



Creating Real Opportunity

The North East Local Growth Plan

2025-2035



Kim McGuinness
North East
Mayor

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Foreword

North East Mayor Kim McGuinness

We are making the North East the home of real opportunity, a region where everyone can thrive.

This 10-year plan sets out my vision to create tens of thousands of new good jobs for local people as we grow our economy, empower business and raise living standards. This means maximising growth where the North East has unique advantages and expertise – including in green energy, automotive, AI and the creative industries – whilst also backing SMEs and the foundational economy.

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

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



Home to a growing and vibrant economy for all

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



Home of the green energy revolution

The North East will be at the forefront of investment in green energy, as we once were for coal, employing tens of thousands of skilled people in long-term secure careers.



A welcoming home to global trade

We will hold a new place on the world stage as a place where our skilled, hard-working people make innovation thrive. We will exceed national average levels of foreign direct investment and attract many more international visitors.



Home of real opportunity

Every child will have access to opportunity, while we will also have seen an improvement in skills, digital inclusion and health outcomes, alongside a reduction in child poverty. This will be underpinned by world-class transport links connecting people to jobs.



A North East we are proud to call home

More affordable and social homes will have been built, alongside a world-class integrated transport system – the Angel Network – connecting people to jobs and training opportunities seamlessly.



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

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

Executive summary

North East England is a land of energy and creativity. It is the home of a £54 billion economy well-placed to power UK growth and energy security – and the people of the North East already power world-class businesses such as Nissan, Sage Group, P&G, Low Carbon Materials and SMD. Going forward, we have an ambitious Plan to make the most of our sectoral strengths and strategic location at the heart of the country facing the North Sea. Driving new investment in green jobs, and continuing the rapid growth of the screen, music and publishing industries. In 2025 we founded an AI Growth Zone with the UK Government which has already attracted more than £10 billion investment from leading tech firms.

Opportunities for all are at the centre of our approach. We'll create an economy that works for everyone across the whole region, delivering sustainable growth. For too long, this has not been the case, resulting in rates of low pay, child poverty among the highest in the country and relatively low rates of female employment in some of our key growth sectors.

Our approach is rooted in a deep understanding of what makes the North East unique. Most of all this is our people: we are inspired by the energy, pride and welcome our increasingly diverse communities offer. We live in a diverse geography spanning rural, coastal and urban centres; we have a track record of manufacturing excellence and reinvention, including in our offshore energy cluster; we boast a growing service sector economy led by innovators such as Atom Bank, while culture comes to life at our three World Heritage Sites, two top-flight football teams, a National Park and National Landscape and the internationally recognised Beamish Museum and The Glasshouse.

We have identified those sectors where the North East has economic strengths, assets and opportunities. These areas will be integral to the UK's future international competitiveness and we are working with Government, including the Office for Investment, to unlock their potential.

This includes opportunities in:



Offshore wind and energy transition



Advanced manufacturing including electric vehicles



Creative industries and content



Life sciences, pharmaceuticals and process industries



Tech, digital and AI



Defence, security and space



We also recognise that the prosperity and success of the region depends on a much wider set of interventions: investing in skills through our New Deal for North East Workers, tackling child poverty, reducing the digital divide, improving housing and creating a better transport system. We will take forward our Local Growth Plan ambitions through innovation, creativity and partnership – we will focus delivery capacity and set out detailed plans in each key area.

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

Our region

The North East powered the industrial revolution, through its natural resources, engineering excellence and strategic transport links. Today we are paving the way to new revolutions in renewable energy generation and AI, and in growth opportunities spanning from the life sciences to the digital and creative industries.

We have left the past behind. Our modern industrial heritage is based upon a skilled and committed workforce. At Nissan and its supply chain they produce 1 in every 3 cars built in the UK, while at Sage Group they lead the country's largest software company.

But shipbuilding and coal has left a physical infrastructure we can harness as sites for this new revolution: our industrial ports servicing offshore wind, and datacentres being built here where power stations and smelters once stood.

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

¹ Detailed evidence base available at: <https://evidencehub.northeast-ca.gov.uk/>

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

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

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

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

Building on our assets and opportunities whilst responding to our challenges



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

2 million inhabitants.

55,000 businesses
providing 860,000 jobs.

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

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

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



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

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

Outperforming
the national average for attracting inward investment.

Second largest Mayoral Strategic Authority by area.

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

Metro - the UK's original modern light rail system - operates nearly 50 miles of track, connecting Newcastle, Gateshead, North Tyneside, South Tyneside, and Sunderland. Complemented by the successful introduction of the **Northumberland Line**.

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

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

Distinctive cultural and visitor economy offer:
over 300 miles of coastline, two UNESCO World Heritage Sites, Northumberland National Park, historic castles and cathedrals, leading football teams, an international cricket ground, and diverse and distinctive cultural venues.

The North East as 100 people

If the North East had a population of 100 people...

Sex



51 would be female
49 would be male

Age



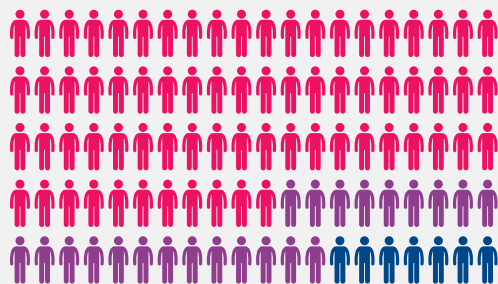
17 would be children (under 16)
17 would be aged 16 to 29
19 would be aged 30 to 44
27 would be aged 45 to state pension age
20 would be of state pension age (66+)

Ethnicity



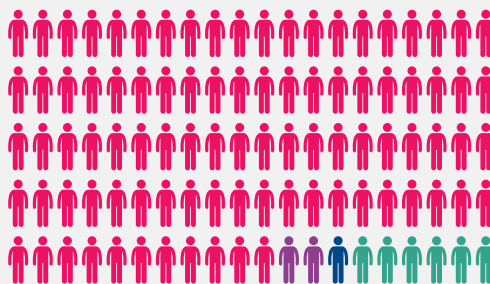
91 would be white British or similar
4 would be Asian or Asian British
2 would be white and non-British
1 would be Black or Black British
1 would be mixed or multiple ethnic groups
1 would be from another ethnic group

Disability



71 would neither be classified as disabled or have long-term health problems
22 would be classified as disabled
7 would have long-term health problems but not be classified as disabled

Sexual orientation



91 would be heterosexual or straight
2 would be gay or lesbian
1 would be bisexual or of another sexual orientation
6 would be non-respondents

Geography



26 would live in County Durham
16 in Newcastle upon Tyne
11 in North Tyneside
7 in South Tyneside
16 in Northumberland
14 in Sunderland
10 in Gateshead

Positioning the North East to respond to major global trends

Over the 10-year duration of our Local Growth Plan, we expect to see major changes at the national and global level. Here we have identified some of the major trends that will impact our region, and how the Growth Plan positions the North East to respond and thrive.

Technological

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

Advances in technology are changing the way we work. New tools can help to increase productivity and efficiency, boosting pay and living standards, if we have the right training and skills in place and a supportive environment for businesses to invest and upskill their workforce. Our region will play a key role in the development of future tech, building on our existing strengths in advanced manufacturing but transformed by the creation of an AI Growth Zone forming a cluster around some of the world’s most powerful computing power. This Plan will help to put the infrastructure in place across the region to ensure that the opportunities unlocked by technology are accessible to all of our residents.

Economic

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

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

Social

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

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

Environmental

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

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

Delivering on our missions

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

employment, improve transport connections, build a greener and fairer North East, and reduce child poverty.

The Mayoral Strategic Authority's Cabinet will oversee delivery, with the Business & Economy Board

playing a key advisory role. We will work creatively with Government, businesses, investors and the VCSE sector to unlock growth and opportunity across the region, making the most of our once-in-a-generation investments.



Home to a growing and vibrant economy for all

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



Home of the green energy revolution

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



A welcoming home to global trade

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



Home of real opportunity

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



A North East we are proud to call home

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



Our shared priorities with Government



Skills and employment

Increasing levels of employment and strengthening the technical skills base, helping residents to progress into or increase participation in the workforce and supporting people into better employment opportunities.

This includes:

- Improving the integration of skills, health and employment programmes to provide more effective and more personalised support, including to help people progress into opportunities in key growth sectors;
- Developing a robust evidence base, in conjunction with employers and providers, to anticipate and respond to changing skills demand from new jobs growth and the changing skills needs of people and roles; and
- Working with employers to boost in-work training and good employment.

