

A meeting of the: **Cabinet**

will be held on: **Tuesday 23 September 2025**

at: **2.00pm**

in: **Great Hall, Discovery Museum, Newcastle**

The meeting will be livestreamed and available to view on the Authority's YouTube channel via (www.youtube.com/@NorthEast_CA/streams).

AGENDA

Page No

1. **Apologies**
To record any apologies for absence and the attendance of any substitute members.
2. **Declarations of Interest**
Cabinet Members 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. **Announcements**
To receive any announcements from the Mayor and/or the Chief Executive.
4. **Minutes**
To confirm as a correct record the minutes of the previous meetings held on 22 July 2025. 1 - 8
5. **Delivering the Mayor's Local Transport Plan**
To consider and approve transport projects that will help deliver the Mayor's Local Transport Plan, including some Mayoral Manifesto Commitments. 9 - 16
6. **Regeneration and development of the central areas of Newcastle and Gateshead**
To consider and seek approval of the proposed approach to developing the strategy for the regeneration of the central areas of Newcastle and Gateshead. 17 - 23
7. **The North East CA Strategic Risk Review (6 monthly update)**
To consider the 6-monthly update on the North East Combined Authority's strategic risks in line with the governance and risk management arrangements established within the North East CA's Risk Management Framework. 24 - 49

8. **Budget Monitoring Update 2025-26 Quarter 1**
To receive the 2025/26 budget plan at the end of the first quarter (1 April to 30 June 2025), showing the updated forecast spend for the corporate budget and delivery programmes. 50 - 55
9. **Portfolio Advisory Boards Update**
To inform Cabinet of the agreed terms of reference and membership of the North East CA Portfolio Advisory Boards. To follow
10. **Exclusion Resolution**
To consider passing the following resolution: "Resolved that under Section 100A(4) of the Local Government Act 1972 (as amended) and having applied a public interest test as defined in Part 3 of Schedule 12A of the Act, the press and public be excluded from the meeting for consideration of the following appendix on the grounds that it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Act." (Information relating to the financial or business affairs of any particular person (including the authority holding that information).)
11. **FIFA Women's World Cup 2035™**
To consider an investment proposal. 56 - 59
12. **Next Meeting**
To note that the next meeting of Cabinet is scheduled to be held on Tuesday 25 November 2025 at 2.00pm.

Contact Officer:
Paul Wheeler, Democratic Services Officer
E-mail: paul.wheeler@northeast-ca.gov.uk
Tel: 0191 277 4234
www.northeast-ca.gov.uk

Cabinet

22 July 2025

(2.00pm)

Meeting held at: Dunston Activity Centre, Gateshead

Minutes

Present: Mayor Kim McGuinness (Chair)
Councillor Andrew Husband
Mayor Karen Clark
Councillor Tracey Dixon
Councillor Martin Gannon
Councillor Alexander Hay
Councillor Michael Mordey
Councillor Glen Sanderson
Emily Cox, Business Cabinet Member
Martin Brookes, CVS Cabinet Member

In Attendance: Joy Allen, Police & Crime Commissioner - Durham
Susan Dungworth, Police & Crime Commissioner - Northumbria

C15/07/25 Apologies for Absence and Substitutes

John McCabe, Business Cabinet Member, Emily Cox attended the meeting as substitute.
Councillor Karen Kilgour, Councillor Alexander Hay attended the meeting as substitute

C16/07/25 Declarations of Interest

There were no declarations of interest.

C18/07/25 Mayor's Announcements

In her announcements Mayor Kim McGuinness:

- Thanked all the Trustees and staff of the Dunston Activity Centre for hosting the meeting and the welcome received.
- Informed Cabinet of her recent visit to New York, USA, working and learning with 47 Mayors from across the world. The event was organised by Bloomberg Harvard City Leadership Initiative, and had looked at how to tackle similar concerns, including opportunities for young people, child poverty, creating interconnected transport systems and skills for jobs. The most important aspect was exploring solutions and sharing ideas to deliver change quickly around the region.

- Informed Cabinet that she had met with investors who were interested in the groundbreaking opportunities in the region including QTS Blackstone and others in relation to investment in Cambois, Northumberland and stated that it was a real sign that investors were interested in investing in the real opportunities of the region and discussions were to continue to make that happen.
- Reminded Cabinet of the secured £1.85billion investment to improve transport in the region, which would enable the extension of the Metro to Washington, the first new line in 30 years and the completion of the refurbishment work to the Tyne Bridge.
- Referred to the further investment that had been secured to replace the 40-year-old Metro signalling system and the go-ahead for the dualling of the A66 Trans Northern Pennine scheme that would be a massive boost to Durham and would connect the region to Cumbria. The investments were welcomed and the Mayor was committed to continue pursuing further funding for roads and the transport network across the region.
- Spoke of her visit to Turntide Technologies, an engineering and technology firm that had consolidated three areas of its business together onto one site in Gateshead. The company designed and manufactured innovative electric motors, power electronics energy storage and thermal management systems. The Mayor noted that battery technology had been pioneered in the region and was being used in many areas of day-to-day life including heavy construction vehicles, working in motorsport with McLaren, and manufacturing batteries that would go into the battery powered trains that would be built by Hitachi in Newton Aycliffe. The work was building on the other green energy initiatives and businesses at the Port of Tyne and the Port of Blyth that was seeing billions of pounds of investment that would create thousands of jobs and training opportunities.
- Informed Cabinet that she spoken to a classroom of Easington students who challenged what was being done to combat climate change. The Mayor emphasised that the Combined Authority had to act in the best interests of the future generation. The North East was leading the way for the green sector and was recognised across the world, it was already delivering jobs and opportunities.

C19/07/25 Minutes

Resolved that the minutes of the meeting held on 10 June 2025 be confirmed and signed by the Mayor as a correct record.

C20/07/25 Delivering the Mayor's Local Transport Plan

Cabinet received a report that sought authority to take forward several activities in the transport delivery plan using existing funding for the period leading up to 2027.

The allocation of £27.2 million of funding comprised

- £16 million of Bus Service Improvement Plan funding to support local bus services across the region through to March 2027.
- £6.3 million of TCR funding brought forward into the current delivery period with the agreement of the Chancellor of the Exchequer and the Department for Transport to fund the gap in the budget for the restoration of the iconic Tyne Bridge, ensuring that it would reopen in time for its centenary in 2028.
- £5.9 million of CRSTS funding for the North Shields Ferry Landing, ensuring a full funding package was available for the delivery of the scheme, a key enabler of the economic regeneration of the North Shields Fish Quay.

The report also recommended:

- Cabinet delegate approval to procure and award two concession contracts to replace and operate existing electric vehicle (EV) charge-points at 7 sites across the region, seeing up to 18 public charge points upgraded, enhancing the customer experience.
- The endorsement of the draft Key Route Network (KRN), a network of the most important local roads in the region based on their role as key transport arteries and their economic and spatial significance. Agreeing a draft KRN would ensure that the Mayor and Cabinet had a clear and reasoned road hierarchy to assist the co-ordination of investment, improve transport network performance and build a more sustainable and resilient regional network.

Members welcomed the £1.85 billion transport investment from Government and said that the funding would enable the delivery of the schemes in the local transport plan that would improve the connectivity across the region.

The investment to continue the link across the River Tyne through the investment in the North Shields Ferry Landing and the refurbishment work to the Tyne Bridge in time for its centenary in 2028 was crucial. It was also stated that there had been a need to update the Metro system for many years, and the investment secured by the Combined Authority demonstrated the progress to improve and expand the service to enable citizens from across the region to access attractions, employment, and training opportunities.

Cabinet resolved to:

Approve the capital investments outlined below, enabling the payment of funding and the establishment of Grant Funding Agreements with Nexus and Newcastle City Council:

- a. £6.3 million of capital funding, brought forward from the region's Transport for City Regions funding for the Newcastle City Council, Tyne Bridge Restoration project, subject to the receipt of written agreement from the Department for Transport.
 - b. £5.9 million of CRSTS capital funding for the Nexus North Shields Ferry Landing scheme
1. Approve £16 million of Bus Service Improvement Plan revenue funding to support bus services, in line with the financial allocations outlined in Section D of the report, enabling the payment of funding and establishment of Grant Funding Agreements with Nexus, Northumberland County Council and Durham County Council.
 2. Delegate authority to the Chief Executive to progress associated procurement activity and award two concession contracts to replace and operate electric vehicle charge-points on 7 sites outlined in Section 1.4 of the report.
 3. Agree the draft map of a North East Key Route Network (KRN), outlined at Appendix 1 of the report.

C21/07/25 New Deal for North East Workers

Cabinet received a report that presented the North East CA's employment and skills strategy, New Deal for North East Workers, which brought together employment and skills programmes in one five-year plan to make the region the home of real opportunity and drive delivery of the Mayor's Manifesto, the Local Growth Plan, and each of the five missions of the Combined Authority's Corporate Plan.

The New Deal for North East Workers set out the investment to remove barriers to success for business and workers alike. It recognised that the people of the North East were its greatest asset and by boosting skills and careers support, improving household incomes, and enhancing health and wellbeing would deliver a better quality of life and tackle child poverty. Employers would be

22 July 2025

able to recruit more of the skilled staff they need and invest in workforce progression to support and grow every part of our economy, from leisure and hospitality to advanced engineering.

The strategy was built with the input from skills providers, business, and trade unions. The four key aims being:

- ***Build a bigger, better skilled, and more diverse workforce***
All residents and employers should benefit from the same high-quality and consistent offer around training and development underpinned by an integrated, stable, and reformed employment and skills sector.
- ***Create career pathways that enable employers to recruit and retain skilled staff***
Make sure employers in our key growth sectors and the foundational economy can recruit from a diverse, stable, and productive workforce with a wide range of skills – and that employers offer good jobs with opportunities for progression to people from all backgrounds.
- ***Targeted support to improve employment rates for all residents***
Support residents with health conditions and disabilities, or other barriers, to develop their skills, find rewarding work and build productive, healthy, and independent lives. Inspire and encourage young people to grow up with the skills, confidence, and aspirations to reach their full potential.
- ***Tackling barriers that prevent residents getting into and getting on at work***
Give people from all backgrounds and from all parts of the North East access to the basic services and conditions they need to participate in education and training, including affordable child and social care, reliable public transport, fair wages, and secure employment terms.

It was noted that there would be ongoing engagement with Cabinet members, the North East CA Business and Economy Board, VCSE Leadership Board and other key partners and detailed action plans for each of the four priorities would be developed. It was anticipated that the New Deal for North East Workers would be launched in the Autumn, followed by a high-profile regional campaign and support programme to deliver the four priorities and strategic actions set out in the plan.

The Mayor encouraged everyone to engage in the consultation and to express their views, stating that there was a need to have a broad representation of the people from all parts of region to help shape the plan.

Cabinet resolved to:

1. Endorse the employment and skills strategy 'New Deal for North East Workers' (attached at Appendix 1) for launch in the Autumn, which would be followed by the development of detailed action plans for the 4 priority areas.
2. Approve the New Deal for North East Workers as the Authority's response to Government's requirement for a Local Get Britain Working Plan.
3. Delegate authority to the Chief Executive, in consultation with the Mayor and Portfolio Holder for the Home of Real Opportunity, to put in place appropriate measures to support the development and implementation of the four priorities set out in the plan.

C22/07/25 Child Poverty Reduction (Action plan and programme 2025-2030)

Cabinet received a report that set out a £28m delivery plan to reduce child poverty across the North East CA area, designed in partnership with local authorities, the voluntary and community sector, businesses, public services, families, and young people.

With one in three (120,000) babies, children and young people growing up poor across the North East CA area, poverty and hardship were limiting the life chances and outcomes of too many - and their ability to benefit from everything the region had to offer.

Tackling child poverty was the Mayoral number one priority, and the North East CA Cabinet approved the establishment of the North East Mayor's Child Poverty Reduction Unit (CPRU) in September 2024. Cabinet had endorsed the proposal to convene a regional Child Poverty Reduction Summit and to co-produce a long-term action plan in partnership with local authorities, the voluntary and community sector, and families and young people.

Since then there had been extensive engagement and evidence-gathering and the CPRU had developed a comprehensive five-year Child Poverty Action Plan (2025–2030). The plan sets out a bold programme of activity, serving as a strategic economic intervention, tackling poverty to unlock regional productivity and inclusive growth.

The Child Poverty Action Plan was the result of deep engagement with local authorities, the voluntary and community sector, businesses, public services and, significantly, families and young people. A considered, coherent plan had been developed, making use of an innovative 'test and learn' approach and acknowledged the need to avoid duplication and bring additionality to current efforts across the system. Comprising some 36 interlinked projects and sub-projects, each element of the plan contributed to a strategic economic intervention designed to tackle child poverty and unlock inclusive regional growth.

The report included an investment proposal that sought Cabinet's approval to launch the first phase of delivery, ensuring that the North East CA would lead the way in tackling child poverty through targeted, evidence-led action including three test and learn pilots for the regional approach to tackle child poverty.

Members welcomed and endorsed the report and the Action Plan, and thanked staff and volunteers from the many organisations who had contributed. Cabinet recognised their time, insights, and knowledge in the co-development of the action plan stating that their work would improve the lives of people and children across the region. It was stated that it was a significant step forward in helping the poorest children in the region.

It was also noted that there was wide consultation across the region with the volunteer and community sector and the North East Child Poverty Commission, and it was recognised that the voluntary sector would play an important part in the delivery of the plan.

From the Police and Crime Commissioner perspective it was known that poverty, worklessness, homelessness and lack of access to training and good paid jobs contributed to an increase in crime levels. A commitment was made that the PCC would work to look to how they could help, particularly with young people and women in the region, to aid them to rise out of poverty and play their part in our society.

The Mayor, on behalf of herself and Cabinet acknowledged and thanked the whole officer team who were responsible for the development of the Child Poverty Reduction Action plan and programme 2025-2030.

Cabinet resolved to:

1. Endorse the Child Poverty Action Plan (2025–2030) as a strategic framework for regional collaboration and investment.
2. Approve the allocation of £28,630,608 for a four-year delivery period from the NECA Investment Fund to deliver the Child Poverty Reduction Programme (2025–2029).
3. Delegate authority to the Director of Skills, Inclusion and Public Service Reform, in consultation with the Monitoring Officer and Chief Finance Officer, to approve commencement of procurement and grant-making arrangements necessary for programme delivery.

