North East Combined Authority | Kim McGuinness North East Mayor

DRAFT FOR CONSULTATION

North East AI Growth Zone Prospectus

May 2026

Contents

Mayor's foreword

The North East has never shied away from technological revolutions, and now it is time to once again focus on the future.

This region has always built, powered and made things that matter. Now we have the opportunity to do that again in one of the most important technologies of our time.

The challenge facing us remains the same: how do we ensure no one is left behind and that workers' rights are respected in an AI future, while at the same time maximising the growth potential?

Our North East AI Growth Zone sets out how we turn that opportunity into something real. How a worker gains capability rather than loses influence, how firms grow and new start-ups emerge, and how we make the most of our energy assets. Adoption not disruption is our aim.

That's because we know that growth only matters if people can feel the benefits in their everyday lives. That means creating good jobs, backing local talent, helping businesses adopt new technologies with confidence, and making sure the advantages of AI are not locked up in a few places, but spread across our towns, cities and communities.

That is why this Growth Zone is about more than infrastructure alone. We're proud that the North East has the sites, energy assets and connectivity to be a leading region for applied AI growth, but our goal is bigger than that.

We want the North East AI Growth Zone to stand out as the UK leader for connecting investment with skills, innovation with adoption, and national ambition with local opportunity.

This prospectus sets out how we will do that. It builds on the North East's strengths in industry, research, public service and innovation, and shows how we will work with government and partners to broaden the benefits of AI across the whole economy.

The North East should not stand at the edge of the UK's AI future looking in. We should help build it, shape it and make sure it delivers for the people who live and work here. This prospectus is a plan to shape that future, and make sure AI happens for us, not to us.

Kim McGuinness, North East Mayor

The North East AI Growth Zone: plan on a page

Ensuring everyone living in the North East feels the benefits of the AI Growth Zone

AI skills

- Expanding access to AI and digital skills training and learning
- Supporting employers to shape training
- Creating clearer entry points for individuals

AI adoption

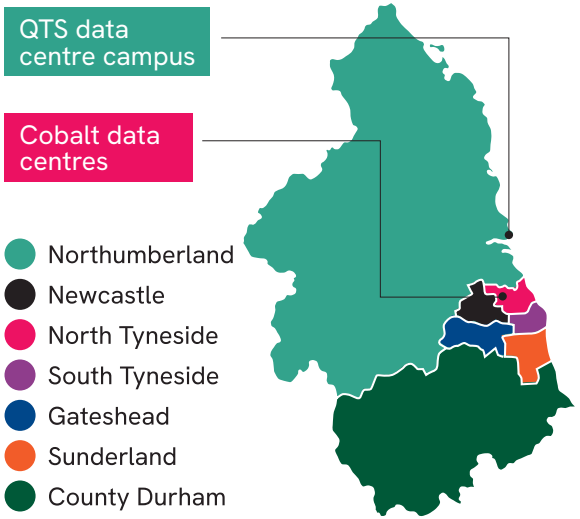
- Helping SMEs identify and deliver practical AI use cases
- Guidance on data readiness, governance and implementation
- Launching an awareness campaign

AI innovation

- Supporting the creation and growth of start-ups and scale-ups
- Strengthening links between universities, research centres and industry to lead on cutting edge AI research and development
- Enabling access to data testbeds and real-world environments

Critical national infrastructure for the UK's AI future

- 2 world-class data centres
- Hyper-scale, globally-competitive AI compute capacity in the UK
- Significant private investment and supply chain growth
- Thousands of jobs across construction, engineering and operations
- A nationally-important hub for sovereign AI infrastructure



Outcomes

- Thousands of new jobs in data, research and development
- An annual increase of up to 1.3% in productivity in North East industries
- 80,000 children and young people reached by AI and tech learning
- Double the number of home-grown technology firms and products
- Breakthroughs in drug discovery, green energy generation and advanced technologies

The opportunity

In September 2025, the Government designated the North East as an AI Growth Zone, unlocking the potential for more than 5,000 new jobs and up to £30 billion in private investment.

It is a major vote of confidence in our region and in what we are building. And, by taking a deliberately inclusive and proactive approach, it is an opportunity to ensure that businesses and residents across the region benefit from the AI revolution.

