

# Land of great opportunities



## Northumberland Economic Strategy 2035

Prepared by Northumberland County Council  
on behalf of the County

 Northumberland  
County Council



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# Executive Summary

Northumberland is at a pivotal moment. Global, national, and regional shifts—ranging from rapid technological transformation to the transition to clean energy and major changes in government policy—are reshaping the economic landscape. Northumberland is a land full of opportunities, and it must be proactive, coordinated and precise in the way it responds to these economic shifts to realise these opportunities.

The Northumberland Economic Strategy 2035 provides a **long-term, evidence-based framework** to guide decision-making, investment, and partnership working across the public, private and voluntary sectors to deliver **inclusive, sustainable and high-value growth** for all parts of the County.

Northumberland has a strong track record of delivering economic growth. Looking back at the milestones of the last 10 years, we've seen AkzoNobel open one of the world's most advanced and sustainable paint plants in the Country, continued expansion of Port of Blyth and Northumberland Energy Park, including the arrival of JDR Cable Systems, growing pharmaceutical firms Piramal, Sterling and Arcinova, countless regeneration schemes in our towns and rural communities, and the reopening of the Northumberland Line.

Along with the £10bn Blackstone QTS data centre campus, these activities demonstrate the ambition and diversity of Northumberland's economy that fits the distinctive characteristics of our County.

Northumberland's towns and places are key part of the County's economic success - past, present and future. These distinctive, culture-rich places act as hubs where people and businesses connect, attracting visitors, generating supporting local jobs and trade, providing spaces for the arts, culture and heritage, and making Northumberland a great place to live.

The purpose of this strategy is to define a **shared vision** for Northumberland's economic future which identifies and builds upon the County's **existing and emerging assets, capabilities, and competitive advantages, including five key sectors** with the greatest potential to drive growth. The strategy also sets out a path to growth, identifying the **core priorities and interventions** needed to unlock opportunity, and the measures by which the County can collectively **monitor progress and drive accountability**.

This is a strategy for *everyone*—businesses, investors, educators, the voluntary and community sector, and residents.



## Northumberland at a glance: The Economic Evidence

Northumberland's economy is distinctive—shaped by its geography and its heritage, structured by its businesses and its people. As a foundation for developing the economic strategy, over 30 measures were analysed to assess the relative strengths and weaknesses of Northumberland's economy.

The County benefits from:

- **Resilient businesses** with survival rates above national averages.
- **A rooted, skilled workforce** with strong engineering, manufacturing and land-based capabilities.
- **Outstanding natural and cultural assets** such as 40 miles of award-winning coastline, agricultural land, and a nationally significant tourism offer closely integrated with a resounding cultural and heritage sector.
- **Strong clusters** in offshore renewables, advanced manufacturing, and pharmaceutical manufacturing.

- **Significant spatial diversity** embracing tailored place-based characteristics and expertise for coastal, rural, and industrial areas.
- **Businesses who are willing to invest** with high levels of gross fixed capital formation.

However, Northumberland's economy has a range of weaknesses or barriers to growth. Key challenges include transport and digital connectivity, labour market participation, business start-up and scale up rates, alongside low take up of private finance.

## The Economic Framework

The economic framework provides a flexible model through which Northumberland can build its growth, translating its strengths into clear opportunities while retaining and enhancing the significant place-based characteristics which are vital to Northumberland's identity. The economic framework consists of four macro-economic trends, eight established and four emerging Northumberland assets, and five key sectors.

### 1

#### Four global macro trends

Northumberland is well placed to capitalise on major macro forces:



##### Technology and AI Disruption

Rapid adoption of AI and automation is transforming labour markets and productivity. Northumberland's Digital and AI sector has already grown **31% since 2018**, boosted by landmark investments such as the **£10bn Blackstone QTS data centre** and Blyth's designation as an AI Growth Zone.



##### Energy Security & Decarbonisation

Northumberland has national significance in the UK's clean energy transition, with strong offshore wind,

subsea engineering and energy systems capabilities anchored at Energy Central.



##### Demographic Change

Northumberland's older population and high inactivity rate (28%) create challenges but also opportunities for reskilling, return-to-work pathways, and retaining experienced workers.



##### Geopolitical Uncertainty and Deglobalisation

Supply chain challenges and shifting global markets impact Advanced Manufacturing and energy-intensive industries, but also create strong opportunities for **onshoring** and **economic resilience**.

### 2

#### Northumberland's Established and Emerging Assets and Capabilities

Northumberland is considered to have eight established assets and capabilities which have been grouped into four themes:



##### Excellence in Place

- **A unique fabric of towns**, places and award-winning coastline that underpins a nationally significant tourism offer, economic opportunities through our ports providing internationally competitive trade and export potential, improving quality of life and driving environmental opportunities.
- **Ample land**: as one of the largest counties in England by land mass, Northumberland offers unrivalled space which can be used for economic, social and environmental purposes.



### Investment & Market Opportunity

- **Right incentives for growth:** including Blyth Energy Central Investment Zone, North East AI Growth Zone, and the Northumberland Growth Fund creating the conditions for value creation.
- **Depth of commercial lending:** across traditional capital markets in Northumberland that underpin business investment and gross capital formation.



### Thriving People

- **Well matched, rooted local workforce:** with the deep specialist capabilities in target sectors that can fulfil existing employer demands, and anchor institutions offering modern, lifelong learning.
- **An immutably attractive lifestyle:** where skills ambitions are met through outstanding schools, Colleges and Universities combined with the features of active, vibrant, culturally and community rich life.



### Enterprise & Innovation

- **Nationally competitive and resilient sectors:** well aligned to high-value add sectors in the Invest2035 Modern Industrial Strategy that provide a distinctive economic platform for growth.
- **A rich innovation heritage:** exemplified by Offshore Renewable Catapult, private sector R&D, supported by Business Northumberland, offering a diverse, collaborative, and ambitious ecosystem for growth.

These are complemented by four emerging capabilities including availability of energy, national security innovation, first-of-a-kind technology platforms, and modernisation of traditional industries.

3

## Five Priority Sectors

While all sectors will play a role in driving Northumberland's economic growth, the economic framework identifies five priority sectors which offer the highest potential economic impact. These sectors are broadly aligned to the Modern Industrial Strategy and North East Local Growth Plan:



### Foundational Economy

The backbone of everyday life and the largest source of employment in the County (45% of GVA; 57,000 jobs), covering health and care, construction, tourism, food and drink, land-based industries and high streets.



### Advanced Manufacturing & Engineering

A cornerstone of Northumberland's industrial heritage, now offering high-value production in electronics, electrical components, chemicals, machinery and automotive supply chain.



### Digital and AI

The sector is defined by rapid growth and strengthened by major infrastructure investment, but is rooted in a comprehensive value chain across the foundational economy through to advanced service provision and technology application.



### Life Sciences & Pharmaceuticals

One of the County's most productive sectors with strong manufacturing assets. The sector has a strong offer for low-cost, mass

scale up of inner city innovation, as well as providing specialised facilities for small-scale technical production.



### Offshore Renewable Energy

An internationally competitive cluster with major national significance, Northumberland has been at the forefront of the Offshore Renewable Energy transition for the last 25 years. It boasts a mature and growing cluster of innovation and testing, manufacturing and skills pipeline development.

## Northumberland's Growth Aspirations to 2035

To understand the potential of Northumberland's economic growth, two scenarios were modelled: a baseline, 'do nothing' scenario and a transformative scenario where opportunities were fully maximised. While the Do Nothing scenario still offers modest growth of 4,000 jobs, it would mark a significant underutilisation of Northumberland's potential modelled in the transformative approach.

### Transformational ('do something')

By addressing barriers and maximising opportunities, Northumberland could achieve:

**42%**  
uplift across high  
productivity sectors

**11,000**  
additional jobs

**13%**  
uplift in the  
Foundational Economy

**£850m**  
additional annual GVA

To achieve this, Northumberland will require:

- 11,000 new workers
- £1.2bn in capital investment
- 1500GWh additional energy
- Significant upgrades and expansion of employment land, housing and transport infrastructure.

## Priorities for Intervention

Through our extensive engagement with Businesses, Educational Institutions, Health Providers, the Voluntary and Community Sector, and stakeholders a set of priorities organically emerged that will serve as a strategic framework to guide our action. These priorities are shared between Northumberland-wide and sector specific issues.

1

### Northumberland Wide Priorities

Four strategic themes guide the County-wide priorities:

#### Enterprise & Innovation

- Strengthen sector ecosystems and cross-industry collaboration.
- Expand innovation spaces and testbeds.
- Enhance support for start-ups and scale-ups.

#### People & Skills

- Reduce labour market inactivity and improve job quality.
- Align skills pipelines with sector needs.
- Enhance lifelong learning, retraining, and pathways into high-growth sectors.

#### Finance & Market Opportunity

- Increase uptake of private finance, including supporting investment readiness.
- Position Northumberland as a prime destination for domestic and global capital, supporting inward investment.
- Improve access to growth finance for SMEs.

#### Excellence in Place

- Ensure development-ready land and modern infrastructure.
- Improve transport and digital connectivity.
- Support vibrant, culture-rich town centres and thriving rural communities, alongside sustainable housing delivery.
- Harness natural assets and energy strengths to drive clean growth and long-term resilience.

## 2

## Sector Specific Priorities

Each of the five sectors has bespoke priorities covering:

- Talent pipelines
- Finance and business support requirements
- Innovation capabilities
- Land and infrastructure expansion
- Supply chain development and inward investment
- Digital technology
- Visibility and promotion of assets and market opportunities

These priorities ensure that growth is tailored, actionable, and aligned with national and regional policy including North East Local Growth Plan and the UK Modern Industrial Strategy.

## Monitoring and Accountability

Delivering Northumberland's Economic Strategy requires more than ambition, it demands accountability. A robust performance framework will track progress annually using macro-economic indicators to provide a clear link between the key themes and what success looks like.

The performance framework also supports evidence-based decision-making by allowing stakeholders to identify where progress is being made and where more effort is required to shift the dial.

Northumberland County Council will publish an update to these indicators annually, and make them available to the county and wider stakeholders. The Council will also use the indicators to develop and refine their own delivery plan, translating information into action.

Key indicators such as:

- GVA growth
- Employment levels
- Business survival and high-growth firms
- Skills and qualification levels
- Inward investment
- Housing and infrastructure indicators
- 5G and digital connectivity
- Sector-specific productivity and employment patterns

## A Collective Call to Action

Transformation cannot be delivered by the Council alone. Success depends on shared ownership and collaboration across partners, including businesses, educational institutions, investors and financial institutions, the community and voluntary sectors, public sector partners and residents.

The strategy calls on all partners to align investment decisions and activity with the strategy, co-design delivery plans with a range of partners, shape pathways for people and businesses, and to champion Northumberland regionally, nationally and globally.

The Council will set out its own delivery plan which articulates its commitment to the priorities identified. It will work with partners to shape, deliver and evaluate each of these responses.

Together, Northumberland can truly become a **Land of Great Opportunities**—a County where enterprise thrives, people prosper, investment flows, and natural assets support a resilient and prosperous future.

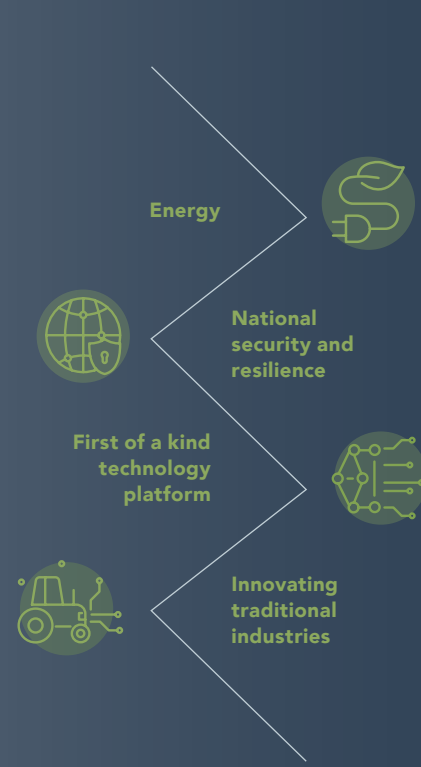
Northumberland represents a place of significant established assets and capabilities...



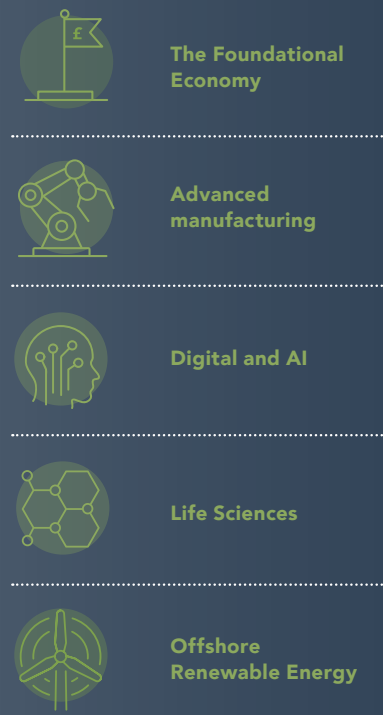
... that will be shaped by four macro forces will in the next 10 years...



... but support emerging leadership on vital regional and national capabilities...



... with specific sectors positioned to capitalise and play a leading role in our growth story.



# **Introduction to the Northumberland Economic Strategy**



## The purpose of the Northumberland Economic Strategy

Northumberland stands at a defining moment. The next decade will bring profound economic, technological, and social change and we must act strategically, deliberately and collectively to seize the opportunities that arise from these shifts. The Northumberland Economic Strategy 2035 is a collective framework for delivering inclusive growth, one that represents the distinctive characteristics of the County and the people and places within it. Whether you represent a business, education provider, the community and voluntary sector, a public body, or are a resident of Northumberland, you have a role in delivering this Strategy. This is a call to collaborate, innovate, and invest in Northumberland—a land of great opportunities.

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## What is the Northumberland Economic Strategy?

The Northumberland Economic Strategy is a bold long-term strategy that sets out our ambitions for economic growth in the County that benefits all residents and businesses in a sustainable and resilient way. It brings together evidence on strengths, weaknesses and future opportunities to create a coherent vision for economic development across Northumberland but also includes a targeted vision for five key sectors (the Foundational Economy, Advanced Manufacturing, Life Sciences, Offshore Renewable Energy and Digital and Technology).



In choosing these sectors, we have deliberately balanced the Foundational Sector, which delivers and underpins our everyday economy and offers significant scope for inclusive, locally rooted growth, with high-productivity sectors that present the greatest potential to accelerate innovation, competitiveness and overall economic expansion; Advanced Manufacturing and Engineering, Digital and AI, Life Sciences, and Offshore Renewable Energy. The Foundational Economy, encompassing subsectors with growth potential such as Forestry and Agriculture, Health and Social Care, Food and Drink, High Street and Retail, the Visitor Economy and Construction, plays a vital role in employment, community wealth and the resilience of local places.

At the same time, our high-growth sectors are globally competitive and aligned with the National Modern Industrial Strategy and the North East Local Growth Plan offering opportunities for innovation, export growth, inward investment and high-skilled, high-paid employment. Not only does this balance of sectors reflect Northumberland's distinct pathways to growth, but it reflects the need to balance the characteristics of what makes Northumberland such a great place to live and visit with its economic potential

The Strategy also considers how global and national trends—such as technological change, skills needs, demographic pressures, or energy transition—will shape Northumberland's future economy, and sets out how the area can respond to these forces. The Economic Strategy provides clarity on the assets, capabilities and emerging opportunities that give Northumberland its competitive edge, and identifies the barriers that need to be overcome to unlock growth.

At its core, the Economic Strategy aims to create a more productive Northumberland where people and businesses can thrive. It aims to harness the County's unique assets to generate high-value jobs, attract sustainable investment, raise living standards and reduce inequality, and enable our residents to access good work opportunities wherever they live in the County.

Crucially, to achieve this the Strategy translates analysis into a focused set of priorities and interventions that local partners can take forward. It sets clear objectives for growth (around jobs, productivity, investment and skills), outlines the sectors most likely to deliver impact and establishes an evidence-based framework for decision-making.

The strategy strengthens the ability of the council, businesses,

anchor institutions such as the County Partnership and investors to work in alignment by providing a shared roadmap and vision. It ensures economic development and investment is purposeful rather than reactive and supports all partners in the area to position themselves confidently in regional, national and global markets.

### **Why is now the right time to refresh the Economic Strategy?**

Recent years have been marked by significant and accelerating changes in the global, national, and local landscapes, marked both by major policy changes and economic challenge. Now is the time to reflect on these and position the County to fully capitalise on the opportunities that the next decade will bring:

#### **Globally**

At a global level geopolitical tensions are challenging existing relationships and fostering new ones, impacting how and where businesses operate, people live, and where resources and investment flow, influencing supply chains and driving up the prices of energy and materials that affect us all.

#### **Nationally**

At the national level, the landscape has shifted rapidly. A change of government has brought in an

administration focused on five missions and accompanying publication of the new Modern Industrial Strategy, the Skills White Paper and the Get Britain Working White Paper that all signal renewed focus on productivity and innovation.

#### **Regionally**

The North East is entering a new era of devolved power and strategic coordination. The North East Combined Authority (NECA) is taking on a more prominent role in economic growth, supported by a £1.4 billion investment fund over 30 years, an integrated settlement from 2026-27 and new powers over skills, transport, housing, and investment. North East Local Growth Plan sets out ambitious priorities for infrastructure, innovation and workforce and enable regional collaboration across key sectors.

#### **Locally**

Locally, Northumberland is attracting transformative investment and recognition. The flagship £10bn Blackstone-backed QTS Data Centre Campus development signals confidence in the County's potential and positions the County as a critical node in the UK's data economy reinforced by Blyth's designation as one of the UK's first AI Growth Zones which opens further opportunities for high-value tech

jobs and innovation partnerships. Energy Central continues to expand as a hub for offshore renewables and clean energy, reinforcing our role in the Net Zero transition, and the County is increasing its profile as a hotspot for tourism, bringing people from far and wide to our towns, high streets, coastline and attractions. Alongside these developments, Northumberland County Council Corporate Plan and Local Plan have been refreshed, priming the economy for growth.

The need for a 10 year economic strategy which is able to coherently navigate these layers of change and define a direction for Northumberland is clear, this Economic Strategy provides this role.

Figure 1 (overleaf) illustrates what Northumberland is capable of—we have already delivered a lasting legacy of achievements through collective effort, coordination and collaboration between the public and private sector, over the next decade we must now double down on this track record.

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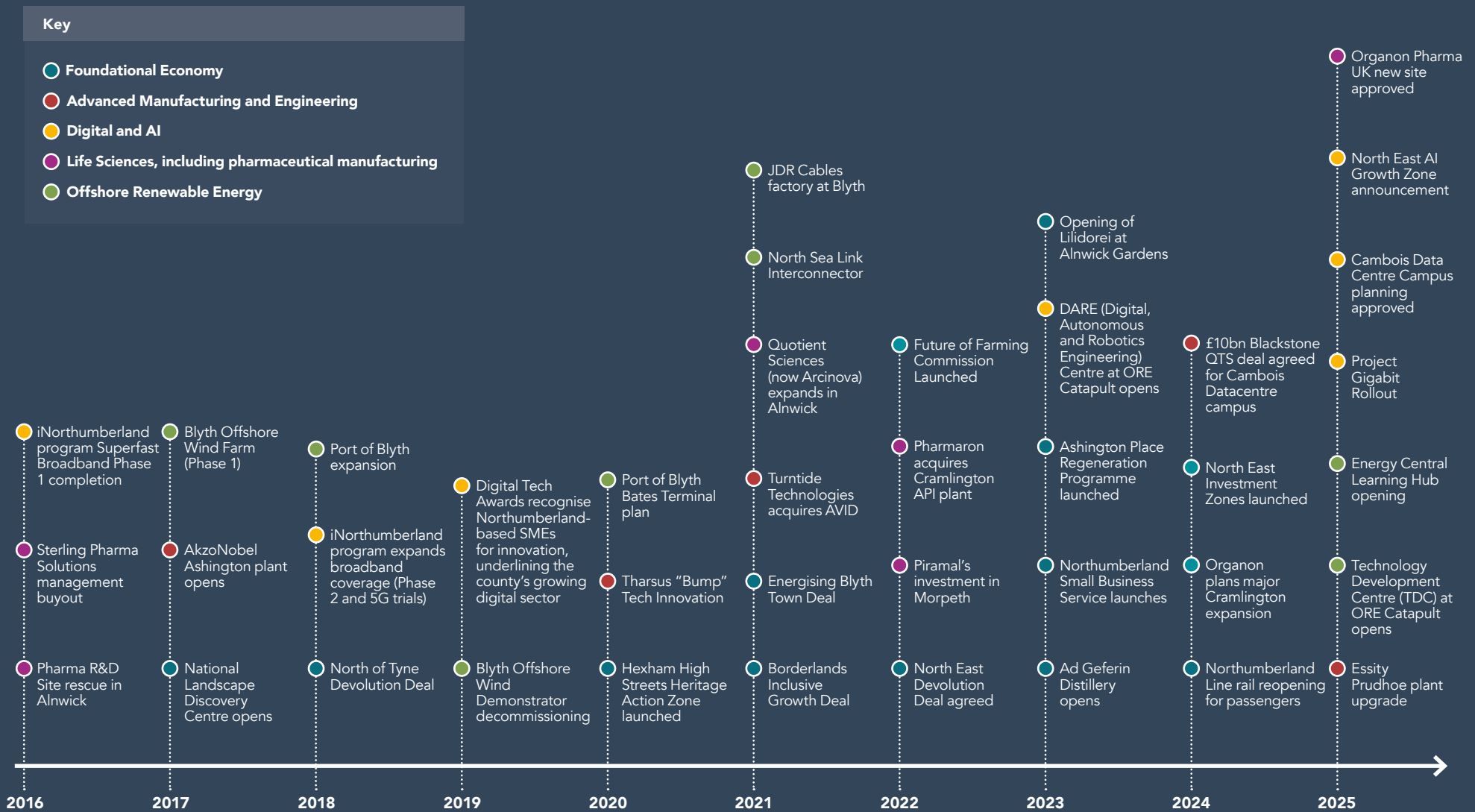


Figure 1 - Select milestones in our Economic Strategy sectors over the last decade

## What does this mean for me?

Northumberland's economy is a complex ecosystem, where individuals and organisations interact through collaboration, competition and complementarity. Each part of the ecosystem has diverse needs in order to function and grow, which they cannot resolve in isolation; inputs such as goods and services, access to new knowledge or to labour, through to needs from policy-makers enable growth and prosperity. Below we explore your role in the economy and unlocking the next phase of our growth:

## What businesses and entrepreneurs need to know about this economic strategy

The Private Sector is the heartbeat of Northumberland's economy, bringing the productivity growth, innovation and collaboration that will grow our collective prosperity, and creating well-paid, meaningful jobs that enable existing and attract new residents to build their careers here. Any existing business or those entrepreneurs keen to establish a business need to know about this strategy:

- Northumberland can arm you with the tools and support to grow your business. Over the course of this strategy we will shape a

breadth of support offers and ever greater collaboration with established businesses, be this through understanding your skills, investment, or planning needs through to when and where you may need research, academic, or simulation space for new products or services.