22 July 2025

4. Delegate authority to the Chief Executive to award contracts and grants to deliver the programme in accordance with the North East CA procedures including the single assurance framework.

C23/07/25 Budget Update: 2024-25 Outturn and 2025-26 Budget Reporting Update

Cabinet received a report that provided an update on the provisional outturn position of the 2024-25 financial year, and a look ahead to reporting against the 2025-26 budget.

The North East Combined Authority had performed within its revised budget allocation for 2024-25. It had previously reported that there had been an underspend on certain elements, both for corporate overheads and revenue and capital projects.

Over the financial year 2024-25, the North East CA operated in accordance with the approved Treasury Management Strategy, and it had complied with its legislative and regulatory requirements. The cost of operating the Authority's treasury management activities did not exceed the budget set for the year.

The report also presented details by directorate of the initial budget plans for 2025-26 to Cabinet. The budget was split between the corporate overheads required to run the Authority and the initial service delivery plan covering revenue and capital programmes.

The report also detailed the planned financial reporting timetable to Cabinet during 2025-26.

Cabinet resolved to note:

1. the outturn for the financial year 2024-25;
2. the initial budget position for 2025-26;
3. the planned budget reporting timetable for 2025-26; and
4. the Treasury Management outturn for 2024-25.

C24/07/25 Centre for Writing

Cabinet received a report that set out proposals to facilitate the establishment of the Centre for Writing in Newcastle in a major £2m investment. It was a key part of the ambition to create new opportunities and careers for local people in the creative industries. The Centre would attract national publishing businesses to the North East and be a focal point for the next generation of northern writers - a place where people from the region could discover, develop, and fulfil their creative potential.

The Centre for Writing would cement the region's place as a national centre for writing and literature. It would forge links with and complement award-winning attractions that inspired children and young people, and champion the benefits and thrill of reading and writing, including *The Word*, the National Centre for the Written Word in South Shields; *Seven Stories*, the National Centre for Children's Books in Newcastle; and *The Story*, which opened in Durham in 2024.

The North East Combined Authority was driving development of the Centre for Writing with New Writing North and Northumbria University, Newcastle City Council, local businesses, and some of the country's largest publishers including Hachette UK and Faber and Faber. The Centre would support writing and reading initiatives in the community as well as professional writers and publishing businesses across the region. It would be the first centre of its kind with a cross-section of partners from the arts, academia, media, and publishing industries.

The report covered the ambitions and objectives for the proposed Centre for Writing; and the proposed approach to delivering the Centre for Writing and the investment required.

Cabinet resolved to:

1. Agree to provide New Writing North Ltd with £2m of funding from the North East CA Investment Fund. The investment would support the acquisition of a city-based property in Newcastle and its redevelopment into the Centre for Writing on the basis set out in this report; and
2. Authorise the Chief Executive, in consultation with the Mayor and the Portfolio Holder, to finalise the terms on which the grant funding would be provided.

C25/06/25 A North East Spatial Development Strategy

Cabinet received a report that sought support to commence the development of a North East Spatial Development Strategy (SDS). The English Devolution and Community Empowerment Bill proposed that all Mayors must prepare and maintain a robust SDS. An SDS would ensure delivery of the Local Growth Plan and help to drive investor confidence in the region by mapping out and agreeing the region's spatial growth priorities and infrastructure requirements.

The North East CA aimed to have an SDS and be an 'early adopter', signalling to investors and government that the region was ready and focused on growth, leveraging further funding and investment to bolster infrastructure for the benefit of the region's businesses and communities.

The North East Devolution Deal provided the powers to develop an SDS. An SDS would set the clear long-term vision-led ambitions for a place and would aid the region to implement national scale objectives and priorities to support long-term prosperity.

An SDS would integrate spatial objectives with environment, climate, economic and health objectives: from housing, transport, and utilities, to governance, environmental protection, and economic resilience.

The report set out the principles, resource requirements and anticipated times associated with delivering an SDS for the North East.

It was stated that it was known that community spaces were not always used to their full potential due to patrons feeling unsafe; the development strategy would consider how space can be designed to ensure people did feel safe.

It was emphasised that the planning decisions would continue to be made at the Local Authority level through their Planning Committees, ensuring residents continue to have a voice in the decision making of their local areas. The importance and benefits of having a strategic view across the region were also emphasised.

Cabinet resolved to:

1. Note the requirement for the Combined Authority to prepare and adopt a Spatial Development Strategy for the region and the ambition to do so by 2028;
2. Note the next steps as set out in the report on the governance arrangements to support the development of the Spatial Development Strategy including the Project Initiation Documents and Implementation Plan.
3. Approve an allocation of up to £1.5m of resources from the Investment Fund to support the work and to delegate approval of the recruitment, delivery, and procurement arrangements to the Chief Executive, in line with the Single Assurance Framework Process.

4. Authorise the Director of Finance and Investment to accept opportunities for any bids or awards of Government funding to support this work, reducing the call on the Investment Fund;

Title: Delivering the Mayor's Local Transport Plan
Portfolio: Transport
Responsible Director: Tobyn Hughes, Director of Transport
Report Author: Rachelle Forsyth-Ward, Assistant Director of Transport Policy, Partnerships and Contracts

Purpose of the report

This report requests approval to take forward several important transport projects across the whole North East region to help deliver the Mayor's Local Transport Plan, including some important Mayoral Manifesto commitments.

Recommendations:

Cabinet is recommended to:

1. Approve the capital investments set out below, enabling the payment of funding and the completion of Grant Funding Agreements with respective Local Authorities:
 - a) £10.9 million of City Region Sustainable Transport Settlement capital funding for the Northumberland Park Interchange scheme, as outlined in Section 2.1.
 - b) £5.55 million of Consolidated Active Travel Fund (CATF) capital funding, as outlined in Section 2.2.
2. Approve the revenue investments set out below, and authorise the Director of Transport to undertake associated procurement activity and award contracts in accordance with the Authority's Commissioning and Procurement rules:
 - a) £150k of City Region Sustainable Transport Settlement capacity funding for the procurement of a study which identifies investment priorities to improve the safety of women and girls travelling on the North East's transport network.
 - b) £150k of City Region Sustainable Transport Settlement capacity funding to procure a supplier to undertake an accessibility review of the region's transport network and identify priorities for investment.
3. Agree to allocate of £23 million of City Region Sustainable Transport Settlement (CRSTS) to sustainable transport schemes in County Durham as outlined in Section 2.4, subject to the agreement of the Department for Transport.
4. Approve the extension of the existing Capped Fare Scheme on buses until 31 March 2026 and allocate £8.69m of North East Combined Authority (North East CA) reserves to fund this extension.
5. Agree to commence procurement activity and delegate authority to the Chief Executive to award a contract to install Electric Vehicle (EV) charging infrastructure, funded by the City Region Sustainable Transport Settlement, at sites in Gateshead and North Tyneside.
6. Approve the creation of a multi-year framework contract, with a total value of £1.1 million, for the provision of assurance services for transport business cases, following a procurement process conducted in accordance with the Authority's Commissioning and Procurement rules, and delegate authority to the Director of Transport to appoint the providers to the framework contract and to approve commissions within the scope and terms of the framework contract.

Executive Summary

This report seeks Cabinet's approval to progress a number of important projects across the whole region that will continue the delivery of the Mayor's transport programme and the creation of a safe, integrated and green transport network as outlined in the Mayor's Manifesto and Local Transport Plan. These projects also support key Mayoral commitments to reduce child poverty and improve the safety of women and girls.

Cabinet approval will see:

1. A new station at Northumberland Park to allow interchange between the Northumberland Line and Metro and bus services as well as enabling North Tyneside residents to directly access the national rail network for the first time. This will be achieved by the allocation of an additional £10.9m CRSTS capital funding to Northumberland County Council.
2. An accessibility review of the public transport network and a study into the safety and security of women and girls taken forward.
3. £23m of investment in sustainable transport schemes in County Durham through the City Region Sustainable Transport Settlement programme.
4. The “Mayor’s fares” including a £1 single bus fare for people aged 21 and under and £2.50 single bus fare for adults extended until 31 March 2026.
5. £5.55m investment in the continued improvement of the active travel network across the region, through the CATF.
6. Continued delivery of the EV charging programme, through procurement of EV charge-points in Gateshead and North Tyneside.
7. A framework contract established to provide assurance for transport business cases.

A. Context

1. Background

- 1.1. The Mayor’s Local Transport Plan (LTP) was adopted by Cabinet in March 2025 and sets out a vision for a green, integrated transport network that works for all. The LTP is supported by a Delivery Plan setting out the action the North East CA will take to achieve this vision.
- 1.2. The North East CA has significant funding resources available to deliver the Mayor’s LTP through to 2032 and this report sets out proposals for utilising some of this funding and putting contracts in place to help progress projects that will transform the region’s transport network.

2. Funding Approvals

2.1 Northumberland Park Station

- 2.1.1 In July 2024 Cabinet agreed a £181m programme of investment through the region’s City Region Sustainable Transport Settlement (CRSTS), which was subsequently approved by Government with funding released to the North East CA in March 2025, to commence capital delivery.
- 2.1.2 Separately, a programme of capital investment through the region’s Bus Service Improvement Plan (BSIP) totalling £73.75m was approved by the former Joint Transport Committee in March 2023, which was re-confirmed by the North East CA Cabinet in July 2024. Since this point, a potential underspend within the BSIP capital programme has emerged as a result of several bus improvement schemes being unable to proceed to the originally planned timescale.
- 2.1.3 It is proposed that two regional bus improvement schemes totalling up to £15.6m are moved from the CRSTS programme to the BSIP capital programme: the £3.5m Bus Stop Improvement Programme approved by Cabinet in June 2025, a further £2.9m investment in Bus Stop upgrades, and up to £9.2m of the Sunderland Inner Ring Road Improvements scheme.
- 2.1.4 This reallocation will have the dual benefit of alleviating the underspend position in the region’s BSIP capital programme, whilst releasing CRSTS capital funding to be allocated towards Northumberland Park station.
- 2.1.5 Recommendation 1a therefore proposes the allocation of £10.9m of CRSTS capital funding to Northumberland County Council in order to complete construction of a new station at Northumberland Park. This will allow interchange between the Northumberland Line and Metro and bus services, as well as enabling North Tyneside residents to directly access the national rail network for the first time.

- 2.1.6 All existing Local Authority allocations of funding within CRSTS will remain unaffected. Following Cabinet approval, a change control process will be progressed and formally agreed with the Department for Transport (DfT). The DfT have indicated their acceptance of the proposals in principle. Subject to Local Authorities remaining committed to the delivery of schemes which cannot come forward within the timescales afforded by BSIP funding, the region will progress a funding solution through its devolved transport funding to ensure delivery.

2.2 Consolidated Active Travel Fund (CATF)

- 2.2.1 Active Travel England (ATE) provides revenue and capital grant funding through the Consolidated Active Travel Fund (CATF) to enable the development and delivery of high-quality walking, wheeling and cycling schemes. In July 2025, the North East CA was awarded a capital grant totalling £5.55m through CATF. The award set out terms and conditions on the use of funding, which includes the requirement for schemes supported through CATF to complete delivery by March 2028.
- 2.2.2 Since the receipt of funding, detailed work has taken place with Local Authorities to identify priorities for investment which meet the specified criteria and align with the vision for the development of the region's Active Travel network set out in the Mayor's Local Transport Plan. Recommendation 1b of this report seeks cabinet approval to allocate and award CATF funding to Local Authority scheme promoters, in line with the apportionment set out in Table 1.

Table 1: Recommended allocations of CATF Capital Funds

Local Authority	Scheme Name	Allocation (£m)
Northumberland County Council	Corbridge Railway Station Link	0.800
North Tyneside Council	School Neighbourhoods – North Tyneside	0.750
Newcastle Council	School Neighbourhoods – Newcastle	0.750
Gateshead Council	Bowes Railway Path	0.103
Sunderland Council	North Bridge Street	1.100
South Tyneside Council	School Neighbourhoods – South Tyneside	0.750
Durham County Council	Baths Bridge	1.300
Total		5.55

- 2.2.3 Following Cabinet agreement, the schemes outlined above will be subject to due diligence and assurance, any required local approvals, and assessment by the region's Active Travel Design Review Panel, to ensure that proposed schemes meet required design standards. The Mayor has requested that a specific focus be placed on enhancing the safety of women and girls through the delivery of quality provision. Schemes will be considered in accordance with the approved Single Assurance Framework, before being brought forward for approval in line with the delegations provided to the Chief Executive by Cabinet in July 2024, with contracting to take place via Grant Fund Agreements thereafter.

2.3 The Safety of Women and Girls on Transport and Accessibility

- 2.3.1 The Mayor's Manifesto and LTP commit to ensuring the transport network is accessible to all and to improving the safety of women and girls. To assist with delivering these commitments, two studies are proposed:
- Accessibility Review to examine the accessibility of the public transport network for wheelchair users and people with a visual impairment.
 - Study into the safety of women and girls to identify the safety concerns and barriers women and girls experience when using/ seeking to use the region's active travel and public transport network.

- 2.3.2 A set of interventions aimed at addressing concerns highlighted by the research will be produced for inclusion in the LTP delivery plan ready for capital investment post 2027. This work will also consider how the region can best use its devolved funding to deliver active travel interventions, ensuring that investment is maximised to remove the barriers women and girls face when walking, wheeling or cycling.
- 2.3.3 Suppliers will be procured to carry out the studies and panels of experts representing the lived experience of the target audience will be set up to help shape and oversee both projects from start to finish.
- 2.3.4 Recommendation 2 of this report asks Cabinet to allocate up to £300k of residual CRSTS revenue funding to fund the two studies and to authorise the Director of Transport to undertake associated procurement activity.

