

1. To what extent are weaknesses in transport connectivity holding back northern city regions (specifically in terms of jobs, enterprise creation and growth, and housing)?

There has been a historical lack of investment in transport infrastructure in the north of England. This has resulted in lengthy, infrequent and unreliable journey times for city to city travel, which is a constraint to productivity, jobs, and housing growth. In economic terms cities in the north of England are performing well individually but they are not realising their full potential partly as a result of this poor connectivity to other cities in the north and elsewhere^{1 2}.

Recent publications^{3 4} have identified the ambition for the north of England to operate as a single economic region. In addition to this, the North East Combined Authority (NECA) area has the objective for creating 100,000 new jobs by 2024 and over 15,000 new homes on strategic housing sites⁵. These goals are unobtainable without enhanced connectivity between, and within, the northern city regions. For example, opportunities for businesses to have specialisms in particular city regions across the north are limited because of the poor quality transport connections between them, so they are unable to maximise efficiencies and their comparative advantages.

Better connectivity is also required within city regions, such as for access to jobs, education, training, science parks, universities, and manufacturing areas. The pool of labour for employers in the North East Combined Authority area is constrained because of accessibility problems from and to areas such as rural Northumberland and County Durham. The efficient functioning of the strategic road network is significantly impaired by local commuter traffic such as on the A1, the A19, and the A69. Slower journey times are often experienced on the A1 North of Newcastle due to 37 miles of the road being single carriageway. It is vital that connectivity problems on the A19 are addressed as it is a crucial link for our enterprise zones and is also a key freight corridor, linking important strategic assets along the A19, such as Nissan and the International Advanced Manufacturing Park (a 250,000sqm development with the potential to create 5200 skilled jobs) and the Port of Tyne.

There is currently poor east to west connectivity and resilience in the north by road and rail. Roads available for travelling east to west in the north are limited, restricting capacity and resulting in long and unreliable journey times. The M62 is the only east to west motorway in the north of England. The Tyne Valley Line between Newcastle and Carlisle is the only east to west railway north of Leeds and has limited line speed and capacity despite serving both passenger and freight movements.

At present there is a very high demand for road based freight trips from and to northern ports, increasing congestion problems. There is also a lack of co-ordination between different freight modes in the north making distribution for the ports and for businesses inefficient, and placing unnecessary stress on an already heavily congested road network. Northern ports are progressing expansion plans to allow them to process more deliveries. Therefore if investment is not made in expanding the freight network it will be unable to meet future demands, making ports and local businesses less competitive with other parts of the UK and internationally.

Rail journeys between cities in the north, especially east to west trips are lengthy and services are limited. Rolling stock often fails to meet aspirations for a quick, comfortable and reliable service, particularly with a growth in passenger numbers. There is therefore a need to secure rail

¹ *Cities Growth Commission* Unleashing Metro Growth (2014)

² *IPPR North* Rhetoric to reality: a business agenda for the northern powerhouse, (2015)

³ *Transport for the North: Northern Powerhouse: One Agenda, One Economy, One North* (2015); Northern Transport Strategy Autumn Report, (2015)

⁴ *Volterra Partners* Investing in City Regions: The Case for Long Term Investment in Transport (2014)

⁵ *North East Local Enterprise Partnership* More and Better Jobs: The North East Strategic Economic Plan, (2014)

infrastructure improvements which enable regional and local passenger service quality improvements and capacity improvements for freight. This will support improvements to services in the North East, such as those on the Durham Coast, Bishop Auckland, and Tyne Valley lines.

As already mentioned, trade from cities in the north of England is hindered where inefficient freight distribution networks are in place. This problem is exacerbated in many instances by a lack of flights from northern airports to hub destinations internationally for freight and business purposes, including China. There are ambitious expansion plans for Newcastle International Airport⁶ to greatly increase passenger numbers and the number of destinations. For this to be achievable, the current constrained access to Newcastle International Airport due to congestion on the A1 and the A19 needs to be addressed.

Ticketing arrangements for travel involving different forms of public transport, between and within city regions are also complicated. Currently there is no single source of information on fares, timetables, or methods of paying for journeys.

Although the North East of England has some ultra-low emission charging infrastructure, this will need to be enhanced across the north to make sure it is well placed to deal with the expected surge in use of these vehicles to address air quality and carbon emission targets and for fuel cost savings.

