

Cabinet

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Presentation – delivered at the meeting

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CSR 2021

Accelerating Growth from Tyne to Blyth to the Borders

**NORTH
OF TYNE**
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Agenda Item 4



# Our proposals for the CSR build on a strong vision set out by our Mayor and Cabinet, and a multi-million programme of investment already delivering better outcomes for the region.

This includes:

- **Adult education, skills and inclusion** – using our devolved powers and £25m annual funding to make sure people have the skills and routes into work they need.
- **Clean energy and good green jobs** – investing £24m in decarbonising our region and creating new jobs and skills that will help us get to net zero
- **New homes and thriving communities** – working with our Local Authority partners to deliver a £24m brownfield housing programme, community hubs and high streets
- **Recovering from the impacts of Covid** – with £15m proactively invested in response, longer-term recovery and the future of our places
- **Celebrating culture, creativity and bringing people together** – with the country's first devolved Culture & Creative Innovation Fund, and a bold events and tourism programme
- **Connecting homes, people and the new digital economy** – investing £18m in digital infrastructure, jobs, business support and digital inclusion
- **Making North of Tyne the place to do business** – working with our partners across the region to secure major inward investments that will deliver thousands of jobs

But we need to go further. Our CSR proposal shows how co-investment from Government can turn great progress into a cross-regional programme for levelling up....



# Introduction

**This document sets out proposals for specific and deliverable interventions which will create jobs, skills and economic opportunity for the North of Tyne region and deliver a return to UKPLC.**

It outlines how, in partnership, we are collaborating strongly to deliver exemplar post-Covid recovery – that is net zero for the climate, supports trading and export for Global Britain, and truly delivers on the promise of levelling up.

Our proposals build on a strong cross-party, cross-regional, collaboration led by a Mayor and Cabinet, with strong business endorsement.

We have the credibility and track record to deliver our priorities of:

- **Rapid progress to a Clean Energy Economy** – with new jobs in net zero industries
- **Closing the education gap** and getting more people into jobs & training
- **Rapid renewal** for our towns, high streets, communities and places
- Transport & infrastructure that **drives growth and connects the Union**
- Improving UK's post-pandemic health resilience and **creating jobs**

Our plans are well developed and include projects which will be delivered by partners across business, health and the wider public sector. They expand on priorities which have been identified previously, including bids recently submitted to the Levelling Up Fund and other programmes. We look forward to discussing the proposals in greater detail with your officials.

We identify £635m of projects which will deliver £3.5bn of private investment – creating 14,500 jobs, low carbon living, increased R&D, and radically strengthening the UK's resilience to future pandemics.



**We identify £635m of projects which will deliver £3.5bn of private investment...**

# Overview of our CSR Proposals

## Building on our Economic Assets...



Epicentre of UK's Offshore Energy production & supply chains – and links to EV and battery manufacturing



Other sectoral strengths: digital; knowledge-based services; and health, life sciences & pharma



World-class cultural & creative assets with life-work balance



Strong innovation assets and translational R&D – in ageing, data, digital construction and rural productivity



Coastal, rural & built assets, with agriculture, tourism and net zero expertise and potential

## unleashing economy as we emerge from Covid-19...



Tackle skill shortages to meet needs of recovery and future economy



Embrace new digital possibilities which provide opportunity to transform our connectivity



Address needs of young people, the most economically disadvantaged by the pandemic, and tackle our pockets of deprivation



Diversify rural and coastal communities' reliance on tourism, culture and farming



Secure current inward investment and supply chain opportunities

## with our targeted proposals

- **Rapid Progress to a Clean Energy Economy:** 10,000 new jobs and a once-in-a-generation opportunity for step change in our economy
- **Closing the Education Gap and Getting More People into Jobs & Training:** secure a rapid bounce-back from the pandemic by meeting the skills requirements of our growth sectors whilst closing gaps in educational outcomes
- **Rapid renewal for our high streets, communities and places:** investment in our high streets to respond to new working, retail and leisure preferences, whilst accelerating the housing pipeline and creating new Northshoring opportunities. Creating 2,000 jobs.
- **Transport & infrastructure that drives growth and connects the Union:** upgrade infrastructure, including connectivity to Scotland, whilst improving the offer in our rural areas and maximising the impact of the Northumberland Line
- **Improving UK's post-pandemic health resilience and creating jobs:** investment in assets which will increase future resilience and economic growth in peace time, unlocking private sector investment and creating 2,500 jobs



# Rapid Progress to a Clean Energy Economy

The North East is the epicentre of the UK's Low Carbon sector, with additional Government support securing a step-change in our economy and leveraging significant private sector investment. The following asks will help secure at least 10,000 new jobs in the offshore wind and battery manufacturing sectors:

1

**Secure the economic future of the Tyne, addressing barriers to growth and seeking Ministerial involvement in the Future of the Tyne Taskforce**

We have strong industry support and detailed business cases for critical interventions that will unlock huge jobs and trading potential along the arc from the Tyne to Blyth; a world-class hub for sub-sea technology and offshore energy manufacturing.