2.4 Transport Investment in County Durham

- 2.4.1 Within the March 2025 Cabinet report, which confirmed Government agreement of the region's £181m programme of investment through the City Region Sustainable Transport Settlement (CRSTS), it was acknowledged that a further £23 million of CRSTS capital grant funds for the financial years 2025/2026 and 2026/2027 would be provided to the region.
- 2.4.2 This funding enables the North East Combined Authority to deliver sustainable transport schemes in County Durham, in line with the wider CRSTS programme.
- 2.4.3 The March Cabinet report noted that funding would be subject to a change control process to be agreed with the DfT, setting out key details such as delivery timescales, scope of the propositions to come forward utilising the funding, and anticipated benefits, it was also noted that proposals would be presented to Cabinet for agreement in due course.
- 2.4.4 A programme of delivery has now been forwarded by Durham County Council, with early positive engagement taking place with DfT to ascertain the likelihood of acceptance. Subject to formal confirmation of DfT acceptance, Recommendation 3 of this report seeks Cabinet agreement of the proposed allocations of funding outlined in Table 2.

Table 2: Recommended allocations within the CRSTS programme

Scheme Name	Allocation (£m)
Durham City Active Travel Scheme	0.750
Stockton and Darlington Railway Active Travel Path Extensions	4.519
A182 Active Travel Corridor Improvements	3.628
A688 Bus Priority & Connectivity Improvements	2.250
Baths Bridge	6.200
Development Programme	5.652
Total	23.000

- 2.4.5 The proposals outlined above align to the wider regional CRSTS programme, ensure that investment and positive outcomes are felt across County Durham, and that value for money is maximised with a focus on the extension of existing projects to ensure additionality. Furthermore, as a result of the constrained delivery timescales remaining in the CRSTS programme, a proportion (£5.6m) of funding is proposed to be allocated to developing larger scale proposals that could come forward as part of the next round of the region's devolved transport funding provided through the Transport for City Regions fund (2027-2032). This development funding will be focused on enabling and accelerating housing and jobs growth across the County, as well as supporting regional priorities such as the Leamside Line. All individual proposals within the proposed programme will be considered in accordance with the approved Single Assurance Framework, before being brought forward for approval in line with the delegations provided to the Chief Executive by Cabinet in July 2024, with contracting to take place via Grant Fund Agreements thereafter.

2.5 The Mayor's Fares

- 2.5.1 At the extraordinary meeting of the North East CA Cabinet in December 2024, it was agreed to cap adult single bus fares at £2.50 until 31 December 2025. At the January Cabinet meeting, it was also agreed to continue the Bus Service Improvement Plan (BSIP) fares range until 31 December 2025, in line with the Department for Transport national £3 bus fares cap. The "Mayors Fares" are a range of reduced priced tickets available to public transport users possible through the use of Bus Service Improvement Plan funding to subsidise operators for the reduced revenue caused by cheaper fares compared to commercial alternatives. The range includes the following:
- £2.50 adult single
 - £1 Under 22 single
 - £3 Under 22 multi-modal capped day ticket
 - £5 Durham Day Rover
 - £6 Northumberland Day Rover
 - £6.80 Tyne & Wear Day Rover
 - £7.50 TNE Day Saver
- 2.5.2 Central government confirmed an extension to the national £3 bus fare cap until 31 March 2027 during the summer spending review, which will enable the local £2.50 cap to be retained in the North East beyond the 31 December 2025.
- 2.5.3 Operators require 3 months' notice for any change, extension or cessation of the Mayor's Fares product range, which means they must be informed of next steps in 2026 by 30 September 2025. The North East CA is not expected to be informed of its allocation of Bus Grant funding (successor to BSIP) for financial year 2026/2027 until after 30 September. Therefore, a short-term extension is required of the scheme to ensure it continues until 31 March 2026.
- 2.5.4 A decision relating to the future of the Mayor's Fares range from 2026/2027 will be brought to Cabinet in November 2025 following award of the Bus Grant funding and conclusion of ongoing commercial discussions.

2.6 Electric Vehicle Charging

- 2.6.1 The Mayor's LTP contains plans for a wide-ranging public charging infrastructure for electric vehicles (EVs), as part of the Mayor's commitment to provide green transport that works for all. As a result, there is a significant programme for EV charging across the region comprising a number of different funding streams.
- 2.6.2 As part of moving the programme forward, at its meeting in June 2025 Cabinet approved the allocation of £4.42m of CRSTS funding to deliver EV charge points as part of the wider EV charging infrastructure programme. This funding will fill gaps in the public charging network and upgrade a number of existing chargepoints to improve user experience, supporting the transition from petrol/diesel cars and vans to EVs. An increase in EV chargepoints contributes to the vision of the Mayor's Local Transport Plan, benefitting the environment by reducing carbon emissions and improving air quality.
- 2.6.3 Recommendation 5 of this report seeks approval to use £1.2m of the approved funds to procure a supplier to install up to 47 EV charge points at locations in Gateshead and North Tyneside.
- 2.6.4 The remaining funding will be brought forward through separate delivery routes led by the relevant Local Authority and will be used to deliver up to 117 charge points across Newcastle, Northumberland, South Tyneside and Sunderland Local Authority areas. Whilst Durham County Council have not prioritised EV charging infrastructure in their £23m CRSTS allocation, they are in receipt of funding from other funding streams for EV charging infrastructure.
- 2.6.5 The value of the contract to install charging infrastructure in Gateshead and North Tyneside is expected to be up to £1.2m. The procured supplier will be required to contribute 15% match funding.

The contract will initially be for a seven-year period with the option to extend. Once operational, the relevant Local Authority will own the chargepoint.

3. Award of Contract – Transport Assurance

- 3.1. At the March 2025 North East CA Cabinet meeting, Cabinet agreed to allocate £1.1m of CRSTS revenue funding to establish a framework contract for the independent appraisal of transport business cases. This contract is intended to support the assurance of both CRSTS propositions and the wider transport programme in line with the Single Assurance Framework.
- 3.2. In accordance with the Authority's Commissioning and Procurement rules, a compliant procurement process has been carried out via the North East Procurement Office (NEPO) open portal. Following the conclusion of this exercise recommendation 6 of this report seeks Cabinet approval to authorise the Director of Transport to award a multi-supplier framework contract, effective from October 2025, through to October 2032. Up to six suppliers will be appointed to the framework to ensure sufficient capacity and resilience to meet the needs of the Combined Authority and its constituent partners.
- 3.3. Cabinet is also asked to delegate authority to the Director of Transport to approve individual commissions issued under the terms and scope of the framework agreement.

4. Conclusion and next steps

- 4.1. Implementation of the proposals contained in this report will support delivery of the LTP and some important Mayoral manifesto commitments by contributing towards the creation of a fully integrated transport network, increasing the provision of EV charge points, expanding the region's walking and cycling network and ensuring bus fares are affordable. The interventions will also seek to ensure that the transport network is accessible and safe.
- 4.2. Subject to approval from Cabinet, funding will be invested, and procurement activity will be undertaken as set out in this report.

B. Impact on North East Combined Authority Objectives

The benefits that will be realised through the delivery of the projects included in this report will improve the attractiveness, affordability, accessibility and safety and security of public transport, directly supporting delivery of the LTP's aim to create a green, integrated transport network that works for all.

The proposals also support delivery of the Mayor's Manifesto commitments to carry out an accessibility review of the public transport network, improve safety of women and girls and reduce child poverty by making public transport more affordable.

North East Combined Authority corporate objectives, particularly, Home of real opportunity and a North East we are proud to call home will also be supported by the proposals in this report.

C. Key Risks

Delivery risks associated with the grant funding included within this report are centred on ensuring that schemes utilising funding defray expenditure in line with conditions of CRSTS and BSIP funding. In the case of CRSTS capital funding, expenditure is required by 31 March 2027. This report seeks to ensure risks of delivery are mitigated and minimised as far as possible by expediting the decision-making process relating to scheme approval and ensuring required budgets are in place to enable delivery.

A full risk assessment for the programme of transport delivery has been prepared with detailed mitigations identified. This will be maintained and reported on through the lifetime of the programme. The costs associated with the extension of the Mayor's Fares have been based on forecast modelling. Passenger numbers and mix, and therefore bus ticket products, may act or perform differently to the modelling assumptions. Also circumstances beyond the control of North East CA and bus operators may either positively or negatively impact passenger numbers. This is mitigated

by applying “worse case” assumptions within modelling to allow reasonable contingency e.g. 100% increase in sales of some BSIP day tickets.

D. Corporate Implications

D1. Finance and other resources implications

Funding for all elements of this report are to be met by grant from the Department for Transport which has already been received by the North East CA.

The anticipated forecast of grant expenditure associated with this report is provided in the table below:

Funding Source (all numbers in £m)	FY 25/26	FY 26/27	FY 27/28	Total
City Region Sustainable Transport Settlement Capital	10.90	-	-	10.900
Combined Active Travel Fund Capital	-	1.30	4.254	5.554
City Region Sustainable Transport Settlement County Durham	7.80	15.20	-	23.000
City Region Sustainable Transport Settlement Revenue	0.15	0.15	-	0.300
TOTALS	18.85	16.65	4.254	39.754

D2. Legal implications

The comments of the Monitoring Officer have been included in this report.

D3. Equalities implications

The North East CA is committed to complying with the Equality Act 2010 and the Public Sector Equality Duty and to fulfilling its statutory duties towards its employees and residents with regards to equality and inclusion, including when developing schemes.

The programme of investment outlined within the Mayor’s LTP and associated Delivery Plan aims to support the delivery of a transport network that works for everyone in the North East. Interventions included in this report are designed to ensure that the impacts on, and benefits for, all transport users are taken into account.

The North East CA will recruit panels of experts that can represent the lived experience of the target audience to help shape and oversee the accessibility review and safety of women and girls project from start to finish, ensuring that North East CA can deliver the best and most inclusive outcomes for the region.

E. Consultation and engagement

The LTP and its associated Delivery Plan have been subject to extensive public consultation which ran across a 12-week period between 4 November 2024 and 26 January 2025. The capital interventions covered by this report are all included within the LTP Delivery Plan. This paper has been considered by Heads of Transport from the North East Local Authorities.

Proposals for the fares extension have been discussed with Local Authority Representatives and bus operators.

Schemes recommended for approval will be subject to local approvals, consultation and onwards approvals in line with the processes outlined within the agreed Single Assurance Framework.

F. Appendices

N/A

G. Background papers

North East Combined Authority Cabinet, 18 March 2025 <https://www.northeast-ca.gov.uk/downloads/3509/cabinet-agenda-18-march-2025-public-.pdf>

North East Combined Authority Cabinet, 10 June 2025, <https://www.northeast-ca.gov.uk/downloads/3691/north-east-ca-cabinet-10-june-2025-agenda-pack.pdf>

North East Combined Authority Cabinet, 22 July 2025, <https://www.northeast-ca.gov.uk/downloads/3973/250722-north-east-ca-cabinet-agenda-22-july-2025.pdf>

H. Glossary

BSIP	Bus Service Improvement Plan
CA	Combined Authority
CATF	Consolidated Active Travel Fund
CRSTS	City Region Sustainable Transport Settlement
DfT	Department for Transport
EqIA	Equality Impact Assessment
EV	Electric Vehicles
HIA	Health Impact Assessment
LTP	Local Transport Plan
SEA	Strategic Environmental Assessment
SA	Sustainability Assessment
TCR	Transport for City Regions

Contact officer(s)

Rachelle Forsyth-Ward, Assistant Director of Transport Policy, Partnerships and Contracts,
rachelle.forsythward@northeast-ca.gov.uk

Jonathan Bailes, Assistant Director of Transport Programmes and Investment Planning,
jonathan.bailes@northeast-ca.gov.uk

Heather Jones, Head of Transport Customer Experience, heather.jones@northeast-ca.gov.uk

Title:	Regeneration and development of the central areas of Newcastle and Gateshead
Portfolio:	All
Responsible Director:	Henry Kippin, Chief Executive
Report Author:	Mags Scott, Director of Finance and Investment Alan Reiss, Director of Operations

Purpose of the report

This paper seeks Cabinet's approval of the proposed approach to developing the strategy for the regeneration of the central areas of Newcastle and Gateshead (referred to provisionally in this report as "the Newcastle-Gateshead Mayoral Development Zone").

Recommendations:

Cabinet is recommended to:

1. Endorse the North East CA engaging with Newcastle City Council and Gateshead Council as joint partners, with a view to working with wider public sector partners, in jointly developing the Newcastle-Gateshead Mayoral Development Zone strategy and potential delivery vehicle(s), including defining the benefits afforded by a Mayoral Development Zone or Corporation.
2. Agree that the Mayor, on behalf of the North East CA, works with respective Council Leaders, HM Government, Homes England and other partners and investors locally, regionally and nationally, to facilitate the bringing forward of regeneration and the attraction of investment to the Newcastle-Gateshead Mayoral Development Zone.
3. Approve the investment of up to £300,000 from the North East CA Investment Fund as a contribution to the cost of developing the strategy, including the procurement and appointment of a multi-disciplinary team of expert advisers.
4. Delegate to the Chief Executive, in consultation with the Mayor, and the leaders and Chief Executives of Newcastle and Gateshead councils, all decisions related to the procurement and appointment of advisers, and the establishment of a strategic regeneration board as described in this report.
5. Note that any future investment by the North East CA related to the sites within the proposed Mayoral Development Zone or Corporation will be treated in the usual way through the North East CA Single Assurance Framework and in line with the North East CA's constitution.

Executive Summary

The Mayor and Cabinet have set out ambitious plans to create new jobs, open up new opportunities for local people and build better places to live. The growth of the region is dependent, in part, on the successful development and regeneration of all its urban centres; this will attract new business and investment, creating jobs and building homes in the most accessible locations from major employers and small businesses alike, and complementing our wider growth plans for high streets, business parks and the rural and coastal economy across North East England.

This report sets out the way the North East CA will accelerate the creation of new business, new attractions, new homes and new communities in Newcastle and Gateshead through a fully collaborative approach, led by the North East CA in close partnership with local authority leadership. This tests a new approach whereby new Mayoral Development Zones will bring strategic focus, improved public and private sector collaboration and new financial and delivery tools unlocked by devolution to defined urban geographies across the region. The inaugural Mayoral Development Zone will cover Newcastle and Gateshead - with further zones to follow across the region, subject to co-design and local agreement. These are anticipated to be major urban areas with propositions highlighted in the Local Growth Plan and of a strategic scale.

The area to be the focus of the regeneration and investment proposals set out in this report (which is provisionally referred to in this report as the Newcastle-Gateshead Mayoral Development Zone) is to be formally defined but will include several sites on both sides of the River Tyne and the neighbourhoods immediately surrounding them, in the central areas of Newcastle and Gateshead.

