

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

will be held on: **Tuesday 21 October 2025**

at **10.00am**

in: **The Lamesley Room, Civic Centre, Regent Terrace, Gateshead, NE8 1HH**

to consider the following

AGENDA

	Page No
1 Apologies To record any apologies for absence and the attendance of any substitute members.	
2 Declarations of Interest Members of the committee are required to declare any registerable and/or non-registerable interests in matters appearing on the agenda, and the nature of that interest, in accordance with the Authority's Code of Conduct for Members .	
3 Minutes To confirm as a correct record the minutes of the previous meeting held on 2 September 2025.	3 - 6
4 Metro Performance To consider the current performance of the metro system.	7 - 18
5 Delivering of the North East CA's Transport Priorities To consider delivery of a number of the North East's transport projects as set out in the Mayor's Local Transport Plan.	19 - 24
6 Reducing Carbon Emissions and Carbon Targets To consider the North East CA's overall strategic approach to reducing carbon emissions and achieving the region's carbon targets.	25 - 32
7 Integrated Settlement Outcomes Framework and Performance Management Framework To consider the Authority's preparations and readiness for an integrated financial settlement.	33 - 50
8 Work Programme To review and revise the overview and scrutiny work programme.	51 - 62

Continued overleaf.

Date and Time of Next Meeting

To note that the next scheduled meeting is to be held on Monday 8 December 2025 at 10.00am in the Town Hall, Ashington.

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Overview and Scrutiny Committee

2 September 2025

(10.00am)

Meeting held in: Committee Room 1A, County Hall, Durham

Minutes

Present:

- Councillor Colin Ferguson (Chair)
- Councillor Mark Burrell
- Councillor Dot Burnett
- Councillor Steve Cox
- Councillor Richard Dodd
- Councillor Barry Elliott
- Councillor Steve Fairlie
- Councillor David Francis
- Councillor Jim Montague
- Councillor Tom Redmond
- Councillor Adrian Schulman
- Councillor Dawn Welsh

OSC9/9/25 Apologies for Absence and Substitutes

Apologies for absence were received from:

Councillor Nick Brown (Councillor Tom Redmond was present as substitute)
Councillor Tracy Dodds (Councillor Mark Burrell was present as substitute)
Councillor Linda Wright (Councillor Steve Fairlie was present as substitute)
Councillor John McCabe
Councillor Claire Rowntree

OSC10/9/25 Declarations of Interest

There were no declarations of interest.

OSC11/9/25 Minutes

Resolved that the minutes of the previous meeting held on 15 July 2025 be confirmed and signed as a correct record.

OSC12/9/25 North East Mayor

The Committee met with the North East Mayor, Kim McGuinness, to discuss her vision and priorities for the region and to consider the progress made by the North East CA since its establishment and her election in May 2024.

During the discussion members of the Committee asked questions on a range of topics including:

- a) the Authority's key achievements in its first year of operation including production of a Child Poverty Action Plan and New Deal for North East Workers, securing a £1.8bn transport settlement from Government, the launch of a Nature and Carbon Marketplace, delivery of a programme of cultural events and securing investment to deliver more affordable and social housing,
- b) how job creation in the green economy could be made accessible and equitable across the region,
- c) examples of investment by the Authority in areas north of the Tyne,
- d) the timescale for the completion of roadworks on the A1 western by-pass through Gateshead,
- e) the distribution of the Authority's investment, projects and programmes across the seven constituent council areas and in areas of greatest need. A member asked for supplementary information on the range of support offered to children and families in Blyth as part of the Child Poverty Action Programme.
- f) the need for effective communications to promote the region and the work of the Authority,
- g) whether there were sufficient opportunities for young people who may not have obtained qualifications at school to return to academic studies later in life,
- h) the distinction between town centre high streets and smaller local community centres and how the High Streets Commission, established by the Authority, might lead to significant and transformational investment in town centres,
- i) the likely impact of the £1.8bn transport settlement for the region in terms of constructing and maintaining important transport infrastructure in the region, including the Tyne Bridge, Swing Bridge and the Metro extension to Washington,
- j) the opportunities for the region to develop, and benefit from, the growing green economy, particularly the offshore wind industry and associated manufacturing such as high voltage cable production for under-sea electricity transmission
- k) progress in relation to the Stack development in Bishop Auckland. Officers undertook to provide members with supplementary information on the latest position.
- l) the measures being taken to increase a sense of safety on the transport network,
- m) the role and responsibilities of the Authority and all elected members in addressing community tensions,
- n) progress in relation to the development of the Gateshead Quays, and
- o) transparency and accountability regarding the performance of the Metro. The Mayor indicated that whilst performance information was already available on the Nexus website, arrangements were being put in place to report performance to Cabinet twice per year.

The Chair thanked the Mayor for attending the meeting and answering questions from members of the Committee. The Mayor thanked the Committee for its work and commented that she valued her regular meetings with the Chair of the Committee and members' views and comments on all topics.

The Chair asked that where members had asked for supplementary information this be circulated to all members of the Committee.

OSC13/9/25 Overview and Scrutiny Work Programme

The current work programme was presented to the Committee to enable members to review its contents, suggest items for inclusion and, if necessary, agree any changes.

It was reported that the Committee may establish temporary working groups to consider specific issues in more depth and to report back to the Committee. The Chair and Vice Chair had considered the possibility of appointing two separate temporary working groups to review delivery of the Child Poverty Action Plan and Programme and contribute to the preparation of a Spatial Development Strategy. Members of the Committee expressed their support for the appointment of the temporary working groups. Further work would be undertaken with lead officers to formulate a detailed scoping document for each exercise setting out objectives, lines of enquiry, methodology

and timescales and to obtain a commitment from members and substitute members of the Committee to undertake the work. The scoping documents would be presented to the Committee for approval.

It was also proposed that the meeting to be held on Tuesday 9 December 2025 be re-scheduled to Monday 8 December 2025 to enable the Committee to undertake a site visit of the Northumberland Line and enable the Leader of Northumberland Council and the Cabinet Member for a Welcoming Home to Global Trade, Councillor Sanderson, to attend the meeting in Ashington Town Hall.

It was **agreed** that:

1. a further report be presented to a future meeting of the Committee with a proposal to appoint two temporary working groups in relation to the Child Poverty Action Programme and the Spatial Development Strategy; and
2. the meeting in December be rescheduled from Tuesday 9 December 2025 to Monday 8 December 2025 in the Town Hall, Ashington.

OSC14/9/25 Date and Time of Next Meeting

It was noted that the next scheduled meeting would be held on Tuesday 21 October 2025 at 10.00am in the Civic Centre, Gateshead.

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21 October 2025

Title: Metro Performance Update

Report of: Tobyn Hughes, Director of Transport

1. Report Summary

- 1.1 The purpose of this report is to provide the Committee with an opportunity to consider the current performance of the metro system.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee is invited to consider the information presented by Nexus and comment on the current performance of the metro system.

3. Background

- 3.1 The Chair and Vice Chair of the Committee have requested that the Committee examine the current performance of the Metro system.
- 3.2 Officers from Nexus have accepted an invitation to attend today's meeting to present an update on Metro performance alongside the North East CA's Director of Transport. A copy of the slides to be presented at the meeting is attached as Appendix A. The following officers will be in attendance to present this material and answer member's questions:

John Fenwick - Director of Finance & Resources

Kevin Storey - Metro Operations Director

Stuart Clark - Infrastructure Director

Paul Welford - Major Projects Director

- 3.3 Nexus is the Tyne and Wear Passenger Transport Executive (PTE) and is a separate corporate body to the North East CA which is the Transport Authority. Nexus provides and promotes public transport in the Tyne and Wear area, including the Metro in accordance with the policy objectives and budget determined by the North East CA's Mayor and Cabinet. The North East CA's Director of Transport is also the Director General of Nexus.
- 3.4 At its previous meeting the Committee discussed with the Mayor the arrangements for transparency and accountability regarding the performance of the Metro.
- 3.5 The Committee is invited to pay particular attention to the measures in place to improve performance including the roll out of a new fleet of 46 metro trains.

4. Policy Implications

- 4.1 The North East CA's policy objectives in relation to transport and the metro system are set out in its [Corporate Plan](#) and the [North East Local Transport Plan](#).

5. Environmental and Equalities Implications

- 5.1 Nexus have published an [Environment and Sustainability Strategy](#) to recognise the important role it plays in reducing greenhouse gas emissions, clean air, improving biodiversity and the need for climate change resilience for the reliability of its transport operations.
- 5.2 It is important that the North East Local Transport Plan and accompanying Delivery Plan is delivered in a manner which protects and enhances the environment, enhances health and quality of life, and is delivered in a fair and inclusive manner. An independent Integrated Sustainability Appraisal has been undertaken to test these effects and is available on the [North East CA's website](#).
- 5.3 In reviewing and scrutinising matters, the Committee must be mindful of the Authority's [Public Sector Equality duty](#) and consider whether what is before them:
- a) eliminates discrimination, harassment and victimisation;
 - b) advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
 - c) fosters good relations between persons who share a relevant protected characteristic and persons who do not share it.

6. Appendices

Appendix A – Metro Performance Update – Nexus Presentation Slides.

7. Background Papers

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

- [Minutes of the Overview and Scrutiny Committee held on 2 September 2025](#)
- [Nexus Website](#)
- [North East Local Transport Plan](#)

8. Contact Officers

Tobyn Hughes, Director of Transport Tobyn.hughes@northeast-ca.gov.uk
Michael Robson, Senior Governance Officer Michael.robson@northeast-ca.gov.uk

9. Glossary

PTE - Passenger Transport Executive
North East CA – North East Combined Authority



Metro Performance Update

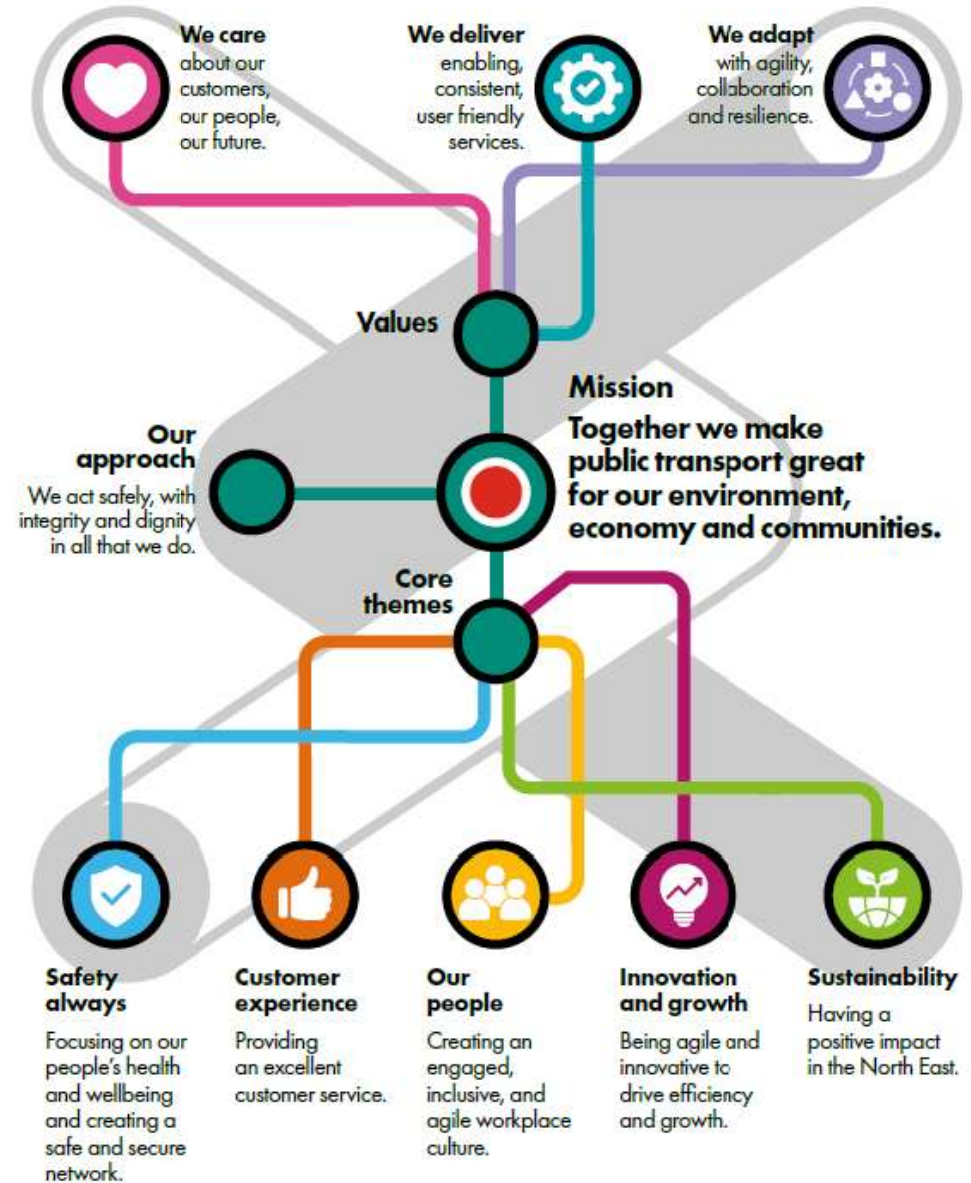
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John Fenwick
Director of Finance and Resources
Overview and Scrutiny Committee
October 2025



