

Business Guide to Sunderland

Wednesday October 31 2012

www.ft.com/reports | twitter.com/ftreports



Manufacturing an economic future

Business diversity, skills for the young and a bridge that unites its people are part of the city's masterplan **Page 2**

Inside »

Driving employment

Automotive hub is selling its services to the world

Page 3

Arts thrive by the Wear

Accommodating the artistic to the purely functional

Page 6

Innovative industries

A can-do attitude and new partnerships offer hope

Page 4

Old industrial assets

Plans to give a city centre the heart it needs to grow

Page 7

Booming business

Father and daughters team exports to 60 countries

Page 5

Engineering better links

Trains, trams and a new bridge offer greater access

Page 8

Premier league faithful

Sunderland FC stands as a beacon during tough times

Page 6

Hi-tech transformation

Speedy rollout for software and digital companies

ft.com/reports

Manufacturing a long-term future

Diversifying the types of businesses the city attracts is key to ensuring growth and prosperity, writes *Chris Tighe*

Once it was ships; now it is cars. Physically demanding industries – shipbuilding, coal mining, glass making – were for centuries at the core of Sunderland's economy and self-image.

Today, Sunderland is proud to be linked in the national consciousness with its Nissan plant, feted for manufacturing productivity and the source of more than one in three UK-made cars.

Commitment to manufacturing – “It's something we are really good at,” says Dave Smith, Sunderland city council's chief executive – puts it at the heart of the government's determination to rebalance the UK economy.

Success in car manufacturing, an industry that did not exist there 30 years ago, gives Sunderland a head start in proving to potential investors, and to its residents, what it can achieve. Manufacturing, says Paul Watson, the city council's Labour leader, is “in the DNA of the people”.

“We have this propensity for it.” However, rapid technological change and immense global pressures mean present successes in manufacturing are no guarantee for the longer-term future.

Sunderland, like other manufacturing-orientated areas of the north, faces big challenges. It needs to increase the local supply of people with engineering-related skills and aptitudes suitable for existing employers. It must also respond to the rising skills needs of increasingly knowledge-intensive industry.

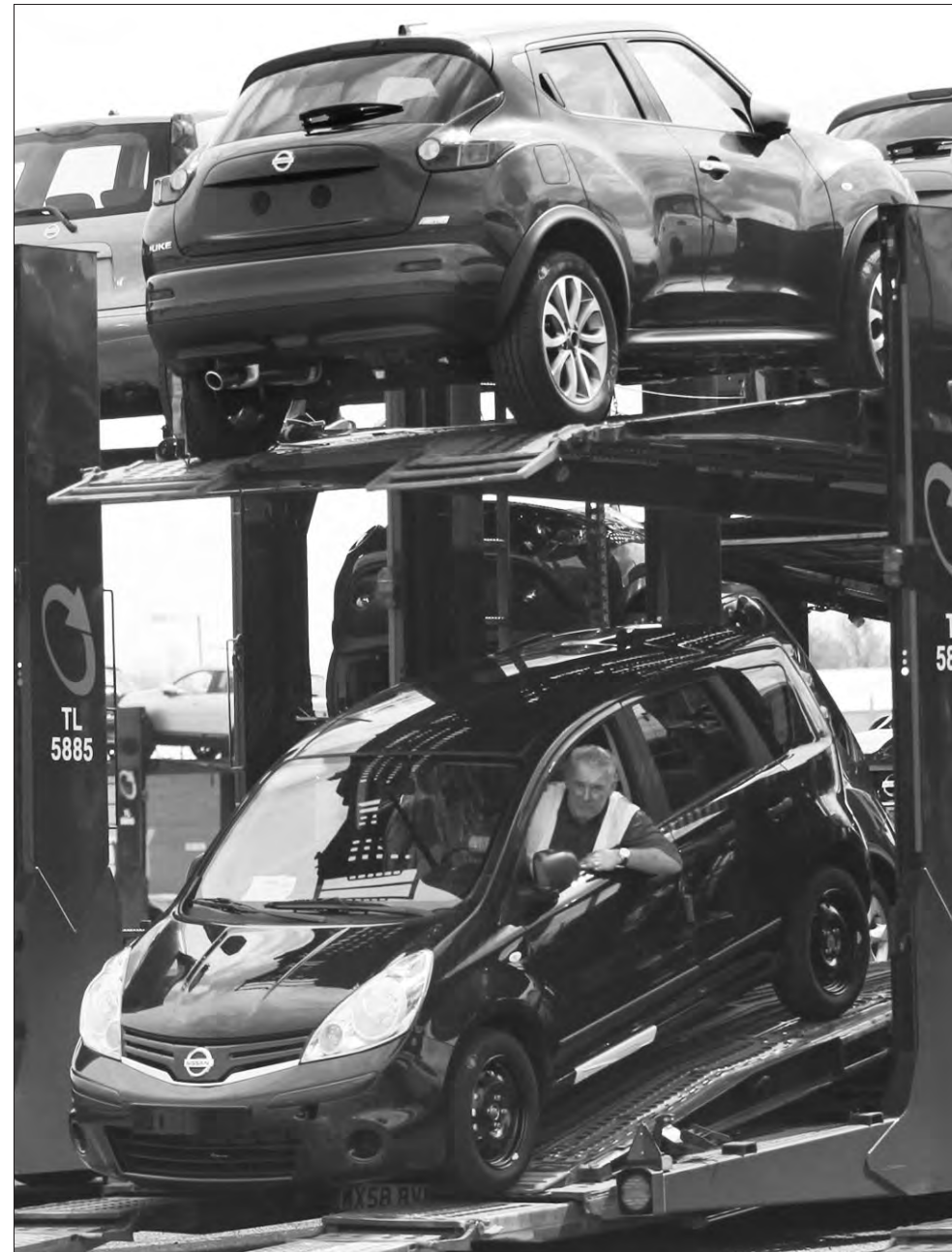
It must encourage more indigenous, smaller companies to dare to export and find new ways to tackle youth unemployment. And it must continue efforts to increase its rate of business formation, which is running at only half the UK level.