- For those businesses in scale-up mode we want to rally around you to ensure Northumberland does not suffer from the same growing pains experienced elsewhere in the country, providing the demand certainty, investment, supply chain and export support that can help us collectively grow the employers of the future we can all be proud of in Northumberland.
- If you have a business idea or plan then Northumberland will provide the fertile financial, skills, and entrepreneurial support that can drive your business forward.
- A broad business support ecosystem has been illustrated through this work, from Business Northumberland, Advance Northumberland, Northumberland Small Business Service through to sectoral ecosystems such as Offshore Renewable Energy Catapult; this strategy reinforces and amplifies the critical role in providing business with the support you need, when you need it.

## What current and future employees need to know about this economic strategy

Inclusive economic growth in Northumberland will bring better pay, disposable income, and quality of life for those who choose to build their careers here. As a current or future employee of a business in Northumberland this economic strategy:

- Sets out the career pathways that will guide you as you build and enhance your skills across the course of your career. The strategy articulates our view on the industries that provide the greatest opportunities for skills and wage growth, and how we will engage the private sector to understand and meet their skills demands.
- Sets out where opportunities for transition best reside, identifying some of the existing 'traditional' industry skills and how these can act as an important foundation into new industries, and how you can channel and adapt your existing skills and experience to fit these new industries.
- Identifies our priorities for developing fair, better paid, local employment for our residents, and those returning from education or work elsewhere, through setting out a clear perspective

on the structural employment imbalances between areas of our economy; such as differentials in job density, or wage differences between different wards across Northumberland.

### **What investors and the investment market need to know about this economic strategy**

Investment is a critical enabler of growth. Where financial institutions are well represented and capital is flowing into business and infrastructure, growth follows.

This strategy provides a clear and confident view to the investor in Northumberland by setting out:

- The opportunity to deepen your presence in Northumberland; we have a high performing, innovative, and resilient business base that supports the case for a broader and more active range of financial institutions in our successful markets.
- A clear, long-term vision that provides certainty. We identify the capabilities we intend to scale and the priority sectors for growth, reinforcing Northumberland's position as an attractive destination for capital, innovation and long-term investment.

- A commitment to strengthening our investment eco-system. We recognise where financial institutions and capital products are under-represented in our landscape and we will prioritise unlocking new forms of investment for business and infrastructure, recognising that strong domestic investment is fundamental to driving productivity gains.

### **What the voluntary and community sector need to know about this economic strategy**

Northumberland has a strong, vibrant, and committed third sector that plays a key role in service delivery in those areas of need not well met by the broader public and private sector. This strategy reinforces the value of this sector through:

- Strengthened connectivity and interfaces between the public sector and VCS continuing to build out and market shape where there are key societal issues that the VCS sector are better placed to respond to than public or private sectors.
- Providing an enabling environment for participation in the third sector by the workforce, ensuring the sector can capitalise on

the breadth of available skills and talent in Northumberland, particularly in an experienced, possibly retired or semi-retired, skilled potential workforce. Vice versa, the sector can also play a key role through volunteering opportunities to help residents develop the skills, confidence and experience to gain their first steps into employment, or to re-enter employment after a break.

- Reinforcing the role of social research and analysis across our sectors, and the role of the VCS in commissioning, driving and leading this research, helping us identify key societal issues for focus.

This Northumberland Economic Strategy 2035 is about collectively harnessing the assets across all these stakeholders in readiness for the next phase of our growth story whilst using a united compelling voice locally, regionally, nationally, and globally that Northumberland is open for business.

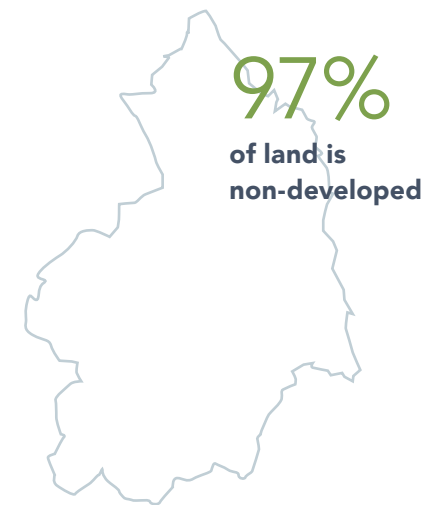


Image credit: Northern

## The Northumberland economy at a glance

Northumberland's economy is distinctive—shaped by its geography and its heritage, structured by its businesses and its people. From our farms to our wind farms, our market towns bustling with culture to our award-winning coastline, and from our diverse local businesses to our skilled workforce, Northumberland has a proud identity and the assets to deliver sustained growth.

Throughout development of this Economic Strategy we have returned to the concept of a 'land of great opportunities'—a phrase that reflects the amount of potential in Northumberland. This includes the resilience and investment track record of our businesses, our distinct towns, high streets and communities each with their own identity and traditions, alongside the scale of Northumberland's residential areas and landscapes of economic and strategic importance. While half of the workforce reside in just 3% of the County's land, 97% of land is non-developed, underpinning our locally and nationally significant activity in agriculture, tourism and the natural economy<sup>1</sup>.



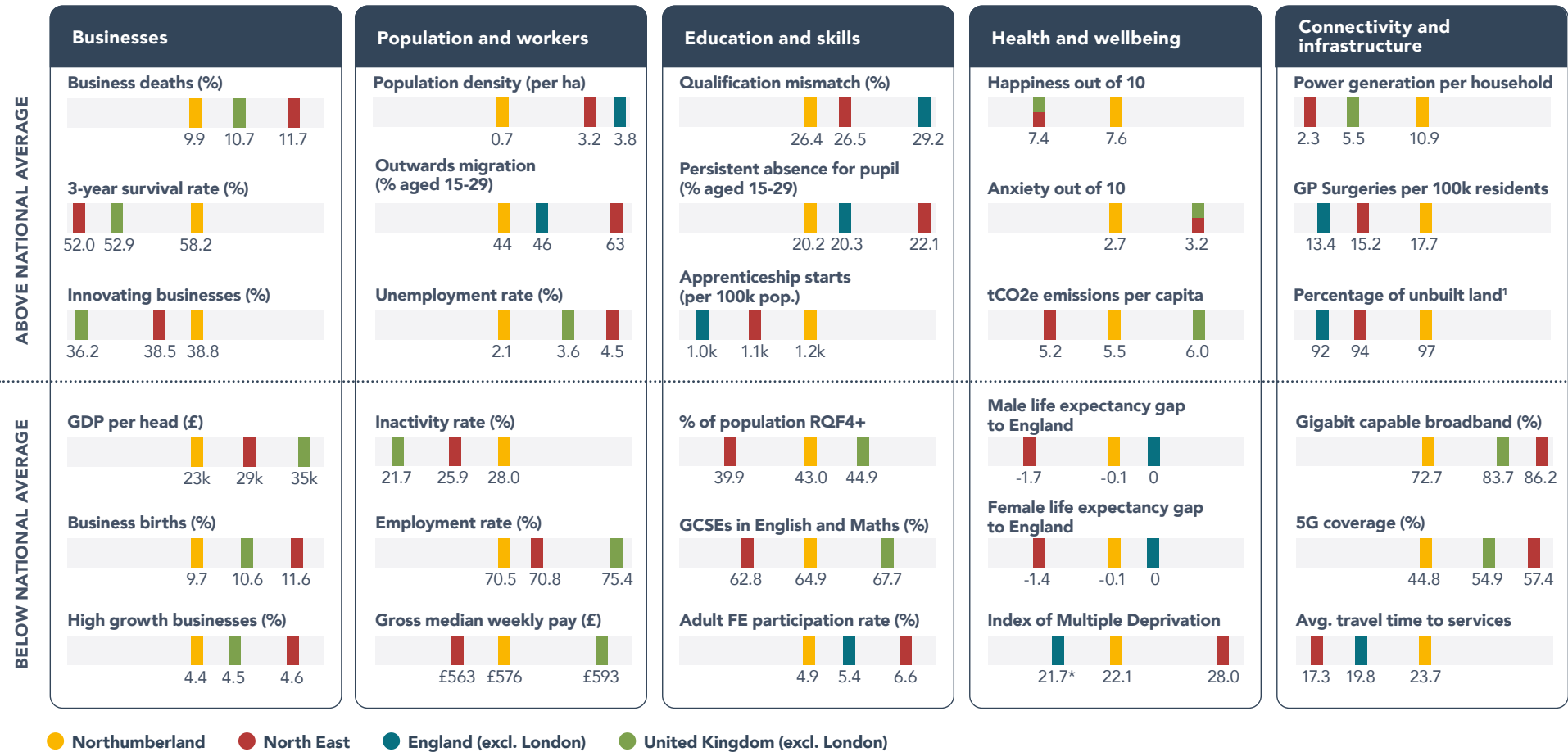


Figure 2 – Northumberland's Economy at a glance

As a foundation for developing an economic strategy, it is important to understand the baseline. That is the relative strengths and weakness of the economy today. In **Figure 2**, 30 measures show the performance of Northumberland across a range of socio-economic metrics. The top half of the graphic shows where Northumberland (yellow) outperforms UK (green), England excluding London (blue), or North-East (orange) comparators; these are areas that the County can be rightly proud of, and will act as a foundation for rapid growth. In contrast, the bottom half illustrates those socio-economic measures where we perform below the regional or national average, and hence areas where perhaps more targeted action is required to raise the performance of the County.

Whilst averages at an aggregate County level may mask some challenges at individual sector or geographies, this graphic illustrates:

**Businesses** in Northumberland demonstrate remarkable durability, with survival rates consistently above national averages. This resilience creates confidence for employers and investors alike, supported by a strong financial ecosystem and a culture of reinvestment. These are strengths that we can utilise to drive the creation and prevalence of high-growth businesses and the productivity gains and high-paying jobs that they bring to the County with them.

The County benefits from a **workforce** that is both rooted and skilled. Talent outmigration is lower than in many parts of the North East, providing employers with continuity and reducing recruitment costs, although we have a large inactive base of individuals. Skills generally align well with employer needs, particularly in established sectors, and there is growing momentum to strengthen education pathways to ensure future readiness. The proportion of individuals who continue into Further Education is however low and more needs to be done to pivot the labour force and the pipeline of labour to transition into high growth sectors.

Northumberland is home to **vibrant and distinctive communities**, villages and towns shaped by a rich cultural heritage and an outstanding natural environment. It is a place where quality of life truly matters. Residents consistently report high levels of happiness and wellbeing, reflecting the County's exceptional landscapes, strong sense of community and deep-rooted cultural identity. Generations are connected through shared history, place, arts and culture.

However, **health outcomes and deprivation indicators** present challenges, there is strong evidence that material deprivation explains over 70% of the socio-economic variation in self-rated health, demonstrating the importance of an inclusive economy. Healthy life expectancy (HLE) is the average number of years people can expect to live in good health, based on self-reported health, and is a useful measure of the overall health of the working-age population. Across the North East, every local authority has an HLE below the UK average for both men and women, although Northumberland has the highest HLE in the region. Within Northumberland there is a 20-year HLE gap for men and a 21-year gap for women between the most and least deprived areas, meaning that men living in the most deprived wards are no longer in good or very good health by around age 52. This

is why the Northumberland County Partnership, a strategic partnership of Northumberland's Anchor Institutions has agreed the mission to reduce the gap in Healthy Life Expectancy and commissioned the Institute of Health Equity to identify key actions that could be taken to increase access to good quality employment.

The County's **spatial characteristics** offers significant advantages. Northumberland has large areas of non-developed land. A significant proportion has economic value for example, it may be used for agricultural, land-base industries or tourism but, there are areas of unbuilt land which provide





Figure 3 – Business investment signals in Northumberland and the North East

scope for development without harming our natural environment. Energy generation capacity and port infrastructure positions Northumberland as a contributor to the UK's clean energy ambitions. Digital connectivity is improving, with ongoing investment in gigabit broadband and 5G coverage, and transport links are being enhanced to connect rural communities with economic hubs.

The County's stability, competitive cost environment, and strategic assets create a compelling proposition for businesses, residents, and investors alike.

**Investment** is a key enabler for growth in Northumberland

Investment matters for growth, whether sourced from established commercial lenders or more innovative capital markets, the volume, value and pace that businesses can access finance is an important factor in a local economy's growth rate. In **Figure 3** (overleaf) we illustrate levels of business investment in Northumberland.

Northumberland businesses perform well for expansionary reinvestment; securing higher levels of Gross Fixed Capital Formation per £1k of GVA than the regional average, and are in line with national averages on this important measure. Regionally businesses

across the North East are successfully accessing commercial lending markets at a much greater rate than the UK averages—indicating a strong presence and track record of traditional lenders in the region—a trend Northumberland is expected to align.

This is in contrast to the lower levels of equity-backed finance activities such as Private Equity, Venture Capital, M&A-type activities and FDI transactions, indicating a lack of presence and knowledge within these networks about the investment opportunities residing in Northumberland's innovative, resilient and diverse business base. Addressing the imbalance between debt and equity financing poses a key opportunity to support business growth and the resilience of our Northumberland economy.

### **Our geographic diversity demands a place-based approach**

The beauty of Northumberland lies in its geographic diversity - the County has unmatched coastal, agricultural, and land based industries that interface with areas of intense industrial activity and characteristic, multi-functional towns and high streets. The rural North and West offer natural beauty and space for sustainable development, new rural commercial models, hotspots of innovation, and regenerative tourism. The South East is home

to internationally competitive industrial clusters such as Offshore Renewables, Life Sciences and Advanced Manufacturing. Our towns and high streets are across the County, serving as vital centres where residents live, relax, connect with one another and with culture, and support local enterprise and trade.

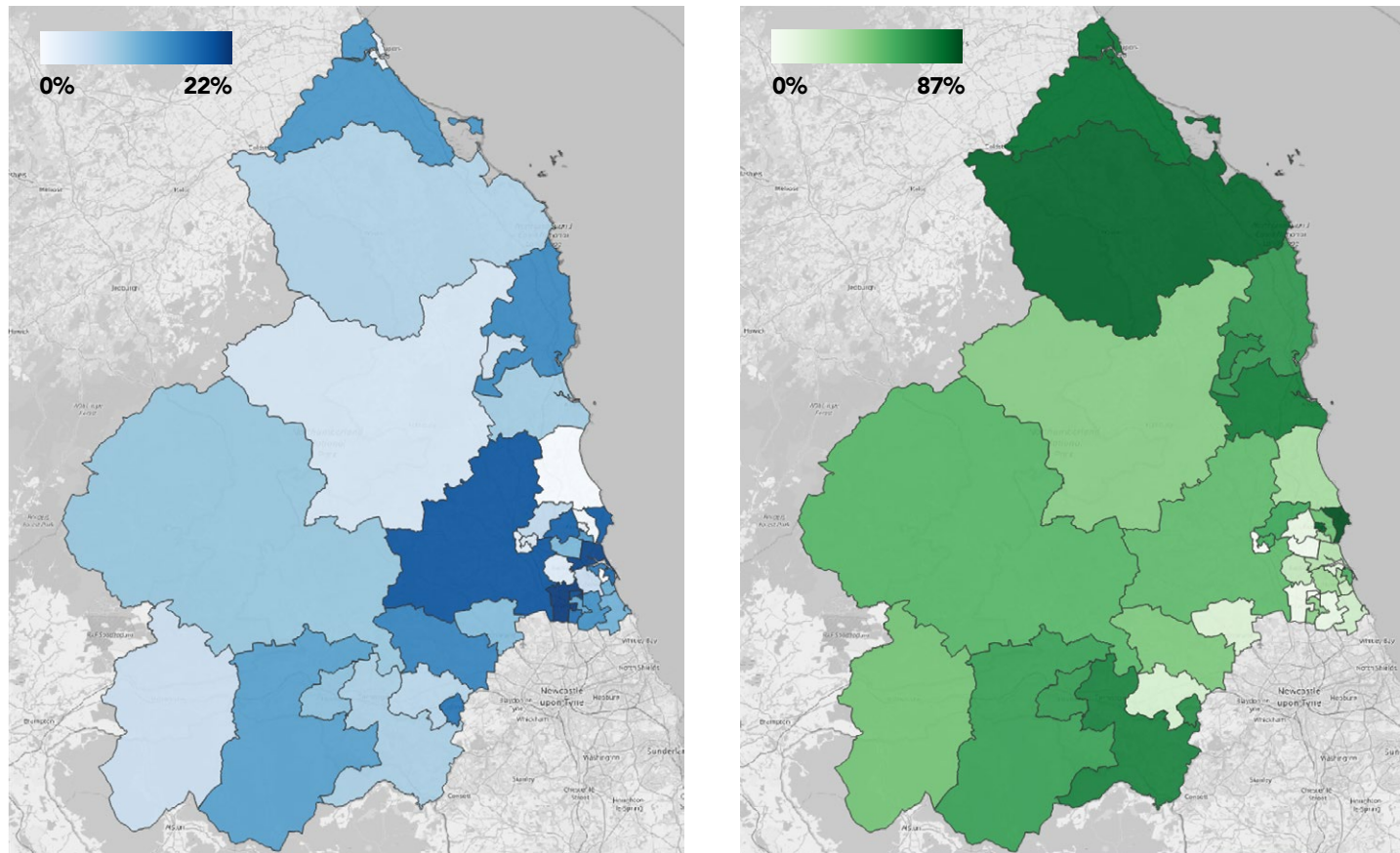
For our economic strategy to be successful, it is important to recognise such diversity demands a place-based approach. This principle ensures we play into the strengths of areas across the County, recognising different priorities, interventions and ways of working are needed for rural areas of the County to enhance their economic productivity, compared to the growth secured around dense industry from more traditional agglomeration, spillovers and investment.

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**By recognising our social and economic strengths and challenges, and how we can best unlock the private sector and the spatial distinctions across the County, we can shape more coordinated, representative, and purposeful delivery that builds a more prosperous Northumberland.**

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Figure 4 – Share of jobs in the foundational economy and the four Modern Industrial Strategy Sectors



Share of jobs in Advanced Manufacturing, Digital and AI, Life Sciences and Offshore Renewable Energy

Share of jobs in the Foundational Economy

**Figure 4** illustrates the spatial complexity of our economy; on the left in blue, we can see the share of jobs in the four Modern Industrial Strategy sectors where Northumberland shows the greatest potential growth.. A clear concentration exists around Blyth in the South-East. Conversely, in the foundational economy illustrated in green on the right, the concentration is highest in the North-East of the County around Berwick, where nearly 9 in 10 jobs are within the foundational economy.

In both graphics, the West of the County along the Tyne Valley and through the national park shows a different and more dispersed concentration of jobs. This indicates a significant opportunity to strengthen entrepreneurialism, new nature-based industries, and alternative land uses to support both business growth and local employment, reducing the long distances that talent in this part of the County are travelling to employment centres for example.

# **Our Northumberland Economic Framework 2035**

# Introduction to the Framework

An economic framework has been defined to guide our Economic Strategy. Figure 5 illustrates how our local assets and capabilities can interact with four global and national trends to drive growth in our priority sectors. Our Framework consists of:

Framework component

1

## Four macro-forces

Four macro-forces will reshape Northumberland's economy in the coming decade: the Northumberland economy is not independent from the economic forces at work globally. The strengths and weaknesses of our local assets will be influenced over the next decade by these forces and structural trends, shaping the County's economic dynamics.

Framework component

2

## Established assets and capabilities

Eight established assets and capabilities will provide a strong foundation for both growth and resilience: categorised into four key themes that express our ambition and vision for the County:

- **Excellence in Place**
- **Investment and Market Opportunity**
- **Thriving People**
- **Enterprise and Innovation**

Framework component

3

## Emerging assets and capabilities

Emerging capabilities also position Northumberland at the forefront of innovation and competitiveness.

Framework component

4

## Five priority sectors

Five priority sectors are best placed to deliver tangible economic impact—at the core is the Foundational Economy which underpins the local economy in its provision of vital, everyday goods and services and represents the County's largest source of employment. Complementing this are four highly-productivity sectors aligned to the Government's Modern Industrial Strategy and reflecting areas where Northumberland demonstrates strong comparative advantage; Advanced Manufacturing, Digital and AI, Lifesciences, and Offshore Renewables. Together, this balanced portfolio strengthens both economic resilience and long-term growth potential.















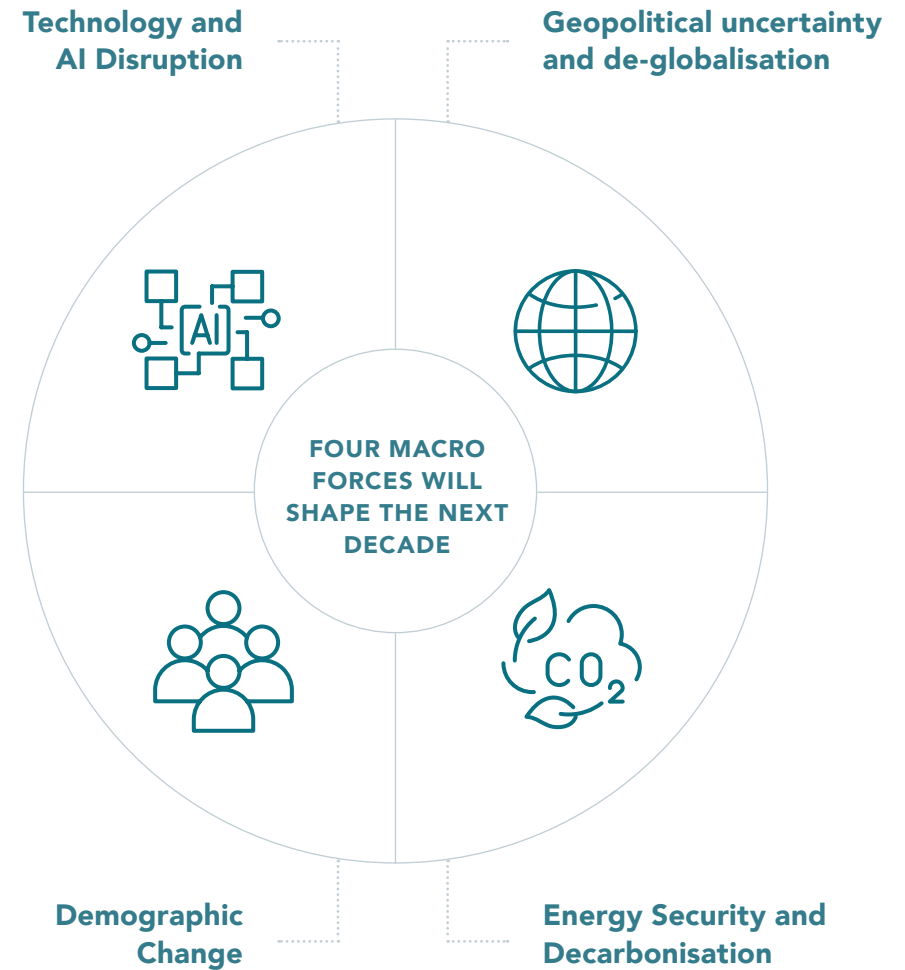
Northumberland's assets and capabilities by theme	Energy security and decarbonisation 	Technology and AI disruption 	Demographic change 	Geopolitical uncertainty and de-globalisation 	Our Economic Strategy Sectors		
<b>Excellence in Place</b>  	<b>A distinctive coastline:</b> comprising productive trust ports with internationally competitive trade and export potential alongside 40 miles of spectacular coastline designated as National Landscape.				<b>Advanced Manufacturing and Engineering</b>  	Automation and AI transforming production and maintenance.	Clean process innovation reducing industrial emissions.
<b>Investment and Market Opportunity Intersection</b>  	<b>Ample land and energy availability:</b> providing the region with the autonomy to undertake strategic development without compromising its rich natural asset base or the 2040 net zero ambitions for the County.				<b>Digital and AI</b>  	Upskilling traditional workforce to meet future demands.	Reshoring of critical manufacturing and materials supply.
<b>Thriving People</b>  	<b>Right incentives for growth:</b> including Blyth Energy Central Investment Zone, North East AI Growth Zone, and the and the Northumberland Growth Fund creating the conditions for value creation.				<b>Life Sciences</b>  	Driving cross-sector transformation and data-led innovation.	Optimising grid efficiency, logistics and resource consumption.
<b>Enterprise and Innovation</b>  	<b>Depth of commercial lending:</b> across traditional capital markets in Northumberland that underpin business investment and gross capital formation.				<b>Offshore Renewable Energy</b>  	Accelerating R&D and innovating health service delivery.	Green biomanufacturing and sustainable pharma supply chains.
<b>Across all four themes</b>  	<b>Well matched, rooted local workforce:</b> with the deep specialist capabilities in target sectors that can fulfil existing employer demands, and anchor institutions offering modern, lifelong learning.				<b>Foundational Economy</b>  	Addressing ageing population and health inequalities.	Building sovereign digital infrastructure and cyber resilience.
<b>Nationally competitive and resilient sectors:</b> well aligned to high-value add sectors in the Modern Industrial Strategy that provide a distinctive economic platform for growth.					<b>Acceleration of technology per GW of generation.</b>	ORE as a key route to clean energy and security.	
<b>A rich innovation heritage:</b> exemplified by Offshore Renewable Catapult, Advance Northumberland and Business Northumberland offering a diverse, collaborative, and drive ecosystem for growth.					<b>Digital tools driving productivity in everyday economy.</b>	Retaining local workforce and smoothing oil and gas transition.	Increasing need for energy security and reducing price risk.
<b>Demonstrating national leadership on the cost of energy and delivering industrial energy efficiency.</b>					<b>Local produce and consumption to reduce global dependency.</b>	Playing an increasingly prominent role in national security, connectivity, and asset resilience.	Local supply chains adapting to net-zero standards.
<b>Playing an increasingly prominent role in national security, connectivity, and asset resilience.</b>						Operating as an innovation territory for testing first of a kind technologies.	Facilitates lifelong healthy living expectations.
<b>Operating as an innovation territory for testing first of a kind technologies.</b>						Pioneering models of adopting sustainability and technology in traditional clusters.	
<b>Pioneering models of adopting sustainability and technology in traditional clusters.</b>							

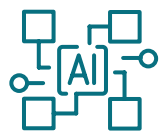
Figure 5 - The Economic Strategy Framework

## 1

## Framework Component 1: The Four Macro-forces Shaping Northumberland's Economy to 2035

Understanding how these external factors will influence our people and our businesses is essential to enable us to harness the clear opportunities and mitigate risks.