Support our Levelling up Fund bid for the River Tyne and for Government to fund the removal of overhead cables, which currently impede the passage of larger, next-generation, vessels and the biggest wind turbine components. These barriers have led to orders going overseas and risk the long-term viability of existing businesses. Unlocking this would deliver 3925 new jobs and sustain 4990 existing ones.

Government participation in our River Tyne taskforce, which is developing specific, targeted interventions to open up the River to a new generation of engineering and manufacturing.

**..... unlock huge jobs and trading potential along the arc stretching along the Tyne and up to Blyth; a world-class corridor for clean energy innovation, technology and manufacturing**

2

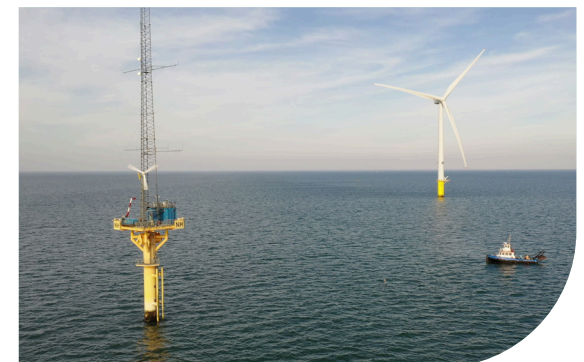
**Investment in the Offshore Renewable Energy Catapult to maintain the leading-edge nature of this national asset and ensure that the NE maximises the economic return from offshore wind**

Support detailed proposals from the Catapult for energy innovation and demonstration assets which will be used to test the next generation of turbines and blades, ensuring that the UK as a whole continues to secure substantial private investment in manufacturing facilities – replicating the recent success of turning innovation collaboration into investment & UK jobs by GE Renewable Energy.

3

**Collaboration from Government to finalise investment from Britishvolt at Blyth, securing at least 3000 jobs in the UK's first Gigafactory and the biggest investment in the region since Nissan**

Working together, Government and local partners can maximise the potential from Britishvolt, creating additional UK jobs through the associated supply chain. Investment in battery innovation and Electric Drive Train technologies will secure wider UK leadership in these areas.



# Closing the Education Gap and Getting More People into Jobs & Training

**For the region to secure a rapid and sustained bounce-back from the pandemic, we need to quickly return people back into work whilst closing gaps in education and skills outcomes to meet the needs of our growth sectors.**

We set out plans for a bold education, skills and employment agreement between Government, industry and the NTCA, which will support more young people and adults into work, as well as upskilling and retraining local people of all ages. This will include:

1

## Education Recovery Challenge

- Building on investment by the NTCA in Education Improvement, we seek funding for the first phase of an existing Government commitment to an Education Recovery Challenge. The Challenge will address gaps exacerbated by the pandemic that see North of Tyne pupils underperforming compared to their peers elsewhere in the country, including challenges faced by those from our most disadvantaged communities. We will support schools to increase the number of pupils achieving GCSE grades 4 or above to 80% and seek to reduce the number of schools not yet classified as Good or Outstanding by three quarters.

2

## Investment in targeted interventions to boost technical skills, job opportunities and productivity

- Funding for employer-led investment in the skills requirements of our target growth sectors – green-skills, digital and health – matching NTCA’s £5m programme.
- A locally-focused approach to increasing the number of Apprenticeships to address the skills shortages which are constraining our recovery. To join up education and industry, supporting more diversity and inclusion in Apprenticeship take up. This would be further enhanced with autonomy over funding flexibilities and reinvesting unspent Levy back into the skills system to meet the urgent challenges we currently face.
- A fully devolved Skills Fund to bring together all direct funding for adult skills, including the flexibility to implement and lead a truly place-based response to the skills needs in the North of Tyne. Packaging together the Adult Education Budget, Lifetime Skills Guarantee Level 3 Offer, Traineeships, Skills Bootcamps and the skills element of the UKSPF. Additional investment is also required to bridge the Covid-related attainment gap and prevent young people becoming NEET.
- Implement the DWP-NTCA Employment Support Framework Agreement through a pilot which radically improves the coordination of employment, skills and health services across the NTCA-area, in order to increase the number of residents moving into good jobs and progressing – meeting national and local objectives by pooling knowledge and expertise.
- Co-investment from Government in NTCA’s Inclusive Economy Innovation Fund, extending this flagship, place-based and people-focused, approach to addressing inequality and poverty, enabling people to access opportunities at every stage of their lives.