It is a Government aim to improve employment and residential densities around rail and commuter hubs⁷. Examples of this in the North East are the Stephenson Quarter and Science City developments in Newcastle City Centre, which are close to Newcastle Central Rail Station. However, connectivity and congestion problems are acting as a barrier to further commercial and housing developments in the North East as many sites are not seen as viable due to concerns around infrastructure capacity and delivery. This will restrict the development of the economy in the north of England; improved connectivity is required to ensure that ambitious plans for enterprise schemes at places such as the IAMP in Sunderland/South Tyneside, Merchant Park in Durham, and Catapult Offshore Renewable Energy in Northumberland are realised.

2. What cost-effective infrastructure investments in city-to-city connectivity could address these weaknesses? We are interested in all modes of transport.

We understand the NICs desire to deliver investments which meet the strict Green Book guidelines of High or Very High Value for Money but would caution that existing methodologies do not always fully capture social value in regions with structurally low employment⁸ and that land-use change of deprived areas is challenging to model⁹.

However, with this in mind, there are a number of cost-effective investments which NECA believe would address these weaknesses. A number of these have been previously captured by publications such as the North East Independent Economic Review¹⁰, illustrating their potentially transformative importance to the North East.

⁶ NIAL Masterplan 2030 (2014)

⁷ HM Treasury, Fixing the Foundations, (2015); Department of Communities and Local Government National Planning Policy Framework Consultation, (2015)

⁸ Venables, Laird and Overman Transport Investment and Economic Performance: Implications for Project Appraisal, (2014)

⁹ Ibid. p49

¹⁰ North East LEP, Lord Adonis North East Independent Economic Review (2013)

Rail:

NECA welcomes the recent commitment to ‘un-pause’ the Transpennine Electrification and the recent Hendy review. While we appreciate the budgetary challenges of delivering works in Network Rail CP5, the importance of city-to-city connectivity in the North must be impressed upon delivery bodies when they are considering their long-term planning process.

The East Coast Mainline (ECML) is an extremely important rail route to NECA and to the nation as a whole and we are full members of the East Coast Mainline Authorities group (ECMA). Investments to improve capacity on the ECML along the route, but particularly north of York, have been identified as being needed for growth through multiple processes, including by Network Rail, local authorities, operating companies^{11 12 13 14} and Transport for the North¹⁵. The current two-tracking north of Northallerton represents a constraint on both inter-city capacity (linking the North East to Leeds and Manchester city-regions in the North and to the economic centre of London) and intra-regional capacity, restricting the ability to increase the quantum of regional services, limiting local labour markets. Further, future restrictions on the ability to assign freight paths on the route due to high passenger demand, mean that freight and logistics growth within the region faces future constraints and some freight may switch to the highway network, with attendant consequences.

A cost-effective and short-term measure would begin with provision of passing loops for freight services north of Northallerton, as identified in CP5 and the Hendy Review. However, this does not represent a long-term solution to match anticipated growth. The best way to match both estimated growth and the ambitions for the corridor would be four-tracking the route between Northallerton and Newcastle and investigating capacity enhancements north of Newcastle to the Scottish border.

However, considerations for improvements should not be limited to simply four-tracking along the existing route. There remain alternatives which may open up new routes along the ECML corridor and allow for greater resilience and further development. NECA supports investigating the re-opening of the Leamside line, linking the ECML to Pelaw via Leamside and Fencehouses. The reopening of this line has been noted in work by Network Rail, Local Development Plans, our Strategic Economic Plan and by Transport for the North. The initial benefits of reopening this line have been examined¹⁶ and it would represent an investment in transport infrastructure in the region which would serve multiple functions. Not only would it significantly increase capacity on the route, it would increase resilience to disruption on the ECML.

Additionally, NECA welcomes the commitment in our devolution deal to examine the business case for re-opening the Ashington, Blyth and Tyne line, which has been a long-standing desire within the region to improve access to major employment centres from South East Northumberland and to unlock the delivery of brownfield land¹⁷.

City to City Connectivity could also be addressed through investments on the Durham Coast Line and the Tyne Valley Line, in order to provide greater connectivity between the NECA area and the Tees Valley for both passengers and freight. The Durham Coast line in particular requires significant investment in order to improve line speeds and facilitate more services.