Anchored around Cobalt Park in North Tyneside and Cambois in Northumberland, the North East is set to become one of Europe's largest data centre hubs, with significant sovereign-aligned compute capacity coming online. This is already real: £10 billion of private investment has been committed, with more expected as global partners scale their activity here.

We are building on strong foundations. Our Local Growth Plan set out our economic strengths and contribution to the UK's industrial strategy. Our New Deal for North East Workers is developing the talent we need. Our Child Poverty Action Plan ensures inclusive growth is central to our mission.

If we seize this moment, the North East could deliver:

Outcomes

- Thousands of new jobs in data, research and development
- An annual increase of up to 1.3% in productivity in North East industries
- 80,000 children and young people reached by AI and tech learning
- Double the number of home-grown technology firms and products
- Breakthroughs in drug discovery, green energy generation and advanced technologies

The AI Growth Zone will bring together infrastructure, skills, adoption and innovation to make AI work in practice for businesses, public services, residents and communities.

We will create thousands of high skilled jobs across construction, data engineering, AI R&D, AI safety and through AI adoption. We will unite the strengths of our businesses and four universities – where expertise ranges from the National Innovation Centre for Data through to the Centre for Responsible AI – to develop a national AI hub. We will help every SME adopt AI with confidence. We will train the next generation of AI specialists. We will support start-ups and scale-ups to build new products and bring them to market. And we will open new frontiers in areas such as drug discovery, green energy and advanced manufacturing.

Crucially, we will do this in a region that already has the assets, capability and momentum to lead. Our land-and-expand model will ensure the benefits are felt across every community.

Vision

To establish the NE as a globally recognised hub for applied AI innovation and adoption, where infrastructure, sovereign capabilities, data and talent combine to drive growth of our key sectors and opportunities across the business base.

Ambition

We will build a super-connected, end-to-end AI ecosystem that brings together skills, sovereign compute, world leading research, innovation, adoption and access to capital. This ecosystem will enable organisations to develop, test and deploy AI in real world environments, safely and securely.

This will accelerate digital and AI transformation across SMEs, attract new businesses, increase the success of start-ups and scale-ups, and strengthen competitiveness in key sectors including advanced manufacturing, green energy, health, public services, finance, creative industries and emerging domains such as space and defence.

Delivered in close alignment with national partners, including Innovate UK and DSIT, the North East will become a critical contributor to the UK's AI capability and a location of choice for new national initiatives.

Expand

Ensuring everyone living in the North East feels the benefits of the AI Growth Zone.

Landing infrastructure is only the starting point.

The real opportunity is to ensure that the benefits of AI are felt across the whole economy in businesses, public services and communities.

The North East AI Growth Zone takes a joined-up approach to this challenge, bringing together skills, adoption and innovation into a more connected and practical system.

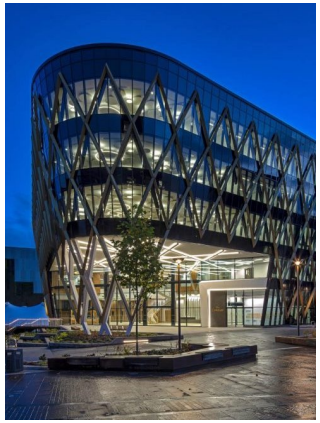
This means:

- Helping people gain the skills they need to succeed
- Supporting businesses to adopt AI with confidence
- Creating the conditions for innovation to flourish

By connecting these elements, we move beyond isolated activity and establish a joined up delivery system capable of generating measurable outcomes for people, employers and public services — and supporting the UK's wider ambitions for AI driven growth and capability.

Sage

Sage is a home-grown success story. Founded over 40 years ago in Newcastle, it has grown to become the largest FTSE 100 technology company and remains headquartered in the North East. Its AI-powered finance, HR and payroll software is trusted by millions of small businesses around the world to make work and money flow.



National Innovation Centre for Data

The UK's National Innovation Centre for Data (NICD) is hosted by Newcastle University, which is the only university in the UK to host a national centre in AI and data.

