


Annual Report 2016–2017

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Welcome

A great deal has transpired over the past year. As the UK prepares to exit the EU, progress closer to home with regards to NE1’s programme, in contrast, has been clear, concise and conducted at pace!

Starting with the Northumberland Street Area project, independently chaired by Mark Williams (Director of Hark Group & President of Revo), FaulknerBrowns Architects and Cushman & Wakefield have both completed their work which has resulted in both a plan for the street and business case. In response to this work and also in recognition of the vital contribution this area makes to the city, we are delighted that Newcastle City Council have approved the first phase of funding. £3.2m will be spent over the next 18 months, trialling and testing the short-term interventions and laying the foundations of the longer-term project which is estimated to be worth in excess of £20m.

As part of this work, Newcastle City Council are also looking at the potential closure of Blakett Street on an experimental basis for periods over the summer months to coincide with the Great Exhibition of the North. NE1 will continue to play a central role in this process, working with businesses and the city council over this period to ensure the best possible return on investment and maximum impact for our members.

Likewise, NE1’s Bigg Market project has proceeded at pace with both architects and contractors now commissioned. We are set to break ground in late April 2018 on the public realm element of the project which is scheduled to be complete in October 2018. The work to the historic buildings will follow and should be complete by April 2019. Perhaps more important than the project itself, is the private sector investment scheduled on the back of this, which currently lies in excess of £40m. Combined, this investment will transform this area of the city over the next five years, dramatically changing the look, feel and economic contribution this area makes to the city.

Providing a stronger voice for business has been a consistent theme of NE1’s work over the past 9 years. The post-Brexit environment we now face has drawn that work into sharp focus and now more than ever, it is important that the city’s business voice is heard at the highest levels. As such, we have continued to work with our fellow ‘Northern Powerhouse’ city BIDs (Sunderland, York, Leeds, Sheffield, Manchester and Liverpool) to lobby central government and, via the Northern Powerhouse Partnership Programme, of which NE1 is a member, have continued to lobby for Newcastle to have a central role.

On this theme, NE1 have also been working with Transport for the North (TfN) in support of their plans for greater investment in the North’s transport infrastructure. We are delighted that from the 1st April 2018, TfN will become the first sub-regional transport body in the UK and we look forward to working with them to ensure greater investment and connectivity for the city and region in the years to come.

Recognising Newcastle’s position as a European Regional Capital city, NE1 has continued to establish strong relationships with strategically important trading partners following on from our work with the Arab British Chamber of Commerce (ABCC) in 2017. This work was recognised by ABCC with an award given to NE1 in recognition of ‘services to promoting the region’ at the ABCC 50th Anniversary dinner in 2017. NE1 welcomed Mr Sunil Kumar, First Secretary at the High Commission of India as guest of Honour for our Welcome Students of the World celebrations, establishing a relationship we wish to build upon in future years.

In addition to this, NE1 has strengthened our transatlantic links, welcoming Acting US Ambassador Lewis Lukens in 2017, followed by a visit from Ambassador Woody Johnson in January, with NE1 and NECC jointly hosting a business lunch with members of the region's business, education, health and life science sectors. This was the Ambassador's first visit to a city outside London since his appointment in September 2017.

2017 marked another milestone for Alive after Five, celebrating its seventh birthday as its transformational impact continues to grow, attracting 13.7m additional visitors who have spent an estimated £839m since launch. Underlining this impact, the city continues to attract top brands with intu Eldon Square opening their Greys Quarter development and, more recently, Vans and L'Occitane occupying units on Blakett Street and Grainger Street respectively. That said, we are under no illusion that the business environment for both our leisure and retail members remains challenging, with internet retail continuing to influence the pace of change in the retail sector, and the fact that Newcastle now has more restaurants per capita than any other city outside London continues to influence the scale of competition within the city's leisure sector.

The associated heavyweight Alive after Five marketing campaign, promoting the core messages of shopping late and free parking, continues to raise awareness of the city's offer, running across mainstream media channels such as press, radio, outdoor and digital. Over the past year, a focused effort to deepen the integration of NE1's social, digital and print media channels has resulted in a 25% increase in social media followers that now number over 100,000.