Sunderland's leaders – private and public sector – are very aware of these challenges. They are using the tools at their disposal, and lobbying government for more, to tackle them.

The council is determined to raise the city's profile and aspirations with a graceful new bridge, England's tallest, a £117m project which has just received the government's go-ahead. It will improve road links and provide a great marketing image. Fittingly, for a place with a practical disposition, this will be a “functional landmark”.

“We need to demonstrate to people what we are,” explains Mr Watson. “We haven't been very good self-publicists.”

The city's 15-year economic masterplan was launched in autumn 2010, before it was known that UK growth would remain so sluggish for so long. But the plan's vision, “an entrepreneurial city at the heart of a low-carbon regional economy” remains the goal. Software, offshore energy and electric



Market driven: growing the auto industry is part of an economic masterplan

Bloomberg

vehicle production were among the key economic opportunities highlighted.

Thanks to automotives, Sunderland's economy this year has enjoyed more positive news than many areas of the UK.

That fact was not lost on George Osborne, UK Chancellor, who visited in August to see construction progressing on a £22.5m warehouse for Vantec Europe, an automotive logistics supplier and the first major investor attracted to any of England's new wave of Enterprise Zones.

Nissan's plant is now a £3.5bn investment; recent model announcements will boost its workforce to 6,225 and raise annual plant volume to more than 550,000 units next year. Both production lines will soon operate around the clock for the first time in the plant's 26-year history. Nissan's investment has triggered a wave of supplier investment too. Next year sees the launch of Sunderland production of the zero-emission Leaf.

The low-carbon commitment extends to the municipally owned port, which for much of its 300-year history exported coal. Recent investment in the port, which has immediate access to the open sea, has enhanced its pitch for offshore wind and subsea engineering support work.

Software is vital to Sunderland's growth. In partnership with BT, it is poised to become the first city in Britain to offer wall-to-wall superfast broadband coverage. It has also built a private city cloud, in partnership with IBM, which has designated Sunderland its first UK “smarter city”. This cloud, one of Europe's first, should help local businesses and start-ups and cut the council's operating costs. A £10m Sunderland Software Centre, a base for new software companies and innova-

tion, will shortly open in the city centre.

Despite its success in replacing the 30,000 jobs the area lost in vanished mines and shipyards between 1975 and 1989 with new activities, including automotives, call centres, logistics and digital businesses, Sunderland's unemployment rate still runs at 1.5 times the national average. June's annual population survey showed unemployment in the area at 12.2 per cent when the UK figure was 8.1 per cent.

Prospects for young people are a particular worry. Sunderland has, at 11 per cent, the sixth highest rate in England of 16-18 year olds not in education, employment or training. Moreover, employers are tending to choose slightly older apprenticeship applicants. To try to improve its young people's life chances, the city has been driving up educational standards. And, if it wins powers in round two of the government's City Deal initiative, it plans to create a manufacturing and advanced engineering Academy, to raise skills levels.

Sunderland's city centre is a weakness too. This is partly the consequence of success in developing office and business space on the city fringes and in Washington, the former new town within its area.

The Economic Masterplan bluntly observed that the city's heart “lacks the scale, quality, vibrancy and variety of uses” normally found in a regional city centre.

Centre for Cities, the think-tank, warned recently that this may drag on future economic performance and may well be at the root of existing weaknesses – a narrow industrial base and lack of career progression. The city council hopes its proposed Local Asset Backed Vehicle, a public-private development partnership, will boost the central area.

The council, now seeking a joint venture strategic investment partner, will contribute an investment portfolio of about 400 property assets. The private sector partner will need to provide evidence of robust funding and a track record of large-scale development delivery. Jones Lang LaSalle are leading the establishment of the LABV.

With regional development agencies now abolished, Sunderland must make common cause with six other local authorities via the North East Local Enterprise Partnership to boost economic growth. Whilst Tees Valley, the other LEP in the north-east, immediately presented a united front, the NE LEP's gestation was protracted.

To those who ask why unity, on the lines of Manchester's LEP model, has been difficult, Mr Smith says: “We have two economic bases; a Sunderland-based economy and a Newcastle-based economy.” But, he adds: “The issue is, what works?”

“They are saying they are working together better than before; I'm beginning to see some evidence of that,” observes Kevan Carrick, principal partner in Newcastle-based JK Property Consultants. “We can only grow if we grow collaboratively.” Sunderland and Newcastle cannot afford to be “hostile brothers”, says Bernie Callaghan, dean of Sunderland University's business and law faculty.

Sunderland used to like to point out that its population was bigger than Newcastle's. Today, it has 283,500 people, and Newcastle 292,000. But, Mr Callaghan observes, China has 120 cities with more than one million people and, by 2025, it will have eight megacities with more than 10 million people. “Compared to that, the north-east of England is a dot,” he says. “We all need to change the way we think.”

Auto hub helps drive regional employment

Automotive

The Nissan plant employs 5,800 people and exports to 90 markets, says *John Reed*

Nissan's car-making operation in Sunderland – already Britain's biggest – is about to become even bigger.