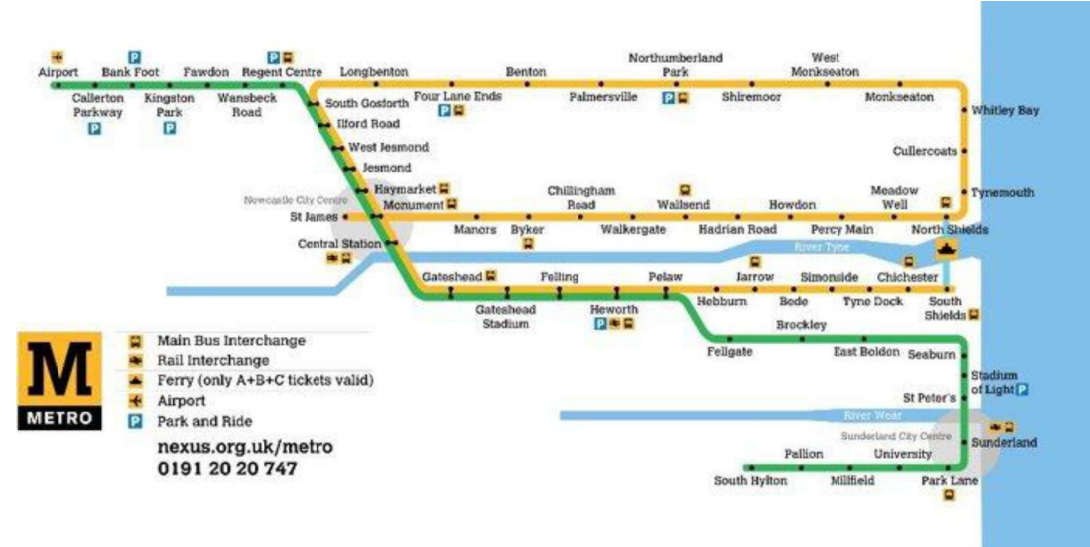
Vision

- Nexus vision towards 2030: supports the delivery of:
 - North East Mayor's Manifesto
 - North East Combined Authority's Missions
 - Local Transport Plan
- Large scale ambition for Metro:
 - New fleet and depots
 - Asset renewal
 - Metro Go (Re-signalling)
 - Metro to Washington



About Metro

- Economy and local growth plan impact
- 77km of track and 60 stations
- 30 million customer journeys
- Most frequent rail service outside of London
- Focus on:
 - Customer experience
 - Maintaining infrastructure
 - Enhancing safety and security
 - Delivering new schemes and improvements
- A public service - making no profit
- Lowest operating cost of global peers
- Limited investment in our assets



Current challenges

- Fleet transition – operating old and new
- Ageing, life expired assets – customer impact
- Challenging financial environment
- Complex regulatory and operating environment
- Balancing maintenance, disruption, and lost revenue
- Societal challenges
- Skills and competition

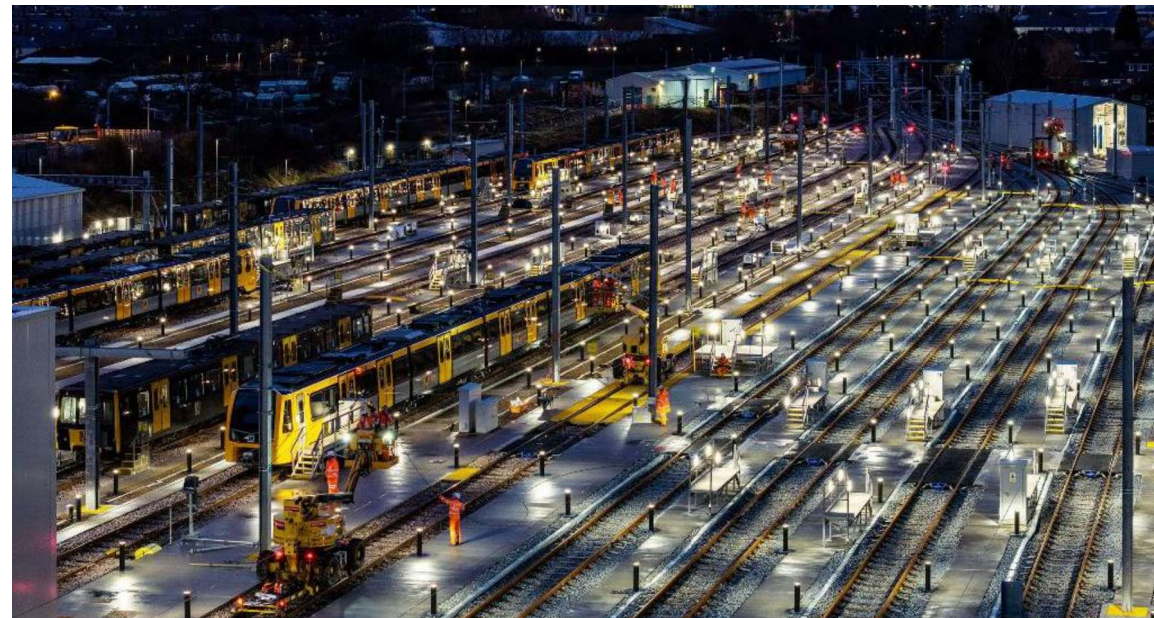
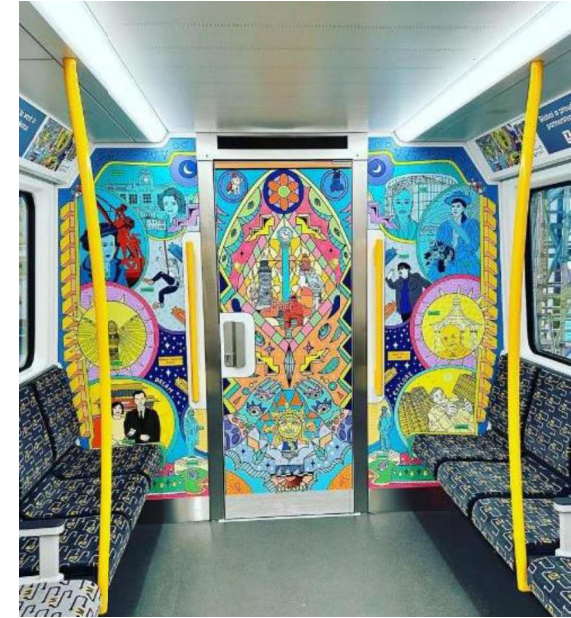
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New Metro fleet

- £362m programme
- 46 bespoke new trains
- Customer experience
- Accessibility standards
- Improved security – 44 CCTV cameras
- Engaging local supply chain
- New Gosforth Stadler Depot

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New fleet – progress

- Progressing to programme
- First new train in service - 18 December 2024

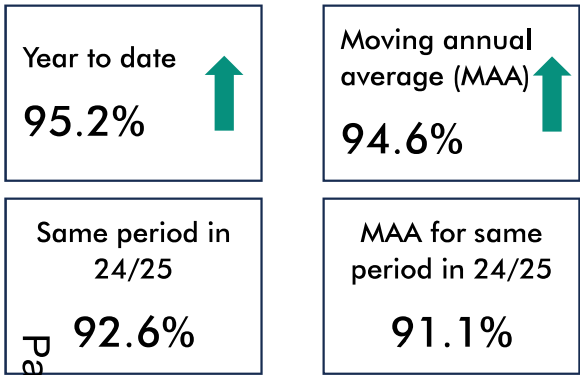
Key Activities	Current	Planned for 2025
Class 555 pre-delivery acceptance	39	46
Delivered to Newcastle	31	33
Ready for Customer Service	14	23

- Aim - 46 new trains in customer service by the end of 2026
- Testing and training and kilometre accumulation
- Current stage most challenging
- Learning lessons from others
- Careful and phased approach to quickly address issues:
 - Door operation
 - Heating, ventilation, and air conditioning (HVAC) units

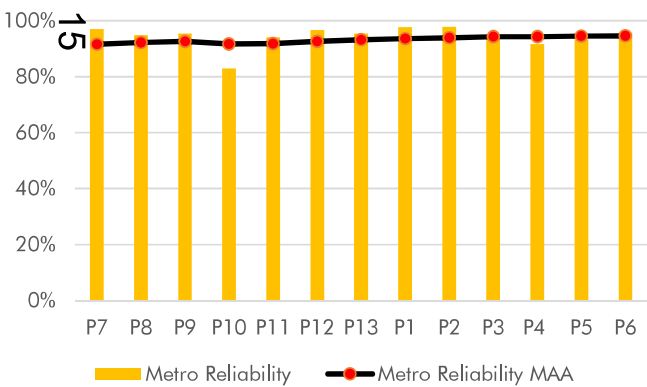


Current position

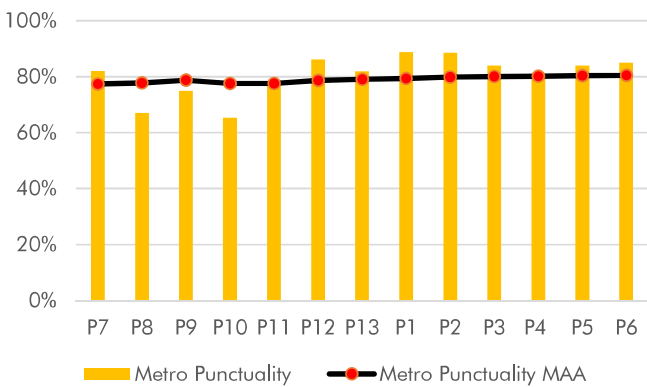
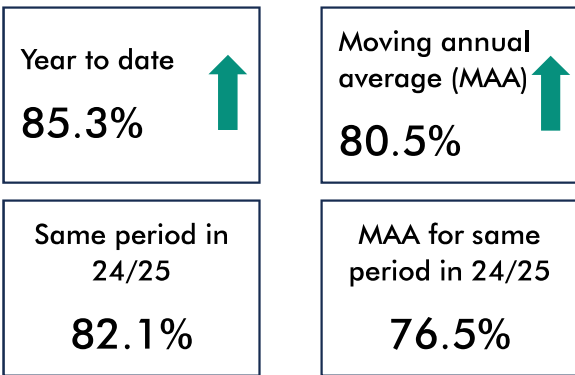
Reliability