NICD has demonstrated the power of its unique approach through 140 impactful projects with companies of all sizes (half of whom are SMEs) across all sectors of the economy. A recent independent economic impact analysis concluded NICD added £205 million cumulative additional GVA to regional economic output, creating 1,368 jobs, while related inward investment is expected to generate a further £650 million over 10 years.

Sunderland Smart City

Since 2023, Sunderland City Council has helped more than 10,000 people online by launching 37 'digital health hubs' in local communities, as well as rolling out full-fibre internet from 25% to 82% of households. In the past three years, the proportion of digitally excluded people in Sunderland has fallen from one-in-three to one-in-four.

Flourishing AI Sector

The region is home to over 70 burgeoning AI companies delivering solutions that will transform industries in a global marketplace. From AI start-ups founded in our local universities to scaling tech businesses refocusing on AI products – our region is already a strong AI maker.

AI skills

The North East has a major opportunity to build one of the UK's most future ready AI talent pipelines and position itself as a national exemplar for inclusive, future focused AI skills development.

Our goal is clear: equip people and organisations with the capabilities to use, build and govern AI, ensuring that the benefits of adoption are felt across every community, sector and employer, and turning talent development into a defining competitive strength for the region.

Our approach is built around four priorities:

- AI literacy at scale: making foundational AI capability a universal expectation across the workforce
- A fast, employer led upskilling engine: delivering short, job relevant AI courses through FE, training providers and industry partners
- A visible progression spine: mapping clear pathways from school and further education into deployment roles, advanced technical routes and specialist careers
- Retention and attraction: strengthening internship pipelines, graduate placements and inclusive pathways that convert learners into local hires while drawing experienced professionals into the region

The region's further education and higher education strengths, deep employer networks across energy, manufacturing, health and rural sectors, and strong commitment to digital inclusion and workforce transition provide a powerful foundation.

A growing pipeline of AI-enabled opportunities across priority industries supports the development of a region wide AI and automation skills academy, expanded apprenticeships and micro-credentials, sector-specific upskilling, community-led digital inclusion, and transition pathways for workers moving from traditional sectors into future-ready roles.

A partnership between Government and the Combined Authority will ensure that at least 80,000 children and young people benefit from AI and tech learning. This includes:

- The North East CA extending TechFirst into primary schools, reaching at least 30,000 children across the region
- Working with Government and local partners to secure 150 work placements for TechFirst university students
- Ensuring that we reach out to all communities across the region

The North East CA will also support 1,000 teachers and school leaders to build AI skills.

Together we will both raise the bar for broad digital skills and raise the ceiling for applied AI by:

- Expanding access to AI and digital skills training across the workforce
- Supporting employers to shape training around real industry needs
- Creating clearer entry points for individuals looking to learn new AI skills

We will also ensure that under-represented groups can build meaningful careers in tech here in the North East. Working with DSIT and Sage we will establish a North East women-in-tech programme to provide mentoring, support and visibility, positioning the region as the best place for women in tech to live and work.

AI adoption

For most organisations, the barrier to AI isn't access — it's knowing how to use it effectively.

By combining hands-on adoption support, sector-specific use cases, and access to real world testbeds, the North East will position itself as the UK's leader in applied AI for green energy, advanced manufacturing, health innovation, and the rural economy.

We will enable businesses and public services to adopt AI confidently, safely, and at a pace that strengthens competitiveness and delivers real community benefit.

AI-powered tools have the potential to be transformational for North East organisations if they are supported to adopt the technology.

The North East AI Growth Zone will focus on supporting businesses to adopt AI in ways that improve productivity and performance. For our small businesses, this means tools that will help to tackle the challenges that hold them back, like chasing late payments, managing cash flow, and tracking inventory. For larger businesses, advance sector-specific tools will help them scale and become globally competitive.

Our approach includes:

- Helping businesses identify and deliver practical digital and AI use cases, including creating clearer entry points for organisations looking to engage with AI-powered digital tools
- Providing guidance on data readiness, governance and implementation
- Launch an awareness and skills campaign to drive up AI adoption

We will help organisations move from awareness to implementation, identifying practical use cases, improving data readiness, and deploying AI tools responsibly and effectively.