The area will include the Forth Yards site, recently subject to landmark funding which could see 2,500 new homes built, Gateshead Quays, and several other sites clearly identified in the North East Devolution Deal, Trailblazer Deal and Investment Prospectus as strategically important to the region.

By bringing this whole area together, the North East CA aims to speed up the transformation local people need to see and to create economic and social benefits that will last generations. The involvement of the North East CA will:

- Enable the development of a shared vision for the Newcastle-Gateshead Mayoral Development Zone;
- Provide leadership and foster collaboration between national, regional and local government and the private sector;
- Give the option to designate the area as a Mayoral Development Area, and the option to establish a Mayoral Development Corporation, to accelerate and manage development; and
- Enable the strategic sites to be grouped, providing scale for investors and developers to invest with confidence in the area.

This would be the boldest and most ambitious Mayoral development initiative in the country.

This report builds on early development work already underway in Newcastle City Council and Gateshead Council. It asks Cabinet to endorse a more powerful collaborative approach to governance and delivery, recognising the interdependence of Gateshead and Newcastle, the confidence and appeal that joined-up leadership will provide to investors and government, and the significance of the area to the region's economy. This proposal is being brought to Cabinet now because it is vital that the underlying governance and strategic approach is in place in advance of key private sector investment decisions that we know are in the near-term pipeline.

The Newcastle-Gateshead Mayoral Development Zone will be shaped by the principles and objectives of the North East Local Growth Plan (LGP); providing pace and focus to the development of several of the strategic sites contained in the LGP. It will also be informed by the region's emerging Spatial Development Strategy, aimed at shaping a long-term spatial vision for the region, driving regional economic growth, improving public services, and enhancing local accountability. Its governance will be transparent and robust.

The announcement of funding for Forth Yards, the ongoing work in relation to Gateshead Quays, anticipated development announcements from private sector partners, and the benefits to be delivered by a joined-up approach mean that now is the time to develop a coherent strategy, leadership and governance.

The strategy will:

- Bring together key local, regional and national partners as noted above, under the leadership of the Mayor, ensuring effective partnership working, and alignment with the North East CA's missions as set out in the Local Growth Plan;
- Build upon the robust foundation of previous joint policy work, strategic planning and the successful delivery of major projects;
- Define the vision and narrative for the development and regeneration of the Newcastle-Gateshead Mayoral Development Zone, recognising its dynamic character and the opportunity it presents to support and enhance the Local Growth Plan and Spatial Development Strategy, through adapting to emerging growth sectors, evolving societal trends including city centre living, and a strong market for investment into cities.
- Articulate the associated pipeline of major, transformational schemes and develop a detailed understanding of development sites to inform delivery planning; and

- Outline potential approaches to funding and financing the regeneration, leveraging private sector and pension scheme investment as well as funding announcements made in the Spending Review, and offer clarity to stakeholders and investors.
- Ensure that the Local Transport Plan objectives are considered and delivered alongside any wider regeneration schemes.

A. Context

1. Policy Context

- 1.1. There is a significant shift underway in national housing and regeneration policy, which has introduced a series of reforms to national planning policy and the funding landscape for housing and regeneration. Key initiatives include:
 - a) Reforms to national planning policy, including the introduction of the Planning and Infrastructure Bill.
 - b) The Devolution White Paper, now progressing through Parliament as the English Devolution and Community Empowerment Bill.
 - c) Development of a Spatial Development Strategy for the North East, within the framework set by the Planning and Infrastructure Bill (2025 draft), which will set out a long-term vision for land use, housing, infrastructure, environmental protection, and economic growth across the region.
 - d) Publication of 'UK Infrastructure: A 10-Year Strategy', setting out long-term priorities for national infrastructure investment.
 - e) A £39 billion commitment to the Affordable Homes Programme, alongside a longer-term rent settlement to support social and affordable housing providers.
 - f) Launch of 'A Decade of Renewal for Social and Affordable Housing', outlining a long-term vision for the sector.
 - g) Announcement of a National Housing Bank, to be established within Homes England, with approximately £22 billion in financial capacity for lending, equity investment, and guarantees.
 - h) An anticipated announcement of a new wave of New Towns in the Autumn, alongside broader support for the creation of dedicated delivery vehicles.
 - i) Reforms to Local Government Pension Fund arrangements, partly aimed at increasing institutional investment in infrastructure and major development projects.
- 1.2. These policy shifts are taking place at a time when the role and function of city centres are evolving. Traditional retail is becoming less dominant, while innovation, leisure, and residential uses are growing significantly. This transition is reshaping how investment is attracted into the region. Within this context and given Government's ambitions for Combined / Strategic Mayoral Authorities to act as drivers of place-based development, the North East CA has a strategic opportunity to influence the next wave of development and investment. By aligning with national policy and market trends, the North East CA, along with its local authority partners, can maximise benefits for residents and communities in Newcastle and Gateshead, as it has done to date, and will continue to do, in other parts of the region.
- 1.3. The North East CA will explore ways in which it can work together across the region to expedite regeneration and economic development – including the use of innovative development vehicles that can unlock investment and accelerate progress for communities. This will help to ensure parity of access for major regeneration opportunities across the region to North East CA support, including enabling finance; thereby supporting development and access to wider investment from other public sector partners and the private sector investment community. Therefore, the proposals in this report should be seen as the first but not the only for such mechanism in the region. The North East Combined Authority will continue to work with all local partner councils on regeneration and economic development and explore comparable models to unlock investment and drive growth, incorporating innovative approaches to finance, leadership and governance.

2. Newcastle-Gateshead Context

- 2.1. Newcastle and Gateshead continue to undergo significant transformation driven by major regeneration projects, shifting policy and economic landscapes, and changing patterns of urban living. There is a growing need for a clear and cohesive vision to guide its future development. The pace and scale of change, particularly the rise of innovation, leisure, and city centre living, demand a strategic response that is both ambitious and adaptable.
- 2.2. To harness this momentum and ensure that regeneration delivers inclusive and lasting benefits, a long-term roadmap for the next 15-20 years is required. This will involve setting out a vision for the Newcastle-Gateshead Mayoral Development Zone and defining the role and purpose of key areas and strategic development sites. Such a framework will enable the Newcastle-Gateshead Mayoral Development Zone to attract emerging public and private investment, unlock new opportunities, realise the vision and priorities of the region, and of Newcastle and Gateshead; and reinforce its role as one of the UK's key urban centres.
- 2.3. The North East CA will, alongside Newcastle City Council and Gateshead Council, convene key strategic partners to adopt a new approach to regeneration; one that reflects national best practice in how regions and cities can effectively attract and steward investment and development. This approach will not only support delivery but also ensure that regeneration generates inclusive economic benefits, aligning growth with the needs of local communities and complements the region's long-term ambitions.
- 2.4. The regeneration of the Newcastle-Gateshead Mayoral Development Zone is key to delivering several of the North East CA's priorities and Mayoral manifesto commitments, including delivery of affordable and social housing; good quality, green homes; stronger neighbourhoods including the revitalisation of high streets; and world-class arts and culture by putting culture and sport at the heart of the regeneration.
- 2.5. The proposed new approach to regeneration of the Newcastle-Gateshead Mayoral Development Zone will:

Commission a new Newcastle-Gateshead Mayoral Development Zone Strategic Regeneration Framework

- 2.5.1. The Strategic Regeneration Framework (SRF) will build upon the robust foundation of previous joint policy work, strategic planning, and the successful delivery of major projects. It will apply a forward-looking lens, recognising the dynamic character of the Newcastle-Gateshead Mayoral Development Zone and its need to adapt to emerging growth sectors, evolving societal trends, and global challenges. The SRF will aim to outline a 20-year vision and serve as a unifying narrative that brings together existing and emerging strategic priorities, programmes, and policies, ensuring coherence and alignment with the high-level ambitions set out in the North East CA's Local Growth Plan and the emerging Spatial Development Strategy.
- 2.5.2. It will define the role and purpose of key areas and strategic development sites, offering clarity to stakeholders and investors, and will act as a critical tool to coordinate efforts and align public and private sector ambitions. It will provide confidence to businesses, landowners, and developers by articulating the vision, scale, and type of development envisaged, and will establish a shared spatial strategy and delivery plan. Cabinet is asked to approve up to £300,000 from the Investment Fund to appoint a multidisciplinary consultancy team to develop an SRF, alongside funding from the local authorities and potential Homes England funding.

Work with partners to develop a long-term pipeline for investment

- 2.5.3. At the Spending Review, the Government committed to £39bn of investment in affordable housing via the Affordable Housing Programme and to £22bn of financial capacity for investment in housing projects via a National Housing Bank. In both cases this funding will be managed by Homes England as the Government's Housing and Regeneration Agency.
- 2.5.4. Although managed by Homes England, there is an expectation that funding will be allocated to projects based on local and regional priorities building on the Strategic Place Partnership (SPP) that has already been agreed between the North East CA and Homes England.

- 2.5.5. There is also expected to be a commitment to new grant funding for unviable development managed either through Homes England or allocated to Combined Authorities.
- 2.5.6. In order to maximise the potential of the Newcastle-Gateshead Mayoral Development Zone, it is the intention to continue engagement with local authorities, Homes England and wider partners to develop further the existing investment pipeline in the area, which will inform a long-term investment strategy for housing and regeneration.
- 2.5.7. This will be enhanced by strong local engagement with key partners to understand their capital pipelines across the region, how these might support the North East CA missions as set out in the interim Local Growth Plan, and future potential models for delivery.

Explore appropriate relationships and mechanisms for future development and regeneration schemes

- 2.5.8. Good practice shows that the stewardship and delivery of major regeneration programmes are often dependent upon establishing strong relationships and partnership arrangements between public funders, major land-owners, and the voluntary and community sectors.
- 2.5.9. Given recent Government policy and funding announcements, as well as an awareness of the scale and opportunity offered by potential new projects coming forward, the Newcastle-Gateshead Mayoral Development Zone SRF work will explore how we can work with partners locally, regionally and nationally to facilitate the bringing forward of regeneration and attraction of investment and what formal mechanisms for partnership working and programme delivery might be best suited to bring forward development. This may include, but may not be limited to, a Mayoral Development Corporation (MDC) or Zone (MDZ), with the choice of vehicle or structure driven by the form that most appropriately addresses the specific needs of the development sites. We will learn from experiences elsewhere in the country to inform our approach, including from Greater Manchester and London.
- 2.5.10. A Mayoral Development Corporation is a body corporate, established by secondary legislation following the Mayor designating a mayoral development area with the object of securing regeneration for that area. The Mayor may identify a mayoral development area having consulted with, and gaining the consent of, the appropriate bodies and persons. The area covered by an MDC must be clearly defined ('red-lined'). Its powers can vary depending on need, and best practice suggests that only those powers needed to address identified issues should be transferred to it. For example, if planning approvals are not a hindrance to development, those would not need to be transferred to the MDC.
- 2.5.11. Designating an area as a Mayoral Development Zone would identify it as a strategically vital area for regeneration, investment or development with the purpose of coordinating regeneration efforts across multiple stakeholders. It would not have any other legal implications as to the status of the area.
- 2.5.12. Practice elsewhere, which can be drawn on, includes the Old Oak and Park Royal Mayoral Development Corporation in London, the Mayoral Development Corporation in Stockport, and the Joint Delivery Vehicle structure for the Bristol Temple Meads project which is a legal entity jointly owned by the Combined Authority, Local Authority, and Homes England. These entities provide a means to deliver a long-term regeneration vision across a wide area, attract both public and private investment, and have the dedicated delivery capability necessary for the complexity of the task. Multiple major projects throughout England are now investigating and/or creating such entities, while the Government has actively supported the idea of Development Corporations to deliver their New Town ambitions.
- 2.5.13. The policy and funding announcements referred to above present opportunities not just for the area referred to in this report, but for the region as a whole. The North East CA will continue to work with all constituent authorities to ensure that all major investment opportunities are considered in a similar way, noting that this may result in the establishment of further MDCs or MDZs elsewhere in the region. This is a model proven successfully by other Mayoral Combined Authorities.
- 2.5.14. More broadly, the North East CA will explore ways in which it can work together across the region to expedite regeneration and economic development – including the use of innovative development

vehicles that can unlock investment and accelerate progress for communities. Learning from the approach will inform future work, but the Newcastle-Gateshead Mayoral Development Zone SRF does not set a one-size-fits-all precedent for how other such development partnerships between the North East CA and one or more other constituent authorities might be structured.

3. Conclusion and next steps

- 3.1. The proposed next steps in commencing development of the Newcastle-Gateshead Mayoral Development Zone SRF are:
 - 3.1.1. The establishment of a 'shadow' programme board with public sector membership. It is expected that this will be initially chaired by the Mayor and include the leaders of Newcastle City Council and Gateshead Council. The programme board will be supported and advised by an overarching strategic executive group, chaired by the North East CA Chief Executive with Gateshead and Newcastle Chief Executives as vice-chairs, and comprising senior officers from the North East CA, Homes England, and other key partners as required. Working groups specific to pipeline development sites will be established as required.
 - 3.1.2. The procurement and co-commissioning of expert advisers to support in the development of the framework and the supporting information.

B. Impact on North East Combined Authority Objectives

The development of an approach to bringing forward major development of the Newcastle-Gateshead Mayoral Development Zone aligns with the North East CA's Local Growth Plan and Local Transport Plan objectives and will inform, and be a key element in the preparation of, the emerging Spatial Development Strategy for the region. Its focus on community, affordable housing, accessible public transport and environmental protection, and on economic growth and jobs, aligns it with all five of the North East CA's core missions.

C. Key Risks

The proposed investment relates to the development of a strategic regeneration framework. There is a risk that this is developed in a way that is not sufficiently inclusive of the needs of the region, and of the businesses, community organisations and the needs of the current and future residents of and visitors to the region; or that it fails to attract the required level of investment. This risk will be mitigated by collaborative working, extensive consultation, the leadership of elected members and officers from Newcastle, Gateshead and the wider Combined Authority, and the involvement of expert consultants. Further, the work will seek input from other city regions such that it incorporates best practice. It will also focus on how regeneration in Newcastle and Gateshead can benefit the whole region including, but not limited to, boosting the visitor economy and graduate retention.

