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Sunderland and the North East invited to bid for City Deal

Sunderland and the North East will be given the opportunity to bid for radical new powers to boost local growth, Deputy Prime Minister, Nick Clegg and Minister for Cities, Greg Clark will announce today.

As part of the second wave of 'City Deals', Sunderland and the North East are being invited to compete for a deal that would see Government devolve powers in exchange for responsibility for delivering growth locally.

The first wave saw deals struck with England's eight largest cities, with final sign off by the Deputy Prime Minister, the Minister for Cities and city leaders in July 2012. Today's announcement is aimed at the next fourteen largest cities and their wider areas and the next six with the highest population growth between 2001 and 2010. They mark the beginning of a step change in the relationship between national and local government and by the end of this Parliament they will have led to local transformation, jobs and most importantly growth.

Deputy Prime Minister Nick Clegg said:

"I want Sunderland and the North East to come up with ambitious and innovative proposals to help them make changes that will be felt by everyone across their region.

"In the best English tradition we have witnessed a quiet revolution across the nation's eight largest cities.

"From control over buses and trains and the freedom to plug skills gaps, to powers to 'earn back' tax and set up local investment funds to spend on local projects – the deals are unlocking the huge potential of our cities so they can go for growth.

"Now it's time to free even more places from Whitehall control."

City Deals are a key part of the Government's objectives of rebalancing the economy and boosting private sector growth. The second wave of City Deals will accelerate the pace of decentralisation and unlock new and innovative ways to drive growth. Deals will represent a genuine bargain between cities and the Government, with 'asks' and 'offers' from both sides.

Today's announcement will see the next fourteen largest cities and the next six with the highest population growth given the opportunity to participate in Wave Two Sunderland and the North East will be asked to work across their functional economic area to put forward proposals by 15 January 2013.

Greg Clark said:

"For Britain to prosper we need Sunderland and the North East to prosper. Every British town and city is unique – in its history, strengths, industries and character. For too long governments treated them as if they were all the same, making them conform to a Whitehall template.

"City Deals put Sunderland and the North East in the driving seat. It can seize the initiative and show what it needs to prosper and grow, even if it's new and different. If it's in the interest of Sunderland and the national interest, we'll strike a deal and make it happen."

Cllr Paul Watson, Leader of Sunderland City Council said:

"A city deal for Sunderland has the potential to give a major boost to our economy and that of the wider area."

"We're looking at unlocking more potential growth in manufacturing and advanced engineering in Sunderland and the wider region. We want to work more closely with the Government to address the supply of land, transportation, skills and the pace of development.

"Our proposals build on the priorities set out in the city's economic masterplan and also reflect broader North East Local Enterprise Partnership (NELEP) priorities."

Notes for Editors

1. The twenty cities and their wider areas invited to negotiate for the second wave of City Deals are: the Black Country, Bournemouth, Brighton and Hove, Greater Cambridge, Coventry and Warwickshire, Hull and Humber, Ipswich, Leicester and Leicestershire, Milton Keynes, Greater Norwich, Oxford and Central Oxfordshire, Reading, Plymouth, Preston and Lancashire, Southampton and Portsmouth, Southend, Stoke and Staffordshire, Sunderland and the North East, Swindon and Wiltshire, and Tees Valley.
2. The twenty wave two cities and their wider areas will be asked to submit their initial proposals by 15 January 2013. There will be an element of competition, not all cities should expect to be awarded a deal. Each city and their Local Enterprise Partnership will be invited to put forward a proposal to address a significant local economic issue which requires a transformative response that is not currently possible through existing interventions.
3. Cities' bids will need to:
 - a. contain proposals for stronger governance across their functional economic area, so that decisions necessary for the growth of the area as a whole can be taken quickly and effectively;
 - b. contain proposals for harnessing significantly greater private sector input, expertise and resources;
 - c. demonstrate strong political commitment and readiness to put resources into delivering the deal;
 - d. present proposals that are consistent with the need to drive efficiency in the use of public money in the area, doing more with less, in pursuit of our medium term goal to eliminate the deficit; and
 - e. propose reforms for their area which represent the leading edge of the Government's general economic strategy – to reduce regulation, create well functioning markets, promote an enabling environment for business and boost private sector growth and investment.
4. These individual proposals will be complemented by a 'core package', consisting of measures that will devolve significant powers and functions to all cities and their wider areas that go on to negotiate a deal with Government. The Government will work with cities and their wider areas to develop this package over the next five months.

5. This will capitalise on the progress we have made so far in negotiating bespoke deals with the eight Core Cities, demonstrating our commitment to the devolution of powers from central to local government, if local areas are willing to carry out significant reform in return.
6. The next wave of City Deals will be completed by November 2013.
7. Read more about [Wave One](#).

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