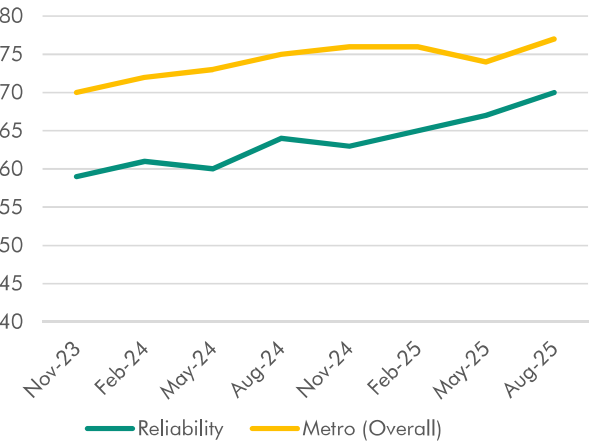
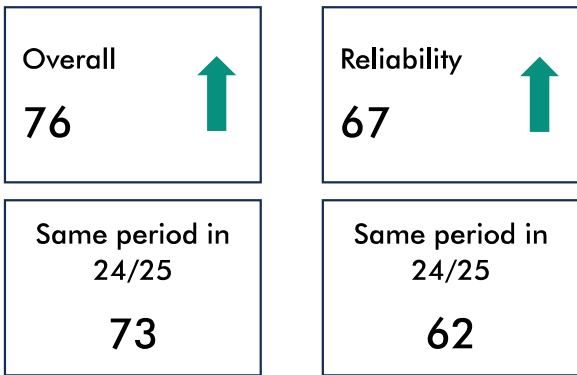
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Punctuality



Customer satisfaction



*Data up to and including Period 6

Current and future focus

- Existing train performance and availability
- Effective transition to the new fleet
- Customer focus
 - Recovery from operational incidents
 - Information and ticketing
- Proactive rail maintenance and applying lessons learned
- Moving into five-year planning cycles – tackling our 'renewable debt'
- More effective planning and delivery of works
- Plan for Growth
- Safety Plan
- Integration in future years
- Large scale project delivery



**Our customer
information
standards**



Any questions?

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Title: Delivering the North East CA's Transport Priorities

Report of: Tobyn Hughes, Director of Transport

1. Report Summary

- 1.1 The purpose of this report is to update Overview and Scrutiny Committee on the delivery of a number of the North East's transport projects as set out in the Mayor's Local Transport Plan (LTP). The report covers the following areas:
- Bus improvement and reform
 - Upgrading the Pop card system
 - Extension of the Metro system
 - Expanding the electric vehicle public charging network
 - Safety of women and girls on the transport network

2. Recommendations

- 2.1 Overview and Scrutiny Committee are invited to consider and comment on the contents of the report.

3. Background information

- 3.1 The 2022 North East devolution deal required the North East Combined Authority (North East CA) to produce a new Local Transport Plan (LTP) for the region. Published in March 2025, the LTP is a statutory plan that sets out the North East CA's transport priorities up to 2040, including plans to deliver the Mayor's manifesto commitments for transport. It aims to create a green, integrated transport network that works for all and is supported by a delivery plan setting out what is proposed to be built, introduced, or changed in order to deliver the LTP.
- 3.2 This report provides an update on progress with delivery of LTP priorities in respect of the following areas of transport policy:
- Bus improvement and reform
 - Upgrading the Pop card system
 - Extension of the Metro system
 - Expanding the electric vehicle public charging network
 - Safety of women and girls on the transport network
- 3.3 Councillor Martin Gannon, Cabinet Member for Transport, has accepted an invitation to attend today's meeting to discuss delivery of these priorities.

4. Bus Improvement and Bus Reform update

Bus Improvement

- 4.1 The principal means of delivering improvements to bus services in the region is set out in the North East Bus Service Improvement Plan (BSIP). First introduced in 2021 in response to the Government's National Bus Strategy for England, the BSIP outlines regionwide ambitions to make buses more attractive to the public. Delivery of these improvements is overseen by the North East Enhanced Partnership (EP), which brings together local transport authorities and bus operators to work in partnership to deliver an enhanced bus network for the region. Since coming into effect in April 2023, the EP has delivered a range of improvements, which include:
- Days out by Bus: launched at the start of the summer, this initiative offers discounts if you travel by bus, with over 28 venues now signed up, and more venues in the signing up process.
 - New services to provide improved connectivity between Northumberland and Newcastle International Airport, as well as a new night bus from Newcastle to the airport during the hours when the Metro is not operating
 - Awarded nearly £200m (£198.3m) in funding of which £124.8m is revenue funding which has been used to support fares, services, additional staff and community projects to improve bus services across the region.
 - A significant portion of revenue funding is used to maintain the region's secured services which otherwise would have been significantly cut back.
 - £16m a year is allocated to supporting and enhancing bus services and at the July meeting of the North East CA Cabinet we confirmed this funding would continue until March 2027.
 - Bus infrastructure interventions totalling £73.75m are currently in delivery or progressing to delivery. These include the installation of Intelligent Transport Systems across 13 of the region's main bus corridors and a regional bus stop improvement package focusing on improving safety and security at waiting facilities
 - More frequent daytime services in Durham and Northumberland
 - Turnaround cleaners located at a number of major bus stations and interchanges to improve the cleanliness of buses
 - Positive feedback has also been received on the "bus ambassadors" introduced at Durham Bus Station who provide customer service and information.
- 4.2 A major achievement has been the introduction of a range of BSIP-funded tickets to help make transport more affordable. These Mayor's Fares are detailed below and have proved highly popular with over 53 million tickets sold up to 6th September:
- 21 & Under Single: Single capped at £1 for customers 21 and under
 - 21 & Under Day Saver: Unlimited multi-operator, multimodal day tickets capped at £3 for customers 21 and under
 - Adult Single: Single capped at £2.50 for customers in the North East CA region.
 - Durham Day Rover: Unlimited multi-operator day tickets capped at £5 for adults in County Durham
 - Northumberland Day Rover: Unlimited multi-operator day tickets capped at £6 for adults in Northumberland
 - Tyne & Wear Day Rover: Unlimited multi-operator, multi-modal day tickets capped at £6.80 for adults in Tyne and Wear.
 - TNE Day Saver: Unlimited multi-operator, multi-modal day tickets capped at £7.50 for adults regionwide.
- 4.3 At the meeting of the North East CA's Cabinet on 23 September 2025, it was agreed to extend the above range of tickets until 31 March 2026. A decision relating to the future of the Mayor's Fares range beyond March 2026 will be taken by Cabinet at a future meeting, following confirmation of DfT Bus Grant funding for 2026-27 and the conclusion of ongoing commercial discussions.

Bus Reform

- 4.4 The bus network is vital for connecting the North East's urban, rural, and coastal communities. However, whilst the EP has improved the network for passengers and BSIP funding has delivered some important benefits, as previously outlined, it has not changed the fundamental issues – operators still control the network which has experienced a 31% fall in mileage and a 36% fall in patronage from 2009/10 to 2022/23. These factors are increasing the amounts of money that need to be spent on secured services.
- 4.5 The Mayor was elected with a clear manifesto commitment to bring buses back into public control and the Bus Reform project is conducting a Franchising Scheme Assessment (FSA) to look at how franchising may achieve the North East CA's strategic goals, in comparison to the current EP.
- 4.6 Reform of bus services is needed to:
- Control what bus companies deliver in return for substantial amounts of public money
 - Preserve community links to jobs, education, healthcare and high streets
 - Support the economy – the social value for buses in the North East in 2022/23 was estimated at £494m.
 - Introduce integrated tickets, timetables and information, and support improving safety of women, girls and other vulnerable groups on the transport network.
 - Stabilise and then grow the region's bus network - for city, coast and country
- 4.7 For these reasons, Cabinet unanimously decided in July 2024 to issue a formal notice of intent to prepare an FSA. Under bus franchising the Combined Authority could be responsible for planning the bus network and specifying routes, timetables, fares and vehicle quality for private bus operators. This would allow the North East CA to provide a consistent and stable network, as well as making improvements to service quality and integrating bus services with other options like Metro.
- 4.8 To complete an FSA, the North East CA must follow a lengthy prescribed process that both develops the proposed franchising model and assesses whether it is feasible using a similar process to a transport business case following the Treasury Green Book. Once complete, the FSA is subject to an external audit process, which is a full independent assessment of all aspects of the business case. It is important that the FSA is of high quality to minimise risks – which may add significant time to the programme and create extra cost.
- 4.9 The FSA will be presented to the North East CA Cabinet for approval to proceed to audit in early 2026. Subject to a successful audit outcome, the proposed franchising scheme will then undergo a consultation exercise which is expected to last from mid-2026 to early 2027.
- 4.10 A Mayoral decision on franchising is expected a few months later. Should the Mayor choose to proceed with the franchising scheme, a mobilisation and transition period will then commence. This period is expected to last from early 2027 through to 2029/30/31 as packages of routes are gradually incorporated into the franchised network.

5. Upgrading the Pop card system

- 5.1 A new generation of Pop cards (smart ticketing) will launch in 2026 which will allow fare capping across Bus, Metro and the Shields Ferry. Work is also taking place with Northern Rail to add rail lines to create a fully integrated network.
- 5.2 This technology also allows customers to link to a bank account which will mean they no longer have to keep topping up their Pop card.
- 5.3 Options for capping via a bank card are being actively explored however there are technical and financial challenges to address in the current de-regulated market.

6. Extension of the Metro system

- 6.1 The priority for expansion of the Tyne and Wear Metro network involves extending the network to Washington. Opportunities for further expansion of the network will continue to be explored and assessed within a wider appraisal of the region's transport needs and solutions in line with the LTP.
- 6.2 In July 2024, £8m was committed by the Mayor and Cabinet to develop the strategic outline business case and carry out associated technical planning work for a Metro extension to Washington. This programme of work is due for completion by April 2027.
- 6.3 The project is expected to deliver a number of benefits:
- It will provide new transport connections to and from Washington - the UK's 4th largest town without a rail connection.
 - It is expected to generate almost eight million additional passenger journeys a year, with each Metro journey contributing £11.80 to the region's economy.
 - A reduction of annual carbon emissions by nearly 87,000 tonnes a year by removing nearly 1.9m car journeys from the region's roads.
 - Acting as the first step for the wider reinstatement of the Leamside Line which will have significant local but also national benefits upgrading capacity on the congested East Coast Main Line.
- 6.4 An estimated cost of the extension will be produced by the strategic outline business case.
- 6.5 It is hoped that Metro to Washington could be operational by 2033. However, before construction can begin, outline designs need to be developed, which consider physical conditions and environmental issues.
- 6.6 A series of public engagement events on this scheme were held in July 2025 to give people the chance to find out more about the project, give feedback and ask any questions of the project team. More public engagement events to further discuss the scheme are being planned.
- 6.7 One of the five areas of focus that the LTP is based around is "reach and resilience of infrastructure". This section of the Plan outlines that the geographical reach of the North East's integrated transport network should extend into all areas of the region, including rural and coastal areas. Details are also given of the intention to develop the future Metro and local rail network in the region so that more areas are served by a direct rail connection.
- 6.8 Currently, in addition to Metro to Washington the North East CA is actively exploring plans to continue to develop the Metro and local rail network for more stations and future expansion plans. Plans for potential future expansion to the Metro and local rail network will be outlined in the forthcoming Rail Strategy.