¹¹ JMP Consultants Sunderland: Rail Connectivity Improvements Study (2014)

¹² JMP Consultants Prospectus for Investment in the East Coast Mainline (2014)

¹³ Office of Rail and Road Applications for Access on the East Coast Main Line (2015)

¹⁴ Network Rail East Coast Main Line Capacity Options Report (2014)

¹⁵ Transport for the North The Northern Powerhouse: One Agenda, One Economy, One North (2015)

¹⁶ AECOM Conditional Output Statement for Reintroducing Rail Services Between Newcastle and Northallerton (2014)

¹⁷ AECOM Ashington-Newcastle Rail Link: Update of Scheme Business Case (2014)

As indicated in our response to Consultation Question 1, NECA are aware of the government's emphasis on development around existing transport infrastructure but a current constraint on this form of development are infrequent service patterns from stations such as Chester-Le-Street or Sunderland and slow and infrequent services between the NECA area and the Tees Valley. While the recently announced Northern and Trans-Pennine Franchises proposed improvements are welcome and demonstrate the benefits of the North working together as Rail North, further investments in connectivity in the form of additional rolling stock or infrastructure upgrades could significantly address these weaknesses and make viable higher density developments.

Light rail:

Cities and their hinterlands within the NECA region would significantly benefit from investment in a new Tyne and Wear Metro fleet, which would be dual voltage and inter-operable with the local rail network. This would rejuvenate and revitalise a fleet which has served since the inception of the Metro. Viewed over the life of the trains, this would represent a cost-effective investment, particularly when compared to a do-minimum alternative¹⁸. This would allow a flexible and comprehensive local rail network that creates new journey opportunities for the region.

NECA welcome both the government commitment to examine this and future business cases for expanding the Metro network and believe investment in light rail activity can address many of the weaknesses identified in our response to Question 1. Connectivity to major employment, rail and airport hubs is integral to securing job growth and productivity not simply between but also within city-regions. In this respect, investments in expansion of light rail and metro systems can be complementary to larger inter-city investments, which can represent the 'hubs' of a 'hub and spoke' model.

Ticketing and Information:

NECA is a supportive partner of the North East Smart Ticketing Initiative (NESTI), which has begun use of the Pay As You Go 'Pop' smart card on the public transport network in the North East and therefore commitment by the government to fund significant investments in ticketing across the north in the Spending Review is welcomed. Poor interoperability of tickets between city-region areas is a current constraint on growth and opportunity and so should be targeted for further investment.

There is a significant opportunity for coordination between the many existing different ticketing and information systems across the entirety of the north, rather than simply the North East. Lack of consistent and real time information is a barrier to improved public transport patronage and satisfaction. Whether solutions are delivered through improved technology or integration of systems, the potential for a step change exists.

Highways:

The NECA supports the delivery of schemes identified and committed to within the current Road Investment Strategy (RIS) to 2020 and beyond in the North East. These schemes are integral to

¹⁸ Nexus Metro Strategy 2030 (2014)

managing growth on the Strategic Road Network in the future and to addressing current, longstanding congestion issues. It is important that where funding has been secured for works such as improvements on the A1 between Scotswood and North Brunton or A19 improvements at Testos and Downhill Lane, timely delivery is ensured.

It is the ambition of NECA to achieve an upgrade of the A1 to provide continuous dual carriageway standard between London and the Scottish Border and we believe this should be a priority as it addresses identified weaknesses in city-to-city connectivity and inter-regional connectivity. We welcome commitments made by the Government as part of the RIS, City Deals and through other mechanisms to address existing capacity issues.

NECA believe that as a result of these upgrades the motorway should be renamed the M1 north of Leeds, rather than the current title of A1(M). We are currently advocating for this in partnership with colleagues at Tees Valley Unlimited and North Yorkshire. This renaming will help to demonstrate the North East's connectivity to the national motorway network, which has been removed from the network since its creation, this is an example of an extremely low cost intervention which may have a significant impact on business confidence. Important strategic sites in the NECA area would benefit from such a designation. For example Merchant Park, home of the new Hitachi plant which has existing planning permission for 1.4m sq.ft of B1/B2 and B8 commercial space.

On behalf of Transport for the North NECA are participating in Highways England's A66 and A69 Northern trans-Pennine strategic study and support the upgrade of the A66 from Scotch Corner to Penrith and ambition to significantly upgrade the A69 from Newcastle to Carlisle. We will work with the DfT, Highways England, Transport for the North and other partners to deliver the best possible solutions on these routes, including any complementary rail investment where possible

The A19 Corridor and A1 Western Bypass are integral to passenger and freight movements in and through the region, including for access to regional ports.

