

A meeting of the: **Overview and Scrutiny Committee**

will be held on: **Tuesday 15 April 2025**

at: **10.00am**

in: **Pandon Room, Civic Centre, Barras Bridge, Newcastle upon Tyne, NE1 8QH**

to consider the following

AGENDA

Page No

1. **Apologies**
To record any apologies for absence and the attendance of any substitute members.
2. **Declarations of Interest**
Members of the committee are required to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest, in accordance with the Authority's [Code of Conduct for Members](#).
3. **Minutes** 2 - 9
To confirm as a correct record the minutes of the previous meeting held on 4 February 2025 and to note the notes of the meeting of members of the Committee held on 4 March 2025.
4. **Creating Real Opportunity: Interim North East Local Growth Plan** 10 - 49
To examine and comment on the Interim North East Local Growth Plan.
5. **English Devolution White Paper** 50 - 60
To receive a briefing on the Government's proposals to widen and deepen devolution across England.
6. **Annual Report 2024/25** 61 - 79
To approve the Committee's Annual Report.
7. **Date and Time of Next Meeting**
To note that the next scheduled meeting is to be held on Tuesday 15 July 2025 at 10.00am in Newcastle Civic Centre.

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Overview and Scrutiny Committee

4 February 2025

(10.00am)

Meeting held in: Reception Room, Town Hall, South Shields

Minutes

Present:

- Councillor Colin Ferguson (Chair)
- Councillor Les Bowman
- Councillor Rob Crute
- Councillor Richard Dodd
- Councillor John Eagle
- Councillor Steve Fairlie
- Councillor Charlie Gray
- Councillor Chris Lines
- Councillor John McCabe
- Councillor Jim Montague
- Councillor Dawn Welsh

OSC17/02/25 Apologies for Absence and Substitutes

Apologies for absence were received from Councillor Claire Rowntree (and her substitute, Councillor Tracy Dodds).

OSC18/02/25 Declarations of Interest

There were no declarations of interest.

OSC19/02/25 Minutes

Resolved that:

1. the minutes of the previous meeting held on 5 November 2024 be confirmed and signed as a correct record; and
2. the notes of the meeting of members of the Committee held on 10 December 2024 be noted.

OSC20/02/25 2024/25 Budget Monitoring Position Update

The Committee examined a report from the Director of Finance and Investment setting out a revised budget position for 2024/25 and showing the updated forecast spend for the North East Combined Authority's Corporate Budget and delivery programmes. The report had previously been considered by Cabinet at its meeting on 28 January 2025.

Members asked questions of Mags Scott, Director of Finance and Investment, when they examined the degree to which there were likely to be variations in the Corporate Budget and programme delivery. The Corporate Budget was expected to be more predictable and stable and programme delivery was more likely to be subject to variations. A programme performance pack providing an overview of key progress updates, committed funding, forecast expenditure and forecast outputs was due to be presented to the Finance and Investment Board. Officers undertook to provide members of the Committee with a copy of the performance pack. The Committee also noted the different ways in which programmes were delivered which accounted for variations in committed spend across the 5 year programme plan.

It was **agreed** that:

1. the 2024/25 Budget Monitoring Position Update be noted;
2. the programme performance pack due to be presented to the Finance and Investment Board be provided to members of the Committee.

OSC21/02/25 Overview and Scrutiny Work Programme

The Overview and Scrutiny Work Programme was presented to the Committee for review and, if necessary, revision.

The Chair explained that there would be a significant period of time between the next two scheduled meetings in March and July 2025. He suggested that if members of the Committee were supportive of the idea, an additional meeting be arranged during April. This would allow time for members to review the operation of the Committee over its first year, consider its future arrangements and formulate proposals for inclusion in its annual report. In considering its future arrangements it was suggested that the Committee would need to have regard to the Government's proposals for mayoral devolution in England set out in the recently published White Paper.

The Committee highlighted the need to develop mechanisms through which it could effectively monitor the performance and outcomes of those programmes reported to the Committee. In doing so the Committee would have to be mindful that delivery of the Authority's missions was dependent on collaboration with others, for example health bodies, and so it would have to work with others to effectively fulfil its scrutiny role.

Members noted that the programme included a scrutiny exercise to review and assess the benefits of transport investment, by examining the impact of the Northumberland Line to Ashington. It was proposed that this exercise be undertaken in January 2026, after one year of the railways line's operation.

The Chair suggested that issues raised by members relating to metro stations in South Tyneside and access to the metro system for users of mobility scooters could be addressed as part of the Committee's consideration of the Local Transport Plan at its next meeting.

It was **agreed** that;

1. the work programme be updated to reflect the issues set out above; and
2. if necessary, an additional meeting of the Committee be arranged to be held in April 2025.

OSC22/02/25 Highways Infrastructure Funding

The Committee met with Jonathan Bailes, Head of Transport Programmes, who provided an overview of the roles and responsibilities of both the combined authority and local authorities with regards to maintaining highways. He also outlined the Authority's proposed approach to the allocation of highways maintenance funding to local authorities as part of the City Region Sustainable Transport Settlement (CRSTS) and based on the production of a Regional Transport

Asset Management Plan (TAMP). The proposed approach was due to be considered by Cabinet at its meeting in March 2025.

Members asked questions and made comments.

Officers clarified the division of responsibility between local authorities, who would continue to be responsible for the maintenance of critical highways infrastructure, and the role of the North East CA for allocating funding through a fair, consistent and transparent process. This process would be informed by the TAMP and would seek to reduce whole-life costs and mitigate the risk of impacting overall budgets for major interventions. Members welcomed this clarification and emphasised the importance of both the Authority and its constituent councils fulfilling their respective responsibilities. If the North East CA were to determine a region wide approach to the allocation of highways funding, members commented that it ought to ensure that; a) local authorities retain responsibility for their infrastructure; and b) all funding be allocated, in accordance with that process. Members sought assurance that highways funding could not be allocated contrary to the Authority's agreed approach. It was suggested that the Committee could play a role in reviewing the adequacy and delivery of the approach by scrutinising the allocation of funding and assessing performance data collected by the Authority for reporting to the Department of Transport. It was also suggested that the Committee should refer the matter to the relevant overview and scrutiny committee of each constituent council so that they may consider whether they wish to scrutinise their own authority's approach to the maintenance of highway infrastructure within this context.

The Committee also considered:

- a) the financial pressures associated with highways funding which would be subject to the Government's spending review in Spring 2025;
- b) the role for the Authority in lobbying Government and collaborating with Highways England to secure highways improvements across the region; and
- c) the opportunity for the Authority to facilitate and convene joint working between local authorities to deliver or procure highways services such as street lighting.

It was **agreed** that:

- 1. the clarification of the roles and responsibilities of both the combined authority and local authorities with regards to maintaining highways be noted and welcomed;
- 2. the Committee's comments set out above be reported to Cabinet at its meeting in March 2025, to be taken into account when it determines the Authority's approach to the allocation of highways maintenance funding to local authorities as part of the City Region Sustainable Transport Settlement (CRSTS);
- 3. a further scrutiny exercise to review the adequacy and delivery of the Authority's approach to allocating highways maintenance funding be scheduled for February 2026; and
- 4. the issues considered by the Committee be referred to the relevant overview and scrutiny committee of each constituent council so that they may consider whether they wish to scrutinise their own authority's approach to the maintenance of highway infrastructure within this context.

OSC23/02/25 Education Improvement Programme

Work was underway with regional stakeholders to identify new regional priorities which would inform the strategic direction of the North East CA's education improvement programme from September 2025. Councillor Tracey Dixon, Cabinet Member for Education, Inclusion and Skills, accompanied by Adrian Dougherty, Interim Strategic Leader for Skills, Inclusion and Public Service Reform, and Andrew Garrad, Senior Programme manager, attended the meeting to present the emerging vision and priorities and to seek the Committee's views and comments on how the programme might be developed in the future.

The Committee were also provided with an overview of the education improvement work being delivered during the 2024/25 academic year. Work was currently being mobilised through

commissioned services and grant funded support across three interlinked objectives: a) school improvement; b) professional development; and c) responding to local priorities. There were currently 492 schools supported (from a total of 844 across the region) across 748 points of engagement.

The Committee asked a series of questions and made comments when the following issues were considered in more detail:

- a) officers assured the Committee that the Authority had worked in collaboration with the Department for Education, local authorities, academy trusts and charities to identify pressure points and gaps in provision so that the programme would avoid duplication and add value;
- b) the programme had sought to use existing data collection and evaluation mechanisms to reduce the risk of adding bureaucracy in schools;
- c) it was acknowledged that the Authority had no statutory powers in relation to education and so it had to work with others to develop and define its role within the sector;
- d) the programme's future strategic direction would take account of the aims of the new Child Poverty Reduction Unit to build a strategic, long-term and collaborative approach to addressing child poverty in the region;
- e) the Committee expressed an interest in undertaking further work to review and assess the impact of the programme on factors such as attendance, exclusions and child poverty;
- f) the programme included elements to support pastoral care and careers advice in schools;
- g) the Committee expressed its support for the Authority facilitating and encouraging local authorities to collaborate with each other and share best practice;
- h) the Authority had worked with many, but not all, multi academy trusts; and
- i) the emerging priorities for the programme included teacher wellbeing and development. It was suggested that consideration also needed to be given to the retention of teaching staff, to reduce the loss of qualified staff after years of investment and training.

It was **agreed** that:

1. the Cabinet Member for Education, Skills and Inclusion and the Interim Strategic Leader for Skills, Inclusion and Public Service Reform, in developing the future strategic direction of the education improvement programme, be asked to:
 - a) ensure that the programme does not duplicate or replicate existing provision in an already congested education sector;
 - b) place emphasis on how the programme can help improve attendance at school, reduce exclusions and reduce child poverty; and
 - c) give consideration to the retention of teachers as well as their wellbeing and development,
2. the Committee undertake a further scrutiny exercise to review and assess the impact of the programme in September 2025 on factors such as attendance, exclusions and child poverty.

OSC24/02/25 Supporting People with Disabilities, Health Conditions and Additional Barriers to Seek Sustained Employment

The Committee met with Councillor Tracey Dixon, Cabinet Member for Education, Inclusion and Skills, Adrian Dougherty, Interim Strategic Leader for Skills, Inclusion and Public Service Reform and Ruth Gaul, Principal Programme Manager, to examine and comment on how the Authority could support people with disabilities, health conditions and additional barriers to seek sustained employment.

The Committee were presented with a report setting out the national and regional policy context, the challenges in the North East labour market, the current support available to residents and details of new integrated, innovative regional employment support including:

- a) Connect to Work, the first major element of the Get Britain Working Strategy, to help connect local work, health and skills support and provide a coherent, systematic, and joined up approach to maximise the benefits available for individuals and local communities; and

4 February 2025

- b) Economic Inactivity Trailblazer. In December 2024 the North East CA had been identified as a Trailblazer to bring together health, employment, and skills services to improve the support available to those who are inactive due to ill health and help them return to work.

The Committee were invited to ask questions and to comment on these initiatives to help shape and influence the Authority's approach. In doing so the Committee:

- a) highlighted the importance of working with employers and organisations such as the Confederation of British Industry, Chambers of Commerce and the Federation of Small Businesses to address the stigma associated with long term absences from work;
- b) referred to the current challenges in the education sector caused by a loss of learning and social skills during the Covid pandemic and suggested that the Authority's strategies and programmes to support people into work would need to begin to prepare for the needs and demands of young people currently in education;
- c) explored in more detail how neuro-diverse people could be supported into employment;
- d) highlighted the importance of childcare in supporting people to return to work;
- d) acknowledged the role of the public sector in taking a lead as major employers through their equality, diversity and inclusion policies; and
- e) reiterated the need for the Committee to monitor the performance and outcomes of the Authority's programmes.

It was **agreed** that:

- 1. the Cabinet Member for Education, Skills and Inclusion and the Interim Strategic Leader for Skills, Inclusion and Public Service Reform, in developing the Authority's programmes to support people into employment, be asked to give particular consideration to:
 - a) working with employers and employer organisations to address the stigma associated with long term absences from work; and
 - b) the needs of young people currently in education who may in the future experience different challenges in securing employment due to a loss of learning and social skills during the Covid pandemic;
- 2. the Committee undertake a further scrutiny exercise in February 2026 to review and assess the development of Connect to Work and the Economic Inactivity Trailblazer.



Meeting of Members of the Overview and Scrutiny Committee

4 March 2025

(10.00am)

Meeting held in: Quadrant, North Tyneside

Notes

Present:

- Councillor Les Bowman
- Councillor Rob Crute
- Councillor Richard Dodd
- Councillor Steve Fairlie
- Councillor Stuart Green
- Councillor Chris Lines
- Councillor Jim Montague
- Councillor Shane Smith
- Councillor Dawn Welsh

In attendance: Councillor Brian Gallacher

The following items of business were discussed by members and substitute members of the Overview and Scrutiny Committee when there were an insufficient number of members present to conduct a quorate meeting of the Committee. Apologies for absence had been received from Councillors Tracy Dodds, John Eagle, Colin Ferguson, Charlie Gray, Andrew Guy, John McCabe, Dominic McDonough, Antony Mullen and Claire Rowntree.

1. North East Strategic Place Partnership

Members met with Heather Orton, Principal Housing Infrastructure Manager, Peter Mennell, Director of Housing at North Tyneside Council, and Matthew Bell from Homes England, to examine the development of the North East Strategic Place Partnership (SPP) and comment on its future strategic direction. Dame Norma Redfearn DBE, Cabinet Member for Housing and Land, had also been invited to attend the meeting but had submitted her apologies for absence.

The SPP had been established as part of the “trailblazer” deeper devolution deal to provide a framework for greater collaboration and unlock housing delivery and place-based growth. Officers presented details of the SPP’s strategic objectives, its priority focus areas, governance arrangements and examples of delivery including Forth Yards, Newcastle and the Sunderland Riverside regeneration.

Members asked a series of questions and made comments when the following issues were discussed in more detail:

- a) the extent to which the development of brownfield sites would deliver the Government’s housing targets,
- b) the relationship between local plans, to be determined by constituent councils on how the housing targets would be delivered, and the SPP, whose focus would be to support the delivery of housing according to local priorities and by unlocking challenging sites,

- c) the risk of the growth and overdevelopment of some towns leading to a change in their shape and size and damaging the vibrancy and cohesiveness of communities,
- d) a need for growth and house building in rural, coastal and former industrial areas to sustain communities and services,
- e) the opportunities to set regional design standards and to work with developers to deliver high-quality homes and
- f) the capacity of the SPP to support house building on small sites, for example redeveloping derelict clubs, churches and office blocks.

2. Mayor's Local Transport Plan

The Local Transport Plan (LTP) set out the North East CA's transport priorities up until 2040, including plans to deliver the Mayor's manifesto commitments for transport and a list of proposals to create a fully integrated green transport network that works for all. Members of the Committee had previously commented on the draft LTP and the proposed approach to an extensive public consultation exercise at its meeting on 8 October 2024. Since then, the LTP had been subject to consultation between 4 November 2024 and 26 January 2025.

Members met with Philip Meikle, Assistant Director of Transport, who presented details of the response to the consultation, its findings and next steps. A reshaped version of the LTP had been produced to reflect feedback received during the consultation which had highlighted:

- A need for greater reference to how transport can support economic and housing growth sites;
- Requests to include taxis as part of the integrated transport network;
- A need to better align the LTP with the North East CA missions and the North East Local Growth Plan;
- Calls for stronger references to freight; and,
- The need to prioritise maintenance and resilience of existing transport assets.

The reshaped LTP would be presented to the Cabinet on 18 March 2025 to be endorsed prior to publication as the finalised plan.

During their discussion members:

- a) expressed their support for a fully integrated public transport system including integrated ticketing and fares,
- b) suggested that all residents living within the North East CA area should be eligible for the Metro Gold Card at the same cost. Officers undertook to provide members with clarification regarding the current eligibility and costs,
- c) welcomed the proportion of consultation responses received from women and examined in more detail the extent and nature of engagement with young people,
- d) queried how the needs of people with protected characteristics under the Equality Act had been given due regard and how the LTP aligned with the Authority's emerging equality objectives and
- e) explored with officers the opportunities within the region to improve freight connectivity, including improved connections with the airport, ports and the rail network.

3. Leamside Investment Corridor

In January 2025, Cabinet had agreed to allocate £500k from the Authority's Investment Fund to develop a Leamside Investment Corridor Strategy. The strategy would set out plans for a broad, ambitious vision for the area around the line; one that was about place-based growth, regeneration, better access to skills and employment, the potential for a new town and/or other significant new housing, and the opportunity to realise significant government and private sector investment. Members met with Mags Scott, Director of Finance and Investment, and Ian Freshwater, Senior Economic Development & Regeneration Officer, to comment on the proposal and help inform and shape the strategy at its very early stages of development.

In challenging the feasibility of re-opening the Leamside Line, Members noted that the Authority had committed £8m to prepare an Outline Business Case incorporating detailed design work and costings for the first phase of the re-opening which would form an extension of the metro system from Felling to South Hylton via Washington. Further work to prepare a Strategic Business Case for the re-opening of the southern leg of the line to Tursdale Junction had commenced and had received support from the Department of Transport, Homes England and other partners as an ambitious scheme of national significance and a catalyst for growth in the region. The business case process and the development of a Leamside Investment Corridor Strategy would be about testing the feasibility of the ambitious, long term plans for the area.

Members offered a range of comments and questions when the following issues were considered in more detail:

- a) the need for local transport connections between the Leamside Line and the centre of Washington,
- b) the importance of improved transport connections to the North East,
- c) the challenges in developing parkway railway stations on the East Coast Main Line,
- d) the nature and range of passenger and freight rail services which could be operated on the line,
- e) the opportunities to unlock significant levels of new private sector investment and
- f) the opportunities to connect key economic sites and communities in County Durham.

4. Equality Objectives

Members met with Emma Patterson, Policy Development Officer, Leigh Mills, Head of Skills and Inclusion, and Robin Fry, Inclusive Economy Adviser to examine progress made towards delivery of the Authority's Equality Objectives for 2024/25 and to comment on the plans for setting longer term objectives for 2025-2028. The new equality objectives were due to be considered by Cabinet at its meeting in June 2025.

In considering the proposed longer term objectives members commented on:

- a) the need to reduce transport related social exclusion to improve transport for all users and allow older and disabled people to travel safely,
- b) the importance of collaborating and sharing data with constituent councils to avoid duplication and to utilise existing activity and knowledge and
- c) their wish to receive details of the action plan to be formulated once the Cabinet approves the Authority's Equality Objectives and to receive an annual report on delivery of the objectives.

5. Overview and Scrutiny Work Programme

Members reviewed the Overview and Scrutiny Work Programme.

Following consultation with the Chair and Vice Chair, it was proposed that an informal meeting of members of the Committee be held on Tuesday 1 April 2025 at 10.00am to review the operation of the Committee and to formulate an annual report. A meeting of the Committee to approve the annual report had provisionally been arranged to be held on Tuesday 15 April 2025 at 10.00am in Newcastle Civic Centre.

Members expressed concern that a meeting on 15 April 2025 could be inquorate because it fell within the pre-election and Easter holiday periods. Officers undertook to check the availability of members and consult with the Chair and Vice Chair before confirming arrangements for the next meeting.

Title: Creating Real Opportunity: The Interim North East Local Growth Plan

Report of: Robert Hamilton, Head of Innovation and Strategy

1. Report Summary

- 1.1 The purpose of this report is to provide the Committee with an opportunity to examine the Interim North East Local Growth Plan. The Plan has been developed to make substantive progress over the next 10 years against the Authority's five missions set out in its Corporate Plan. The Interim Plan was approved by Cabinet at its meeting on 18 March 2025 for the purposes of consultation with Government and stakeholders. As part of this consultation exercise the Committee is invited to consider and comment on the Plan and help identify opportunities to further develop the investment priorities highlighted in the document. Cabinet will be asked to approve the final version of the Plan later this year, after the publication in June of Government's Industrial Strategy and the Comprehensive Spending Review.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee is invited to make comments and/or recommendations in relation to the Interim Plan, to be taken into account by Cabinet in approving the final version of the Plan.