# Rapid Renewal for our High Streets, Communities and Places

**Building back better will require front-loaded investment in place recovery: investment in our high streets to increase footfall and respond to new working, retail and leisure preferences – whilst accelerating housing, progress to net zero and maximising Northshoring opportunities. Together, creating at least 2000 jobs.**

1

## Acceleration of the North of Tyne's programme of investment in high streets and town & city centres

A programme of investment to revitalise and rejuvenate the hearts of our communities. This includes supporting the Newcastle City Centre Levelling up Bid to create a thriving urban hub for business, learning, culture, tourism and investment. Whilst co-investing with the NTCA in an ambitious new high streets deal in places such as Ashington, Byker, North Shields, Wallsend and Whitley Bay to replicate the success of the Blyth Town Deal; supporting delivery-ready schemes to use space differently, encourage businesses to diversify, and create sustainable centres – alongside net zero initiatives including retrofit/charging points, active travel and green infrastructure.



2

## Funding to maximise the tourism potential of Hadrian's Wall – which will attract more international visitors, including from target markets of N America and Asia, and create hundreds of new jobs

To support the Wall's 1900th anniversary, we are seeking funding to develop the potential of this world-heritage site, including through Government funding of a cultural programme, with promotion spearheaded by the Prime Minister, and an international competition to create a world-leading VR and AR experience for visitors.

## 1200 jobs recently secured from companies Northshoring their operations...



3

## Extended partnership with Homes England, Housing First and pilot a unique net-zero Brownfield fund

NTCA wishes to further strengthen its relationship with Homes England to unlock further development, including additional funding to overcome market failure, secure Passivhaus standard on brownfield sites and pilot new approaches to net zero living – including opportunities from at-scale MMC. In addition, a post-Covid initiative to bring forward a Housing First scheme to address homelessness.

4

## Work with Government to develop a joint plan for further government relocations

Capitalising on the wider Northshoring revolution, which has seen us recently attract 1200 professional services jobs, and a successful existing government presence, the plan will identify and prioritise further opportunities. This will complement investment in the Treasury's new northern economic campus by developing a critical-mass of capabilities with the region. The plan should also consider opportunities for a post-Brexit centre of excellence on rural productivity at Northumberland's Rural Design Innovation Centre, building on our nationally recognized R&D expertise.

# Transport & Infrastructure that Drives Growth and Connects the Union

The NTCA is at the centre of the UK and it is important to invest in infrastructure, including connectivity to Scotland, whilst improving the offer in our rural areas and maximising the impact of the Northumberland Line

1

## Extending the Borderlands deal and critical investment in North-South transport links

Solidify the economic opportunities in the heart of the UK by extending Northumberland's Borderlands Deal and committing to full A1 dualling – whilst prioritising upgrades to the East Coast Mainline; the Moorfarm and Seaton Burn Junctions; and the Levelling up Fund bid for the Tyne Bridge.

2

## The digital commute – match funding for the NTCA's '5G and Future Connectivity Programme', together with accelerated deployment of rural broadband funding

Robust internet connectivity and wireless are an essential part of enabling remote working, connected public services, and marketing this region as a forward looking, investable place to live, study and work. This is more important than ever after Covid-19 and will be a big factor in determining the pace and success of our recovery. We are seeking active DCMS involvement in our 5G and Digital Connectivity programme, together with accelerated deployment of national rural broadband funding to address ongoing market failure.

3

## Approval of the Northumberland Line Economic Corridor Catalyst Fund, to support green jobs, improve skills, town centre renewal and housing growth

We welcome Government's commitment to the Line, where work has already commenced. To maximise its socio-economic impact, this must be complemented by activity to open-up access to jobs and support the growth of our economy by connecting key innovation and employment assets; by linking our towns and places; by ensuring access to good quality housing; and by opening-up opportunities for our young people. We are asking HMT & MHCLG to approve our bid.

