

## **Cabinet**

**18 March 2025**

(2.00pm)

Meeting held in: Mayors Parlour, City Hall, Sunderland

### **Minutes**

**Present:** Mayor Kim McGuinness (Chair)  
Councillor Tracey Dixon  
Councillor Martin Gannon  
Councillor Karen Kilgour  
Councillor Amanda Hopgood  
Councillor Kevin Johnston  
Councillor Glen Sanderson  
Councillor Carl Johnson  
John McCabe, Business Cabinet Member  
Martin Brookes, CVS Cabinet Member

#### **C71/03/25 Apologies for Absence and Substitutes**

Councillor Michael Mordey, Councillor Kevin Johnston attended the meeting as his substitute. Dame Norma Redfearn DBE, Councillor Carl Johnson attended the meeting as her substitute.

#### **C72/03/25 Declarations of Interest**

John McCabe declared in relation to the item on Creating Real Opportunity: The Interim North East Local Growth Plan – He is the Chair of the North East Chamber of Commerce, which is the lead representative body on the local skills improvement plan.

#### **C73/03/25 Mayor's Announcements**

In her announcements Mayor Kim McGuinness:

- Thanked the Cabinet and officers for all the support during her recent absence. She also thanked the NHS that supported her and did everything to ensure she recovered well.
- Congratulated Newcastle United for winning the Carabao cup, expressed the hope that Sunderland AFC would secure promotion to the Premiership and that Gateshead FC progress to the play-offs and gain English Football League status.
- Welcomed the new Directors, who had all begun work this month:  
Charlotte Carpenter – Director of Skills, Inclusion and Public Service Reform  
Alan Reiss – Director of Operations  
Phil Witcherley – Director of Economic Growth and Innovation.

- Welcomed the return after a period of illness of Toby Hughes – Director of Transport.
- Acknowledged that Dame Norma Redfearn would not be seeking re-election as Mayor of North Tyneside Council and what a loss that was. Mayor McGuinness thanked Dame Norma for her dedicated work in ensuring the North East achieved fully devolved powers. Dame Norma was the constant leader throughout the process, who was an inspiring voice across the region and a personal mentor. Several cabinet members also expressed their thanks stating that Dame Norma was an immensely popular and effective politician, who provided the stability and commitment throughout the devolution process and was dedicated to public service.

#### **C74/03/25 Minutes**

**Resolved** that the minutes of the meeting held on 28 January 2025 be confirmed and signed by the Mayor as a correct record.

#### **C75/03/25 The Mayor's Local Transport Plan and Transport Investments**

Cabinet received a report that sought endorsement of the Mayor's publication of the Local Transport Plan (LTP). The LTP had been finalised following extensive public consultation along with the LTP Delivery Plan. The report outlined £208m of Local Transport Plan projects, the first phase of £800m of investment the Mayor would make across the region's transport network over the next three-year period. The investment in the LTP Delivery Plan outlined Mayoral transport priorities and projects that would transform transport in the region by 2027.

Members welcomed the report, stating that the Plan and its investments would provide the infrastructure that would enable an accessible, reliable, affordable, and safe transport network; and was essential to residents to access services, education, training, and employment across the region.

The Mayor and Cabinet **Resolved to:**

1. Note the changes to the Local Transport Plan and LTP Delivery Plan that had been made arising from consultation responses as set out in Appendix D.
2. Publish:
  - a. The finalised Local Transport Plan shown in Appendix A and summarised in Appendix B
  - b. The LTP Delivery Plan shown in Appendix C
  - c. The LTP consultation overview and findings report shown in Appendix D
  - d. The Integrated Sustainability Appraisal (ISA) shown in Appendix E
  - e. The Transport Asset Management Plan shown in Appendix F
3. Delegate authority to the Chief Executive to:
  - a. Make minor changes to the LTP and its associated documents to reflect changes approved by Cabinet
  - b. Make any textual or grammatical corrections to the LTP and its associated documents.
  - c. Progress associated procurement activity and award contracts as set out in recommendations 4 and 5.
4. Accept the following transport grants, noting the associated conditions set out by the Department for Transport (DfT):
  - a. £116.852 million in capital funding through the City Region Sustainable Transport Settlement (CRSTS) for financial year 2025/26 as outlined in section 1.2.5.