3. Introduction and Overview

- 3.1 The Interim Local Growth Plan – and the final version which will be produced later in the year – sets out key priorities for the region, illustrating how we will grow our economy and improve living standards. It will help guide future investment decisions and be used in discussions with Government ahead of the Spending Review and as the Combined Authority prepares for the introduction of a single Integrated Financial Settlement in 2026/27. The Plan has been developed in consultation with Local Authorities, national government, and regional stakeholders.
- 3.2 The Plan includes multi-million investment decisions which have already been agreed by Cabinet. These include around the Investment Zone, Funding for Businesses, Child Poverty Reduction Unit, Transport and Skills priorities. The Plan has also been developed alongside, and is consistent with, the Local Transport Plan. Going forward, the objectives highlighted in the Local Growth Plan will be set out in more detailed delivery plans in key areas, including around skills, innovation, culture and housing.
- 3.3 The Plan meets the guidance from Government set out in the *Industrial Strategy Green Paper* that Local Growth Plans should “build on the region's unique strengths and opportunities to support sectors, identify wider business environment priorities, and provide a framework to unlock private investment”. It is expected that the forthcoming English Devolution Bill will make the development of a Plan a statutory requirement.
- 3.4 The Plan identifies a range of sectoral economic opportunities where the region has unique assets and opportunities, which are being discussed with Government ahead of production of the National Industrial Strategy:
- Offshore wind and energy transition

- Advanced manufacturing including electric vehicles
- Creative industries and content
- Life sciences, pharmaceuticals and process industries
- Tech, digital and AI
- Defence, security and space
- Supporting growth across the region, including in rural and coastal areas

3.5 The document also highlights that creating opportunities for residents is dependent on a much broader and balanced set of priorities including: investment in skills, improving access to employment, tackling child poverty, reducing the digital divide, improving housing, creating a better transport system and unlocking wider economic opportunities (table 1).

Table 1: Summary of *Creating Real Opportunities*

NE Missions	Creating strong foundations and transforming communities	Maximising our economic opportunities
Home to a growing and vibrant economy for all	<ul style="list-style-type: none"> • Innovation and business dynamism • Digital North East 	<ul style="list-style-type: none"> • Creative industries and content • Tech, digital and AI • Knowledge intensive professional services • Life sciences, pharmaceuticals and process industries
Home of the green energy revolution	<ul style="list-style-type: none"> • Net Zero 	<ul style="list-style-type: none"> • Offshore wind and energy transition
A welcoming home to global trade	<ul style="list-style-type: none"> • Investment and trade • Infrastructure and key sites 	<ul style="list-style-type: none"> • Advanced manufacturing including electric vehicles • Defence, security and space
Home of real opportunity	<ul style="list-style-type: none"> • Skills & qualifications • Economic activity, health and wellbeing • Tackling child poverty 	<ul style="list-style-type: none"> • Foundational economy
A North East we are proud to call home	<ul style="list-style-type: none"> • Better housing • Green Transport which works for all 	<ul style="list-style-type: none"> • Visitor economy • Rural and coastal businesses

3.6 The final version of the Plan will also include a set of strategic priorities agreed with national government, where they will work with us to help address long-standing issues identified within the Plan. At the time of writing this report, these are likely to be for Government to work with us to explore new ways to:

- Increase levels of employment and strengthen the technical skills base by enabling residents to rejoin or increase participation in the workforce, supporting them into better employment opportunities.
- Increase business formation and growth in the region, including to increase the concentration of innovation-active businesses and those with scale-up or export potential.
- Improve transport connectivity to create a green, integrated transport network that supports access to employment, learning opportunities, and essential services.

4. Consultation and Next Steps

4.1 The Interim Local Growth Plan is intended to support a process of engagement and consultation with Government and stakeholders. This will include identifying opportunities to further develop the investment priorities highlighted in the document. Cabinet will be asked to approve the final version of the Plan later this year, after the publication in June of Government's Industrial Strategy and the Comprehensive Spending Review. Further reports will also be submitted to Cabinet around

implementation, and for activities to be developed with the support of the Combined Authority's Portfolio Boards.

5. Impact on North East Combined Authority Objectives

All funded activity will contribute to progressing the Mayor's and Cabinet's priorities to support integrated place-based growth which have been set out in the Mayoral Manifesto and the North East CA Corporate Plan and devolution deals. The approach to delivery will be guided by the principles and approach set out in the Investment Framework, agreed by Cabinet in January 2025.

6. Equalities Implications

The North East CA complies with the Public Sector Equality duty and is conscious of the need to achieve the objectives set out under s149 of the Equality Act 2010. In June 2024 the North East CA adopted equality objectives to reflect the different roles of the Combined Authority as an employer, a commissioner and deliverer of services, and a civic leader.

Equality implications will be considered as part of the Assurance Process, with impact assessments undertaken as part of specific policy and project areas or as individual business cases come forward.

7. Consultation and engagement

Ongoing engagement and consultation has taken place with all the constituent Local Authorities and with a number of groups drawn from across business, the VCSE and education sectors throughout the development of the Plan.

8. Appendices

Appendix 1 - Creating Real Opportunity: The Interim North East Local Growth Plan

9. Background papers

None

10. Contact officer(s)

Robert Hamilton, Head of Innovation and Strategy
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11. Glossary

North East CA – North East Combined Authority



Creating Real Opportunity

The Interim North East Local Growth Plan

March 2025



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Foreword

North East Mayor Kim McGuinness

My vision for the North East is for it to be known as the home of real opportunity, a region where everyone thrives.

This 10-year plan sets out how we will grow our economy, support our businesses and improve living standards for people across our great region.

As the first North East mayor I will unlock world-class opportunities and build inclusivity into every element of our economy, ensuring that – even as our trailblazer region contributes ever more to the UK’s economic success – we do so in a manner that improves lives for all.

Within 10 years we will have made substantive progress against our five key missions:



Home to a growing and vibrant economy for all

Thousands more good jobs will have been created, contributing to higher levels of employment and rising take-home pay.



Home of the green energy revolution

The North East will be at the forefront of the low-carbon economy, with the region a national-leader on the path to net zero.



A welcoming home to global trade

We will continue to welcome international companies to the North East, exceeding national average levels of foreign direct investment, while also seeing the proportion of international visitors increase.



Home of real opportunity

Every child will have access to opportunity, while we will also have seen an improvement in skills, digital inclusion and health outcomes, alongside a substantial reduction in child poverty.



A North East we are proud to call home

More affordable and social homes will have been built, alongside a green, integrated, transport network which connects everyone.



The North East has huge potential, and I am determined to be the mayor who delivers for all our brilliant people and businesses.

This Interim Plan has been developed with the Combined Authority’s Cabinet and with the support and input of partners from across the region. It is intended for wider consultation and input, and to identify our key investment and delivery priorities, with a final version published in the summer after the Government’s Spending Review.

I’ll ensure we build on our strong track-record of attracting investment and public-private partnerships to bring further jobs into our Great North East, putting this region back on the world stage.

Introduction

North East England is a land of energy and creativity – the home of a £54 billion economy well-placed to power UK growth and energy security through world-class businesses such as Nissan, Sage Group, P&G, Low Carbon Materials and SMD. Working with partners, we have an ambitious Plan to make the most of our sectoral strengths and our strategic location at the heart of the country and facing out to the North Sea.

Opportunities for all will be at the centre of our approach. We'll create an economy that works for the whole region and delivers sustainable growth. For too long, this has not been the case, resulting in rates of low-pay and child poverty among the highest in the country.

Our approach is rooted in a deep understanding of what makes the North East unique. Our inspiring and diverse geography spanning rural, coastal and urban centres. A track record of manufacturing excellence and reinvention, including our offshore energy cluster. A growing service sector economy, led by innovators such as Atom Bank. Three World Heritage Sites, a National Park, and a cultural offer including Beamish and the Glasshouse. Combined with the passion, pride and welcome of our increasingly diverse communities.

We have identified those sectors where the North East has unique economic assets and opportunities. These areas will be integral to the UK's future international competitiveness and we are working with Government, including the Office for Investment, to unlock their potential. In addition, the region has a critical role to play in developing UK energy and national security.

This includes opportunities in:



Offshore wind and energy transition



Advanced manufacturing including electric vehicles



Creative industries and content



Life sciences, pharmaceuticals and process industries



Tech, digital and AI



Defence, security and space



We also recognise that the prosperity and success of the region depend on a much wider set of interventions, including – investment in skills, improving access to employment, tackling child poverty, reducing the digital divide, improving housing and creating a better transport system. We will take forward our Local Growth Plan ambitions through: innovation, creativity and partnership working; focussed delivery capacity; and by setting out more detailed delivery plans in key areas.

The Plan has been developed by the Combined and Local Authorities with the support of partners from across the business, education, voluntary and community sectors. All are critical to the region's success.

Our region

The North East powered the industrial revolution, through its natural resources, engineering excellence and strategic transport links. Today this legacy – of mining, shipbuilding and railways - has paved the way into new opportunities in advanced manufacturing and renewable energy generation, and in growth opportunities spanning from the life sciences to the digital and creative industries. Nissan produces about 1 in every 3 cars built in the UK, while Sage Group is the country's largest software company.

But our residents and businesses are held back by an economy punching below its weight in terms of skills, productivity and GVA.¹

By unlocking the potential of our people through increased skills, better and more employment, and improved health outcomes, we can increase productivity and help drive the UK's Growth Mission.

This will mean delivering sustained, long-term, public and private investment to support growth that delivers for our residents, communities, industry and the national economy. Our Investment Zone is already landing major inward investors, and we can do more to help deliver the Government's Industrial Strategy.

We are committed to driving economic growth that delivers for all our residents, including supporting our public services and strengthening our foundational economy.

Our Local Growth Plan will create opportunities and communities that our residents will both contribute to and benefit from. We are taking an integrated approach that recognises the inter-relationship between: eradicating childhood poverty; improving household incomes and healthy life expectancy; and increasing productivity and output.

Building on our assets and opportunities whilst responding to our challenges



A diverse geography with three cities, many vibrant towns, and extensive rural and coastline communities.

2,000,000 inhabitants.

55,000 businesses providing 820,000 jobs.

4 universities, 9 FE colleges and other exemplar skills provision.

A £54bn economy at the heart of the UK union.

Low unemployment by historic standards but rising levels of health-related inactivity.



3 deep-water ports, riverside assets, and an international airport providing onward connectivity via Paris, Amsterdam and Dubai.

New CA, with strong political leadership and already delivering and innovating.

Outperforming the national average for attracting inward investment.

Second largest MCA by area.

An economy punching below its weight – with skills, productivity and GVA behind national averages. Closing the gap will benefit regional residents and economy, as well as UK plc.

Metro – the UK's original modern light rail system – operates over 77km of track, connecting Newcastle, Gateshead, North Tyneside, South Tyneside, and Sunderland. Complemented by the successful introduction of the **Northumberland Line**.



Excellent connectivity to rest of UK via East Coast mainline and strategic road network including A1, A19 and A69.

Vibrant VCSE sector, with around 30,000 employees and unparalleled expertise of communities.

Distinctive cultural and visitor economy offer: over 500km of coastline, two UNESCO World Heritage Sites, Northumberland National Park, historic castles and cathedrals, leading football teams, an international cricket ground, and diverse and distinctive cultural venues.

Positioning the North East to respond to major global trends

Over the 10-year duration of our Local Growth Plan, we expect to see major changes at the national and global level.

Here we have identified some of the major trends that will impact our region, and how the Growth Plan positions the North East to respond and thrive.

Technological

- Automation and digitisation
- Artificial Intelligence (AI)
- Biotech advances for healthcare and agri-tech
- Addressing the “digital divide”

Advances in technology are changing the way we work. New tools can help to increase productivity and efficiency, boosting pay and living standards, if we have the right training and skills in place and a supportive environment for businesses to invest and upskill their workforce. Our region can play a key role in the development of future tech, building on our existing strengths in advanced manufacturing, life sciences and renewable energy. This Plan will help to put the infrastructure in place across the region to ensure that the opportunities unlocked by technology are accessible to all of our residents.

Economic

- Supply chain resilience
- Post-Covid trends in working and travel
- Global trade and competition for investment
- Energy and National Security

Global supply chains are being reshaped by rising trade protectionism, and businesses are seeking opportunities to increase supply chain resilience and new trading arrangements following the UK's exit from the EU. Climate change presents a threat to future economic stability and the rise in remote and flexible working will continue to impact the way we live, work and travel. North East industry currently plays an important role in supply chains critical for national security, and our Plan will help to strengthen our position and capture new investment. Our plans will also help to deliver new housing developments, supported by better public transport and the regeneration of high streets and town centres, creating new jobs in high-growth sectors.

Social

- Poverty and inequality
- Rising cost of living and childcare
- Health and wellbeing
- Impacts of child poverty

Creating opportunities for all means addressing levels of poverty, inequality and digital exclusion. These issues also pose a significant risk to realising the region's growth potential. Our plan seeks to build inclusivity into every element of our economy in a manner that improves lives for all. We are also committed to a programme of public service reform to improve outcomes for families and communities. The combined impact of our interventions will help lift children out of poverty, increase opportunity and reduce costs for residents re-entering the workforce.

Environmental

- Climate change – adaptation and mitigation
- Carbon and nature markets
- Clean energy generation and supply
- Agriculture and land use

The global effects of climate change and the transition to Net Zero will be one of the defining challenges of the next two decades. Our region has shown a commitment to innovation and resilience, taking a lead on the production of offshore renewables, electric vehicles and batteries. In addition to accelerating these trends, future opportunities lie in the electrification of the wider economy, the delivery of a £1bn+ North East heat network pipeline, and in using our strengths in research to develop new solutions, such as agritech. Our Plan identifies a pipeline of projects to accelerate decarbonisation, launching a North East Carbon and Nature marketplace, alongside our investment into coastal and rural communities.

Delivering on our missions

Our Local Growth Plan has been developed so that we make substantive progress against our missions over the next 10 years. These set clear, long-term, goals that contribute to a bold vision of change. The overall outcome of these five missions is to increase opportunity, create

more well-paid employment, improve transport connections, build a greener North East, and reduce child poverty.

We will work with the Combined Authority's Cabinet and Business & Economy Board to

accelerate delivery; innovating and working creatively with Government, businesses, investors and the VCSE sector to unlock growth and opportunity across the region, making the most of our once-in-a-generation investments.



Home to a growing and vibrant economy for all

We will support businesses to create jobs across the North East. We will ensure people have the skills to access work and provide the right conditions for economic growth. We will ensure support and investment across a wide range of economic drivers: from advanced manufacturing to digital and the cultural sector, from skills training to good transport.



Home of the green energy revolution

We will grasp the opportunity that net zero presents to the North East. Not only will we transition to a green economy, creating thousands of jobs and reducing carbon emissions, we'll build the new technologies and solutions needed for the UK to decarbonise too.



A welcoming home to global trade

The North East is an exporting powerhouse and the region will build on that global reputation to maximise international opportunity. We will secure more global investment, create the environment for sustained business growth and increase our export output, including a focus on our cultural exports.



Home of real opportunity

We will work to create opportunity for all, ensuring inclusive growth and good public services are spread across the North East. Our region is a great place to live and work, but too many people face challenges to success. We will implement policies which help to overcome those challenges – including skills training, digital inclusion programmes and child support.








A North East we are proud to call home

Where we live matters. The people of the North East are rightly proud of their local identity and want services and policies that support them to live here. The North East Combined Authority delivers the strategies and programmes that help make this happen. From better transport to more social housing, from a thriving creative economy to sustainable rural communities, this Mayoral Combined Authority will deliver in a way that aligns to the priorities of local people.



At a glance – our plan

Our approach is based on unlocking the potential of the North East's unique economic assets and opportunities, whilst simultaneously ensuring that we are creating opportunities for all. The table below identifies our key programmes and their contribution to our missions.

	Creating strong foundations and transforming communities	Maximising our unique economic opportunities
 Home to a growing and vibrant economy for all	<ul style="list-style-type: none"> ▪ Innovation and business dynamism ▪ Digital North East 	<ul style="list-style-type: none"> ▪ Creative industries and content ▪ Tech, digital and AI ▪ Knowledge intensive professional services ▪ Life sciences, pharmaceuticals and process industries
 Home of the green energy revolution	<ul style="list-style-type: none"> ▪ Net Zero 	<ul style="list-style-type: none"> ▪ Offshore wind and energy transition
 A welcoming home to global trade	<ul style="list-style-type: none"> ▪ Investment and trade ▪ Infrastructure and key sites 	<ul style="list-style-type: none"> ▪ Advanced manufacturing including electric vehicles ▪ Defence, security and space
 Home of real opportunity	<ul style="list-style-type: none"> ▪ Skills & qualifications ▪ Economic activity, health and wellbeing ▪ Tackling child poverty 	<ul style="list-style-type: none"> ▪ Foundational economy including hospitality, health and social care
 A North East we are proud to call home	<ul style="list-style-type: none"> ▪ Better housing ▪ Green Transport which works for all 	<ul style="list-style-type: none"> ▪ Visitor economy ▪ Rural and coastal businesses

We have current investment opportunities of more than £14bn, including in:



Offshore wind and energy transition

Current state

About 550 renewable energy companies have North East sites, with an estimated 17,000 staff.

Comparative advantage

9% of the UK's offshore wind businesses are located in the North East.

Recent / projected growth

Aim to grow the regional offshore wind workforce to 24,000 by 2035.



Advanced manufacturing including electric vehicles

Current state

3,900 businesses in advanced manufacturing employing 67,000 people.

Comparative advantage

44% of England's employment in battery and accumulator manufacturing.

Recent / projected growth

Employment in battery and accumulator technology has more than doubled since 2015.



Creative industries and content

Current state

61,000 jobs in the wider region's creative industries.

Comparative advantage

Outside of South East England, 6.3% of jobs in screen sectors and 6.6% of music/visual arts.

Recent / projected growth

67% jobs growth in the wider region's creative industries in past decade.



Defence, security and space

Current state

£14bn turnover and 48,000 jobs across defence and the fast-growing space cluster.

Comparative advantage

One of the largest and longest-established defence clusters, with links to space and digital.

Recent / projected growth

UK defence sector expected to grow by 50% over next five years.



Life sciences, pharmaceuticals and process industries

Current state

7,500 employed in life sciences in the North East CA area.

Comparative advantage

Over 10% of England's employment in pharma manufacturing – about 3,800.

Recent / projected growth

Value of pharma exports 2.4 times higher than a decade ago.



Supporting growth across our region, including our rural and coastal economy

Current state

Rural and coastal areas account for almost a third of regional GVA across a broad range of sectors.

Comparative advantage

3,000mi² producing distinctive and world-class food and drink; opportunities in carbon markets.

Recent / projected growth

Opportunity to be a rural innovation trailblazer.



Tech, digital and AI

Current state

About 45,000 jobs in the wider region's digital sector, with 8,400 employees in broad AI sectors.

Comparative advantage

8.4% of UK employment in computer manufacturing outside the South East.

Recent / projected growth

37% digital jobs growth in past decade; advanced digital skills are critical to all sectors.



£14bn
Investment
Opportunities

Mission 1

Home to a growing and vibrant economy for all

We will help businesses create jobs and opportunities in every community across the North East. We will ensure people have the skills to access work and provide the right conditions for economic growth. We will secure support and investment in a wide range of economic drivers: from advanced manufacturing to the cultural sector, from skills training to good transport.

This focus will see the Mayoral Combined Authority work with our businesses, universities, and the research and innovation catapults to unlock higher levels of R&D and innovation funding, and to ensure the region transitions to a digitally enabled economy that supports people in employment. We will ensure economic growth reaches all parts of the North East, with targeted support for rural and coastal areas.



Supporting business growth

The North East is home to a dynamic and diverse business community, with around 55,000 firms spanning industries as diverse as manufacturing to software engineering. The region benefits from a large base of SMEs, working alongside nationally-leading large businesses – including Caterpillar in Peterlee, Sage Group and the country's favourite baker, Greggs.

With 4 universities and 9 national Catapults and innovation centres, we can offer world-leading research expertise and a pipeline of STEM talent to support new investment in R&D.

Success over the next 10 years means ensuring that all the factors for business success and investment are in place – from skills to sites, and innovation to finance.

Increasing investment, innovation and business dynamism

The North East has low rates of private sector R&D and innovation reflecting weaker adoption and diffusion of technologies in the region. A reboot is needed to raise levels from a low base, and to increase business start-ups and scale-ups across the board.

Business investment and innovation are fundamental determinants of economic growth, helping firms remain competitive through the development of new facilities, products and processes. To be successful, the North East – like the UK as a whole – needs to increase levels of investment and export-led growth.

- We will accelerate the rate of innovation and R&D activity through an Inclusive Innovation Deal and Action Plan. This will include working with Innovate UK, UKRI, our regional universities and Catapults to drive business R&D and investment.

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- The introduction of Universities for North East England provides new opportunities to harness the collective strengths of the universities; including to increase spinouts and improve commercialisation, whilst supporting wider adoption and diffusion of innovation and research.
- We will build on current delivery to support entrepreneurs and SMEs to scale up, and larger businesses to participate in R&D to grow.
- We will provide businesses with a clear framework of business support, including digital adoption, product and process innovation.
- We will promote opportunities to improve access to finance for businesses across our region, particularly for those groups underserved at present.
- We will work with the Government to develop regional investment mechanisms, including via the National Wealth Fund.
- And we will ensure that we have an attractive pipeline of locations for businesses to grow, including in our leading innovation districts, including Newcastle Helix and NETPark.