This would deliver a more joined-up approach to employment and skills that addresses workforce challenges, provides a talent pipeline for key growth sectors, and improves opportunities for all.

Innovation

Increasing business creation and growth in the region, including by increasing the concentration of businesses innovating and those with the potential to scale-up or export.

This includes:

- Improving the support available to businesses, including the availability of early-stage funding for highly innovative businesses and entrepreneurs;
- Collaborating with Universities for North East England to increase spinouts and improve commercialisation, adoption and diffusion of innovation and research; and
- Developing a joint strategic approach to identify and secure a balanced mix of energy-intensive industry in the North East, improve “last mile energy connectivity” to employment sites, and ensure energy availability is not a barrier to the region’s ambitions for industrial growth.

This would help to boost productivity in key growth sectors and provide improved employment and career progression opportunities across the region.

Transport

Improving transport connectivity to create a green, integrated transport network that works for the movement of people and freight, supporting access to wider employment, learning opportunities, and essential services.

This includes:

- Identifying further opportunities to increase rail and Metro coverage, capacity, and resilience, which could include improving connections to Washington and County Durham;
- Unlocking housing development and commercial activity by ensuring new developments are well supported by the public transport network and addressing pinch points on the road network; and
- Connecting key employment sites to the sustainable transport network and improve freight transportation between key locations such as the ports and the airport.

This would attract inward investment and expand the available talent pool for business to boost productivity in key sectors, supporting inclusive growth by better connecting communities with opportunities.

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

Offshore wind and energy transition

Current state

About 1,000 renewable energy companies have North East sites, with an estimated 25,000 staff.

Comparative advantage

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

Recent / projected growth

Aim to grow the regional renewables workforce to 50,000 by 2035.

Advanced manufacturing including electric vehicles

Current state

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

Comparative advantage

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

Recent / projected growth

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

Creative industries and content

Current state

Around 50,000 jobs in the wider region's creative industries.

Comparative advantage

Film and TV production spend is up 131% in recent years, while music tourism generated £364 million in 2024.

Recent / projected growth

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

Defence, security and space

Current state

£1.75 billion turnover and 5,300 jobs across defence and the fast-growing space cluster.

Comparative advantage

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

Recent / projected growth

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

Life sciences, pharmaceuticals and process industries

Current state

8,000 employed in life sciences in the North East MSA area.

Comparative advantage

Around 10% of England's employment in pharma manufacturing - about 3,800.

Recent / projected growth

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

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

Current state

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

Comparative advantage

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

Recent / projected growth

Opportunity to be a rural innovation trailblazer.

Tech, digital and AI

Current state

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

Comparative advantage

7% of UK employment in computer manufacturing outside the South East.

Recent / projected growth






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



£14 billion
Investment
Opportunities

Our plan on a page

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

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

Mission 1

Home to a growing and vibrant economy for all

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

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



Supporting business growth

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

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

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

Increasing investment, innovation and business dynamism

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

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

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

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



North East Investment Fund

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

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



Success also means ensuring that we are able to unlock the potential of all our economic strengths and assets.



Creative industries and content

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

Building from a strong base

- There are around **50,000** people employed in the wider region's creative industries - about 5% of the region's total jobs.
- Over the past ten years jobs in the sector grew by 67% - the largest increase in the UK.
- Between 2021 to 2022, GVA by the creative industries grew in all regions, with the largest growth seen in the North East (23.8%)
- Strong partnerships with **BBC** and **North East Screen**.
- Established expertise in creative-digital sector including video games development, E-Sports and immersive technologies.
- Cultural hubs and shared work-spaces across the region, supporting entrepreneurship and wider engagement, including the forthcoming Culture House in Sunderland.
- Areas of **growth** have included screen industries, software development, music and other creative content generation.
- Capitalising on our strong and varied cultural foundations, helping to grow and showcase talent, and drive collaboration and a space for R&D.

Priorities

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

Scale of opportunity

- Potential for **£1.3 billion** annual GVA boost from the North East's creative industries by 2030.
- Crown Works Studios has the potential to create over **8,000 jobs**.





Tech, digital and AI

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

Building from a strong base

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

Priorities

- Supporting development of **skills - both higher-level and technical specialist - and innovation expertise**, critical to maintaining the high growth rate of the sector.
- Diversifying the talent pool to ensure women and other under-represented groups have employment opportunities.
- The **Hyperscale Data Centre Campus** in Northumberland - £10 billion project covering a 300-acre site with infrastructure supporting AI and machine learning workloads.
- Supporting rapid growth of the **AI-driven economy**, convening and co-ordinating a well-established **AI ecosystem** to implement the AI growth zone.
- Exploring and developing further **large supercomputer projects**.
- Building on 5G Innovation Region status and expertise, including expertise in autonomous transport.

Scale of opportunity

- Potential for £30 billion of private investment in the AI Growth Zone and over 5,000 new jobs, with associated investment in skills, innovation and SME growth.



Delivering our digital ambitions

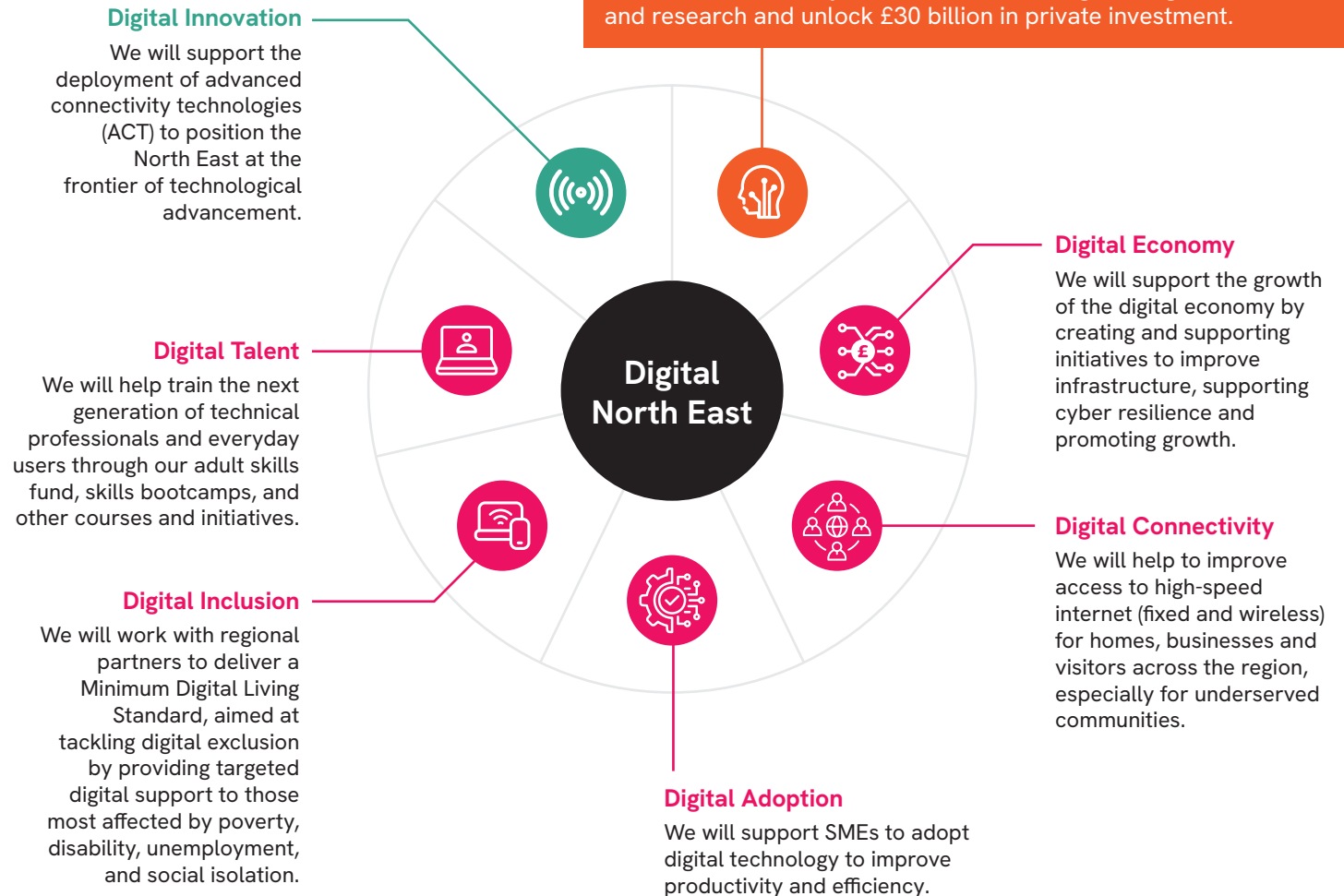
Growing the digital economy is an important part of the North East's digital programme, which has been designed to make sure that:

- All residents benefit from the digital revolution, with investment in digital inclusion and connectivity.
- Economic growth is both accompanied, and underpinned, by investment in skills.
- The region utilises its innovation expertise to drive growth and opportunity.