The A19 is integral to both city-to-city (the Tees Valley to Tyne & Wear) and enterprise (industrial to international gateway) connectivity. NECA welcomes current Highways England (HE) investment on key links such as the Testos and Silverlink junctions, future investment along this corridor must be prioritised in order to unlock further enterprise growth such as that planned for the International Advanced Manufacturing Park (IAMP).

The A1 Western Bypass has already been recognised as nationally important and NECA support the current RIS programmes. However, in order to unlock additional capacity, further investment must be made a priority within the region and form a significant part of RIS2 to continue to unlock growth and drive productivity.

Where improvements to the Strategic Road Network are prioritised, this must be done with consideration of the impacts this will have on the associated local road network. The interface between the two must be considered holistically to ensure the greatest possible support of growth from any intervention. This should also be a consideration with regard to asset management as well as new infrastructure.

Active Travel:

Investment in cycling is among the most cost-effective forms of infrastructure investment. The relative proximity of the North East's cities means cycling infrastructure is well placed to replace car journeys for shorter trips. By removing local commuter journeys which would otherwise be made by car, particularly on the Strategic Road Network it supports the efficient functioning of highway infrastructure. NECA would expect investment in the strategic road network to include cycling infrastructure improvements, including cycle routes along road corridors as well as reducing severance at interchanges. This will complement investment at a local level through local resources and the Government's forthcoming Cycling and Walking Investment Strategy. The North East Independent Economic Review noted that ensuring consistent investment in cycling facilities was required to secure continuous improvement to the quality of the built environment, community life and public health and thereby retain the skills needed to deliver the economic strategy.

Technology:

The NECA is strongly in favour of low-emission vehicle technology, and the international expertise of the region in this sector is emphasised within our SEP. We believe that it should be a priority to future-proof the Northern road network to support the next generation of vehicles and have incorporated this into our bid to OLEV as part of the Go Ultra Low opportunity, emphasising the region's role at the forefront of Low Emission Vehicle adoption.

There are further additional technology opportunities which can complement and enhance transport investments. With increases in both the number of people with flexible working patterns and an increasing recognition of the importance of being productive while travelling, the provision of fast and reliable 4G coverage across the transport network is a priority. When allied to Wi-Fi at public transport nodes and on vehicles, this can dramatically improve the productivity benefits of investment although this is not currently picked up in appraisal practices.

All transport investments, regardless of mode, should embed climate resilience. Failing to account for the changing climate when appraising investment may lead to greater costs in the long term. Transport must be as resilient as possible to extreme weather events to avoid undermining the long-term ambitions we are working towards.

3. Which city to city corridors should be the priority for early phases of development?

The priority for early stages of investment should be east to west connectivity between the city regions in the north of England, both in terms of road and rail. Current east to west journeys are slow, unreliable, being at or near capacity. However, investment in east-west capacity must be matched with linking investment to enhance north-south routes in order for the NECA to fully benefit from and participate in, the Northern Powerhouse. In terms of rail, there need to be improved and faster services between the NECA area to and from Leeds, Manchester and Liverpool and enhancement of the Durham Coast Line and the East Coast Mainline.

There is a pressing case for investment not only to the south of the Pennines, which we support, but also to the north, and for the corridor from Newcastle to Carlisle to function as an important relief to other congested routes and provide enhanced reliability and journey time security. The NECA supports the Northern Transpennine Strategic Study commissioned by Highways England examining this issue. Journeys northwards to Scotland by rail and on roads such the A1 and A68 are also of

high importance. East to west travel in the north of England needs to be joined-up with journeys north to south to ensure the best possible connected network.

Furthermore, the NECA would argue that city-to-city corridors need not be the only route of investment in the early stages, nor do they necessarily provide as many 'quick wins' as investments in the relationships between key urban areas and their surrounding peripheries. This is because, like the successful DfT 'pinch point' program, there are numerous schemes which would provide high value for money investments and unlock growth in the short term, some of these are set out in our response to Question 2 and NECA are happy to engage in a dialogue with the NIC about further schemes. These schemes would likely experience fewer constraints on delivery and have the potential to be on the ground faster, delivering benefits more quickly than larger, 'big ticket' infrastructure projects.

4. What are the key international connectivity needs likely to be in the next 20-30 years in the north of England (with a focus on ports and airports)? What is the most effective way to meet these needs, and what constraints on delivery are anticipated?