The North East AI Growth Zone will accelerate adoption by:

- Developing sector-specific AI roadmaps
- Creating demonstrators and use case libraries
- Supporting SMEs with diagnostics, tools, compute and data access
- Showcasing rural and industrial AI models of national significance
- Providing guidance on data readiness, governance and implementation

These actions turn the North East into a place where AI becomes a practical engine of productivity, competitiveness, and sustainable transformation.

We will measure our success through:

- The growth in organisations adopting AI or automation
- The number of AI-enabled projects across priority sectors
- The number of SMEs supported through digital and AI programmes
- The increase in AI-related R&D (pilots, prototypes, demonstrators)
- The number of testbeds and real-world demonstrators operating in the region

Sector growth opportunities

The North East's frontier sectors offer some of the UK's richest environments for applied AI. Each provides a platform for national significance testbeds and demonstrators.

1. Tech, digital and AI

The North East has a thriving cluster of businesses employing around 50,000 people which are at the forefront of digital and AI-adoption. This includes: the headquarters of Sage, the UK's leading software company; Accenture's Advanced Technology Centre at Cobalt Business Park; Atom Bank, the first digital-only bank and only challenger bank located in the North of England; and innovative SMEs where expertise spans from building AI agents to developing world-leading visualisation platforms to developing new tools for professional services companies to AI analytics.

The region is a nationally-leading centre for the processing of public information, providing a platform for major AI adoption. This includes national centres of expertise within HMRC Tax, DWP and NHS Business Services Authority; supplemented by strong software delivery and consultancy capability – including at Opencast, Scott Logic, Hedgehog Lab, Version 1, Capgemini, Accenture and DXC.

2. Offshore wind and green energy

With over two decades of offshore wind expertise at Blyth and along the River Tyne economic corridor, the North East leads in offshore energy innovation, from robotics to wind farm optimisation and ecological protection. The region's coastline and energy infrastructure give it a unique platform to drive the UK's green transition. Around 9% of the UK's offshore wind businesses are based here, creating a strong cluster of specialist firms such as Smulders, JDR Cables, Siemens Energy, SMD, TechnipFMC, Baker Hughes, Equinor, RWE and EDF, supported by world-class testing facilities and a highly skilled engineering and maritime workforce. This makes the North East one of the UK's most significant green energy hubs, with AI offering the next step in strengthening national energy security, including through the Offshore Renewable Energy Catapult's Digital, Autonomous and Robotics Engineering (DARE) Centre, which provides a nationally-recognised testbed for automation, autonomy, and data-rich offshore energy operations. The region will champion AI for:

- Predictive maintenance of offshore wind assets
- Digital twins for planning, consenting and lifecycle optimisation
- Smart grid and storage optimisation
- Environmental AI for marine and coastal monitoring

This positions the region as a national centre for AI-enabled green energy.

3. Advanced manufacturing and engineering

The North East's advanced manufacturing and engineering sector employs over 67,000 people and accounts for 44% of England's battery and accumulator manufacturing, forming a core part of the region's industrial base. Sunderland hosts a world leading EV hub, anchored by Nissan's EV36Zero programme, producing around a third of all UK passenger vehicles with a globally-competitive supply chain and strong R&D capability. The region also has the UK's only full Power Electronics, Motors and Drives capability. This creates a powerful platform for the North East to become a national testbed for AI enabled advanced manufacturing, where long standing industrial strengths meet cutting edge digital innovation.

The region will champion AI to drive:

- Intelligent automation and quality control
- Digital twins for process optimisation
- Supply-chain forecasting and resilience
- Robotics and autonomous systems
- Low-carbon, AI-enabled production
- Battery technology and materials innovation

This positions the region to turn AI into a practical engine of productivity, sustainability, and global competitiveness.

4. Life sciences

The North East is one of the UK's largest pharmaceutical and MedTech clusters, home to major exporters such as GSK, Organon, Sterling Pharma, Accord, Thomas Swan, AkzoNobel and P&G. With around 10% of England's pharma manufacturing workforce, the region combines clinical insight, digital innovation, and manufacturing excellence to lead in AI-enabled health, care, and life sciences.