AI Growth Zone

We will use the North East's AI Growth Zone to create economic opportunities, improve public services and raise living standards. Anchored by two major data centre campuses at QTS Cambois in Northumberland and Cobalt Park in North Tyneside the zone is set to create over 5,000 jobs across AI, data engineering, construction and research and unlock £30 billion in private investment.





Supporting growth of our knowledge-intensive professional services

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

Knowledge-intensive professional services

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

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

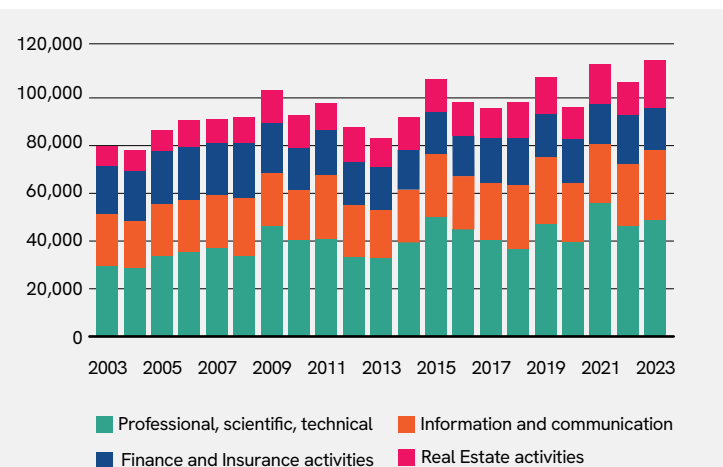
There are **114,000 jobs** in companies engaged in professional, scientific and technical activities, ICT, finance and property. This accounts for just over 13% of all employment – similar to the average across the North and Midlands.

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

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

Priorities

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



North East employment in KIPS businesses





Life sciences, pharmaceuticals and process industries

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

Building from a strong base

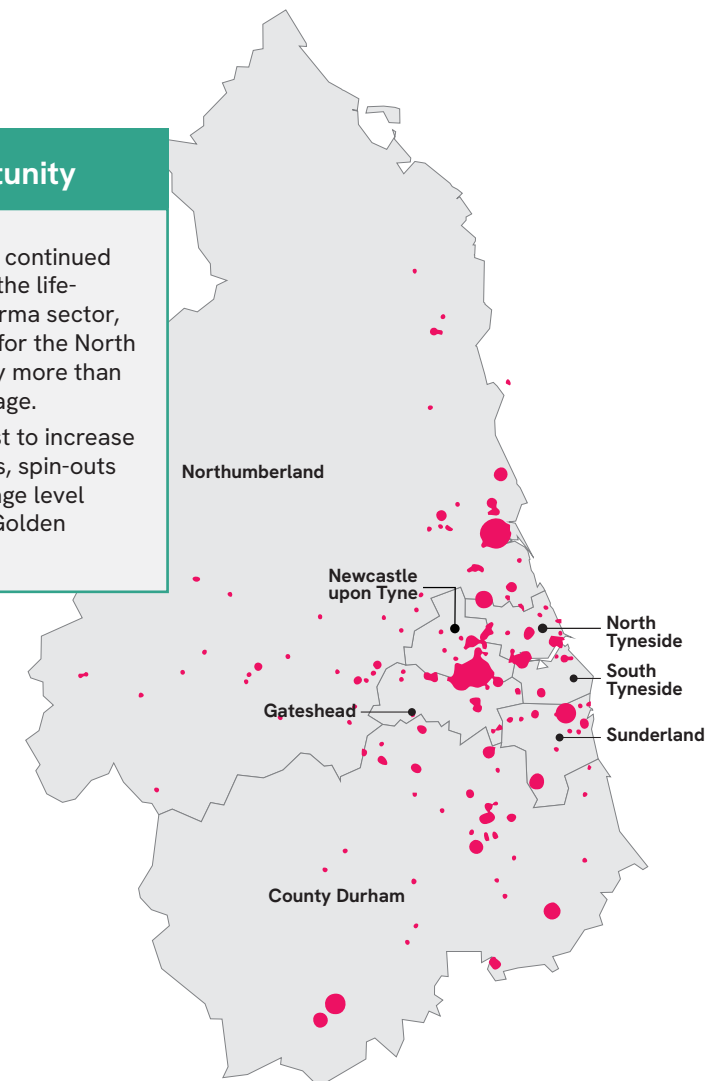
- One of the UK's largest **pharmaceutical clusters**, along with strengths in MedTech and process industries.
- **Major companies** include GSK, Organon, Sterling Pharma, Accord, Thomas Swan, AkzoNobel and P&G. These are not only major employers but also significant exporters.
- The value of North East pharma **exports** has more than doubled over the past decade.
- **25 active spin-outs** in the region with a continuous, strong pipeline from our universities.
- **Research and innovation capabilities** across universities, research centres and the Centre for Process Innovation, and strengthening networks between anchors.
- Strong synergies with clinical excellence (including in rare diseases and oncology) and nationally-leading healthcare trusts.
- Businesses in the sector generate around £2 billion in turnover and employ 8,000 people in high value jobs.

Priorities

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

Scale of opportunity

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



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

Mission 2

Home of the green energy revolution

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

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

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

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



Delivering the Green Energy Revolution and creating local green jobs

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

Growing the low-carbon economy

Offshore wind and electric vehicles

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

Decarbonising industry

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

Foundational economy

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

Tech and digital

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

Green maritime

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

Jobs and skills

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

Reducing energy costs

Housing

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

Transport

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

Energy

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

Adapting to climate change

- We will work with partners to identify and respond to climate risks to our regional economy, including more extreme weather and sea level rise.
- But climate modelling suggests the North East is likely to be less affected than most parts of the UK. Together with abundant water assets, this creates a competitive advantage.

Net Zero North East England

- We're proud to support this regional partnership to accelerate the energy transition.
- Leadership from public, private and VCSE sectors.
- Ambition is to create a cleaner, greener, and fairer North East.
- Promotes collaboration and collective action to accelerate the decarbonisation of the region.

North East Carbon and Nature Marketplace

- Our North East Carbon and Nature Marketplace provides a huge economic opportunity to increase investment in nature recovery and cut carbon emissions, including in our vast, rural spaces. The Marketplace will also host Biodiversity Net Gain offset projects by late 2025.
- Launched with 10,000 carbon credits available for purchase - which could save 10,000 tonnes of carbon emissions - with other investible projects seeking over £11 million worth of support.



Offshore wind and energy transition

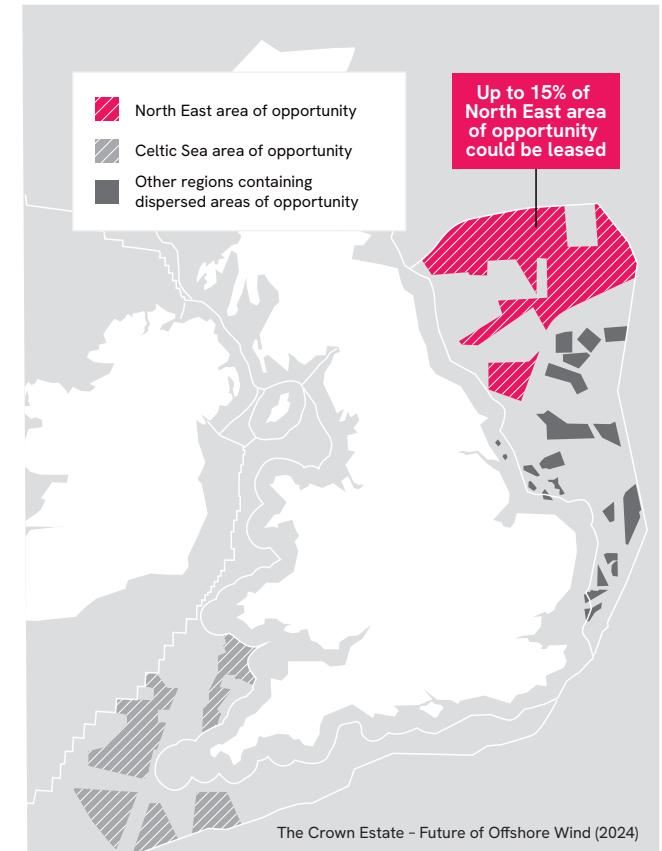
The UK's most advanced offshore wind industrial cluster