Following a competitive tender for NE1's fortnightly listings magazine, we launched the new look magazine in spring 2017 which has been extremely well received by both NE1's businesses and the magazine's readers. The new look magazine, combined with NE1's significant social media following and digital offer, provides a robust range of channels to promote the quality and diversity of the city's offer.

Working hand in glove with NE1's marketing activity, our annual events programme has continued to evolve. In 2017 we welcomed back the Rugby Football League's Magic Weekend for a record third year in a row, which resulted in an attendance of over 65,000 over the weekend, with visitors providing an estimated £8.2m direct economic impact for the city's hotels, bars, restaurants and retailers. As Newcastle's reputation for hosting major events continues to grow, it is hugely encouraging that 94% of Magic Weekend visitors rated their experience of Newcastle as the host city as good or very good.

Newcastle Pride, Britain's largest free pride event, has continued to thrive with NE1's long standing partnership. 73,000 attendees provided an amazing atmosphere for the weekend's festivities in July, with an estimated 16,000 people joining the largest Pride march recorded to date. Again the event continued to deliver value for NE1's businesses, with the economic impact calculated as £9.2m. 2018 will see a change in venue to Nuns Moor in the West End of the city to accommodate even larger crowds and music events across the weekend.

Newcastle Restaurant Week has continued its exceptional growth with over 100 restaurants participating in January, resulting in 11% year-on-year growth with the event now attracting over 49,000 customers across the week

and spending in excess of £500,000 in the city's participating restaurants. Working with the city's restaurateurs, the event will continue to evolve over the next year, particularly with regard to widening the audience profile and investigating new price points for customers.

In only its third year, the Newcastle Motor Show continued to grow and exceed expectations with, for the first time in the city centre, a live stunt display element to the show. For two days, the sun shone and in excess of 110,000 people filled one of the world's finest streets to experience some of the world's finest cars. The region's motor dealers and private owners pulled out all of the stops to provide a spectacle worthy of Grey Street and the surrounding area. Businesses in the surrounding area reported an average increase in sales of 18% compared against last year.

Screen on the Green is now firmly established in its new home in Old Eldon Square, with the screen permanently in position from July through to September enabling the programme to further develop. This year, we doubled the operational screen time, featuring an additional 27% of film screenings, and complemented this with a programme of terrestrial sporting events and new partnerships, such as the live broadcast of Turandot from the Royal Opera House in London. The team are hard at work on 2018's programme and we look forward to sharing this with you closer to the time.

Established in 2016, NE1's youth employment programme 'NE1 Can' has hit the ground running, working with over 700 young people, 30 schools and 12 youth providers. The programme has delivered over 2,400 high quality employer encounters with outstanding feedback from NE1's participating businesses, schools and young people alike. In addition, NE1 Can partners with Newcastle United Foundation on NE1 Works, which is aimed at assisting NEETs into employment. This partnership has secured employment for 22 people since its inception.

NE1's Street Rangers and Rapid Response Clean Team continue their relentless pursuit of 'getting the basis right', having another busy year. NE1's Rapid Response Clean Team respond to an average of 15 calls per day resulting in the removal of over 7,000 bags of rubbish from the city centre's streets to ensure that the city looks its best every day of the year. Responding to requests from business, NE1's Street Rangers have been working closely with the city council and the Police following the implementation of the Public Space Protection Order. This has had a significant impact on the issue of 'chugging' but on-street begging continues to remain a high priority for the team.

As always, the delivery of NE1's programme could not be achieved without the help and support of so many of the city's businesses. Thank you for taking the time to read about NE1 and if you would like to become more involved in our work, please get in touch.



Adam Serfontein
Adam Serfontein
Chairman, NE1,
Managing Director,
Hanro Group



Northumberland Street

Chaired by Mark Williams (Director of Hark Group, President of Revo and Chair of the Government Retail Property Taskforce), the Northumberland Street Area Project Board, on which NE1 are actively involved, has overseen the work by FaulknerBrown Architects and Cushman & Wakefield defining the plans and economic case for investment in the Northumberland Street project. In response to this, Newcastle City Council has confirmed £3.2m for the first phase of work which includes the trialling, decluttering and management of the area, combined with the advance planning of the longer term elements that will follow in subsequent phases. Future phases of investment for the area are expected to total over £20m.

