

NORTH EAST MAYORAL COMBINED AUTHORITY DEEPER DEVOLUTION DEAL

Subject to ratification of the deal by all partners and the statutory requirements referred to within this document, including public consultation, the consent of the Combined Authority and constituent local authorities, Parliamentary approval of the secondary legislation implementing the provisions of this deal, and accompanying accountability arrangements.



Department for Levelling Up,
Housing & Communities



North Tyneside Council



Northumberland
County Council



South Tyneside Council

**Sunderland
City Council**

Signature Page



Rt Hon Michael Gove MP
Secretary of State for Levelling
Up, Housing and Communities



Jacob Young MP
Minister for Levelling Up



Cllr Amanda Hopgood
Leader, Durham County Council



Cllr Martin Gannon
Leader, Gateshead Council



Cllr Nick Kemp
Leader, Newcastle City Council



Cllr Glen Sanderson
Leader, Northumberland County
Council



Norma Redfearn CBE
Mayor, North Tyneside Council



Cllr Tracey Dixon
Leader, South Tyneside Council



Cllr Graeme Miller
Leader Sunderland City Council

Contents

Introduction.....	4
Summary of the deal.....	5
Governance and accountability.....	7
Collaboration between the Government and NEMCA.....	9
Funding.....	10
Housing and regeneration.....	11
Transport	14
Education and Skills	20
Employment support.....	23
Growth, Investment, and Innovation	25
Net Zero and Energy	30
Digital	32
Culture, Creative Industries, Heritage, Sport, and Visitor Economy	34
Rural, Coastal, and Environmental.....	36
Public Sector Innovation	39

Introduction

1. The North East of England laid the foundations for Britain to become a global superpower. The birthplace of the railways and at the forefront of British ship building and coal production, the region helped power the industrial revolution. Today, the North East is at the heart of Britain's innovation economy, leading the transition to renewable energy, and a vibrant cultural powerhouse. Home to world-leading businesses in critical sectors, including the automotive industry, advanced manufacturing, health, life sciences and the creative industries, the region has an economy worth over £40bn. The North East is host to significant economic assets, including deep sea ports and an international airport connecting to Europe and beyond, while four renowned universities are unlocking opportunity, skills, and a new generation of ideas.
2. These strengths will be central to unlocking the North East's latent economic potential. The region has a deep history of collaboration to promote inclusive economic growth and drive levelling up. Last year, the region's local authorities signed a landmark devolution deal with the Government. This brought together County Durham, Gateshead, Newcastle, North Tyneside, Northumberland, South Tyneside, and Sunderland into a single Mayoral Combined Authority with access to significant new funding and powers. That authority will form in May following a mayoral election. The deal emerged from ambitious recovery planning by regional cross-party leaders following the pandemic and will build on the strong track record of the North of Tyne Mayoral Combined Authority, the North East Combined Authority, Transport North East and North East Local Enterprise Partnership.
3. The Government recognises that devolution is a journey, not a single event. This document details the agreement between the Government and the North East local authorities to deepen and extend the North East Mayoral Combined Authority's devolution settlement – providing new levers to unlock opportunities, level up the region and raise living standards for its communities.