- b. £23 million in capital funding bringing Durham into the CRSTS programme in 2025/26 and 2026/27 as outlined in section 1.2.10.
  - c. £9.85 million in resource (revenue) funding for capacity and capability building in support of CRSTS 1 delivery, and to build longer term local transport planning and delivery capacity as we look towards CRSTS 2 as outlined in section 1.2.12.
  - d. £21.7 million of capital for increased highways maintenance in 2025/26 as outlined in section 1.4.
  - e. £15.8 million in capital funding from the Local Electric Vehicle Infrastructure (LEVI) Fund as outlined in section 1.5.
5. Approve the investments set out below:
- a. £21.7 million of increased highways maintenance funding for 2025/26 to be allocated to constituent highways authorities as outlined in section 1.4.
  - b. £0.45 million of CRSTS capacity funding for the procurement of a study which identifies infrastructure assets that are critical to the proper functioning of the regional transport network as outlined in section 1.3.7.
  - c. £1.1 million of CRSTS capacity funding to procure a contract for the independent appraisal of transport schemes inclusive of those schemes in the CRSTS programme outlined in section 1.2.15.
  - d. £15.8 million in LEVI Funding for awarding supplier contracts for all phases of delivery as outlined in section 1.5.
  - e. £106.498 million of CRSTS capital funding inclusive of overprogramming, for the Active Travel Programme Business Case, with onward approvals of schemes to be managed through Finance and Investment Board, in line with the Single Assurance Framework as outlined in section 1.2.8.
  - f. £8.180 million of CRSTS capital funding supplementing the £4.58 million of Transforming Cities Funding approved in July 2024 for the North Shields Ferry Landing scheme, delegating authority to the Chief Executive in consultation with the Mayor and Portfolio holder for Transport, subject to the conclusion of appraisal and due diligence in line with the Single Assurance Framework, to enter into a Grant Funding Agreement with Nexus to the value of £12.760 million.

### **C76/03/25    Creating Real Opportunity: The Interim North East Local Growth Plan**

Cabinet received a report that sought endorsement of the Interim North East Local Growth Plan, Creating Real Opportunity. The Plan would be a key strategic document for the region, setting out proposals for how to grow our economy and improve living standards. It covered the full range of the Combined Authority's programmes, connecting the National Industrial Strategy, and met the guidance for Local Growth Plans set out by National Government.

The Plan was structured around the Combined Authority's missions and set out a range of activities related to the growth of key sectors and cross-cutting issues including: investment in skills, improving access to employment, tackling child poverty, reducing the digital divide, improving housing, creating a better transport system, and increasing innovation.

It highlighted several ambitious outcomes to be achieved over the 10-year lifespan of the Plan, including:

- Home to a growing and vibrant economy for all - Thousands more good jobs to be created, contributing to higher levels of employment and rising take-home pay.
- Home of the green energy revolution - The North East 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 - Welcome international companies to the North East, exceeding national average levels of Foreign Direct Investment, whilst also seeing the proportion of international visitors increase.
- Home of real opportunity - Every child to have access to opportunity, while improvement in skills and health outcomes and a substantial reduction in child poverty.
- A North East we are proud to call home - More affordable and social homes to be built, alongside the delivery of a green, integrated, transport network that would connect everyone.

Following a period of consultation and engagement with Government and stakeholders in the region – supported by ongoing engagement with our Cabinet members, Business and Economy Board, VCSE Leadership Board, Universities, and other key partners – full publication of the Local Growth Plan would take place in Summer 2025.

Members stated that the Local Growth Plan was a strong document and with a lot of component parts that reflect the whole region. It was an important document that was built on a lot of evidence and collaboration. The Plan was clear about accentuating the positives of the region to start and grow for business and create wealth.

It was acknowledged that there was focus of the strength of the region in offshore wind and green energy, culture & creativity, and advanced manufacturing, digital and technology.

The Plan's emphasis on foundational economy was also noted, along with its focus on child poverty. It was also welcomed that the Plan recognised of the role of Voluntary & Community sector and its contribution to growth in the region.

In response to a question on what the next steps in the promotion of the Local Growth Plan were and how the constituent local authorities would be able to support, the Mayor informed Cabinet that extensive consultation was planned which would include engagement in person, online and public roadshows and encouraged people to take part.

#### **Resolved:**

1. Approve the Interim North East Local Growth Plan, as a basis for consultation within the region;
2. Delegate approval to the Chief Executive, in consultation with the Mayor and appropriate Cabinet Members, to put in place appropriate measures to support the development and implementation of the priorities identified within the Interim Local Growth Plan, including in discussions with national government departments and agencies.
3. Agree to receive further updates on the Local Growth Plan, including a final version of the plan.