£1bn+

annual retail spend in Newcastle

£3.2m

phase 1 funding secured from Newcastle City Council

£20m+

estimated total project value



“For Newcastle to achieve its ambitions for business, investors and residents alike, the physical environment needs to adapt and evolve. The city centre is the heart of the city, and the linkages between the educational, cultural, health and commercial sectors as well as retail need improving, as does the environment in which they sit.

This is the first phase of change which aims to catalyse third party investment into the area for the benefit of all; and compliments the wider investment throughout the city.”

Mark Williams, Director, Hark Group and Independent Chair of the Northumberland Street Project Board



Bigg Market

Following NE1’s successful application for £1.6m from the Heritage Lottery Fund’s (HLF) Townscape Heritage Initiative, work is due to begin on the public realm of the Bigg Market in April 2018, for completion by October 2018. This public and privately funded project is valued at £3.2m and is an exemplar of NE1’s ability to catalyse development and deliver transformational change. This NE1 project has also created the confidence for further investment in the area, with £40m of private sector development expected.

£1.6m

HLF allocated funding

£3.2m

total project value

£40m+

of additional private sector investment



“NE1’s plans for the Bigg Market match our ambitions for our Cathedral Buildings site. They have provided confidence to invest further in our property and have greatly assisted in securing high profile tenants for the building that will help in turning the vision for the area, into a reality.”

Nick Tribe, Quidnet Partners LLP



Newcastle City Marina

Newcastle City Marina continues to deliver a modern waterfront experience that visitors to the city want and expect. It has been the most successful year yet for the Marina, logging 1,500 berth nights equating to an economic impact of over £250,000. In addition to this, the annual events programme (firm fixtures include the Boat Race of the North and visits from European Yacht Clubs) attracts thousands of visitors to the Quayside.

5,000
boat visits since launch

5x over
the Marina has paid for itself 5x
over since launch in visitor spend

£250k
visitor economic impact
in 2016/2017 season



“For me, the best things about Newcastle City Marina are the city centre location, the nice facilities and the helpful staff. The special event weekends are excellent!”

Newcastle City Marina Annual Survey Comment



NE1 Can

Established in 2016, NE1s employer-led youth employment programme ‘NE1 Can’ continues to excel in engaging young people and schools with the city’s businesses. Working with over 700 young people, the initiative has delivered over 2,400 meaningful interactions with employers, through mentoring, careers advice and skills workshops, all taking place on business premises. In addition, NE1 are partnering with the Newcastle United Foundation on NE1 Works, which aims to assist young people who are NEET (not in education, employment or training) into employment.

700+

young people worked within first 12 months

30

schools engaged with

2,400

meaningful interactions with employers

100+

employer-led events for young people



“I work with NE1 Can because they do things for the right reasons, they’re not just a tick-box organisation. They really make a difference for young people and businesses within the city.”

Robin Greenwell, Manager, Leeds Building society

“NE1 Can coordinate and facilitate events that bring together young people who are interested in industries like ours. They help to ensure that the right students are present and that the resources are going to the right people.”