Summary of the deal

4. This deal deepens the devolution settlement of the North East Mayoral Combined Authority (NEMCA). It contains provisions from the Level 4 of the Devolution Framework, as well as new, bespoke measures to drive economic growth in the North East and establish the Combined Authority as a place-leader in the region.
5. The deal deepens NEMCA's devolved settlement and provides the Authority with new levers and greater control over the key drivers of local growth, including regeneration and affordable housing, the local transport system, and skills and employment support. The deal also contains a number of new and bespoke elements designed to support regional growth and boost the region's economic strengths and emerging sectors, reflect the region's unique geography with a mixture of urban, rural, and coastal communities, and help the area tackle particular levelling up challenges.
6. Through this deal, the Government and NEMCA have agreed:
 - NEMCA will receive a consolidated single pot for housing and regeneration funding, as a stepping stone to a full single department-style funding settlement.
 - From 2026, NEMCA will be able to set the overall strategic direction of the Affordable Housing Programme, in partnership with Homes England. NEMCA will continue to work closely with Homes England on regeneration, via the Strategic Place Partnership. The Department for Levelling Up, Housing and Communities (DLUHC) will also collaborate with NEMCA to improve housing quality and to create a bespoke policy approach to address homelessness in the region.
 - There will be further consolidation of NEMCA's transport funding, a new partnership with Great British Railways which will support rail integration with local transport, and further details of the pathway to agree a London-style integrated fares and ticketing system across the North East. The deal also confirms £58.4 million capital funding for the Tyne & Wear Metro for 25/26 and 26/27; this has been drawn forward from the North East's indicative City Region Sustainable Transport Settlement for 27/28-31/32.
 - The Government will devolve non-apprenticeship adult skills functions, remove ringfences on funding for Free Courses for Jobs and Skills Bootcamps, and establish NEMCA as the central convenor of careers provision in the region. Additionally, NEMCA and the Government will work together to embed the emerging best practice from the Special Educational Needs Change programme into the North East education system. The Government will also work with NEMCA to explore regional inequalities in education outcomes at Key Stages 4 and 5, including the use of disadvantage funding.
 - NEMCA and the Department for Work and Pensions will strengthen partnership working arrangements via a new Regional Board to improve employment support outcomes. In addition to the Level 4 offer, the Department will support NEMCA to scope a pilot employment support programme to support tenants in social housing.
 - To give the Combined Authority the tools to drive economic growth and attract investment to the region, the Government will provide a package of financial

investment potentially worth over £100m, including £37m of new flexible funding and an agreement to establish a growth zone with local retention of Business Rates Growth. The Government will also work with NEMCA to address barriers to growth at the region's ports and airport – the Green Superport – including on policy areas such as grid infrastructure capacity and developing an industry-leading skills pipeline.

- This deal establishes a new North East Strategic Energy Board which will coordinate energy supply and demand and promote growth in the offshore wind sector.
 - This Deal establishes a new North East Coastal and Rural Taskforce with Government to support the North East's rural and coastal communities and strengthen quality of life, biodiversity and the natural environment.
 - NEMCA will establish a Culture and Creative Sector Catalyst: a vehicle to attract investment and support growth in the cultural and creative sectors. This will be supported by joint work with Government agencies to create a blueprint for culture, the creative industries, heritage, sport, and the visitor economy, which will involve coordinating and aligning investments to maximise local impact.
 - This deal establishes the North East as a 5G Innovation Region of Excellence. NEMCA will work to promote innovation in 5G technologies, reduce regional 'not-spots', and promote digital inclusion, with support from the Department for Science, Innovation, and Technology.
 - The Government will work with NEMCA on a new local partnership to drive public sector innovation.
7. Together, these provisions provide NEMCA with the tools to coordinate the regional economy, drive growth, and level up local communities. Through greater control over local public services, new collaborations with the Government, new tools to drive the economy, and innovative public service reform, this deal will help NEMCA level up the North East of England.

Governance and accountability

Governance

8. The North East Mayoral Combined Authority (NEMCA) will be established on 7 May 2024 under provisions in the Local Democracy, Economic Development and Construction Act 2009 (2009 Act). NEMCA will have functions including transport, housing, and adult education budget functions to grow the whole North East economy to replace the two existing combined authorities in the area and build on previous collaboration, delivery and success.
9. Subject to the will of Parliament, the legislation establishing NEMCA will complete its passage through parliament in March 2024. This will provide NEMCA with a wide-ranging functionality that should enable them to take on many of the new areas contained within this deeper devolution deal without any additional conferral of functions.
10. Any additional functions contained in this deal will be devolved to NEMCA by the Government. Decision-making on any such functions will align with NEMCA's existing local constitutional arrangements.
11. The Government will devolve to NEMCA the power to make Mayoral development orders together with any other functions which are identified as necessary to implement this deal successfully.
12. Any additional functions identified in this deal will be conferred through secondary legislation made under the 2009 Act and are subject to:
 - the ratification of the deal by NEMCA on establishment in May and by the constituent councils;
 - NEMCA producing a proposal and running a public consultation on that proposal;
 - NEMCA submitting the results of the consultation to the relevant Secretary of State following the agreement of NEMCA and the constituent councils;
 - the relevant Secretary of State being satisfied that the required statutory requirements have been met as set out in the 2009 Act; and
 - consents from the necessary parties locally to and Parliamentary approval of the required secondary legislation.