The Japanese group has, over the past year, committed several new models to the plant in a move that will create 3,000 new jobs, including at suppliers, and ensure the plant remains busy well into the 2020s.

Nissan is investing £921m in its new UK-built models, including a replacement for

its popular Qashqai small sport utility vehicle, the new Note small car and a forthcoming mid-size hatchback people-mover. Nissan will also build its Leaf electric car at the plant from next year. The factory employs 5,800 people and last year made 480,000 cars.

Nissan exports the cars it makes there via the Port of Tyne to more than 90 markets, from France to New Zealand. Around the clock, supply trucks rumble in and out of the factory, alongside which sits a test track for low-carbon cars and whirling turbines that mark the location of a power plant. A cluster of suppliers has followed Nissan to the site, including Faurécia, Valeo, TI Auto and Sanoh.

A vast shed, nearly half a million square feet in size, is rising in a business park



Investment: £921m spent on UK-built models

Bloomberg

alongside the factory, built by Sunderland-based Vantec Europe, Nissan's biggest on-site supplier of logistics.

City officials like to talk up their automotive hub's importance, but in this case it is no exaggeration to say that Sunderland is selling its services to the world.

Nissan's UK managers are proud of having won the new models. However, they are not smug, but vigilant about the need to keep the operation cost-effective and industrially relevant in a globally competitive business. “We're in a good position because we've re-

sponded to the challenges we faced,” says Kevin Fitzpatrick, Nissan's vice-president of UK manufacturing.

To a degree, the operation has been lucky in the models it produces, notably the Qashqai – a blockbuster early entrant to the globally popular small SUV segment. However, the industry has also worked hard to keep new investments flowing. Nissan makes cars in 20 countries, and Sunderland had to bid against a plant in India to make the new Note, and against Mexico for the hatchback.

Just two years ago, the

mood in the factory was less buoyant after it lost the next-generation Micra small car. “It was a pretty bleak time,” says Mr Fitzpatrick.

When Toshiyuki Shiga, Nissan's chief operating officer, came to the UK for the groundbreaking ceremony for the new battery plant, a worker asked him when it would get some new products. “You show me your competitiveness, and I'll show you the work,” Mr Fitzpatrick recalls Mr Shiga saying.

As the plant sought to secure its future against intense internal competition, it looked for a unique selling point. Alongside the plant's own cost-effectiveness measures, managers looked at new ways of standing out competitively, including by improving logistics routes, transferring more activity to on-site suppliers, and working with them to help bring their own costs down.

“The internal process looks at quality, efficiency, and, what we internally call, total delivered cost – the cost of getting the car to the dealer,” explains Andy Palmer, Nissan's global head of product planning. “In that overall scheme of things, Sun-

derland does well,” he says.

Sunderland's automotive suppliers have had to make tough calculations too as they fight for new business. The Sunderland plant of TRW, a US group that supplies clients such as Volkswagen and General Motors, is competing internally with a factory in lower-priced Slovakia – and externally with companies that include South Korea's LG group – to make a new power steering element.

Piggybacking on Nissan's successful operation, local officials have in recent years sought to promote the region as a centre for research and development of low-carbon cars. Gateshead College is organising the effort, which includes training future workers to make electric cars and batteries. Nissan has lent the venture a track alongside its plant to serve as an open-access testing facility.

“We can't compete on conventional technology [such as engines] because the west Midlands is doing that,” says Colin Herron, managing director of Zero Carbon Futures, a subsidiary of the college. “What we're doing is looking at the advanced technology – hydrogen and electric.”

Port of Sunderland: Onshore Synergy. Offshore Energy.



Sunderland's coastal location has always played a huge part in its economy. The city's port is ideally situated, with immediate access to open sea and three kilometres of river and dock berths. Add to that a track record for 24/7 delivery, dynamic, commercially minded management and a ‘can-do’ outlook, and you can see why the Port of Sunderland is flourishing.

E info@makeitsunderland.com
T +44(0)191 553 2100
W makeitsunderland.com

MAKE
it Sunderland

MAKE it Sunderland is delivered by Sunderland City Council
makeitsunderland.com



Contributors

Chris Tighe
North-east Correspondent

Steve Bird
Designer

For advertising details, contact **Julia Woolley**
Phone +44 1473 652 964
Email julia.woolley@ft.com

John Reed
Motor Industry Correspondent

Andy Mears
Picture Editor

All editorial content in this supplement is produced by the FT.
Our advertisers have no influence over, or prior sight of, articles or online material.

William Hall
FT Contributor

On the cover
An artist's impression of the New Wear Crossing, which will become the tallest bridge in England.

Aban Contractor
Commissioning Editor

Business Guide to Sunderland

Can-do attitude offers business and residents an economic lifeline

Economy Innovation is key if the city is to find its way in the new industrial landscape and attract the companies of the future, reports *Chris Tighe*

Sunderland has a clear agenda for companies within its area – to be the easiest place in the UK to do business.

One of its biggest assets in rising to this challenge has been its large tracts of readily developable industrial land, served by fast dual carriageways. It has now enhanced this potential by securing 32ha of the North East Local Enterprise Partnership's (NE LEP) Enterprise Zone. Sunderland's three EZ zones offer occupiers enhanced capital allowances or business rate discounts.

Green sites in Washington, the former new town, and adjacent to the A19 and A690, have, over recent decades, attracted inward investors and helped them grow and reinvest. Space to expand has also helped develop strong indigenous companies, such as Walker Filtration (profiled).