Erin Turnbull, Talent Development Manager, Zerolight



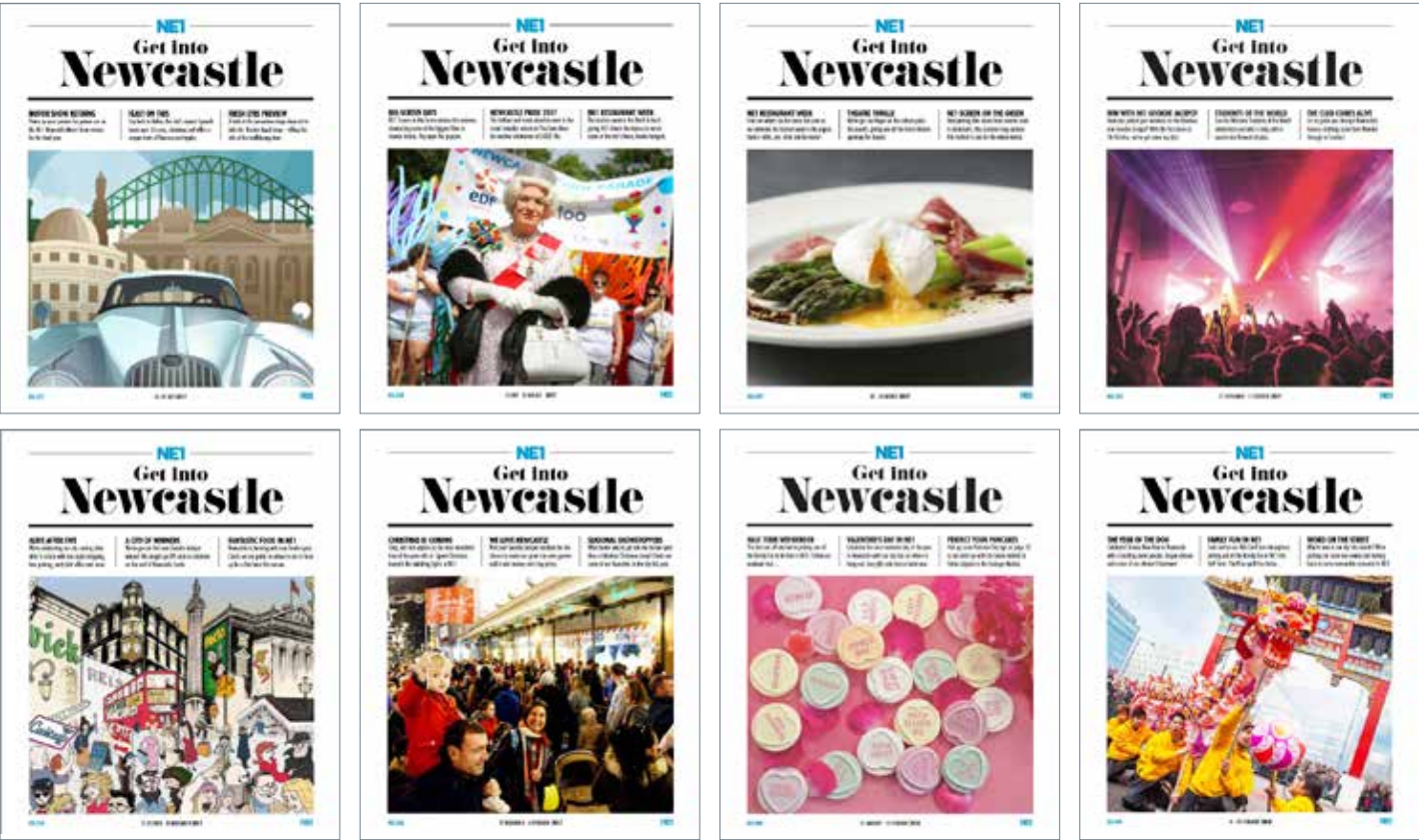
NE1 Street Rangers & Rapid Response Clean Team

NE1’s Street Rangers and Rapid Response Clean Team continue their relentless pursuit of ‘getting the basics right’. NE1’s Rapid Response Clean Team ensure that Newcastle City Centre is always looking its best, responding to an average of 15 calls per day from businesses who need assistance in removing rubbish, graffiti and drug paraphernalia outside their business premises. NE1’s Street Rangers continue to work closely with the council, police and other local bodies to help combat anti-social behaviour and crime in Newcastle, and in particular this year the implementation of the Public Space Protection Order, which has had a significant impact on the issue of ‘chugging’.



“The team are extremely helpful in making sure the area outside is looking its best both before and after our events. They always do a great job.”

Ailsa Oliver, General Manager, Metro Radio Arena - SMG Europe Ltd



Alive after Five & Marketing

Celebrating its seventh anniversary in 2017, the impact of Alive after Five continues to grow, attracting 13.7m additional visitors to the city centre, who have spent an estimated £837m since launch. Supported by a heavyweight marketing campaign promoting the core ‘shop late, park free’ messages, the integrated campaign has continued to deliver significant results, especially via NE1’s established digital and social media platforms, which continue to grow exponentially, and NE1’s fortnightly listings magazine which has been extremely well received since its comprehensive redesign in July. Visitors to NE1’s Get into Newcastle website have also increased, with over 3.7m web pages consumed over the course of the year.

£839m

estimated value of post 5pm spend since launch

13.7m

additional visitors post 5pm

78

new restaurants opened in 6 years



“Initiatives like Alive After Five pave the way to making our city a more accessible and welcoming place to be in the early evening. It keeps energy in the streets for people staying out after shopping to enjoy the many restaurants and bars the city has to offer.”