D. Corporate Implications

- D.1. Finance and other resources implications
The report seeks an investment of up to £300,000 from the North East CA investment fund. It is expected that up to £300,000 will be invested by Newcastle City Council, with further investment from Gateshead and Homes England being sought. The total expected investment is not expected to exceed £1,000,000. This will be refined through the procurement process; in any case the contribution of the North East CA will not exceed £300,000.
- D.2. Legal implications
The comments of the Monitoring Officer have been included in this report.
- D.3. Equalities implications
Equalities implications (in relation to the Equality Act 2010) will be central to and fully addressed in the development of the Strategic Regeneration Framework.
- D.4. Consultation and engagement

This proposal has been developed in partnership with Newcastle City Council and Gateshead Council and its development will draw in other public sector partners including, but not limited to, the other regional local authorities, Homes England, other central government agencies and departments as appropriate; and anchor institutions of the Newcastle-Gateshead Mayoral Development Zone, including from the business and voluntary and community sectors. The strategy will set out plans for public consultation as appropriate.

E. Appendices

None.

F. Background papers

North East Interim Local Growth Plan: [Local Growth Plan](#)

North East Local Transport Plan: [Transport Plan](#)

G. Glossary

LGP North East Interim Local Growth Plan

MDC Mayoral Development Corporation

Contact officer(s)

Henry Kippin, Chief Executive, henry.kippin@northeast-ca.gov.uk

Mags Scott, Director of Finance and Investment, mags.scott@northeast-ca.gov.uk

23 September

Title: The North East CA Strategic Risk Review (6 monthly update)
Portfolio: Finance and Investment
Responsible Director: Mags Scott, Director of Finance and Investment
Report Author: Mags Scott, Director of Finance and Investment

Purpose of the report

This report provides Cabinet with its formal 6-monthly update on the North East Combined Authority's strategic risks in line with the governance and risk management arrangements established within the North East CA's Risk Management Framework approved by Cabinet in September 2024.

Recommendations

Cabinet is recommended to:

1. Review, comment upon and agree the current strategic risks, scoring and proposed management actions at Appendix A.
2. Consider any potential new and emerging risks for inclusion within the strategic risk register.

Executive Summary

Whilst strategic risks are continuously assessed and monitored, they are formally reviewed by Senior Leadership Team (SLT) each quarter and Cabinet and Audit and Standards Committee (ASC) on a six-monthly basis.

SLT completed its latest, formal quarterly review of strategic risk and opportunities in early August 2025. This has resulted in several changes to the strategic risks since the last formal review by Cabinet in March 2025 with four risks closing, three new risks raised and one risk de-escalated for management at directorate level. As a result, there are currently five strategic risks.

A. Context

1. Introduction

- 1.1. Risk is inherent in the activities undertaken by the North East CA. It is acknowledged the North East CA cannot be overly risk averse and some risk is necessary to drive change and deliver against the missions for the region. Effective risk management is essential to balance risk-taking and opportunity realisation and is an integral part of sound governance and control.
- 1.2. The Mayor and Cabinet hold overall responsibility for ensuring that robust risk management arrangements are in place, with risks and opportunities considered appropriately as part of all decision-making processes as defined in the Single Assurance Framework. The North East CA's Risk Management Framework defines the governance and approach to managing risks and opportunities and was approved by Cabinet in September 2024. This includes formal quarterly review by the Senior Leadership Team and six-monthly review by Cabinet and ASC.
- 1.3. To be effective, risk management must be dynamic and responsive to change. The risk environment continues to change as the North East CA matures as an organisation, and as the devolution

landscape continues to evolve, including preparation for the move into the integrated settlement regime. This is reflected in the latest review of strategic risks.

2. Summary of latest review of strategic risks and opportunities

- 2.1. The most recent formal review of risks by SLT resulted in changes to the strategic risks. Four risks have closed (see para 2.2); three new risks have been raised (see para 2.3); one risk has been de-escalated for management at directorate level (see para 2.4); and one risk score has improved (see para 2.5). As a result of these changes there are now five strategic risks. Detailed descriptions and action plans for current risks are attached at Appendix 1 and summarised in the Table 1 below. Detailed descriptions of closed and de-escalated risks are attached at Appendix 2.

Table 1 – summary of current strategic risks

Risk Ref	Description	Risk Owner	Risk Scores			
			Prev Score (Mar 25)	Current Score	Direction of travel	Target Score
St006	Organisational Capacity	Alan Reiss	D2 (A)	E2 (A)	Risk improved ↑	E3 (G)
St008	Integrated Settlement	Mags Scott	E1 (A)	E1 (A)	Static ↔	E2 (A)
St009	Policy and Partnerships	Alan Reiss	n/a	D2 (A)	New risk	E3 (G)
St010	Securing Funding to Deliver Objectives	Alan Reiss	n/a	C2 (R)	New risk	D2 (A)
St011	Reputation	Huw Lewis	n/a	B3 (A)	New risk	D3 (G)

- 2.2. The four risks relating to Transport – Funding and Scale (St001), Transport Operational (St002), Inclusive Growth (St003) and Net Zero (St004) have now been closed. These all included elements of risk around levels of funding, national policy decisions, the ability and capacity of partners to deliver regional objectives, and reputation. These common issues have been incorporated within the three new strategic risks raised which are relevant to all of the North East CA's missions and objectives rather than specific to individual programmes.

- 2.3. The three new risks raised are as follows:

- **Policy and Partnerships (St009):** changes in the national political environment that could influence the policy and legislative context for combined authorities and local authorities, with the potential to impact on its current and future policy decisions. It also highlights the risks associated with the capacity and capability of our partners to deliver shared regional objectives.
- **Securing Funding (St010):** the potential that the CA may not receive sufficient funding and/or cannot access the funding it needs to deliver missions and objectives.
- **Reputation (St011):** the role / purpose/ activities of the North East CA are not clearly understood or seen as relevant by communities across the region, it could undermine democratic engagement and the perceived legitimacy of its work.

- 2.4. The Accessing data to allow performance reporting (St007) risk has been de-escalated for management at directorate risk level. Given the significant work around the performance management framework and performance reporting arrangements this no longer presents a risk of

significant impact on the CA's ability to achieve its missions and objectives. This is not to suggest this risk is no longer relevant, rather it continues to be managed by the relevant directors. It is acknowledged that performance will be critical in agreeing and demonstrating delivery of integrated settlement and that is addressed through the relevant strategic risk (St008).

- 2.5. The Organisational Capacity (St006) risk score has improved from D2 to E2. This reflects the ongoing measures and controls which have given us the ability to recruit high calibre talent which is building the capability and capacity across the organisation. As such the likelihood of the risk occurring has reduced, though at this stage the impact remains the same, with work ongoing to reduce the impact to get to target score.

3. Conclusion and next steps

- 3.1. The ongoing assessment, management and reporting of risk is an integral part of the North East CA's governance and control arrangements. This report constitutes the formal 6 monthly reporting to Cabinet. The ASC received its latest 6-monthly update on 16 September 2025 which supported the committee to fulfil its role in providing independent assurance over the effectiveness of risk management arrangements. In addition to this reporting, risk and opportunities are considered as part of all decision-making in accordance with the Single Assurance Framework.
- 3.2. The SLT will continuously assess and monitor strategic risks and opportunities and formally review risks on a quarterly basis. Cabinet will receive its next formal update on strategic risks in March 2026. This will provide assurance that action is being taken to identify and manage risks effectively across the North East CA, that the risks remain relevant to the current context and are managed in line with the Authority's risk appetite.

B. Impact on North East Combined Authority Objectives

The North East CA has a clear set of missions and priorities, as set out in our Corporate Plan and the Mayor's Manifesto. The Risk Management Framework, along with other frameworks such as the Single Assurance Framework and the Investment Framework, will support delivery of our vision, missions, ambitions and priorities.

C. Key Risks

Without an effective approach to risk management the North East CA will not be able to manage risk and opportunities in a disciplined, co-ordinated and proportionate way. This could prevent effective mitigation of potential risks which may impact on delivery or prevent us from realising opportunities and hence delivering against our vision, missions, ambitions and priorities.

D. Corporate Implications

- D.1. Finance and other resources implications
Effective risk management supports sound financial management and decision-making for programmes, projects and initiatives and is included within all relevant reports. Risk management activity is delivered within the North East CA's budgeted resources.
- D.2. Legal implications
Effective risk management supports the North East CA to meet its statutory obligations and deliver in line with the Single Assurance Framework.
- D.3. Equalities implications
There are no direct equalities implications arising out of the recommendations in this report. However, the effective risk management will support the North East CA to meet its obligations in respect of its Public Sector Equality Duty.
- D.4. Consultation and engagement
There has been ongoing engagement with the Senior Leadership Team and heads of service to develop the strategic risk and opportunity register. Further consultation and engagement is

undertaken through Audit and Standards Committee.

E. Appendices

Appendix 1: The North East CA Strategic Risk and Opportunity Register

Appendix 2: Closed and de-escalated risks

Appendix 3: Risk scoring matrix

F. Background papers

[North East CA Assurance Framework.pdf](#)

[North East CA Risk Management Framework - Cabinet approval.pdf](#)

G. Glossary

SLT Senior Leadership Team

Contact officer(s)

Chrisi Page, Head of Investment Programmes Chrisi.page@northeast-ca.gov.uk

Ian Pattison, Head of Assurance and Risk at North Tyneside Council ian.pattison@northtyneside.gov.uk

Appendix 1: The North East CA Strategic Risk and Opportunity Register

Risk Subject	St006 - Organisational Capacity		Risk Owner:	Alan Reiss	
Risk Detail					
There is a risk that the North East CA may not have appropriate capability, capacity, culture and processes to deliver its missions and objectives, i.e. making appropriate choices in terms of how funding is allocated, the project / initiatives where these limited resources are targeted and then delivering successfully for impact.					
Opportunity					
Opportunity to build upon experience and learning of current capacity to enable agile and efficient delivery of our ambitions.					
Links to Corporate Plan					
Home of real opportunity	A North East we are proud to call home	Home to a growing and vibrant economy for all	Home of the green energy revolution	A welcoming home to global trade	
X	X	X	X	X	
Cause of Risk					
This risk has been raised to reflect the maturity of the organisation following the transition of five organisations each with own cultures and ways of working into the North East CA. Additionally until relevant systems and processes are fully developed and embedded, and appropriate additional capacity is recruited, we have to rely on interim solutions or existing approaches which may be may less joined up.					
Consequences of the risk materialising and risk indicators:					
	Trigger	Consequence		Supporting Trend Data	
NECA finances	<ul style="list-style-type: none">Identified skills gapsDecisions made don't aid delivery of missions	<ul style="list-style-type: none">Potential financial impact if processes are not in place and programme delivery is delayedReliance on external expertise and associated costsImpact on VFM		<ul style="list-style-type: none">Performance dataBudget monitoring	
Local economy	<ul style="list-style-type: none">Identified skills gaps	<ul style="list-style-type: none">Growth ambitions not realisedInward investment opportunities not taken		<ul style="list-style-type: none">Performance data	
Programme / Project Delivery	<ul style="list-style-type: none">Identified skills gapsAgility and responsiveness of staff to adapt to change	<ul style="list-style-type: none">Potential programme and project delays with key milestones being missed		<ul style="list-style-type: none">Performance dataPulse surveys	
Health, Safety & Wellbeing	<ul style="list-style-type: none">Lack of steer on vision, clarity on roles and expectationsPressure on existing resources	<ul style="list-style-type: none">High levels of staff sickness and absence		<ul style="list-style-type: none">HR ReportsPulse surveysData from wellbeing providersDelivery of the corporate plan	

Appendix 1: The North East CA Strategic Risk and Opportunity Register

NECA Missions / Our Values	<ul style="list-style-type: none">• Inability to recruit to fill vacancies• Identified skills gaps• Lack of clarity of systems and processes	<ul style="list-style-type: none">• Cabinet and Mayoral priorities not met	<ul style="list-style-type: none">• HR Reports• Performance data
Morale	<ul style="list-style-type: none">• Lack of steer on vision, clarity on roles and expectations• Pressure on existing resources• Poor / inconsistent communication	<ul style="list-style-type: none">• Reduced staff morale• Higher levels of absence and attrition	<ul style="list-style-type: none">• HR Reports• Pulse surveys• Cascade of the corporate plan
Reputation	<ul style="list-style-type: none">• Failure to deliver on key commitments	<ul style="list-style-type: none">• Adverse impact on reputation if stakeholder expectations are not met• Inconsistent / inaccurate messages could impact on reputation	<ul style="list-style-type: none">• Adverse media coverage
Legal / Regulatory	<ul style="list-style-type: none">• Failure to meet legal obligations	<ul style="list-style-type: none">• Adverse impact on reputation and risks of further consequences	<ul style="list-style-type: none">• Compliance reporting
Existing Controls:		How does it reduce the risk?	Senior Officer:
		How are we assured of the control in place?	
1. Organisational Governance	This ensures there will be oversight and decision making at a strategic level.		Alan Reiss
	Assurance Source: <ul style="list-style-type: none">• SLT and Cabinet agenda, reports and minutes• Revision and clarification of delegated decision-making		
2. Organisational structure in place	Staff from previous of five family organisations transferred across bringing experience, knowledge and skills. There is also defined roles and responsibilities in place across all business areas. New Director team recruited.		Alan Reiss
	Assurance Source: <ul style="list-style-type: none">• Staff in situ• Agreement to revised leadership structure and recruitment into roles		
3. SLA in place with Durham CC which includes some HR functions and recruitment.	Ensure that recruitment is undertaken as and when required following a consistent approach throughout the CA.		Alan Reiss
	Assurance Source: <ul style="list-style-type: none">• A number of roles have been successfully recruited into		
4. Organisational Values and Corporate Plan	Ensures that all staff are aware of the North East CA Corporate Plan and values enabling them to become embedded in the organisational culture.		Alan Reiss
	Assurance Source:		

Appendix 1: The North East CA Strategic Risk and Opportunity Register

	<ul style="list-style-type: none">Organisational Values and corporate plan are published and continually spoken about by leadership			
5. Dedicated resource within the People Team to support recruitment activity	Ensures continuity and that we have the skills to work towards vision and the brand.	Tracey Elvin		
	Assurance Source <ul style="list-style-type: none">Recruitment materials / packs designed in house in line with vision and brandVacancies are being filled			
6. Workforce planning and Organisational Design (include succession planning)	Clear identification of resources and future needs of the business which will link into our succession planning.	Tracey Elvin		
	Assurance Source <ul style="list-style-type: none">Live working documentHR have regular attendance at Operational Directorate meetings where resources and skills are discussedLearning Needs Analysis			
7. Internal communication plan	Structured communication strategy that will help inform the workforce on progress, updates, etc.	Tracey Elvin		
	Assurance Source <ul style="list-style-type: none">Internal Communication Plan in place			
8. Relevant Frameworks (e.g. risk, assurance, monitoring, evaluation, and investment)	These will set out the organisational approach and provide the basis for consistent ways of working throughout the organisation.	Mags Scott		
	Assurance Source <ul style="list-style-type: none">Numerous Frameworks in place and on Intranet			
Current Score of Risk (as at date of update on 2 July and 21 July 2025):				
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:	
E	2	E2 (A)	The risk score has moved from D2 to a E2 to reflect ongoing measures and controls that have been and are continuing to be implemented. This has given us the ability to recruit high calibre talent which is building the capability and capacity across the organisation.	
New Controls:		How will it reduce the risk?	Senior Officer:	Date new control will be in place:
1. Capacity analysis		To establish current ways of working and identify processes that need to be implemented.	Tracey Elvin	September 2025
2. Systems to be implemented e.g. HR, Financial and Project and Programme Management.		Will provide a clear and consistent approach throughout the organisation.	Alan Reiss	December 2025

Appendix 1: The North East CA Strategic Risk and Opportunity Register

3. Data insight and Organisational Health pillar of performance management framework	This will provide metrics around recruitment activity that will allow us to understand best practice and what works well, enabling changes to be made if required.	Tracey Elvin	October 2025
Target Score of Risk:			
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full RAG	Reasons:
E	3	E3 (G)	Through the implementation of new controls and further embedding of existing it is expected that the risk score will reduce.