Accountability

13. The North of Tyne Combined Authority had a strong track record on governance, accountability, and transparency measures, having successfully passed its Gateway Review, having delegated the appointment of the Chair of the Overview and Scrutiny Committee to the committee itself, and having adopted a Cabinet Scrutiny Protocol in 2020. The Mayor has also held regular Mayor's Question Time events with the public.
14. The North East Mayoral Combined Authority will maintain and build on this track record, ensuring high levels of oversight and accountability are in place, safeguarding good quality decision making, and promoting a sustained culture of best practice throughout the Authority's governance. It will be subject to three levels of accountability:

- As a local authority, it is subject to the requirements of the Local Government Accountability Framework.
- As an institution with devolved powers, it is subject to the principles set out in the English Devolution Accountability Framework, which details additional accountability processes for all institutions with devolved powers and highlights those requirements of the Local Government Accountability Framework which are of particular significance for such institutions including the decisions that Mayoral Combined Authorities are responsible for and the recourse available to the Government.
- As part of this deal, NEMCA agrees to implement the Scrutiny Protocol for English Institutions with Devolved Powers. The Scrutiny Protocol has been discussed with scrutiny committee members of the North East Combined Authority, and the North of Tyne Combined Authority, and a workshop was held to share experiences and learning of Combined Authority Scrutiny. These reflections will also contribute to the design of the new scrutiny arrangements for the new Mayoral Combined Authority. NEMCA agree to write to the Secretary of State within one year of this deal's publication to report on their progress in implementing the Scrutiny Protocol. The Government expect to see NEMCA is implementing all key principles and additional scrutiny (such as a Mayor's Question Time).

15. In the future, the Government expects NEMCA to adopt MP sessions to further enhance scrutiny, similar to those arrangements being established in the Greater Manchester Combined Authority and West Midlands Combined Authority, and any lessons learned from application there. This will be considered as part of discussions on a single departmental-style funding settlement.

Collaboration between the Government and NEMCA

16. This devolution deal strengthens the relationship between NEMCA and the Government to drive growth and deliver for communities across the North East. North East local authorities benefit from strong collaborative working relationships with government departments within the region on issues ranging from policy development to staff development to estate management. Levelling up the region and realising the opportunities available requires all layers of Government to work together towards that common goal – and in this vein, the Government and NEMCA agree to pilot new collaborative working arrangements to help deliver priority projects in the region.
17. In line with this, DLUHC and NEMCA agree to explore a secondments scheme which will enable the exchange of staff between organisations. This will enable better knowledge exchange, skills sharing, and more collaborative joint working. As a first step, we hope to facilitate a handful of secondments between teams, before considering how and whether to roll out further. This is envisioned as the first step of a wider scheme which will involve other devolved institutions and other Government Departments.
18. The Darlington Economic Campus (DEC), which brings multiple government departments together in the North East, already works closely with a range of local and sub-national authorities to drive levelling up and growth across the wider region. Taking this further, as part of this deal, NEMCA and the DEC agree to establish a wide-ranging partnership to drive collaboration between the Government and the Combined Authority.
19. As part of this, the DEC will establish a cross-campus exchange scheme with NEMCA, using staff exchanges, shadowing opportunities, lunch and learns, and joint events to build cross-institutional links, share skills, and improve capacity. Teams at the DEC will also work closely with DLUHC colleagues as they design a pilot secondment scheme with NEMCA, with the aim of promoting and facilitating secondments at the DEC and sharing best practice for secondments and exchanges with other DEC departments.
20. Throughout this devolution deal, NEMCA and the Government have committed to a number of policy-specific collaborations, including joint working on housing quality, a new rural and coastal taskforce which will bring together local actors and a number of Government bodies, and an agreement to work jointly to realise the potential of the region's Green Superport.

Funding

Funding Consolidation

21. As set out at Spring Budget 2023, the Government's ambition is to roll the single department-style settlement model out to all areas in England with a devolution deal and a directly elected leader over time. The Government is working with Greater Manchester Combined Authority (GMCA) and West Midlands Combined Authority (WMCA) to develop further detail on the single settlements. To ensure these settlements stand the test of time, the Government is focusing on working with these authorities to design the first of these settlements before rolling out further.
22. As a precursor, DLUHC will offer NEMCA a DLUHC-only 'consolidated pot' at the next multi-year Spending Review, covering two investment themes – local growth and place; and housing and regeneration – which will act as a stepping-stone to the full single settlement. The DLUHC consolidated pot will allow for better planning over the longer term, provide NEMCA with greater freedom and reduce administrative burdens.
23. Following successful delivery of the consolidated pot, and learning from GMCA and WMCA, NEMCA will then become eligible to receive a single department-style settlement covering all devolved spending areas from the subsequent multi-year Spending Review.
24. DLUHC will engage with NEMCA as it prepares for the single settlement. This will include sharing lessons learned from GMCA and WMCA's delivery, advice on ensuring NEMCA has capacity to deliver the single settlement, and consideration of how the funding included in the single settlement can best support delivery of local priorities, including for rural and coastal communities.