Ollie Vaulkhard, owner, Vaulkhard Group

“This scheme has helped the city adapt to changing consumer behaviour, shopping and leisure habits. People finish work and want to go out, so we stay open until 9pm four nights a week and our customers love having free parking near to allow them to pop in for a haircut. It is great for the city to have shops, businesses and leisure operators open in the early evening, it makes for a much more welcoming and vibrant place to live and work.”

Paddy Forster, owner, Patrick Foster Barbers on High Bridge

100,000+

followers on social media platforms

25,000

magazines distributed fortnightly to city centre businesses and key residential postcodes

65,000

average website hits a month



Events

NE1’s annual events programme went from strength to strength, and delivered tangible return on investment for Newcastle’s businesses. Both the Newcastle Motor Show and NE1’s two Newcastle Restaurant Week events shattered previous participation records, with over 110,000 attendees to the Motor Show and footfall in the city up 27% year-on-year, and more than £1m spent in participating restaurants during the two Restaurant Weeks. Screen on the Green returned to Old Eldon Square and was in-situ for 50% longer than 2016, as well as screening live opera from the Royal Opera House in London, and sporting action from Wimbledon. Newcastle Pride boosted the economy by £9.2m as well as attracting over 16,000 participants to the annual parade, their largest ever, whilst Magic Weekend’s attendance ensured that Newcastle now holds the record for the three most-attended Magic Weekends in the event’s history. NE1’s Quayside Seaside was sponsored by Thomas Cook Airlines and enjoyed its longest ever stay in its much-loved Quayside location, with the addition of critically-acclaimed pop-up restaurant Barrio Comida. NE1’s Welcome Students of the World event surpassed the previous year and garlanded the city with Welcome messages in 30 different languages, ensuring that the 80,000+ students returning to the city in September enjoyed a famous welcome.



“The NE1 event was one of the most extensive and impressive welcomes for international students staged anywhere in the world and a vital way of demonstrating the essential role of international students supporting local economies.”

Dominic Scott, Chief Executive, UK Council for International Student Affairs

“We were bowled over by the success of the event. We did 2,111 Newcastle Restaurant Week covers, more than double the number of diners than last year. It is such a great event not just for our restaurant but for the whole restaurant community in Newcastle – it gives us all a common focus and turns the spotlight on what the city has to offer as well as being a great offer for diners.”

Gary Hutchinson, Managing Director, Chrysalis Leisure Group

110,000+
attended the NE1 Motor Show

100+
restaurants involved
in Restaurant Week

£9.2m+
economic impact of Northern Pride

£8.2m
economic impact of
Magic Weekend



Lobbying

Over the past year, NE1 has continued to make the case for Newcastle, its businesses and the wider city region. Following the successful Arab Ambassadors visits, our work was recognised by the Arab British Chamber, on November 2017 with an award given to NE1 in recognition of ‘services to promoting the region’. Conscious of the need to forge stronger relationships with key export markets, NE1 welcomed Acting US Ambassador Lewis Lukens in 2017, followed by a visit from Ambassador Woody Johnson in January 2018, with NE1 and NECC jointly hosting a business lunch with members of the region’s business, education, health and life science sectors.

NE1 have also been working with Transport for the North (TfN) in support of their plans for greater investment in the North’s transport infrastructure. Moving forward, this will be a key relationship in ensuring continued investment in Newcastle’s regional, national and international connectivity.

“What we do with our STEM work in Newcastle affects everyone in the world. We want to roll this out as a treatment for any disease, for anyone in any part of the world. International trade links are of enormous importance to us not only for finding new markets that we can adapt our cures to, but also for attracting inward investment that helps our university and our corporate operations to prosper.”

Professor Lyle Armstrong, Professor of Cellular Reprogramming at the Institute of Genetic Medicine

Financials

Statement of Comprehensive Income for the year ended 31 March 2017		
	2017 £	2016 £
Income	2,156,286	1,938,874
Programme expenditure	(1,715,274)	(1,530,783)
Gross balance	441,012	408,091
Administrative expenses	(540,365)	(459,872)
Net balance	(99,353)	(51,781)
Other interest receivable and similar income	2,791	5,548
Balance on ordinary activities before taxation	(96,562)	(46,233)
Corporation tax	(558)	(1,110)
Balance for the year	(97,120)	(47,343)
All the activities of the company are from continuing operations		

The above is an extract from the audited financial statements, a full copy of which is available on request.