Land availability has been vital in the expansion of Nissan's operation, which is

served by a cluster of synchronous suppliers who transport their components directly to the car production lines. Twenty automotive-related manufacturers are based in the Sunderland area.

Readily available sites have also fostered call centre clusters, particularly at Doxford International and Rainton Bridge, and a raft of logistics companies. Call centres in 2010 provided about 10,000 of Sunderland's 109,130 jobs. Big employers in this sector include nPower, Barclays, T-Mobile, EDF Energy and UK Asset Resolution. And logistics operators, such as Asda, serving sectors including food, drink, automobiles and outdoor clothing, employ about 2,500.

Outdoor clothing is an important Sunderland sector; Berghaus and Brasher are headquartered there, and Nike has its UK head office there too. The city is the UK HQ for Deutsche Bahn, the German rail operator, which acquired home-grown Arriva. Sunderland is also the base for a significant



Figures that are beginning to stack up

- Employment rate: June 2012, Sunderland 63.7 per cent, UK 70.3 per cent.
- Unemployment: Sunderland 12.2 per cent, UK 8.1 per cent.
- Manufacturing Gross Value Added (2009): Sunderland 24.2 per cent of GVA, UK 13.7 per cent. Overall, GVA per head: (2009) Sunderland £16,469, UK £20,341.
- Percentage of manufacturing jobs in Sunderland (2010) 14 per cent, GB 9 per cent. Centre for Cities ranks Sunderland 10th of 63 British cities on this measure.
- Working age benefit claimants (Feb 2012): Sunderland 20.6 per cent, GB 15 per cent.
- Business start-ups per 10,000 population 2010: Sunderland 16.8, UK 37.8. Centre for Cities ranks Sunderland 64th out of 64 UK cities on this measure.

- Inward investors in Sunderland: 72. Ownership (in full or part): US 30, France 8, Germany 7, Japan 7. Total jobs: 23,555.
- Sunderland city council 2012-13 total gross expenditure: £729m. Budget reductions made 2010-13: £99m. Total likely reductions over next three years: £80m plus.
- Sunderland University's annual turnover: £130m. Estimated annual contribution to the Sunderland economy: more than £100m. Staff: about 1,400. Ongoing programme of capital development: £75m.

FOOTNOTE: Sunderland-based Edward Thompson is the largest supplier to the world's bingo industry. It has the capacity to produce 200m bingo tickets a week. (Sources: Sunderland city council, Centre for Cities, ONS; NOMIS)

Business Guide to Sunderland

The calibre of the local workforce matters too. "As a place to do business, Sunderland is a wonderful place," says Robert Forrester, chief executive of Vertu Motors, the UK's ninth biggest motor dealer, whose head office is in Gateshead.

"It has one of the hardest working workforces I've ever come across." Vertu's Sunderland dealership is the best performing of its 86 nationally.

Commitment to manufacturing has helped sustain its importance; the council's latest business promotion, "Make it Sunderland" was launched in mid-2012.

Automotives account for more than 12,000 of Sunderland's estimated 15,744 manufacturing jobs – a potentially worrying dependency.

Recent investments include the UK's first foam manufacturing plant, opened by Detroit-based Lear Corporation. This brought the total of new jobs announced in Sunderland to 15,000 over the past 10 years.

The historical domination of big industrial workplaces has resulted in low levels

'It has a well-earned reputation for being innovative, entrepreneurial and a city in which companies find it easy to do business'

of entrepreneurship which initiatives such as Software City aim to tackle. It has also left a legacy in some communities of low skills and benefit dependency.

The council – like all UK local authorities under pressure to cut spending – has pledged to avoid compulsory redundancies. It has shed 890 staff and now employs 7,000, excluding education.

Paul Woolston, senior partner at PwC in Newcastle, says Sunderland, his home city, is key to the future success of the NE LEP, which he chairs. "It has a well-earned reputation of being innovative, entrepreneurial and a city in which companies find it easy to do business." The city is more resilient now than in his youth in the 1960s, he says.

The challenge for the future is to move the city's economic activity up the technology and value chain, says Ian Williams, the council's business investment director. "If you do that, you are less vulnerable to cost and other competitive type pressures."

Walker Filtration William Hall looks at a company that exports to 60 countries

British Government ministers often talk enviously of the success of Germany's Mittelstand, the family owned businesses that are the bedrock of Germany's export-led economy. If only the UK could replicate the Mittelstand business model, with its emphasis on fostering long-term investment and exports, then the UK economy would be in a much better shape, they argue.

The next time Vince Cable, the UK business secretary, is in the north-east, he could do a lot worse than check in to see Brian and Lianne Walker, the father and daughter team behind Walker Filtration, which manufactures a wide range of filtration equipment for compressed air, compressed gas, vacuum pump and medical applications.

Walker Filtration, based close to the A1 in Washington, could easily be mistaken for a member of Germany's Mittelstand. It has revenues of £22m, 220 employees, and exports close to 90 per cent of its output to more than 60 different countries. The company has just moved into a new factory, three times as big as its predecessor, and has nine acres of adjoining land for future expansion.

Over the past three years it has increased its workforce by close to a third, grown its sales by more than 50 per cent, and boosted its exports by more than 75 per cent. Its success has not gone unnoticed. Earlier this year it picked up its fourth Queen's Award for International Trade.

Brian Walker, 65, who founded the company in 1983 along with his wife Carol, was awarded an MBE for services to international trade in 2001. Daughter Lianne, 42, who has been running the business since 2005, was given the same award in 2009.

Clearly, Walker Filtration is no flash-in-the-pan operation. It is a fast-growing, family-run business (Lianne's sister

Barbara is also a senior executive), with a long-term time horizon whose growth has been built on the back of exports, not the UK market.