North East Investment Fund

The Combined Authority is investing £70m to create a new North East Investment Fund. This will help to provide regional businesses with the finance they need to start and to grow - unlocking growth, building confidence in our SME base, turbo-charging university spin-outs and ensuring that the region is a great place to scale a business. The Combined Authority's investment will be re-cycled multiple times and it is anticipated that £390m will be invested in regional SMEs over 15 years, including private sector co-investment of £170m. As a result, the funds will support a minimum of 470 regional businesses with over £300m of investment needed to innovate and grow and will support the creation of 2,300 jobs.

This needs to be about boosting productivity and growth in our business base, as well as increasing the stickiness of inward investment.



Success also means ensuring that we are able to unlock the potential of all our unique economic opportunities.



Creative industries and content

A growing strength with Crown Works Studios representing a step change for growth and potential

Building from a strong base

- There are **61,000** people employed in the wider region's Creative Industries, 5% of the region's total jobs.
- Over the past ten years, jobs in the sector grew by 68%, the largest increase in the UK.
- Between 2021 to 2022, GVA by the creative industries grew in all regions, with the largest growth seen in the North East (23.8%)
- Strong partnerships with **BBC** and **North East Screen**.
- Established expertise in creative-digital sector including video games development, E-Sports and immersive technologies.
- Cultural hubs and shared work-spaces across the region, supporting entrepreneurship and wider engagement, including the forthcoming Culture House in Sunderland.
- Areas of **growth** have included screen industries, software development, music and other creative content generation.
- Capitalising on our strong and varied cultural base, helping to grow and showcase talent, and drive collaboration and a space for R&D.

Priorities

- Crown Works Studios is a **£450m development** which will be one of the largest studios in Europe with 20+ sound stages.
- **Centre for Writing**: major investment which will attract publishing and other businesses, and develop local talent.
- Establish the North East as a **centre for music**, supporting new musicians, the music industry and the visitor economy.
- Ensure a **pipeline of diverse talent** with pathways from education to employment, alongside CPD and retraining. Whilst creativity skills are also essential to other sectors.
- Delivering **sector-specific support and access to finance** helping our creative businesses and practitioners to sustainably grow.
- Develop a '**Creative Catalyst**' to unlock private investment, whilst working with DCMS to maximise the impact of their investments.
- Ensure that our region is seen as a 'home of opportunity' by growing regional approaches to widening engagement and participation.
- Develop our creative industries through support for creative place-making, including at Gateshead Quays and the Baltic Business Quarter

Scale of opportunity

- Creative industries could provide an annual UK GVA boost of around **£10 billion** by 2030.
- Crown Works Studios has the potential to create over **8,000 jobs** and generate £2bn in GVA.



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Tech, digital and AI

Evolving cluster formation at the intersection of strengths in critical future technologies.



Building from a strong base

- The digital sector contributes around £2.4 billion to the regional economy and employs 45,000 people in the wider region. With leading businesses including Sage Group, Opencast, Scott Logic and Aspire.
- **Established and emerging specialisms** in games development including E-Sports, software development, data analytics, immersive technologies, 5G innovation, e-commerce, cybersecurity and consultancy.
- **Research expertise** within the universities, National Innovation Centre for Data, Northumbria Centre for Responsible AI, Hartree Centre North East Hub, Catapult centres, and Proto in Gateshead.
- **Major UK Interconnection Hub** at Stellium Data Centre connecting the USA, the Nordics and Mainland Europe. It is home to the newest internet exchange point and offers some of the lowest latency in the UK to the world's major hubs.

Priorities

- Support development of **skills and innovation expertise**, critical to maintaining the high grow rate of the sector. This includes ensuring that there are both the higher-level and technical specialist skills required in a relatively new part of our economy, while also diversifying the potential talent pool.
- The **Hyperscale Data Centre Campus** in Northumberland - £10bn project covering a 300-acre site with infrastructure supporting AI and machine learning workloads.
- Supporting rapid growth of **AI-driven economy**, including introduction of an **AI Growth Zone**.
- Exploring further **large supercomputer projects**.
- Build on 5G Innovation Region status and expertise, including expertise in autonomous transport.



Scale of opportunity

- Opportunity for over £10bn of investment in AI infrastructure, with associated investment in skills, innovation and SME growth.

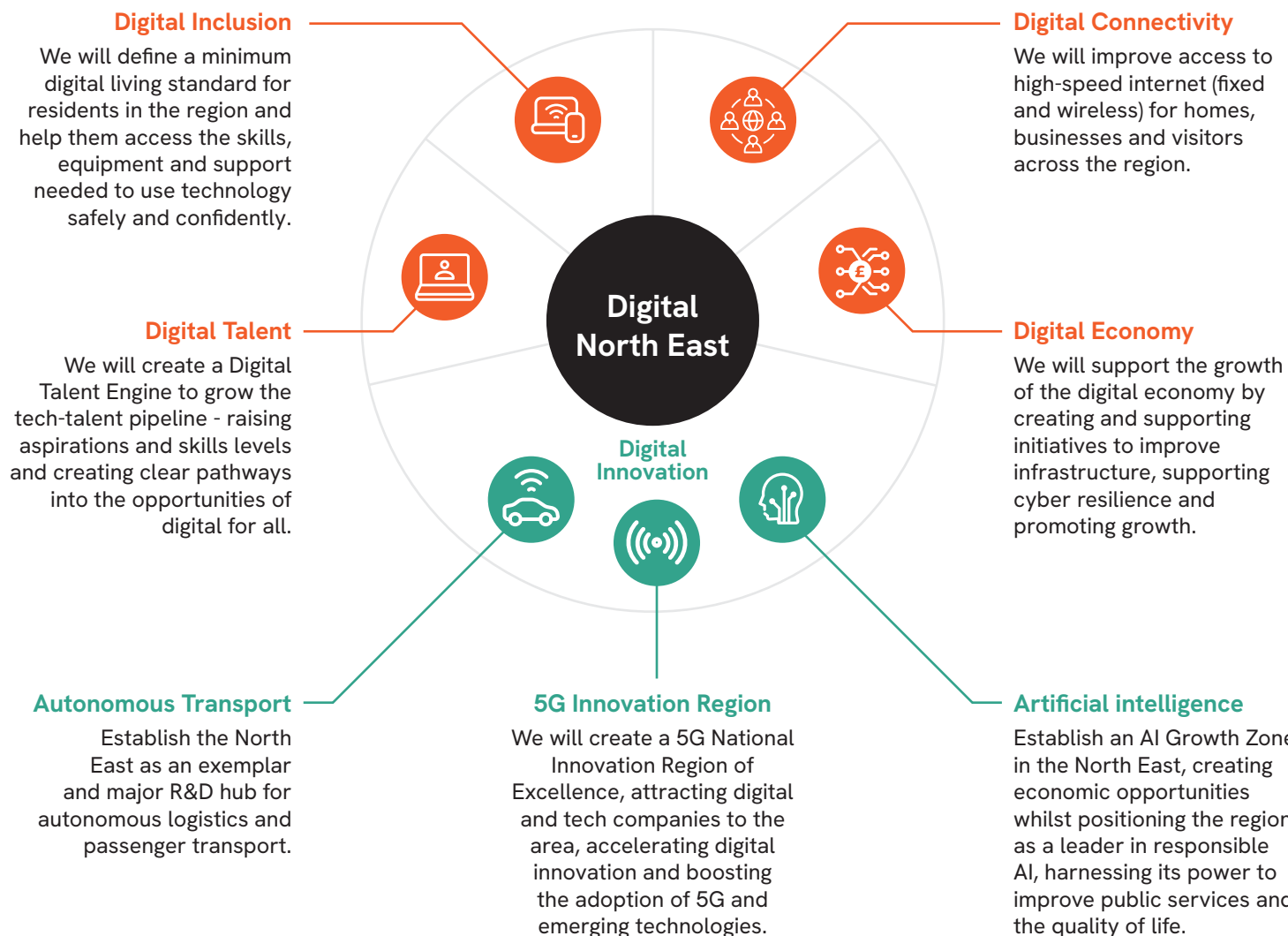


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Delivering our digital ambitions

Growth of the digital economy is an important part of the North East's Digital Programme, which has been designed to make sure that:

- All residents benefit from the digital revolution, with investment in digital inclusion and connectivity.
- Economic growth is both accompanied, and underpinned, by investment in skills.
- The region utilises its innovation expertise to drive growth and opportunity. Including by leading the UK's transition to autonomous vehicles; by investing in the use of 5G and Smart City technologies; and by using AI to drive productivity and social outcomes.





Supporting growth of our knowledge intensive professional services

A growing part of our economy with businesses based across the region

Knowledge intensive professional services

Employment in the North East's knowledge intensive professional services (KIPS) has increased by 19% in the last five years. That is more than twice the rate of growth for England outside of London.

This sector includes: legal, financial, real-estate, ICT and professional/scientific services. With strong links to Government departments and agencies, including HMRC, DWP and BSA.

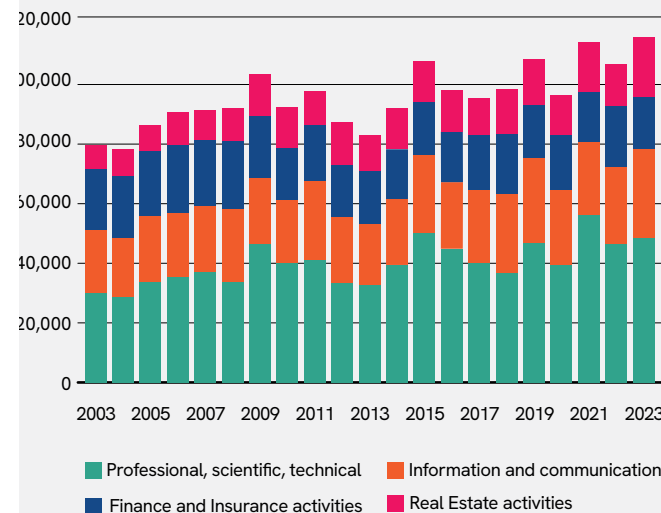
There are **114,000 jobs** in companies engaged in professional, scientific and technical activities, ICT, finance and property. This accounts for just over 13% of all employment – similar to the average across the North and Midlands.

The Universities are critical to meeting the **increasing skill needs** of this sector, with the business schools also providing the management and leadership training proven to support growth.

Going forward, we expect to see further jobs growth from these sectors, whilst recognising that paradigm shifts e.g. automation/AI will create changes to the nature of employment and risks/opportunities.

Priorities include:

- Ensuring that there is a **strong and diverse talent pipeline**.
- Retaining more of the **graduates** from the region.
- Promoting opportunities for service-sector led **export growth**.
- Responding to changes in the sector arising from new technologies, including **AI**.
- Supporting growth of service-sector **exports**, including through deeper international linkages.



North East employment in KIPS businesses





Life sciences, pharmaceuticals and process industries

A growing cluster with large established businesses, high potential spin-outs and a leading research base.

Building from a strong base

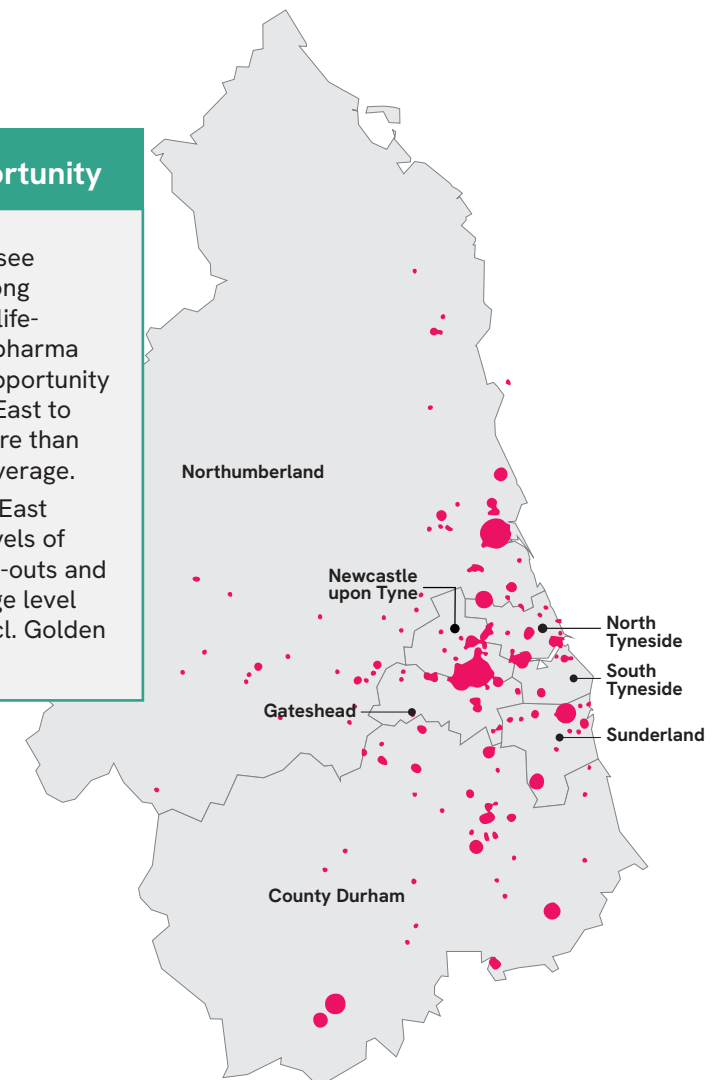
- One of the UK's largest **pharmaceutical clusters**, along with strengths in MedTech and process industries.
- **Major companies** include GSK, Organon, Sterling Pharma, Accord, Thomas Swan and P&G. These are not only major employers but also significant exporters.
- The value of North East pharma **exports** has more than doubled over the past decade.
- **25 active spin-outs** in the region with a continuous, strong pipeline from our universities.
- **Research and innovation capabilities** across universities, research centres and CPI and strengthening networks between anchors.
- Strong synergies with clinical excellence (including in rare diseases and oncology) and nationally-leading healthcare trusts.
- Businesses in the sector generate around £2bn in turnover and employ 7,500 people in high value jobs.

Priorities

- Build on **substantial growth** over the past half-decade, adding further to the region's economy and to create further high-value jobs through continuing investment in existing companies and in new companies through relocation to the region.
- Support development of further export-led growth, including through reinvestment in existing facilities, alongside logistics and new routes from Newcastle International Airport to open up new markets.
- Support a £30m **NHS Medicines Manufacturing Centre** in Seaton Delaval to manufacture aseptic medicines for the NHS.
- **Biosphere 2** to deliver more incubation space and support for spin-outs and start-ups to move into production.
- Support the development of the **Health Innovation Neighbourhood**, creating a thriving all-age development focused on improving lives across the life course, and the **Centre for Health and Social Equity**.
- Build a more diverse talent pool and support **skills development**.

Scale of opportunity

- We expect to see continued strong growth of the life-sciences and pharma sector, with opportunity for the North East to expand by more than the national average.
- For the North East to increase levels of start-ups, spin-outs and IPOs to average level across UK (excl. Golden Triangle).



Source: Metro Dynamics analysis of Data City – trading location of businesses with Life Sciences (minus Human Health Services), Pharma, Biopharma, MedTech or Omics RTIC

Mission 2

Home of the green energy revolution

We will grasp the opportunity that net zero presents to the North East. Not only will we transition to a green economy, creating thousands of jobs and reducing carbon emissions, we'll build and adopt the new technologies and solutions needed for the UK to decarbonise too.

We'll ensure we're the natural choice for new industries that need access to clean energy, development land, natural resources, and a skilled workforce. The Mayoral Combined Authority will encourage innovation, support green businesses to grow, and ensure residents have the skills to take advantage of the immense jobs potential that the transition brings.

We will take a central role in driving regional net zero activity through convening others, and by developing the regional strategy and policy framework that sets our course. We'll provide a compelling net zero vision that provides many more jobs and opportunities for all our communities, creating better places for people to live, work and play, and which protects and restores our unique North East nature and landscapes.

It is important the transition to a more climate-friendly North East is a just one, which takes the people of the region with it. We will ensure there is a route for people to benefit from these economic and social changes.



Delivering Net Zero

Creating jobs, reducing emissions, supporting a just transition and improving the environment.

Growing the low-carbon economy

Offshore wind and electric vehicles

The game-changing economic opportunity for the region, delivering innovation-led growth.

Decarbonising industry

From pharma to fabrication reducing carbon emissions and energy costs will be critical to long-term sustainability.

Foundational economy

We'll support our SMEs to decarbonise whilst supporting new economic opportunities in green construction and skills including innovative solar and low carbon building materials.

Tech and Digital

Providing the clean energy and water needed to support data centres, and working to capture heat from them for local communities.

Green maritime

Our North East Ports will lead the way in using the latest technologies including electrification, hydrogen and e-fuels to decarbonise our ports and shipping routes.

Jobs and Skills

Our plan means delivering a just transition, where we create more Good Jobs, as part of a move away from fossil fuels and towards clean energy. Supported through a massive investment in skills.

Supporting the transition to net zero

Housing

We aim to build the greenest, most sustainable housing in England and will build a new retrofit industry to make our existing housing stock warmer and cheaper to heat. Heat networks offer a £1bn+ growth opportunity and the North East leads the way in minewater and geothermal heat, including in Gateshead.

Transport

Public transport will be the cheap, clean and convenient option. We're bringing new electric buses into service in addition to supporting active travel. We'll support EV charging, including in hard-to-reach and rural communities.

Energy

We're setting up a North East Strategic Energy Board to ensure we meet future energy needs and maximise opportunities associated with being a clean energy-abundant region.

Adaptation to climate change

- The region will need to adapt to combat the impact of climate change, including more extreme weather.
- But climate modelling suggests the North East is likely to be less affected than most parts of the UK. Together with abundant water assets, this creates a competitive advantage.

Net Zero North East England

- Regional partnership to accelerate the transition to net zero.
- Leadership from public, private and VCSE sectors.
- Ambition is to create a cleaner, greener, and fairer North East.
- Promotes collaboration and collective action to accelerate the decarbonisation of the region.

North East Carbon and Nature Marketplace

- We're supporting a huge economic opportunity to develop a North East Carbon and Nature Marketplace in our vast, rural spaces.
- We're developing new business models through nature-based and engineered carbon capture solutions.



Offshore wind and energy transition

The UK's most advanced offshore wind industrial cluster

Building from a strong base

- **Major manufacturers** producing cables, foundations and substructures.
- Energy technology cluster includes Smulders, JDR Cables, Siemens Energy, SMD, Technip FMC, Baker Hughes, Equinor, RWE and EDF.
- Leading in **offshore energy innovation** including robotics, wind farm design optimisation and ecological protection.
- Over 25 years of offshore wind knowledge and capabilities at Blyth.
- **Key infrastructure:** three deep water ports, key sites including Investment Zone at Blyth Energy Central and the River Tyne Corridor.
- Strategically located for sites across the North Sea, including within a future North Sea leasing round and at Dogger Bank.
- Energi Coast provides strong, well established **sector leadership**.
- **Globally-leading design, testing and technology validation expertise** including at the Offshore Renewable Energy Catapult in Blyth, the North East universities, and other leading companies.

Priorities

- Develop **flagship regional sites** with investment in port and quayside infrastructure and connectivity to provide world-class facilities – to attract major new Tier 1 companies, including an **OEM producing the next generation of turbine components**.
- Support inward investment and re-investment at existing businesses to catalyse clean growth.
- Work with businesses, skills providers and the new Energy Academy and Energy Central Campus to strengthen and diversify the **skills pipeline** to meet regional demand.
- Increase innovation and R&D opportunities in the private sector and OREC.
- Work with The Crown Estates to secure a North Sea offshore wind leasing round by 2030 and to maximise regional supply chain opportunities and wider onshore benefits.
- **Remove the cables over the Tyne**, and secure investment opportunities from the North East having the lowest carbon-intensive energy.
- Working in strategic partnership with the **ports in the North East** to unlock growth opportunities.
- Facilitate development of geothermal energy, hydrogen and heat network projects, in conjunction with world-leading research expertise at our universities and through international collaboration.
- Progress the Institute for Low Carbon Hydrogen in partnership with UK Government and the Kingdom of Saudi Arabia.



Scale of opportunity

- The UK's most advanced offshore wind industrial cluster, close to North Sea sites with the potential to account for one fifth of the UK's offshore wind economy
- **£3bn private investment** in renewable energy in the North East, with the regional workforce growing to 24,000 by 2035.