#### **C77/03/25 North East Combined Authority Excellence in Education Programme**

Cabinet received a report that sought approval to develop and deliver a North East Excellence in Education Programme, that looked to address regional educational disadvantage and delivering on the North East CA's Mission 1: Home of Real Opportunity.

The programme would operate to priorities emerging from the Mayor Child Poverty Reduction Unit and build upon the knowledge and insights of the seven constituent Local Authority School Improvement Teams. It would help to create a home of real opportunity, where all children and young people – regardless of their background - would have equal opportunities to realise their potential. Supporting children to access a better start in life, would improve life chances, unlock economic potential, and reduce pressure on public services in the long term. The Excellence in Education programme would support work within the Public Service Reform Portfolio and complement in-school careers programmes currently delivered within the Education, Inclusion and Skills portfolio.

Collaboration with the Department for Education (DfE) would ensure that the programme would complement emerging national initiatives, including new Regional Improvement for Standards and Excellence (RISE) teams.

No financial support package had been secured from the DfE, however there was commitment to address educational disadvantage and Special Educational Needs and Disabilities (SEND) provision pressures. The programme would ensure the positioning of future developments and funding from Government.

Priority one projects and interventions would focus on school attendance, social, emotional mental health and wellbeing of children and young people, and transitions into school and between phases for the most disadvantaged pupils.

Priority two would address development in literacy, oracy (speaking and listening) and mathematics for the most disadvantaged children and young people and promote cultural capital and personal development. There was recognition that the most impactful factor to support improved outcomes for children (especially those experiencing disadvantage) was quality of teaching.

Priority three focused on the skills, resilience, and leadership of teachers, to create a sustainable culture of excellence. This included coaching and mentoring, and high-quality professional development to complement existing provision.

Members welcomed the report.

#### **Resolved:**

1. Subject to full business case appraisal and in line with the Single Assurance Framework, approve an indicative funding allocation of £5,000,000 from the Investment Fund for a three-year North East CA Excellence in Education Programme, with authority delegated to the Chief Executive for implementation, in consultation with the Portfolio Holder and Finance and Investment Board.
2. Delegate authority to the Chief Executive to commence procurement activity and award contacts through the Children and Young People's Flexible Procurement Framework.

#### **C78/03/25     Unlocking Finance for North East Businesses to start and to grow**

Cabinet received a report that updated the work undertaken, including progress made on the procurement of Fund Managers for the new funds. The report sought final approval of the £70million of North East CA resources required to establish the funds, and for delegations to the Chief Executive to implement the proposals.

The investment would aid meeting the North East Mayor's commitment to support new and growing business across the region to create jobs and grow the regional economy and would be consistent with the CA's ambitions. The importance of access to investment to support business innovation and growth was also recognised in the Interim Local Growth Plan and Government's Plan for Small Business.

Members welcomed the report and stated that it was a massive boost for the Small, Medium Enterprise community and universities.

**Resolved:**

1. The approach to unlocking finance for North East businesses to start and grow, as set out in the report, and for £70 million of North East CA Investment Fund to be invested into the creation of these new strategic investment funds, which are collectively expected to unlock over £350 million of investment in regional businesses and 2,300 jobs over 15 years.
2. That the Chief Executive, in consultation with the Mayor and relevant portfolio holders, is authorised to undertake the next steps and take decisions relating to implementation of the proposals, including all necessary procurement decisions, in line with the parameters approved by North East CA Finance and Investment Board, which include:
  - finalisation of the investment strategy and funding arrangements for the fund(s);
  - award of £70 million of funding, in the required proportion of grant and loan, to The North East Fund Limited, the regionally-owned holding company responsible for these funds.
3. To receive a future report on the overall status of financial arrangements now under the control of the North East CA, including legacy arrangements, and proposals on how they may be streamlined in terms of their operation, including any required future changes to the governance structures of the North East Fund Ltd to facilitate the approach set out.

**C79/03/25 Delivering our Ambition for the Regional Visitor Economy**

Cabinet received a report that sought endorsement to the direction of travel and approval to the approach set out in the report as the basis for further in-depth engagement with national strategic partners, existing Local Visitor Economy Partnerships, all North East local authorities, and the wider sector and business community. With the intention that a final proposed approach to increasing the Visitor Economy, including implications for existing delivery structures, would be considered by Cabinet in the summer 2025.