## Technology and AI disruption

Technology is no longer emerging—it is becoming the primary driver of change. In 2023, only 9% of businesses across the UK reported using AI. In 2024, this was projected to increase to 22%. Innovative technologies are being rapidly adopted<sup>2</sup>. Artificial intelligence and automation are transforming industries worldwide, with AI alone forecast to add 3% to UK GDP by 2035<sup>3</sup>. Northumberland is already part of this story. Our Digital and AI sector grew by 31% between 2018 and 2023—three times faster than the North East average<sup>4</sup>. Yet, beneath this success lie challenges such as a widening digital skills gap in the County that we must address to ensure progress translates into opportunity. This requires industry and education to work in tandem on digital skills, whether foundational digital skills or advanced, to ensure businesses, employees, and residents alike can benefit from the productivity benefits technology brings.



**GROWTH  
IN SECTOR**

↑ **31%**

**Between 2018 and 2023 -  
three times faster than the  
North East average**

<sup>2</sup> Management practices and the adoption of technology and artificial intelligence in UK firms - Office for National Statistics  
<sup>3</sup> Unlocking the Potential of Industrial AI: The UK's Path to Greater Growth and Productivity  
<sup>4</sup> EY analysis of the Office for National Statistics Business Register and Employment Survey



## Energy security and decarbonisation

Energy prices may be less of an issue globally than they were between 2021 and 2023 but they remain high in the UK, with industrial prices 94% higher than the median IEA member average<sup>5</sup>. This energy mix is underpinned by global markets still planning towards Net Zero 2050 goals, requiring emissions to fall by 45% by 2035 compared to 2010 levels, underscoring the urgency of energy resilience and clean power and stewarding our natural assets that underpin the long-term economic and environmental stability.

Northumberland is uniquely positioned to lead the way in this transition. With a strong heritage in energy generation and the rapid expansion of offshore renewables through the Energy Central cluster, the County is becoming a cornerstone of the UK's green economy. At the same time, its extensive coastline, peatlands and rural landscapes provide nationally



significant natural capital that can support carbon sequestration, flood resilience and biodiversity recovery alongside clean energy growth. Employment in this sector has grown by 14% since 2023, and future success will hinge on securing competitive investment to maintain momentum<sup>6</sup>.

## EMPLOYMENT IN SECTOR

↑ 14%

Since 2023

<sup>5</sup>

International non-domestic energy prices - GOV.UK

<sup>6</sup>

EY analysis of the Office for National Statistics Business Register and Employment Survey



## Demographic change

Across the developed world, societies are aging at an unprecedented pace. In the year 2000, the median age in England was 37. In 2024, it was 40. By 2035, the proportion of people over 65 will have risen by 40%; while this can unlock additional spending, increase community involvement and support economic activity through wrap around childcare, it puts pressure on our healthcare systems, public service provision and employment rate. These global currents are mirrored in Northumberland's own demographic profile. The County's population is deeply rooted, yet older than the national average with a median age of 49 in 2024, inactivity rates at 28% and employment slightly below regional benchmarks<sup>7</sup>.

Responding to this challenge requires a balanced and forward-looking approach. First, we must ensure that Northumberland remains an attractive place to live and work—offering high-quality jobs,



appropriate housing and a strong quality of life that retains younger residents and attracts new people to the County. Sustained and purposeful investment in our places will strengthen this vibrancy, enhancing cultural and leisure opportunities, protecting and celebrating our natural environment, and generating lasting economic and social value for communities. By building on our unique assets, we can support inclusive growth that preserves what makes Northumberland such a special place to live, work and visit, while creating new opportunities for future generations.

Second, we must invest in health, wellbeing and skills to enable more people—including those in later-life employment—to participate in the labour market for longer. Northumberland's experienced workforce is a significant asset and, in an era of heightened global uncertainty and shifting trade patterns, may present opportunities to support re-shoring and domestic growth in key sectors.

**BY 2035, THE  
PROPORTION OF  
PEOPLE OVER 65  
WILL HAVE RISEN**

**↑ 40%**

Since 2000



## Geopolitical Uncertainty and De-Globalisation

Recent years have been characterised by global political and policy uncertainty, driven by shifting alliances, protectionist policies, and ongoing major conflicts. These forces are rewriting the rules of trade, increasing costs, and challenging the interconnectedness that defined our highly globalised and complex supply chains. They are also reshaping sectors, for example, the commitments made by NATO members to increase defence spending to 3.5% of GDP by 2035, is already leading to significant investments in defence capability in both “primes” and across the supply chain.



For Northumberland, recent geopolitical uncertainty has influenced major investment decisions and continue to shape the operating environment of our key sectors, particularly for Advanced Manufacturing. However, this shifting landscape also presents opportunity. Increased defence expenditure, a renewed focus on domestic production and supply chain resilience, and the reshoring of strategic capabilities align closely with Northumberland’s strengths in advanced manufacturing, precision engineering, energy systems and innovation-led production.

## Summary

These four macro-forces represent significant opportunities for our economy, but left unmonitored present the most significant risks to our future success too. They must therefore be integrated into our economic planning, and surface some important principles in the design of our economic framework:

### Adaptable

We must build adaptability into the framework, noting the pace that sectors and capabilities are moving our ability to adapt and evolve our economic framework will be fundamental in its success.

### Asset focussed

We must design our economic framework in a manner that focusses on how assets are best deployed to meet national and global demand, from new forms of tourism through to specialisms such as nanotechnology.

### Self-sufficient and sustainable

Northumberland has the opportunity to play a strategically important role in on-shoring and energy, food and manufacturing resilience. For example

our offshore renewable energy sector plays a critical role on self-sufficiency of the British energy system, our Advanced Manufacturing sector can aid the re-shoring of production, our land-based industries can reduce the reliance on food imports or the impact of global food and commodity shocks and investing in our local supply chains will support our SMEs and local employment opportunities.

### Progressive

Acknowledging how rapidly industries are being built and dismantled and the consequential impact on the labour force our economic framework must be future-focussed, whilst supporting transition from traditional industries to manage the inherent risks in change.

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**Our strategy is designed by looking at our strengths and assets with a view to the future to understand how we can adapt them in a way that builds resilience, embraces innovation and ensures all parts of Northumberland share in the benefits of long-term demographic, technological, political and environmental change.**

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## 2

## Framework Component 2: Established assets and capabilities

Northumberland's economic strength is built on a foundation of strong assets that provide resilience and competitive advantage across multiple sectors. These established features position the County to be responsive to global macro-trends and create opportunities for inclusive and sustainable growth.



### Excellence in Place

**Excellence in Place communicates how Northumberland's exceptional physical asset base, heritage-rich towns and communities, and land provide a platform and space for both current and new industries to grow.**

Northumberland is home to vibrant and distinctive communities, villages and towns shaped by a rich cultural heritage and an outstanding natural environment. It is a place where quality of life truly matters. This cultural and environmental capital is not simply a source of pride; it is an economic strength. Our heritage assets, thriving market towns

and cultural offer attract visitors, animate high streets, support local enterprise and enhance the overall attractiveness of the County as a place to live, work, invest and visit.

While health outcomes and deprivation indicators highlight areas of challenge, targeted and partnership-led initiatives are underway to reduce inequalities and improve long-term wellbeing. Sustained and purposeful investment in our places will strengthen this vibrancy—enhancing cultural and leisure opportunities, protecting and celebrating our natural environment, and generating lasting economic and social value for communities.

Northumberland's coastline—40 miles of nationally significant landscape—is not only a natural asset but also a productive economic corridor. Trust ports along the coast offer internationally competitive trade and export potential, supporting offshore wind deployment, subsea engineering and wider maritime industries. These capabilities are reinforced by the availability of land across large rural County, a strategic advantage that supports the Foundational Economy, enables business expansion and provides a rare degree of development flexibility. This allows Northumberland to plan growth in a considered way, aligned with its 2040 Net Zero ambitions.



Connecting residents to employment and opportunity across these diverse and distributed assets requires a strong and responsive place and housing offer. This means delivering high-quality, affordable homes in the right locations, with effective links to employment centres, services and public spaces, ensuring that growth enhances both economic opportunity and community wellbeing.

The reintroduction of the Northumberland Line demonstrates how strategic infrastructure investment can unlock connectivity, confidence and long-term economic opportunity. Passenger services, which ceased in 1964, were

successfully reinstated in 2024. In its first year of operation, the line recorded 920,000 passenger journeys—significantly exceeding pre-opening forecasts and signalling strong latent demand.

Beyond improved transport links, the Northumberland Line establishes a new economic corridor linking communities to employment centres, education providers and investment sites across South East Northumberland and into the wider North East. It strengthens labour market accessibility, supports town centre renewal, and enhances the attractiveness of adjacent employment land and development

opportunities. As such, it is not only a transport intervention, but a catalyst for place-based regeneration, housing growth and private sector investment—reinforcing the case for sustained, infrastructure-led economic development across the County.

Maintaining and improving key travel corridors such as the A69, A1 and A19, and intersections such as the Moor Farm Roundabout, will boost confidence of businesses and investors, and enable all residents to contribute to economic growth.



## Investment and Market Opportunity

**Investment and Market Opportunity captures how much potential exists in the County, but that must be matched by that intersection of investment and finance to realise growth.**

Northumberland has excellent examples of fostering those environments where market opportunity and investment intersect. For example, the designation of the North East AI Growth Zone is a valuable blueprint for how a site opportunity can be effectively rethought to meet critical national infrastructure needs and attract scaled investment. This places the County at the forefront of national efforts to accelerate artificial intelligence adoption and advanced computing through the forthcoming £10 billion Blackstone QTS data centre campus, one of Europe's largest single-site facilities.

Together, these assets create a digital backbone that will underpin innovation across sectors.

However, those opportunities for the market - be it businesses, ecosystem players, or entrepreneurs, to network and interact with investors are too intermittent and need structured support. This should be complemented by right incentives for growth calling on e.g. the Northumberland Growth Fund (NGF) or Energy Central Investment Zone that can collectively de-risk private capital and attract inward investment.





## Thriving People

**Thriving People reflects the economic strategy's role to enhance and showcase Northumberland as a place to live, work, and thrive for our residents, meeting and exceeding their employment, training, housing, and lifestyle aspirations.**

Northumberland benefits from a deeply rooted and resilient workforce, with strong technical capability across engineering and advanced manufacturing, farming and land-based industries, and a growing base of digital and technology skills. This established expertise provides a solid foundation for sector growth, innovation and supply chain resilience. Anchor institutions such as Northumberland College and the Energy Central Campus play a critical role in shaping the County's future talent pipeline, offering modern, flexible and lifelong learning pathways aligned closely to employer demand and emerging technologies. Together, these institutions help ensure that workforce capability evolves in step with industrial transformation.

Given the scale and diversity of the County's economy, it is essential that career pathways are coherent and visible. This means strengthening connections between schools, colleges, employers and communities, showcasing local role models and ensuring that young people understand the breadth of opportunities available on their doorstep. Providing high-quality work experience, apprenticeships and progression routes will be vital to

retaining talent, supporting workforce mobility and maintaining an attractive employment offer for both existing and future employees.

Northumberland's quality of life is intrinsically linked to its economic proposition. Vibrant high streets, culturally rich communities and exceptional natural assets create a compelling lifestyle offer that supports talent attraction and retention. By aligning career opportunities with a strong place offer, the County can position itself as a destination of choice for skilled professionals and entrepreneurs—ensuring that economic growth is supported by sustainable population renewal and long-term workforce resilience.

However, Northumberland's challenge with economic inactivity, particularly as a result of ill-health is a stubborn one. Tackling the underlying causes of health-related economic inactivity for residents and fostering inclusive and healthy employment opportunities as outlined by the Institute of Health Equity can help to ensure residents of all ages are able to contribute to and benefit from economic growth.



## Enterprise and Innovation

**Enterprise and Innovation articulates the modernisation and transformation of Northumberland's industries— both locally important and nationally competitive sectors that will underpin the next step in the economic growth story.**



The County's innovation heritage is well established and continues to evolve. Institutions such as Offshore Renewable Energy Catapult, alongside significant private sector R&D activity and targeted support through Business Northumberland, have fostered a collaborative ecosystem that connects research, industry and enterprise. This environment accelerates applied research, technology adoption and commercialisation, enabling businesses to test and deploy new technologies, integrate smart and digital systems into production processes, and develop innovation-led solutions aligned to Northumberland's industrial strengths and future growth sectors.

Global trade realignments and supply chain disruptions underscore the importance of economic resilience. Northumberland's strength lies in its nationally competitive sectors such as Advanced Manufacturing, Life Sciences, Offshore renewables,

and Digital technologies which are all aligned with the UK's Modern Industrial Strategy, Invest2035 and North East Local Growth Plan priorities, and its strong foundational economy backbone that define our towns and rural communities including forestry and agriculture, food and drink, high streets, construction and health and social care.

Future growth will be shaped not only by the emergence of new technologies, but by the ability of existing businesses to adapt, diversify and scale within strong local ecosystems ensuring innovation strengthens productivity, resilience and inclusive growth across Northumberland's towns and rural communities.

## 3

## Framework Component 3: Emerging assets and capabilities

A set of emerging capabilities will define Northumberland’s competitive edge over the next decade and should be fostered to ensure we can meet upcoming societal issues and constraints:



### Energy

Northumberland is demonstrating national leadership on industrial energy efficiency and cost competitiveness, a critical differentiator in an era of energy volatility. Northumberland’s established supply chains in cable manufacturing, subsea engineering, and energy systems integration position it as a critical player in the UK’s clean energy transition.

The County is home to Energy Central, a cornerstone of one of the UK’s most advanced offshore wind clusters, anchoring innovation in offshore renewable energy and clean power generation. This integrated cluster brings together the Port of Blyth, the Offshore Renewable Energy Catapult and the Northumberland Energy Park, creating a nationally significant hub for energy infrastructure development, smart grid integration and collaborative

approaches to renewable generation and storage. These assets—many of which form part of the North East Investment Zone—position Northumberland at the forefront of the UK’s energy transition. Together, they strengthen the County’s role in advancing clean energy innovation, attracting strategic investment and delivering secure, low-carbon growth at scale.





### National security and resilience

In a world of shifting alliances and supply chain realignments, Northumberland is playing an increasingly prominent role in national security, connectivity, and asset resilience. Investments in digital infrastructure, energy systems, and transport networks are creating a secure, well-connected economic base that can withstand global shocks.

The County is operating as an innovation territory for resilience technologies - from cybersecurity solutions and advanced logistics systems to national security products and services. This only further enhances its attractiveness to investors and government partners.

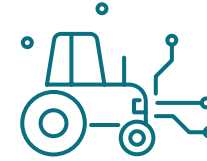


### First of a kind technology platform

Northumberland is positioning itself as a national testbed for first-of-its-kind technologies—building on its long-standing innovation heritage in energy and engineering, anchored by the Offshore Renewable Energy Catapult in Blyth. Together with the AI Growth Zone and QTS hyperscale data centre, the County is creating an environment where innovation can move rapidly from concept to deployment.

These assets will not only strengthen digital infrastructure but also enable advanced experimentation in artificial intelligence, automation and data-driven solutions—reinforcing Northumberland’s role at the forefront of clean energy and industrial innovation.

Levers through the North East Investment Zone and AI Growth Zone further support this ambition, enabling innovation spaces, regulatory flexibility and virtual sandboxes where businesses can safely trial and commercialise cutting-edge technologies locally.



### Innovating traditional industries

Northumberland has undergone major economic revolutions, acting as a geography that is able to adapt to change. As industry has shifted, the County has capitalised on new growth opportunities.

Key industries are again being disrupted; the County’s agricultural practices are being exposed to technological and biopharmaceutical transformation, the Energy sector is in a new frontier of remote monitoring and scale, and the Advanced Manufacturing sector must rapidly transform to compete. Northumberland is therefore a place ready to innovate and adapt.

4

# Framework Component 4: The five priority sectors best placed to deliver tangible economic impact

While all sectors of Northumberland’s economy will play a significant role in shaping up the future of Northumberland and the wider North East, five key sectors are best positioned to capitalise on our capabilities and global macro-forces.

Our Economic Strategy adeptly balances the Foundational Sector, which is so crucial in delivering and underpinning the effective

functioning of our everyday economy, with high-productivity sectors that present the greatest potential to turbocharge growth: Advanced Manufacturing and Engineering, Digital and AI, Life Sciences, and Offshore Renewable Energy.

This dual approach reflects two complementary aspirations: cementing the importance of the Foundational Economy and globally competitive, highly productive businesses that align to global and national macro-trends (including the UK Government’s Modern Industrial

Strategy) and aligns to the North East Local Growth Plan. In doing so, it recognises that different parts of the economy respond to different growth drivers, and that macro-trends such as Digitalisation and AI Disruption, Energy Security and Decarbonisation, Demographic change and Global Political Uncertainty cut across sectors.

The scale of opportunity residing in these sectors is described in the following section.

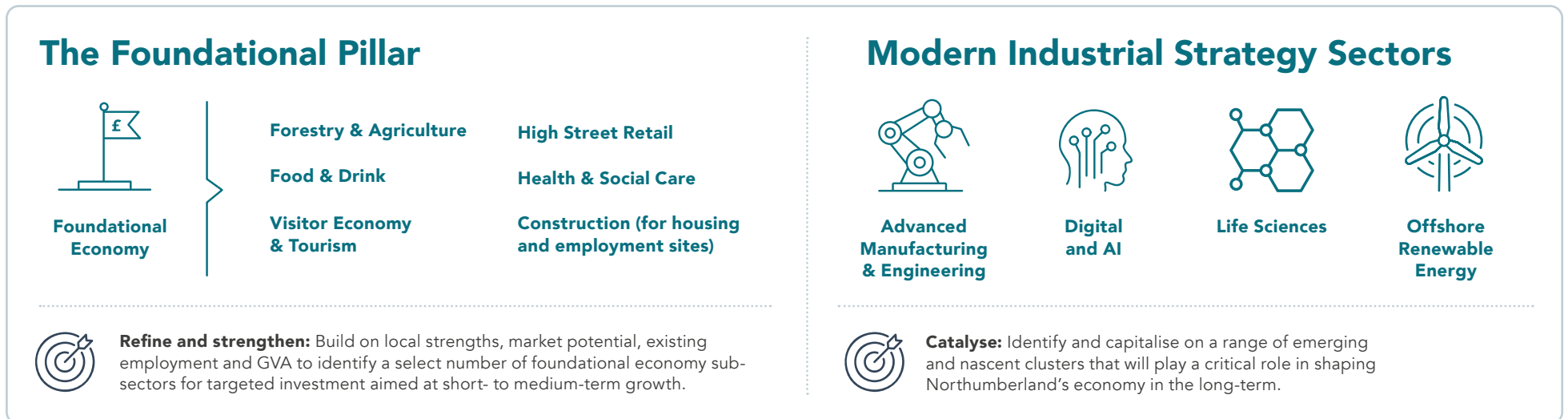


Figure 6 - Our Economic Strategy sectors

# Northumberland's Five Priority Sectors

# The Foundational Economy

Northumberland’s foundational economy is central to the County’s resilience, identity and long-term prosperity. Spanning health and care, food production, retail, construction, the visitor economy and land-based industries, it provides the essential goods and services that sustain everyday life while anchoring employment across our towns, villages and rural communities.

In a geographically diverse county, the foundational economy acts as the connective tissue between place, people and productivity. It not only underpins high-growth sectors but also strengthens inclusion and resilience—offering accessible routes into employment and enterprise, circulating wealth locally through supply chains and visitor spend, and generating positive spillover effects across the County and wider region.