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Mission 3

A welcoming home to global trade

The North East has strong international links and we will build on our global reputation to maximise new opportunities. We will secure more inward investment and reinvestment, helping increase our share of global trade, including by maintaining a focus on our manufacturing and pharmaceutical strengths, together with newer opportunities across energy, defence, space, education, digital, finance and the cultural sectors.

We will position the region to attract financial and business investment, whilst refreshing our international inward investment and visitor capabilities. This will be seen in our investment in infrastructure, and the development of key sites to unlock private sector investment.



Attracting investment and supporting trade

The North East has a strong track record of attracting inward investment and translating this into new jobs – consistently outperforming the national average. Recent examples include JDR Cables in the Offshore Energy Sector and the creation of 183 jobs by JATCO UK in their new facility producing electric vehicle transmission systems.

We will build on this to support the Government's Growth Mission by attracting businesses to our key sites across the whole region – including in our city centres, new sites and existing successes – like the UK's first Industrial Estate at Team Valley and the UK's largest business park at Cobalt. Success is dependent on the wider set of assets and opportunities identified in this plan – from the role played by our universities to transport links and the quality of our housing offer.

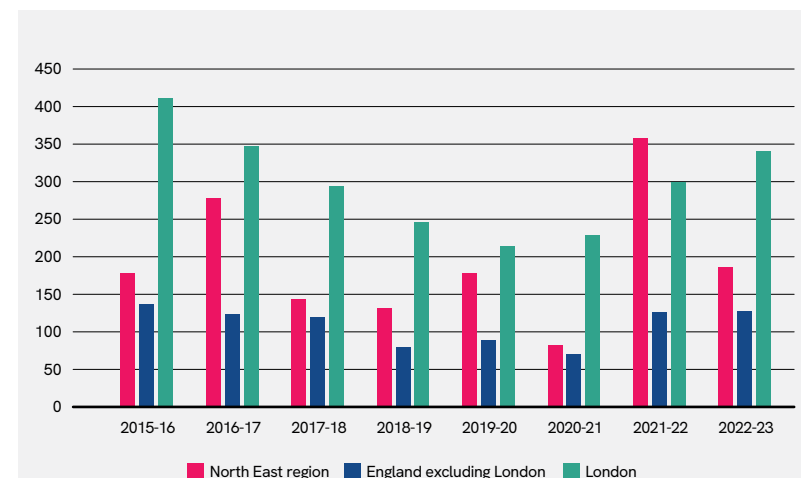
Our flagship North East Investment Zone is a £160m programme over 10 years to create at least 4,000 jobs and attract at least £3bn of private sector investment. Designed to benefit the whole region, and launched with confirmation of up to £1.12bn of investment from Nissan, the Zone is focused on Advanced Manufacturing and Green Industries, building on the Arc of Innovation set out in the North East Devolution Deal.

Backed by expertise from Durham, Newcastle, Northumbria and Sunderland Universities, we will support industrial clusters in offshore

and renewable energy, EV and battery manufacturing, and low carbon materials and research.

The North East is consistently the leading exporting-region in the country, including through strong manufacturing and pharmaceuticals international trade. We are also seeing strong growth and future potential of service-sector exports, including in higher education, digital and finance.

We will seek opportunities to develop and intensify international relationships to bring new investment into the region and to increase our share of global markets. This includes areas of existing strong links – including the US, Europe and Japan – together with those where we are developing relationships, including with India and through Newcastle United's relationship with the Kingdom of Saudi Arabia.



New jobs created through FDI per 100,000 working age resident



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Advanced manufacturing including electric vehicles

A national leader in vehicle and battery production, alongside other manufacturing strengths.

Building from a strong base

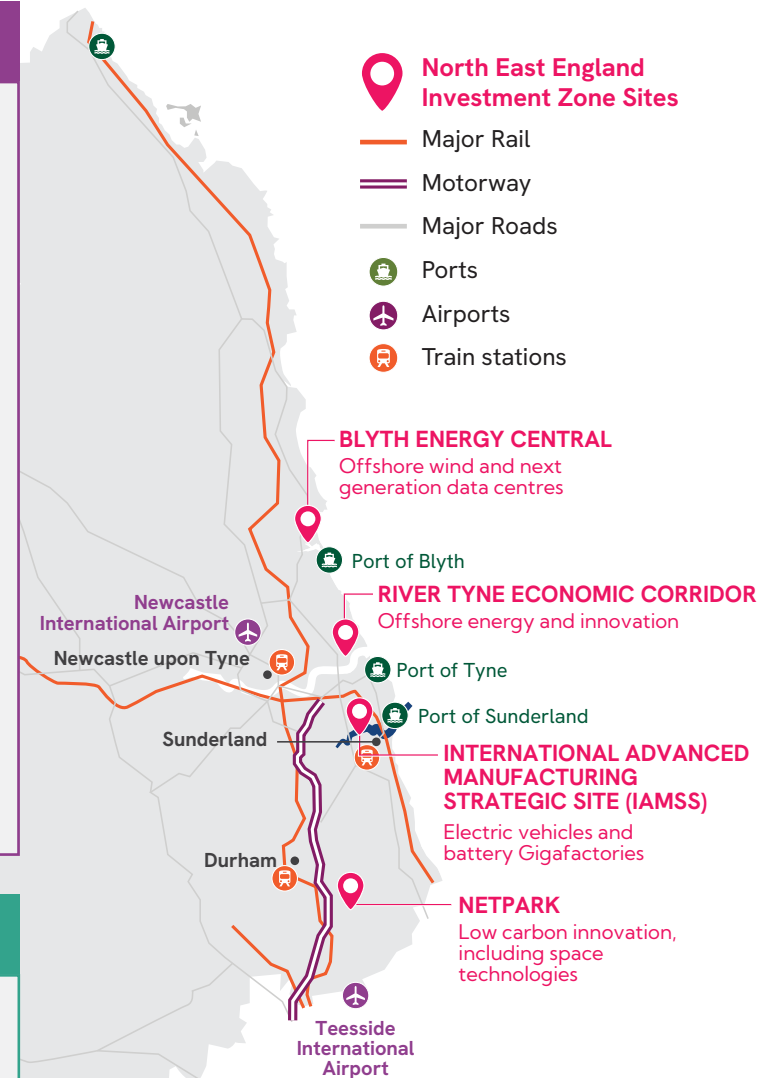
- **Established expertise** with 3,900 businesses in advanced manufacturing, employing 67,000 people.
- Growing specialisation in battery technologies and EVs, offshore renewables, subsea technologies, and robotics.
- Our **automotive sector** has:
 - **World leading EV manufacturing hub** in Sunderland, including Nissan's EV36Zero strategy.
 - Already producing around a third of all UK passenger vehicles, a globally competitive supply chain, R&D expertise and a strong business support network.
 - The UK's first gigafactory, established in 2013, with a second under construction by AESC
 - UK's largest automotive cluster, the **North East Automotive Alliance**
 - Key employers include Nissan, AESC, Turntide, Komatsu, Caterpillar plus 34 Tier1s and over 200 supply chain companies, representing £10.3 bn of turnover in 2023.
 - The only full Power Electronics, Motors and Drives regional capability in the UK.
 - Excellent research capabilities and skills ecosystem across our universities, colleges and research institutes in battery, PEMD and advanced manufacturing; including AMBIC, DER-IC, FINE, IESAM and NBTSA.
- Expertise in advanced materials manufacturing, including Pragmatic Semiconductors and Kromek Group Plc.
- Other leading businesses include J Barbour & Sons, Egger, Ringtons and Prima Cheese.

Priorities

- Support growth of existing businesses and attract new ones – as electrification changes markets and through supply chain consolidation.
- **Maximise the impact of the North East Investment Zone** site at IAMSS site, in Sunderland and South Tyneside, building on recent inward investment success.
- **Implementation and expansion of MADE North East**, the new facility led by Nissan, which will develop the skills pipeline and support innovation for the automotive and battery manufacturing sectors.
- To develop a wider and **more diverse** talent pool.
- Continue rollout of ambitious programme of **EV charging infrastructure** installation.
- Expansion of our NETPark Investment Zone site to deliver **more industrial space**.
- Support the next phase of development of **Hitachi Rail**, including expanding the local supply chain.

Scale of opportunity

- **£24bn** UK passenger vehicle electrification opportunity.
- Opportunity for more than 2000 more jobs.



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Defence, security and space

Growing cluster capitalising on advanced technologies to secure our future.

Building from a strong base

- The defence and security sector contributes around **£14 billion** to the regional economy and employs 48,000 people in the wider region.
- **Established and emerging specialisms** in engineering and fabrication and the advanced material electronics sector and adjacent sectors.
- North East defence firms have attracted half a billion in **innovation funding** since 2002
- A **large defence cluster**, with over 1,400 firms including industry leaders Leonardo, Pearson Engineering, British Engines, Airbus, Lockheed Martin UK Space, BAE Systems, Filtronic and A&P.
- Specialist bases include RAF Spadeadam, RAF Boulmer and HMS Calliope.
- **Data and cyber security** are a growing presence, supporting multiple sectors.
- **Mature regional space cluster**, with strong links to Durham, Newcastle and Northumbria Universities.
- Oetric Semiconductors UK recently purchased by UK Government.
- World class **skills and research** capabilities across the region's universities.

Priorities

- **Grow the North East defence sector**, including by making the region a national hub for cutting-edge digital defence technologies and supporting growth of region's advanced materials cluster.
- Attract innovative **technology-based companies** and increase the market for locally-sourced content.
- Enable the North East Regional Defence and Security Cluster (**NERDSC**) to build and grow capacity and skills, including through a major supply chain development programme, and forge links with other regions and nations through exports.
- **NETPark expansion**, including potential satellite manufacturing inward investment.
- Support the Space North East England (**SNEE**) cluster to build upon the success of the last ten years.
- Maximise impact from Northumbria University's North East Space Skills and Technology Centre (**NESST**) – a £50m R&D and innovation investment opening in 2026 – alongside the £5m Durham Space Research Centre.
- Drive further **R&D and innovation** in the region to address technology challenges.

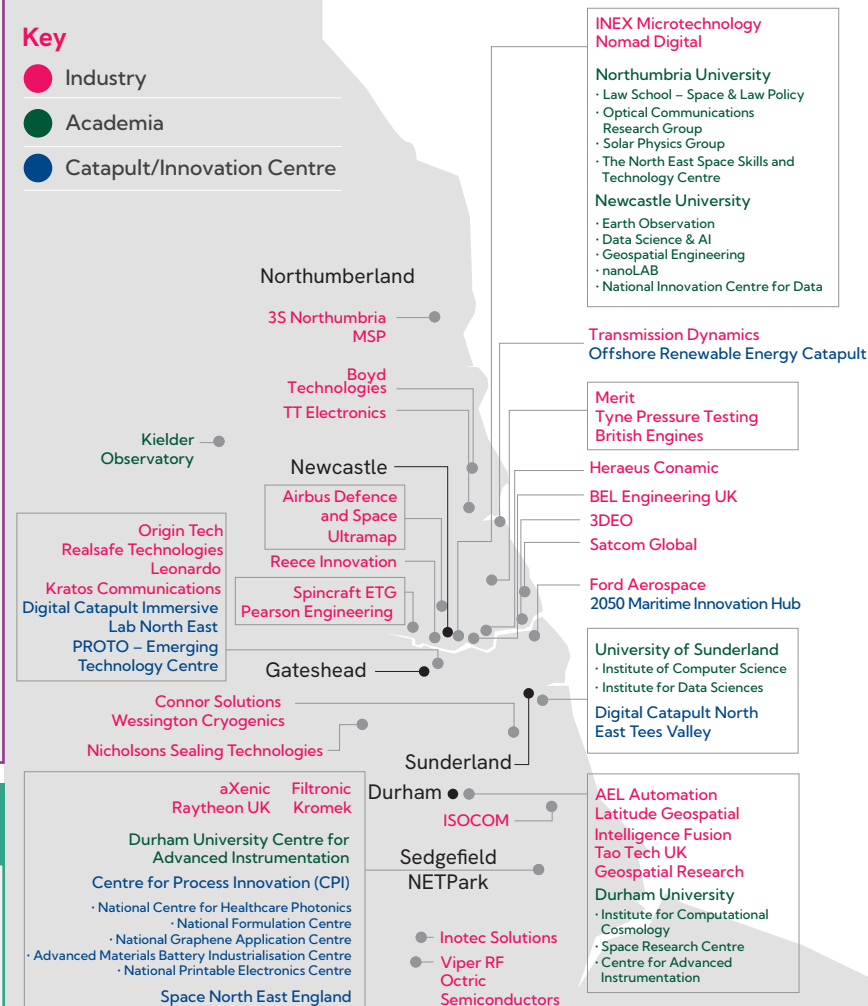
Scale of opportunity

- UK Annual Defence & Security Sector is **worth £51bn rising to £87bn by 2030**.
- **15%** of Ministry of Defence spend in the North East is with SMEs – the largest proportion of any region.

North East Defence and Space Sector assets

Key

- Industry
- Academia
- Catapult/Innovation Centre



Investment in infrastructure and key sites

Investing in infrastructure and unlocking strategic employment and mixed-use sites

We are developing an Investment Prospectus identifying key economic and housing growth sites across the region.

20 strategic new/largely undeveloped employment or mixed-use sites that total 18 million sq. ft with a potential investment value of around £4.4 billion.

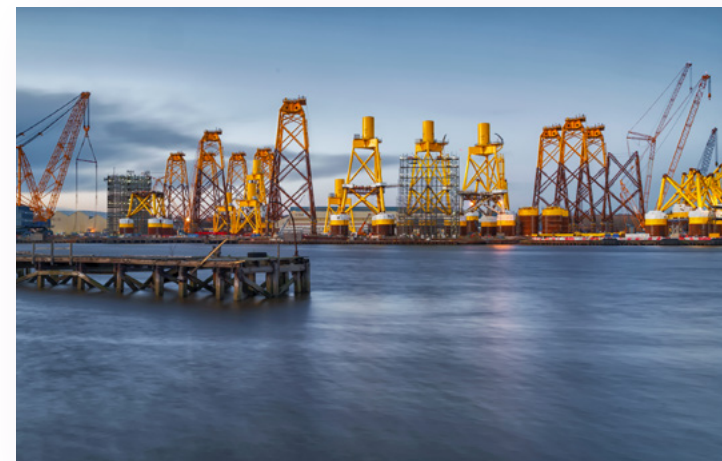
These complement existing major employment locations, including in the city centres, out-of-town and rural locations.

Includes a package of riverside employment sites - 200 hectares of prime quayside land and deep-water berths available – and regionally-significant housing sites that could deliver up to 12,000 homes.

Support the development of new digital infrastructure - unlocking growth potential from AI to areas with poor broadband connectivity.

Priorities include:

- Enhancing physical connectivity to strategic sites.
- Taking a joined-up approach to growth which works for local communities, through the development of a Spatial Development Strategy.
- Working with the North East Strategic Energy Board to improve energy connections and unlock investment at key sites.
- Exploiting new opportunities associated with changes in national energy infrastructure – with the North East benefitting from having more of its electricity produced from renewable sources than any other English region.
- Supporting the introduction of low-carbon infrastructure, which we expect to include district heating systems and geothermal energy over the lifetime of this plan.
- Upgrading or renewing existing ageing infrastructure – from the Tyne Bridge to some of our highways connections.
- Work with National Highways to deliver upgrades to the A66, A1 dualling from Morpeth to Scotland and junction upgrades on the A19 at Moor Farm and Seaton Burn.



Mission 4

Home of real opportunity

We will achieve our missions by ensuring that opportunities for success are accessible to all. Our region is a great place to live and work, but too many people face challenges in achieving their full potential. We will implement targeted policies which help to overcome the challenges hindering individual and regional success – from skills training to child support. We will ensure inclusive economic growth, and that good public services are spread across the North East.

The Mayoral Combined Authority will invest in the foundations of the economy and remove barriers that prevent people succeeding. This work will be done in partnership with businesses, local authorities and trade unions, and will be designed around the needs of the people and economy of the North East. We will help our residents to thrive by providing all-age career support, starting in schools. We will help people progress by funding skills programmes relevant to our region. Our employment support services will help residents with multiple and complex needs at a personal level, providing training and help with transport costs.



Improving skills and employment

We have identified four key outcomes which we will seek to improve: first, for a bigger, more diverse and more skilled workforce to support growth of our economy; second, for our employers to be able to recruit the skilled staff needed for them to succeed, drawing on the expertise of our universities and colleges; third, to improve employment rates of those under-represented in the labour market or in key sectors (including disabled people and those with health conditions, young people aged 16-24, care-leavers and carers); and fourth, to ensure more people have rewarding work and careers.

Improving skills, qualifications and increasing scale and diversity of employment to support growth and increase opportunity

Regional growth sectors are facing skills and recruitment challenges which need to be resolved to keep and grow businesses. We will support residents at every life stage to access skills that get them into good jobs whilst also supporting our businesses to draw from a more diverse employment base - tapping into the potential of currently under-represented groups. We also need to reduce the digital divide and improve digital skills to underpin the growth of all sectors.

Priorities include:

- Supporting people to develop functional and basic skills, including literacy and numeracy.
- Increasing the proportion of residents with higher-level and specialist skills.
- Strengthening links between our highly-rated universities and businesses.
- Better understanding the changing skills requirements presented by structural shifts like the low carbon transition, AI, and technology adoption.
- Clearer pathways into employment via all-age career support - addressing digital divide while aligning skills and qualifications to tackle skills shortages.

- Delivery of the £50m Connect to Work Programme, the Economic Inactivity Trailblazer and NHS Health and Growth Accelerator working regionally with DWP to create an integrated health and work approach.
- Supporting good jobs, encouraging employers to meet the new North East Shine employment standards.
- Making it easier for businesses to support educational pathways and progression.
- Promoting business skills to support entrepreneurialism, spinouts and scaleups, including in existing markets and focused on process improvements.
- Expanding the transport network to improve opportunities and labour force availability.

By taking a comprehensive and joined-up approach we will deliver a New Deal for North East Workers: improving skills and qualifications; reducing inactivity; supporting growth; and expanding opportunity across the region.

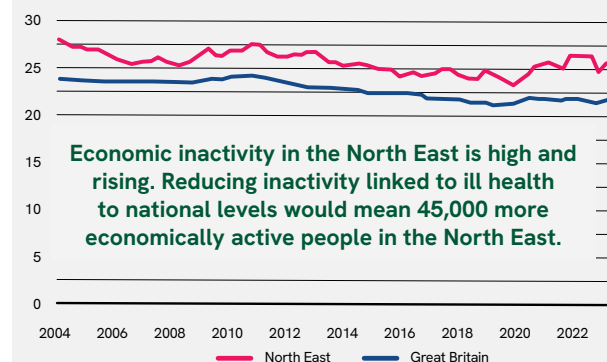
Linking economic activity, health and wellbeing

The North East faces the highest rates of ill health in the country, holding back people's participation in the labour market.

These challenges lead to higher economic inactivity and lower household incomes, putting significant pressure on public services that will only grow due to the ageing population.

We need to address the underlying causes of poor health, strengthen public services, and tailor employment programmes to break barriers to re-joining the workforce. This includes drawing on the expertise of the VCSE sector to reach into communities to engage with and help families.

The North East will be a testbed for DWP, Skills England and the Integrated Care Board to design, develop evidence based targeted interventions to tackle economic inactivity.



Economic Inactivity (%)

Tackling child poverty

Addressing the causes and consequences of child poverty

If babies, children and young people growing up in the North East today are to be able to access our region's economic opportunities and benefit from future growth, we must tackle high rates of childhood poverty and hardship.

As well as measures to immediately improve family incomes, child poverty will be addressed through a regional, cross-sector radical prevention approach to tackling the long-term structural drivers and outcomes of this issue for our region.

Priorities include:

- Tackling educational inequalities - enabling people to acquire skills that facilitate access to good employment.
- Linking together health, public services, and economic outcomes - tackling barriers to opportunity is a vital prerequisite linked to accelerating economic growth.
- Addressing the digital divide - access, cost and skills.
- Helping parents find or return to work and keep more of their earnings, including through a Mayor's Childcare Grant.
- Ensure transport fares and services are affordable for children and young people connecting them to opportunity, broadening horizons and tackling child poverty.

We are working in partnership to support work with 85 employers this year to introduce bespoke, impactful poverty reduction strategies that respond to the voice of staff, including changes to flexible working contracts, updating terms and conditions, and subsidising essential items.