Building from a strong base

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

Priorities

- Developing **flagship regional sites** with investment in port and quayside infrastructure and connectivity to provide world-class facilities - to attract major new global manufacturers producing the next generation of turbine components.
- Supporting inward investment and re-investment at existing businesses to catalyse clean growth.
- Working with businesses, skills providers and the Newcastle College Energy Academy and Energy Central Campus in Blyth to strengthen and diversify the **skills pipeline**, with more opportunities for women in traditionally male-dominated roles.
- Increasing innovation and R&D opportunities in the private sector and at the Offshore Renewable Energy Catapult.
- Working with The Crown Estate to secure game-changing offshore wind leasing opportunities off our coast by 2030 and to maximise regional supply chain opportunities and wider onshore benefits.
- **Removing the cables over the Tyne**, and securing investment opportunities arising from the North East having the country's cleanest energy.
- Working in strategic partnership with our major ports and landowners to unlock growth opportunities.
- Facilitating development of geothermal energy, hydrogen and heat network projects, in conjunction with world-leading research expertise at our universities and through international collaboration.
- Progressing the Institute for Low Carbon Hydrogen in partnership with UK Government and the Kingdom of Saudi Arabia.



Scale of opportunity

- The UK's most advanced offshore wind industrial cluster, close to North Sea deployment sites with the potential to account for one fifth of the UK's offshore wind economy.
- Aim to grow the regional renewables workforce to 50,000 by 2035.

Mission 3

A welcoming home to global trade

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

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



Attracting investment and supporting trade

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

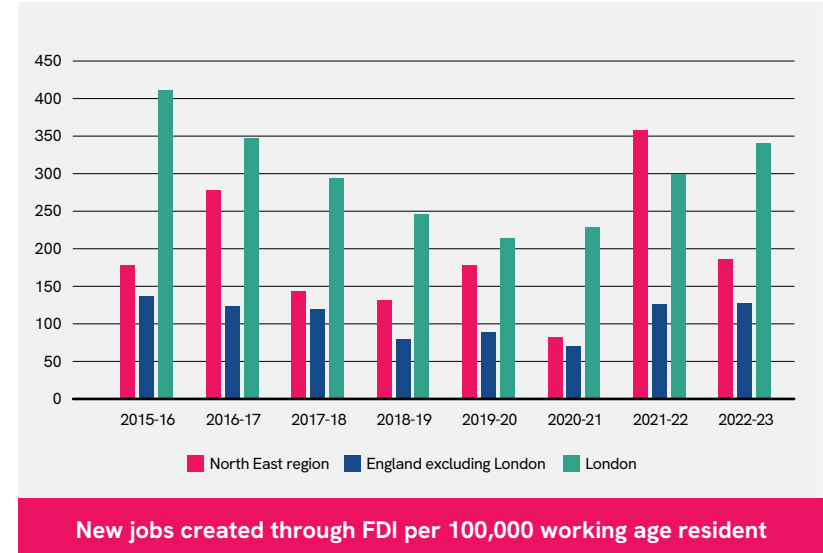
We will build on this to support the Government's Growth Mission by attracting businesses to our key sites across the whole region - including in our city centres, new places and existing successes - like the UK's first industrial estate at Team Valley, the UK's largest business park at Cobalt and NETPark in County Durham - a hub for national innovation expertise and cutting-edge businesses. Success is dependent on the wider set of assets and opportunities identified in this plan - from the role played by our universities to transport links and the quality of our housing offer.

Our flagship North East Investment Zone is a £160 million programme over 10 years to create at least 4,000 jobs and attract at least £3 billion of private sector investment. Designed to benefit the whole region, and launched with confirmation of up to £1.12 billion of investment from Nissan, the Zone is focused on advanced manufacturing and green industries, building on the Arc of Innovation set out in the North East devolution deal.

Backed by expertise from Durham, Newcastle, Northumbria and Sunderland Universities, we will support industrial clusters in offshore and renewable energy, EV and battery manufacturing, and low carbon materials and research.

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

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





Advanced manufacturing including electric vehicles

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

Building from a strong base

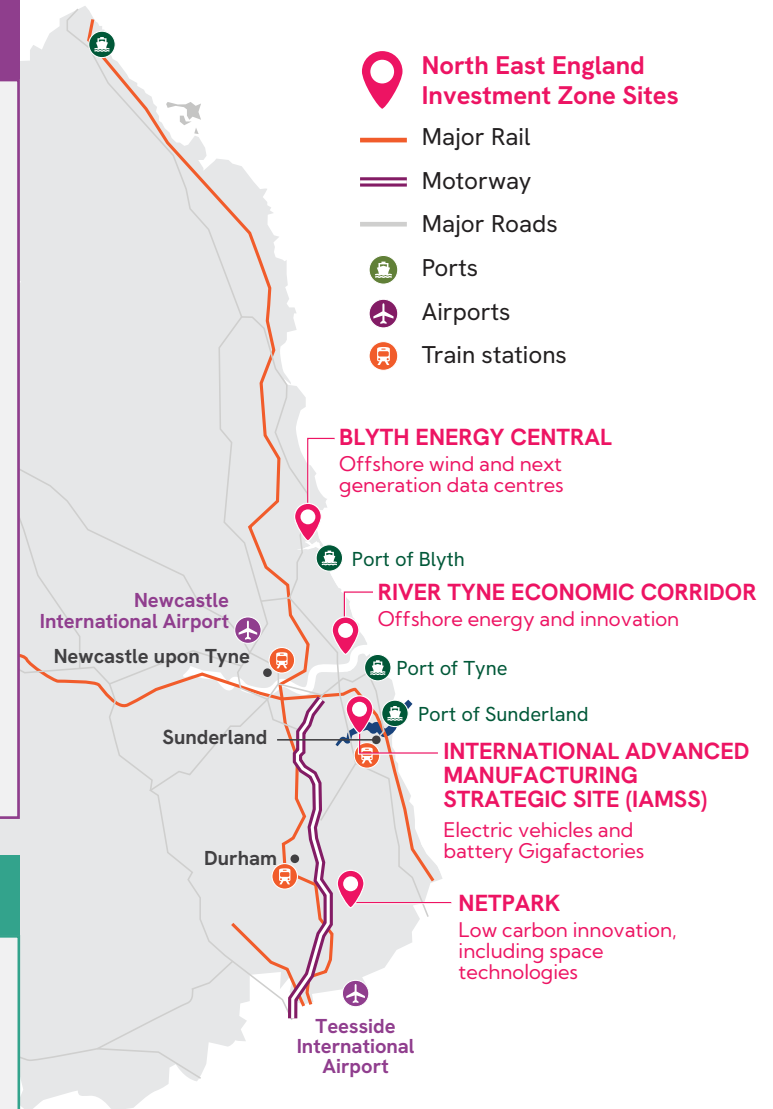
- **Established expertise** with 3,900 businesses in advanced manufacturing, employing 67,000 people.
- Growing specialisation in battery technologies and EVs, offshore renewables, subsea technologies, and robotics.
- Our **automotive sector**:
 - Has a **world-leading EV manufacturing hub** in Sunderland,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

Priorities

- Supporting the growth of existing businesses and attracting new ones – as electrification changes markets and through supply chain consolidation.
- **Maximising the impact of the North East Investment Zone** site at IAMSS site, in Sunderland and South Tyneside, building on recent inward investment success.
- **Implementing and expanding MADE North East**, the new facility led by Nissan – which will develop the skills pipeline and support innovation for the automotive and battery manufacturing sectors.
- Developing a wider and **more diverse** talent pool, with more opportunities for women in traditionally male-dominated roles.
- Continuing the rollout of an ambitious programme of **EV charging infrastructure** installation.
- Expanding our NETPark Investment Zone site to deliver **more industrial space**.
- Supporting the next phase of development of **Hitachi Rail**, including expanding the local supply chain.