"As a family business, as opposed to a large corporate, we are interested in creating a successful and long-term sustainable business. We are not in it for short-term gains," says Ms Walker, who has an MBA from Sunderland University. Over the past year Walker Filtration has sent 87 per

cent of its staff on training courses, ranging from industry specific diplomas in Compressed Air Management through to engineering and MBA qualifications. It is a measure of where the company stands in the manufacturing value chain that 10 of its staff are studying for MBAs, compared with seven apprenticeships.

Ms Walker is reluctant to name her company's major customers, but many are well-known, original equipment manufacturers in Europe.

"What we are good at is finding a niche market and then really focusing on our innovation and providing some really high-value manufactured products in partnership with our customers," says Ms Walker, who has been with the company for 24 years.

While many UK engineering companies have outsourced their production to low-cost centres, such as China and India, Walker Filtration has always kept its manufacturing base in the UK, and has been expanding it significantly over the past few years.

"Historically, the north-east has been known for its fantastic engineering skills. As a family we are born and bred within the region and have a loyalty to the area," says Ms Walker.

Right from the start, Walker Filtration's growth was export driven. The key to its export success is researching its markets very thoroughly and an ability to make quick decisions.

It started by exporting to the UK's immediate Continental neighbours, where sales leads could be converted into orders quickly and easily, before moving into markets which are more challenging, and further away.

The UK has a lot of lessons to learn from the German economy, says Ms Walker. "They are very progressive and very committed towards business growth," says the woman who appears to have picked up a few tips on how to run her own business from Walker Filtration's German customers.



Brian and Lianne Walker

Young to benefit as partnerships offer new skills

Education

Millions have been spent on facilities and it is paying off, writes *William Hall*

Improving education and skills is one of Sunderland's top priorities, if not its top priority. The city, in common with the rest of the north-east, has long suffered from a below average number of school leavers going to university, and serious deprivation has been reflected in poor school exam results.

According to the annual Cities Outlook 2012, pub-

lished by the Centre for Cities think-tank, 13.3 per cent of Sunderland's working age population had no formal qualifications, against a national average of 11.6 per cent.

Only 23 per cent of its workforce had NVQ 4 qualifications (equivalent to a certificate of higher education) against a national average of 31.3 per cent.

While Sunderland's level of skills and qualifications is not much different from many northern cities, it contrasts poorly with regional cities such as Cambridge, Brighton and York, which are increasingly competing with Sunderland when it comes to creating new jobs in high-tech industries.

However, Sunderland's education system has been improving steadily over the past five years.

Keith Moore, executive director of children's services at Sunderland, says that, regardless of the levels of deprivation in the city, Sunderland children are now performing above average against national standards.

Children achieving Level 4 or above in English and Maths at the end of Key Stage 2 have risen to 81 per cent in 2012 – an increase of 10 per cent over the past three years. Meanwhile, children achieving five or more A*-C grades at GCSE, including English and Maths, have risen to 63 per cent. This is 5 per cent

above the national average and the best result of all the 12 north-east regional authorities.

The city's Education Leadership Board, chaired by John Mowbray, president of the North East Chamber of Commerce, focuses on the city's educational strategy to make sure that pupils leaving Sunderland's schools have the right sorts of qualifications needed by local employers across all phases of education from early years to university.

Sunderland College, which has 4,000 students studying a mix of A-level and vocational courses, has achieved a 99 per cent pass rate for A-levels for the fourth year in a row.

"Young people are recognising the importance of an education in helping secure jobs in the future. Whether they're choosing to study A-levels or vocational courses, we've seen a noticeable increase in enrolments for this academic year, up 5 per cent on last," says Nigel Harrett, the college's acting principal.

The college is building a new engineering facility at its Hylton campus, close to the Nissan plant, which has been designed specifically to meet industry's needs. When completed, it will include the latest equipment for student learning across the subject, including manufacturing, production technologies and welding.

Sunderland University,



Heads down: Sunderland College has a 99 per cent pass rate for A-level students

which has about 17,000 students, has also been enjoying rapid growth. Student applications have risen 39 per cent over the past four years and the facilities at the university's two main campuses, on either side of the River Wear, have benefited hugely from a £75m capital investment programme.

The look of the university has been transformed with a new £8.5m science complex, a £12m investment in the City campus, a £12m student village with 550 rooms, and a £7m investment in the Priestman

Building, the university's largest teaching space.

The university, one of six shortlisted for this year's Times Higher Education Awards for university of the year, has recently opened a new campus at London's Canary Wharf with a projected capacity of 3,000 students, and continues to expand its distance-learning operations internationally. It runs pharmacy degrees in Malaysia, and was the first UK university to win a licence to offer its courses in Vietnam.

The university's research strengths lie in areas such as computer science, pharmacy, and automotive. It helped create the Sunderland Software City initiative. Its strong pharmacy

tradition has been underlined by the decision of SCM Pharma, a local drug company, to relocate part of its business to the university's new science complex. Carmaker Nissan works closely with the university's Institute for Automotive and Manufacturing Advanced Practice.

Sunderland University is critical to the city's long-term success, and this fact is embedded in the city's Economic Masterplan.

"The university has always been very closely connected to the city and its people. It has always had a very strong sense of civic mission – economic, social and cultural," says Professor John Macintyre, dean of the applied sciences.

Business Guide to Sunderland

Fans cheer a team now thriving in a league of its own

Football community The club stands as a beacon in a place that has seen tough times, writes *Chris Tighe*

When Sunderland and Newcastle United clashed in this month's Wear-Tyne Derby, Sunderland fans were following the action with live match commentary – in Swahili.