Our 3-part plan:

- **Maximise family incomes now**
- **Make work a route out of poverty**
- **Provide the best start in life**

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With the Child Poverty Reduction Unit taking a strategic, long-term and collaborative approach

Building on initiatives already underway, the Unit will deliver on its objectives by:

- Members forming a coalition, working together with purpose.
- Listening to the voices of children and young people living in poverty and their families.
- Galvanising the regional ambitions and efforts across all sectors, including public, private, and VCSE.
- Bringing together expertise from across and beyond the region to develop and publish a regional child poverty reduction action plan 2025-2030.
- Working closely with constituent authorities, private and public sector and VCSE organisations, drawing on experience and expertise to deliver on actions and track progress together.
- Driving collaborative action across the region to maximise impact.



Supporting growth of the foundational economy

We will also support other parts of our economy to reach its potential. This includes the foundational economy which accounts for around half of employment, including jobs across the private, public and VCSE sectors. The goods and services that they provide, along with the unique role played by the VCSE sector in promoting social cohesion, are essential to creating strong and stable communities that provide a good quality-of-life and enable other businesses to thrive. Together, they are fundamental to creating long-term growth that is sustainable and fair to all.



Foundational economy

The foundational economy provides services and goods that are essential to everyday life.

This includes food, retail, energy, transport, construction, agriculture, care and education. It is the backbone of our economy, providing vital services and the supply chain to delivering wider growth in the region. But its role is often under-recognised and employment in the sector can be relatively insecure.

Our local authorities, NHS trusts, universities, colleges and other large locally-based organisations are anchor institutions and key engines for growth. They are big employers and procurers, are conveners and facilitators of partnerships, and they help shape places. As a result they have a significant impact on the skills, employment and SME ecosystems, and the wider economy.

In addition to first class public services, the sector accounts for around **half of employment and 60% of businesses** in the region.

It is also a disproportionately high employer of women, and offers more-flexible local and part-time employment opportunities which are particularly attractive to parents and those with caring responsibilities.

Many parts, including health and construction, are set for **rapid growth**.

But the foundational economy faces challenges around **pay and progression** opportunities.

Opportunities include:

- Unlocking opportunity through multiple public, private and civic actors working together, learning, learning from and scaling best practice, and engaging with residents to understand their perspectives.
- Using the **expertise of the VCSE sector**, including both the knowledge and trust of communities, to provide support to out-of-work residents and direct employment pathways.
- **Public service reform** and investment in innovation.
- Unlocking community assets.
- Further investment can **create more good jobs**, alongside clearer employment pathways and progression opportunities.

Mission 5

A North East we are proud to call home

The people of the North East are rightly proud of their local identity and want services and policies that support them to live here. The North East Combined Authority delivers the strategies and programmes that help make this happen. From better transport to more social housing, from a thriving creative economy to sustainable rural communities, this Mayoral Combined Authority will deliver in ways that align with the priorities of local people.

We will work with partners including local authorities, housing providers and Homes England to deliver more affordable and social housing, ensuring everyone has access to a good home. As part of this, we'll invest in communities and in making our housing stock meet the needs of residents. We'll also work to secure more devolved powers to support renters.



Delivering a green, integrated transport network

Transport is crucial to our lives - our health, our environment and our economy.

As set out in more detail in the North East's Local Transport Plan (LTP) our ambition is to create a green, integrated transport network that works for all. Achieving this will mean sustainable and integrated

links between communities, services, and opportunities, paving the way for growth and inward investment. The key sections of the LTP are summarised below.

Challenges

- **Car journeys made up 58% of all journeys** in 2022, contributing significantly to **road transport greenhouse gas emissions**, which **account for 97% of the region's total transport emissions**.
- Use of electric vehicles is growing, but they currently make up just 1% of registered vehicles in the region.
- **1 in 4 adults are physically inactive** and just **36% of journeys to school made by active travel** in 2022—the second lowest English region.
- **Public transport use is falling over the long-term**. Since 2014, both Bus and Metro passenger journeys and vehicle miles per head have decreased.
- **31% of residents at risk of transport related social exclusion**. (622,000 residents)
- Contrasting transport challenges between rural isolation in more remote areas and poor air quality and congestion in parts of our towns and cities.
- **An increasing need for maintenance and resilience of our existing transport infrastructure assets**. Ageing, poor or weak transport infrastructure hinders productivity and limits growth.

Where we want to be

Aim: to create a green, integrated transport network that works for all.

Five key areas of focus:

- Planning journeys/informing users/supporting customers.
- Ticketing and fares.
- Reach and resilience of infrastructure.
- Safety, especially of women and girls, and other improvements in service quality.
- Connections between different transport types.

How we will get there – delivery plan

- Includes a pipeline of interventions up to 2040 set against potential funding options with an estimated value of **£8 billion**.
- **Powers and other delivery mechanisms** (e.g. bus reform) which are the tools to enable this change.
- Maintained as a **live pipeline** which will evolve as schemes develop, new priorities are identified, and we progress through delivery.
- Interventions designed to enable **cross thematic** outcomes – achieving **integration**.

Outcomes

Through implementation of the Local Transport Plan we will:

- Deliver a green, integrated transport network that works for all **connecting all areas** of the North East, including remote rural and coastal communities and more deprived urban areas.
- **Enable inclusive economic growth** across the North East, through a reliable transport network helping to attract investment, boost job creation, and overcome inequality by unlocking access to opportunity increasing the talent pool for employers.
- **Improve access to and from our international gateways** making it easier to attract visitors and international investment, as well as making the movement of freight to/from our ports and airport more efficient, contributing to economic growth.
- Help **protect our environment and tackle climate change** by providing an attractive, resilient, seamless, and sustainable transport network for people and freight.
- Help **achieve better health outcomes** for people in our region by encouraging active and sustainable travel and facilitating better access to services.

Expand and improve our housing offer

Our ambition is to build a North East we are proud to call home with well-connected housing, high streets and places that are accessible to all and support everybody to live well in our cities, towns, countryside and coast. Our four priorities are to:

1. Build more homes to meet our housing delivery targets

- Supporting the regional housing market means increasing housing choices, including more social and affordable homes and increasing home ownership.
- Promote high-quality and sustainable development, with good active travel and public transport links.
- Work with Homes England as they develop a more regionalised model of delivery, unlocking major housing schemes identified in our Strategic Place Partnership including Forth Yards, Riverside Sunderland and Metro Green.
- Attract and deploy increased funding for housing delivery including for brownfield land remediation and utilising modern methods of construction.
- Work with Government and National Highways to ensure our infrastructure/highways doesn't constrain land supply.

2. Support regeneration, brownfield land remediation and investment in high streets and communities

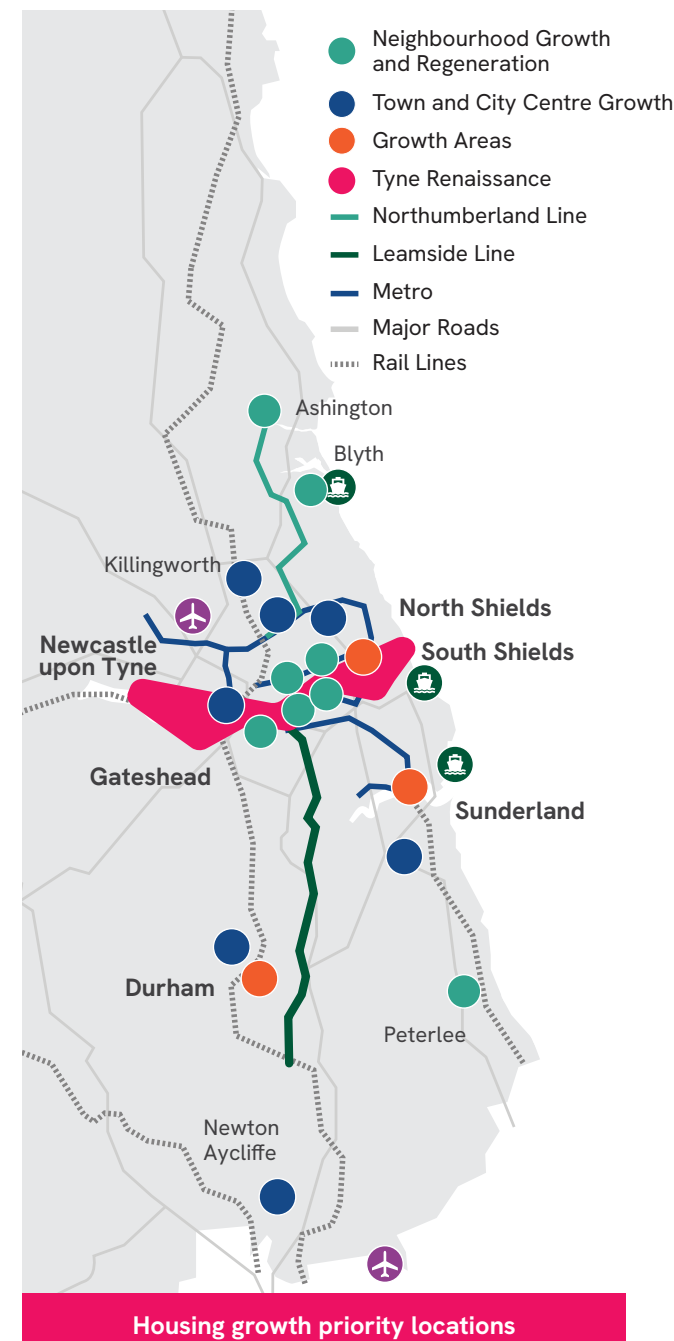
- We will support regeneration of our communities, including by supporting investment in high streets and to improve the quality of our places.
- Previous successes, include The Rise in Scotswood, where the Combined Authority supported enabling and infrastructure works, including ground preparations, retaining structures, highway works and pedestrian links. This will deliver 1800 new homes, with the first 231 having been built.
- We'll also work to secure more devolved powers to support renters.

3. Develop new models to deliver more affordable and social housing

- The North East has suffered from a lack of investment in new affordable housing, which has reflected gaps in viability, and resulted in long waiting lists for social housing.
- We will develop an approach to unlock substantially more housing units – working with the NE Housing Partnership and other funders to create a model involving the Government and other investment.

4. Develop a regional retrofit strategy

- We have too many cold, poorly insulated homes - particularly in the private rented sector.
- We will make it easier for residents to access the advice needed for investments which can reduce carbon and long-term heating bills while we will also develop an ambitious plan for the delivery of retrofit activity as part of our future Integrated Single Settlement.



Source: NE Strategic Place Partnership

Investment in our rural and coastal areas

- Rural and coastal areas make an important contribution to the North East economy, together accounting for **31% of GVA**.
- Rural and coastal communities face specific challenges related to their geography, including in relation to social mobility, transport, employment and access to housing.
- The Rural economy is diverse – ranging from the visitor economy through to advanced manufacturing – but also including **distinctive opportunities** around: quality and regionally distinctive food, tackling nature recovery, carbon and nature markets, and supporting transition to net zero and climate resilience.

Priorities include:

- tailored rural business advice service to help businesses overcome additional barriers to growth.
- ensuring that the green, integrated transport network extends into rural and coastal communities.
- developing and implementing high integrity carbon and nature markets.
- supporting and promoting regional food production and agritech adoption.
- rural broadband.



Supporting the visitor economy

- The visitor economy is important in the North East, with 91,000 jobs and a total GVA of £1.6bn generated by the hospitality and accommodation industries, with a further £560m coming from arts, entertainment and recreation activities.
- The region benefits from a diverse range of rural, coastal and urban assets, alongside nationally significant events (e.g. Great North Run; festivals etc.), excellent heritage assets (including two UNESCO World Heritage Sites) and wide breadth of cultural assets.
- These assets are critical to quality of life and attracting further investment.
- There are opportunities to strengthen pay and productivity across areas of the visitor economy with relatively low GVA per worker – including accommodation, food and leisure services.

Opportunities include:

- Change international perceptions of regional peripherality.
- Develop resilient and sustainable transport options to assets and attractions, including EV charging facilities.
- Create a more integrated and mixed visitor package including sustainable ‘products’.
- Improve pathways into employment and skills development.
- Develop flagship attractions, venues and assets, including an International Conference Centre and a Centre for Excellence in Tourism and Hospitality.
- Strengthen event infrastructure, utilise technology and increase expertise to attract and host further world-class events.
- We have a **ten-year plan to double GVA** of the visitor economy, including by significantly increasing the number of international visitors (leisure and business) and the duration of their visits.

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Leamside Line Investment Corridor

Delivering infrastructure investment to unlock place-based integrated growth

The Mayor's ambitious manifesto pledge to reopen the Leamside Line is the most important new transport infrastructure for the region:

- **First stage** is an extension of the Metro to Washington on the northern section.
- **Second stage** is 'Leamside South' from Washington to Ferryhill in County Durham.

The Leamside Line Investment Corridor will:

- Unlock over 10,000 new homes.
- Generate more than 1000 new jobs.
- Provide better access to education, employment and leisure activities for 100,000 people.
- Provide a major boost to the region's long-distance rail connectivity.

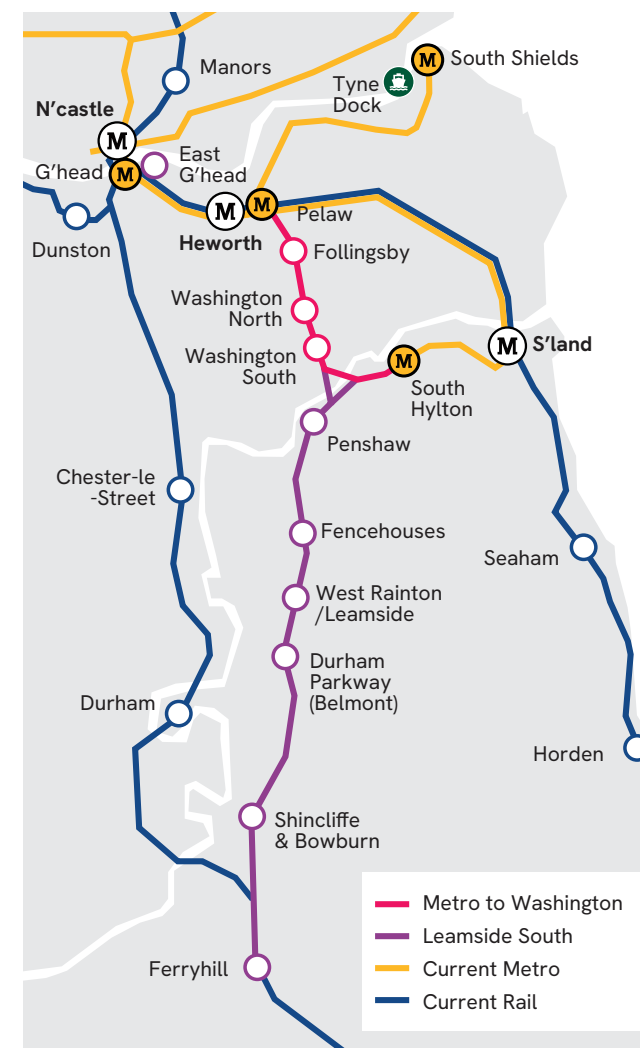
Current status of the project:

£8.6m invested by the CA to progress pre-delivery work for Metro to Washington including an outline business case as well as early engineering feasibility work for 'Leamside South'.

Reopening the Leamside Line in full will drive economic growth to help make the North East the greenest and best-connected region in the UK:

- It is the most important piece of transport infrastructure for the future prosperity of the North East.
- It will provide a significant capacity uplift to the East Coast Main Line, allowing more passenger and freight services to run from the North East to London and other key economic centres.
- It opens up considerable local benefits, providing fast and direct connections into Newcastle and Sunderland for 100,000 people in Washington and South Durham that currently have no direct rail or Metro connections. This enhances access to employment, leisure, and education centres.
- It will enhance connections and support businesses in the region such as those at Nissan, IAMP, Follingsby, and Integra61; all Investment Zones; and the Airport.
- It will seek to replicate the success of the Scottish Borders Railway connecting Edinburgh and Tweedbank, where passenger numbers are treble those first forecast and the project has increased business investment, footfall, boosting tourism and improved work and leisure opportunities.

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Delivering on potential

We will work with the Government on a clear plan for devolving power and funding to support regional delivery, and a joint delivery plan to support the national missions and National Industrial Strategy. We will demonstrate the value of regional leadership and political accountability, unlocking growth for decades to come.



Delivering growth for the region and the UK

The North East has the assets and ambition to deliver growth that benefits the whole of the UK. We will build a coalition with partners who will play a vital role in helping deliver Government targets - unlocked with the right deployment of regional powers and investment.



If the North East were to grow at the same projected rate as the fastest growing G7 economy today our economy will be **£13.1bn larger by 2033**

Partners across the North East are working towards:

- 

Creating tens of thousands of new jobs, including in the green, creative and foundational economies.
- 

Increasing residual household incomes for all our residents through better paid jobs and a better functioning housing market.
- 

Lifting tens of thousands of children out of poverty, working towards its elimination, with the launch of our Child Poverty Reduction Unit as a first step.
- 

Supporting more people into work, including through a unified approach to work and health, and a more co-ordinated skills system.
- 

Supporting Government's commitment to deliver 1.5m new homes, enhancing our housing market for all our residents.
- 

Creating stronger neighbourhoods, including by reducing educational inequalities and investing in communities.

Working together to deliver change

This is an interim version of our Local Growth Plan and we will work with partners to consult on, and further develop, our propositions and delivery plans before final publication in the Summer.

We will be guided by an ambitious vision of what the next 10 years could hold for the region; not just what the Combined Authority can do, but how we can work with partners to Create Real Opportunity and to unlock the impact of our investments.

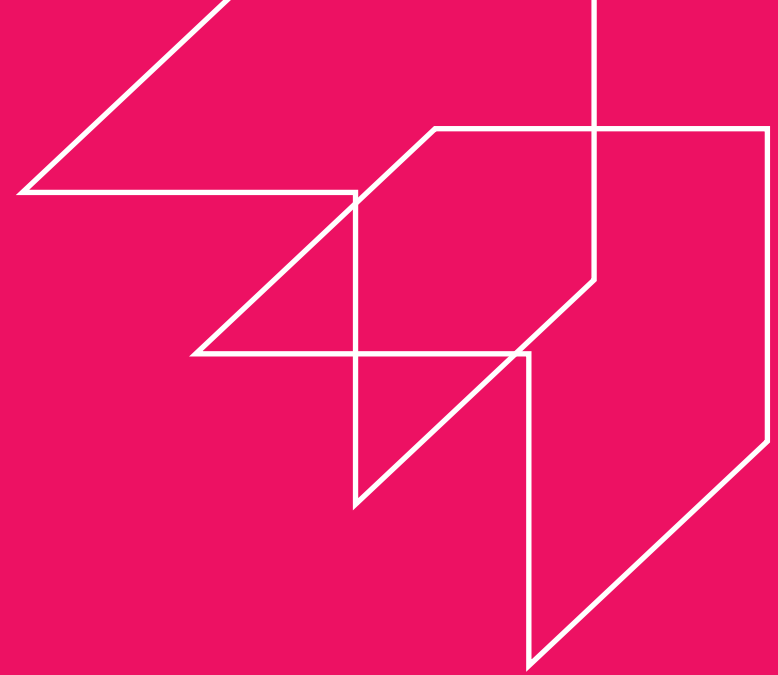
We are a proud and active participant in the 'Great North' collaboration, and will work at a wider northern level to maximise the collective impact from the opportunities outlined in this Plan – from extensive offshore wind supply chains to creative sector collaborations.

We will steward private sector and inward investment by de-risking investment and deploying an entrepreneurial mindset. This approach is already bearing fruit, with current opportunities of over £14bn set to unlock thousands of new jobs, including through existing programmes, like the Investment Zone, and the new North East Investment Fund. We are investing in our capabilities and capacity to deliver at pace and demonstrating innovation, creativity and the wherewithal to take a nimble and lean approach to delivery. This includes working with partners, including Government's Office for Investment, to accelerate our investment opportunities and to create new opportunities for funding of projects that will deliver economic growth with and for our region.

We are working with the Government to bring the benefits of further devolution to the region, including a new multi-year integrated funding settlement, which will not just bring together existing funding streams, but increase flexibility and unlock innovation in achieving outcomes.

As we move forward, we look forward to working with our Business and Economy Board to develop our action plan and to accelerate delivery: collaborating with a wider range of businesses, investors and stakeholders who share our values and ambition for the region; ensuring that we have a clear set of propositions in the areas highlighted in this Interim Plan and guiding delivery over the coming years; working together to attract further jobs into our Great North East, putting this region back on the world stage.