Scale of opportunity

- **£24 billion** UK passenger vehicle electrification opening.
- Scope for more than 2,000 new jobs.





Defence, security and space

Growing cluster capitalising on advanced technologies to secure our future.

Building from a strong base

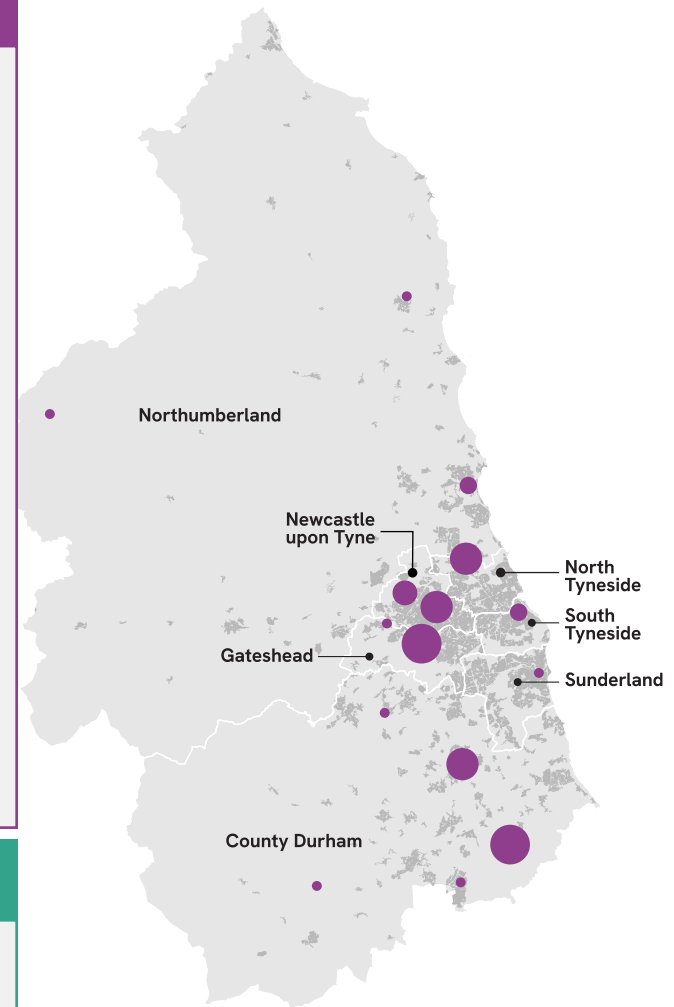
- The UK and the western world are facing the greatest security challenge for a generation. Defence manufacturing in the North East will be at the heart of our response.
- The defence, security and space sector contributes around **£1.75 billion** to the regional economy and employs 5,300 people in the wider region.
- **Established and emerging specialisms** in engineering and fabrication and the advanced material electronics sector and adjacent sectors.
- North East defence firms have attracted half a billion in **innovation funding** since 2002.
- A **large defence cluster**, with over 1,400 firms, including industry leaders.
- Specialist bases include RAF Spadeadam, RAF Boulmer and HMS Calliope.
- **Data and cyber security** are a growing presence, supporting multiple sectors.
- **Mature regional space cluster**, with strong links to Durham, Newcastle and Northumbria Universities.
- Oetric Semiconductors was recently purchased by the UK Government.
- World class **skills and research** capabilities across the region's universities.

Priorities

- **Growing the North East defence sector**, including by making the region a national hub for cutting-edge digital defence technologies, including threat detection, mitigation and communications, and supporting the growth of the region's advanced materials cluster.
- Ensuring public funds are not used to produce weapons deployed against civilian populations, including in Gaza.
- Attracting innovative **technology-based companies** and increasing the market for locally-sourced content.
- Enabling the North East Regional Defence and Security Cluster (**NERDSC**) to build and grow capacity and skills, including through a major supply chain development programme, and forging links with other regions and nations through exports.
- **Expanding NETPark**, including potential satellite manufacturing inward investment.
- Supporting the Space North East England (**SNEE**) cluster to build upon the success of the last ten years.
- Maximising the impact of Northumbria University's North East Space Skills and Technology Centre (**NESST**) - a £50m R&D and innovation investment opening in 2026 - alongside the £5m Durham Space Research Centre.
- Driving further **R&D and innovation** in the region to address technology challenges.
- Ensuring a pipeline of diverse talent, with opportunities for women in traditionally male-dominated roles.

Scale of opportunity

- The UK Annual Defence & Security Sector is **worth £51 billion, rising to £87 billion by 2030.**
- **35%** of Ministry of Defence spend in the North East is with SMEs - the largest proportion of any region.



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Investment in infrastructure and key sites

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

Our Investment Prospectus identifies key economic and housing growth sites across the region.

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

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

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

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

Priorities

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

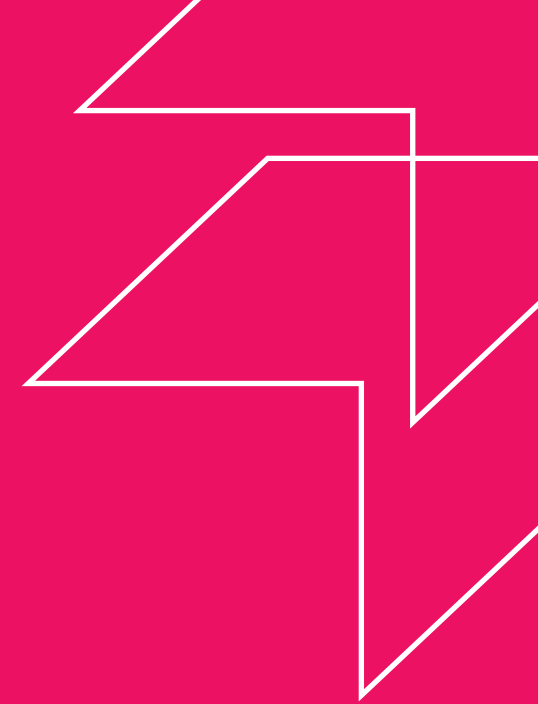


Mission 4

Home of real opportunity

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

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



Improving skills and employment

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

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

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

Priorities

- Supporting people to develop functional and basic skills, including literacy and numeracy.
- Increasing the proportion of residents with higher-level and specialist skills.
- Strengthening links between our highly-rated universities and businesses.

- Better understanding the changing skills requirements presented by structural shifts like the low carbon transition, AI, and technology adoption.
- Clearer pathways into employment via all-age career support - addressing the digital divide while aligning skills and qualifications to tackle skills shortages.
- Delivering the £50 million Connect to Work Programme, the Economic Inactivity Trailblazer, and the NHS Health and Growth Accelerator, working regionally with DWP to create an integrated health and work approach.
- Supporting good jobs, encouraging all employers to meet the new North East Shine employment standards.
- Making it easier for businesses to support educational pathways and progression.

- Promoting business skills to support entrepreneurialism, spin-outs and scale-ups, including in existing markets and focused on process improvements.
- Expanding the transport network to improve opportunities and labour force availability.

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

Our New Deal for North East Workers strategy sets this out in more detail.

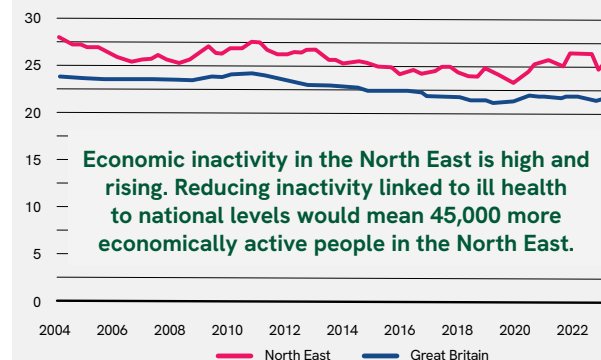
Linking economic activity, health and wellbeing

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

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

We need to address the underlying causes of poor health, strengthen public services, and tailor employment programmes to break barriers to re-joining the workforce. This includes drawing on the expertise of the VCSE sector to improve the consistency of locally-delivered support for families.

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



Economic Inactivity (%)

Tackling child poverty

Addressing the causes and consequences of child poverty

If babies, children and young people growing up in the North East today are to be able to access our region's economic opportunities and benefit from future growth, we must remove the barriers that prevent people succeeding.

The evidence is clear that these barriers include high rates of babies, children and young people growing up in poverty across all parts of our region - and that this is not just threatening good childhoods and limiting the potential of individual children and families; it is holding the whole of our region back.