Agreed by SLT: 30 July 2025

Updated by Tracey Elvin: 2 July 2025 / Alan Reiss: 21 July 2025

Appendix 2: Closed and de-escalated risks

Risk Subject:	St008 Integrated Settlement			Risk Owner:	Mags Scott		
Risk Detail:							
There is a risk that we receive a sub-optimal integrated financial settlement outcome, due to financial under-delivery in 25/26; through a failure to provide sufficient assurance of investment readiness; or failure to agree an appropriate outcomes framework with HM Government. There is also a risk that Government's approach to performance management does not enable the CA to take full advantage of the opportunity for innovation and delivery of cross cutting benefits across our strategic priorities.							
Opportunity:							
Working closely with Government departments, and cross-departmentally supported by MHCLG; and with input from those combined authorities that have already moved to single settlement, we have the opportunity to build on and deepen the benefits that come with integrated settlement. This is a chance to align our funding more closely to the outcomes set out in our Corporate Plan, Local Transport Plan and Local Growth Plan, supported by our investment and single assurance frameworks. Integrated settlement also provides additional flexibilities to move funding between themes and between financial years.							
Links to Corporate Plan:							
Culture, Creative, Tourism and Sport	Economy	Education, Inclusion and Skills	Environment Coast and Rural	Finance and Investment	Housing and Land	Public Sector Reform	Transport
x	x	x	x	x	x	x	x
Cause of Risk:							
The North East CA was confirmed in 2024 as one of four 'wave 2' combined authorities to be moving to integrated settlement for the 2026/27 financial year. This is a more flexible, outcomes-based approach to delivering against a set of outcomes to be agreed with HM Treasury and removes some of the 'ringfencing' of funding. This represents a new approach to distributing Government funds from across Whitehall Departments and requires a change in ways of working both within Government and Mayoral Combined Authorities. On balance, this is a positive development for the North East CA, giving greater control to the Mayor and Cabinet as to how best to allocate funding to deliver our agreed outcomes. It also comes with the risk that we fail to maximise the potential benefits.							
Consequences of the risk materialising and risk indicators:							
	Trigger	Consequence			Supporting Trend Data		
NECA finances	<ul style="list-style-type: none">Integrated settlement provides lower than expected funding; or current constraints on funding are not removed	<ul style="list-style-type: none">Reduced resources available to fund programmes and pay for core establishment of the CA. Mayoral priority outcomes are not delivered or are reduced.			<ul style="list-style-type: none">IS programme board reporting		
Local economy	<ul style="list-style-type: none">As above	<ul style="list-style-type: none">As above			<ul style="list-style-type: none">Performance reporting		
Programme / Project	<ul style="list-style-type: none">As above	<ul style="list-style-type: none">As above			<ul style="list-style-type: none">Performance reporting; programme monitoring		

Appendix 2: Closed and de-escalated risks

NECA Plan / Our Values	<ul style="list-style-type: none">Programmes reduced / terminated	<ul style="list-style-type: none">Mayoral priority outcomes not delivered or not delivered in fullRisks to 'Make it Happen' and 'Strive for Brilliance' due to insufficient resource.	<ul style="list-style-type: none">Performance reporting; programme monitoring
Morale	<ul style="list-style-type: none">Programmes reduced / terminated	<ul style="list-style-type: none">Our people feel that the impact they have is reduced; morale suffersRoles at risk due to reduced funding	<ul style="list-style-type: none">Staff survey / pulse surveysFeedback through manager 1-1s
Reputation	<ul style="list-style-type: none">Partner organisations perceive we are adding less value to the region	<ul style="list-style-type: none">Reputation with MHCLG and HMT suffers; difficult to build backReputation with LAs and other partner organisations suffer; we are less credible in the region	<ul style="list-style-type: none">Feedback from Government leadsFeedback from LA CEx, and Economy Directors; partner organisations
Legal / Regulatory	<ul style="list-style-type: none">Potential reduction in devolved powers or inability to achieve deeper devo	<ul style="list-style-type: none">Reduced ability to deliver on priorities	<ul style="list-style-type: none">Feedback from MHCLG leads
Existing Controls:		How does it reduce the risk?	Senior Officer:
		How are we assured of the control in place?	
1. Priority programme across 2025/26 for the North East CA senior leadership team.		Focus and accountability at most senior levels.	Henry Kippin
		Assurance Source: <ul style="list-style-type: none">Programme governance reporting and monitoring	
Current Score of Risk (as at date of update on 29 April 2025)			
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:
E	1	E1 (A)	Work has been undertaken to mobilise the programme. A programme plan, based on MHCLG's readiness assessment framework, has been prepared and we are engaging with external consultants for support in developing the associated programme plan. We are regularly engaging with Government and further clarity on functional responsibilities, potential scope of funding and performance management arrangements has been shared. The risk of an unsatisfactory outcome is considered to be low, but is recorded as a strategic risk given its potential impact on the organisation, and to enable early, robust monitoring of the risk. We are working closely with the early adopters of IS (GMCA and WMCA) and those combined authorities on the same timeline as us to ensure a consistent and united set of asks of HMG.

Appendix 2: Closed and de-escalated risks

New Controls:		How will it reduce the risk?	Senior Officer:	Date new control will be in place:
1. The set up of a structured programme with clear outcomes and governance is a priority for the Finance and Investment directorate prior to the start of 26/27 financial year.		The programme has been mobilised, providing visibility of high-level workstreams, milestones and shared outcomes, with reference to MHCLG's readiness framework. Resources have been allocated with clear roles and responsibilities in place within the CA. Progress is reported regularly to SLT and through programme governance. The governance structures will ensure the timeliness implementation of programme and include involvement from the LAs, Cabinet, OSC, ASC and be the commissioner of input and advice from, and collaboration with, other MCAs and government departments.	Mags Scott	January 2026
2. Engagement with Government		Bi-weekly meetings with Government officials are ongoing, providing a consistent forum for engagement. In-depth discussions with Government Departments on the outcomes framework began in August and will continue through the Autumn. This timeline allows for a considered and collaborative approach, ensuring the final framework reflects the priorities of both the Combined Authority and Government.	Mags Scott	December 25
Target Score of Risk:				
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full RAG	Reasons:	
E	2	E2 (A)	Impact of this risk will always be high if it materialises given its cross-cutting nature. Aim through programme is to minimise likelihood; and to agree outcomes as early as possible to reduce impact (e.g. to certain areas / small number of outcomes themes).	

Agreed by SLT: 30 July 2025
Updated by Chrisi Page: 25 July 2025

Risk Subject	St009: Policy and Partnerships (new risk)	Risk Owner:	Alan Reiss		
Risk Detail					
There is a risk that changes in the national political environment could influence the policy and legislative context for combined authorities and local authorities, with the potential to impact on current and future policy decisions. It also highlights the risks associated with the capacity and capability of our partners to deliver shared regional objectives.					
Opportunity					
Current national Government policy, including the publication of the English Devolution and Community Empowerment Bill, should result in greater autonomy, funding flexibility and powers that the Mayor and Combined Authority can harness to deliver improved outcomes in the region.					
Cause of Risk					
This risk has been raised to reflect national legislative process changes that impact the landscape for Combined / Strategic Authorities. It also recognises that we are reliant upon partners to deliver and there are changes affecting local authorities and integrated care boards – including significant funding changes – that may affect their ability and capacity to deliver.					
Links to Corporate Plan					
Home of real opportunity	A North East we are proud to call home	Home to a growing and vibrant economy for all	Home of the green energy revolution	A welcoming home to global trade	
x	x	x	x	x	
Consequences of the risk materialising and risk indicators:					
	Trigger	Consequence	Supporting Trend Data		
NECA finances	<ul style="list-style-type: none">Changes in National Policies and funding availability	<ul style="list-style-type: none">Impact on policy and legislative contextImpact on budget stability	<ul style="list-style-type: none">Performance Management FrameworkParliamentary Statement/ Announcement		
Local economy	<ul style="list-style-type: none">Changes in national policies and funding availability / approaches	<ul style="list-style-type: none">Potential delays in deliveryReduced Government investment in the North EastPotential reduced willingness for companies to invest in the region	<ul style="list-style-type: none">State of the Region ReportsPerformance Management FrameworkParliamentary announcements		
Programme / Project	<ul style="list-style-type: none">Changes in National Policies and funding availabilityDelivery capacity of local authority partners, particularly in	<ul style="list-style-type: none">Effect on pace of delivery of either current or future priorities	<ul style="list-style-type: none">Performance Management FrameworkParliamentary Statement/ Announcement		

	tougher funding landscape		
NECA Plan / Our Values	<ul style="list-style-type: none">• Changes in National Policies and funding availability	<ul style="list-style-type: none">• Changes to the North East CA Offer• Impact on delivery of ambitions	<ul style="list-style-type: none">• Performance Management Framework
Morale	<ul style="list-style-type: none">• Changes in national policy and funding availability	<ul style="list-style-type: none">• Morale negatively impacted due to uncertainty over future arrangements	<ul style="list-style-type: none">• Staff survey
Reputation	<ul style="list-style-type: none">• Changes in National Policies and funding availability	<ul style="list-style-type: none">• Adverse impact on relationships with some stakeholders.	<ul style="list-style-type: none">• Performance management framework• Local media• Anecdotal
Legal / Regulatory	<ul style="list-style-type: none">• Changes in national policy and law	<ul style="list-style-type: none">• Negative effect on ability of CA and/or partners to deliver	<ul style="list-style-type: none">• Performance management framework• Legal / policy advice
Existing Controls		How does it reduce the risk?	Senior Officer:
		How are we assured of the control in place?	
1. Membership of networks/ relationships built with key figures nationally and locally		Allows for some forward planning if see change of direction being flagged	Huw Lewis
		Assurance Source: <ul style="list-style-type: none">• SLT and other senior managers ensuring they and the North East CA are visible to the policy makers and decision takers.• Attendance and invitations to events/meetings/conferences etc.	
2. Workforce development plan/process		Allows for timely recruitment /reorganisation if see change of direction being flagged/get notice of change	Tracey Elvin
		Assurance Source: <ul style="list-style-type: none">• Corporate reporting	
3. Reading of sector related press/publications/blogs to do Horizon scanning		Allows for early discussions and testing of ideas/solutions and wider sector collaboration/response.	Alan Reiss
		Assurance Source: <ul style="list-style-type: none">• Reports to Cabinet and SLT	
4. Deep understanding of evolving landscape		SLT discussions and policy briefings on devolution policy	Alan Reiss
		Assurance Source: <ul style="list-style-type: none">• Reports to SLT	
5. Local partnership arrangements		Regular sessions of NE CXs, informal Cabinet, portfolio meetings, officer groups e.g. TOG	Alan Reiss
		Assurance Source:	

		• NE CXs and informal Cabinet agendas and minutes			
Current Score of Risk (as at date new risk raised 21 July 2025):					
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:		
D	2	D2 (A)	It is relatively early in the parliamentary term and therefore a substantial shift nationally away from devolution is possible but not regarded as likely, particularly given the publication of the English Devolution and Community Empowerment Bill.		
New Controls:		How will it reduce the risk?		Senior Officer:	Date new control will be in place:
1. Establishment of central policy, planning and performance function		Increased ability to horizon scan, understand, shape and prepare for proposed developments		Alan Reiss	1 December 2025
2. Introduction of refreshed performance management framework		Improved reporting on performance, in terms of both impact of investments and overall performance of the region.		Alan Reiss	1 November 2025
Target Score of Risk:					
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:		
E	3	E3 (G)	Aim is to reduce likelihood through demonstrating successfully that the devolution model can deliver improved outcomes in the North East and reducing impact of any shifts in politics or partnerships.		