7. Expanding the electric vehicle public charging network

- 7.1 The introduction of new publicly available electric vehicle (EV) chargepoints will support people to make the switch away from petrol/ diesel cars and vans to zero emission vehicles.
- 7.2 The pipeline of schemes planned to expand EV charging provision include:
- £22.6m of investment in new electric vehicle charging infrastructure over the next 5 years to rollout up to 1,792 EV charge points across the region, while also leveraging private finance to further expand coverage.
 - Targeting gaps in the charging network that are underserved by the private sector, such as in rural areas.

- Upgrading EV chargepoints at 20 sites over the next 2-3 years that are at the end of their serviceable life.

8. Safety of women and girls on the transport network

- 8.1 Improving safety, especially of women and girls, is a key priority of the North East LTP. In September 2025 Cabinet approval was given to carry out a study to gain a greater understanding of the challenges and barriers women and girls face when travelling around the region and the interventions that would help them feel safer.
- 8.2 An independent supplier will be procured to carry out the study and a package of interventions, aimed at addressing concerns highlighted by the study, will be produced and included in the LTP delivery plan ready for capital investment post 2027.
- 8.3 The project will also explore how the region's devolved funding can best support active travel, focusing investment on removing barriers for women and girls walking, wheeling or cycling.
- 8.4 Representatives of women and girls' groups will be recruited to sit on a panel and help guide the study and package of interventions.
- 8.5 In parallel with the above initiative, the North East CA is establishing a relationship with both the Northumbria and Durham Police and Crime Commissioners (PCCs) and has been invited to join the Northumbria PCC's 'Violence against Women and Girls (VAWG) on Transport Partnership Working Group' starting in October 2025, as well as the Strategic Safer Northumbria group.
- 8.6 Durham PCC have also expressed their interest in working together with the CA to tackle violence against women and girls on the transport network.
- 8.7 Northumbria PCC currently operate a Safer Streets initiative which funds additional staffing at targeted hotspot areas, one of these areas being transport. The North East CA is exploring potential opportunities to work with Northumbria PCC and Durham PCC to expand the Safer Streets Initiative.

9. Next steps

- 9.1 Progress on the measures outlined above will be reported to future OSC meetings. Details of next steps for individual programmes are outlined above; however, a summary of some key dates is provided below:
 - Franchise Scheme Assessment presented to Cabinet for approval to proceed to audit - early 2026
 - The study into the safety of women and girls on the transport network will conclude in spring 2026
 - Development and publication of Rail Strategy
 - Completion of business case and technical assessment for extension of Metro to Washington - by April 2027

10. Policy Implications

- 10.1 Delivery of the activities, interventions and programmes set out above will help the North East CA achieve the LTP vision for a green integrated transport network that works for all, as well as supporting the five missions set out in the North East CA's Corporate Plan which will provide opportunity for all residents in the North East.

11. Environmental Implications

- 11.1 The various measures outlined in this report will contribute to the LTP aim to create a green, integrated transport network that works for all, and one in which sustainable transport is more attractive, convenient, and safer for the movement of both people and freight. The introduction of new EV chargepoints will have particular benefit in helping to decarbonise the transport network.

12. Equalities Implications

- 12.1 For all programmes and projects, the North East CA have fulfilled obligations under the Public Sector Equality Duty and paid due regard to the need to eliminate unlawful discrimination, advance equality of opportunity, and foster good relations. In June 2024, the North East CA established an ambitious set of interim Equality Objectives, which have underpinned the significant progress the North East CA has made toward embedding equality, diversity, and inclusion at the heart of everything that it does. The North East CA will shortly launch its ambitious three-year equality objectives, which will drive efforts to create a more inclusive North East, where opportunity is open to all.

13. Consultation and Engagement

- 13.1 Regular engagement takes place with local authorities, bus operators and other relevant stakeholders as the measures outlined in this report are implemented.

14. Appendices

None.

15. Background Papers

None.

16. Contact Officers

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

17. Glossary

LTP – Local Transport Plan
BSIP - Bus Service Improvement Plan
EP - Enhanced Partnership
FSA - Franchise Scheme Assessment
TCR - Transforming City Regions

Title: Carbon Emission Reduction and Carbon Targets

Report of: Phil Witcherley, Director of Economic Growth and Innovation

1. Report Summary

- 1.1 The purpose of this report is to consider the North East CA's overall strategic approach to reducing carbon emissions and achieving the region's carbon targets.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee is invited to consider and comment on the North East CA's overall strategic approach to reducing carbon emissions and achieving the region's carbon targets.

3. Carbon reduction taken by the North East CA as an organisation

- 3.1 The North East CA has undertaken a range of measures internally such as encouraging the use of public transport or car sharing for commuting and travelling to conferences and events. The office for the North East CA is the Lumen building which is linked to the District Energy Centre, which powers the majority of the Helix site using heat exchange technology. This in turn gives the Lumen a significantly lower carbon footprint than buildings of a similar size, averaging seven tonnes less of carbon emissions each week. The Lumen also has room sensors which detect if a room is occupied and, when empty, turns off unnecessary lighting and storage space for bikes and a shower facility to encourage active travel.

4. Approach to reduction of regional emissions

- 4.1 Warm Homes: The Home Energy Advice North East (HEANE) programme delivered by the Energy Savings Trust is an energy advice service aimed at improving home energy efficiency across the North East. The programme delivered carbon savings for beneficiaries of HEANE during 2024 – 2025 of 837 tonnes of CO₂
- 4.2 Business Energy Savings Team (BEST) 2: Delivered by Newcastle City Council using UKSPF funding on behalf of the North East CA with partner Councils North Tyneside and Northumberland. Gateshead Council are also delivering the BEST programme on behalf of the North East CA using a mix of UKSPF and match funding. The second phase of the BEST project aims to reduce energy use and costs in small and medium-sized businesses (SMEs) and Voluntary, Community and Social Enterprises (VCSEs) in Newcastle, North Tyneside, Northumberland and Gateshead. The BEST 2 project started in 2023 and will end in March 2026. An evaluation report for BEST 2 highlights that the project could reduce carbon emissions by 1,402,184.3 kg CO₂ over the next 30 years for grant recipients. This translates to an estimated economic saving of £4,572,681.21, based on the current carbon price. In addition the North East CA has secured 300 one year long free licenses to Zellar for SMEs to help them become more energy efficient.
- 4.3 The Energy for Growth Accelerator: The Energy for Growth Accelerator was a £2.31m partnership project between the North East Local Enterprise Partnership, the North of Tyne

Combined Authority and Durham, Gateshead, South Tyneside and Sunderland. The programme was developed to overcome market barriers and to accelerate investment in low carbon projects across the North East. The programme closed on 31 March 2025 and has supported 32 projects and provided £1,147,500 of grant funding as well as £1,186,723 of match funding, for development work.

4.4 Intended future approach-

The North East CA is considering a North East Business Energy Efficiency scheme which would run for three years. This would support small and medium sized businesses (SME) and voluntary, community and social enterprises (VCSE) and have a target of reducing 2,334 tonnes of CO2 emissions

The North East CA is also considering a North East Energy Accelerator programme which would run for three years and deliver a pipeline of 'Ready for Finance and Implementation' projects working with the public sector and community energy groups with a target of 44 projects receiving business case development funding which would result in a reduction in emissions across the region.

The North East CA's Warm Homes programme will include the new North East Warm Homes One Stop Shop advice service, a regional retrofit strategy and an agreement in principal for a low interest loan offer. A Warm Homes Task Force will be convened starting in September 2025 for 18 months to support the development of the regional retrofit strategy.

The North East CA will also promote the Carbon Nature Marketplace as a method to reduce emissions in the region. The Marketplace is the first Combined Authority-led initiative of its kind and acts as an online platform where buyers can invest in nature preservation or buy carbon credits. The Marketplace features a variety of projects aimed at enhancing biodiversity, restoring natural habitats, and reducing carbon emissions.

We will work to ensure that the North East CA's programmes create green jobs, attract international investment and reduce energy costs, ensuring a just transition to a green economy across the region.

5. Approach to unlocking green growth in the North East

- 5.1 The North East CA is already working with national and regional partners to facilitate an increase in regional demand through a joint Clean Growth Investment Programme. The programme involves working with Lloyds Banking Group and the Office for Investment (OFI), identifying, accelerating and showcasing investment propositions in the region and will culminate in a clean growth investment summit in January 2026. The North East CA are working with Lloyds and OFI and wider partners to identify how we can support high potential scale up businesses in the North East. This programme forms part of the wide range of activity the North East CA is delivering to unlock an increase in offshore wind and clean energy employment to 24,000 by 2035 and unlock £3bn of investment highlighted in the Local Growth Plan.
- 5.2 The North East CA will create a 10 year vision and strategy for offshore wind in the North East to create strong regional sector narrative for UK government, industry and investors, providing a detailed action plan for growing the sector over the next decade in collaboration with The Crown Estate and other key industry partners.
- 5.3 Alongside this the Combined Authority will create a long-term offshore wind programme to deliver ambitions set out in the local growth plan. This programme will:

- Bring forward strong site based investment propositions to create new jobs, business growth and leverage public / private investment.
- Deliver funding for site enabling works to attract major inward investment from offshore wind developers, manufacturers and supply chain.
- Further strengthen the North East's nationally leading employment site offer to deliver upon existing and future opportunities in the UK and international offshore wind market

Overall, the programme will deliver upon the UK's energy security ambitions, including enabling delivery of 43 – 50GW of offshore wind by 2030 as outlined in the Government's Clean Power 2030 Action Plan.

- 5.4 The North East CA is also considering ways to support the growing low carbon industry sector in the North East including through the use of loans to allow innovative firms across the North East to scale up and create more jobs. The region already has many innovative and potential high growth businesses in the region.
- 5.5 Low Carbon Materials, an Earthshot Prize Finalist and a key business named in the North East Local Growth Plan, is committed to driving green job creation and supporting the region's transition to a net-zero economy. The North East CA is also considering ways to support the growing low carbon industry sector in the North East including through the use of loans to allow innovative firms across the North East to scale up and create more jobs. The region already has many innovative and potential high growth businesses in the region.
- 5.6 Power Roll, a firm developing solar panels was highlighted as a case study in the government's Solar Roadmap strategy. Firms in the North East working on a range of technology from solar to heat pumps, hydrogen generators to EV battery technology and installation. Many of these firms are small to medium and driving innovation in the North East and raising the profile of the region both nationally and internationally. Enabling businesses to invest in their factories and equipment will increase the number of green jobs in the region.
- 5.7 The creation of GB Energy and the introduction of new heat network regulation and heat network zones combined with further devolution will create further opportunities for the North East CA to collaborate with partners to develop low carbon energy projects. The North East Energy Accelerator will continue to promote the £1bn pipeline of heat network projects in the region and support the development of a regional geothermal cluster.
- 5.8 There is also a clear economic need to accelerate retrofit across the North East. As well as reducing carbon emissions retrofitting housing will improve thermal comfort and reduce energy bills in a region where 14% of households in the region are in fuel poverty. The North East CA's One Stop Shop for retrofit due to launch later this year has the potential to support, across the region, between 1,500 and 3,500 full-time equivalents (FTEs) in the retrofitting sector up to 2030, and between 2,500 and 5,800 FTEs from 2030 to 2050.
- 5.9 The North East CA will continue to work with key partners such as the North East & Yorkshire Net Zero Hub and GB Energy to unlock green growth in the region supporting the mission of the North East being a home of a green energy.