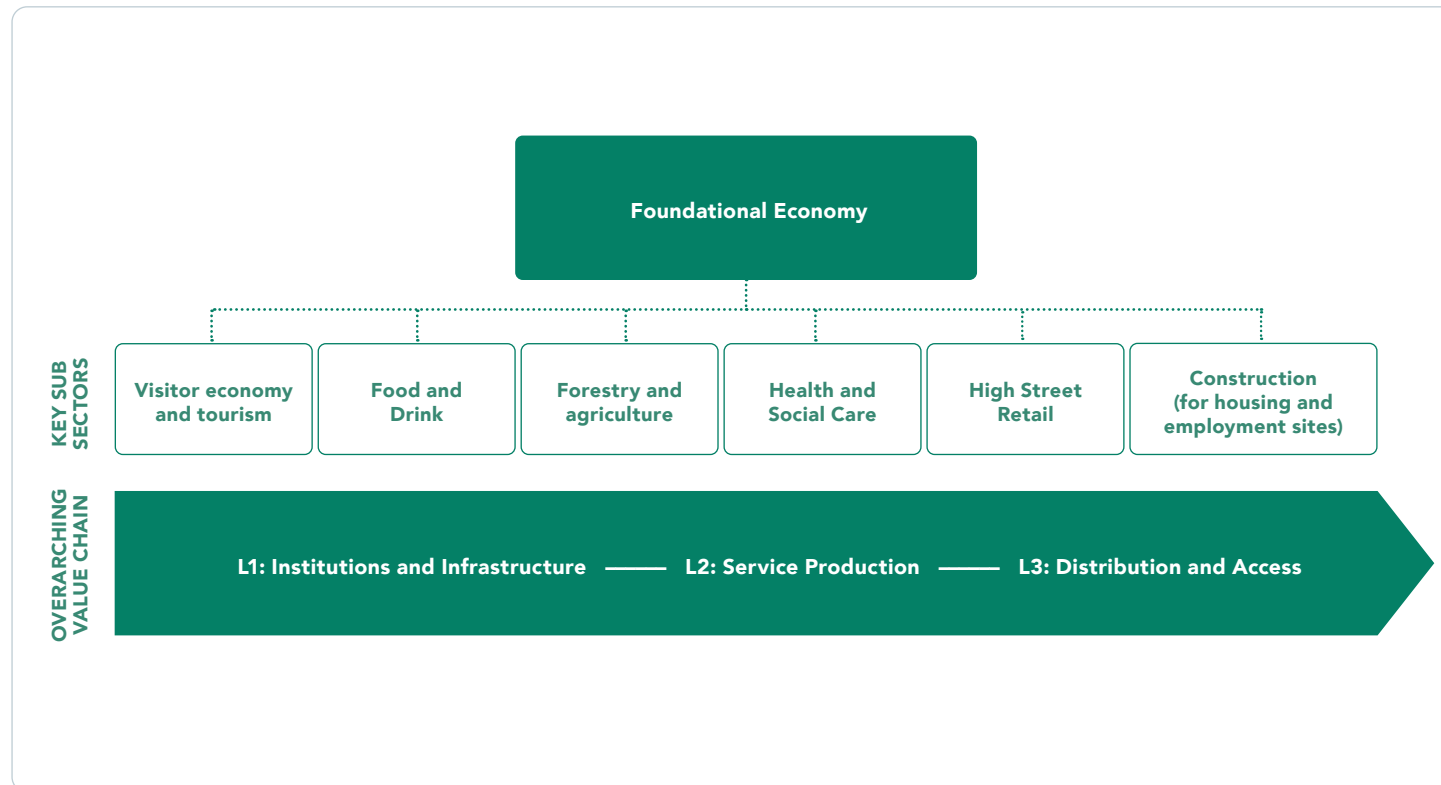


Figure 7 – Foundational Economy Sector and the value chain



The economic geography of Northumberland is distinctly polycentric. Our market towns, coastal settlements and rural villages each perform different but complementary roles within the wider economy. Historic market towns act as service and employment hubs for surrounding rural areas, supporting independent retail, professional services, education and civic life. Coastal communities combine tourism, fishing, energy and maritime activity, while former industrial towns continue to diversify and regenerate through enterprise, cultural renewal and improved connectivity. Smaller villages and dispersed rural settlements sustain land-based industries and community-led services that are vital to local resilience.

### Exposition of the County's Foundational Economy Strengths

Northumberland's Foundational Economy spans a wide range of sectors and services that together form the fabric of everyday life. It is not static, but a dynamic and evolving part of the economy, adapting to changing community needs, demographic trends and new technologies. From health and social care to food production, retail, construction and the visitor economy, it provides essential goods, services and employment across the County.

Culture is a defining feature of Northumberland's communities and a powerful economic driver. The County's theatres, galleries, festivals, creative businesses and community arts organisations contribute to local identity, animate town centres and provide participation opportunities which strengthens wellbeing, social cohesion and enterprising opportunities. Combined with an exceptional concentration of heritage and natural assets - from Hadrian's Wall to the coastal path stretching from Cresswell in the south to Berwick-upon-Tweed with Bamburgh Castle standing prominently along

the coastline in between – the cultural and heritage offer attract growing numbers of visitors each year and enhances Northumberland’s attractiveness as a place to live, work and invest.

Land-based industries remain particularly prominent across the west and north of the County, including agriculture, forestry and associated supply chains. Kielder Forest—one of the largest commercial forests in England—is a nationally significant asset for timber production, environmental management, renewable energy and rural tourism, reinforcing the County’s role in sustainable land stewardship.

By strengthening and modernising this diverse foundational base—improving productivity, supporting high streets, investing in cultural infrastructure, embracing innovation in land-based industries and renewing town centres—Northumberland can ensure that the sectors and places shaping everyday life continue to generate inclusive growth, resilience and long-term opportunity across the County.

In 2023, the sector contributed an estimated £2,819m in GVA, accounting for 45% of Northumberland’s overall economic output and employed around 57,260

individuals<sup>8</sup>. However, average productivity in the sector was around £49,200 per worker—16% below the County-wide average. From 2018 to 2023, employment growth has been steady, the sector had 6% more workers in 2023 than in 2018, slightly above the growth experienced in the sector across the North East and England (both 5%). Northumberland has a high concentration of employment in some specific sub-sector specialisms. These include the manufacturing of malt (LQ 52.84) Veneer sheets and wood-based panels (LQ 33.38) and seed processing for propagation (LQ 9.65)<sup>9</sup>.

## What are the opportunities and constraints for the sector in Northumberland?

The foundational economy sector provides a broad base of employment opportunities and has significant potential to grow over the next decade. Addressing barriers to growth and capitalising on opportunities to drive innovation, productivity, and diversification could drive annual GVA up to £3,900m and yearly employment of 71,000 FTEs.



**Wood-based panels manufacturing**





### Enterprise and Innovation

Our businesses face barriers that we must address to support scale-up and innovation. We must ensure that there are clear opportunities to improve the clustering and knowledge sharing of our businesses in the foundational economy that will enable spillovers and efficiencies, for example bringing together farmers and food producers, or our visitor attractions with accommodation providers. These actions will not only create the environment for a growing, thriving foundational economy but drive broader social value in the County.

Second, we must ensure advances in the foundational economy influence and evolve our educational offer: for example, Northumberland College's Kirkley Hall Campus, a specialist in land-based education, is ranked the top performing land-based college in the North East for 16-18 year olds and is adapting it's offer to an industry adopting the latest agritech and drone innovations.



### Thriving People

Northumberland isn't unique in the UK when it comes to high levels of economic inactivity, however the high proportion of foundational economy roles can sometimes lead to a prevalence of less secure, low paid work. To reduce the levels of economic inactivity in the County, we must increase the availability of good quality work and implement policies such as increasing the practical support that enable people to stay in work, for example through flexible working patterns or maximising the uptake of free childcare.

Health and social care plays a dual role, not only is it a major employer offering accessible entry points and locally rooted work, but as a critical enabler allowing more people to participate in the labour market. Improving job quality, pay progression, training pathways and workforce retention in care roles— alongside practical support such as flexible working patterns and maximising uptake of free childcare— will be essential to supporting people to enter and remain in work.

Furthermore, building on the success of the Northumberland Line, we must continue to improve access to business centres which will be vital for boosting employment in the foundational sector too.



### Finance and Market Opportunity Intersect

The foundational economy is full of small and medium-sized businesses, these often lack the access to scale-up finance or appetite for risk. To ensure our businesses can thrive, we must improve awareness of both the private and public finance mechanisms available, alongside training on how to prepare for and access the sources of finance that can underpin growth.

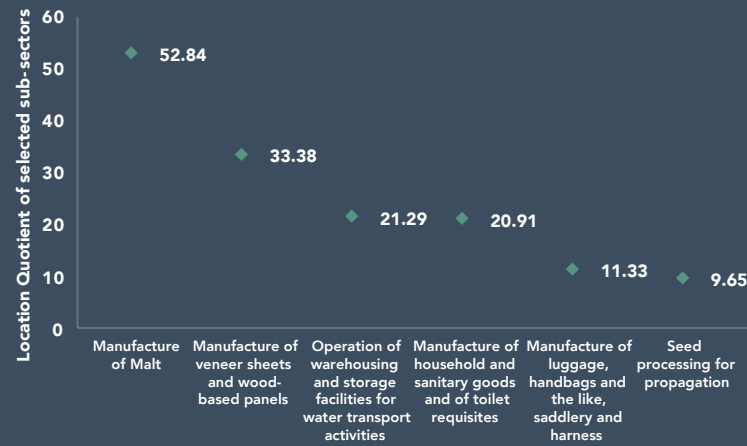
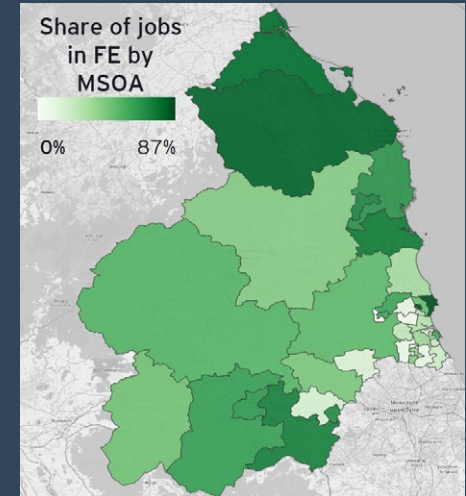
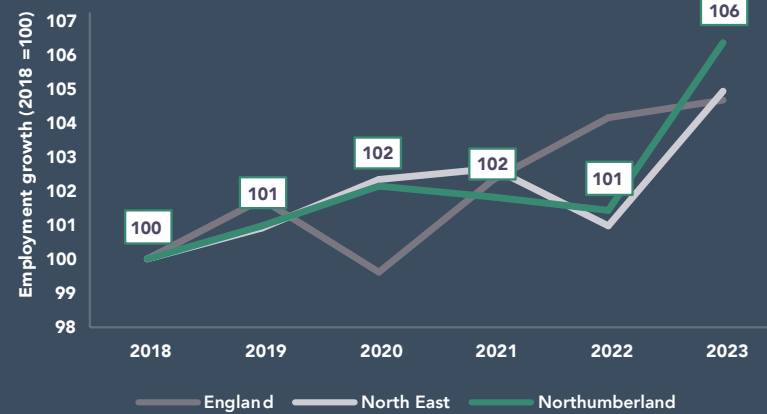
# Northumberland's Foundational Economy at a glance

**£2,819m**  
**Gross Value Added**  
 (45% of Northumberland's Total GVA)

**57.26k**  
**Employees**  
 (51% of Northumberland's Workforce)

**49.2k**  
**GVA/worker**  
 (-16% compared to Northumberland average)

**7,400**  
**HQ Businesses\***



Share of jobs in FE by MSOA

\* Note that the number of businesses reflects exclusively the number of headquartering businesses within Northumberland (IDBR data); therefore, this number is likely to be underestimated especially when considering medium and large enterprises that have local non-headquartered activity. On the other hand, GVA and employees reflect the number of both headquartering and non-headquartering businesses within Northumberland.





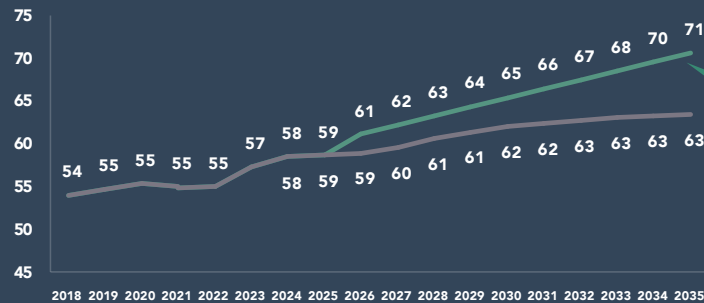
### Excellence in Place

A thriving Foundational Economy is intrinsically linked to excellence in place. A strong construction sector delivers the housing and infrastructure required for growth. Vibrant retail and cultural sectors sustain high streets and enhance liveability, attracting residents, visitors and skilled professionals. Conversely, constraints such as limited land availability, insufficient connectivity or underinvestment in town centres can deter business expansion and private investment.

Sustained and purposeful investment in our towns, cultural infrastructure, natural environment and connectivity will therefore be essential. By strengthening the sectors that shape everyday life, Northumberland can ensure that its Foundational Economy continues to generate inclusive growth, resilience and long-term prosperity across its diverse communities. Our Anchor Institutions who come together via The County Partnership also play a key role as major employers, procurers of services and property owners and have made a local commitment to maximise the

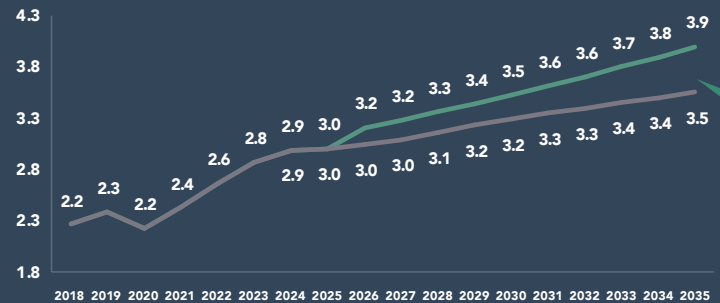
use of local supply chains to provide inclusive employment opportunities and to use their assets to support communities.

Employees (thousands)



Up to +11% employees in 2035

GVA (£m)\*



Up to +13% GVA in 2035

— Baseline ('do nothing') scenario — Optimal ('do something') scenario

# Advanced Manufacturing and Engineering

Northumberland’s Advanced Manufacturing and Engineering sector is a cornerstone of the County’s industrial base and a driver of innovation-led growth. Our rooted history in coal mining, shipbuilding, and heavy engineering has created a legacy of technical excellence and a skilled workforce that underpins Northumberland’s modern manufacturing successes today. Blyth’s reputation for shipbuilding, port activity and offshore engineering developed alongside the coalfield communities of South East Northumberland, including Ashington—once one of the largest mining villages in the world. The coal industry and maritime trade were deeply interconnected, shaping a powerful industrial base whose skills and engineering expertise have since evolved into a strong advanced manufacturing and offshore energy capability that continues to influence the County’s future.

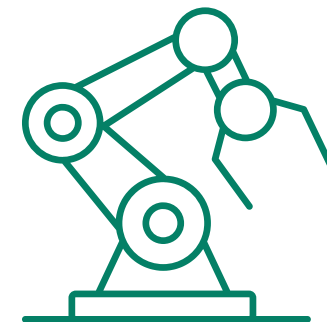
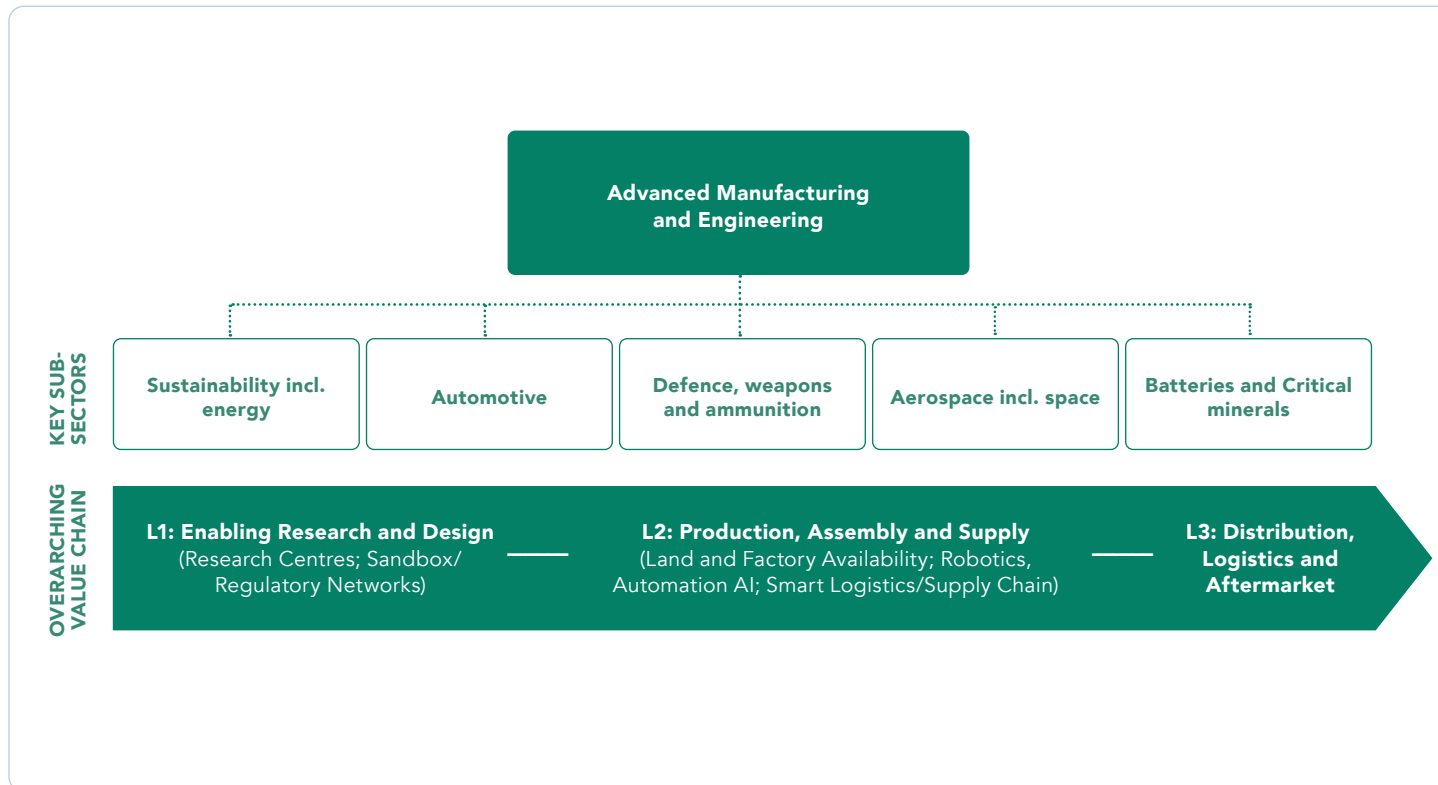


Figure 8 – Advanced Manufacturing and Engineering Sector and the value chain

## Exposition of the County’s Advanced Manufacturing and Engineering Strengths

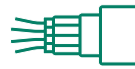
The sector is today a highly specialised manufacturing hub of electric and electronic components, chemicals, machinery, automotive supply chains and technical testing and analysis, with emerging capabilities in subsea engineering, defence and space, agri-tech and advanced materials. The sector is rapidly evolving to meet the demands of “Industry 4.0” through defining how digital technologies and smart systems can be integrated into production processes, positioning Northumberland as a competitive hub for Advanced Manufacturing and engineering excellence serving both domestic markets and exports to major international markets.

In 2023, the Advanced Manufacturing and Engineering sector contributed an estimated £411m in GVA, accounting for 6.5% of Northumberland’s overall economic output. Around 5,290 individuals are employed in this sector, delivering an average productivity of £77,800 per worker—33% above the County-wide average.<sup>10</sup> Employment saw a sharp decrease between 2020 and 2022 due to high exposure to global supply chain dynamics. It has

since recovered to pre-pandemic levels, and is growing at the same pace of the UK-wide Advanced Manufacturing and Engineering average. Employment in the sector is highly concentrated in the South-East of the County, with notable hubs in Blyth, Bedlington and Cramlington, supported by strategic import/export links in the Port of Blyth, Newcastle International Airport and other rail and road transport links (e.g. the coastal Northumberland Line).

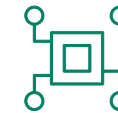
Northumberland holds a competitive edge in established manufacturing activities, including electronic and electric wires and cables production (LQ 14.29), electronic component production (LQ 9.52), chemical processing (6.45), as well as other machinery and equipment, complemented by a strong technical testing and analysis base (LQ 5.65)<sup>11</sup>.

**Wire and cable production**



**Chemical processing**

**Electrical component production**



**Testing and analysis**

10  
11

EY analysis of the Office for National Statistics Business Register and Employment Survey  
EY analysis of the Office for National Statistics Business Register and Employment Survey

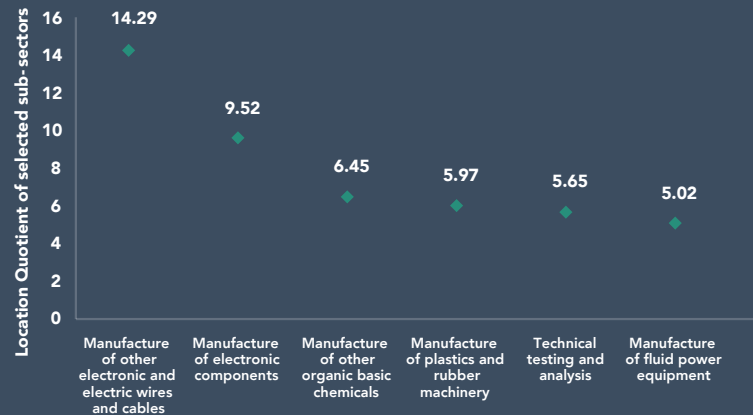
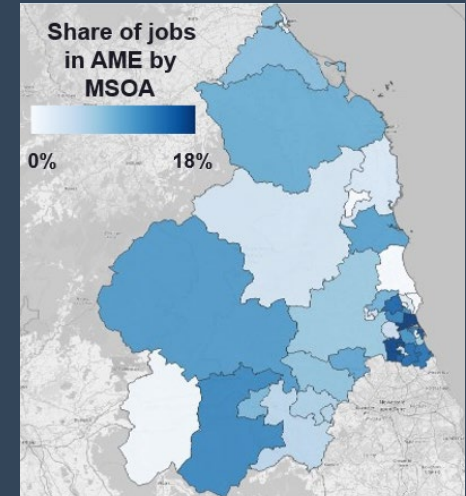
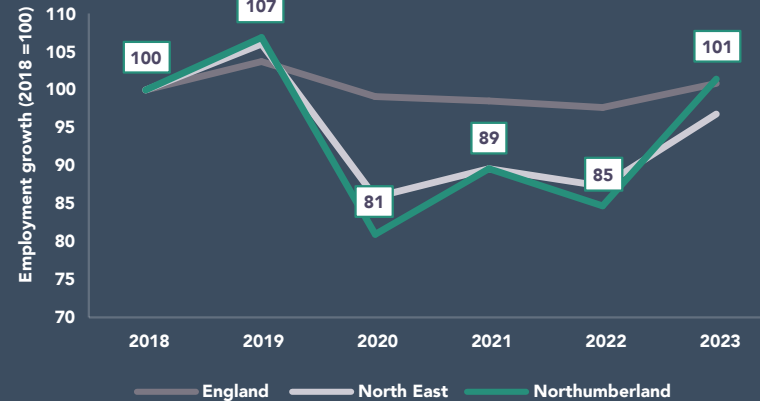
# Northumberland's Advanced Manufacturing and Engineering Sector at a glance

**£411m**  
**Gross Value Added**  
 (6.5% of Northumberland's Total GVA)

**5.29k**  
**Employees**  
 (4.9% of Northumberland's Workforce)

**£77.8k**  
**GVA/worker**  
 (+33% compared to Northumberland average)

**505**  
**HQ Businesses\***



▲ Share of jobs in AME by MSOA

\* Note that the number of businesses reflects exclusively the number of headquartering businesses within Northumberland (IDBR data); therefore, this number is likely to be underestimated especially when considering medium and large enterprises that have local non-headquartered activity. On the other hand, GVA and employees reflect the number of both headquartering and non-headquartering businesses within Northumberland.



## Evidence of the strong Manufacturing business base and diversification opportunities

Northumberland's Advanced Manufacturing and Engineering sector is rooted in a strong industrial heritage that has demonstrated resilience through successive economic cycles. Today, that legacy is complemented by a dynamic mix of global manufacturers and innovative SMEs, creating a diverse and high-performing industrial base.