As well as measures to support families here and now, and break down the barriers to opportunity that poverty can bring, we will focus on tackling longer-term, structural challenges - including those which will help to make work pay, and create the infrastructure of opportunity, for more families.

Our vision is for the North East to be a place where every baby, child and young person is supported to thrive and achieve their potential - regardless of their background, or where they live.

Our strategic priorities for action:

- Supporting families here and now
- Breaking down the barriers to opportunity that poverty can bring
- Tackling longer-term structural challenges

The North East child poverty action plan sets out the actions we will drive, in partnership, to achieve these.

Actions include:

- Getting more money into families' pockets - supporting all to receive their entitlements through expanded advice and take-up campaigns.
- Driving down the cost of education, including free after school clubs and work to ensure equity and fairness in education across the region through our Excellence in Education Programme.
- Expanding prevention-focused, joined-up support for families through our work on public service reform.

- Working to ensure all families can access the skills, equipment, data and support needed to be digitally included.
- Making childcare more affordable and accessible, through the Mayor's childcare grant and a regional plan for childcare and early education.
- Delivering a joined-up, affordable, reliable and accessible transport network that breaks down barriers to opportunity.
- Creating more and better jobs that make work pay - through this Local Growth Plan, the SHINE scheme for employers and the New Deal for North East Workers.

Our ways of working as an organisation will reflect the change we want to see. Through our Child Poverty Reduction Unit we will drive collaboration with others to deliver and we will create a framework to support business to contribute to delivering the regional child poverty plan.



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

- Members forming a coalition, working together with purpose.
- Galvanising regional ambitions and efforts across all sectors, including public, private, and VCSE. We commit to continuing to work closely with organisations, parents, carers and young people, to shape the implementation and evolution of our child poverty action plan throughout the next five years.
- Taking an intersectional, whole-family approach to how we implement our regional action plan with partners across the North East - recognising that some localities face greater barriers to opportunity than others, and some families are more likely to experience, or be at risk of, poverty and financial hardship.
- Working closely with constituent authorities, private, public, and VCSE organisations, drawing on experience and expertise to deliver on actions and track progress together.
- Driving collaborative action across the region to maximise impact.

Supporting growth of the foundational economy

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



Foundational economy

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

This includes food, retail, energy, transport, construction, agriculture, care and education. It is the backbone of our economy, providing vital services and the supply chain to delivering wider growth in the region. It provides the building blocks which enable other businesses to thrive, and it is fundamental to supporting the delivery of wider growth. But its role is often under-recognised and employment in the sector can be relatively insecure.

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

The foundational economy accounts for around half of employment in the region.

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

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

But the foundational economy faces challenges around pay and progression opportunities, and not every part of the region has equal access to foundational services.

Priorities

- Providing business advice and support to organisations operating in the foundational economy, with a particular focus on food, construction, health and social care.
- Enabling socially-trading organisations and cooperatives to flourish by improving access to resources, including flexible social finance.
- Working with anchor institutions and others to simplify and streamline procurement, making it easier for SMEs and VCSE sector providers to win contracts and join supply chains.
- Unlocking community assets by working with local authorities and social enterprises.
- Piloting public service reform and investing in innovation.
- Working more closely with VCSE organisations, recognising the unique role they play in providing support to out-of-work residents and opportunities to enter paid employment.
- Supporting the foundational economy to build a better-skilled and more diverse workforce, alongside clearer employment pathways and progression opportunities, with particular help for female founders.
- Working with others to increase access to foundational economy services in neighbourhoods that experience poor social and economic outcomes, including high levels of child poverty.

Mission 5

A North East we are proud to call home

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

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



Delivering a green, integrated transport network

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

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

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

Challenges

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

Where we want to be

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

Five key areas of focus:

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

How we will get there – delivery plan

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

Outcomes

Through implementation of the Local Transport Plan we will:

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

Expand and improve our housing offer

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

1. Build more homes to meet our housing delivery targets

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

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

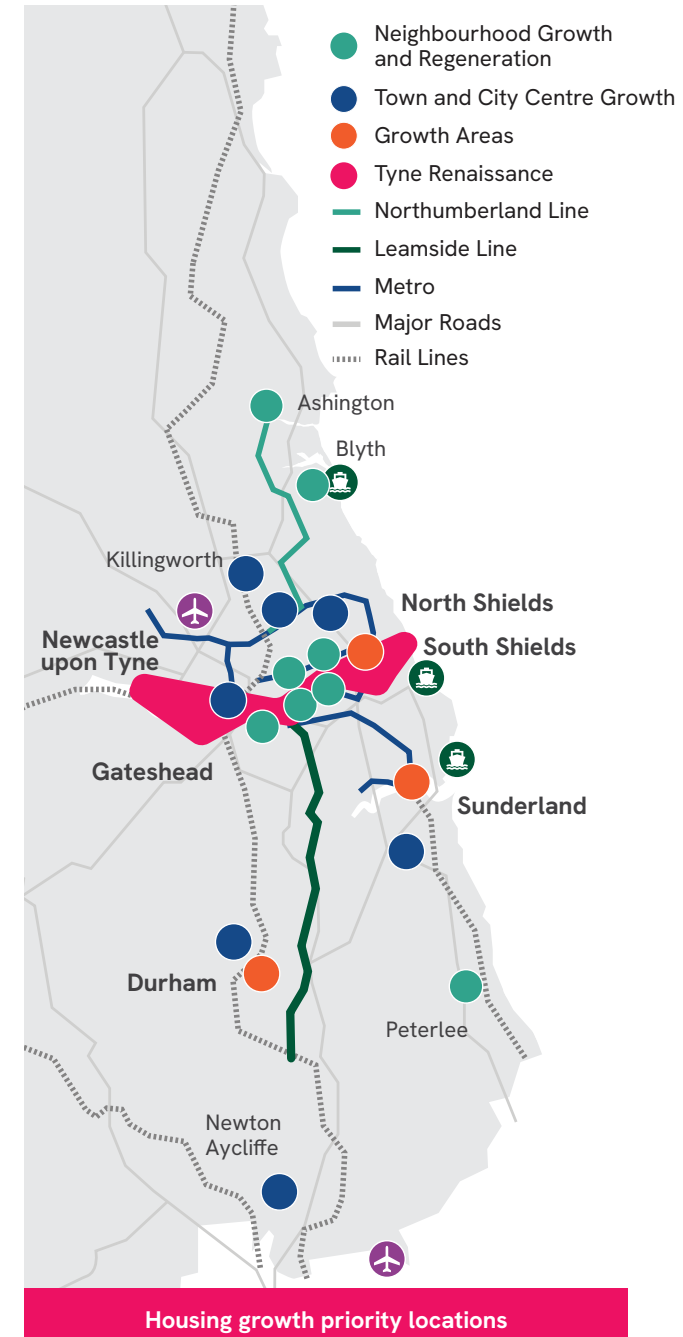
- We will support the regeneration of our communities, including by supporting investment in high streets and improving the quality of our places.
- Previous successes, include The Rise in Scotswood, where the MSA supported enabling and infrastructure works, including ground preparations, retaining structures, highway works and pedestrian links. This will deliver 1,800 new homes, with the first 600 having been built.
- We'll also work to secure more devolved powers to support renters.

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

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

4. Develop a regional retrofit strategy

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



Source: NE Strategic Place Partnership

Investment in our rural and coastal areas

- Rural and coastal areas make an important contribution to the North East economy, together accounting for **30% of GVA**.
- Rural and coastal communities face specific challenges related to their geography, including social mobility, transport, employment and access to housing.
- The rural economy is diverse - ranging from the visitor economy through to advanced manufacturing - but also including opportunities around: quality and regionally distinctive food, tackling nature recovery, carbon and nature markets, and supporting the energy transition and climate resilience.

Priorities

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



Vindolanda, Hadrian's Wall



Durham Cathedral

Supporting the visitor economy

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

Priorities

- Marketing the region effectively to overseas audiences.
- Developing resilient and sustainable transport options to assets and attractions, including EV charging facilities.
- Creating a more integrated and mixed visitor package, including sustainable 'products'.
- Improving pathways into employment and skills development.
- Developing flagship attractions, venues and assets, including an International Conference Centre and a Centre for Excellence in Tourism and Hospitality.
- Strengthening event infrastructure, utilising technology and increasing expertise to attract and host further world-class events.
- We have a **ten-year plan to double the GVA** of the visitor economy, including by significantly increasing the number of international visitors (leisure and business) and the duration of their stays.