Financials

Statement of Financial Position at 31 March 2017		
	£	£
	2017	2016
	£	£
Fixed assets		
Tangible assets	173,104	176,065
Current assets		
Debtors	290,046	250,774
Cash at bank and in hand	<u>960,541</u>	<u>846,705</u>
	1,250,587	1,097,479
Creditors: amounts falling due within one year	<u>(615,728)</u>	<u>(368,461)</u>
Net current assets	<u>634,859</u>	<u>729,018</u>
Total assets less current liabilities	807,963	905,083
Net assets	<u>807,963</u>	<u>905,083</u>
Reserves		
Profit and loss account	807,963	905,083
Members' funds	<u>807,963</u>	<u>905,083</u>

The above is an extract from the audited financial statements, a full copy of which is available on request.

Governance

Newcastle NE1 Limited is a company limited by guarantee and operates within regulations set by government on Business Improvement Districts. The Board of Directors provides direction and strategic input and is responsible to the company’s members for the conduct and performance of the company. The primary goal of the Board is to ensure that the company’s strategy creates long-term value for business. The Board meets on a quarterly basis. There are 18 Directors and the Board is chaired by Adam Serfontein, the Managing Director of Hanro Group.

The Board's Executive Committee meets quarterly to advise on and help facilitate the on-going delivery of the company’s programme, the primary responsibility for which lies with the Chief Executive, Sean Bullick. There are three elements to the NE1 investment criteria, as follows:

- 1.BID Business Plan**
Each individual project should fall into one of NE1’s core programme areas, which are:
- Business Leadership: arguably the most important of the three areas, which relates to the opportunity afforded by NE1 for businesses to come together around a shared agenda with the resources necessary to back it up. Examples include the work around Central Station and Alive after Five.
 - Operations: this involves delivery of large scale projects such as the Newcastle City Marina and practical, day-to-day projects such as the Street Rangers, Clean Team and Pocket Parks.
 - Marketing and Events: these are largely self-explanatory, but have included the GetintoNewcastle and Alive after Five campaigns together with its supporting events such as Newcastle Restaurant Week, Newcastle Motor Show, Magic Weekend and Welcome Students of the World.

2. That there is commercial benefit to business:
While recognising that each of the projects NE1 delivers will benefit different business sectors and geographical areas within the city centre more or less directly, the overriding requirement is that each delivers commercial benefit as widely as possible, with the combined package benefiting all.

3. That the portfolio meets the needs of all geographical and sectoral constituencies:
An extension of point 2 above, the third of the three investment criteria recognises that NE1 has a very broad constituency ranging from professional services (32%) to retail (also 32%) to leisure (20%) and public sector (10%) and includes not only commercial enterprises but the RVI, the City Council, both universities and Newcastle College. The range of projects delivered by NE1 is therefore necessarily diverse.

Directors (as at 31 March 2017):	Sir Len Fenwick Chief Executive, Newcastle NHS Hospitals Foundation Trust
Sean Bullick Chief Executive, Newcastle NE1 Ltd	Neil Barker Director, emBark Architecture
Adrian Waddell Director of Operations, Newcastle NE1 Ltd	Tom Caulker Owner, World Headquarters
Stephen Patterson Director of Communications, Newcastle NE1 Ltd	Linda Conlon Chief Executive, Centre for Life
David Quinn Chairman and Managing Director, Fenwick Ltd (Resigned July 2016)	Robin Knight Commercial Director, Stagecoach North East (Resigned February 2017)
Adam Serfontein Managing Director, Hanro Group (Appointed Chairman July 2016)	Councillor Ged Bell Cabinet Member: Investment and Development, Newcastle City Council
Gavin Black CBE Vice Chairman, Gavin Black and Partners	Pat Ritchie Chief Executive, Newcastle City Council
David Faulkner Councillor, Newcastle City Council	Professor Richard Davies Pro-Vice Chancellor, Engagement and Internationalisation, Newcastle University
Bob Senior Managing Director, Hot Buddha Ltd	
John Goddard Emeritus Professor, Newcastle University	
Barry Speker OBE Consultant, Sintons	

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