The region has already shown how AI, remote monitoring, and intelligent triage can deliver safe, personalised care across rural and ageing communities. At the same time, strengths in API production, sterile manufacturing, diagnostics, and biologics are being accelerated by intelligent automation, data driven quality systems, and AI-enabled R&D.

The region will champion AI to enable:

- Remote monitoring, virtual wards, and intelligent triage
- Predictive population health analytics
- Personalised care pathways and proactive intervention
- Workforce optimisation and demand modelling
- Precision manufacturing and quality assurance
- Regulatory compliance and documentation
- Supply-chain resilience
- Data-driven R&D and clinical manufacturing insights

With deep NHS partnerships, strong digital maturity, and world-class manufacturing capability, the North East can shape the national blueprint for AI-enabled care and life sciences manufacturing, turning AI into a practical engine of resilience, efficiency, and global competitiveness.

5. Rural and coastal economy

Rural and coastal areas account for almost a third of regional GVA across a broad range of sectors. The region's scale, landscape diversity, and agricultural heritage make it the UK's leading testbed for AI driven rural innovation, strengthening national resilience, food security, and environmental stewardship. Farms, estates, and forestry assets are already adopting precision agriculture, remote sensing, autonomous machinery, and data rich land management, demonstrating how AI can boost productivity while protecting natural capital. With strong research partnerships and a culture of practical innovation, the region is well positioned to accelerate AI solutions that support sustainable production, biodiversity, and long term national security.

The region will champion AI to support:

- Precision agriculture, smart forestry, and land management
- Biodiversity and soil monitoring
- Rural logistics optimisation
- Digital tools for small rural businesses
- Smart transport and logistics for remote communities

This positions the North East as a national leader in sustainable, tech enabled rural economies.

AI innovation

More home-grown products and businesses.

The North East offers one of the UK's strongest environments for developing, testing, and deploying frontier AI safely, in real sectors, with real data, under sovereign control.

The region combines sovereign-aligned compute capacity, world-class research, immersive design capability, and sector-rich testbeds across energy, manufacturing, health, ageing, defence, and rural economies.

The region will establish sovereign frontier AI testbeds and a formal AI innovation partnership to accelerate research to commercialisation, attract high value investment, and ensure alignment with national priorities.

Together, our assets create a multi-centre, sovereign-aligned AI ecosystem capable of safely developing and deploying next generation AI, positioning the North East as a trusted national partner for frontier AI innovation and sovereign capability.

We will:

- Support the creation and growth of AI-enabled startups and scaleups
- Strengthen links between universities, research centres, and industry to lead on cutting edge AI research and development
- Enable access to data, testbeds, and real-world environments
- Accelerate commercialisation of research and innovation
- Attract investment into high-potential AI applications
- Create a national delivery node for AI safety, assurance, and deployment

The region could become:

- A national proving ground for applied AI in real industrial and rural environments
- A magnet for AI enabled investment in clean energy, manufacturing, health, and rural innovation
- A leader in sovereign-assured compute and shared data environments
- A hub for inclusive, future-ready AI skills
- A driver of frontier AI innovation, leveraging unique assets and industrial strengths

These opportunities position the North East as a region capable of shaping the UK's next wave of AI-enabled industrial transformation.

The North East is not just attracting global players, it is growing its own AI-driven innovation economy as demonstrated with a few examples here:

1 Industrial AI, manufacturing and green energy

These companies align with the region's strengths in advanced manufacturing, offshore wind, green energy, and industrial optimisation:

- **NavLive** — spatial intelligence, real time mapping, and digital twins for industrial and autonomous systems
- **Kromek** — AI-enabled radiation detection and advanced sensing for defence, nuclear, and medical imaging
- **Filtronic** — high-performance communications hardware supporting AI, space, and defence systems
- **Pragmatic** — flexible semiconductors enabling AI driven sensing, automation, and IoT
- **Transmission Dynamics** — sensor driven industrial analytics and predictive maintenance using AI
- **Horizon Works** — industrial digitalisation and advanced engineering innovation support
- **Tharsus** — design and manufacture AI-enabled machines, apply AI to industrial challenges, product innovation with data-driven methods.
- **OpenWorks** — AI for autonomous detection, tracking, classification, and threat mitigation in surveillance, C-UAS, and defense systems.