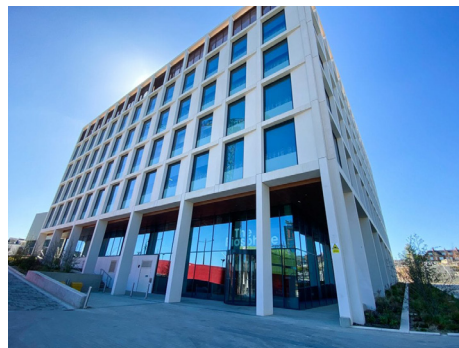


...Robust internet connectivity and wireless are an essential part of enabling remote working, connected public services, and marketing this region as a forward looking, investable place to live, study and work...



# Improving UK's Post-pandemic Health Resilience

The NE is uniquely placed to support the UK's preparedness for future public health challenges, with investment in assets which will build more domestic resilience and new capabilities.



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1

Secure the long-term future of the Integrated Covid Hub NE, as an international centre of excellence and collaboration across health, academia and industry to deliver economic value whilst deepening UK expertise and resilience

Already employing 700 people, the future of the hub can be secured through a mix of capital and revenue funding to support long-term sustainability and its transition to a commercially viable asset with latent pandemic response capacity.

2

Support the PPE and Innovation Hub at Northumbria Healthcare NHS Foundation Trust, onshoring PPE manufacturing

This will increase self-sufficiency, quality assurance and product innovation of PPE supplies in the UK – whilst creating UK-jobs.

...building on existing NE expertise across life sciences innovation, pharmaceuticals manufacturing, health care and clinical research - whilst creating 2500 new jobs

3

Co-development with Government in a strategic manufacturing facility to re-shore the generic drugs supply chain to the UK

Government input into the next phase of development of this industry-led initiative, which aims to address fragile supply chains and create economic value. The existing business case now needs to be taken forward with Government, by exploring the opportunities for a joint-venture or long-term contracts similar to those used in the energy industry.

4

Delivery of a world class Campus for Ageing and Vitality

This will build on our existing globally significant life sciences capabilities, allied with a health delivery model to deploy innovation to patients. Government support for Phase 1 one of this £500m initiative will unlock development of the site – providing an opportunity to maximise the benefits of the world leading National Innovation Centre for Ageing and the biomedical cluster centred around the Helix.

5

Increase resilience to future pandemics through investment in clinical and research facilities

Working closely with Newcastle Upon Tyne Hospitals Trust and Newcastle University – in conjunction with Government's Vaccine Legacy Taskforce.

6

Work with us to pilot a Radical Prevention Fund, with invest-to-save measures improving medium-long term health outcomes and delivering a financial return to the taxpayer

For DHSC and HMT to work with us on a Radical Prevention Fund – which will deliver innovation in prevention by growing our health-tech base and delivering a downstream return through managing acute demand. This will build on our world class health assets, public health expertise and our National Innovation Centres for Ageing and Data.

Critical Enablers and Next Steps

The priorities highlighted in this document need to be complemented by investment over the wider NE geography, and through the implementation of proposals which are also being put forward by the wider network of Mayoral Combined Authorities.

North East Access to Long Term Transport Funding

– the NTCA, in line with the other MCAs, needs the benefits arising from multi-year transport funding. Investment should occur on a regional basis and support the North East Joint Transport Committee’s proposals to deliver integrated, net zero transport as outlined in our Transport and Connectivity Blueprint.

Devolution of Shared Prosperity Fund – we stand with others in the M10 group of MCAs in asking for greater devolution and local decision making over SPF; for building on the success of devolved AEB through the local delivery of a wider suite of skills interventions; and for interventions which will unlock the innovation potential of local places. Only by taking a place-based approach to decision making is it possible to unlock the full value of these investments.

Build on existing successful devolution – with the NTCA ahead of our outcome targets, we will explore opportunities for further fiscal innovation based on an earn-back model, to create more jobs and improve public finances. In addition, Government is asked to approve borrowing powers for the NTCA.

Sustainable Local Government – this is the bedrock of all local public services – without which additionality and long term growth are not possible. We support our Local Authorities in making the case for sustainable base funding, and a resolution to the business rates and social care funding issues that would give our LAs more certainty and a viable basis for decision making.

Covid Recovery and Collaborative Working across the North East – we are clear that recovery from Covid and the wider prosperity of the North East requires us to work in strong partnership with other North East authorities. We have developed clear recovery plans as NTCA and as part of an LA7; and emphasise the need for critical transport and Covid recovery funding that benefits all of the region’s towns, cities and places.

Next Steps – we would welcome discussion with officials on the proposals set out in this document. They are specific, deliverable, and will realise a return to UKPLC as well as a boost to jobs, growth and livelihoods in the region. There is no possibility of levelling up without working in-step with our regional ambitions – and we welcome a strong collaboration with Government in delivering them.