6. Approach to achieving North East carbon targets

6.1 Regional targets by Local Authority area:

Local Authority	Current Carbon Emission Reduction Target
-----------------	--

Newcastle City Council	Newcastle not to be a net contributor to climate change by 2030
Gateshead Council	Target to be carbon neutral by 2030
Sunderland City Council	Target to be carbon neutral by 2040
South Tyneside Council	Target to be carbon neutral by 2030 and a target of 8,570 tonnes of Co2 emissions for 2025
North Tyneside Council	North Tyneside to be carbon net zero by 2030.
Northumberland County Council	Target to be a carbon dioxide neutral organisation by 2030 and work with the government to make Northumberland a carbon dioxide neutral county by 2030. Also a target to work with the government to achieve net zero greenhouse gas emissions for Northumberland county by 2040
Durham County Council	No current target

6.2 The North East CA will continue to work with key partners such as the North East & Yorkshire Net Zero Hub and GB Energy to unlock green growth in the region supporting the mission of the North East being a home of a green energy. North East CA programmes as outlined in section four have been designed to reduce emissions across the North East.

6.3 The North East Combined Authority host Net Zero North East England (NZNEE), a partnership of public authorities, the private sector and the VCSE sector to drive a cleaner, greener, fairer North East. The NZNEE officer group will continue to bring together representatives from the seven local authorities across the region to create a culture of collaboration, share insights and explore potential joint initiatives. This group will also provide recommendations and escalate matters to the NZNEE board for formal decisions where appropriate.

6.4 NZNEE also have a range of stakeholder groups on the following areas:

Carbon & Nature marketplace	Promotion of & shaping the ongoing development of the Carbon & Nature marketplace
Scope 3	Unified approach to scope 3 accounting
North East Circular Economy & Waste Group	Advance circular economy initiatives aligned with DEFRA's Taskforce, focusing on strategy and models across the seven North East local authorities.
Net Zero Estates Forum	Convene those working on estate decarbonisation together to work on and develop joint approach, share knowledge and feed into board. Exploration of joint funding bids to make business cases more attractive Joint Communications on benefits of decarbonising publicly owned buildings
North East Housing Forum: Net Zero Workstream	This group will provide updates on programme, feeding into board decisions.
Green Skills	To identify, develop, and promote green skills across the North East of England, ensuring the region is equipped to meet the demands of a low-carbon, sustainable economy.

6.5 All of the above will contribute towards meeting the UK's targets on climate change as set out by the Department for Energy Security and Net Zero and the Committee on Climate

Change. The Climate Change Act 2008 sets legally-binding domestic agreements on carbon budgets every five years until 2050.

7. Policy Implications

- 7.1 The North East CA's Local Growth Plan highlights the critical role of offshore wind and the energy transition in the North East economy with the ambition to create the UK's most advanced offshore wind industrial cluster accounting for one fifth of the UK's offshore wind economy. There is the opportunity to grow the regional workforce to 24,000 by 2035 and capture a potential £3 billion investment.
- 7.2 The Clean Growth Investment Programme and the 10 year strategy for offshore wind will enable the North East CA to deliver on this mission creating economic growth across the region. This will include working with port and riverside landowners to improve critical infrastructure, supporting the offshore wind supply chain in the region by working with manufacturers and Newcastle College Energy Academy and Energy Central Campus in Blyth to strengthen and diversify the skills pipeline. This will ensure that the growing offshore wind sector directly impacts residents by creating more jobs in the region.
- 7.3 The Local Growth Plan also sets out the ambition to build a new retrofit industry to make our existing housing stock warmer and cheaper to heat and lead the way in minewater and geothermal heat. The Warm Homes programme will work across the North East to tackle fuel poverty and reduce domestic emissions through development and leadership of a strategic regional approach. The proposed North East Energy Accelerator programme would also work to support the pipeline of heat network and geothermal projects in the region. 7.4 The North East Energy Accelerator will support the Local Growth Plan by creating the pipeline of projects and demand needed to support regional low carbon sector growth, stimulate investment in net zero and support inward investment. Delivery of this pipeline of projects will require both public and private investment and the creation green jobs as well as the buy-in from local communities, all core elements of the Mayor's manifesto. The accelerator programme will empower the North East to attract private investment in renewable energy generation. It will convene local stakeholders and work with private sector investors to drive regional net zero activity and support regional net zero strategy.
- 7.5 The Local Growth Plan highlights that decarbonising industry in the North East to reduce carbon emissions and energy costs will be critical to long-term sustainability. The foundational economy heading of the Local Growth Plan includes an ambition that the North East CA will support SMEs to decarbonise whilst supporting new economic opportunities in green construction and skills including innovative solar and low carbon building materials. This provides a strong rationale for the proposed North East Business Energy Efficiency Scheme, the programme would support new economic opportunities in green construction and skills through promoting opportunities to the local supply chain.
- 7.6 The North East devolution deal includes the ambition to build world class strength in the region's engineering and green manufacturing industries and the opportunity for North East CA to work with the Government to create a connected package of investment and incentives across the region. Across of the North East CA's programmes there is a focus on attracting private sector investment through incentives such as loans or through building investment pipelines and partnerships. This will ensure that the North East CA can work in partnership with the private sector and the government to create economic growth in the North East.
- 7.7 The North East CA's Local Transport Plan emphasises the critical role that transport can play in reducing emissions in the region. The plan sets out the ambition for the North East CA to make sustainable travel options more attractive and convenient, enabling more people and freight to make greener journeys. The transport directorate at the North East CA is now working on a variety of programmes including improving customer experience on public transport, investment

in electric vehicle charging infrastructure, bus reform and investment in the region's rail infrastructure to deliver on the ambitions set out in the Local Transport Plan.

- 7.8 The Local Growth Plan highlights that business investment and innovation are fundamental determinants of economic growth, helping firms remain competitive through the development of new facilities, products and processes. To be successful, the North East – like the UK as a whole – needs to increase levels of investment and export-led growth. The programmes proposed by the North East CA will deliver a just transition by creating more good green jobs through encouraging business investment and innovation. Encouraging innovation in low carbon industries in the region will also help to attract investment to the North East and open up export opportunities.

8. Environmental Impact

- 8.1 As per sections 3 – 6

9. Equalities Implications

- 9.1 The equalities team have been consulted as part of the creation of all existing programmes created by the North East CA and will be consulted as part of the development of future programmes.

10. Consultation and engagement

- 10.1 Consultation on the contents of this report has been undertaken with North Tyneside Council as part of portfolio leadership liaison.

11. Appendices

None

12. Background papers

- North East CA's [Local Growth Plan](#)
- North East Devolution deal [North East devolution deal - GOV.UK](#)
- North East CA's Local [Transport Plan](#)
- Clean Power Action Plan- [Clean Power 2030 Action Plan - GOV.UK](#)

13. Contact Officers

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14. Glossary

HEANE- The Home Energy Advice North East

BEST- Business Energy Savings Team
UKSPF- UK Shared Prosperity Fund
NZNEE- Net Zero North East England partnership
SME- Small and Medium sized Enterprise
GB Energy- Great British Energy
DEFRA- Department for Environment, Food and Rural Affairs
North East CA - North East Combined Authority
VCSE- Voluntary Community and Social Enterprise organisations

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Title: Integrated Settlement, Outcomes Framework and Performance Management Framework

Report of: Mags Scott, Director of Finance and Investment
Alan Reiss, Director of Operations

1. Report Summary

- 1.1 The purpose of this report is to update Overview and Scrutiny Committee on the North East CA's development of a Performance Management Framework, and preparations for the Integrated Settlement.

2. Recommendations

- 2.1 Overview and Scrutiny Committee is invited to:
- consider and comment on the principles of the North East CA's Performance Management Framework which is currently in development, and on preparations for the Integrated Settlement and the opportunities it presents; and
 - receive a further update at its next meeting on 8 December 2025 to give further consideration to details of the North East CA's Performance Management Framework and Integrated Settlement outcomes framework.

3. Background

Performance Management Framework

- 3.1 The North East CA is developing a Performance Management Framework, which will set out how assurance will be gathered that its investments and activities are contributing towards delivery of its five missions. The framework is expected to cover:
- **Missions:** The regional economic, social and environmental indicators which the CA is working to change over the longer term, but over which it is only one influencer
 - **Investment Delivery:** How the CA assesses its investments' value for money and impact on Missions.
 - **Delivery Plan:** Reporting against an organisation-wide Delivery Plan, showing how all teams are contributing to the overarching goals set out in the Corporate Plan (including work pre-investment).
 - **Organisational Health:** How the CA is using data, processes and culture to enable organisational growth and efficiency and ensuring good governance.
- 3.2 The next stage of this work is to identify the datasets which will inform the Performance Management Framework, the method and frequency of reporting, and the design and implementation of the technology and systems to enable performance management to operate in an efficient and integrated way.

Integrated Settlement

- 3.3 In December, the Government published the English Devolution White Paper then the English Devolution and Community Empowerment Bill, which had its first reading on 10th July 2025 and

second reading on 2nd September 2025. It is now at Committee stage, with a view to royal assent in April 2026. The Bill will deliver on Government's plans to hardwire devolution into Government by formalising the system of English devolution, extending and deepening devolution across the country, and offering and conferring new responsibilities and powers upon Mayoral Combined Authorities.

- 3.4 The Bill will confirm the North East CA as an Established Mayoral Strategic Authority, enabling the North East CA to access the highest level of powers and funding on offer, including an Integrated Settlement from 2026/27. The Integrated Settlement will provide simplicity, certainty, transparency, and flexibility for a core set of funding flows from HM Government to the North East CA. One of the conditions of the implementation of an Integrated Settlement is the agreement of an outcomes framework relating to that funding. The Committee will be updated on the development of this outcomes framework, which will be agreed finally with HM Government in January.
- 3.5 These outcomes will then form part of the outcomes and indicators against which the North East CA will be held to account for delivery through its Performance Management Framework. While the Integrated Settlement outcomes framework will be monitored by HM Government to hold the North East CA to account for delivering value for money with the funds in scope of the Integrated Settlement, the Performance Management Framework will be broader, setting out how officers, committees, Cabinet and the Mayor track the impact all our investment and activities are having in pursuit of delivering our missions – and the efficiency and effectiveness of the organisation.
- 3.6 At the meeting the Committee will also be presented with an update on the 'readiness programme' which is being undertaken by the Ministry of Housing, Communities and Local Government (MHCLG) and PwC to prepare for delivery of the Integrated Settlement. The North East CA's readiness will be measured against four broad areas: strategy, planning and governance; people and capability; financial performance management; and reporting and evaluation. For each of these areas, the North East CA will be rated at one of four readiness levels, progressing from 'foundational' to 'leading'. The North East CA are working closely with PwC to undertake this exercise, which is due to conclude in December.
- 3.7 A copy of the slides to be presented at the meeting are attached as Appendix A.

4. Policy Implications

- 4.1 The Integrated Settlement will change the way in which Government allocates funding to the North East CA, and the accountability mechanisms for this funding through the introduction of a single outcomes framework. The Integrated Settlement is an opportunity for the North East CA to use grant funding from Government in a more flexible, strategic way to deliver its Missions and policy priorities as set out in its Corporate Plan. It is expected that HM Government to confirm the final funds in scope of the Integrated Settlement, and the quantum for each, in November.
- 4.2 However, it is important to note that the North East CA will continue to receive funding from HM Government which sits outside of the Integrated Settlement, such as its Investment Fund. The North East CA will continue to ensure value for money of all investments – including those outwith the Integrated Settlement - through its Single Assurance Framework and Performance Management Framework.