The County is home to major international companies such as

AkzoNobel, which operates one of the world's most sustainable paint plants in Ashington producing 1.5 million litres of paint per week, and Egger in Hexham, which manufactures over 740,000 cubic metres of chipboard annually. Alongside these global players sits a sophisticated ecosystem of advanced manufacturers, including Essity—a leading global hygiene and health company—and Tharsus, a specialist in robotics and automation.

There is strong geographic clustering in South East Northumberland, the Tyne Valley and the West of the County with a variety of high-value production spanning advanced materials, consumer goods, automation and precision engineering, cutting across industries and value chains like defence, automotive and logistics. This co-location fosters supply chain integration, skills development and knowledge spillovers, strengthening productivity and reinforcing Northumberland's position as a competitive manufacturing location with firms operating at varying scales and levels of technological sophistication.



## What are the opportunities and constraints for the sector in Northumberland?



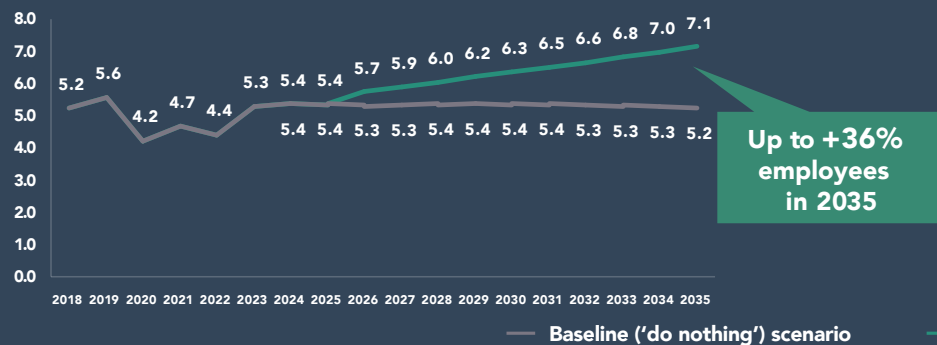
Advanced Manufacturing and Engineering is a sector with strong foundations and significant potential through to 2035; addressing the barriers to growth and capitalising on opportunities to drive innovation, productivity, and diversification could lead to an annual GVA figure of £668m and yearly employment of 7,100 FTEs.

### Enterprise and Innovation

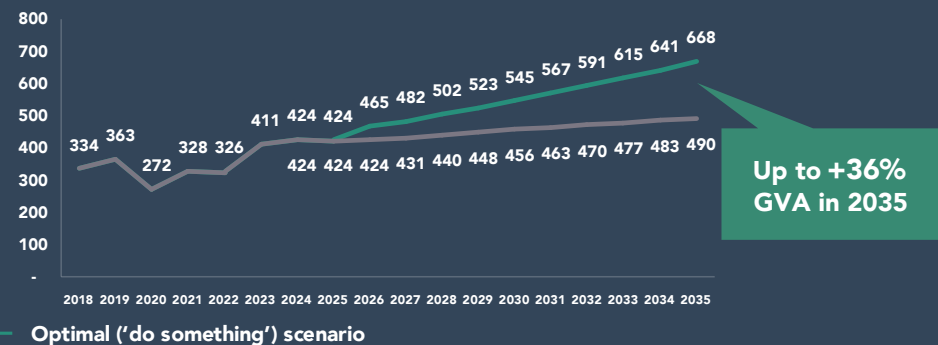
Northumberland’s Advanced Manufacturing and Engineering sector has a clear opportunity to foster better collaboration between local supply chains and enabling sectors such as digital technologies, clean energy, and materials science. Initiatives to catalyse on cross-sector and cross-manufacturing innovation, enabling joint R&D projects, technology showcases, and collaborative adoption of smart systems and automation can catapult diversification and growth in the sector.

Innovation capability is concentrated in specific locations and sub-sectors, and access to testbeds, prototyping facilities and specialist R&D support can be less visible or accessible for smaller manufacturers resulting in missed opportunities for shared supply chain efficiencies and collaborative projects. Creating platforms for knowledge exchange and mapping local capabilities will be critical to building a cohesive ecosystem and attracting external investment.

Employees (thousands)



GVA (£m)\*





### Thriving People

The sector's success depends on a robust talent pipeline and effective retention strategies. Opportunities exist to strengthen links between industry and academia, co-designing curricula, sponsoring research, and offering industrial placements aligned with forward-looking manufacturing needs. Formal partnerships with universities and other academia could ensure graduates are equipped for emerging technologies while improving retention through clearer career pathways.

There are workforce challenges that will need to be jointly addressed by all stakeholders. Collaboration between academia and industry is a continuously evolving effort and particularly micro and small businesses face constraints navigating academic and adequate lab and innovation spaces. In small businesses providing in-house training can bring retention risks that require support to develop structured progression routes.



### Finance and Market Opportunity Intersect

Advanced Manufacturing requires significant capital investment in land development, machinery, and prototyping. Significant constraints currently exist with high upfront costs for land development, site expansion and infrastructure upgrades. There is an opportunity to bridge this viability gap through targeted local incentive funds, offering grants or matched funding for innovative pilot production lines and certification processes. These measures would de-risk investment, encourage scale-up for SMEs and further promote innovation throughout the County.

The sector also faces trade barriers to be mitigated: import dependency has been exacerbated by Brexit, and export-oriented contracts remain scarce, with some examples of multinational firms favouring EU-based production. Leveraging national and regional funding streams, alongside local incentives to promote local energy production and security, will be critical to overcoming these constraints.



### Excellence in Place

Northumberland's physical infrastructure will be decisive in attracting and retaining Advanced Manufacturing businesses. Opportunities exist to develop modern industrial sites, improve transport connectivity and reduce bottlenecks around the A19 and A1.

Utilities planning constraints and grid capacity remain critical issues, alongside the need for collaborative solutions between public and private sectors to address high energy costs. Tackling, or incentivising solutions to mitigate such infrastructure challenges will be essential to position Northumberland as a competitive hub for Advanced Manufacturing and engineering excellence.

# Digital and AI

Northumberland's Digital and AI sector represents a rapidly growing, innovation-driven ecosystem that underpins the County's ambition to become a leading hub for advanced technology applications in the UK. The sector currently involves well established forms of digital technologies (e.g. manufacture of electronic and electrical components), that through building on the strategic location, connectivity, and growing digital infrastructure, is expected to gain further momentum in software development, data analytics, artificial intelligence applications, data centre hosting, cybersecurity, and beyond.

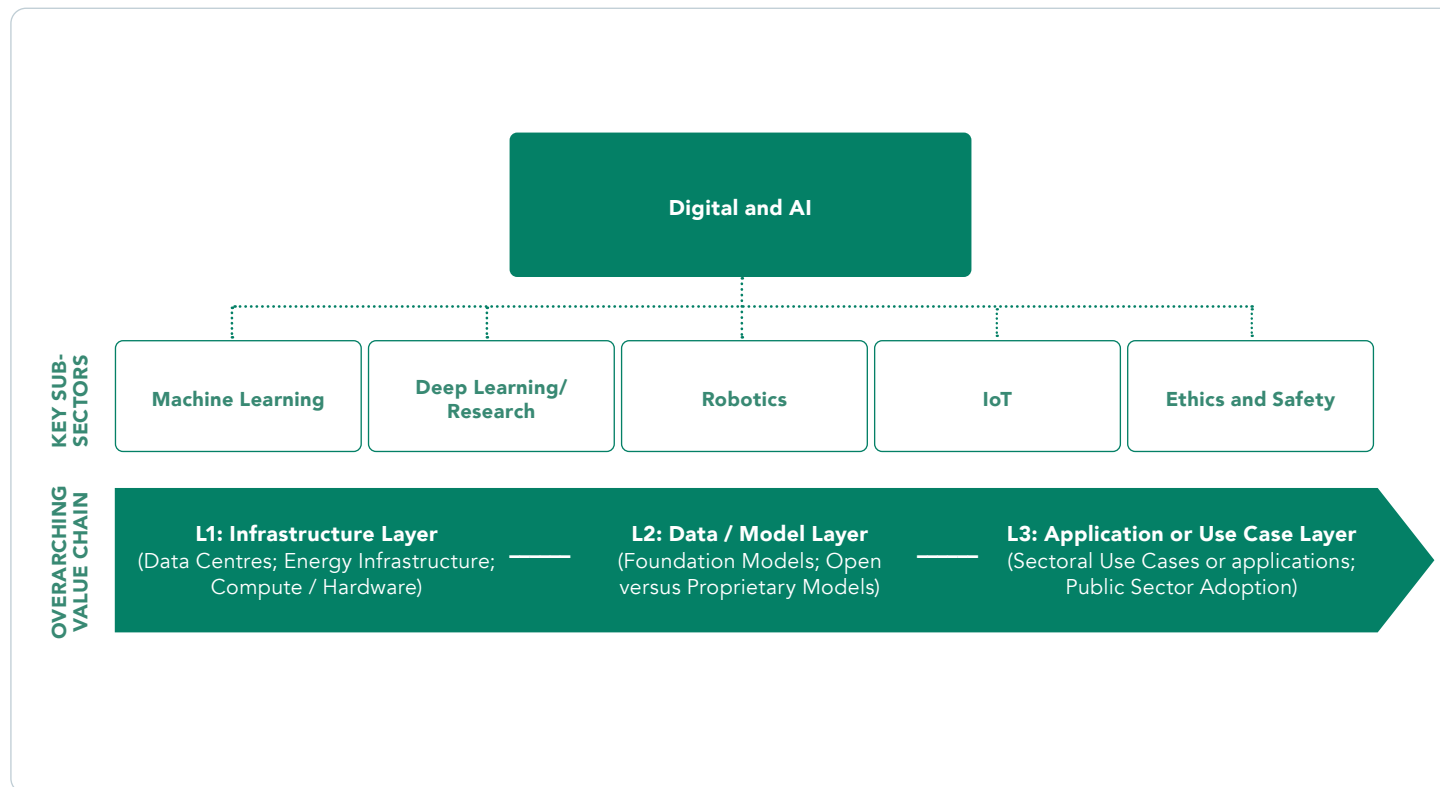


Figure 9 – Digital and AI Sector and the value chain



## Exposition of the County's Digital and AI Strengths

Northumberland's Digital and AI sector demonstrates a comprehensive value chain that spans from foundational infrastructure to advanced service provision and real-world application of cutting-edge technologies. At the centre of its hard infrastructure offer the County is set to host QTS's first UK campus, a transformative £10bn investment from Blackstone that will establish one of Europe's largest single-site data centres, positioning Northumberland as a critical node in the UK's digital backbone. This infrastructure underpins a thriving ecosystem of digital service providers delivering solutions to SMEs and large enterprises across the North East. These are supported by well-

established innovation corridors and strategic partnerships locally and regionally such as the new AI Growth Zones, two National Cyber Security Centres of Excellence, the National Innovation Centre for Data, various technology innovation districts in Newcastle and Sunderland, and the Digital Catapult North East.

Beyond infrastructure and services, Northumberland is developing a growing specialism in AI-enabled technologies. Capabilities in data analytics, automation and machine learning are beginning to reshape established sectors such as advanced manufacturing, clean energy and healthcare—enhancing productivity, strengthening competitiveness and supporting the development of new, higher-value products and services. In doing so, Digital and AI is not only a sector in its own right, but also a catalyst for transformation across the wider economy.

The direct activity of the Digital and AI sector in Northumberland generated £423m in GVA in 2023, representing 6.7% of the County's total economic output. Approximately 5,400 people are employed in digital and AI roles in Northumberland, with an average productivity of £78,400 per worker, exceeding the County average by 34%. Employment in the sector grew by 31% between 2018 and 2023, outperforming both regional and national averages which grew at a more modest 10%-12% rate. Digital and AI jobs are concentrated predominantly in the South and South-West of the County, with more isolated clusters in Blyth and North<sup>12</sup>.

Northumberland currently demonstrates national competitiveness predominantly in traditional Digital and AI activity (e.g. manufacture of electronic components and electric wires and cables, technical testing and analysis, engineering activities), but is also well placed to host more nascent and innovative software and digital activities, a good example is publishing of computer games (LQ of 2.68)<sup>13</sup>.

**One of Europe's largest data centres**



**Two National Cyber Security Centres of Excellence**

**Computer game publishing**



12  
13

EY analysis of the Office for National Statistics Business Register and Employment Survey  
EY analysis of the Office for National Statistics Business Register and Employment Survey

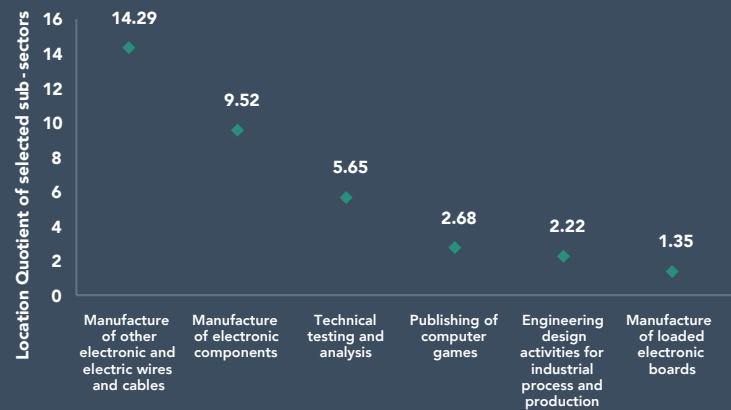
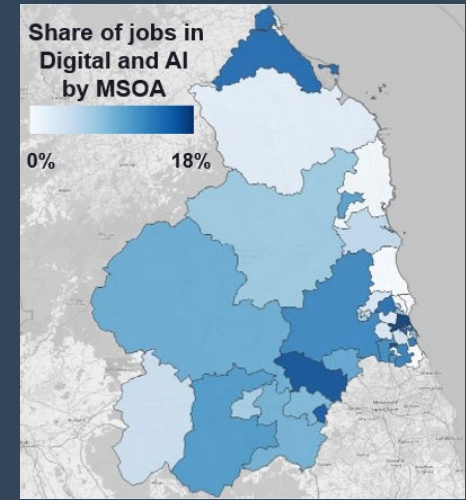
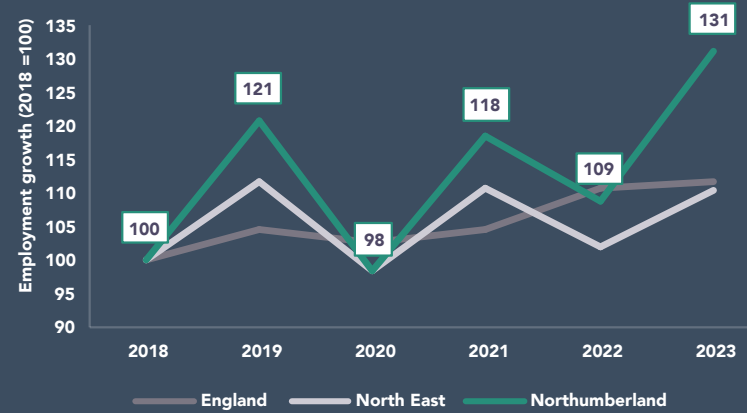
# Northumberland's Digital and AI Sector at a glance

**£423m**  
**Gross Value Added**  
 (6.7% of Northumberland's  
 Total GVA)

**5.40k**  
**Employees**  
 (5.0% of Northumberland's  
 Workforce)

**£78.4k**  
**GVA/worker**  
 (+34% compared to  
 Northumberland average)

**785**  
**HQ Businesses\***



▲  
**Share of jobs in Digital and AI by MSOA**

\* Note that the number of businesses reflects exclusively the number of headquartering businesses within Northumberland (IDBR data); therefore, this number is likely to be underestimated especially when considering medium and large enterprises that have local non-headquartered activity. On the other hand, GVA and employees reflect the number of both headquartering and non-headquartering businesses within Northumberland.



19%

of all PE/VC backed  
companies operating within  
the sector

17%

of M&A and investment  
transactions occurring in  
the sector

Between 2018-2024



## Evidence of inward investment in the Digital and AI Sector

Beyond the anchor £10 billion Blackstone QTS announcement the sector is dynamic in terms of financial activity, and the AI growth zone will also provide key incentives for investment. Private equity and venture capital-backed enterprises account for a substantial share of Northumberland's innovation landscape, with approximately 19% of all PE/VC-backed companies in the County in 2024 operating within Digital and AI.

The sector also demonstrates high transactional intensity, with 17% of all M&A and investment transactions in Northumberland between 2018 and 2024 occurring within Digital and AI. This level of activity underscores strong investor confidence in the sector's growth potential and scalability for technology-driven businesses and signals a robust pipeline of future investment opportunities.

## What are the opportunities and constraints for the sector in Northumberland?



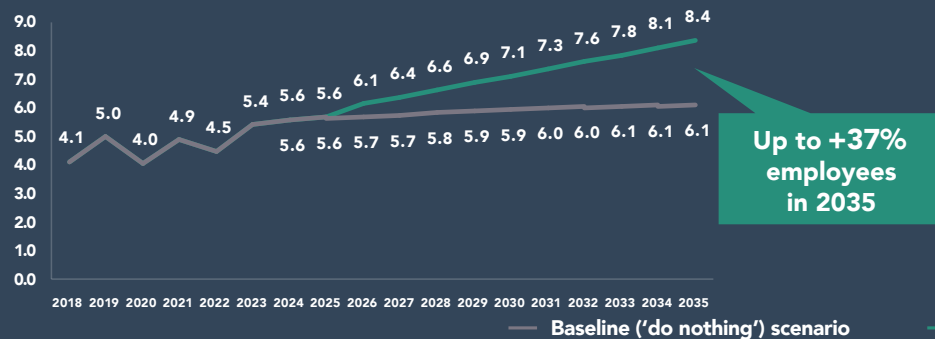
Digital and AI is a sector with significant potential through to 2035, with a growth potential to reach an annual GVA of £788m and employment of 8,400 FTEs. This can only be delivered by capitalising on the following opportunities and addressing the following constraints:

### Enterprise and Innovation

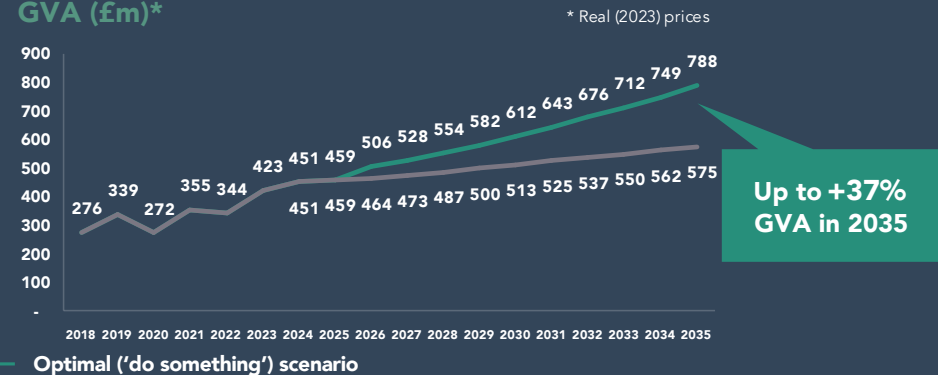
Northumberland’s Digital and AI sector is uniquely positioned to catalyse digital innovation across multiple industries, fostering collaboration between local digital businesses and right across high-growth sectors and the foundational economy. Promoting technology showcases, hackathons, or virtual sandboxes could act as catalysts for cross-sector innovation, enabling solutions such as remote monitoring of offshore assets or predictive maintenance for energy infrastructure, and deploying technology in sectors where Northumberland has a strong existing business base such as agriculture and medicine.

While start-ups thrive in their initial years the scale-up risks remain significant in this sector too, with challenging demand and insufficient physical testing spaces. Expanding infrastructure such as 5G testbeds and dedicated innovation labs, as well as creating visibility for local capabilities and attracting investor interest through “meet the buyer” and “meet the investor” will be critical to sustaining growth.

Employees (thousands)



GVA (£m)\*





### Thriving People

The sector's success will also depend on building a strong talent pipeline and raising awareness of digital careers. Opportunities exist to align industry and academia more closely, influencing curricula to deliver vocational and transitional skills for emerging technologies. Collaborative efforts among local firms could shape education pathways and provide capacity to raise awareness of career paths earlier.

The County faces tough competition from more prominent tech clusters in London and Manchester for young talent. The new AI Growth Zone and investment agenda must be utilised to drive commitments around education, training, and employment in Northumberland and wider region to ensure is well-placed to host the new cohort of Digital and AI leaders.



### Finance and Market Opportunity Intersect

Investor confidence in the sector is strong, with a notable concentration of private equity and venture capital-backed activity, however there is scope to deepen this engagement by connecting local firms with high-net-worth individuals and angel investors through technology roadshows and investment showcases. These efforts could unlock scale-up funding and accelerate growth.

Conversely, the Digital and AI sector also faces structural barriers in accessing later-stage finance, which constrains the ability of promising businesses to scale beyond their initial years. Leveraging international initiatives like HorizonEU, national initiatives such as the Advanced Research and Invention Agency (ARIA), UKRI, or regional funds like the North East Innovation Fund could provide a pathway for funding projects of an earlier Technology Readiness Level maturity in applied AI, robotics, and data infrastructure.



### Excellence in Place

Northumberland's physical and digital infrastructure will be a decisive factor in attracting and retaining Digital and AI businesses. There is an opportunity to create targeted offers combining high-speed connectivity, private secure 5G and virtual networks, with site specific propositions for Digital and AI investment. These offers would make the County more attractive to firms seeking both advanced connectivity and security, and could play an important role in an AI ecosystem across the AI Growth Zone, Cambois Site, and Cobalt Park.

To realise these opportunities, enabling infrastructure must keep pace. Energy grid capacity constraints and reducing the long lead times for new connections will be essential if Northumberland is to position itself as a competitive hub for digital and AI innovation.

# Life Sciences Including Pharmaceutical Manufacturing

Northumberland’s Life Sciences sector, which includes the strong base of pharmaceutical manufacturers in the County, represents a critical pillar of innovation and health resilience, with strong potential to scale as part of the UK’s broader Life Sciences sector. The County benefits from a foundation of specialised chemistry capabilities, strategic sites, and proximity to established health networks, positioning it to capture growing diagnostic, therapeutic, and medical technology markets.