 Offshore wind and energy transition.	 Advanced manufacturing, including electric vehicles.
 Creative industries, including screen sector and creative content.	 Life sciences, pharmaceuticals and process industries.
 Tech, digital and AI.	 A thriving foundational economy - including in hospitality, health and social care - and strong professional services.
 Tackling child poverty.	 A new deal for North East workers, with increased skills, employment and health.
 Supporting innovation and business dynamism.	 Strengthening our housing market, including more affordable homes.
 Green transport that works for all.	 Defence, security and space.
 A bigger visitor economy.	 Growth across our region, including in rural and coastal areas



Creating Real Opportunity

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Title: English Devolution White Paper

Report of: Michael Robson, Senior Governance Officer

1. Report Summary

- 1.1 The purpose of this report is to provide the Committee with an overview of the Government's proposals to widen and deepen devolution across England.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee is invited to consider the proposals contained with the White Paper and discuss the implications for the North East CA.

3. English Devolution White Paper

- 3.1 On 16 December 2024 the Government published a White Paper setting out proposals to widen and deepen devolution across England, providing powers and funding and hardwiring them into the way government works. It also outlines how the government will rebuild and reform local government, as the foundation for devolution, reset the relationship between central and local government, and give communities stronger tools to shape the future of their local areas, while improving accountability and building capacity across the local government sector. The Government intend to bring forward an English Devolution Bill to deliver its manifesto commitment and vision set out in the White Paper.
- 3.2 The Chair has asked that the Committee be provided with a briefing setting out details of the proposals. A summary of the proposals contained in the White Paper is attached as Appendix A. Alan Reiss, Director of Operations has accepted an invitation to attend today's meeting to discuss the White Paper and its implications.

4. Potential Impact on Objectives

- 4.1 The Committee are invited to examine and consider the implications of the Governments proposals for the delivery of the North East CA's missions as set out in its Corporate Plan.

5. Equalities Implications

- 5.1 There are no direct equalities implications arising out of the recommendations in this report.

6. Consultation and Engagement

- 6.1 White papers are policy documents produced by the Government that set out their proposals for future legislation. This provides a basis for further consultation and discussion with interested or affected groups before a Bill is formally presented to Parliament.

7. Appendices

Appendix A – Summary of English Devolution White Paper

8. Background Papers

The following background documents have been used in the compilation of this report and are available for inspection either by clicking on the links below or by contacting the report author:

- [English Devolution White Paper - GOV.UK](#)

9. Contact Officers

Michael Robson, Senior Governance Officer, Tel: 277 7242 michael.robson@northeast-ca.gov.uk

10. Glossary

AEB – Adult Education Budget
CRSTS – City Region Sustainable Transport Settlement
DCMS – Department for Culture, Media and Sport
DfE – Department for Education
LGP – Local Growth Plan
LGPS – Local Government Pension Scheme
LNRS - Local Nature Recovery Strategies
LSIP - Local Skills Improvement Plan
LTP – Local Transport Plan
MCIL – Mayoral Community Infrastructure Levy
MSA – Mayoral Strategic Authority
MoU – Memorandum of Understanding
OFLOG – Office for Local Government
PSR – Public Service Reform
SDS – Spatial Development Strategy
SoS – Secretary of State
SPP – Strategic Place Partnership
TFGM – Transport for Greater Manchester
UKRI - UK Research & Innovation

English Devolution White Paper

The purpose of this briefing is to summarise the key provisions set out in the English Devolution White Paper.

Widening devolution across England

- Universal coverage of 'Strategic Authorities' (SAs)
- To enable effective working with the public, private and voluntary sector, government is considering a wide-ranging legal power for Strategic Areas to deliver areas of competence as follows:
 - Transport and local infrastructure
 - Skills and employment support
 - Housing and strategic planning
 - Economic development and regeneration
 - Environment and climate change
 - Health, wellbeing and public service reform
 - Public safety
- Considering enabling Mayors to promote economic, social, and environmental aims, and convening stakeholders with a duty on public authorities to respond.

Qualifying for 'Established Mayoral' status

- Strategic Authorities which meet the criteria will be eligible to apply for the status as Established Mayoral Strategic Authority (MSA) level of devolution.
- Established MSAs will be eligible to access the most advanced powers, responsibilities and funding available regionally, set out in the Devolution Framework and which will be underpinned by legislation.
- the eligibility criteria will be:
 - The Mayoral Strategic Authority (or predecessor Mayoral Strategic Authorities) have been in existence, with a directly elected Mayor in place, for at least 18 months at the point of submitting a request to move up to the Established Mayoral tier and access the Integrated Settlement
 - The Strategic Authority has a published Local Assurance Framework in place.
 - In the previous 18 months the Strategic Authority has not been the subject of a Best Value Notice, a MHCLG commissioned independent review, or a statutory inspection or intervention.
 - The Strategic Authority is not subject to any ongoing (or implementing) recommendations from an externally mandated independent review; and
 - There are no material accounting concerns covering the current or previous financial year which relate to the Strategic Authority's ability to manage public money.
- Mayors of Strategic Authorities which meet these criteria will write to the Ministry of Housing, Communities and Local Government to apply to be an Established Mayoral institution.
- Government will consider the devolved authority's track record of managing major programmes.
- The Secretary of State will have the power to legally designate Mayoral Strategic Authorities as Established Mayoral Strategic Authorities and will always do so when they qualify as set out above. This process will require the consent of the Strategic Authority's constituent local authorities.
- Once designated as Established Mayoral, Strategic Authorities will automatically be conferred with the relevant powers and functions available at that level of the framework by right.

- In line with the framework, Established Mayoral Strategic Authorities will be eligible to receive an Integrated Settlement, which will commence at the following Spending Review provided a sufficient preparation period has passed. Wider funding commitments would also commence at this point in the majority of cases.
- As official designation will not be possible until the English Devolution Bill becomes law, but Mayoral Strategic Authorities will receive elements of the framework ahead of designation where practicable.

Functions exercisable by Established MSAs

- Established Mayoral Strategic Authorities will be able to propose individually or collectively, additional functions to be added to the statutory Devolution Framework or piloted locally. This will be an annual process ahead of fiscal events to be discussed at Mayoral Council.
- Established MSAs will be invited to submit a formal proposal and The Government will have a duty to respond.
- Successful pilots will be considered for inclusion in the framework.
- The Government can add to, but not remove powers from the Devolution Framework by Statutory Instrument, in consultation with MSAs.
- Mayors may be able to appoint and remunerate 'Commissioners' to support delivery of key functions such as transport. They would not be members of the MSA, and the roles would be expected to reflect the areas of competence, such as a Transport Commissioner.
- If they choose to appoint them, Mayors will determine their portfolio brief and in certain circumstances delegate mayoral functions to be exercised by a commissioner. They will not replace politically led portfolios traditionally overseen by constituent councils but are intended to complement the approach with additional capacity or specialisms.
- Given the range of new functions envisaged for established strategic authorities, including Local Growth Plans, Spatial Development Strategies, representation on local and national bodies, and joint working with national and local partners, Government are exploring powers of political delegation and how mayors can exercise them.
- The Mayor of London's Deputy Mayors is one such model, however government is considering how to recognise the role of portfolio board members in these new structures.
- Mayoral Strategic Authorities be moved to simple majority voting, including the Mayor's vote, wherever possible.

Integrated Settlements

- North East CA eligible from 2026-27 with arrangements set out in a Memorandum of Understanding (MoU):
- Integrated Settlement 2026-27, including functional responsibilities, scope, formula, and quantum (allocated amounts) will be confirmed once Phase 2 of the Spending Review concluded (late Spring/early summer).
- National funding lines falling under a functional responsibility will be included in the settlement using the process stipulated in the MoU.
- Funds in scope and allocation mechanisms to be made available in due course.
- Settlements will be determined at each Spending Review. The MoU will be reviewed before the end of every Spending Review to ensure it remains fit for purpose.
- Consolidated housing pot across housing, regeneration, local growth, local transport, skills, retrofit and employment support, which is expected to expand in scope over time.
- Move away from competitive bidding.
- Funding will continue to be provided for Investment Zone to generate jobs and growth in underperforming economic areas.
- Presumption that funding flows through Integrated Settlements to discharge MSA role.

- Possible virement to enable established strategic authorities to move funding between policy areas, years (potentially) and apportion capital/revenue split (likely to be capped at a particular level).
- Ambition is to have a single, mutually agreed outcomes framework, monitored over an Spending Review period.
- Supported employment funding will be devolved to all local areas and form part of the Integrated Settlement.

Accountability and Scrutiny

- New single accountability and outcomes framework for Integrated Settlements aligned to national missions – Plan for Change metrics – national priorities and LGP priorities. This will set out how performance will be defined, measured, and reported on Integrated Settlement delivery over Spending Review period.
- Outcomes framework will specify the outcomes for assessing performance across policy responsibilities devolved through Integrated Settlement, as well as the indicators, outputs and targets that will be used to track progress.
- Review of the Scrutiny Protocol
- Exploring a Local Public Accounts Committee model and Local Accounting Officers to increase accountability to Government and the public.
- Annual conversation with each area to examine the interrelationship between different funding streams and priorities.
- External scrutiny of local public spending through reforms to the local audit system, and local government standards and oversight.
- Central government secondments to authority roles in regions.
- Boosting capacity through targeted philanthropic support initiatives e.g. Bloomberg.
- Mayoral collaborations on a pan regional basis – rebranding of Northern Powerhouse - ‘Great North’ partnership of Northern Mayors to promote trade, inward investment, major infrastructure, and address land use issues.
- English Devolution Bill will be introduced in the first parliamentary session, *subject to parliamentary time*.
- Closure of OFLOG. Instead, the Government will consolidate audit functions into one body and offer insights from past audits, subject to legislation.

Funding and Finance

- Existing arrangements for 30-year investment funds will be honoured.
- Gateway reviews will be removed from Established MSAs, which have passed Gateway One or equivalent.
- Mayoral Council Tax precept (currently unused in NE) will likely be extended to cover the cost of a wide range of services such as bus services and adult skills.

Economic Development and Regeneration

- The Government will establish bilateral strategic partnership forums with every MSA to align national and local policymaking, and drive delivery of LGP priorities including business growth, exports and inward investment.
- DBT will engage MSAs to shape Small Business Strategy development and implementation, including how national, local and devolved business support schemes can be aligned to increase business growth and productivity.
- New business growth service, bringing together existing services under one banner, working with local government, SAs and Growth Hubs network (post UKSPF business support landscape).
- Tailored export growth programme to high growth businesses (targeting small businesses with high international growth potential in regions)
- OFI exploring senior official-level forum on a pan-regional basis

Local Growth Plans (LGP)

- Government will agree a limited number of shared strategic priorities within LGPs to act as a focal point for collaboration, build mutual understanding of economic opportunities and align policy levers to deliver them.
- Skills pipeline recognised as a constraint on creative industries growth. The issue will be addressed through the creative industries sector plan, allied to our LGP, but only where possible to realign investment.
- DCMS is reviewing how funding is currently allocated and delivered, alongside a review of Arts Council England to ensure every part of the UK has the chance to access the arts.
- Scope to overcome resistance to devolving AV tax credit by working with national Creative Sector Plan Data Lead (based locally) to counteract displacement of existing activity argument.

Investment

- MSAs will set out a pipeline of investment opportunities linked to Mansion House/Local Government Pension Scheme (LGPS) reform. Pension administrators will be required to work with SAs and stakeholders to:
 - Identify suitable investment opportunities
 - Have regard to LGPs and local economic priorities when setting high-level investment strategies.
- LGPS administrators would be expected to put forward local investment opportunities to their asset pools, who will subsequently conduct due diligence on them before making any final investment decisions.
- Reciprocal statutory duty on SAs to work with LGPS Administering Authorities and asset pools to develop investment opportunities appropriate for pension investment.
- National Wealth Fund with a strong objective to promote regional growth and work in partnership with Mayors to support investible propositions in LGPs.

Transport

- Government will speed up and simplify bus franchising process
- MSAs given statutory role in rail network – right to request greater devolution of services, infrastructure and station control to support network integration.
- Strategic Authorities will play a key coordination role in their local road network, working with National Highways on the strategic road network and their constituent authorities on local roads. Strategic Authorities will have a range of functions and powers as follows:
 - Mayoral Strategic Authorities will set up and coordinate a Key Route Network on behalf of the Mayor allowing the most important local roads to be strategically managed. Mayors will hold a Power of Direction over this network to support delivery of their agreed Local Transport Plan. The Government will review the effectiveness of the Power of Direction two years after implementation. Our deeper devolution deal includes the Key Route Network. Power of Direction is new. Previously, regions had to elect to take a power of direction. This has now been bestowed on Mayors automatically meaning the Mayor could compel a Highways Authority to, for example, install a bus priority lane on their highways network.
 - Responsibility for local roads will remain with constituent authorities, unless otherwise agreed locally. The Government will encourage Strategic Authorities to work to streamline arrangements across their area, for example, through a single set of highway design standards. This is advisory, but points to the direction DfT/Govt are going i.e. transitioning us closer to TFL like model over time.
 - Some Strategic Authorities have taken on some highways functions concurrently with their constituent authorities and we will continue to explore if standardised powers would add value. As above, this signifies direction of travel.

- Local Transport Authorities will be empowered to regulate on-street micromobility schemes (like hire bikes), so local areas can shape these schemes around their needs, connect people to public transport, and tackle the scourge of badly parked cycles and e-cycles. This new development aligns with the Mayor's ambition for regional bike hire proposition.
- Subject to consultation, government will devolve approval of local Lane Rental schemes to Mayoral Strategic Authorities. Lane Rental schemes enable Local Highway Authorities to charge for works on busy roads at busy times with the aim of minimising disruption. Outside of Mayoral Strategic Authority areas, it is proposed that approval will remain with the Secretary of State. This provision creates potential for income generation, which TFGM advocated. Unclear on the viability for us.
- To help speed up development, government plans to devolve approvals for stopping up orders nationally, in line with London. These powers allow Local Highway Authorities to permanently close roads, subject to planning consent. Other minor road consents will be devolved to Mayors and Local Highway Authorities and changes to tolls on certain tolled undertakings will be devolved to Mayors. Streamlined decision making infers the region will no longer be required to notify SoS when changing the Tyne Tunnel tolls.
- National Highways is committed to formalising and strengthening its relationship with Mayoral Strategic Authorities, ensuring a more cohesive approach to the management and development of England's strategic road network alongside local roads. Strategic Authorities will be expected to develop a consistent approach to enforcement across their area, using available powers as appropriate. Our deeper devolution deal addresses pavement parking. Formalising the relationship with MSAs is new. National Highways will have appropriate regard to relevant Strategic Authority strategies and shared LGP growth priorities for the area. Whilst positive, this falls short of our ambition to influence National Highways decision making in region, but a step in the right direction, nonetheless.
- Local Transport Plans (LTPs) must have regard to all other SA plans and strategies, like the SDS.
- Constituent authorities must carry out functions with regard to LTP, such as where they exercise powers over local roads.
- Updated framework for LTPs including funding to support local transport network integration across the country.
- Integrated Settlements will include local transport funding streams, including CRSTS funding for eligible authorities from the start of CRSTS 2 in 2027-28.
- Places will be held accountable through a transport-specific accountability framework with a proportionate outcomes framework and metrics.

Skills and employment support

- Government will combine and remove ringfences: Adult Skills Fund (previously AEB), Skills Bootcamps, Free Courses for Jobs and form part of Integrated Settlement.
- Supported employment funding to be devolved
- MSAs will take on joint ownership of Local Skills Improvement Plan (LSIP) model alongside Employer Representative Bodies.
- When designating a new Employer Representative Body, SAs will be involved in the process and SoS will consider our comments. Unlikely to designate unless we are satisfied with choice.
- Where an Employer Representative Body and SA cannot agree an LSIP, the matter may be escalated to DfE SoS, however SA sector skills priorities must be included in LSIPs and would not be ratified otherwise.
- Mayors will have regular, structured opportunities to feed priorities into annual DfE strategic conversations. (Officers already do this).
- LSIP geographies will be aligned with SA geographies wherever possible.
- LSIP intel and analysis will be shared with Skills England

- LSIPs must clearly link to LGPs, Industrial Strategy and Skills England assessment of skills needs.
- MSAs will help identify local industry placements for 16-19 year olds, supporting delivery of the MSA Youth Guarantee announced in the Get Britain Working White Paper. North East CA is not in the first wave of this.
- MSAs will co-design any future non-Jobcentre Plus employment support, consistent with our existing deeper devolution deal, except government has confirmed established MSAs will have a substantive delivery role, subject to evaluation, local readiness and capacity conditions being met
- Ahead of the Spending Review, the Government will explore scope for devolving funding through the Integrated Settlement, signalled in the Get Britain Working white paper.
- These changes are intended to support delivery of LGPs and other strategies.
- Get Britain Working Plan – devolved funding for supported employment provision via grant to shape and deliver an offer around local priorities and provision. North East CA already engaged and White Paper confirms the region will be a Trailblazer area for ill health related economic inactivity in 2025-26.
- The Government and SAs to design, develop and test National Jobs and Careers Service, aligned to MSA geographies.
- Continue supporting Careers Hubs to deliver careers information advice and guidance.

Housing and planning

- All areas will have to produce a Spatial Development Strategy (SDS)
- SDS to be approved by majority of constituent members, including the mayor, who will have the casting vote in the event of deadlock.
- If a majority cannot be reached, Mayors will be empowered to refer the SDS to SoS for decision.
- Mayors given new development management powers including the ability to ‘call in’ planning applications of strategic importance.
- Mayors be given powers to charge developers a Mayoral Levy to fund infrastructure required to support new development. MCIL used in Greater London to finance delivery of the Elizabeth Line.
- Mayors will continue to have compulsory purchase order and mayoral development corporation powers, together with mayoral development orders.
- Reaffirmed established SA power to establish public sector land commission, consistent with our devo and deeper devo deals.
- Stronger partnership between Homes England and MSAs, including the ability to steer and monitor HE progress delivering Strategic Place Partnership (SPP) objectives and wider plans and escalate unresolved issues to Ministers. (More detail on how this will operate to be developed over coming months).
- Over time Homes England will adopt a more regionalised model to respond to the economic plan of an area.
- Mayors to have control of grant funding for regeneration and housing delivery as part of Integrated Settlement from 2026-27 to be agreed as part of Spending Review.
- Established MSAs will have ability to set strategic direction of any future affordable housing programme via its SPP, including tenure mix, and priority sites for grant funded development
- Upfront indicative spend per MSA, subject to suitable projects being identified

Spatial Development Strategy (SDS)

- Local Plans should continue to be updated and developed alongside the SDS process.
- SDS will identify housing growth priorities, infrastructure requirements and strategic locations for development, including an obligation to apportion an assessment of housing need across constituent members (cumulative total of local housing need of each

constituent member (determined by Standard Method specified in national planning policy).

- Apportioned figure for each constituent member in the SDS will be the minimum housing requirement for each Local Plan.
- Precise distribution of housing need to be agreed through SDS process.
- High level content to preserve detailed policy and site allocations within Local Plans and produced quickly (before end of Parliament)
- Government will intervene if regions are unable to bring forward an SDS within a specified timeframe.

Environment and climate change

- Established MSAs to have control of retrofit funding as part of Integrated Settlements by no later than 2028, supporting delivery of the Warm Homes Plan. Schemes in scope are Warm Homes Local Grant, Social Housing Fund and Public Sector Decarbonisation Scheme. Required to establish a demonstrable track record of major programme delivery first.
- MSAs to have strategic role in delivery of GB Energy Local Power Plans
- MSAs to become zoning coordinators for local heat networks and plans taken into account in the National Energy System Operators' Regional Energy Strategic Plans.
- Expand MSAs' role in leading Local Nature Recovery Strategies. Over time The Government envisages SAs will become the responsible body where they are not already.

Supporting business and research

- Growth Hub funding will be rolled into the Integrated Settlement
- Office for Investment will work with Mayors to develop and market strategic investment propositions.
- Established MSAs will be invited to develop a future regional innovation funding programme as part of the second phase of the Spending Review and UK Research & Innovation (UKRI) will extend regional partnerships to other MSAs.
- Bespoke innovation support offers in regions in partnership with UKRI, based on capability and maturity of local innovation ecosystems.
- UKRI regional partnership and MSA involvement in development and delivery of future strategies and investments.
- Annual engagement between the Mayor and Science Minister plus more regular engagement with UKRI senior leaders.
- MSAs will be key partners in boosting culture, heritage, sport, and the visitor economy, supported by close integration and alignment with arm's length bodies.