5. Environmental Implications

- 5.1 The Integrated Settlement will give the North East CA new flexibilities which will support delivery of its environmental objectives. Individual programmes and projects funded through the Integrated

Settlement will continue to complete environmental impact assessments, and the North East CA will consider the environmental implications of any use of the funding flexibilities the Integrated Settlement provides.

6. Equalities Implications

- 6.1 The Integrated Settlement will give the North East CA new flexibilities which will support delivery of its equalities objectives. Individual programmes and projects funded through the Integrated Settlement will continue to complete equalities impact assessments, and the North East CA will consider the equalities implications of any use of the funding flexibilities the Integrated Settlement provides.

7. Consultation and Engagement

- 7.1 Several elements of the Integrated Settlement will be subject to agreement with Government, including the outcomes framework. The CA will continue to work collaboratively with MHCLG, and with other departments across Government, as it is developed.
- 7.2 The CA will also work closely with colleagues across the seven Local Authorities during this process, and as the Performance Management Framework is developed further.

8. Appendices

Appendix A – Integrated Settlement Presentation Slides

9. Background Papers

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

- [Integrated Settlement: policy document - GOV.UK](#)

10. Contact Officers

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Claire Irving, Programme Manager – Integrated Settlement Claire.irving@northeast-ca.gov.uk
Michael Robson, Senior Governance Officer michael.robson@northeast-ca.gov.uk

11. Glossary

North East CA – North East Combined Authority
MHCLG - Ministry of Housing, Communities and Local Government
PwC - PricewaterhouseCoopers

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Integrated Settlement, Outcomes Framework and Performance Management

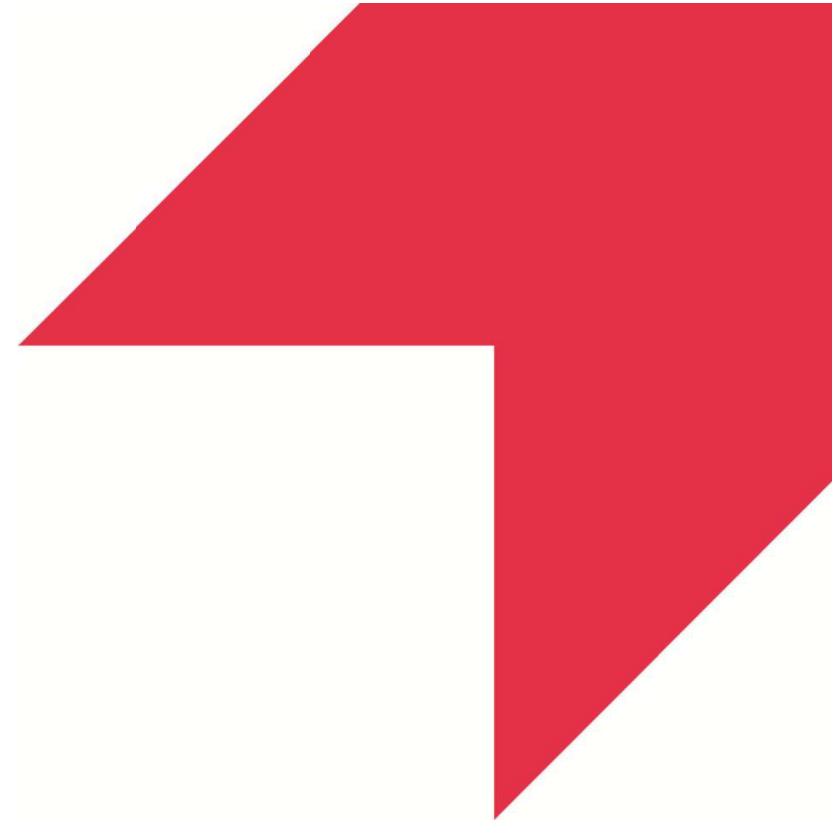
Overview and Scrutiny Committee

21st October 2025





Performance Management Framework





We are developing a Performance Management Framework, showing how everything we do supports our Missions

Our performance management framework will be structured around four broad themes.

Missions: The regional economic, social and environmental indicators which we are working to change over the longer term, but over which we are only one influencer

Investment Delivery: How we assess our investments' **value for money and impact on Missions.**

Delivery Plan: We will report against an organisation-wide Delivery Plan, **showing how all teams are contributing to the overarching goals set out in our Corporate Plan.**

Organisational Health: How we will use **data, processes and culture** to enable organisational growth and efficiency.

Together, these create a cohesive structure that ensures resources are directed effectively and efficiently to achieve measurable impact.



Integrated Settlement outcomes framework



We are preparing for delivery of the Integrated Settlement from April 2026

At a previous Overview and Scrutiny Committee, we confirmed that the North East CA are eligible for an Integrated Settlement from April 2026.

As a refresher, the Integrated Settlement will:

- **Provide simplicity, certainty, transparency, and flexibility** for a core set of funding flows from the UK Government to the MSA - **but no new money**.
- Move away from funding for specific programmes towards funding a **focus on outcomes – but still within themes**

Over the remainder of 2025, we will be working with Government to agree a single outcomes framework for the Integrated Settlement and conducting a 'readiness programme' with MHCLG to prepare for delivery.

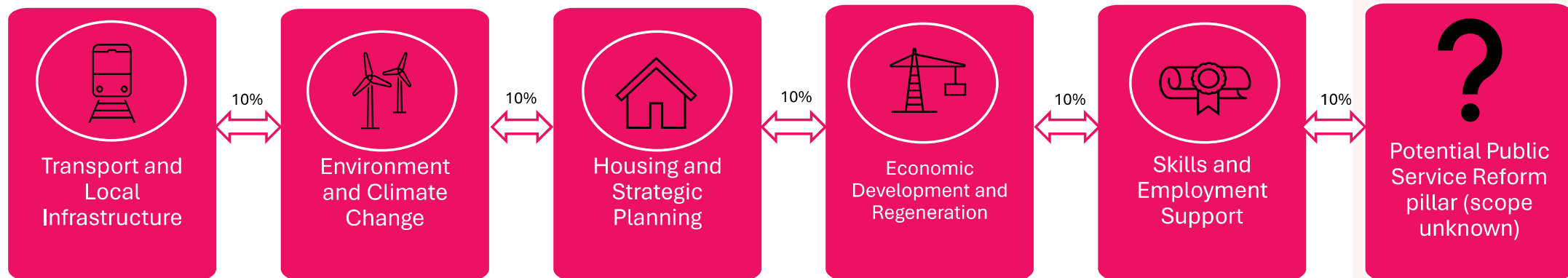


The flexibilities the Integrated Settlement provides will allow us to invest more strategically to deliver our Missions

Key flexibilities in the Integrated Settlement include:

- **10% CDEL to RDEL flexibility and 100% RDEL to CDEL flexibility within pillars**
- **10% flexibility between pillars** (100% can be profiled out of the Economic Development pillar)
- Changes to our processes and culture will be required to use these flexibilities effectively – away from delivering individual programmes, towards a more strategic focus on delivery of our Missions and the objectives set out in our Corporate Plan.

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Accountability: Outcomes framework

- We will be held to account for the outcomes associated with each of the six themes via an **‘outcomes framework’**. This will be a single accountability mechanism, aligning national and local priorities.
- We will need to agree with central Government the **outcomes, indicators and targets** we are seeking to achieve, as well as “indicators” that will be used to measure near-term progress against longer-term outcomes, and target levels for each.
- Progress towards the agreed outcomes will be overseen by a **six-monthly Programme Board with representatives from HMG and the MSAs**. MSAs will send monitoring reports to the Programme Board, with RAG ratings against the targets. Where a target is rated **amber** or **red**, the MCAs will need to explain the rating and set out the **‘path to green’**.
- We start from the position that our **outcomes framework should align to our missions**, as opposed to themes that reflect traditional funding lines. Other MSAs want the same and we are working with MHCLG to move towards that. We are unlikely to get there in year one but will ensure clear alignment with our overall performance management framework.

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Outcome: Reliable, sustainable and accessible infrastructure that connects people to opportunity affordably



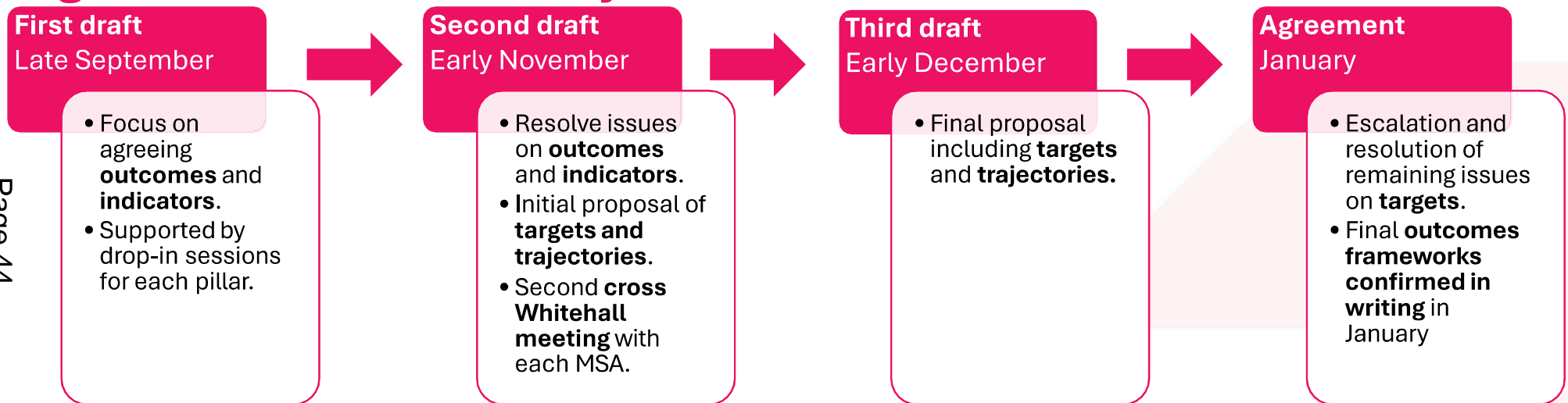
Indicator: % of households that have access to a hospital, GP, secondary education, a town centre, and 10,000 jobs within 45 minutes using public transport



Target: [TBC – 90%]

Our final return to Government is due on December 5, with full agreement due in January

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Cross-cutting principles:

- **Open communication** between HMG and MSAs to test thinking throughout process, supported by weekly drop-in sessions.
- **Practical engagement** across policy themes, e.g., some areas may benefit from engagement with MSAs as a group, others will require more bilateral engagement.
- **BUT...**this will be **one integrated process**, e.g. each draft will go to all HMG departments to review in the round to avoid siloed thinking, and we will have second opportunity to discuss with this group as the framework develops.



The Integrated Settlement will contain some but not all the funding we receive from Government

- Several significant funding streams the North East CA receives will not flow through the Integrated Settlement.
- Importantly, **the Integrated Settlement does not include investments made through our Investment Fund.**
- This is why the **Integrated Settlement outcomes will form one part of the wider Performance Management Framework we are developing.** This local framework will cover the breadth of investments and activities the North East CA is engaged in to progress its objectives.