The visit to the Stadium of Light by Ulimwengu wa Soka, BBC Swahili's flagship football programme, enabled supporters in locations such as Nairobi and Dar es Salaam to keep up with the action, just as they did on New Year's day when the Black Cats beat Manchester City in the last minute of play.

Rising interest in Sunderland games among football fans in east and central Africa illustrates the increasingly global perspectives of Sunderland Association Football Club. The Invest in Africa logo on this season's new strip underlines the trend.

Sunderland AFC's existence, its brand profile and success, remain at the core of its home city's sense of well being and community life. As Niall Quinn, its much respected former chairman used to remark, Sunderland, lacking a cathedral, has the Stadium of Light.

Its entrenched rivalry with near-neighbour Newcastle, a somewhat fractious relationship that can be traced to the Parliamentarian-Royalist divide of the 17th century's civil wars, now finds overt expression in derby matches. This month's was the 147th of an epic series of gladiatorial contests dating back to the 1888-89 season. It resulted in a 1-1 draw, the 48th out of the 147 games. Newcastle have won 53 and Sunderland 46.

But alongside this intense local rivalry, Sunderland AFC's Invest in Africa partnership, the first of its kind in British football, shows how it is looking outwards and ahead. This objective coincides with its aim

of finishing in the top 10 of the Premiership this season and qualifying for the Europa League. It invested more than £20m during the summer's transfer window.

Invest in Africa, a not-for-profit initiative backed by Tullow Oil, promotes Africa as an attractive investment destination and a fast growing economy, challenging the belief that the continent is only about poverty and distress. It has become the club's principal partner and shirt sponsor from the 2012-13 season onwards, a deal that gives the Invest in Africa brand potential exposure to the Premier League's world-wide audience of 4.7bn people.

For Sunderland AFC, whose current first team includes Stephane Sessegnon from Benin, the deal brings not only sponsorship – the value has not been disclosed – but huge potential to build a fan base in a continent of 1bn people and deepens the club's affiliation with African players.

"It's building awareness of the club," says Gary Hutchinson, Sunderland AFC's commercial director.

"We hope to become the club in Africa people want to support. We want to be an internationally known and respected brand playing in Europe."

Ellis Short, the London-based American businessman who acquired Sunderland in 2009, says the deal sets a new benchmark commercially. It has also triggered involvement from other sponsors, including Team Korea. Mr Short regularly attends home games, but is a much lower profile figure than Mr Quinn.

But another sign of the club's openness to fresh perspectives was the appointment of David Miliband, the former foreign secretary and Labour MP for neighbouring South Shields, as non executive vice-president.

"He's a fantastic ambassador for the UK



Battle lines: Sunderland and Newcastle take to the field in this year's derby

PA

and this region," says Mr Hutchinson. Sunderland is also unusual in having a female chief executive, Margaret Byrne.

The club is itself part of Sunderland's business fabric, employing 1,200 people full and part-time and turning over £80m annually. The 19 league and two cup games played each year bring about £45m into Sunderland, much of it going to businesses outside the ground.

The Stadium of Light, which seats 49,000, has also developed a reputation for big rock concerts. Bruce Springsteen, Coldplay and Take That are among the acts to have played so far, to audiences totalling 650,000 people. The economic benefit to the club

and Sunderland is estimated at £42m. More concerts are under negotiation.

Charitable activity that involves more than 42,000 young people and their families each year across the north-east is also a part of the club's activities, addressing needs within its own community. Its Foundation of Light, whose team includes more than 100 professional teachers, health workers, football coaches, family learning officers and youth workers, encourages education and community enrichment.

Mr Hutchinson, Sunderland born and bred, says the club feels a moral duty to its home area. "The club's a leading light in the city. It's a beacon," he says proudly.

Business Guide to Sunderland

Old industrial assets offer a way forward

Development

Chris Tighe looks at plans to give a city centre the heart it need to grow

The cold winds of recession are being felt in Sunderland as keenly as elsewhere. In the 20 years since it was granted city status it has grown as an automotive centre and diversified its employment base.

But there is a downside to the striking office development on the city fringes, such as the Doford International Business Park where 8,000 people work.

As well as having to face the competitive forces buffeting well established retail areas all over the UK, Sunderland's city centre has had to cope with a loss of economic vibrancy from its heart as office development focused on the fringes and on Washington new town.

While 33 per cent of Newcastle's jobs, and 25 per cent of Leeds', are in their city centres, the Sunderland figure is just 16.5 per cent. "We need more people in the city centre earning and spending," says Vince Taylor, the city council's head of strategy and performance.

A report, Hidden Potential, by Centre for Cities, the think-tank, published in mid-2012, identified Sunderland, along with Preston, Derby and Wakefield, as places whose weak city centres are restricting economic growth. Of 105 businesses that moved into Sunderland between 1998 and 2008, just three moved to the city centre.

The mid-1990s closure of Vaux Brewery compounded the problem. It cost jobs,



sapped morale and created a highly visible, neglected 25 acre central site, lying dormant amid wrangling over its redevelopment.

History and topography have not helped; steep city centre riverbanks and the pattern of development spanning centuries prevent Sunderland feeling at its heart like a riverside or seaside city: both these aspects remain underexploited.

As the city council's economic master plan candidly acknowledged, it lacks that "city feel", the elusive buzz factor. "This is a city with a university but it doesn't feel like a university city," observes Mr Taylor.