Reforming and joining up public services

- Single Mayor could take on Police & Crime Commissioner and Fire & Rescue Authority responsibilities across two or more police force and fire and rescue authorities where this would create coterminous boundaries. The Government will initiate these changes via the English Devo Bill, which would pave the way for mayors to take on additional PSR roles over time.
- MSAs to have a new bespoke duty for health improvement and tackling health inequalities.
- Government to introduce 'expectation' that Mayors are appointed to Integrated Care Partnerships as Chair or Co-Chair, or involved in appointing Chairs, priority setting and plan development.
- One Police and Crime Commissioner representative within SA area may sit as a non-constituent member of the SA where the Mayor does not exercise these powers.
- Government has a long-term ambition to align public service boundaries, including job centres, police, probation, fire, and health services. Contemplating interim measures for

mayoral-led delivery where boundaries are non-coterminous. The benefits will be considered on a case-by-case basis.

- Exploring how skills, employment support, health and housing can be brought together locally to support rehabilitation and integration of offenders in society, including opportunities for increased co-commissioning between probation and partners.

Local Resilience

- No changes proposed at present. Awaiting outcome of a national review.

Hardwiring devolution into central government

- Mayors will have statutory duty to produce Local Growth Plans
- National agencies, arm's length bodies (Homes England, Great British Railways, National Highways, Great British Energy National Energy System Operator, and national funding bodies like Arts Council England) will be asked to reconfigure how they work to take account of regional priorities, particularly SA strategies and shared LGP growth priorities. These functions align with a strategic infrastructure and regeneration role envisaged for established strategic authorities. The level of regional influence and integration will depend on the purpose and remit of the quango. For example, organisations responsible for critical national infrastructure will be required to consider regional priorities whilst acting in the national interest, supporting interventions pursuant to these aims. Whereas others, such as the Arts Council or Historic England, may devolve powers and funding without impacting on vital infrastructure or services delivered on a 'whole population' basis.
- MSAs will be able to propose that they are responsible for future initiatives that fall within their area of responsibility, effectively giving first refusal on new policy initiatives *where appropriate*. MSAs can exercise an element of discretion in respect of new responsibilities.

Local government reorganisation

- A programme of local government reorganisation for two-tier areas and for failing and smaller unitary councils. Fewer politicians, with the right powers, will streamline local government to focus on delivering for residents.
- Expect all two tier areas and smaller or failing unitaries to develop proposals for reorganisation.
- Phased approach to delivery, taking into account where reorganisation can unlock devolution.
- Most new unitary councils will have a population of 500,000 or more.
- Consultation on allowing elected members to attend council meetings remotely and use proxy voting

Local government taking back control

- Government to provide multi-year settlements for councils.
- Updated funding formula for local councils, restoring the link to need.
- A further round of local government finance reform anticipated, based on Fair Funding Review.
- Accumulated Business Rates growth subject to periodic national redistribution through a business rate reset.
- Considering a new model of business rate retention that could support SA to drive growth.
- Recovery Grant worth £600m targeted towards need and areas of higher deprivation with less ability to raise income locally due to a lower tax base.
- £100m for public service innovation projects (test and learn pilots).
- Number of capital focused local growth funds will be rationalised and consolidated into Integrated Settlements.

A new approach to communities

- Councils will be given greater control over premises than can exacerbate health and environmental issues.
- New community 'right to buy' empty shops, pubs, and community spaces to support the high street renewal agenda, including funding for Community Ownership project in 2024-25.
- Seeking to strengthen Business Improvement Districts (BIDs)
- New High Street Rental Auction regs providing communities and businesses with a right to rent premises that have long stood vacant.
- Strengthen local authority ability to introduce large selective licensing schemes over residential property to improve conditions in the private rented sector without requiring SoS approval.

Data sharing and use

- Membership of the Mayoral Data Council to joint up senior data leaders with central government decision making on data issues that affect them.
- This is consistent with an existing commitment in our deeper devo deal alongside GMCA and WMCA, except the White Paper makes a distinction about the scope of collaborative working. This is important for two reasons:
 - The Data Council will input to the Mayoral Council and central government digital and data function.
 - Mayoral Data Council will refine and implement data partnership principles, co-developed with GMCA, WMCA and included in the NE Deeper Devo Deal, setting out how SAs will work with Government to support and streamline negotiations with individual government departments over access to priority datasets.
- ONS to lead a refresh of The Government's subnational data strategy to improve provision of local statistics.
- Continued support for Office of National Statistics Local to gather user needs, understand data gaps provide data access, analytical support, and capability to local data leaders.
- Strategic Authorities to be consulted on the development and operation of cross-government services that enable easier data discovery and access.

Monitoring and Evaluation

- Public devolution evaluation on outcomes to date, including Integrated Settlements.
- Feasibility study to assess the impact of different devolution commitments, including the Integrated Settlement.
- Delivering an ongoing process and impact evaluation to capture evidence on devolution as it becomes available, looking at delivery, implementation, future trends and impact.

Title: Overview and Scrutiny Committee Annual Report 2024/25

Report of: Michael Robson, Senior Governance Officer and Scrutiny Officer

1. Report Summary

- 1.1 The purpose of this report is to present a draft Annual Report 2024/25.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee is recommended to approve the Annual Report 2024/25.

3. Background

- 3.1 The Scrutiny Protocol for English Institutions with Devolved Powers states that “an annual report should be published to broadcast the work of the Overview and Scrutiny Committee demonstrating how the committee’s work influences and benefits the outcomes of the institution and its strategic goals and priorities. For combined authorities, this should be formally considered by its constituent members.”
- 3.2 In accordance with this guidance a draft Annual Report has been prepared. This is attached as Appendix A. The draft report was presented to members and substitute members of the Committee for comment at an informal workshop held on 1 April 2025.
- 3.3 Once approved by the Committee, the report will be presented to Cabinet at its meeting on 10 June 2025.

4. Potential Impact on Objectives

- 4.1 The Overview and Scrutiny Committee is to seeks to make a positive contribution to the delivery of the North East CA’s vision, policies and priorities as set out in the Corporate Plan by enabling local councillors, on behalf of their communities, to scrutinise and challenge the Mayor and Cabinet and to consider matters of strategic importance to residents within the North East CA area with a view to influencing their decisions and policy.

5. Equalities Implications

- 5.1 There are no direct equalities implications arising out of the recommendations in this report. However, the Committee in exercising its functions should be mindful of the Public Sector Equality Duty and consider whether what is before them eliminates discrimination, harassment and victimisation; advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and fosters good relations between persons who share a relevant protected characteristic and persons who do not share it.

6. Consultation and Engagement

- 6.1 The draft Annual Report has been presented to members and substitute members of the Committee for comment at an informal workshop held on 1 April 2025.

7. Appendices

Appendix 1 – Draft Overview and Scrutiny Committee Annual Report 2024/25

8. Background Papers

The following background documents have been used in the compilation of this report and are available for inspection either by clicking on the links below or by contacting the report author:

- [Scrutiny Protocol for English Institutions with Devolved Powers](#)
- [Minutes of the Overview and Scrutiny Committee](#)

9. Contact Officers

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10. Glossary

OSC – Overview and Scrutiny Committee

Overview and Scrutiny Committee

Annual Report 2024/25

DRAFT

Foreword from the Chair

It gives me great pleasure to introduce the first Annual Report of the North East Combined Authority's Overview and Scrutiny Committee.

The purpose of this report is to document the critical role played by the Committee in ensuring there is accountability within the Authority. It does this by reviewing and scrutinising the decisions taken by the North East Mayor and the North East CA Cabinet, monitoring delivering of its programmes and contributing to the development of its policy and strategies.



This report marks the end of the first year of the Committee's operation. The report therefore describes how the Committee has begun to establish its role and status within the Authority and to develop the capacity, processes and relationships to operate effectively. I am pleased to report that in its infancy the Committee has been able to deliver a balanced work programme both holding the Mayor and Cabinet to account for decisions made and seizing those opportunities to help shape and influence the Authority's plans and strategies ahead of decision making.

I would like to express my thanks and appreciation to all those members and substitute members who have contributed to the work of the Committee over the past year. I hope that many of those members may continue to serve as members so that the valuable knowledge and experience they have gained will not be lost. I am also grateful to those officers who have supported the scrutiny process throughout the year.

The compilation of this report has provided us with an opportunity for reflection and review and to begin our preparations for 2025/26 and beyond. I am pleased that we have been able to make significant progress in our first year but it is clear a great deal of work remains to be done to develop and strengthen the scrutiny function. This work must involve not only the Committee and its supporting officers but the whole organisation to ensure that overview and scrutiny becomes embedded as a normal and valued element of the Authority's governance and decision making arrangements.

Councillor Colin Ferguson
Chair of the Overview and Scrutiny Committee

The North East Combined Authority

The North East Combined Authority (North East CA) was created on 7 May 2024 to give effect to a devolution deal which was agreed between the Government and seven local councils in December 2022. The devolution deal provides the area with new powers and funding, including:

- control of an investment fund over 30 years to be invested by the North East to drive economic growth and take forward its priorities as set out in its Corporate Plan;
- new powers to improve and better integrate local transport, including the ability to introduce bus franchising and control of a key route network;
- new powers to better shape local skills provisions to ensure these meet the needs of the local economy.
- new powers and funding to drive place-based economic and to build more homes, with additional funding for building new homes on brownfield land; and

In March 2024 a further ‘trailblazer’ deal was agreed which grants more control over transport, housing and skills, and makes available over £100 million of new funding that can be invested in the North East’s priorities including the use of innovation, technology and delivery to improve public services and to strengthen the region’s rural and coastal communities.

The North East CA is led by the North East Mayor, Kim McGuinness, and a Cabinet made up of the Mayor, Leaders from its constituent councils and representatives from the business and voluntary sectors. The Mayor and Cabinet determine the Authority’s plans and strategies and make key decisions.

More information about the work of the North East CA can be found on its website www.northeast-ca.gov.uk

The Overview and Scrutiny Committee

The North East CA is required to appoint an overview and scrutiny committee. The role of the Committee is to enable local councillors, on behalf of their communities, to scrutinise and challenge the Mayor and Cabinet and to consider matters of strategic importance to residents within the North East CA area with a view to influencing their decisions and policy. Effective scrutiny arrangements are an essential component of local democracy, enhancing accountability and transparency of decision making and enabling local councillors to represent the views of their constituents.

The Scrutiny Year 2024/25

The Cabinet appointed the Overview and Scrutiny Committee at its meeting on 11 June 2024. The Committee comprises 14 councillors drawn from 7 constituent councils and reflects the political balance of the council’s taken together. The members of the Committee are supported by 14 substitute members. Details of the membership are set out in Appendix A

On 18 June 2024, members and substitute members came together at an informal workshop to:

- a) receive an overview of the Authority, its functions, programmes and priorities;
- b) establish a shared understanding of the role and focus of the Committee; and
- c) begin to determine a work programme and ways of working.

At its first meeting on 16 July 2024 the Committee agreed to undertake a series of briefings with each Cabinet Member to receive an overview of the Authority’s strategic portfolio plans and help shape the development of its work programme. Following the briefings and further consultation with members a work programme was produced and approved by the Committee.

The work programme is a standing item on the agenda of Committee meetings to provide an opportunity for members to review the work programme, suggest items for inclusion and agree

any changes. The Chair and Vice Chair have also been authorised to review and revise the work programme as necessary to react to any changes within the Authority and ensure scrutiny on policy development as it evolves.

The Committee agreed to arrange two additional meetings to increase its capacity to undertake its role. Consequently, six meetings were arranged but three of these meetings were inquorate. Members and substitute members were also invited to join an informal workshop to examine in detail the Authority's proposed Budget and Corporate Plan.

At the conclusion of the year, members of the Committee conducted a workshop to review its operation, produce this annual report and begin to plan its work programme and ways of working for 2025/26 and beyond. At the workshop members reviewed the work of the Committee against the key principles contained in the Scrutiny Protocol, considered the how the contents of the Corporate Plan could help inform development of the future work programme and discussed how members' time might best be utilised to add value to the work of the Authority.

Scrutiny Activity

The role of overview and scrutiny is often described in terms of being both reactive and proactive. Reactive, as it reviews and scrutinises decisions made and holds the Mayor and Cabinet to account. Proactive as it seeks to influence the formulation of the Authority's plans and strategies before decisions are made.

The following sections of the annual report describe the scrutiny exercises undertaken by the Committee over its first year of operation. Inevitably early activity was focussed on reactive exercises as members gained knowledge and understanding of the Authority's functions, programmes and priorities and as the Committee responded to the Mayor and Cabinet determining the Authority's early priorities. However, as the year progressed the Committee expressed a clear desire to be more pro-active and to create opportunities whereby members could help shape future policy and undertake pre-decision scrutiny.

Mayoral Priorities

At the beginning of the year the Committee met with the North East Mayor, Kim McGuinness, to discuss her manifesto priorities and the associated opportunities and challenges. During questioning members discussed a range of topics with the Mayor including delivery of the Authority's seven strategic portfolio plans, the economic ambitions for the region which were likely to form the basis of the Local Growth Plan, the Authority's capacity to deliver major long term projects in the region, the varying transport needs of different areas and communities across the region and how and the Mayor's desire to secure from Government greater devolution of powers and a single funding settlement at the earliest opportunity. The Chair has also met informally with the Elected Mayor to share information about their respective work programmes and priorities.

Child Poverty Reduction

The Committee examined the decision of Cabinet to allocate £2.7m from the Investment Fund to extend child poverty reduction work in schools, workplaces and families across the North East area during the 2024/25 academic year and to establish a Child Poverty Reduction Unit. Members queried whether the £0.5m to be invested in the establishment of the Child Poverty Reduction Unit would be better spent supporting existing child poverty prevention initiatives, examined how the programme would engage with hard to reach children who may not be attending school and considered the Authority's intention to draw together two different approaches to the child poverty reduction work in schools into a single unified programme which would still recognise and support local needs.

Mayor's Opportunity Fund

The Committee welcomed the decision of Cabinet to establish a Mayor's Opportunity Fund as it would provide much needed investment in small and grassroots groups who were well placed to make a positive impact in their communities. Members also made comments to officers about the scale and delivery of the Fund. The Committee:

- highlighted the relatively small amount of investment (£1m over two years) compared to the amounts already being invested by constituent councils to support community groups;
- queried the need to appoint an external delivery partner when constituent councils had existing mechanisms in place to administer the promotion, awarding, monitoring and evaluation of grants
- asked whether support could be offered to community groups on how to apply for the grants;
- suggested that priority be given to applications from those organisations who have not previously been in receipt of grant funding so that the Fund could act to plug gaps in the sector;
- stated that some organisations required very small amounts of funding and whether there was a possibility of offering grants of less than £1000; and
- emphasised the importance of engaging and empowering grassroots organisations in communities to help tackle the issues of poverty and deprivation.

Bus Reform

The Committee examined the decision of Cabinet to proceed with the preparation of a Bus Franchising Assessment. Members considered the extent to which existing knowledge and experience could be utilised in preparing for bus franchising, the implications of anticipated changes in the legislative framework, the impact of multi-operator, multi-modal capped tickets and the improvements to bus services which had been achieved through the Bus Service Improvement Plan and Enhanced Partnership.

Local Transport Plan

In October the Committee considered the draft North East Local Transport Plan (LTP) which had been approved by Cabinet for public consultation. Members commented on the draft plan and the proposed public consultation exercise. The results of the consultation and a revised LTP were presented to the Committee in March 2025 for comment ahead of its submission to Cabinet for endorsement. Members expressed their support for a fully integrated public transport system including integrated ticketing and fares, welcomed the proportion of consultation responses received from women but queried how the needs of people with protected characteristics under the Equality Act would be given due regard and how the LTP aligned with the Authority's emerging equality objectives.

Highways Infrastructure Funding

Following disruption caused by the closure of transport networks in and around the Gateshead flyover in December, the Committee undertook an exercise to better understand the roles and responsibilities of both the combined authority and local authorities with regards to maintaining highways and the Authority's proposed approach to the allocation of highways maintenance funding to local authorities as part of the City Region Sustainable Transport Settlement (CRSTS). The Committee emphasised the importance of both the Authority and its constituent councils fulfilling their respective responsibilities. It acknowledged it could play a role in reviewing the adequacy and delivery of the proposed approach by scrutinising the allocation of funding and assessing performance data collected by the Authority. The Committee also referred the matter to the relevant overview and scrutiny committee of each constituent council so that they might consider whether they wished to scrutinise their own authority's approach to the maintenance of highway infrastructure within this context.

Leamside Line

The Committee has taken a particular interest in proposals to re-open the Leamside railway line. The first phase will form an extension of the metro system from Felling to South Hylton via Washington and the second phase would involve the re-opening of the southern leg of the line to Tursdale Junction. The Committee considered appointing a task and finish group to examine the business case for the re-opening of the line but as this is not expected to be

complete for some time members intend to receive regular reports at key points in the project to monitor progress. The Committee have also examined proposals to develop a Leamside Investment Corridor Strategy setting out plans for a broad, ambitious vision for the area around the line.

Education Improvement Programme

The Committee met with the Cabinet Member for Education, Inclusion and Skills, Councillor Tracey Dixon, to help shape the new regional priorities and strategic direction of the education improvement programme from September 2025. At the conclusion of the meeting the Cabinet Member was asked to:

- a) ensure that the programme did not duplicate or replicate existing provision in an already congested education sector;
- b) place emphasis on how the programme could help improve attendance at school, reduce exclusions and reduce child poverty; and
- c) give consideration to the retention of teachers as well as their wellbeing and development.

Supporting People to Seek Sustained Employment

The Committee also discussed with Councillor Tracey Dixon, how the Authority could support people with disabilities, health conditions and additional barriers to seek sustained employment. The Cabinet Member was asked to give particular consideration to:

- a) working with employers and employer organisations to address the stigma associated with long term absences from work; and
- b) the needs of young people currently in education who may in the future experience different challenges in securing employment due to a loss of learning and social skills during the Covid pandemic;

North East Strategic Place Partnership (SPP)

The Committee have examined the development of the North East Strategic Place Partnership (SPP) and commented on its future strategic direction. Members paid particular attention to the extent to which the development of brownfield sites will deliver the Government's housing targets and the relationship between local plans, to be determined by constituent councils on how housing targets will be delivered, and the SPP, whose focus will be to support the delivery of housing according to local priorities and by unlocking challenging sites.

North East Environmental Stewardship, Coast and Rural Growth Investment Plan

The Cabinet approved an Environmental Stewardship, Coast and Rural Growth Investment Plan to create and deliver new solutions to environmental stewardship and coastal and rural growth opportunities and challenges. In scrutinising the plan the Committee examined how the Authority would balance different, potentially conflicting aims, such as recovering local nature and preserving land whilst also supporting tourism, economic growth and house building and explored the opportunities to develop and implement high integrity carbon and nature markets to repair and restore landscapes and nature and to attract inward investment which would generate biodiversity net gain, nature recovery and reduce carbon emissions.

Unlocking Finance for North East Businesses to start, and to grow

The Committee examined proposals to create new equity and loan products for regional businesses underserved by the mainstream market. The Committee sought assurances as to how the risks associated with the funds would be managed, considered whether the initial recyclable investment represented value for money and agreed to continue to review the management of the funds.

Budget, Medium Term Financial Plan and Corporate Plan

The Authority's constitution provides the Committee with an important role in contributing to the formulation of the Authority's Budget and Corporate Plan. In accordance with these rules the Committee were invited to comment on the Authority's initial proposals. The final proposals were presented to members at an informal a budget workshop held in January 2024. At the conclusion of the workshop members agreed not to put forward comments and/or

recommendations for consideration by Cabinet. In doing so they expressed a need to develop and strengthen mechanisms within the Authority to provide the Overview and Scrutiny Committee with the information and understanding required in order that they may make informed and evidence based recommendations. Learning from this first year of operations, it was suggested that in future years the Committee should receive supplementary information, in addition to the reports presented to Cabinet, to better understand the rationale for the budget proposals and to enhance the scrutiny exercise.

Budget and Performance Monitoring

The Committee has received budget monitoring information, showing the updated positions for the corporate budget and delivery programmes and summaries of performance in relation to the Authority's programmes. Members have confirmed their desire to examine on a regular basis budget monitoring and performance management reports. Members also asked that they be provided with training to help them to read and interpret the Authority's budget monitoring reports.

Equality Objectives

The Committee were presented with details of the progress made towards delivery of the Authority's Equality Objectives for 2024/25 and were invited to comment on the plans for setting longer term objectives for 2025-2028, ahead of submission to the Cabinet for approval in June.

EDAF and the Scrutiny Protocol

Throughout the year the Committee has been mindful of the Government's expectations of overview and scrutiny in a combined authority as set out in the English Devolution Accountability Framework (EDAF) and the Scrutiny Protocol for English institutions with devolved powers. The Protocol sets out 18 key principles for good scrutiny. The Committee has undertaken a self-assessment against the 18 key principles and this is set out as Appendix B to this report. The self-assessment sets out details of progress made against each principle and identifies areas for further development in 2025/26.