Example funds in scope of the Integrated Settlement

CRSTS (26/27 funding only) and Transport for city regions (aka CRSTS 2)

National Housing Development Fund

Investment Zones

Adult Skills Fund

Example funds that will not form part of the Integrated Settlement

Structures Fund (post-SR)

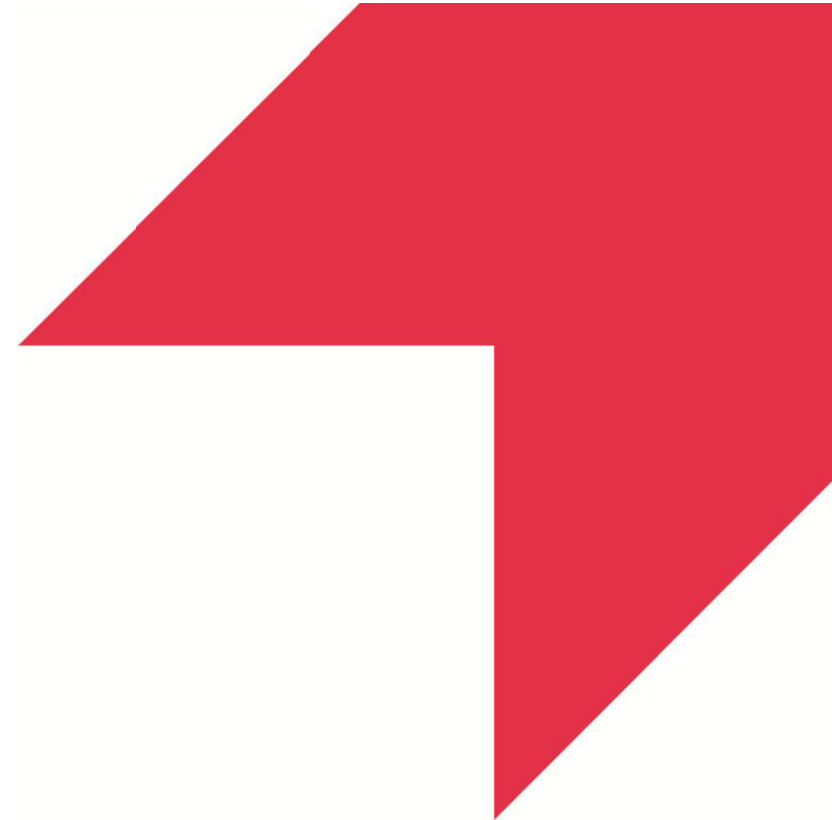
Affordable Homes Programme

Local Innovation Partnerships Fund

Youth Guarantee Trailblazer



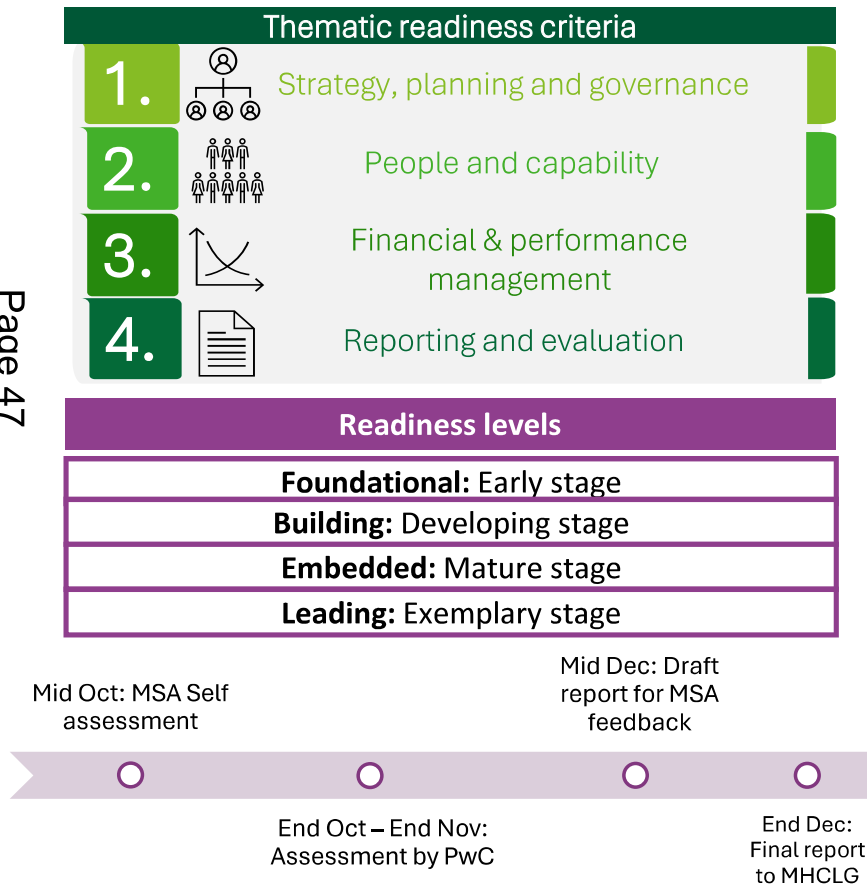
Readiness Assessment





We are currently undergoing a readiness assessment

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- MHCLG have appointed PwC to undertake a 'readiness assessment' of all Strategic Combined Authorities due to receive the IS from 2026/27
- This will assess the four theme areas and make a judgement of one of four levels of 'readiness'
- A substantial programme of work with 10 workstreams is underway to complete key priority actions identified by this internal exercise.
- We are working closely with PwC to undertake the exercise.
- Audit and Standards Committee have been briefed and will continue to be kept abreast of developments.

Next Steps

- We will **undertake** the readiness assessment
- We will **negotiate** outcomes, indicators, and targets for our Integrated Settlement with Government.
- We will continue to develop our Performance Management Framework.

Future reporting

- We are taking a paper on this work to Cabinet on the 9th December and would be happy to **provide you with an update at the next OSC meeting on 8th December**.
- **We would welcome further discussions with you once the frameworks are agreed early next year.**



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Title: Overview and Scrutiny Work Programme 2025/26

Report of: Michael Robson, Scrutiny Officer

1. Report Summary

- 1.1 This report presents the latest version of the Overview and Scrutiny Committee work programme for review and, if necessary, revision.

2. Recommendations

- 2.1 The Overview and Scrutiny Committee is invited to:
- a) review the contents of the Overview and Scrutiny Work Programme as set out in Appendix A; and
 - b) if necessary, propose any additions or changes to the work programme.

3. Work Programme

- 3.1 The Committee has previously agreed that its work programme be reported to each Committee meeting to enable all members of the Committee to review the work programme, suggest items for inclusion and, if necessary, agree any changes. This will provide flexibility to react to changes within the Authority and so scrutiny can be undertaken on policy development as it evolves. The Chair and Vice Chair will also continually review and revise the work programme as necessary.

4. Policy Implications

- 4.1 The Overview and Scrutiny Committee enables local councillors, on behalf of their communities, to scrutinise and challenge the Cabinet and the Mayor on delivery of the Authority's missions and policy objectives set out in the Authority's Corporate Plan and to consider matters of strategic importance to residents within the Authority's area with a view to influencing their decisions.

5. Environmental Implications

- 5.1 The Chair and Vice Chair have asked that each report presented to the Committee should include commentary on the environmental implications of the topic, programme and project under consideration.

6. Equalities Implications

- 6.1 In determining its work programme the Committee should be mindful of the Authority's Public Sector Equality duty and in reviewing and scrutinising matters it should consider whether what is before them:
- a) eliminates discrimination, harassment and victimisation,
 - b) advances equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it, and
 - c) fosters good relations between persons who share a relevant protected characteristic and persons who do not share it.

7. Consultation and Engagement

- 7.1 The work programme is regularly reviewed by the Chair and Vice Chair of the Committee and is subject to consultation with the Authority's Senior Leadership Team.

8. Appendices

Appendix A – Overview and Scrutiny Committee Work Programme as at 6 October 2025

9. Background Papers

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

- [Minutes of previous meetings of the Overview and Scrutiny Committee](#)
- [Overview and scrutiny: statutory guidance for councils, combined authorities and combined county authorities - GOV.UK \(www.gov.uk\)](#)
- [Scrutiny Protocol for English institutions with devolved powers - GOV.UK \(www.gov.uk\)](#)
- [Centre for Governance and Scrutiny - Overview and scrutiny in combined authorities: a plain English guide 2nd Edition](#)

10. Contact Officers

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The North East CA has appointed an Overview and Scrutiny Committee to enable local councillors, on behalf of their communities, to scrutinise and challenge the Cabinet and the Mayor and to consider matters of importance to residents within the Authority's area with a view to influencing their decisions. Effective scrutiny arrangements are an essential component of local democracy, enhancing accountability and transparency of decision making.

This work programme sets out how the Committee intends to fulfil this role. The programme will be regularly reviewed and refreshed by the Committee so that it can react to changes within the Authority and so scrutiny can be undertaken on policy development as it evolves.

When deciding whether an item should be included in the work programme, the Committee should consider the following evaluative questions:

- Do we understand the benefits scrutiny would bring to this issue?
- How could we best carry out work on this subject?
- What would be the best outcome of this work?
- How would this work engage with the activity of the executive and other decision-makers, including partners?"

Anyone who has any suggestions for inclusion in the work programme can contact:

Michael Robson

Senior Governance Officer

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Part A – Formal Committee Meetings

15 July 2025 – Newcastle Civic Centre		
Scrutiny Exercise	Lead Officer/Member	Background Notes
Annual Report To receive an annual report from the Chief Executive on the key achievements in year one of the North East CA, the priorities for year two to deliver the missions set out in the Corporate Plan and how the Committee can contribute to this work.	Henry Kippin Chief Executive All Directors	A progress report was considered by Cabinet on 10 June 2025 .
The Regional Approach to Fulfil Ambitions for the North East Visitor Economy To examine proposals to redesign and reconfigure NewcastleGateshead Initiative Ltd (NGI) as a new regional body for the delivery of regional visitor economy activity.	Henry Kippin Chief Executive Phil Witcherley Director of Economic Growth and Regeneration	
Work Programme To approve the overview and scrutiny work programme 2025-26.	Michael Robson Scrutiny Officer	

2 September 2025 – Durham County Hall		
North East Mayor To meet with the North East Mayor to provide the Committee with: a) an opportunity to discuss her vision and priorities for the region; and b) to consider the progress made by the North East CA since its establishment in May 2024.	Kim McGuinness North East Mayor	
Work Programme To review and, if necessary, revise the work programme.	Michael Robson Scrutiny Officer	
21 October 2025 – Gateshead Civic Centre		
Transport To examine delivery of transport priorities, including: • Bus Improvement and Reform • New smart payment technology • The extension of the Metro system • Expanding EV public charging network	Councillor Martin Gannon Cabinet Member for Transport Tobyn Hughes Director of Transport	Transport Plan
Metro To examine the current performance of the metro system.	Tobyn Hughes Director of Transport Catherine Massarella Nexus	
Integrated Settlement, Outcomes Framework and Readiness Assessment To examine the latest performance information, consider preparations for an integrated settlement in 2026/27 and discuss future reporting arrangements to the Committee.	Councillor Michael Mordey Cabinet Member for Finance and Investment Mags Scott Director of Finance and Investment	
Carbon Reduction To examine and assess the Authority's overall strategic approach to reducing carbon emissions and achieving the region's carbon targets.	Phil Witcherly Alan Reiss Rob Hamilton Ross Lowrie Head of Clean Energy and Environment	Deferred from 2 Sept
Monday 8 December 2025 – Ashington Town Hall, Northumberland		
Inward Investment To examine the region's approach to attracting inward investment into the North East England.	Councillor Glen Sanderson Cabinet Member for a Welcoming Home to Global Trade Phil Witcherley Director of Economic Growth and Regeneration	Home - Invest NEE