One successful north-east

businessman, who worked for some years in Sunderland, suggests the centre suffers from having "no bourgeoisie".

Bernie Callaghan, dean of Sunderland University's faculty of business and law, says Sunderland remains in some ways a relatively small working class town. "There are only small pockets of what you might term relative wealth," he says.

But there is progress; the city centre is seeing new investment and capitalising on key assets – the university, the Vaux site and the Bridges shopping centre. The university, which has two main sites, St Peters, on the riverside near the

river mouth, and City Campus, the other side of the city centre, has invested heavily in its facilities and sought to integrate them better with the city centre. An example is its City Campus, focus most recently of the £7.5m Sciences Complex redevelopment, which includes a new public square, the Quad. It has also developed a number of student residences, giving the city more youthful and cosmopolitan inhabitants.

Current city centre investments include the £15m extension of the Bridges shopping centre into High Street West, with a 60,000 sq ft Primark due to open this autumn.

The Bridges centre attracts 20m visitors a year

The Bridges attracts more than 20m visitors a year.

Sunderland's hotel deficiency is also being addressed, with progress on three hotels by Hampton by Hilton, Premier Inn and Travelodge. The opening is also imminent of the new £10m Sunderland Software Centre.

The long debate over Tesco's plans for the Vaux site has been resolved, but subsequent development plans did not go ahead. The city council, which now owns the site, has been clearing and landscaping it. It plans to realign St Mary's Way, which will form part of the strategic corridor from the new bridge across the River Wear to the port, to create a riverside central business district and a site abutting the retail centre, giving great potential to enhance that area.

The council, which has allocated £12m over the next five years from its budget to support city centre development, believes this site can attract thousands more jobs into the area. Given the current tight financial climate, it wants to maximise potential by setting up a LABV, a Local Asset Backed Vehicle. This proposed 50-50 partnership with a private sector partner, which the council will begin seeking shortly, should accelerate development of key sites, including the Vaux land.

"At the moment our large industrial portfolio just sits on our balance sheet," explains Malcolm Page, the council's executive director of commercial and corporate services. These assets make money for the council but are not, he says, "being sweated". "We think we can use our assets more effectively to leverage both private sector investment and expertise."

A walk through the ages and a plethora of skills

Art and leisure

This spot by the River Wear has always been at ease with modernity, finds *Chris Tighe*

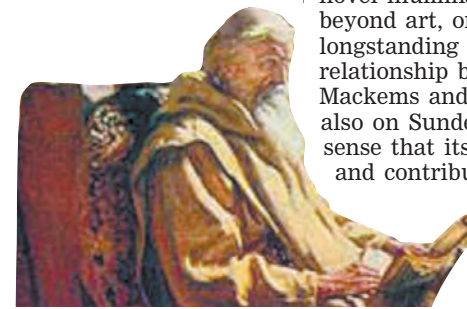
It should perhaps be no surprise that LS Lowry, that most distinctive and individual of painters, should have adopted Sunderland in the later years of his life as his second home, staying in Room 104 of the Seaburn Hotel – today the Marriott.

Lowry, a Mancunian whose paintings of industrial street scenes are instantly recognisable, was a bit of a loner and, in a way, Sunderland is too, says Tim Brennan, a

contemporary art specialist and associate dean in Sunderland University's faculty of arts, design and media.

Like Lowry, Sunderland is, he says, slightly on the edge; engaged but, due to its geography, offering a somewhat different perspective from the centre. "It's the importance of a place or individual that has a real input over a long period of time, but has that outside kind of quality," says Mr Brennan,

The Venerable Bede: the first man to write books in English



who is intrigued by the way his home city is changing, yet retaining its identity. This view casts novel illumination, well beyond art, on the longstanding prickly relationship between Mackems and Geordies and also on Sunderland's sense that its importance and contribution to the north-east region has often been underrated. It also helps

make sense of Sunderland's diverse influence, over centuries, on visual arts. That involvement starts, arguably, in 672 or 673AD with the birth of Bede in Wearmouth, now Monkwearmouth, by the Wear. Bede was taken at the age of seven to the monastery of St Peter at Wearmouth, just yards from the present Sunderland University St Peter's campus, where he lived until he was 12. He

then moved to nearby Jarrow, now in south Tyneside, and became the first man to write books in English. The Venerable Bede's works, including The Ecclesiastical History of the English People, are beautiful as well as informative.

Within two years of Bede's birth, glassmaking was established in England when St Benedict Biscop brought glaziers from Gaul to make stained glass windows for the new monastery at Wearmouth. Glassmaking in Sunderland in subsequent centuries went through many phases, from high art to highly functional.

Twentieth century Sunderland glass ranged from Jobling's graceful Art Deco pressed glass to Pyrex casserole dishes, used in millions of kitchens.

The closure in 1997 of Hartley Wood raised fears that art and craft glass making would be lost to Wearside, but that tradition is kept alive at the National Glass Centre, now part of Sunderland University, just beside the ancient St Peter's Church. Commercial glass manufacturing in Sunderland ended in 2007.

Roker, a residential suburb near the North Sea,

is the location of St Andrews, an imposing church often described as "the cathedral" of the Arts and Crafts movement, with William Morris carpets, Ernest Grimson furniture, and a tapestry, The Adoration of the Magi, by Burne-Jones. St Andrews, consecrated in 1907, was largely funded by John Priestman, a wealthy local shipyard owner.

In 1939, he opened the Priestman Building, in central Sunderland. Originally a library for Sunderland technical college, it has just been reopened, following a £6.5m refurbishment, to accommodate Sunderland

University's Fine Art, Performing Arts, Culture and Social Sciences disciplines. It houses an art gallery soon to open to the public with exhibitions of modern works.

