summary

- **Because of the increasing financial challenges it faces, the Council has had to adapt to survive, to continue to deliver services to those that live, visit and work in the Borough.**
- **The Council has remained true to its aspirational vision but**
- **The Council has had to consider how it prioritises resources in light of the unprecedented challenges from external sources.**
- **The Council has developed new ways of working, new models of delivery.**

Public v Private

Council led by Council priorities ie social good, and not profits. Driving force is to achieve better outcomes for the residents of Gateshead.

However council can develop commercial models of income generation to support councils priorities

Public sector looks to private sector models to ensure the ongoing delivery of a public sector service.

Public Sector can benefit from different income streams from private sector and can therefore develop projects that would not be developed by the private sector due to the higher level of risk.

This suggests a new public private relationship



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