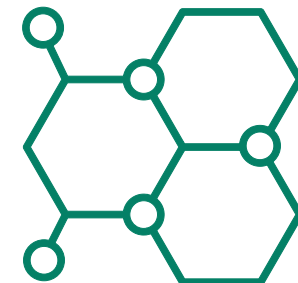
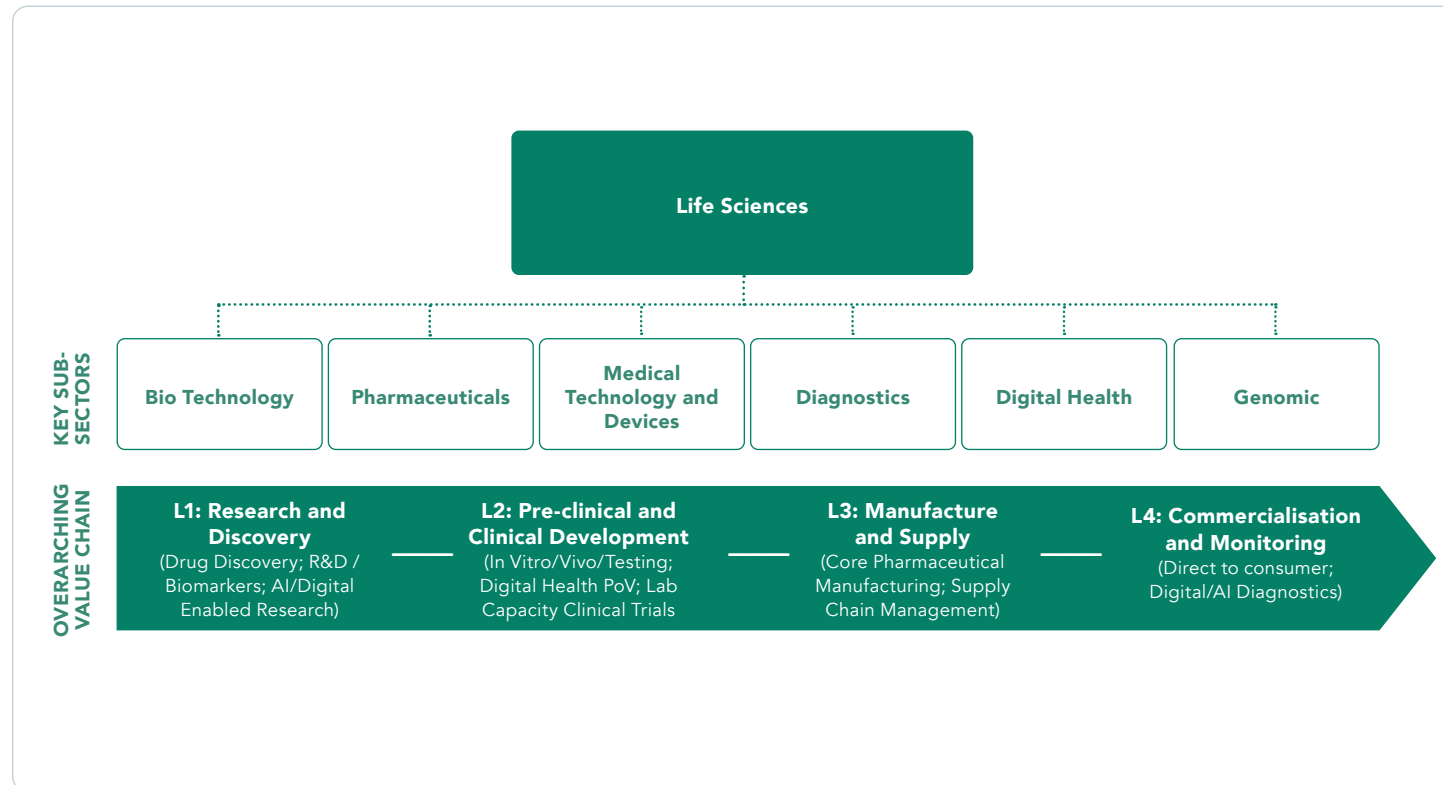


Figure 10 – Life Sciences Sector and the value chain

## Exposition of the County's Life Sciences Strengths

The sector demonstrates a diverse value chain, from early-stage discovery and bespoke chemical production to advanced testing and regulatory compliance. With expertise in contract development and manufacturing (CDMO), API (Active Pharmaceutical Ingredient) production, and specialized research the county is a recognised hub for high value pharmaceutical manufacturing.

Interlinkages between Northumberland's manufacturing base and chemists are clear, with the predominant sector activity concentrated in the middle of the value chain; pharmaceutical manufacturing. The UK's favourable regulatory environment, including strong IP protection, should enhance Northumberland's attractiveness for more higher-value early-stage research and development. Strategic clusters in areas such as Cramlington provide a strong base for pharmaceutical manufacturing and innovation, supported by regional R&D assets, universities and strong links to NHS trusts.

The Life Sciences sector in Northumberland contributed £135m in GVA during 2023, accounting for 2.1% of the County's overall economic output. More than 1,600 people are employed in Life Sciences roles locally, with average productivity reaching £82,700 per worker, which is 42% higher than the County average. Employment expanded significantly between 2018, outpacing both regional and national trends, and registering a 28% increase over the period. Activity is concentrated mainly in Cramlington and the South East, complemented by smaller specialist hubs focused on chemistry and health innovation across other parts of the county<sup>14</sup>.

Currently Northumberland's strengths lie in established pharmaceutical manufacturing and chemical processing and manufacturing (with LQ of 9.38 and 8.00 for the manufacturing of pharmaceutical products and preparations). The County is increasingly well placed to diversify into advanced diagnostics, personalised medicine, and digital health technologies, areas where demand is accelerating both nationally and globally, and where we can capitalise on our talent and capabilities<sup>15</sup>.

### Advanced diagnostics



### Digital Health technologies



### Personalised medicine



14  
15

EY analysis of the Office for National Statistics Business Register and Employment Survey  
EY analysis of the Office for National Statistics Business Register and Employment Survey

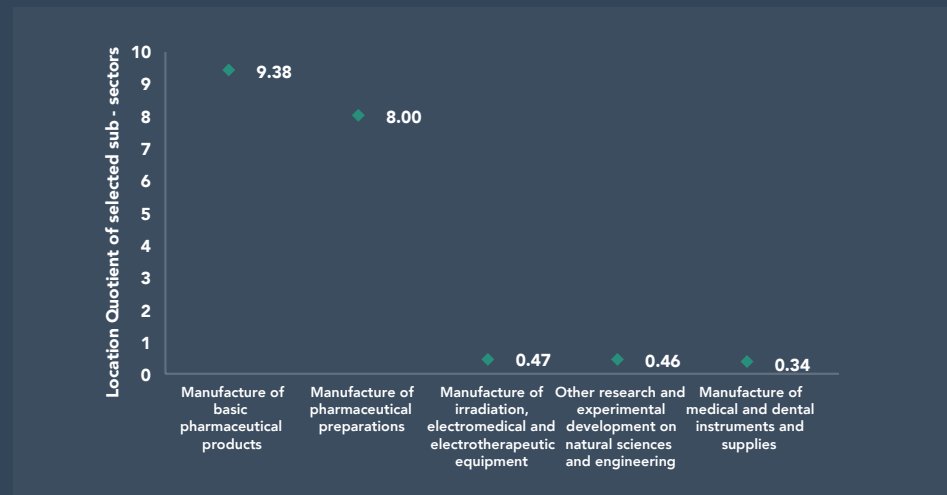
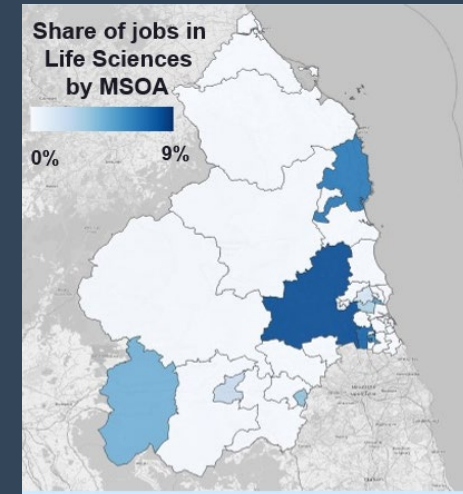
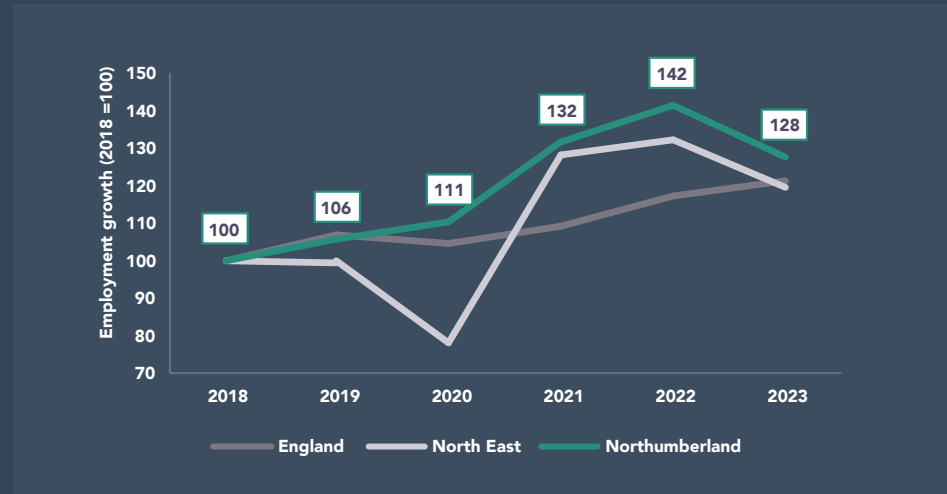
# Northumberland's Life Sciences Sector at a glance

**£135m**  
**Gross Value Added**  
 (2.1% of Northumberland's Total GVA)

**1.63k**  
**Employees**  
 (1.5% of Northumberland's Workforce)

**£82.7k**  
**GVA/worker**  
 (+42% compared to Northumberland average)

**35**  
**HQ Businesses\***



▲ Share of jobs in Life Sciences by MSOA

\* Note that the number of businesses reflects exclusively the number of headquartering businesses within Northumberland (IDBR data); therefore, this number is likely to be underestimated especially when considering medium and large enterprises that have local non-headquartered activity. On the other hand, GVA and employees reflect the number of both headquartering and non-headquartering businesses within Northumberland.



## Evidence of the enterprise and innovation strengths in the Life Sciences Sector

Northumberland benefits from a long-standing industrial foundation in pharmaceutical manufacturing, making it one of the most competitive locations in the North East for Life Sciences production. The County hosts a concentration of firms engaged in the manufacture of pharmaceutical products and preparations, supported by specialist chemical expertise and advanced process engineering capabilities.

The County hosts major players such as Piramal Healthcare, Legrand Tynetech, ThermoFisher Scientific, Femeda, Arcinova, NHS Medicines Manufacturing Centre, Organon and Pharmaron, all companies with diverse specialisms spanning pharmaceutical manufacturing, contract research, medical devices, and advanced chemical processing. The County will also be home to the Medicine Manufacturing Centre (MMC), one of the largest MHS pharmacy manufacturing centres in the UK, producing large quantities of ready-to-administer injectable medicines and 'over-labelled' medicines for use within NHS Trusts.

This industrial strength is amplified by Northumberland's proximity to regional health innovation and R&D assets such as the Centre for Life, the National Innovation Centre for Ageing, the NIHR Newcastle Biomedical Research Centre, Newcastle Helix and NHS research networks, as well as a strong cohort of undergraduate and postgraduate talent that is formed in one of the 125 Life Science courses offered across the five North East universities.

Surrounding this core is an industry led business network in NEPIC, as well as smaller, agile firms and specialist chemists capable of pivoting toward high-value, low-volume production, including personalised medicine and rare disease treatments. Their flexibility creates opportunities for collaboration with discovery-stage biotech companies and for acting as overflow partners for big pharma, enabling Northumberland to capture niche markets and accelerate innovation.

The presence of global players alongside a dynamic cohort of SMEs positions Northumberland as a strategic hub for Life Sciences growth. This blend of scale and specialisation offers a platform for inward investment, export development, and cross-sector innovation, particularly in emerging areas.



## What are the opportunities and constraints for the sector in Northumberland?



Life Sciences is the cluster with the highest proportional potential through to 2035, with growth forecasts that are expected to reach an annual GVA of £277m and yearly employment of 2,800 FTEs.

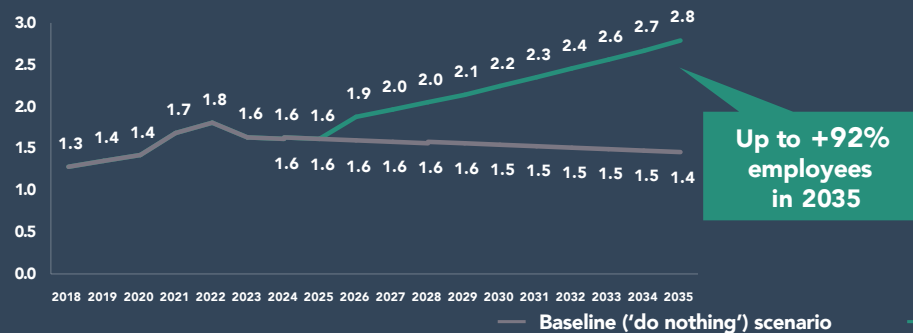
The sector must seize upon core series opportunities:

### Enterprise and Innovation

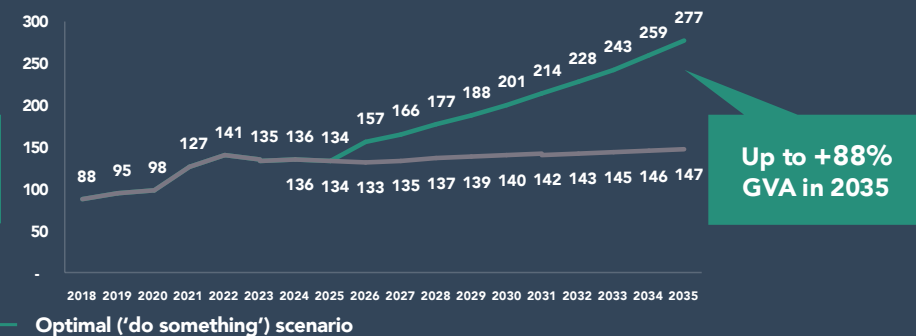
Northumberland’s Life Sciences sector offers a fertile ground for innovation, underpinned by an established manufacturing base and growing demand across multiple market segments. Discovery-stage clients present opportunities for local firms to co-develop early-stage solutions and access flexible lab services, while informal networks are generating important collaborations, highlighting the need for more structured opportunities to network. Partnerships with big pharmaceuticals are emerging where Northumberland-based companies can act as overflow manufacturers or specialist research providers.

The sector must overcome significant barriers to securing high-value, early stage development activity in the County. There is currently a high cost for quality facilities, combined with IP concerns and fragmented engagement with academia and NHS trusts which whilst not specific to Northumberland do restrict collaboration and the pace of research translation into commercial products. Addressing these constraints through affordable and flexible laboratory spaces, shared compliance resources, and dedicated forums for cross-sector partnerships to test and deliver products and services to the NHS will be critical to unlocking Northumberland’s potential as a dynamic centre for Life Sciences innovation.

Employees (thousands)



GVA (£m)\*





### Thriving People

The UK, and also Northumberland, boasts a rich talent pool and world-class research base and the North East more widely also offers strong academic foundations that should be leveraged to create tailored pathways into Life Sciences employment. Initiatives such as placement-style degrees, apprenticeships, and career awareness campaigns could help attract the next generation of chemists and Life Sciences professionals.

Existing challenges should be acknowledged—there is a long lag between training and work-readiness that constrain growth, with graduates some times leaving the region due to weak ties to the area and limited onward career opportunities. Targeted interventions such as stronger industry-academia partnerships, improved facilitation at the County and regional level, and incentives to retain talent, will reduce the risk of Northumberland or the North East losing competitive edge in a sector where human capital is critical to innovation and scale.



### Finance and Market Opportunity Intersect

From a financial perspective, Northumberland's Life Sciences sector will continue to benefit from opportunities through international funds like Horizon EU, national funds like Innovate UK and UKRI, alongside regional funds such as the North East Innovation Fund. These mechanisms provide a foundation for research, development, and innovation that can catapult growth in the sector from the early-stages.

Venture capital and private equity funding lags other major UK Life Sciences regions and high-growth sectors in Northumberland, with a poor track record of finance flows particularly into female led businesses. Addressing these financial constraints and inequalities through deeper engagement from investors and stronger regional funding pathways can de-risk early stage and scale-up developments, improve collaboration and export potential, and speed up inward FDI investment momentum.



### Excellence in Place

Northumberland's geography offers space for large-scale facilities and expansion, creating an attractive environment for pharmaceutical manufacturing and specialist production. Strategic sites in Cramlington and the South East present immediate opportunities to develop tailored Life Sciences hubs, supported by incentives and modern business parks in close proximity to the A1 corridor and Newcastle International Airport.

An absence of mid-size industrial developments and transport bottlenecks, particularly at Moor Farm Roundabout and A1, pose challenges for scaling operations. Laboratory space is in short supply, and existing facilities are costly and complicated by IP concerns, deterring smaller firms and start-ups. Targeted investment in physical and digital infrastructure that is affordable, accessible and promotes collaboration and innovation between local firms, academia and the NHS trusts can position Northumberland as an attractive national gateway for Life Sciences innovation and manufacturing.

# Offshore Renewable Energy

The Offshore Renewable Energy sector in Northumberland is internationally competitive and innovative. This is founded upon the County’s pioneering role in the industry with the first offshore wind farm in the UK commissioned off the shores of Blyth in 2000. The UK Government has set an ambitious target of achieving 50GW of offshore wind capacity in the UK by 2030, up from 16GW today (with only 3% of this generated off the coast of Northumberland).

The Department for Energy Security and Net Zero (DESNZ) has confirmed the results of Allocation Round 7 (AR7) of the Contracts for Difference (CfD) scheme, which delivered a record 8.4 GW of offshore wind capacity across multiple projects—enough to power millions of homes and unlock substantial private sector investment in clean power.

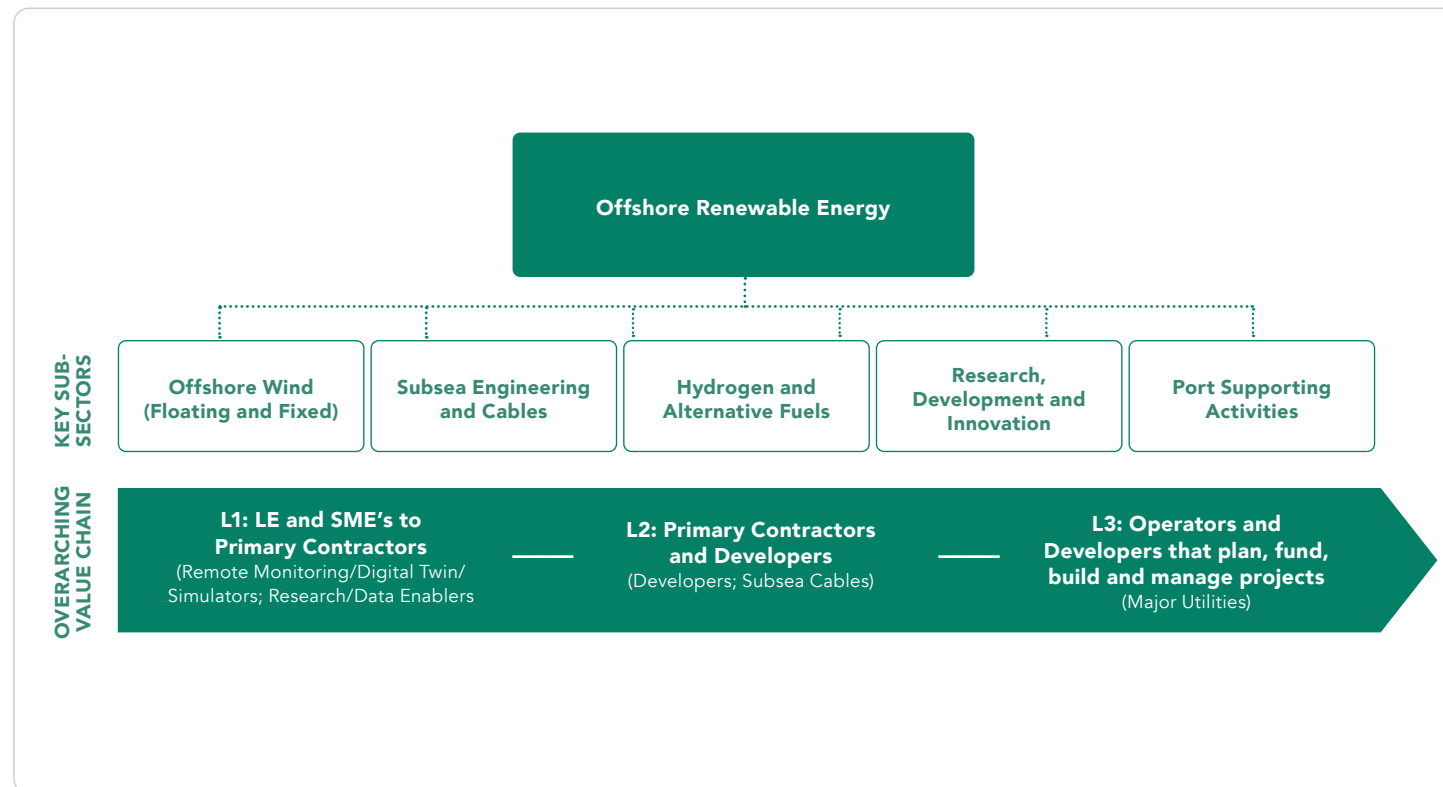


Figure 11 - Offshore Renewable Energy Sector and the value chain

In addition, The Crown Estate proposes 20-30GW of new UK offshore wind rights to market by 2030 for future leasing, specifically calling out opportunities for Northumberland.

These opportunities presents significant opportunities for the expansion of the offshore wind sector in and around Northumberland. Investment across the full value chain—from research and development and component manufacturing to installation, grid integration and operations—stands to benefit as developers progress new projects and contractors scale up supply capability. Strengthening local supply chain involvement, skills development and innovation in turbine technology, offshore services and port infrastructure can position the County to capture a share of the investment and economic activity generated by AR7.

### Exposition of the County's Offshore Renewable Strengths

Today, Northumberland hosts a nationally significant offshore renewables ecosystem, with established strengths across offshore wind (both fixed-bottom and growing floating capability), subsea engineering and cables, port and maritime enablement, and research, development and innovation.

The County benefits from a strong network of specialist businesses, supported by world-class testing and innovation infrastructure, and a skilled workforce with deep engineering and maritime expertise. Together, these assets position Northumberland to play a leading role in the UK's clean energy transition and to compete effectively in growing global offshore energy markets.

The direct activity of the Offshore Renewable Energy sector in Northumberland generated £213m in GVA in 2023, representing 3.4% of the County's total economic output. Approximately 375 businesses are headquartered in Northumberland and 2,400 people are employed in the sector (2% of all employment). Geographically these jobs are concentrated in the east and south-east of the County closely linked in proximity to the coastline and port infrastructure. They contribute an average of £89,000 per worker; 49% higher than the Northumberland average.