For those wanting to view Lowry originals, painted and drawn in Sunderland, the place to go is the Sunderland Museum and Winter Gardens. While there, admire, out in

the gardens, the bronze Walrus statue by Andrew Burton.

This commemorates the Sunderland connections of another hugely individual creative spirit – Charles

Dodgson, better known as Lewis Carroll, writer of Wonderland. Lewis Carroll's frequent visits to Sunderland also inspired the curious graphic novel, Alice in Sunderland,



by Bryan Talbot, who made the city his home.

And there is Terry Deary, creator of the one-man phenomenon, the Horrible Histories series. Son of a butcher, he was born and brought up in Sunderland.

In the Sunderland spirit of innovative individualism, Mr Brennan is himself in the forefront of a methodology, called the *manoeuvre* which develops guided walks as performance art.

Visitors to the city can experience this on the Sunderland Connect 700 bus, by using a Campus Trails smartphone app that Mr Brennan has developed.

Business Guide to Sunderland

Creative landmark offers better links

Transport Great feats of engineering are once again set to help the city thrive, writes *Chris Tighe*

Modern cities crave landmarks – and what better than an eye-catching new bridge, the tallest in England, that looks stunning and fosters economic regeneration?

That is the thinking behind the proposal for a bridge across the River Wear in Sunderland: a graceful crossing of two curving steel towers, the smaller about 140 metres high and the taller, western one 190 metres. The project, costing nearly £120m for the bridge and approach roads, has just received government consent and contractors are being invited to tender.

“It will give Sunderland a totemic landmark to recognise ourselves by,” says Paul Watson, leader of the city council, which has championed the project. “It will engender a feeling of place in the community.”

Once, a sense of identity was engendered by shipbuilding and mining along the riverbanks the bridge will link. The new Wear

crossing will connect Castletown, east of the main A19 route, to brownfield land needing regeneration on the south bank at Pallion.

The bridge forms part of a transport corridor that will provide quick access from the A19 to the city centre and the port. This abuts the North Sea and is seen by the council as an important asset in pursuing offshore renewable energy and subsea engineering business activity. This improved access could also benefit occupiers of the Low Carbon Enterprise Zone, west of the A19, and existing businesses in Washington. The project has a target completion date of the end of 2015.

This road corridor also enhances the development potential of the former Vaux brewery site, now publicly owned and Sunderland’s best city centre regeneration opportunity. The new road will give the site – with one area forming an extension of the central retail area and the other



On track: light rail offers commuters choice

offering a riverside development belt – excellent road access. The coalition government has offered £82.5m towards the bridge, from a national £630m fund for local authority projects that assist economic regeneration and provide jobs.

Mr Watson, who leads a council where 64 of the 75 councillors are Labour, says he had feared a coalition government might be a disadvantage, but the bridge suggests that has not proved the case.

“We’ve wanted a new bridge over the River Wear for 50 years. This government has granted us the money for that.”

The council, which estimates the bridge will deliver a return on investment of £4 for each £1 invested, has committed about £30m to the project from its strategic investment reserve for capital projects.

A bonus of the graceful design is that it is the work of a local architect, Stephen Spence, who also designed the Infinity Bridge in Stockton on Tees. Structural

engineers are Techniker. The bridge will be the second biggest civil engineering project in the north-east in recent years; the first is the £260m new Tyne tunnel, completed in November 2011.

The new Tyne Crossing, commissioned by the Tyne and Wear Integrated Passenger Authority, and designed and built by Bouygues Travaux Publics UK, has just won the top civil engineering award at the British Construction Industry Awards in London. By doubling the road vehicle tunnel capacity the new tunnel has greatly improved the flow of traffic along the north-south route running between Sunderland and Washington.

Sunderland’s direct rail link with London Kings Cross, launched in 2007 by Grand Central after a 20 year gap, continues, although the open access operator was acquired in November 2011 by Arriva.

Sunderland-based Arriva, one of Europe’s largest transport services organisations, is itself now part of a much bigger entity, Deutsche Bahn, having been bought by the German passenger and logistics service providers in 2010. Arriva still has its head office in Sunderland, where it began in 1938 with the opening by the Cowie family of a second-hand motorcycle shop.

Deutsche Bahn subsidiary DB Regio operates the Tyne and Wear Metro, the light rail system that links Sunderland to Metro services around Tyneside and to Newcastle Airport. DB Regio won the Operator of the Year accolade for the Metro at the 2011 Light Rail Awards.

All five local authorities in Tyne and Wear, including Sunderland, jointly hold a 51 per cent stake in Newcastle airport; negotiations on the sale to another party of the 49 per cent stake held by Copenhagen Airports are in progress.

Sunderland is open for business, open to business.

Sunderland has a proven track record in attracting, supporting and growing successful enterprise. **These are just some of the companies that have chosen to MAKE it Sunderland.**

Find out what the easiest place to do business can do for you

E info@makeitsunderland.com
T +44 (0)191 305 1194
W makeitsunderland.com



MORE TH>N
PART OF THE RSA GROUP

the **testfactory**

tombola

EDF
ENERGY

BAE SYSTEMS

projects

leighton

wessington
cryogenics

Communicator Corp
Delivery beyond expectation

WALKER
FILTRATION

npower

TACLE

IBM

SaleCycle

gentoo
It's how you live

BARCLAYS

LIEBHERR

NISSAN

MAKE
it Sunderland

MAKE it Sunderland
is delivered by
Sunderland City Council
makeitsunderland.com