**Resolved to:**

1. Note the content of the report and endorse the proposals as the basis for a structured engagement programme with regional and wider industry stakeholders.
2. Agree to the provision of time limited financial support of £138,000 to deliver these proposals from the North East CA Investment Fund, matching the funding already committed by DCMS.
3. Receive a further report setting out the outcome of engagement and proposals for new regional capacity to deliver the region's ambition to grow the visitor economy, including financial and operational implications for the North East CA and partners.

*(Councillor M Gannon left the meeting at this point)*

**C80/03/25 The North East CA Strategic Risk Review (6 monthly update)**

Cabinet received a report that provided a 6-monthly update on the North East CA's strategic risks in line with the governance and risk management arrangements established within the North East CA's Risk Management Framework.

Cabinet reviewed the current strategic risks, scoring and proposed management actions set out in the report and considered whether there were any new or emerging risks for inclusion in the strategic risk register.

**Resolved:**

1. To agree the current strategic risks, scoring and proposed management actions at Appendix A.
2. That there were no new and emerging risks for inclusion within the strategic risk register.

**C81/03/25 Programme Delivery Update**

Cabinet received a report that provided an updated forecast of programme delivery expenditure for 2024/25 at Q3, as reported to Finance and Investment Board. The report included the Q3 corporate budget position, with details of variances.

**Resolved:**

1. Note the updated forecast programme delivery plan position for 2024/25; and
2. Note the corporate overheads position for 2024/25.

**C82/03/25 North East CA Adult Skills**

Cabinet received a report that provided an update on provision delivered through the North East Combined Authority devolved Adult Skills Fund (ASF) and Skills Bootcamp funding for the 6-month period from 1 August 2024 to 4 February 2025. The report also set out a proposed approach to allocating the ASF and Skills Bootcamp funds in financial year (FY) 2025-26 and sought Cabinet approval.

The report was welcomed, and it was stated that information presented demonstrated that targeted funding had positive outcomes including enabling people entry into employment.

**Resolved to:**

1. Note the progress that had been made on the delivery of the Devolved Adult Skills Fund (ASF) from 1 August 2024 and the North East CA's Skills Bootcamp programme from 1 June 2024.
2. Approve the proposal set out in paragraph 4.2 of the report that current Grant Funding agreements and Contract for Service in place for ASF funding in AY 2024-25 be extended for one year and providers receive an allocation for AY 2025-26 with a 2.8% reduction applied to core ASF delivery. This would result in 20 Grant Funding Agreements with an overall value of £48,041,216, and 25 Contracts for Service with an overall value of £14,268,173.

**C83/03/25 Exclusion of Press and Public**

**Resolved** that, by virtue of paragraph 3 of Part 1 of Schedule 12A of the Local Government Act 1972, press and public be excluded because exempt information was likely to be disclosed and the public interest test against the disclosure was satisfied.

**C84/03/25 North East CA Adult Skills**

Cabinet considered and approved the information which included details of contracts and programmes for the delivery of Skills Bootcamps for FY 2025-26.

**Resolved to:**

1. Approve the proposal set out in paragraph 7.1 of the report that current Contracts for Service in place with providers for the delivery of Skills Bootcamps for FY 2024-25 be extended for a further financial year FY 2025-26. Extensions to the current Contracts for Service would utilise £16,673,259 of the £27,385,121 allocation.
2. Approve the proposal set out in paragraph 7.3 of the report to procure the remaining £9,350,498 of the FY 2025-26 Skills Bootcamp allocation by holding a mini competition for suppliers on the Adult Skills Procurement Framework in line with agreement made at November Cabinet.

**C85/03/25    Town Centre and High Street Transformation**

Cabinet received a report that sought approval of up to £18,204,912 of funding from the North East CA's Early Capital Fund and Investment Fund to South Tyneside Council to contribute toward the costs of developing a new 14,000 sqm college campus in South Shields town centre.

**Resolved to:**

1. Approve in principle the award of up to £18,204,912 of funding from the North East CA's Early Capital Fund and Investment Fund to South Tyneside Council to contribute toward the costs of developing a new 14,000 sqm college campus in South Shields town centre.
2. Delegate authority to the Chief Executive in consultation with the Mayor, relevant Portfolio Holders and the Finance and Investment Board to approve the final business case for the new South Tyneside College Campus and to take all steps necessary to implement the final business case in accordance with the Single Assurance Framework.
3. Agree to receive an update from the Chief Executive following approval of the business case.