2 Health, life sciences and diagnostics AI

These companies support AI enabled diagnostics, health analytics, and clinical transformation:

- **Changing Health** — digital behaviour change platform using AI-driven personalisation
- **Explainable** — AI-powered clinical decision support and health data modelling
- **IBEX Innovations** — AI-enhanced imaging and diagnostics for radiology and screening
- **QuantuMDx** — rapid diagnostics with increasing integration of AI-enabled analysis

3 Data, analytics and enterprise AI

These companies deliver AI enabled analytics, automation, and enterprise transformation:

- **Wordnerds** — NLP-driven text analytics for customer insight and operational intelligence
- **Hive HR** — AI-enabled employee experience analytics and organisational insights
- **SoPost** — data-driven consumer analytics and AI optimised sampling campaigns
- **Leaf Grow** — AI-powered marketing automation and creative optimisation
- **Jumping Rivers** — data science consultancy specialising in R, Python, ML, and MLOps

4 Immersive tech, simulation and digital twins

These companies strengthen the region's capability in simulation, human-AI interaction, and digital twin environments:

- **Ubisoft Reflections** — advanced simulation, physics, and AI-driven game engines with cross sector applications
- **Dimension Studio** — volumetric capture and immersive content used in training, simulation, and digital twins
- **XR Therapeutics** — immersive therapy using AI-driven personalisation
- **Enigma Interactive** — digital platforms and simulation-based learning
- **Kinewell** — utilises AI-powered technology to rapidly design optimised inter-array cable layouts for both fixed and floating offshore wind farms

5 Smart cities, mobility and public service AI

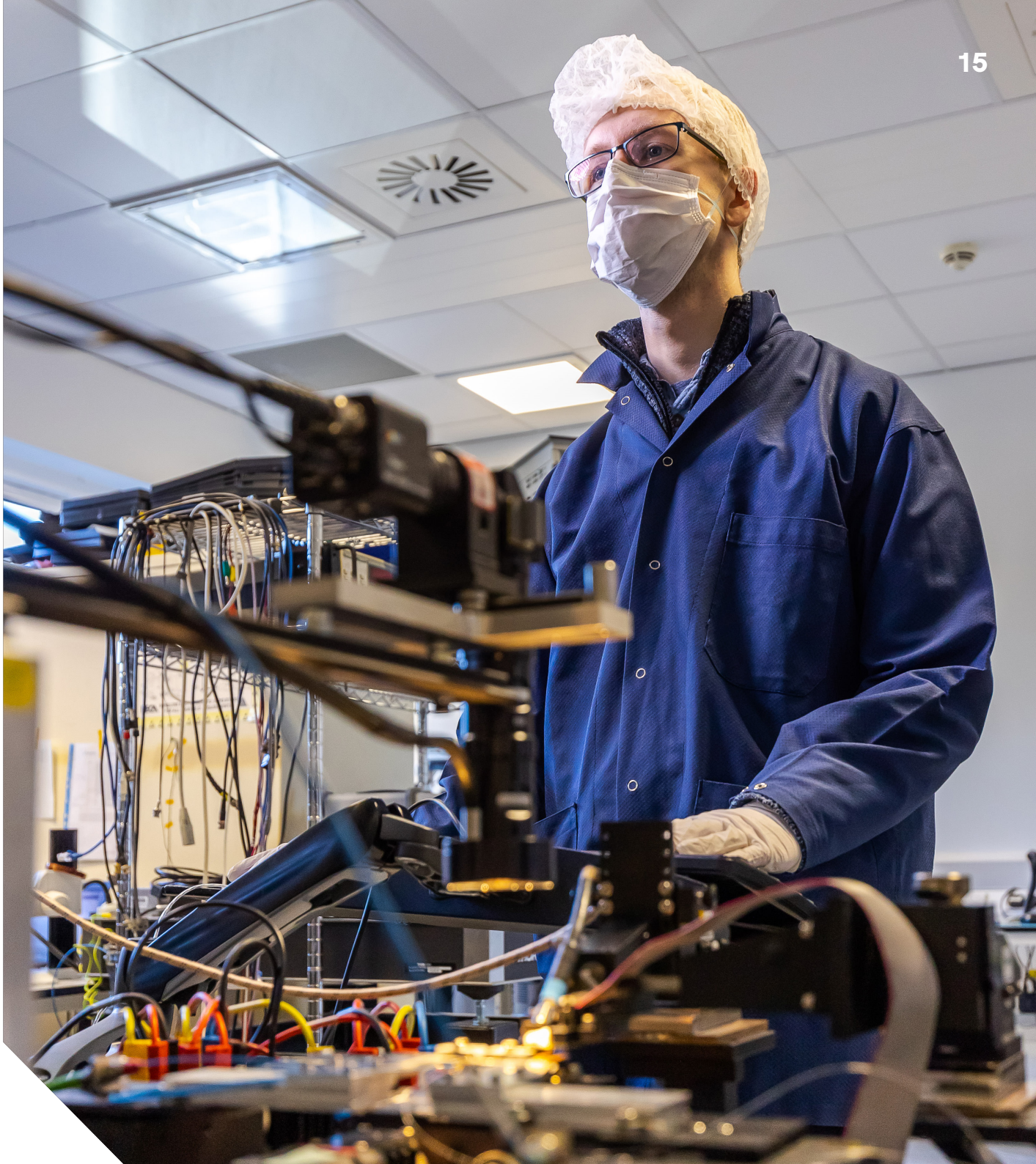
These companies align with Sunderland, Newcastle, and Gateshead's smart city and mobility programmes:

- **Grid Smarter Cities** — AI-enabled urban logistics and kerbside management
- **Connected Places Catapult** — supporting AI-enabled mobility and public service innovation
- **ZeroLight** — real-time 3D visualisation and AI-driven personalisation for automotive and mobility sectors

6 Cybersecurity, trust and AI assurance

These companies support the region's growing role in AI safety, trust, and secure digital systems:

- **CyberWhite** — cybersecurity and digital risk services with increasing AI integration
- **IASME-aligned regional SMEs** — supporting AI assurance, governance, and compliance
- **Opencast** — large-scale digital transformation with growing AI assurance capability



Land

Critical national infrastructure for the UK's AI future – built in the North East.

The UK's global competitiveness in AI depends on secure domestic compute, trusted data environments and resilient digital infrastructure.

The North East is one of the few places that can deliver all three at scale. It offers a unique concentration of strategic AI assets capable of anchoring the UK's sovereign capability and providing the physical foundations needed to compete internationally.

With the right partnerships and investment, the region can become the UK's national proving ground for applied AI infrastructure, accelerating innovation across energy, manufacturing, health, defence and rural services, and strengthening the UK's position in the global AI race.

Cobalt Park data centre, North Tyneside

Physical infrastructure assets

Cobalt Data Centres
Already operational – with plans for major future expansion and adjacent to the UK's largest office park

QTS data centre campus
Due to come online in 2028.

Northumberland Energy Park and offshore wind farms
An energy-rich location with a sustainable power source.

Proximity to green energy
Adjacent to offshore wind capacity in the North Sea and the world's longest subsea power cable, connecting North East England to Norwegian clean energy.

AquaComms Global Network connectivity
A North Atlantic Loop and new high-capacity North Sea fibre optic connection between Newcastle and Blaabjerg, Denmark.

Why the North East matters

- Cobalt's operational data centre capacity and subsea fibre give the region an immediate role as a delivery node for the UK's Sovereign AI Unit
- The £10 billion QTS hyperscale campus at Cambois, will be one of Europe's largest data centre campuses, providing world class compute, enabling the UK to host globally-competitive AI workloads domestically
- High assurance, low-carbon energy infrastructure supports secure, sustainable AI operations, a critical advantage as nations compete for clean, reliable power

These assets form one of the UK's strongest platforms for sovereign AI capability and a compelling proposition for global investors seeking scale, security and sustainability, supporting the UK's resilience, competitiveness and strategic autonomy in AI.

QTS data centre campus (artist's impression), Cambois, Northumberland

A phased, multi-site model

A phased approach provides immediate sovereign compute capacity through Cobalt Data Centres while hyperscale infrastructure comes online. The region already has the land, power, connectivity and delivery capability to support large scale AI infrastructure, and this is attracting significant private investment.