Northumberland Line To undertake a site visit and travel on the Northumberland Line to • learn more about the development and construction of rail schemes from members of the Northumberland County Council's project team talking through the key features of the scheme and lessons learnt; and • review and assess the benefits of the investment in the transport infrastructure	Stuart McNaughton Head of Strategic Transport and Climate Change Paul Jones Director of Environment and Transport Northumberland CC Maria Antoniou Ian Freshwater	
Unlocking Finance for North East Businesses to start, and to grow To receive a progress report in relation to the management of the funds in 12 months time.	Rob Hamilton Head of Strategy and innovation	Previously reported to the Committee on 5 November 2024.
13 January 2026 – North Tyneside		
Offshore Wind Industries To examine investment in infrastructure, innovation and skills to drive forward the North East offshore wind industry and create new jobs and careers.	Karen Clark Cabinet Member for Home to the Green Energy Revolution	
Retrofit To consider the long term strategy and action plan to tackle cold, damp homes and fuel poverty, and prepare for devolved funding for retrofit by 2028.	Phil Witcherley Director of Economic Growth and Regeneration	
Revised Budget and Corporate Plan Proposals a) To consider the revised Budget & Corporate Plan proposals; b) To make any recommendations and/or observations to the Mayor/Cabinet.	Mags Scott, Director of Finance and Investment Alan Reiss Director of Operations	
10 February 2026 – South Tyneside		
Child Poverty Reduction To examine the five-year Child Poverty Action Plan setting out how the North East CA will use the collective levers and resources available to prevent and reduce child poverty.	Councillor Tracey Dixon Cabinet Member for the Home of Real Opportunity Charlotte Carpenter Director of Skills, Inclusion and Public Sector Reform	It is proposed that a working group be appointed to review delivery of the programme over its lifetime.
New Deal for North East Workers To review and assess: • the development of Connect to Work and Economic Inactivity Trailblazer programmes • SHINE Employer Accreditation Scheme • Regional Skills Strategy • Design of all-age career guidance		Connect to Work and Economic Inactivity Trailblazer previously considered Feb 2025.
Economic Inactivity The Local Growth Plan stated that economic inactivity in the North East was high and rising		

and that by reducing inactivity linked to ill health to national levels would mean 45,000 more economically active people in the North East. At their meeting on 15 April 2025 members referred to the increasing levels of obesity and other health issues among children which were likely to lead to increased levels of inactivity in working age people in the future. The underpinning determinants of ill health among children required attention by the Authority working with its partners as part of the public service reform agenda. It was suggested that this topic should form part of the Committee's future work programme.		
Education Improvement Programme To review and assess the impact of the programme on factors such as attendance, exclusions and child poverty.	Adrian Dougherty, Head of Public Services Innovation Andrew Garrad, Senior Programme Manager	Previously examined by Committee in February 2025. Deferred from Sept 2025
Highways Maintenance Funding To review the adequacy and delivery of the Authority's approach to allocating highways maintenance funding be scheduled for February 2026.	Jonathan Bailes Head of Transport Programmes	Minute OSC22/02/25 refers
Mayoral Development Zone To examine proposals for a Newcastle-Gateshead Mayoral Development Zone strategy and to consider the options for a delivery vehicle, including the benefits afforded by a mayoral development zone or corporation.	Mags Scott, Director of Finance and Investment Alan Reiss, Director of Operations	Exact timing of exercise to be determined by timing of report to Cabinet to enable pre-decision scrutiny.
20 March 2026 - Sunderland		
New and Affordable Homes To examine delivery of regeneration and brownfield land programmes to build more quality and affordable homes and the development of a Spatial Development Strategy.	Councillor Andrew Husband Cabinet Member for A North East we are Proud to Call Home Phil Witcherley Director of Economic Growth and Regeneration	
Foundational Economy The Local Growth Plan includes a section on supporting growth within the foundational economy. At their meeting on 15 April 2025 members expressed an interest in examining this aspect of the Plan in more detail as part of its future work programme.	Councillor Karen Kilgour Cabinet Member for a Home to a Growing and Vibrant Economy Phil Witcherley Director of Economic Growth and Regeneration	John McCabe, Chair of the Business Board and/or Rhiannon Bearne NECC are willing to attend.

July 2026		
North East Mayor To receive an annual report from the North East Mayor on the key achievements in the past year and the priorities for the next year as set out in the Corporate Plan.	Kim McGuinness North East Mayor Henry Kippin Chief Executive	

2026-27		
Bus Reform To consider the outcome of the Bus Franchising Assessment.	Tobyn Hughes, Director of Transport	Bus Reform Options were previously considered in Oct 2024.
Metro Expansion and Leamside Line To consider the Outline Business Case for the Washington Metro Loop and the Strategic Outline Case for the re-opening of the southern section of the Leamside Line.	Tobyn Hughes, Director of Transport	

Part B - Informal Briefings

July to October – Remote on Teams		
Portfolio Briefings To meet informally with Cabinet Members to receive an overview of their portfolios and a) enable members to gain a better understanding of the Authority's missions and priorities for the year ahead; and b) identify opportunities where the Committee could make a contribution to the development of the Authority's future policies and strategies.		
16 December 2025 – The Lumen and remotely on Teams		
Initial Budget Proposals To receive a briefing from officers in relation to the Cabinet and Mayor's initial budget and Corporate Plan proposals.	Mags Scott Director of Finance and Investment Alan Reiss Director of Operations	To prepare members to undertake the more formal scrutiny exercise in January.
tba		
Devolution Bill Members have asked that they be provided with regular briefings on the development and implementation of the Government's devolution policies outlined in the White Paper.	Alan Reiss Director of Operations	

Part C – Working Groups

Child Poverty Action Plan

Cabinet on 22 July 2025 agreed the [NE Child Poverty Action Plan.pdf](#) and approved the allocation of £28.6m for a four year delivery period from the NECA Investment Fund to deliver the Child Poverty Reduction Programme (2025–2029). It is proposed that the Committee appoint a temporary working group to examine delivery of the programme.

Spatial Development Strategy

The Authority will be required to prepare and adopt a Spatial Development Strategy for the region by 2028. In July 2025 the Cabinet agreed an approach to support the development of the Spatial Development Strategy. It is proposed that the Committee appoint a temporary working group to contribute to the development of the strategy.

Part D – Training & Development

17 June 2025 – Remote on Teams

For all members to be delivered by the Centre for Governance and Scrutiny (CfGS) to support elected members with continuing to develop their skills and knowledge of scrutiny in a combined authority.

11 July 2025 – Remote on Teams

For new members to introduce them to the operation of the North East CA, its purpose, missions and governance arrangements.

Part E – Potential Exercises

The following topics have been identified as possible areas for examination but the timing and method of scrutiny have yet to be determined. There are a range of methods which may be used including formal committee meetings, the appointment of task and finish groups, meetings with the Mayor and Cabinet members, informal briefings, workshops, all day inquiries, fact finding visits or community engagement.

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the environment and reducing carbon emissions; and g) delivery of the Authority's equality, diversity and inclusion objectives and in particular the safety and security of women, girls and other vulnerable groups.		Transport aspects to be considered in October.
Skills Retention It has been suggested that the Committee may wish to explore the opportunities to work collaboratively with local universities to develop and retain talent in the region with representatives of the business and education sectors.		
Distribution of North East CA Work If necessary, officers have offered to present further information to the Committee on the geographical spread of the Authority's work across the seven constituent council areas.		
Tourist Tax Whilst noting further legislation would be required to allow the Authority to introduce a tourist tax and further work would need to be undertaken to obtain the evidence necessary for Cabinet to make an informed decision, it was suggested the Committee could assist in developing policy in this area.		
Regional Visitor Economy Body the Committee consider undertaking a further scrutiny exercise to examine the functions and operating model of the new regional tourism organisation in the Autumn 2025.		

Part F – Action List

The action list below records and tracks the Committee's requests for information.

Meeting Item	Requested Action	Outcome/Status	Owner
16 July 2024 Minute OSC5/7/24	Members asked that they be provided with supplementary information regarding expenditure on consultancy support for the City Region Sustainable Transport Settlement (CRSTS) programme.	Information circulated with written monthly briefing on 19 August 2024.	Jonathan Bailes Head of Transport Programmes Eleanor Goodman Finance Manager
8 Oct 2024 Note 2 of Appendix to Minutes	It was reported that multi-operator, multi-modal capped tickets targeted at those aged 21 and under had increased usage in the age group by 25%. Officers undertook to provide members of the Committee with further details.	Information circulated with written monthly briefing on 4 November 2024.	Heather Jones Head of Enhanced Partnerships
8 Oct 2024 Note 3 of Appendix to Minutes	Members asked that they be notified of the commencement of the public consultation exercise.	Information circulated with written monthly briefing on 4 November 2024.	Jen Robson Head of Business Transformation, Performance and Insights
5 Nov 2024 OSC13/11/24	A briefing note setting out initial progress on Unlocking Finance for North East Businesses to start, and to grow be provided to members of the Committee after 6 months.	Update provided as part of written briefing on 5 August 2025.	Mark Stamper Head of Economic Delivery
5 Nov 2024 OSC15/11/24	It was agreed that the OSCs comments regarding the Mayor's Opportunity Fund be referred to relevant officers to be considered as part of the mobilisation of the Fund.	Comments referred to the Chief Exec, Director of Operations and Director of Finance on 11 Nov 2024.	Michael Robson Scrutiny Officer
10 Dec 2024 Note 2	Members asked that they be provided with training to help them to read and interpret the Authority's budget monitoring reports.	Delivered during the budget workshop held on 14 January 2025.	Mags Scott Director of Finance & Investment
10 Dec 2024 Note 2	Officers undertook to provide members of the Committee with supplementary information in relation to: i) the operating profit of TT2 Ltd, the operator of the Tyne Tunnels; and ii) details of the Lender Option Borrower Option (LOBO) maturity loans held by the Authority.	Information circulated to members on 28 January 2025	Mags Scott Director of Finance & Investment

4 Feb 2025 OSC20/02/25	A programme performance pack setting out key progress updates, committed funding, forecast expenditure and forecast outputs, due to be presented to the Finance and Investment Board be provided to members of the Committee.	The pack was circulated to members on 13 March 2025	Mags Scott Director of Finance & Investment
4 March 2025 Note 2	Officers undertook to provide clarification regarding the current eligibility and costs of the Metro Gold Card.	Information circulated to members on 13 March 2025.	Philip Meikle, Assistant Director of Transport
15 April 2025 Note 3	Members asked that they be provided with regular briefings on the development and implementation of the Government's devolution policies outlined in the White Paper.	Details of Devolution Bill shared with members in written briefing on 5 August 2025.	Michael Robson Scrutiny Officer
15 April 2025 Note 4	Members asked for further evidence of the £14bn turnover and 48,000 jobs in the defence and space industries based in the region and the expected growth in the UK defence sector by 50% over next five years.	References sent to members on 6 May 2025.	Rob Hamilton Head of Innovation and Strategy
2 Sept 2025 OSC12/9/25	Officers undertook to provide members with supplementary information on the latest position in relation to the Stack development in Bishop Auckland.	Information circulated to members on 13 October 2025.	Mayor's Office
2 Sept 2025 OSC12/9/25	A member asked for supplementary information on the range of support offered to children and families in Blyth as part of the Child Poverty Action Programme.	Information circulated to members on 26 September 2025.	Joanna Unthank Head of Economic Inclusion and Child Poverty Reduction

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