New risk raised: 21 July 2025 by SLT and developed by Alan Reiss
Agreed by SLT: 30 July 2025

Risk Subject	St010: Securing funding to deliver objectives (new risk)		Risk Owner:	Alan Reiss	
Risk Detail					
There is a risk that the CA may not receive sufficient funding and/or cannot access funding it needs to deliver missions and objectives.					
Opportunity					
The CA is going to be designated an Established Mayoral Strategic Authority, giving it access to the widest range of powers and funding available. This funding includes, but is not limited to, an Integrated Settlement.					
Links to Corporate Plan					
Home of real opportunity	A North East we are proud to call home	Home to a growing and vibrant economy for all	Home of the green energy revolution	A welcoming home to global trade	
X	X	X	X	X	
Cause of Risk					
This risk has been raised to reflect the potential that the CA is reliant on the allocation of funding to successfully deliver its objectives and missions. There is the potential that funding opportunities may not be sufficient and/or the CA cannot access the funding it needs.					
Consequences of the risk materialising and risk indicators					
	Trigger	Consequence		Supporting Trend Data	
NECA Finances	<ul style="list-style-type: none">Failure of North East CA or our delivery partners to deliver programmes within funding window	<ul style="list-style-type: none">Impact on future award of fundingPotential clawback of funding if requirements not met.Impact on added value		<ul style="list-style-type: none">Performance Management FrameworkInvestment Programme Board / Programme and Project monitoring	
Local economy	<ul style="list-style-type: none">Programme and projects do not deliver expected benefits / stakeholder expectations	<ul style="list-style-type: none">Constraint of growth and delivery of missionsImpact on future investments in the region /leverageLoss of confidence in the CA's ability to support economic improvement		<ul style="list-style-type: none">Performance Management FrameworkInvestment Programme Board / Programme and Project monitoringEvaluation	
Programme / Project	<ul style="list-style-type: none">Insufficient funding to establish programmes and projects necessary to support achievement of missionsInsufficient capability to translate funding into programme delivery	<ul style="list-style-type: none">Impact / constraint on Investment programme		<ul style="list-style-type: none">Performance Management FrameworkInvestment Programme Board / Programme and Project monitoringEvaluation	

NECA Mission	<ul style="list-style-type: none">• Insufficient funding to establish programmes and projects necessary to support achievement of missions	<ul style="list-style-type: none">• Impact on achievement of North East CA priorities and missions• Impact on ability to support partners to deliver activities needed to achieve priorities and missions	<ul style="list-style-type: none">• Performance Management Framework• Investment Programme Board• Budget setting
Morale	<ul style="list-style-type: none">• Insufficient resourcing to enable officers to develop / complete activities to support mission• Criticism around lack of delivery / perceived lack of results• Pressure from partners competing for funding	<ul style="list-style-type: none">• Low retention rates and high staff turnover• Increased staff absences• Negative feedback from staff• Impact on performance	<ul style="list-style-type: none">• Staff survey results• HR performance data
Reputation	<ul style="list-style-type: none">• Non delivery• External events• Overview & Scrutiny Committee• Perception of corporate responsibilities	<ul style="list-style-type: none">• Adverse impact on reputation• Government lose confidence in ability to deliver devolution deal• Local communities lose confidence in CA ability to make a difference to life and communities	<ul style="list-style-type: none">• Media coverage• Complaints
Legal / Regulatory	<ul style="list-style-type: none">• Tendency towards non-compliance with funding conditions	<ul style="list-style-type: none">• Adverse impact on reputation• Possible legal challenge• Reduced future funding allocations	<ul style="list-style-type: none">• Poor audit results• Assurance framework compliance failures
Existing Controls:		How does it reduce the risk?	Senior Officer:
		How are we assured of the control in place?	
1. Devolution deals negotiated with Government		Deals have led to funding being secured for the region	Alan Reiss
		Assurance Source: <ul style="list-style-type: none">• Devolution deals published	
2. Established Mayoral Strategic Authority Status		Provides access to additional funding and flexibilities	Mags Scott
		Assurance Source: <ul style="list-style-type: none">• Reports to SLT and Cabinet	

Current Score of Risk (as at date new risk raised 21 July 2025):				
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:	
C	2	C2	Over time, given the national economic position, it is likely that the funding available will fall short of what is truly required to deliver the CA's objectives.	
New Controls:		How will it reduce the risk?	Senior Officer:	Date new control will be in place:
1. Sharpened delivery mechanisms e.g. SAF Review		Increases the CA's capability to deliver and therefore increase case for further devolution of future funds.	Mags Scott	1 December 2025
2. Integrated Settlement arrangements		Increases the CA's capability to deliver and therefore increase case for further devolution of future funds.	Mags Scott	1 April 2026
Target Score of Risk:				
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:	
D	2	D2	Aim for reduction in likelihood – but impact of insufficient funding is always likely to be significant.	

New risk raised: 21 July 2025 by SLT and developed by Alan Reiss
Agreed by SLT: 30 July 2025

Risk Subject	St011: Reputation (new risk)		Risk Owner:	Huw Lewis	
Risk Detail					
There is a risk that if the role / purpose/ activities of the North East CA are not clearly understood or seen as relevant by communities across the region, it could undermine democratic engagement and the perceived legitimacy of its work.					
Opportunity					
By raising awareness of the role of the CA and its projects we can help increase the participation in the services and delivery that we support.					
Links to Corporate Plan					
Home of real opportunity	A North East we are proud to call home	Home to a growing and vibrant economy for all	Home of the green energy revolution	A welcoming home to global trade	
X	X	X	X	X	
Cause of Risk					
The CA is a new public body with a new role so initial awareness of its existence and purpose is low.					
Consequences of the risk materialising and risk indicators					
	Trigger	Consequence		Supporting Trend Data	
NECA finances	<ul style="list-style-type: none">Private Sector not aware of CA investment	<ul style="list-style-type: none">Businesses may not wish to invest in the regionFunding may be lost		<ul style="list-style-type: none">Milestone tracking leading up to 2028 Mayoral ElectionsActive engagement levels in specific CA consultation and engagement activity, such as the Local Growth Plan and Bus reform.	
Local economy	<ul style="list-style-type: none">Stakeholders unaware of or not engaging in CA initiatives and consultations	<ul style="list-style-type: none">Lack / reduction of investment Reduction in visitors to the region		<ul style="list-style-type: none">Milestone tracking leading up to 2028 Mayoral ElectionsSatisfaction among stakeholders in their contact with the CA	
Programme / Project	<ul style="list-style-type: none">Stakeholders unaware of or not engaging in CA initiatives and consultations.	<ul style="list-style-type: none">Funding may be reduced which could delay deliveryLost opportunities to strengthen programme/ projects and maximise impact of our investment.		<ul style="list-style-type: none">Milestone tracking leading up to 2028 Mayoral ElectionsSatisfaction among stakeholders in their contact with the CA	
Health, Safety & Wellbeing	<ul style="list-style-type: none">Stakeholders unaware of or not	<ul style="list-style-type: none">			

	engaging in CA initiatives.		
NECA Missions	<ul style="list-style-type: none">Stakeholders unaware of or not engaging in CA initiatives.	<ul style="list-style-type: none">Key ambitions, objectives and missions may not be delivered	<ul style="list-style-type: none">Milestone tracking leading up to 2028 Mayoral ElectionsSatisfaction among stakeholders in their contact with the CA
Morale			
Reputation	<ul style="list-style-type: none">The local population does not perceive positive change or initiativesLow turnout in Mayoral elections	<ul style="list-style-type: none">Lack of trust in the CA to improve the regionGovernment lose confidence to deliver the Devolution DealA weakened democratic mandate may affect the CA’s ability to advocate effectively at national level.	Milestone tracking up until the 2028 Mayoral Elections <ul style="list-style-type: none">Awareness of the CA, its delivery areas, its missions and priority areas.Awareness of the CA, its delivery areas, its missions and priority areas
Legal / Regulatory			
Existing Controls:		How does it reduce the risk?	Senior Officer:
		How are we assured of the control in place?	
1. Delivery of the Communication Strategy 2025 -28		The strategy sets out the means by which we continually expand awareness, trust and relationships. Assurance Source: <ul style="list-style-type: none">Approved Communication Strategy 2025-28Monthly and quarterly reports on impact against plans to SLTSLT agenda, reports and minutes	Huw Lewis
2. Formation and delivery of communication plans tailored to individual work streams.		Targets for impact against workstream aims agreed individually with accountable director. Assurance Source: <ul style="list-style-type: none">Performance Indicators reported at key milestones to workstream lead.	Huw Lewis
3. Partners delivering projects with /or for the CA highlight its role and funding support.		CA funded projects are clearly branded and referred to in 3 rd party material such as websites, hoardings and literature and reports. Assurance Source: <ul style="list-style-type: none">Clear contractual guidelines are present and highlighted in Grant Funding Agreements (GFAs)Programme managers audit use and appearance of CA branding	Huw Lewis

4. Media and communications work by Government, LA and other partners highlight role of CA.	The CA leverages opportunities to raise its profile through wider networks.		Huw Lewis	
	Assurance Source: <ul style="list-style-type: none">• Formal protocols exist to manage communication with partners.• Protocols are reviewed at least annually by both parties.			
Current Score of Risk (as at date new risk was raised 8 July 2025):				
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:	
B	3	B3	Initial surveys show low awareness of the CA comparative to delivery programmes that have already started.	
New Controls:		How will it reduce the risk?	Senior Officer:	Date new control will be in place:
No new controls identified				
Target Score of Risk:				
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG	Reasons:	
D	3	D3	Through the embedding of the controls and raising the awareness of the CA and its programmes / initiatives public and stakeholder perception should improve.	

New risk raised: 21 July 2025 by SLT and developed by Huw Lewis
Agreed by SLT: 30 July 2025

Risk Subject:	St001 - Transport Funding and Scale (closed)	Risk Owner:	Tobyn Hughes
Risk Detail:			
There is a risk that funding is not sufficient to deliver the commitments set out in the Transport Programme and Local Transport Plan, or use of funding is constrained because of Government conditions.			
Opportunity:			
There is an opportunity through further devolution to work with the Government to have access to a more stable longer-term funding stream for transport, whose prioritisation and conditions of use are determined by the North East CA.			
Cause of Risk:			
<p>This risk reflects the scale and breadth of the Transport Programme and its overarching impact across the North East CA. Transport Programme deliverables often act as enablers for other portfolios to deliver against their ambitions.</p> <p>Government itself is fiscally constrained, and its historical approach has been to provide “stop-start” funding allocations for transport to deliver central Government policy initiatives, resulting in transport funding being time-bound, its use and conditions closely managed by civil servants, and has often required competitive bidding.</p> <p>The ability to draw down future Government funding for transport is often dependent on the successful expenditure of existing funding within Government-defined criteria and delivery periods, thus creating a circular problem. Insufficient resources or time to prepare projects for delivery and major changes to schemes in the agreed delivery programme by partners can both lead to under-delivery by the North East CA as a whole and result in Government reducing the resources it makes available to the North East CA in future.</p> <p>This risk therefore arises from the quantum of Government funding to deliver the Transport Programme, its conditions, and the quality of the North East CA’s delivery.</p>			
Risk Score (at time closure was agreed)			
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full RAG	Reasons:
D	2	D2 (A)	Risk to close and relevant elements incorporated within new risks

Approved by SLT: 30 July 2025

Risk Subject:	St002 - Transport – Operational (closed)	Risk Owner:	Tobyn Hughes
Risk Detail:			
There is a strategic and reputational risk for the North East CA that transport operations and projects are delivered through a complex array of bodies, some of which are outside the North East CA’s direct sphere of influence. The recent failure of the Gateshead flyover is an example of the risks that ageing infrastructure can pose to transport operations.			
Opportunity:			
Formalised partnership working with partners such as National Highways and Great British Railways, increases the opportunity to collaborate with an aim of a more reliable network. The integration of maintenance funding into the CRSTS programme and the introduction of a regional Transport Asset Management Plan presents an opportunity to consider how funding is identified and deployed for asset maintenance and renewal in a more structured and targeted way. There are also opportunities for greater regional collaboration on the procurement of goods and services to realise economies of scale and enhanced value for money.			
Cause of Risk:			
This risk has been raised because the governance of transport operations is complex in the region, and although the North East CA is the Local Transport Authority with overall strategic responsibility, many transport functions projects are delivered by partners through funding agreements, delegations, by arm’s-length arrangements and contracts with the private sector. This can result in lack of clarity over accountabilities, policy direction, and potentially lead to reputational damage. Furthermore, some key aspects of transport lie wholly outside the North East CA’s current powers (e.g. strategic roads, national railways and commercial bus services) contrary to a commonly held public perception that the North East CA should be able to control or influence them.			
Risk Score (at time closure was agreed)			
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full RAG	Reasons:
E	1	E1 (A)	Risk to close and relevant elements incorporated within new risks

Agreed by SLT: 30 July 2025

Risk Subject:	St003: Inclusive Growth (closed)	Risk Owner:	Rob Hamilton / Adrian Dougherty
Risk Detail:			
There is a risk that North East CA's ambition on inclusive growth and creating opportunities for all, may not deliver planned outcomes to improve wellbeing for all, including addressing child poverty whilst reducing inequality and removing barriers.			
Opportunity:			
Embedding our ambitions on inclusive growth and child poverty in everything we do, creating a fairer North East, working with partners to create good jobs, and increasing opportunities for our residents.			
Cause of Risk:			
<p>Whilst many factors are within NECA's influence, the main issue to flag this quarter is increasing concerns about the world and UK economies (and public finances) – exacerbated by instability in global trading relationships and tariffs as a result of US policies. Major forecasters, including the IMF, have downgraded their growth forecasts for the UK for this year and next – although they are not predicting a recession.</p> <p>A downturn in the economy creates direct risks to the Inclusive Growth outcomes being sought by the Combined Authority – including if businesses are either directly affected by changes in US policies or impacted by wider changes in economic conditions. There are also additional risks caused by weaker public finances and if there is a reduction in potential future levels of investment by Government in our strategic priorities (and post-SR resources for the Combined Authority).</p> <p>Failure to achieve the planned outcomes to reduce inequality and remove barriers to ensure opportunities and jobs are available to traditionally underserved groups, present a risk of further widening the gap which will have impacts both in respect of health and wellbeing, and an inability to meet current and future employer demand and grow a more resilient local economy.</p>			
Risk Score (at time closure was agreed)			
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full: RAG Prev score	Reasons:
E	2	E2 (A)	Risk to close and relevant elements incorporated within new risks