In summary the Authority has made good progress in developing its overview and scrutiny capacity in terms of appointing, training and briefing a pool of 28 elected members who reflect the area's political and geographical profile and appointing an appropriate person as Chair. The Committee has held the Mayor and Cabinet Members to account and seized opportunities to undertake pre-decision and pre-policy scrutiny. The Committee has worked with the Cabinet and leading officers to formulate a flexible work programme. Positive working relationships with key stakeholders, including the Mayor, Cabinet Members, the Audit and Standards Committee and constituent councils have been established and the local press have attended and reported on the Committee's work. The Committee has regularly reflected on its work and evaluated its impact.

Looking ahead the Authority will need to give further consideration to aspects of the Scrutiny Protocol relating to appointing members to the overview and scrutiny committee on the basis of their experience, interest and skills and providing continuity. Further work will be required to strengthen the processes for monitoring performance and work programming. The Committee will also need to consider how it can make best use of technical expertise and available data, research and analysis to inform its work.

Further Information

Further information regarding the work of the Overview and Scrutiny Committee, including the agenda papers for its meetings, can be found on the [North East CA website](#)

The following documents are referenced in the report and available to view on the links below:

[English Devolution Accountability Framework](#)

[Scrutiny Protocol](#)

[North East Devolution Deal](#)

[North East Deeper Devolution Deal](#)

[North East CA Corporate Plan](#)

If, having read this report, you have any queries regarding the work of overview and scrutiny or if you wish to make a suggestion as to an issue or topic you think should be scrutinised in the future please contact:

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DRAFT

Overview and Scrutiny Committee Membership 2024/25

Authority	Member	Substitute Member
Durham	Councillor Rob Crute	Councillor Carl Marshall
	Councillor Chris Lines	Councillor Sam Zair
Gateshead	Councillor John Eagle	Councillor Stuart Green
	Councillor Dawn Welsh	Councillor Amanda Wintcher
Newcastle	Councillor Colin Ferguson	Councillor Greg Stone
	Councillor Steve Fairlie*	Councillor Linda Wright*
North Tyneside	Councillor Jim Montague	Councillor Pat Oliver
	Councillor Charlie Gray	Councillor Willie Samuel
Northumberland	Councillor Richard Dodd	Councillor Gordon Castle
	Councillor Les Bowman*	Councillor Brian Gallacher*
South Tyneside	Councillor John McCabe	Councillor Shane Smith
	Councillor Andrew Guy	Councillor Jim Yare
Sunderland	Councillor Claire Rowntree	Councillor Tracy Dodds
	Councillor Antony Mullen	Councillor Dominic McDonough

*Councillors Fairlie and Wright and Councillors Bowman and Gallacher swapped roles as member and substitute member in November 2024.

North East CA Overview and Scrutiny

Scrutiny Protocol – Self Evaluation

Principle	Progress	Next Steps
Key Principle 1 – pool of members <ul style="list-style-type: none"> members to have an advanced level of knowledge across a range of subjects. committee members and substitutes should be treated as a single body and have access to the same induction and training opportunities as well as regular subject briefings. well informed and active substitute members also provide a greater pool of membership to ensure that meetings are quorate and enable wider engagement of members across the authority area. 	<p>In June 2024 the Authority appointed 14 members and 14 substitute members.</p> <p>Members and substitutes have been invited to</p> <ul style="list-style-type: none"> an induction event held in June 2024 a series of portfolio plan briefings held during August and September 2024 a budget workshop held in January 2025 a briefing on the Authority's Single Assurance Framework preparatory pre-meetings ahead of each committee meeting <p>and provided with regular written briefings with information and news relating to the work of the Authority and the Committee.</p> <p>Despite the appointment of substitute members, three of six meetings of the committee have been inquorate.</p>	<p>Provide more regular written briefings containing more information about the work of the authority.</p> <p>Explore alternative methods to send reminders to members and to confirm attendance (eg text messaging).</p> <p>Consult members on the date, time and venue of meetings to ensure meetings are convenient.</p>
Key principle 2 – politically balanced membership <ul style="list-style-type: none"> Membership must be politically balanced in line with the proportionality across the institution as far as reasonably possible. 	<p>The membership of the committee reflects the political representation across the Authority's seven constituent councils. In June 2024 members were appointed as follows: 8 Labour, 2 Liberal Democrat, 2 Conservative, 1 Green and 1 Durham Group. The political representation within constituent councils was reviewed in November 2024 but no changes were required.</p>	<p>Review political representation across the 7 constituent councils following the elections on 1 May 2025.</p> <p>Seek nominations for appointment to the committee so that membership continues to reflect as far as possible the political representation.</p>
Key principle 3 – geographically balanced <ul style="list-style-type: none"> the membership should also be geographically balanced as far as possible to ensure that the committee draws on a whole area perspective at meetings. 	<p>The membership is made up of 2 members drawn from each of the 7 constituent councils. The Chair has taken a lead in focussing the committee's proceedings on strategic nature of the Authority's work, seeking clarity in the division of responsibility between the combined and local</p>	<p>Cabinet be recommended to continue to appoint 2 members drawn from each of the 7 constituent councils to serve on the Committee during 2025/26.</p>

<ul style="list-style-type: none"> members should be able to pivot between their local understanding and the need to take a wider strategic/functional view when considering issues applying to the whole institution and the geography it represents. 	<p>authorities and minimising time spent considering local issues.</p>	
<p>Key principle 4 – appointment of chair</p> <ul style="list-style-type: none"> the chair of the committee must be either an independent person or an appropriate person (as defined by legislation). It is the responsibility of the chair to be ‘apolitical’ to ensure the committee remains in line with its terms of reference and is the voice of the committee at meetings. 	<p>The Authority appointed Councillor Colin Ferguson as chair of the committee in June 2024. Councillor Colin Ferguson is an appropriate person by virtue of being a person who is not a member of a registered political party of which the mayor is a member. The Mayor, Kim McGuinness, is a member of the Labour Party and Councillor Ferguson is a member of the Liberal Democrat Party.</p> <p>The Chair has fulfilled his duties impartially and effectively.</p>	<p>Cabinet be recommended to appoint an appropriate person to chair the Committee during 2025/26.</p>
<p>Key principle 5 – sustained appointments made on interest and skills</p> <ul style="list-style-type: none"> it is imperative that those who are appointed to the committee are done so based on their experience, interests, and skill set while also considering geographical and political balance. when seeking appointments, a clear role description should be used to inform interested parties of the key skills required as well as the demands of the role. where possible members should also be appointed for more than one year to enable them to provide continuity to the work of the committee and ensure that the shared level of knowledge remains high. 	<p>The Cabinet appointed members to the Overview and Scrutiny Committee on the basis of nominations received from its constituent councils.</p> <p>An information pack for prospective members about the operation of the Authority and the committee and setting out the Authority’s expectations in terms of experience, interests, and skills was shared with nominating councils in May 2024.</p>	<p>In May 2025 nominating councils be:</p> <ul style="list-style-type: none"> sent an updated information pack; sent their members’ attendance records; invited to submit nominations and indicate where members may be eligible and willing to serve for more than one year. <p>Cabinet be recommended where possible to appoint members for more than one year.</p>
<p>Key principle 6 – well-resourced training</p> <ul style="list-style-type: none"> provide and adequately fund training for all members including knowledge briefings, peer to peer groups, and training on key functions including finance, commercial and data interrogation. This training should include an induction for the chair and members on the institution, its powers, roles, and 	<p>An induction event was held on 18 June 2024 to</p> <ol style="list-style-type: none"> provide an overview of the Authority, its functions, programmes and priorities; establish a shared understanding of the role and focus of the Committee; and begin to determine a work programme and ways of working. 	<p>The Centre for Governance and Scrutiny be asked to deliver induction training on 17 June 2025 for new and returning members appointed to the committee.</p> <p>The Committee consider the use of additional informal knowledge briefings.</p>

<p>responsibilities should be required at the beginning of every municipal year.</p> <ul style="list-style-type: none"> • All members should be offered additional knowledge briefings outside of the formal meeting structure and ahead of reports being presented, where they can have access to further information to assist them in their scrutiny activity. These briefings should be informal and provide a safe space where members feel able to ask those questions that they may not feel able to in a committee meeting. 	<p>Members and substitutes have been offered:</p> <ul style="list-style-type: none"> • a series of portfolio plan briefings held during August and September 2024 • a briefing on the Single Assurance Framework • training to help read and interpret budget monitoring reports • meetings of the North East Member Scrutiny Network supported by the Centre for Governance and Scrutiny <p>and provided with regular written briefings with information and news relating to the work of the Authority and the Committee.</p>	
<p>Key principle 7 – inviting technical expertise</p> <ul style="list-style-type: none"> • technical expertise should be invited to meetings to enhance scrutiny of decisions. Technical experts can provide a different perspective on the issues being discussed at meetings and help members with their line of questioning leading to enhanced scrutiny. • Technical expertise should also be commissioned to provide training and briefings to the chair and members of the committee to support them in their roles and ensure they have access to technical and independent knowledge and information to enhance their scrutiny of the institutions' priorities, performance, and delivery. 	<p>To date the committee has not engaged technical expertise in its proceedings.</p>	<p>In determining its work programme for 2025/26 the Committee identify opportunities to involve technical expertise in its scrutiny exercises where this would add value.</p> <p>It is acknowledged that considerable expertise exists within the memberships of the Advisory Boards.</p>
<p>Key principle 8 – remuneration and status</p> <ul style="list-style-type: none"> • Combined authorities should remunerate committee members and substitutes directly, reflecting the responsibility and status of the role, based on recommendations from an Independent Remuneration Panel (IRP). The chair should receive an additional level of remuneration. • The Committee and its chair should receive some dedicated resource with support provided across a range of areas such as research, policy, and administration. Clear 	<p>The remuneration of members of the Overview and Scrutiny Committee (and Audit and Standards Committee) has yet to be considered by Cabinet.</p> <p>The Committee and the Chair receive support from a Senior Governance Officer, who has been designated as Scrutiny Officer.</p> <p>The Chair meets regularly with the Mayor and senior officers.</p>	<p>Consideration be given to directly remunerating members and substitute members of the Overview and Scrutiny Committee.</p>

processes should be in place for their recommendations to be received and responded to and they should have the visible support of senior officers and Cabinet members. Committees and chairs should have access to information including matters of commercial sensitivity in line with Access to Information Procedure Rules.	<p>A process for the Mayor and Cabinet to receive and respond to recommendations is set out in Part 3.3 of the Constitution.</p> <p>Officers have responded to requests for information. Such requests and responses are recorded within the committee's work programme.</p>	
<p>Key principle 9 – holding the mayor or directly elected leader and the institution to account</p> <ul style="list-style-type: none"> • The Mayor and Cabinet Members should commit to engage regularly with the committee both informally and formally and must attend the committee when requested. It should be standard practice for them to attend to present any reports within their portfolio alongside the appropriate officers. • There should be a standing invitation for the chairs of the committees to attend cabinet meetings to create an opportunity for the committee's comments on particular proposed decisions or issues to be shared directly. 	<p>The Mayor joined the Committee's meeting on 8 October 2024 to present and discuss her manifesto priorities and the associated opportunities and challenges. The Mayor has met informally with the Chair of the committee.</p> <p>Members of the committee met informally with each Cabinet member in August and September 2024 to examine their portfolio plans.</p> <p>Councillor Tracey Dixon has attended a meeting to present details of the Education Improvement Programme and Supporting People into Employment.</p> <p>Councillors Glen Sanderson and Dame Norma Redfearn have been invited to attend meetings but were unable to attend.</p>	<p>The Mayor be invited to attend the first meeting of the year on 15 July 2025 to present an annual report.</p> <p>Cabinet Members routinely be invited to attend meetings of the Committee when items falling within their portfolio are to be considered.</p> <p>The Chair and Vice Chair be invited to attend Cabinet meetings to present the Committees comments and/or recommendations on matters which have been subject to pre-scrutiny.</p> <p>A Protocol be prepared and agreed to describe and regulate the working relationship and practices between the Mayor, Cabinet and Overview and Scrutiny Committee.</p>
<p>Key principle 10 – participation in pre-policy and pre-decision scrutiny</p> <ul style="list-style-type: none"> • The practice of bringing decisions for scrutiny shortly before they are taken should be avoided. Instead, members should be engaged early in the development stage of a policy so that they can help shape its design and add real value. • the committee should have regular opportunities to consider the Forward Plan of 	<p>The Committee has been given an opportunity to comment and shape the following strategies and programmes at an early stage of development:</p> <ul style="list-style-type: none"> • Education Improvement Programme • Supporting People into Employment • Equalities Objectives • Leamside Investment Corridor • the future strategic direction of the North East Strategic Place Partnership 	<p>Work with Mayor, Cabinet and SLT to obtain a longer term view of key decisions to be taken by Cabinet, including the formulation of key plans and strategies and identify further opportunities for pre-decision and pre-policy scrutiny to be included its work programme.</p> <p>Consider the definition of a key decision.</p>

<p>key decisions to have sight of the work and determine those areas for further scrutiny.</p> <ul style="list-style-type: none"> • The Authority should ensure that there is a culture of the Forward Plan being used appropriately with decisions being placed on the plan well in advance of them being taken. • The committee should contribute to all policy and strategy development in respect of high-profile complex issues affecting the whole geographical area • when a report is taken to Cabinet for a decision, the committee's comments and amendments can be highlighted • To inform their scrutiny of policies and decisions, and using all available evidence or assessments, members should consider the viability of funding sources, financial propriety, and the extent to which the policy or decision being scrutinised is likely to provide value for money. 	<p>The Forward Plan is made available to members of the committee. As the Forward Plan currently provides 28 days notice of key decisions it has been of limited use in determining areas for scrutiny.</p> <p>The Committee has considered and commented on the draft Corporate Plan, 2025/26 Budget, Local Transport Plan, it is due to consider the Local Growth Plan and it has examined North East Environmental Stewardship, Coast and Rural Growth Investment Plan and Bus Reform project.</p> <p>The Committee's comments in relation to the proposed approach to regional highways maintenance funding were not reported to Cabinet.</p>	
<p>Key principle 11 – provision to call in</p> <ul style="list-style-type: none"> • The committee should use their power to 'call in' decisions to ensure that any decisions receive further scrutiny where the committee thinks it is necessary. However, good scrutiny should focus on uncovering potential issues with decisions before they need to be called in. 	<p>A call-in process is available as set out in Part 3.3 of the Constitution.</p> <p>This has not been used in 2025/26.</p>	
<p>Key principle 12 – regular performance monitoring</p> <ul style="list-style-type: none"> • regular performance monitoring reports highlighting where further scrutiny could support delivery against a target, including any outcomes that may have been agreed as part of devolution deals. 	<p>Budget monitoring reports and a programme performance pack have been presented to the Committee but a clear and consistent approach to performance monitoring as part of the overall performance management framework is in development.</p>	<p>Determine a clear reporting method and cycle to receive and examine appropriate level of performance monitoring reports.</p>
<p>Key principle 13 – robust work planning</p> <ul style="list-style-type: none"> • Areas highlighted through performance monitoring should formulate the skeleton of the committee's work programme. 	<p>Work programme agreed but identification of topics and selection criteria need development.</p>	<p>Develop a regular process for work programming which involves:</p> <ul style="list-style-type: none"> • The sharing of information with the Committee to inform its planning including:

<ul style="list-style-type: none"> the work programme should remain robust and flexible enough to cope with change and as policy development evolves and should combine long term pre policy scrutiny interspersed with more immediate performance scrutiny. Committees should have a clear process by which it develops its work programme, which engages with officers, Cabinet members, constituent members, partner organisations and residents. 		<ul style="list-style-type: none"> performance management reports a longer term forward plan of key decisions and strategies input from Cabinet, SLT and other stakeholders evaluating potential topics selecting appropriate methods of scrutiny
<p>Key principle 14 – focused task and finish exercises</p> <ul style="list-style-type: none"> The chair and members should consider when it is relevant to focus on an area of the work programme through task and finish activities Their reports and recommendations must be published, endorsed by the Committee and formally received and responded to by the Authority within two months. The committee should monitoring the progress against these recommendations. 	<p>The Committee considered appointing a task and finish group to examine the business case for the re-opening of the Leamside Line. However relevant officers advised that the outline business case for the re-opening of the line to extend the metro to Washington will not be complete until 2026 and so it may be more appropriate for the Committee to receive a series of reports at key points in the project.</p>	<p>Consider the use of task and finish groups as part of determining the work programme.</p>
<p>Key principle 15 – strong relationships with stakeholders</p> <ul style="list-style-type: none"> The committee should invite stakeholders to meetings, including members and officers of constituent local authorities. Local press and media must be able to play a key role in facilitating public accountability, with opportunities created for them to engage with the committees, its members, and their work, and findings. The Authority should consider how they use their communications function to publicise the committee, and its members, work, and findings the committee's work should complement that of the constituent council's scrutiny committees rather than create duplication. 	<p>A representative from Homes England attended a meeting to discuss the Strategic Place Partnership.</p> <p>The local democracy reporting service attends and reports on all meetings of the committee.</p> <p>The scrutiny officer has met with the scrutiny officers in each constituent council to share information and co-ordinate work programmes.</p> <p>Members and officers participate in the North East Regional Scrutiny Network.</p> <p>The committee has referred an issue in relation to highways maintenance funding to scrutiny committees in constituent councils.</p>	<p>Seek to engage and involve more external stakeholders when formulating the future work programme and scrutiny exercises.</p> <p>Issue proactive communications to publicise and promote the work of the Committee.</p> <p>Continue to work with constituent councils to co-ordinate scrutiny exercises.</p>

<ul style="list-style-type: none"> • There is also a role for members of the committee in ensuring effective links with constituent local authority scrutiny committees through appropriate information sharing and ensuring the interconnection of work programmes. 		
<p>Key principle 16 – regular self-evaluation and reflection</p> <ul style="list-style-type: none"> • Members should come together regularly to reflect and direct their own work programme and the resulting outcomes. • An annual report should be published to broadcast and demonstrate how the committee's work influences and benefits the outcomes. This should be formally considered by Cabinet. • The Authority should also commit to undertake its own evaluation exercises, including seeking feedback from key partners. 	<p>The work programme is reported to each meeting of the committee for review and revision.</p> <p>Members have informally considered their work programme at workshops held in June, January and April.</p>	<p>Members of the Committee met on 1 April 2025 to</p> <ol style="list-style-type: none"> a) review and reflect on its operation over its first year b) assess its compliance against the scrutiny protocol c) draft an annual report d) begin to determine priorities and ways of working for 2025/26 and beyond.
<p>Key principle 17 – access to data, research and analysis</p> <ul style="list-style-type: none"> • The committee should use data to improve its knowledge and understanding of performance, learn lessons and share best practice. • The Office for Local Government (Oflog) will provide authoritative and accessible data and analysis about performance. This should be considered as part of committee business. 	<p>Oflog was closed in December 2024.</p>	<p>In determining its future work programme the Committee should consider</p> <ol style="list-style-type: none"> a) developing a process through which it regularly receives performance data with due regard to the Authority's performance management framework, and b) explore how it might work with the Authority's Data and Insights Team to support its work.
<p>Key principle 18 – strong relationship with audit committees</p> <ul style="list-style-type: none"> • The committees should work in tandem with the Audit Committee and should be agreeing how to manage shared areas of interest and responsibility and work collaboratively. • Work programmes of each committee should be informed by each other's work and recommendations shared where appropriate. 	<p>The Chair of the Committee meets regularly with the Chair of the Audit and Standards Committee.</p> <p>Members of the Overview and Scrutiny Committee were invited to join with members of the Audit and Standards Committee to receive a briefing in relation to the Single Assurance Framework.</p>	<p>The Committee continue to work in conjunction with the Audit and Standards Committee.</p> <p>The Committee's Annual Report be presented to the Audit and Standards Committee in July 2025.</p>

<ul style="list-style-type: none"> • Regular meetings should be organised between the chair of Audit and the chair of Scrutiny. • Audit committees should receive dedicated resource and there should be clear processes in place for their recommendations to be received and responded to as appropriate. • Audit committees should also publish an annual report to broadcast the work of the committee and this should be formally considered by Cabinet. • The Authority should also commit to undertake its own evaluation exercises. 	<p>Both committees are supported by a Senior Governance Officer who works with members and officers to formulate and co-ordinate both work programmes.</p> <p>An annual report from the Audit and Standards Committee is being compiled and will be reported to Cabinet.</p> <p>A review of the effectiveness of the Audit Committee arrangements is being undertaken.</p>	
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