Leamside Line Investment Corridor

Delivering infrastructure investment to unlock place-based integrated growth

The Mayor has pledged to reopen the Leamside Line - the most important new piece of transport infrastructure for the region:

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

The Leamside Line Investment Corridor will:

- Unlock over 10,000 new homes.
- Generate more than 1,000 new jobs.
- Provide better access to education, employment and leisure activities for 100,000 people.
- Provide a major boost to the region's long-distance rail connectivity.

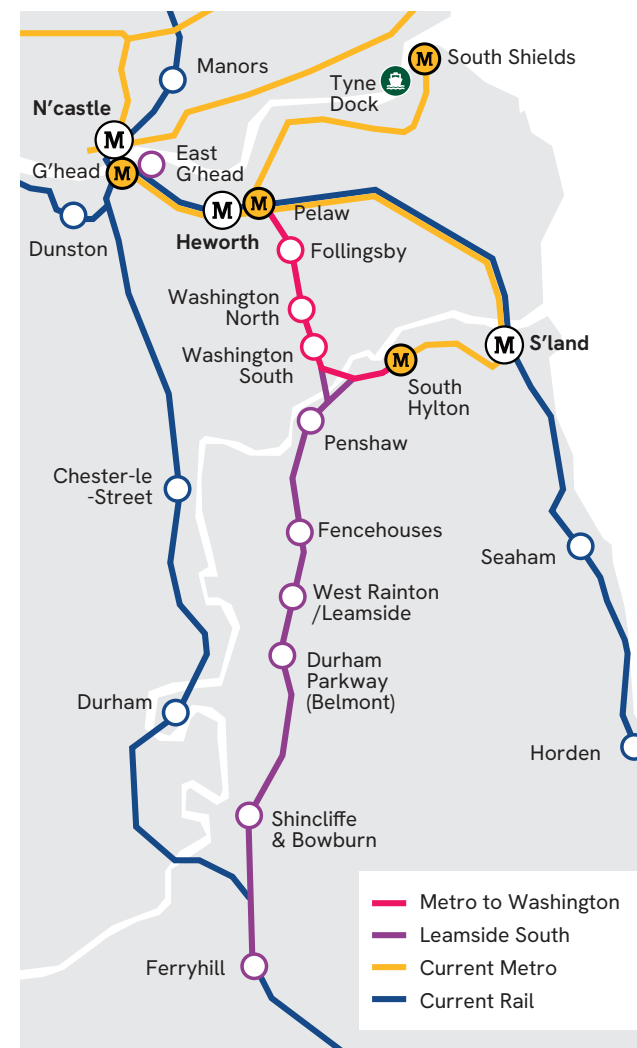
Current status of the project:

£9.1 million has been invested by the MSA to progress the Leamside Line programme. The following is being progressed:

- Pre-delivery work for Metro to Washington, including an Outline Business Case.
- Early feasibility technical assessments for 'Leamside South' informing future business case development.
- Investment corridor studies assessing the Line's ability to be a catalyst for wider economic growth and spatial development.

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

- It is the most important piece of transport infrastructure for the future prosperity of the North East.
- It will provide a significant capacity uplift to the East Coast Main Line, allowing more passenger and freight services to run from the North East to London and other key economic centres.
- It opens up considerable local benefits, providing fast and direct connections into Newcastle and Sunderland for 100,000 people in Washington and South Durham that currently have no direct rail or Metro connections. This enhances access to employment, leisure, and education centres.
- It will enhance connections and support businesses in the region such as those at Nissan, IAMP, Follingsby, and Integra1; all Investment Zones; and the Airport.
- It will be the North East equivalent of East West Rail, set to connect communities between Oxford and Cambridge, in that it too will relieve congestion on the surrounding rail and road network whilst delivering wider economic benefits through improved access to jobs, education and opportunities.



Capital investment pipeline

We have over £10 billion of priority capital investment opportunities.

These will create jobs, spur economic growth, provide homes, make it easier for people to get around, and improve our natural environment.

For further details of each investment opportunity please see:
investnee.co.uk



Industrial strategy zones

Powering the future economy from our clean energy-abundant region.

Offshore wind: Blyth and the River Tyne Investment Zones

The North East is already the home of the UK's most advanced offshore wind industrial cluster and there is the potential for £3 billion of further private sector investment. We have flagship investment opportunities at prime locations with deep water access and quayside facilities, located within our Investment Zone. These include the 230-acre Tyne Clean Energy Park at the Port of Tyne; 47-acre Battleship Wharf at the Port of Blyth and 60-acre combined Swans and Neptune Energy Parks at Shepherd Offshore on the River Tyne.

Investment in these facilities is being complemented through significant investment into skills, innovation and finance - while The Crown Estate has identified the opportunity for a huge offshore wind leasing round off our coast. Our ambition is to secure 5,000 new jobs in Blyth and on the River Tyne in the next five years, growing the regional clean energy workforce to 50,000 jobs by 2035.

Automotive: International Advanced Manufacturing Strategic Site Investment Zone

The North East produces around a third of all UK passenger vehicles and the move towards full electrification of road transport provides opportunities for further growth. The International Advanced Manufacturing Strategic

Site (IAMSS) is part of the North East Investment Zone and opens up further strategic development opportunities suitable for inward investors in the automotive manufacturing, and the clean energy and green manufacturing clusters. There is potential for up to 2,000 new jobs.

This is supported through a new electric vehicle cluster programme, developed in conjunction with the Department for Business and Trade, which will support both new inward investment opportunities as well as key reinvestment to sustain and create employment as the North East continues to build a fully-integrated, sustainable, globally competitive EV cluster.

AI Growth Zone

The North East AI Growth Zone is anchored by investment at two world-class data centre campuses at Cambois in Northumberland and Cobalt Park in North Tyneside, positioning the region at the forefront of the next technology revolution. Development is under way at QTS Cambois Data Centre Campus, which will stretch over 500,000 sqm across up to 10 buildings, each providing around 72 MW of IT capacity. At Cobalt Park, leading businesses OpenAI, NVIDIA and Nscale will partner up to establish Stargate UK, including a first-phase investment of 8,000 GPUs - computer chips which are the building blocks of AI technology, able to carry out a huge number of calculations in a split second.



An AI taskforce, co-chaired by the North East Mayor and Secretary of State for Science, Innovation and Technology, will prioritise delivering the AI Growth Zone - unlocking infrastructure and new investment - and maximising wider benefits through a comprehensive investment in AI skills, SME Digital and AI adoption, and AI innovation.

Advanced materials: NETPark Investment Zone

The North East Technology Park (NETPark) in County Durham is one of the UK's leading science parks and is home to over 40 science, engineering and technology companies, employing over 1,000 people. It has a particular focus on advanced materials and electronics relevant to

the space, defence and life sciences sectors. Leading businesses include Kromek, Filtronic and Pragmatic - with the innovation ecosystem at NETPark also including CPI's National Innovation Centres in Printable Electronics, Formulations and Healthcare Photonics, alongside expertise from Durham University and three Catapults (High Value Manufacturing, Satellite Applications and Compound Semiconductor Applications).

£350 million of investment opportunities provide the opportunity to more than double the available incubation and scale-up space, following recent completion of initial expansion units on Phase 3. Site enabling works are currently underway on the remaining Phase 3 expansion land a further 16ha is available for development.

Thriving and creative cities

Building the homes and businesses we need to succeed in our metropolises.



Newcastle & Gateshead Mayoral Development Zone

A new Mayoral Development Zone will accelerate transformational development across the core of Newcastle and Gateshead. It will advance large-scale regeneration, housing delivery, job creation and investment across key sites on both sides of the River Tyne, with over £2 billion of development. The Forth Yards scheme in Newcastle will bring over 2,500 new homes, with a £120 million investment in the first phase enabled by Homes England.

The Baltic Business Quarter and Gateshead Town Centre will also deliver thousands more homes and new commercial space. Other development opportunities are adjacent to Newcastle United Football Club, the Helix Innovation District and the new North East Space Skills and Technology Centre.



Riverside Sunderland Creative Mayoral Development Zone

Riverside Sunderland is a strategic city-centre investment opportunity on a site spanning from the Northern Spire to the coast. There is the ambition for at least a further 1,000 homes and thousands of additional jobs. With £650 million investment already built out or under construction work is underway to transform the city's urban core.