While international capacity is particularly important and we acknowledge the Commission's focus on this, it is also important that when goods have reached the north of England, their connectivity needs can be met in the most effective way. While the North East has a well-developed freight and logistics industry, it is hampered by the lack of a Strategic Rail Freight Interchange (SRFI), despite major population centres, strategic highways links and a main-line train service. It is the belief of NECA that a SRFI would significantly improve regional, national and international connectivity within the region and the North more widely, as was mentioned in the Transport for the North report¹⁹. Any investment would have attendant positive impacts on the feasibility of port and airport expansions and would drive further business growth in the region.

As the lead authority within Transport for the North examining international connectivity, NECA welcomes the Commission's focus on the long-term future international needs of the region. Transport for the North has established a specific workstream on International Connectivity and the NECA is supportive of, and aims to assist a Commission on the International Connectivity of the North to examine this in more detail. As the only region in the UK with a positive balance of trade and over £13bn of annual exports across the globe, international connectivity is at the heart of the economic strategy of the NECA.

Ports:

The region has three major ports, Port of Tyne (handling approximately 8m tonnes of cargo in 2013), Port of Blyth (handling approximately 1.5m tonnes of cargo per annum) and Port of Sunderland (handling approximately 600,000 tonnes of cargo per annum). Teesport, while not in the NECA region, is also extremely important for many NECA area businesses and supply chains. The Port of Tyne and Port of Blyth are trust ports and the Port of Sunderland is municipally-owned.

As mentioned in our response to Question 3, there are current and future significant constraints on the main rail link within the region between ports and the national rail network. While these are a function of the increased passenger usage of the route and this is to be welcomed, it emphasises the limitations placed upon the North's international competitiveness by lack of sustained investment.

¹⁹ *Transport for the North* Northern Powerhouse: One Agenda, One Economy, One North (2015); Northern Transport Strategy Autumn Report, (2015)

Currently, a significant proportion of port traffic which arrives to south coast ports travels to the Midlands, North West and North East by road or rail, impacting the strategic road network and mainline rail services. It is a long-term ambition of NECA and its constituent authorities to improve access to the region's ports such that they represent a viable alternative to South Coast ports for the delivery of containerised freight traffic.

The most effective way to meet these needs in the short term is through the removal of existing 'pinch points' on the highway or rail network such as on the A19 Coast Road for access from Cramlington to the Port of Tyne and to Teesside. While some investments are being delivered through the current Network Rail CP, RIS and other Local Growth Fund (LGF) investments such as stages of the Sunderland Strategic Transport Corridor or improvements at Testos, more can be done to enhance the connectivity of these ports and correspondingly, the competitiveness of the Northern economy. There are additionally potential positive impacts from smaller 'hard' measures, such as a new lorry park, providing appropriate facilities for drivers to rest overnight and take breaks. This could have consequent impacts on national 'soft' problems such as the recruitment of HGV drivers which restrain the logistics industry.

There are complementary impacts to international connectivity through commitment to reopening rail lines, which not only would provide more direct freight access to ports but would improve resilience for freight services on the mainline rail network through the provision of diversionary routes. NECA authorities have worked in the past with Network Rail on this issue and have delivered real benefits for the users of the ports and the wider supply chain.

Constraints on delivery in the port sector are likely to be similar to those of other major infrastructure projects, such as regulatory, environmental and planning concerns, the security of long-term public sector funding for infrastructure is also liable to be a constraining factor in attracting long-term private sector investment.

Airports:

The UK's 11th largest airport, Newcastle International Airport (NIAL), is located in the North East Combined Authority area. The airport is one of the North East's key transport assets.

The North East can make a compelling regional 'offer' for international connectivity by air, with the 2nd largest airport in the North and with a uniquely large catchment area. NIAL serves an area that includes Tyne and Wear, Northumberland, County Durham, Teesside, as well as parts of Cumbria, North Yorkshire and Southern Scotland. There are approximately 2-3 million people within a 1 hour drive of NIAL and 3-4 million people are within a 2 hour drive.

Newcastle Airport contributes £403 million in GVA and 9,550 jobs to the region. The airport has links to a number of global hub airports including Heathrow, Amsterdam, Paris Charles de Gaulle and the rapidly growing Middle East hub in Dubai. Domestic services (excluding Heathrow) have a business component of around 44%, while services to major hubs carry around 38% business traffic, emphasising the importance of hub services particularly in driving international business benefits. The introduction of a scheduled service to Dubai has cemented the links between the region and other major international hubs. In the period since the Emirates service started, the value of exports flown out of the airport has grown from under £20m per annum to over £250m.