#### Electricity production



#### Supply chain

#### Port enablement activities



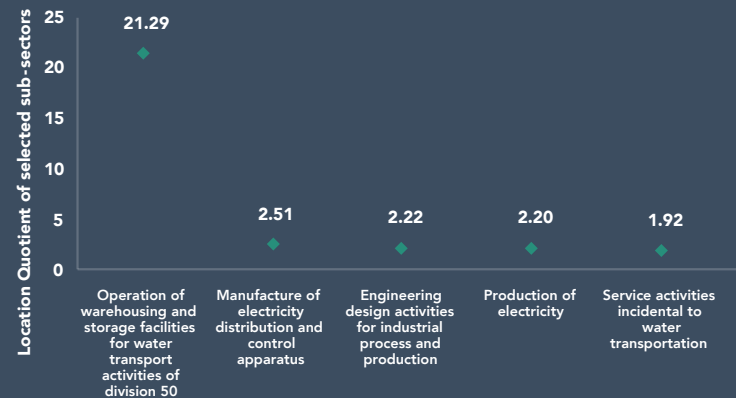
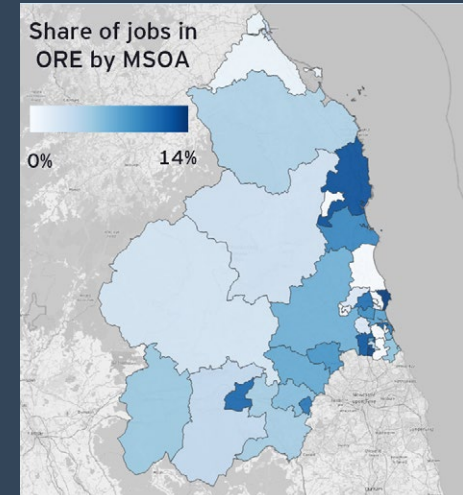
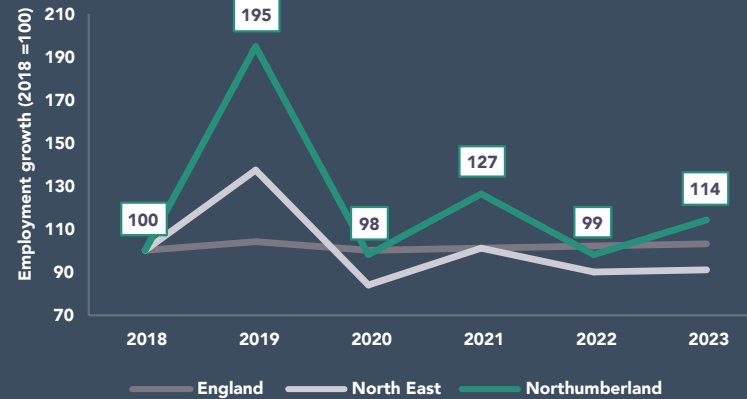
# Northumberland's Offshore Renewable Energy Sector at a glance

**£213m**  
**Gross Value Added**  
 (3.3% of Northumberland's Total GVA)

**2.40k**  
**Employees**  
 (2.2% of Northumberland's Workforce)

**£88.7k**  
**GVA/worker**  
 (+48% compared to Northumberland average)

**375**  
**HQ Businesses\***



▲ Share of jobs in ORE by MSOA



\* Note that the number of businesses reflects exclusively the number of headquartering businesses within Northumberland (IDBR data); therefore, this number is likely to be underestimated especially when considering medium and large enterprises that have local non-headquartered activity. On the other hand, GVA and employees reflect the number of both headquartering and non-headquartering businesses within Northumberland.

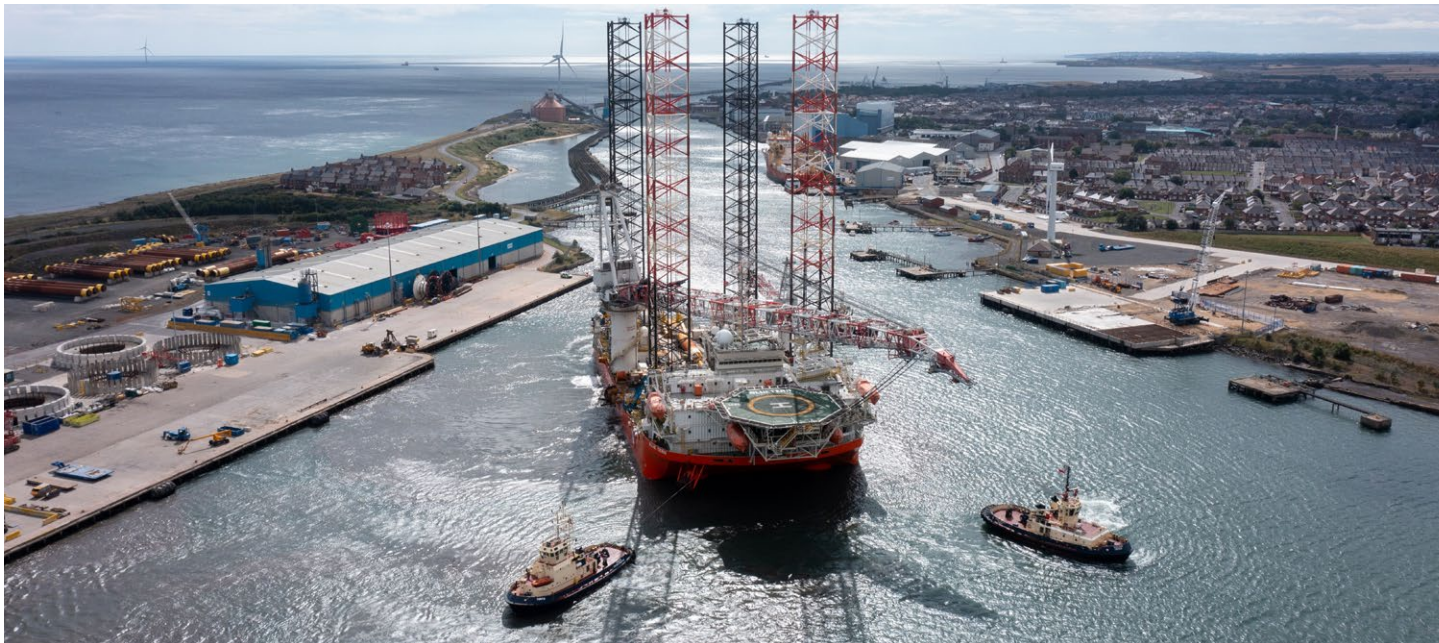
## Evidence of a wider set of innovation, academic and knowledge intensive partnerships

Northumberland also differentiates itself through the strong partnership ethos between industry, academia and Government. The unique partnership between the Port of Blyth, the Offshore Renewable Energy Catapult, Advance Northumberland and Northumberland County Council provides a base of national and sectoral significance for innovation, testing and development of new technologies. Within this cluster, the flagship Energy Central Learning Hub

opened in 2024 has already achieved one of the highest T-Level completion rates in the country and is providing the sector with the next generation of skilled workers fit for future needs.

The ORE catapult's primary facility is situated in Blyth and we are proud to be home to such a unique asset. The Catapult is the UK's leading technology innovation and research centre for Offshore Renewable Energy. It operates the most comprehensive open-access research, test, innovation and validation services for offshore renewables anywhere in the world, and serves as a testbed for the sector's evolution both domestically and internationally.

The next step of achieving our scale and ambition for the sector in Northumberland is already underway. The Energy Central Institute will open in 2027, in partnership with regional universities, operating out of Blyth. This institute will provide the second phase of the Energy Central Campus offering higher education and technology qualifications up to PhD level. The plans have been developed with the businesses in the area and residents in mind, providing life-long learning opportunities for the people that call Northumberland home as well as attracting those from further afield.



## What are the opportunities and constraints for the sector in Northumberland?



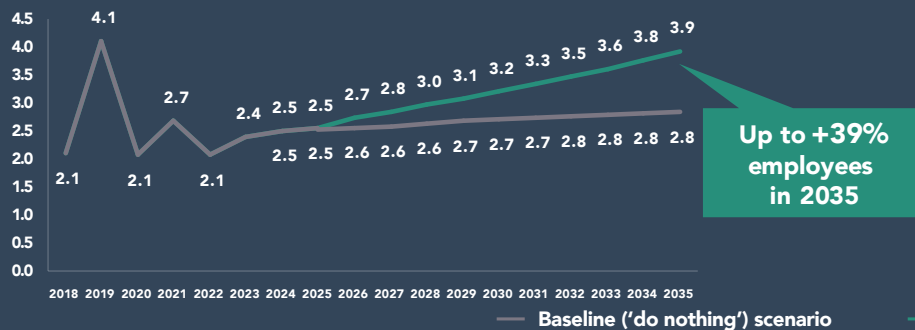
Offshore Renewable Energy is a sector with significant potential for the County through to 2035 and we are developing the business environment, the labour market and facilities to capitalise on global opportunities that could deliver up to £411m in GVA and 3,900 jobs. The opportunities for the sector will be realised by leaning on a number of strengths and addressing the following barriers:

### Enterprise and Innovation

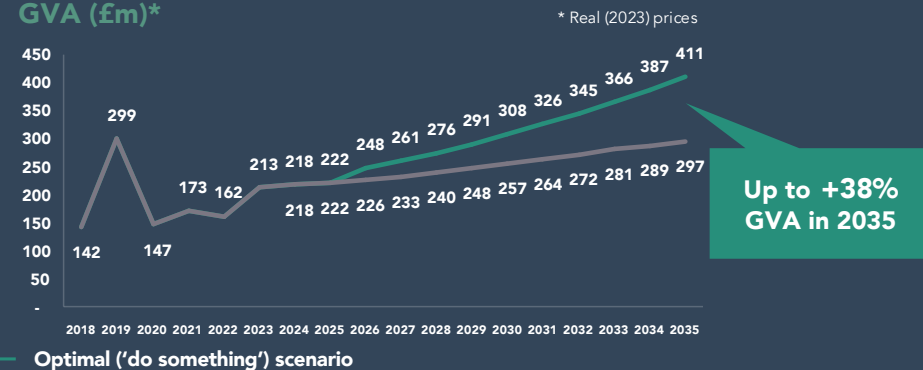
The sector ecosystem in Northumberland is thriving. The County has significant expertise in cable production and manufacturing. Cable producers in Northumberland are exporting globally, underpinned by growing global demand for electrification infrastructure in developing countries that provide export opportunities for firms in the area. Furthermore, there are opportunities, for businesses and the wider ecosystem, to diversify into related renewable energy areas such as battery energy storage and wind farm decommissioning.

The recent Allocation Round 7 (AR7) from Central Government's Contract for Difference scheme for renewable energy generation investments presents significant opportunities for companies in Northumberland. The record level of offshore wind capacity secured through this round and long-term contracting will help create a strengthened pipeline of projects over the coming years, providing greater certainty for developers and the supply chain. For Northumberland, this pipeline supports forward investment in skills, equipment and facilities from which our sector and wider supply chain in manufacturing and electronics can benefit.

### Employees (thousands)



### GVA (£m)\*





### Thriving People

The Energy Central Campus—comprising both the Energy Central Learning Hub and the Energy Central Institute—provides an integrated and progressive skills pathway aligned to the needs of the offshore renewables and clean energy sectors. The Learning Hub delivers provision from Level 2 upwards, including T Levels, apprenticeships and industry-focused short courses, creating accessible entry points for local residents and those seeking to retrain or upskill. This ensures that practical, employer-led training responds directly to evolving technologies and industry demand.

Building on this foundation, the Energy Central Institute extends the pathway into higher education, advanced technical qualifications and research opportunities, including degree-level and postgraduate study. Together, the Campus creates a seamless progression route—from entry-level training through to advanced technical and research specialisms—allowing learners to develop and remain within Northumberland as their careers advance.

While this infrastructure provides a strong framework, awareness of the breadth of career opportunities within the sector remains uneven. Continued promotion of clear, visible pathways across the range of careers and opportunities that exist within Northumberland will be essential to ensuring talented residents fulfil their aspirations in Northumberland.



### Finance and Market Opportunity Intersect

Northumberland is securing significant private and public investment across its offshore renewables ecosystem. The expansion of JDR Cable System's manufacturing facility in Cambois demonstrates sustained market confidence and strengthens the County's role in producing high-voltage cables critical to offshore wind deployment. Complementing this industrial growth, UK Research and Innovation's multi million pound investment in the Offshore Renewable Energy Catapult's Blyth facilities will accelerate the development and testing of next-generation offshore wind technologies, reinforcing Northumberland's position at the forefront of innovation as well as manufacturing.

Together, investments of this scale anchor the County firmly within the national and international offshore wind value chain—creating high-skilled employment, stimulating advanced manufacturing demand and generating supply chain spillovers that extend across the wider economy.



Such capital investment sends a strong signal to wider markets that Northumberland is a competitive and scalable location for offshore infrastructure, manufacturing and energy systems development. It also strengthens the case for further investment in port capacity, grid infrastructure and associated engineering services.

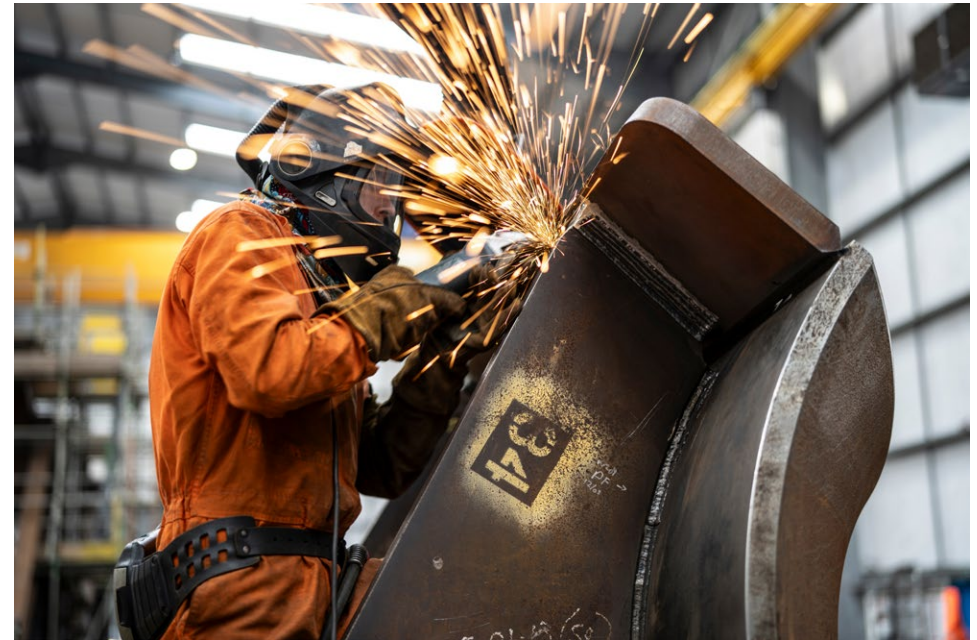
At the same time, the sector must proactively capitalise on the renewed pipeline following Allocation Round 7 (AR7). The absence of offshore wind awards in AR5 created a temporary gap in forward project visibility, slowing supply chain investment decisions across the UK. AR7 restores momentum and provides greater certainty for developers and manufacturers. Ensuring Northumberland-based firms can access growth finance, scale production and compete effectively for contracts will be critical to capturing sustained value from this expanding project pipeline.

### **Excellence in Place**

For the sector to fully capitalise on clear growth opportunities—and for businesses to scale, innovate and compete internationally—Northumberland must continue to invest in the enabling infrastructure that underpins offshore renewable expansion.

Capacity constraints at the Port of Blyth present a strategic priority. Limited quay-side land availability and increasing vessel draft requirements are placing pressure on port infrastructure, requiring further investment to accommodate next-generation offshore wind components. As turbine sizes and foundation structures continue to grow, port infrastructure must evolve in parallel, building on existing capability.

At the same time, there are significant opportunities to expand complementary activities inland. Manufacturing, pre-assembly, fabrication, storage and systems integration facilities that require proximity to the Port—but not direct



quay access—can be strategically located on adjacent or connected employment land. This creates scope to develop an integrated offshore energy corridor that maximises land efficiency while strengthening the Energy Central cluster, provided upgrades to the travel infrastructure keep pace to support growth.

# **Northumberland's Growth Aspirations To 2035**

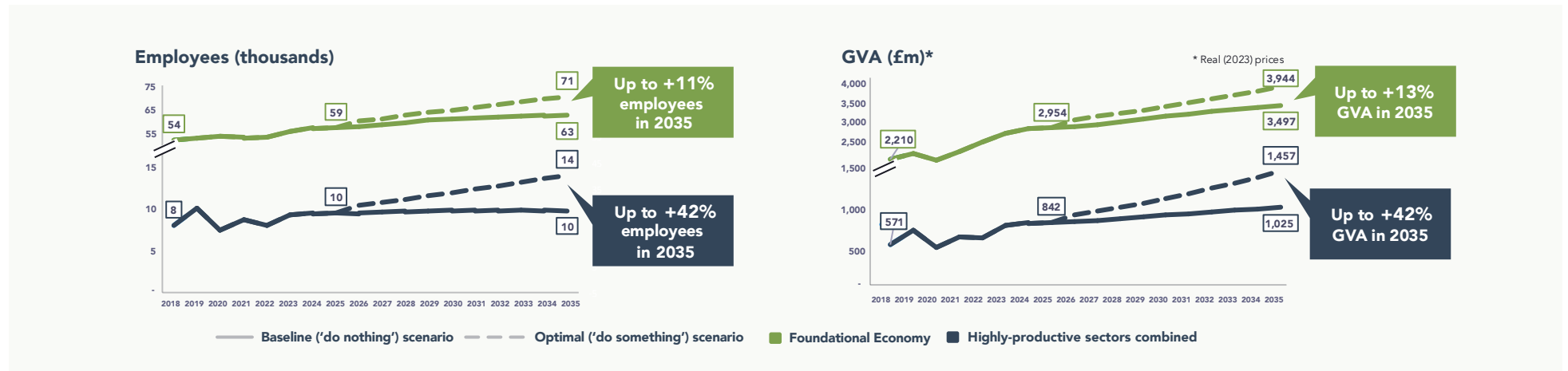
To set out ambitious but achievable growth aspirations two scenarios have been assessed for our economy: a baseline trajectory where growth continues at forecasted trends (i.e. **'do nothing' scenario**), and a transformative scenario where we fully capitalise on the identified opportunities and address all of the barriers to growth (i.e. optimal **'do something' scenario**).

These scenarios highlight the potential uplift in economic output and employment across the Foundational Economy and the four highly productive sectors combined. The difference between these two paths is stark: one reflects incremental progress, while the other represents a bold, coordinated effort to unlock Northumberland's full potential.

**Figure 12** demonstrates the scale of opportunity is significant. Across the five sectors, capitalising on opportunities could lead to employment for an additional 11,000 individuals annually by 2035, and an additional yearly economic contribution (gross value added) of £850 million by 2035<sup>18</sup>. This growth differential is larger for our highly-productive sectors, where this would represent 42% increase on their output today, but is also significant for our largest employing sector, the Foundational Economy, which would require 11% additional employees and deliver 13% more GVA by 2035—delivering impact across the County.

Modelling has also considered what demand this places on our resources, setting expectations for the components our sectors need to grow and to thrive.

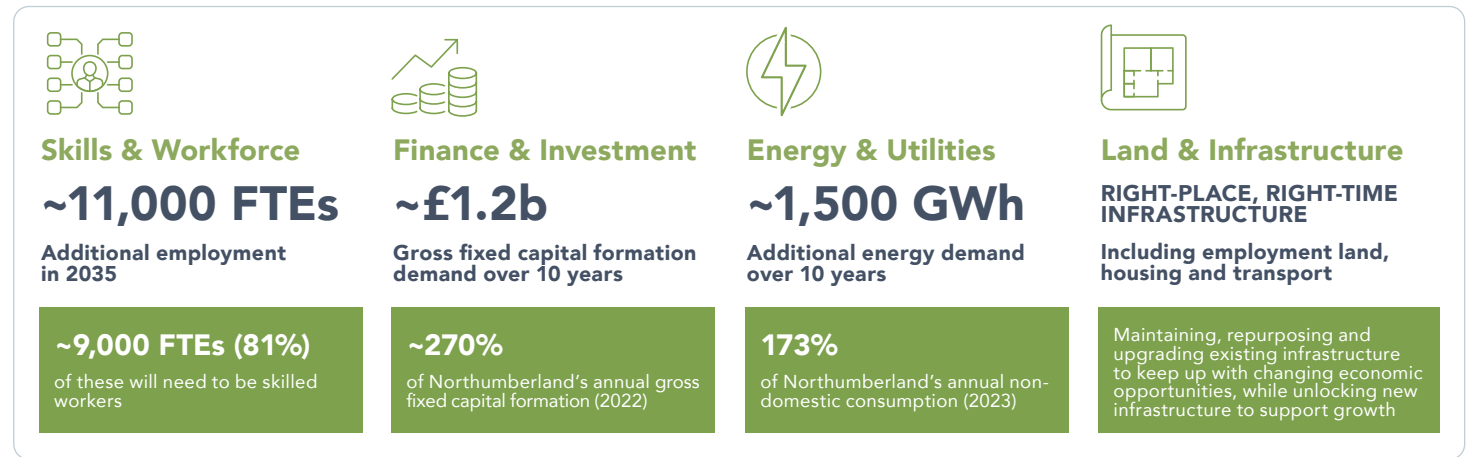
Figure 12 - The growth potential across the Economic Strategy sectors



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Please note that the five sectors assessed are not mutually exclusive; there are overlaps in some of their sub-sectors (e.g. a pharmaceutical manufacturer will belong both to the Advanced Manufacturing sector and the Life Sciences one). Therefore, the sum of the individual sectors does not amount to the total of the five sectors combined.

Figure 13 - The demand for resources associated with the growth potential



**Skills and workforce:** unlocking this potential will demand a significant expansion of our talent pipeline by 11,000 workers. Thousands of new roles will emerge across Advanced Manufacturing and Engineering, Digital and AI, Life Sciences, and Offshore Renewable Energy, alongside the foundational economy.

**Finance and investment:** delivering this vision will require significant investment over the next decade, we estimate approximately £1.2 billion of additional gross fixed capital formation<sup>19</sup> will be required to secure the County's economic growth. This will be sourced from private, public and blended models that can secure national programmes, regional funds, and private equity to de-risk projects and accelerate growth. This analysis underscores a simple truth: the opportunity is real, but so is the generational shift needed in our employment, land, energy, and finance landscape to deliver a Northumberland

that is more productive, prosperous, and future ready.

**Energy and utilities:** the expansion of energy-intensive industries, including data centres and Advanced Manufacturing, will increase demand for grid capacity and renewable generation. Investment in clean energy storage and transmission infrastructure will be critical to maintain resilience and support Net Zero ambitions. Achieving our growth rates will require an additional 130 tonnes of oil equivalent, or c. 1,500 GWh, over the 10 year period.

**Land and infrastructure:** a shift in the availability and type of land will be required to support growth linked to the specific needs of the key sectors. The Advanced Manufacturing and Life Sciences sectors will need development-ready sites that can be flexed to support technical requirements and rapid scale-up, digital clusters will need well

networked and energy sufficient sites, and the Offshore Renewable Energy sector will need close proximity to port facilities with enhanced infrastructure to support advancing industry scale. The land requirements of the Foundational Economy are more nuanced, with many land-based industries, farms, visitor destinations, and high-streets already being defined by their existing location, with growth dependent on maintaining and enhancing the quality of the existing land.

Wider improvement of housing and transport infrastructure is an essential component of meeting this growth potential, with all sectors requiring access to local skilled labour, key highways, public transport and active travel networks to support increasing numbers of jobs and trade of goods. This includes tackling existing bottlenecks such as Moor Farm Roundabout, to make journeys smoother and more efficient.

<sup>19</sup> Gross fixed capital formation is an estimate of net capital expenditure by both the public and private sectors. This includes for example, capital expenditure on plant and machinery, transport equipment, software, and major improvements to existing buildings and structures, such as roads. Please note this however excludes business investment on dwellings and the costs associated with the transfer of ownership of non-produced assets.

# **Northumberland Economic Priorities to 2035**



## Northumberland-wide priorities

Through our extensive engagement with Businesses, Educational Institutions, Health Providers, the Voluntary and Community Sector, and stakeholders a set of Northumberland-wide priorities organically emerged that will serve as a strategic framework to guide our action.

These priorities are designed to harness the County's strengths, respond proactively to emerging opportunities, and systematically tackle the barriers that hinder progress across all aspects of the economy. By aligning efforts across sectors and communities, we aim to shape a resilient, inclusive, and prosperous future for Northumberland by 2035.