The detailed proposals include the development of a central business district, investing in high quality housing in new sustainable communities, and continuing to diversify and improve the city centre's retail, leisure and cultural offer with outstanding public realm and green spaces at its heart.



Durham Innovation District

The Durham Innovation District at Aykley Heads is set to become a major driver of economic growth and innovation in County Durham and the North East. The site, around 15 hectares and just north of Durham's historic centre, is in council ownership, giving local partners full control over delivery. It is well-located, within easy reach of the mainline rail station, the World Heritage Site, and, crucially, Durham University.

The ambition is to deliver up to 400,000 square feet of high-quality office and innovation space, support up to 4,000 high-value jobs, and generate £400 million in new GVA over 20 years. The district will focus on high-growth sectors, including technology innovation, digital and AI, life sciences, clean energy, and knowledge-intensive professional services – areas that are central to both regional and national economic strategies.



Creative and cultural developments

Major investments will put the North East firmly on the map as a cultural and creative powerhouse.

Crown Works Studios

Crown Works Studios has the potential to become a cultural superpower, generating over 8,000 new jobs in the creative industries and become one of Europe's largest filmmaking hubs.

Gateshead Quays

The large-scale development at Gateshead Quays, adjacent to the Glasshouse and Baltic, will include new facilities attracting thousands of visitors. Massive investment opportunity, with capital works commencing in 2026.

Supported by the North East Carbon & Nature Marketplace

Investing in nature recovery and cutting carbon emissions.

The North East Carbon & Nature Marketplace is the first of its kind in the UK.

Designed to kickstart investment in natural recovery and cut carbon emissions it links private buyers with investment-ready projects. Launched in 2025 with 10,000

carbon credits available for purchase it could save 10,000 tonnes of carbon emissions with the £11 million of investible projects available. With further expansion

into biodiversity net gain it has the potential to transform the region's environment and contribute to the UK's climate resilience.

Economic corridors and transport investment

Connecting our communities to jobs, skills and culture.

Leamside Line economic corridor

Reopening the Leamside Line in full will drive economic growth and help make the North East the greenest and best-connected region in the UK. Together, the new stations, railway lines and associated housing development will improve living standards for 100,000 residents. More than 10,000 new homes are forecast, with more than 1,000 new jobs created. £9.1 million has been allocated to progress the programme, including the first stage of extending the Metro to Washington. Overall investment opportunities are expected to amount to more than £1 billion. AECOM have been appointed to lead the Economic Growth Strategy and Spatial Analysis Plan, with both now underway.

Northumberland Line economic corridor

The Northumberland Line Economic Corridor (NLEC) is a strategic infrastructure project centred on the re-opened passenger railway line connecting southeast Northumberland with Newcastle, designed to drive economic growth and improve public transport accessibility. The project is expected to boost the local economy by up to £470 million and attract new businesses and investment, including potential employers for sectors like renewable energy, life sciences and tourism. There are also significant opportunities for housing and commercial development adjacent to the 6 new passenger stations outside the city centre while the transformed connectivity will bring wider regeneration to the area. The Mayoral Strategic Authority has invested over £20 million into associated capital works to date, and the line has proven a huge success since opening in late 2024, far exceeding projected passenger numbers. Homes England is now leading a subsequent study into housing growth along the route of the line.

Transport investment

The North East is delivering a transformative programme of transport investment that will create a green, integrated transport network linking communities with jobs, skills, and opportunities. Guided by the Mayor's Local Transport Plan Delivery Plan (2025-2040), over £8.3 billion of planned investment will reshape how people travel, making it easier, safer, and cleaner to move around the region. At the heart of this programme is the £1.85 billion secured by the North East Mayor through the Transport for City Regions Fund. This represents the most significant devolved transport funding package ever awarded to the region.

Planned investment has the potential to unlock over 10,000 new jobs, support up to 20,000 new homes, and generate more than £2.5 billion in additional GVA for the regional economy. By connecting people with opportunity, improving access to education and skills, and reducing congestion and carbon emissions, transport investment will underpin inclusive economic growth across every part of the region.



Delivering on potential

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



Delivering growth for the region and the UK

The North East has the assets and ambition to deliver growth that benefits the whole of the UK. We will build a coalition with partners who will play a vital role in helping deliver Government targets - unlocked with the right deployment of regional powers and investment. We will grow an economy that works for all our people, regardless of their background or where they live.



If the North East were to grow at the same projected rate as the fastest growing G7 economy today our economy would be

£13.1 billion larger by 2033

Partners across the North East are working towards:



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



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



Ensuring that the North East is a place where every baby, child and young person is supported to thrive and achieve their potential.



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



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



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

Measuring impact

Our ambitions are transformational, and we know change takes time.

But we also know that the public expects results now, and that communities want to feel the benefits of greater investment in our economy

The way the North East Mayoral Strategic Authority is funded is changing. From 2026/27 we will receive a core set of funding flows from the Government via a single, consolidated funding pot, known as an Integrated Settlement. This will provide greater flexibility to decide how we spend money devolved to us, enabling us to make more strategic and joined-up investment to deliver our missions, grow the economy, and improve the lives of the people we serve.

It covers key areas of responsibility, including skills and employment support, housing and strategic planning, economic development and regeneration, environment and climate change, and transport and local infrastructure.

We will agree a single set of outcomes with Government for this funding and will monitor progress towards meeting these outcomes every 6 months. We are working with Government, and our local authorities, to finalise these and intend to include them, once they have been agreed, in a later version of the Local Growth Plan.

Beyond these outcomes, the North East MSA expects to be judged on progress against a wider range of economic indicators, and we will use our full range of levers – including but not limited to the Integrated Settlement – to deliver this positive change.

In particular, we expect to be judged on the number of jobs created in our priority economic sectors. We expect to be judged on the percentage of people in our region with the right skills to access and benefit from these jobs, and the positive effect this has on household incomes. We also expect to be judged on the amount of affordable, high-quality homes and increased business activity we unlock through our interventions, and how this contributes to improved productivity.

These indicators will be underpinned by a clear evidence base, showing where progress is being made. We will report publicly on this annually, with data published at regular intervals.



Working together to deliver change

We will work with partners to consult on, and further develop, our propositions and delivery plans.

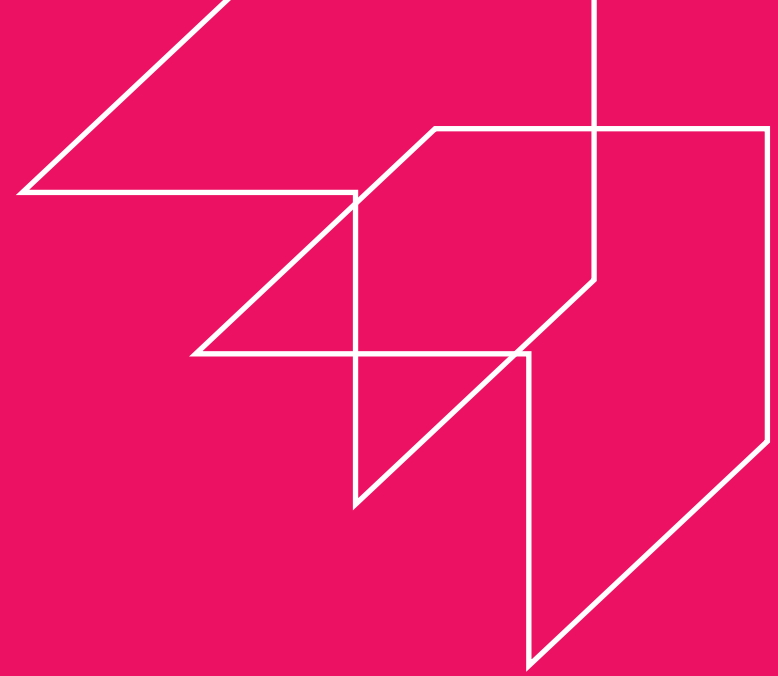
We will be guided by an ambitious vision of what the next 10 years could hold for the region; not just what the Mayoral Strategic Authority can do, but how we can work with partners to create real opportunity and to unlock the impact of our investments.

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

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

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

 Strong foundations	 Communities listened to
 Renewables revolution	 Future made here
 Stories told	 Scientific advances
 Analogue to digital	 Better skilled workforce
 Child poverty reduced	 More affordable homes
 Innovative and dynamic businesses	 Safe and secure region
 Better, greener transport	 Thriving countryside and coast
 Visitors flocking	 No one left behind



Creating Real Opportunity

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Kim McGuinness
North East
Mayor