What this enables for the UK

- Hyper-scale, globally-competitive AI compute on UK soil
- Major private investment and supply chain growth
- Thousands of high-value jobs in construction, engineering, operations and AI safety
- A nationally important hub for sovereign AI infrastructure, underpinning long term capability

Cambois data centre: creating social value

The QTS data centre campus in Cambois is projected to create 1,600 jobs during construction and operation, plus a further 2,700 indirect jobs. Working in partnership with Northumberland County Council and local stakeholders, QTS has developed a Social Value Pledge to support local employment and local supply chain investment with measurable targets: 1,200 construction jobs, 400 operational roles, 150 apprenticeships, 50% local employment within a 25-mile radius, engagement with 10,000 students, and 10,000 volunteering hours. Launched alongside the start of enabling works in October 2025, the pledge is embedded in procurement processes across all contractors and supply chain partners and is overseen by a dedicated Social Value Steering Group made up of local partners.

Making it happen

A growth zone is both an economic engine and a coordination platform. Our shared narrative and visible system will make it easier for people and organisations to engage, collaborate, and invest.

The North East AI Growth Zone will succeed as a partnership: between the public and private sectors and between central, regional and local government.

The North East now has the opportunity to amplify and connect its fast-growing AI ecosystem so that businesses, researchers, and public services can navigate it easily and benefit quickly. By presenting a clear, unified offer, the region can unlock more innovation, attract more talent, and accelerate adoption across every sector.

Our priorities work best when they operate as a single, coordinated system. Skills build capability; adoption turns that capability into real economic value; innovation converts it into new products, IP and companies; and ecosystem visibility brings more people and partners into the journey.

Each reinforces the others, creating a powerful, compounding engine for regional AI growth.

The Government has already committed to investing an initial £5 million to boost AI skills, adoption and innovation across the region, with additional resources from reinvesting business rates at our data centre sites.

Private sector partners are planning to invest £30 billion in the physical assets and wider ecosystem over the next decade.

Landing the physical infrastructure and expanding the benefits of AI across the economy will put the North East at the forefront of this technological revolution.

This draft prospectus is for consultation and we would welcome comments and feedback from partners and stakeholders. This will enable us to move programmes into delivery in 2026, with initial priorities including: enhanced ecosystem co-ordination, investing in skills for young people, supporting AI adoption and developing our coalition with partners.

Next steps:

The North East AI Growth Zone will deliver:

1 Ecosystem coordination

- Clear regional narrative and USP
- Digital front door: ecosystem map, access routes, opportunities
- Coordinated communications, convening and programme alignment
- Structured engagement across industry, universities and the public sector

2 AI skills pipeline

- AI literacy for schools, workforce & communities
- Promotion of North East business-led programmes
- Alignment with national initiatives (TechFirst, skills and growth levy)
- Future talent pipeline through business–FE–HE collaboration

3 Adoption infrastructure

- Access to NICD, Hartree Centre and supercomputing
- Sector testbeds: health, manufacturing, energy, creative sectors
- Playbooks, case studies and advisory support
- Made Smarter and Made Smarter Professional Services
- Support for safe and secure AI deployment

4 Innovation and growth system

- Pre-accelerators and spinout support
- Structured engagement with Innovate UK
- Sector-aligned innovation linked to regional assets
- Capital pathways and investor engagement
- Bridge to investors for scale and global impact

5 Infrastructure and investment

- Data centres and compute as enabling infrastructure
- Strategic inward investment support
- Alignment with land, energy and planning priorities

6 Physical and connected Hubs

- Hub and spoke model using existing assets
- Spaces for demonstration, collaboration and delivery
- Pop up hubs and visible entry points into the ecosystem

> "I want kids in school here today to see their place in an AI-driven future. We know AI will be transformative for our economy, but this is how we make sure it also provides a new future for our young people, by working with business to create training and apprenticeship routes into this fast-growing sector on a whole new scale."
>
> **Kim McGuinness, North East Mayor**

Kim McGuinness
North East
Mayor

North East
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