One particular constraint on the delivery of effective international links between the North East and the wider world is the potential devolution of Air Passenger Duty (APD) to Scotland. As Transport for the North and NECA responded firmly in the consultation on devolution of APD in 2015, NIAL stands

to be the most significantly affected airport by reductions in APD and should not be subject to unfair tax competition. HMRC has predicted that a lowering of air passenger duty in Scotland would see NIAL lose 10% of its traffic. Research carried out on behalf of NIAL by York Aviation indicates that the impact will grow over time, and that by 2025 the reduction would amount to approximately 603,000 passengers per annum.

Such a scenario places NIAL at a severe disadvantage when compared to Scottish airports, and is contradictory to the Northern Powerhouse's aspiration to re-balance the UK economy and grow the contribution that the north makes to national GVA.

There are numerous key international connectivity needs which can be funded through both revenue and capital investments in the airports of the north. Newcastle International airport is uniquely positioned with high-quality public transport links and an expanding freight export offer. Particularly integral to the connectivity needs of the North East is the delivery of Newcastle International Airport Business Park, with the potential to deliver 7,000 jobs and contribute £300m to regional GVA. Delivery of this site will require improved links to the Strategic Road Network and matches NECA's ambitions for the A1.

Planned growth at NIAL supports, and is supported by, NECA's ambitions to upgrade the A1, expand and renew the Metro system and improve regional connectivity. NECA believe that international connectivity must be supported by appropriate regional upgrades to maximise benefits realised. The NECA supports the recommendations of the Davies Commission around airport expansion in the South East of England. An improvement in international connectivity in the south will have positive knock-on effects on airports in the North East due to existing strong links between North East airports and London airports.

Durham Tees Valley airport, though outside the NECA area, is nevertheless significant to the NECA area. While smaller in terms of passenger numbers and quantity of freight handled, it has considerable surplus capacity and with investment in transport links could play a greater role in the North East's economic growth.

Rail:

High-speed rail will be an important form of international connectivity for the North of England in the next 20-30 years. The future high-speed rail network should permit direct journeys to continental European destinations. Capacity improvements to the East Coast Main Line between Northallerton and Newcastle (see response to question 2) should be implemented in advance of completion of high-speed rail lines to the North of England.

5. What form of governance would most effectively deliver transformative infrastructure in the north, how should this be funded and by whom, including appropriate local contributions?

The NECA is supportive of the principle of the government's proposals for devolution of powers, which if developed appropriately, will have significant benefits for delivery of areas such as transport and housing in all devolved areas.

Transport for the North (TfN) is establishing unique governance arrangements to enhance its role as the voice of the North on Transport, bringing together representatives for the whole of the North through Combined Authorities and Local Enterprise Partnerships with an independent chair.

An embedding of the governance of TfN in its constituent transport authorities provides for the ability to better align strategic priorities both inter and intra-regionally. When allied to long-term planning and appraisal this presents the most effective governance to deliver transformative infrastructure.

NECA believe in delivering not merely transformational infrastructure, but public transport service delivery in the North and have pursued innovative governance and management solutions to enhance long term planning and outcomes for stakeholders. In terms of rail, it is anticipated that the North East Rail Management Unit, involving the North East Combined Authority, Tees Valley, Cumbria, and North Yorkshire will be integral to our ambitions to deliver a step change in quality for rail users in the North and support this model of more localised service delivery.

Devolution of powers would mean that a long term programme of activity can be planned, rather than dealing with schemes on an ad hoc basis, therefore enabling projects with transformational impacts to be properly planned, appraised and delivered. In the NECA area, this should be via a North Eastern Investment Fund, bringing together all devolved capital funding for economic regeneration and transport, allowing any uplift in the fund to be recycled on a shared basis, with accountability transferred to the NECA. The investment plan would be set out by the Combined Authority for consultation with our stakeholders, including on transport, economic regeneration, innovation, environmental measures, and skills.

It is important that the long-term planning of transformational schemes is well-planned and resourced. Cuts to local transport authorities make it impossible for them to currently meet the requirements for cross-northern transport without substantial additional support from government. TfN have a specific workstream which is examining innovative ways of funding and financing the next generation of transport schemes and NECA are fully supportive of this work.

NECA propose that an effective model for financing the next generation of transport schemes would be through a bespoke 'schemes pipeline development fund', which would prepare 'shovel-ready' schemes and enhance a long term programme of activity. This would complement the Government's desire to develop a long-term pipeline of schemes through the provision of transport scheme development funding.