		A Northumberland where Enterprise and Innovation prosper 		A Northumberland where People Can Thrive across their career and at home 		A Northumberland where Investment and Market Opportunity intersect and thrive 		A Northumberland where Excellence of Place is founded on our culture, heritage and geography 		
Short Term Priorities ST 0-2 YEARS	Design and nurture regional hubs, innovation clusters and knowledge platforms in target sectors where these do not exist in, whilst preserving and strengthening existing forums that are already driving collaboration and growth.	Create an environment where all businesses have the skills, confidence and understanding to plan for growth, including adopting new products, services or processes, investing in capital and managing risks effectively.	Champion continuous industry and academic collaboration in design and implementation of applied, technical and foundational skills offers that match employer demand.	Systematically address the barriers that prevent people finding and sustaining work, widening the talent pool and creating a county where opportunities to work are truly inclusive, accessible and rewarding.	Use funds such as the Northumberland Growth Fund to crowd-in private capital, de-risking early stage and scale-up operations and target high potential firms across sectors.	Strengthen the knowledge of PE and VC funds of Northumberland's business environment to attract more private investment into high-potential firms.	Coordinate key public and private stakeholders to mobilise investment in digital and transport connectivity infrastructure, targeting key bottlenecks and promoting resilience throughout the county.	Collectively deliver right-place and right-type infrastructure, focusing on housing that's appropriate for all residents and mid-sized industrial developments ensuring the correct connectivity to these sites and balancing development with our health and environmental goals.	Deliver high street and town regeneration and place-making programmes maximising the value of our cultural, historic, heritage and natural capital assets.	Continue to grow and strengthen Northumberland's breadth of distinctive regenerative tourism offers.
		Foster collaboration and learning across industries to help businesses to innovate, diversify and adopt new technology.		Develop a targeted and coordinated approach to developing sustainable talent pipelines aligned to industry needs.		Enhance the business support ecosystem ensuring all firms have the capability, confidence and connections to secure the capital they need at all stages of the business cycle.				
Long Term Priorities LT 3-10 YEARS		Design, facilitate and strengthen opportunities for R&D by jointly promoting testbeds and innovation spaces.		Provide a genuinely lifelong learning offer throughout the County that stretches through formal education, technical education, transition skills between industries, and promote later life learning and networks.		For anchor institutions across the county to use their resources and influence to incentivise local business participation, employment and growth.				Engage NESO and energy infrastructure bodies to enable grid connectivity, renewable integration and localised energy generation projects.

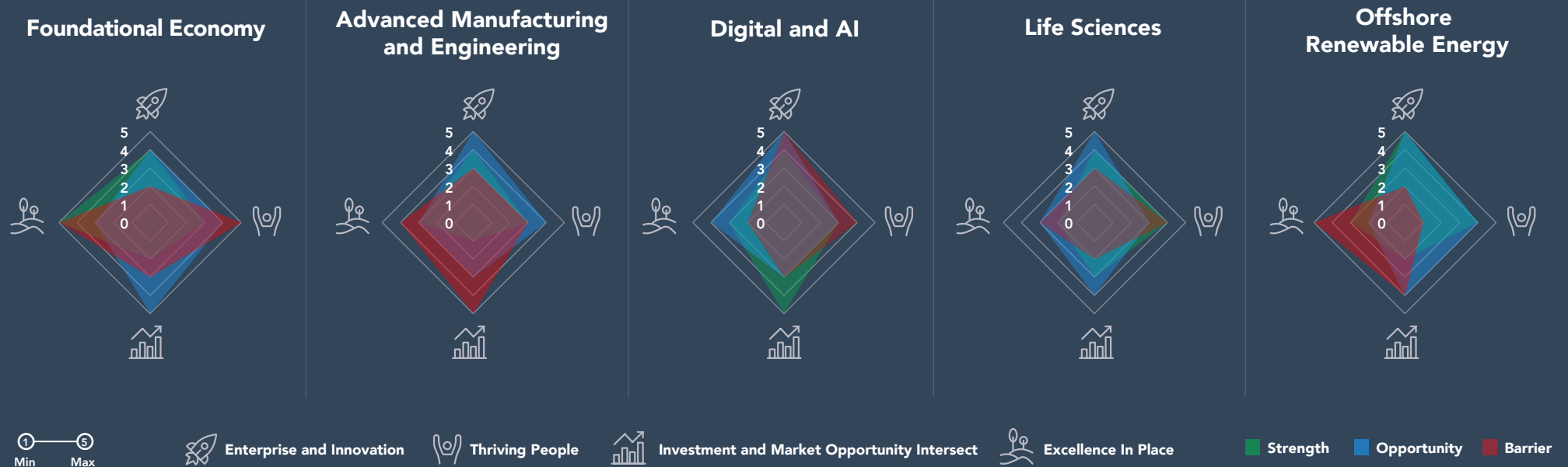
Figure 14 - The Northumberland-wide economic priorities

## Sector-specific priorities

While Northumberland’s economy benefits from County-wide strengths and faces shared challenges, it is essential to recognise that each of our Economic Strategy sectors operates within its own unique landscape of strengths, opportunities, and barriers. Each sector, in fact, is shaped by distinct factors, with different physical clusters across the County, diverse skills, ranging enterprise and innovation levels and differing financial constraints as illustrated in the graphic below:

The following priorities have been developed in close consultation with our sector stakeholders to ensure they are relevant, actionable, and aligned with both local ambitions and national policy directions:

Figure 15 - The Northumberland-wide economic priorities








	A Northumberland where Enterprise and Innovation prosper		A Northumberland where People Can Thrive across their career and at home		A Northumberland where Investment and Market Opportunity intersect and thrive		A Northumberland where Excellence of Place is founded on our culture, heritage and geography	
<b>Foundational Economy</b> 	<b>ST</b> Strengthen business outreach and support offer from local institutions (with a focus on SMEs) to improve sector resilience and visibility.	<b>LT</b> Jointly address labour cost pressures and capitalise on the automation transition as an emerging opportunity.	<b>LT</b> Strengthen and capitalise on Northumberland's skill provision offer in the foundational economy, with a focus on emerging capabilities and lifelong skill learning, to become a pioneer of niche emerging markets (e.g. augmented visitor experiences, agri-tech, sustainable production, bioeconomy).		<b>ST</b> Strengthen business outreach and support offer from local institutions (with a focus on SMEs) to improve sector resilience and visibility.	<b>LT</b> Promote finance schemes for landowners, micro hospitality and attraction-based businesses for touristic capacity increases, diversification into emerging markets, or carbon credit.	<b>ST</b> Collaboratively market the region as a place to stay, rather than to visit daily, expanding the visitor economy offer.	<b>LT</b> Target investments in experience infrastructure, natural capital and rural routes to facilitate access to major tourist hubs and improve land-based industries bottlenecks and access to market.
<b>Advanced Manufacturing and Engineering</b> 	<b>ST</b> Ensure local players and supply chains are better connected within the sector itself, encouraging collaboration to build locally rooted value chains.		<b>ST</b> Address skill and people gap by taking an integrated, cross-AME sector collaborative view of skill needs and talent pipeline, with a focus on addressing SME needs.		<b>ST</b> Bridge the viability gap through local incentive funds and support the sector's high upfront costs.	<b>LT</b> Jointly attract one anchor project in Life Sciences and Advanced Manufacturing to unlock supply chains and position the sector at a national scale.	<b>LT</b> Strengthen new employment land developments, promoting mid-size industrial parks well suited to industry scale-up demands, with streamlined planning and co-located around key sectoral anchors/ local supply-chains.	
<b>Digital and AI</b> 	<b>LT</b> Capitalise on the AI Growth Zone to position Northumberland as a digital and tech hub, facilitating collaboration between the Digital and AI cluster and its down-stream sectors.		<b>LT</b> Leverage local initiatives and the AI Growth Zone to attract and retain talent in Northumberland.		<b>LT</b> Ensure that businesses, and specifically SMEs, start-ups and university spin-offs, have the capabilities to navigate research and innovation funding mechanisms to position the County as the UK's Digital and AI innovator (e.g. ARIA, Horizon EU, etc.).		<b>LT</b> Ensure the correct co-development of the AI Growth Zone to host a mix of SMEs, large businesses, data centre tenants, innovation and learning hubs, cross-sector testbed facilities, and the right employment land surrounding the area.	
<b>Life Sciences</b> 	<b>LT</b> Strengthen the roll-out of practical testing in the large Healthcare sector, facilitating RD&I collaboration between academia and industry.		<b>ST</b> Ensure early engagement of industry in schools for career opportunities in relation to STEM subjects.	<b>LT</b> Encourage university spinouts and creative start-ups, leveraging the local talent base of key enterprises and innovation anchors.	<b>LT</b> Jointly attract one anchor project in Life Sciences and Advanced Manufacturing to unlock supply chains and position the sector at a national scale.		<b>ST</b> Strengthen existing hubs and jointly work to roll-out ready-made lab networks, creating modular, multi-tenant lab spaces near innovation nodes or NHS trusts.	<b>LT</b> Strengthen new employment land developments, promoting mid-size industrial parks well suited to industry scale-up demands, with streamlined planning and co-located around key areas.
<b>Offshore Renewable Energy</b> 	<b>LT</b> Attract major investment into the county by strengthening local and national government coordination and jointly pitching sectoral capabilities to national and international players.		<b>ST</b> Ensure early engagement of industry in schools for career opportunities in relation to STEM subjects.		<b>ST</b> Support collaborative contracting models to ensure local businesses benefit from large-scale projects.	<b>LT</b> Attract major investment into the county by strengthening local and national government coordination and jointly pitching sectoral capabilities to national and international players.	<b>LT</b> Expand the supply chain beyond port-side locations and diversify the activity of existing players (e.g. repair, retrofitting and electrification markets).	

Figure 16 - The Northumberland-sectoral priorities

**ST** Short-term priorities (0 – 2 years)

**LT** Long-term priorities (3 –10 years)

## Monitoring the effectiveness of the Economic Strategy

Delivering Northumberland's Economic Strategy requires more than ambition, it demands accountability. A high-level performance framework will ensure progress is measurable, transparent, and aligned with our long-term goals. By tracking a set of macro-economic indicators, we can monitor whether priorities, and any future interventions associated, are translating into tangible outcomes for businesses, communities, and the wider economy.

The purpose of this framework is threefold. First, it offers clarity on what success looks like by linking each strategic theme and sector to a small set of macro-economic indicators. Second, it enables evidence-based decision-making by drawing on reliable, publicly available data sources such as the Office for National Statistics (ONS), NOMIS, BEIS, and VisitBritain. Third, it ensures accountability and transparency, allowing progress to be reported to stakeholders and the wider community.

The framework will operate on an annual cycle, using indicators that are updated regularly and, where possible, that can be benchmarked against regional and national averages. These measures will track the health of Northumberland's economy over time and, where appropriate, against regional and national averages across our four strategic themes: Enterprise and Innovation, People and Skills, Finance and Market Opportunity, and Excellence of Place. This framework also accounts for Northumberland-wide indicators, as well as sector-specific insights that will provide further granularity to the effectiveness of this strategy.

The Council will publish an annual update to this strategy summarising performance against these indicators. This will not only provide a snapshot of progress but will also inform mid-term reviews and adjustments to delivery plans, ensuring that the strategy remains adaptive to changing circumstances. By embedding this monitoring approach, Northumberland will have a robust mechanism to measure success, identify emerging challenges, and maintain momentum toward its 2035 vision.



Type of indicator	Theme / Sector	Indicator	Source	Expected lag
Northumberland-wide	A Northumberland Where Enterprise And Innovation Prosper	High growth businesses as a percentage of total businesses	ONS	2 years
		Business births as a percentage of total businesses	ONS	2 years
		GDP per capita	ONS	2 years
		Survival rates	ONS	2 years
	A Northumberland Where People Can Thrive Across Their Career and At Home	Inactivity rate	ONS	2 years
		Qualification mismatch	ONS	3 years
		% workforce with RQF Level 3+	ONS	2 years
		Healthy life expectancy	DHSC	2 years
	A Northumberland Where Finance and Market Opportunity Intersect and Thrive	Gross Fixed Capital Formation per £1k of Gross Value Added	ONS	3 years
		Asset finance share vs SME population	British Business Bank	1 year
		Inward foreign direct investment - international investment position	ONS	2 years
		UKRI and Research England investment as a percentage of local GVA	UKRI	1 year
	A Northumberland Where Excellence Of Place Is Founded On Our Culture, Heritage and Geography	Net additions to the housing stock per 1,000 stock	ONS	1 year
		Percentage of land for developed, undeveloped and vacant use	DLUHC	3 years
		Average travel time to services using public transport	DfT	6 years
		5G coverage percentage	ONS	1 year
Sector Specific	All sectors	Gross Value Added	Proprietary analysis on BRES data	2 years
		Employment		
		Productivity index (GVA/employee)		
		Geographical distribution of employment share within each MSOA		
		Location Quotient of a subset of sub-sectors (i.e. all sub-sectors where LQ is lower than 1 in 2023)		
		Number of headquartering businesses		
	Foundational Economy	Inbound tourism, visitor nights and tourism GVA	STEAM	2 years
	High-productivity sectors	Qualification mismatch in the top 5 SOC codes involved by each sector	Proprietary analysis on Lightcast and ONS data	2 years

Figure 17 – The Monitoring and Evaluation framework of the Economic Strategy

# A Collective Call to Action

Northumberland's Economic Strategy is more than a document that summarises our strengths, opportunities, barriers and priorities—it is a shared blueprint for action. Its success depends on collective ownership. Every partner across the County and the region—businesses, education providers, investors, institutions, and communities—is invited and has a role to play in delivering the priorities set out in this strategy. These aspirations require collaboration, commitment, and creativity from all stakeholders to turn vision into reality.

This strategy should be used as a guide for decision-making, investment planning, and partnership building. It provides clarity on where efforts should be focused and signals the opportunities that will shape Northumberland's future economy. By aligning actions with these priorities, we can create a stronger, more inclusive, and more resilient County.

For the Council, our immediate next step is clear: we will develop detailed delivery plans to translate these priorities into actionable programs, working collaboratively to identify appropriate inputs such as resources and expertise are established for impactful results. However, we want our Partners to work with the Council to co-design solutions, promote local ownership, and monitor progress through the performance framework outlined in this strategy.

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**Together,  
we can make  
Northumberland  
a place where  
enterprise thrives,  
people prosper,  
investment  
flows, and our  
unique heritage  
and geography  
truly reflect  
Northumberland  
as a 'land of great  
opportunities'.**

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Image credit: Soul2Sand

# Glossary

## **Advanced Manufacturing**

High-tech manufacturing incorporating automation, robotics, and smart systems.

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## **AI Growth Zone**

A designated area for accelerating artificial intelligence innovation, digital infrastructure, and advanced computing deployment.

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## **Allocation Round 7 (AR7)**

The UK Government's Contracts for Difference auction round allocating support for renewable electricity projects, including floating offshore wind, preceded by AR5 and AR6.

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## **ARIA (Advanced Research & Invention Agency)**

A research funding agency sponsored by the Department for Science, Technology and Innovation with the intention to fund high risk, high reward technology projects.

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## **Asset Finance**

Lending that uses business assets as collateral.

## **BRES**

Business Register and Employment Survey, an annual survey run by the Office for National Statistics which provides the official source of employee and employment estimates.

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## **Buybacks**

A form of capital allocation in UK corporate transactions, where a company buys its own shares back from existing shareholders.

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## **Connected Catapult**

The Catapult Network is made up of nine world-leading technology and innovation centres with more than 65 national locations.

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## **Clean Energy Transition**

Move toward renewable energy sources and reduced carbon emissions.

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## **De-globalisation**

A shift away from global trade and integration.

## **DESNZ**

Department for Energy Security and Net Zero, created by UK Government in 2023 to lead national energy policy, security of supply, and transition to net zero.

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## **Development-ready Sites**

Land prepared for construction or economic use.

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## **Devolution / Devolved Powers**

Transfer of powers from national government to local/regional bodies.

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## **DfT**

Department for Transport. UK Government department.

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## **DLUHC**

Department for Levelling Up, Housing and Communities, or MHCLG – Ministry of Housing, Communities and Local Government. UK Government department.

**Economic Baseline / Baseline Scenario**

A structured collection and analysis of existing data and conditions that describe the current socio-economic situation of an area before any intervention, plan, or development is introduced; a 'do nothing' forecast of future economic performance.

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**Economic Inactivity**

Individuals not in employment and not seeking work (e.g., due to study, caring responsibilities, retirement, or long-term ill health).

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**Economic Strategy / Economic Framework**

A long-term plan outlining how an area will grow its economy.

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**Employment Density / Job Density**

Number of jobs compared to the working-age population (implied in sector challenge discussions).

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**Energy Central Learning Hub and Energy Central Institute**

A technical education and training centre in Northumberland providing industry aligned learning pathways for energy and engineering sectors.

**Energy Central**

A strategic cluster at the Port of Blyth supporting offshore renewable energy innovation, testing, manufacturing, and training.

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**Equity-backed Finance**

A method of raising capital where a business sells a stake in itself in exchange for a cash investment.

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**FDI (Foreign Direct Investment)**

When overseas investors invest in businesses or assets.

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**First-of-a-kind Technologies**

New innovations deployed for the first time at scale.)

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**Foundational Economy**

Everyday sectors that provide essential goods and services (e.g., retail, care, food, construction).

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**GDP (Gross Domestic Product)**

The total value of all final goods and services produced within the country during a specific period.

**GDP Per Capita**

Economic output divided by the population.

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**GFCF (Gross Fixed Capital Formation)**

Investment in long-term physical assets including buildings, machinery, equipment, and infrastructure.

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**Gross Fixed Capital Formation (GFCF)**

Investment in long-term physical assets like buildings and machinery.

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**Gross Internal Area (GIA)**

The total inside floor area of a building.

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**GVA (Gross Value Added)**

A measure of economic output that reflects the value generated by businesses and economic activity within one year. A measure of the value of goods and services produced in an area.

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**High-productivity Sectors**

Industries that generate high output and high-value jobs (e.g., manufacturing, digital, life sciences).

**IDBR**

Inter-Departmental Business Register, the UK's central register of businesses, maintained by the Office for National Statistics.

**Industry 4.0**

The Fourth Industrial Revolution (also 4IR) – a new phase in the industrial era that focuses heavily on interconnectivity, automation, machine learning, and real-time data.

**Infrastructure  
(Economic Infrastructure)**

Physical assets such as transport, utilities, broadband, and energy grid.

**Investment Zone**

A designated geography that offers tax incentives, planning flexibilities, and regulatory support to attract investment.

**IP**

Intellectual Property, specifically ownership rights over discoveries, processes, formulas, data or inventions.

**LE**

Large Enterprise.

**Lightcast**

A labour-market data and analytics tool.

**Location Quotient (LQ)**

A measure of how concentrated a sector is in a region relative to national averages, defined by the percentage of all workers employed in the sector in Northumberland divided by the percentage of all workers employed in the sector in England.

**M&A**

Mergers and Acquisitions. It is an umbrella term used to describe the consolidation of companies or their major assets through various types of financial transactions.

**Macro-forces / Macro-trends**

Large global forces (e.g., technology change, geopolitics) that influence economies.

**Market Opportunity**

The potential for businesses to expand or invest in response to economic demand.

**Modern Industrial Strategy**

National policy guiding economic growth and competitiveness.

**MSOA**

Middle Layer Super Output Area—a medium sized geographic unit designed to improve reporting of small area statistics.

**Nascent cluster**

An emerging, early-stage, or high-potential concentration of businesses, research institutions, and supporting infrastructure in a specific, often new, economic sector.

**NECA**

North East Combined Authority; a statutory combined authority led by an Elected Mayor and Cabinet that covers the seven local authority areas of County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside and Sunderland.

**NIHR**

The National Institute for Health and Care Research. It is the UK government's major funder of health, public health, social care, and translational research, funded by the Department of Health and Social Care (DHSC).

**Non-developed Land**

Refers to all land uses that are not classified as developed.

This includes a broad set of land use groups such as agriculture, forestry, open land, water, and other natural or largely undeveloped land types.

**Northumberland Corporate Plan**

Sets out what the Council (Members and staff) will do, working with partners and communities to deliver on the Vision and Priorities for all of Northumberland's residents in the coming years.

**Northumberland Growth Fund**

A Northumberland specific local investment mechanism intended to de-risk private capital to support economic growth and job creation.

**Northumberland Local Plan**

The statutory planning framework that guides growth, land use and environmental policy in the County.

**ONS**

Office for National Statistics, UK's largest independent producer of official statistics and the national statistical institute.

**Offshore Renewables**

Energy generated from offshore wind, tidal, or marine sources.

**ORE (Offshore Renewable Energy) Catapult**

Exists to accelerate the development of offshore wind, wave and tidal energy technologies in the UK.

**Private Equity (PE)**

Defined as investment by a managed fund, the primary aim of which is to assume a controlling share of the companies it invests in. The shares that the fund acquires are either not publicly traded or will be delisted after their acquisition.

**Productivity / Productivity Index**

Output per worker or per hour worked.

**Productivity (GVA per Hour Worked)**

An economic measure of the output (in monetary terms) per hour worked.

**Protectionist Policy**

Government actions, such as tariffs, import quotas, and subsidies, designed to restrict international trade and shield domestic industries from foreign competition.

**Qualification Mismatch**

When workers' skill levels don't align with job requirements.

**RQF**

The Regulated Qualifications Framework used in England to classify and compare qualifications by their level of difficulty.

**Sector Value Chain**

The sequence of activities and firms required to bring a product or service from conception to market.

**Shelf Registration**

An official arrangement with the financial market authorities for a company to offer a group of new shares or bonds over a period.

**SIC**

Standard Industrial Classification of economic activities, UK SIC, is a five-digit classification providing the framework for collecting and presenting a large range of statistical data according to economic activity.

**SOC**

Standard Occupational Classification (SOC) is a common classification of occupational information for the UK.

**SME**

Small and Medium-sized Enterprise—a formal classification which defines a business based on headcount, turnover and balance sheet total.

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**Spatial Characteristics / Spatial Complexity**

How economic activity varies across different places within the region.

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**STEAM**

Scarborough Tourism Economic Activity Monitor—widely used UK model for estimating the economic impact of tourism at local and regional levels.

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**Talent Pipeline**

The supply of workers with the skills needed for future jobs.

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**tCO<sub>2</sub>e**

Tonnes of carbon dioxide equivalent, a standard unit used to measure and compare the climate impact of different greenhouse gases.

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**Technology Readiness Level (TRL)**

A scale measuring how developed a technology is (implied in discussion of early-stage R&D and innovation).

**Testbeds / Sandboxes**

Safe environments for trialling new technologies or regulatory approaches.

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**T-levels**

2-year courses which are taken after GCSEs, broadly equivalent in size to 3 A Levels. Launched in September 2020, the courses have been developed in collaboration with employers and education providers so that the content meets the needs of industry and prepares students for entry into skilled employment, an apprenticeship or related “Technical” study through further or higher education.

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**Transformative Scenario**

A forecast assuming active intervention and successful capture of opportunities.

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**UKRI (UK Research & Innovation)**

A non-departmental public body funded by the Department for Science, Innovation and Technology that directs research and innovation funding.

**Value Chain**

All the steps required to bring a product from design to end user.

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**VCS**

Voluntary and Community Sector; the sector is commonly understood to include charities, community groups, voluntary organisations, social enterprises, mutuals, and cooperatives.

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**Venture Capital**

A form of investment in early-stage companies, typically in return for an equity share of the business.

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**Workforce Transition**

Supporting workers to move from declining sectors to growing ones.



Prepared by Northumberland County Council  
on behalf of the County



Northumberland County Council  
commissioned EY to undertake  
the analysis and preparation of the  
Northumberland Economic Strategy  
2035 and are credited to this effect.