Agreed by SLT: 30 July 2025

Risk Subject:	St004: Net Zero (closed)	Risk Owner:	Rob Hamilton
Risk Detail:			
There is a risk that North East CA's Net Zero ambitions may not be achieved with insufficient funding and resources and should it not prove possible to form the necessary coalition of partners, including across the public and VCSE sectors, businesses and residents.			
Opportunity:			
There is an opportunity to lead as an example on how to manage Net Zero at a regional level, grow the low carbon economy, and to support LAs to achieve their targets			
Cause of Risk:			
<p>This risk has been raised to reflect the importance on the work North East CA will undertake to progress Net Zero and low carbon growth throughout the region and scale of work required across all portfolios to achieve this.</p> <p>North East CA will work with Local Authorities and external bodies to achieve our strategic ambitions in respect of Net Zero, however it is acknowledged that there will be significant activity in this area outside the Combined Authority's direct control.</p> <p>A number of schemes are also externally funded which may result in certain requirements being met to be successful in winning funding bids and preventing clawback.</p> <p>As this risk cuts across all portfolios there is collective Cabinet responsibility, this creates both an opportunity to truly embed Net Zero considerations across portfolio activity but also a risk that there may be an assumption by Portfolio Leads that it is being progressed elsewhere in the Combined Authority, resulting in lower outcomes. This could also result in the perception that North East CA is not adequately responding to the climate crisis or delivering against ambitions set out in devolution deals and mayoral manifesto.</p>			
Risk Score (at time closure was agreed)			
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full RAG	Reasons:
C	3	C3 (A)	Risk to close and relevant elements incorporated within new risks

Agreed by SLT: 30 July 2025

Risk Subject:	St007: Accessing data to allow performance reporting (de-escalated to Directorate Level)		Risk Owner:	Alan Reiss
Risk Detail:				
<p>There is a risk that until we have fully integrated systems and digitalised/automated processes across the five directorates, corporately, we will not be able to easily identify what data is collected where and how it is processed to easily allow performance reporting.</p> <p>Until our systems are aligned an interim process will need to be created to collate data from multiple sources to enable performance reporting. This will be complex due to the inconsistencies around data processing and multiple systems in use across the organisations and may result in the North East CA being unable to deliver ambitions related to transparent and accurate performance management, at a pace which aligns with stakeholder expectations.</p>				
Opportunity:				
<p>To create a data and digital strategy which builds upon learnings from five legacy organisations to ensure that the data we collect and the systems and processes which underpin collection and performance reporting are ambitious and innovative.</p> <p>Utilising data is fundamental to both enabling the delivery and accurate reporting of performance against our corporate plan and missions. To enable data-driven decision making, we need to effectively utilise the data available to us, from both internal and external sources.</p> <p>Alongside data available from external sources, having the ability to utilise all data from our various delivery programmes across the North East CA and operational data from arms-length bodies delivering on our behalf, such as Nexus, is crucial to our data ambitions.</p> <p>Currently, due to disjointed ways of work working, poor or missing processes, lack of consistent systems leading to siloed data collection and storage it is not always possible to access this data. When this data is accessible, due disjointed data collection, collation and processing mechanisms across different teams there can be data quality and reconciliation issues.</p> <p>Not only does this impact our ability to utilise this data to inform decision making, it also negatively impacts our ability to accurately and consistently report on the impact of our investments and interventions.</p>				
Cause of Risk:				
<p>This risk has been raised to reflect the maturity of the organisation following the transition of five organisations each with their own data cultures, ways of working and digital systems and processes into the North East CA. Until relevant systems and processes are operationalised, the North East CA will have to rely on manual intervention for collating data in relation to requests for performance information and reporting, where automated systems are not in place.</p>				
Risk Score (at time de-escalation was agreed)				
Likelihood: A,B,C,D,E,F	Impact: 1,2,3,4	Full RAG	Reasons:	
A	4	A4 (A)	Following discussions it was agreed that this risk would be de-escalated to Directorate level for ongoing management and reporting.	

Agreed at SLT: 30 July 2025

Appendix 3: Risk scoring matrix

A				
B				
C				
D				
E				
F				
	4	3	2	1

Likelihood:

A Very high / certain

B Highly likely

C Medium / likely

D Low / possible

E Very low / rare

F Negligible / almost impossible

Impact:

1 Major

2 Significant

3 Moderate

4 Minor

Red risks are to be managed down as a matter of urgency

Amber risks are to be managed down in the medium term and monitored

Green risks considered low priority but are also monitored

Title: Budget Monitoring Update 2025-26 Quarter 1
Portfolio: Finance and Investment
Responsible Director: Mags Scott, Director of Finance and Investment
Report Author: Eleanor Goodman, Head of Finance

Purpose of the report

The purpose of this report is to present the Mayor and Cabinet a review of the 2025/26 budget plan at the end of the first quarter (1 April to 30 June 2025), showing the updated forecast spend for the corporate budget and delivery programmes.

Recommendations:

Cabinet is recommended to note the revised forecast spend against budget for 2025/26 at the end of June 2025.

Executive Summary

The report provides an update on forecasts at the end of the first quarter against the overheads (organisational running costs) and service delivery budgets for the 2025-26 financial year. Overall, expenditure against the overheads budget is forecast to be largely in line with the original budget for the year, with a higher than budgeted level of income due to increased interest on short term investments of cash balances.

The forecast outturn on service delivery programmes is £258.381m revenue against a programme of £251.7m, an increase of £6.680m, and £258.580m capital against a capital programme of £324.833m, a reduction of £66.254m which has arisen due to reprofiling of forecast spend into 2026-27 and future years, taking into account latest project updates at the end of the first quarter.

A. Context

1. Background

- 1.1. The original budget for 2025-26 was set by Cabinet in January 2025, and this was set out again in the report to Cabinet at its last meeting. The initial budget set out totalled £22.3m relating to the costs of running the Authority and some direct delivery. Further non-programme costs, primarily transport levy grants, capital financing costs and corporate contingencies, total £101.6m. The total budget of £123.9m is funded through transport levies, Tyne Tunnels toll income, interest on investments, contributions from local authorities and from government grant funding.
- 1.2. The initial service delivery plan for 2025-26 reflects a budgeted programme of works totalling £576.9m, funded by government grants, and reserves holding funds received in previous years.
- 1.3. This report sets out the position based on forecast information at the end of the first quarter (30 June 2025).

2. Corporate Budget Position

- 2.1. The forecast position against directorate corporate overhead budgets is in line with budget. This projection is based on staffing structure before any restructure changes in 2025-26, with the expectation that the costs of the ongoing restructures will be met by the £2m contingency set aside for this purpose. There is a predicted saving of £0.293m against staffing budgets, due to vacancies. The forecast for other costs remains in line with budget.
- 2.2. Interest income is anticipated to be significantly higher than originally budgeted, due to interest rates remaining higher for longer than anticipated at the time of developing the original budget, and cash balances being higher than forecast. Interest is now expected to reach similar levels to 2024/25,

with a total forecast of £19.3m, of which £6.03m has already accrued during the period from 1 April to 30 June 2025. The original budget was £6.8m for the full year.

- 2.3. The forecast for service delivery programmes is set out in Appendix 2, with a total of £258.580m capital and £258.381m revenue programmes now forecast, against an original budget of £251.7m revenue and £324.833m capital. The increase in forecast revenue programme expenditure is due to the inclusion of an additional £10.481m on Investment Fund revenue schemes which have been reprofiled following the 2024-25 outturn.
- 2.4. The capital programme has been reviewed at the end of quarter 1 to assess likely spend profiles across all projects. This has resulted in an overall reduction of £66.254m in 2025-26 which has been reprofiled into 2026-27 and future years. This is primarily in relation to the Transport capital programme, where the original budgets for the year assumed £119.454m expenditure in total across the Bus Service Improvement Plan (BSIP) capital projects and City Region Sustainable Transport Settlement (CRSTS) capital projects. These are now forecast to be £16m and £18.7m respectively.
- 2.5. The reduction in forecast BSIP capital spend for 2025-26 reflects latest updates from projects. Schemes will be contracted by the end of this financial year but delivery and expenditure will continue into 2026-27. Similarly, CRSTS capital forecasts have been updated since the original budget was set in January 2025, and it is now anticipated that most schemes will commence delivery in the 2026-27 financial year. We are working hard with scheme owners and delivery bodies (our seven constituent local authorities) on ways to expedite delivery where possible and, where not, to re-profile appropriately based on deliverability in order to ensure resources remain in the region.
- 2.6. The *Delivering the Mayor's Local Transport Plan* report elsewhere on this agenda sets out specific measures to bring forward spend this financial year into both the BSIP and CRSTS programmes. Officers are actively engaged with DfT over deliverability challenges with the funding and are awaiting formal approval of an amendment to the BSIP programme accordingly.
- 2.7. The initial programme for 2026-27 and future years will be presented as part of draft budget proposals to Cabinet at the November meeting.

3. Conclusion and next steps

- 3.1. The corporate overheads and service delivery budgets are in line with the parameters agreed by Cabinet and will continue to be monitored during the remainder of the financial year, with the next update (quarter 2) being presented to Cabinet at its meeting on 21 November 2025.

B. Impact on North East Combined Authority Objectives

Financial governance and stewardship underpins the delivery of all of the North East CA's objectives.

C. Key Risks

There are no key risks arising from this report which is for information.

D. Corporate Implications

- D.1. Finance and other resources implications
There are no specific finance and other resources implications arising from this report. This is a financial report with associated implications set out in the detail of the report.
- D.2. Legal implications
The Authority is required to agree a balanced budget annually and to monitor performance against that budget throughout the year. The Authority must also make provision for an adequate level of un-earmarked reserves. It is also required to ensure that good financial governance arrangements are in place.
- D.3. Equalities implications
There are no direct equalities implications arising out of the recommendations in this report.

D.4. Consultation and engagement

The 2025-26 budget was subject to wide consultation across the North East and developed from close collaborative working across the local authorities and a wide range of stakeholders. Engagement continues among key stakeholders across the region.

E. Appendices

Appendix 1 – Corporate Overheads Q1 Forecast 2025-26

Appendix 2 – Service Delivery Programmes Q1 Forecast 2025-26

F. Background papers

2025-26 Budget and Corporate Plan and the Medium-Term Financial Plan – [Cabinet 28 January 2025](#)

G. Glossary

None

Contact officer(s)

Eleanor Goodman, Head of Finance, eleanor.goodman@northeast-ca.gov.uk

Appendix 1 – Corporate Overheads Forecast at Quarter 1 2025-26

NECA Class	Economic Growth & Regeneration	Skills, Inclusion & Public Reform	Transport	Finance & Investment	Operations	Chief Executive	Total Directorate Overheads	Corporate Items	2025-26 Budget
Employees	3.027	3.668	2.278	1.959	3.374	0.401	14.706		14.706
Admin Costs	0.050	0.176		0.452	2.285	0.100	3.063		3.063
Cost of Delivery	2.266		0.268			0.399	2.933		2.933
Contingency			0.081	1.251			1.332	5.683	7.015
Central Support							0.000	8.789	8.789
Transport Levy							0.000	87.173	87.173
EXPENDITURE Total	5.343	3.844	2.627	3.662	5.659	0.900	22.034	101.645	123.679
Grant Top-slice					0.000		0.000	(10.856)	(10.856)
Funding	(2.781)	(0.593)	(0.250)	(0.500)	(1.000)	(0.550)	(5.673)		(5.673)
Recharges to Projects		(0.442)	(1.523)	(0.061)	(0.119)		(2.145)		(2.145)
Interest							0.000	(19.309)	(19.309)
Transport Levy							0.000	(89.356)	(89.356)
Income Total	(2.781)	(1.034)	(1.773)	(0.561)	(1.119)	(0.550)	(7.818)	(119.522)	(127.340)
Overheads Net Total	2.562	2.810	0.854	3.100	4.539	0.350	14.216	(17.877)	(3.661)
Funding towards costs from Tyne Tunnel Fees								(8.785)	(8.785)
Grand Total	2.562	2.810	0.854	3.100	4.539	0.350	14.216	(26.661)	(12.446)

Appendix 2 – Service Delivery Forecast Quarter 1 2025-26

Forecast at Q1	Economic Growth and Regeneration	Skills, Inclusion and Public Reform	Transport	Total	Initial Planned Spend	Variance
Revenue Programmes:	£m	£m	£m	£m	£m	£m
Brownfield Housing Fund	0.309			0.309	0.309	0.000
Investment Fund Revenue	13.541	5.580		19.122	8.640	10.481
Investment Zones Revenue	1.912			1.912	3.674	(1.762)
Trailblazer	4.944			4.944	4.944	0.000
UK Shared Prosperity Fund	10.661	6.193		16.854	16.655	0.199
DCMS Create Growth	0.425			0.425	0.000	0.425
Net Zero Hub	0.065			0.065	0.000	0.065
Economic Inactivity Trailblazer		9.900		9.900	9.900	0.000
Connect to Work Programme		3.970		3.970	3.970	0.000
Adult Skills Fund		95.139		95.139	95.139	0.000
City Region Sustainable Transport Settlement Revenue			10.000	10.000	14.910	(4.910)
Bus Service Improvement Plan Revenue			55.624	55.624	55.624	(0.000)
Tyne Tunnels			34.617	34.617	33.402	1.215
Other Transport Revenue			5.500	5.500	4.533	0.967
Total revenue programmes	31.858	120.782	105.741	258.381	251.700	6.680
Capital Programmes:	£m	£m	£m	£m	£m	£m
Brownfield Housing Fund Capital	29.336			29.336	24.235	5.101
Crown Works Trailblazer	24.189			24.189	24.200	(0.011)
Investment Fund Capital	13.528	0.424		13.952	9.549	4.403
Investment Zones Capital	15.626			15.626	10.862	4.763
Rural England Prosperity Fund	0.613			0.613	0.000	0.613
Mayor's Renewable Fund	0.700			0.700	0.000	0.700
Local Electric Vehicle Infrastructure			1.317	1.317	1.484	(0.167)
City Region Sustainable Transport Settlement Capital			18.700	18.700	53.463	(34.763)
Other Transport Capital			26.519	26.519	36.969	(10.450)

Maintenance and Integrated Transport Block			95.247	95.247	88.102	7.145
Levelling Up Fund			16.382	16.382	9.978	6.404
Bus Service Improvement Plan Capital			16.000	16.000	65.991	(49.991)
Total capital programmes	83.991	0.424	174.165	258.580	324.833	(66.254)
Total (all programmes)	115.849	121.205	279.906	516.960	576.534	(59.573)