

To: Chancellor of the Exchequer
Rt Hon John Healy MP

11 September
2026

Dear John,

The English regions are ready to take back control of their own economic future, and your first budget will be a defining step towards this vision. For too long, regions have had to go cap in hand to Government asking for investment at every level. Now we want to be trusted to get on with the job ourselves, backed by this Labour Government. In just two years we have shown the difference we can make in creating jobs and tackling poverty: Let's work together to build on this strong start.

In the North East, our focus is on delivering change people can see. That means affordable local transport, it means support for families raising children while they wait for bills to come down, and it means reviving high streets with a local venue supporting the stars of the future.

The people here are proud of their local identity. They want to see their local area improve and be able to afford to do more in and around their North East. People judge whether politics works from what they see happening in the place they call home.

Your budget gives us the opportunity to make northern growth, led by the people in the north, a national priority. The appendix I attach to this letter sets out our detailed ask, but I wanted to highlight the top three changes you could make that would lead to long-term improvements in the North East.

- 1) We want people across the North East to be able to get around their region affordably, whether they are travelling to work, college, the shops or to see family. To do that, we need greater flexibility over our Integrated Settlement so that we can increase the proportion of transport funding usable as revenue support. This will mean we can keep introducing more and more affordable tickets: maintaining our hugely successful £1 fare for young people; extending the Government's £2 bus fare across the transport network; and expanding bus services where communities need them most.
- 2) Too many young people in the North East cannot yet see a path to a good job and a secure future in the place they call home. We want the power to change that.

The North East now has the highest rates of NEETs in the country. We need radical

local action, not more centrally controlled quangos. This means devolving post-16 education, reforming the apprentice levy - and then giving mayors devolved powers to retrofit thousands of houses and kickstart a local jobs boom for those young people who access training. As part of this, we specifically need Government to hand the North East powers to open hyper-local youth clubs as a crucial step to re-engaging with young people.

- 3) Fiscal devolution which gives every region the chance to shape its own future, not simply reward the wealthiest parts of the country. Allowing us to keep more of the tax raised in the region and giving mayors the power to introduce an Overnight Visitor Levy is a vital step on the road to genuine devolution. However, to deliver its potential benefits for the North East, fiscal devolution must be designed on the basis of future potential as well as current ability to raise revenue and be backed by a concerted programme of upfront investment to help realise that potential. Put simply fiscal devolution needs a fair baseline, maximum flexibility to deliver what each region needs, and targeted upfront investment to stimulate growth.

With these asks, we are not asking Government to do the job for us. We're asking Government to give us the tools to do more of it ourselves.

I know this Labour Government shares my aim as mayor – to show every day we are standing by the people of this region and delivering tangible change for them.

Taken together, these changes would give us the tools to build an economy in which every person in the North East can contribute to and benefit from growth. More importantly, they would allow us to show people, through changes they can see in their own lives and communities, that politics can work for them.

The North East is ready to take greater control of its own future. With your support in this Budget, we can get on with the job.

Yours sincerely,



Kim McGuinness
North East Mayor