Investment Fund reviews

25. In due course, the Government will remove gateway reviews for NEMCA, provided it has passed Gateway One and met the criteria relating to local evaluation frameworks, local transparency, and accountability. Further details on this will be shared shortly.

Housing and regeneration

Strategic Place Partnership

26. NEMCA and Homes England will enter into a Strategic Place Partnership (SPP) to drive forward the delivery of thousands of new homes and revitalised places, working alongside and supported by the North East Housing Partnership. Work to establish the SPP is already underway, with NEMCA and Homes England looking to agree a set of housing outcomes – focused on delivering transformational change across the North East, and aligned with the strategic objectives set out in the North East Devolution Deal and Homes England’s Strategic Plan respectively. These are likely to include, but not be limited to: housing affordability; choice and accessibility; regeneration and inclusive growth; and well-connected communities where people can thrive and contribute to net zero carbon ambitions.
27. The SPP will be formalised through a Memorandum of Understanding and underpinned by a Partnership Business Plan, which together will set out spatial and thematic priorities, a delivery and resource plan, and a governance structure. The Partnership Business Plan identifies priority focus areas for each Local Authority, including transformational regeneration of Forth Yards in Newcastle and Riverside Sunderland.
28. NEMCA and Homes England will combine their capabilities and expertise, and each commit the capacity and resources needed to build a pipeline of deliverable and investible opportunities, including strategic sites. Homes England will ensure it brings the multiplying impact of all of its statutory powers, relationships, convening power, capital, economies of scale, and experience to support the very local vision that NEMCA and its constituent local authorities envisage for the North East. All will collectively look to leverage substantial private sector investment to support such ambition.

Funding for regeneration and brownfield housing sites

29. NEMCA welcomes the additional brownfield funding that will enable NEMCA to bring forward sites across South of Tyne authorities to add to those sites already being unblocked in the North of Tyne authorities. NEMCA commits to accelerating delivery and using the resource funding identified within the North East Devolution Deal to enable this.

Affordable Housing Programme

30. NEMCA, in partnership with DLUHC and Homes England, will be able to set the overall strategic direction, strategy, objectives and local leadership for the deployment of the Affordable Homes Programme across the region from 2026. Operational management and administration will remain with Homes England so a strong governance and partnership arrangement, such as through a Strategic Place Partnership or an equivalent AHP-specific board, will be essential from the outset.
31. Decisions on how this will function will be taken as part of the development of the new programme over the coming year, with final decisions taken as part of the Business Case. This is subject to any relevant successor programme being agreed in the next Spending Review.
32. The following conditions must be satisfied for NEMCA to access this:
 - NEMCA is able to evidence a pipeline of affordable housing schemes that are deliverable within the programme’s timeframes, represent good value for

money and are aligned with the Government's objectives for the new Programme.

- NEMCA is able to demonstrate a strong track record of working effectively with both Homes England and Housing Associations.
- NEMCA is able to provide assurance that they are able to operate effectively in the local market.
- NEMCA is able to demonstrate strong internal political cohesiveness and common housing aims across their geography and various planning authorities.

Public Sector Land

33. DLUHC will support NEMCA to establish its own public sector land commission. This support could provide relevant contacts, establish initial engagement with relevant partners, departments and stakeholders across the Government and support on initial launch of any land commission. This approach could give NEMCA the opportunity to engage with Government on specific barriers, opportunities and sites within their area. A direct contact in Government could also be sought from the Cabinet Office to support in the long-term but the main functionality would be maintained and operated by NEMCA. Access to this offer is conditional on NEMCA having an existing connection to One Public Estate at a local level.

Land Assembly and Development Orders

34. As part of their initial devolution deal, NEMCA already have land assembly and compulsory purchase powers for housing, regeneration and economic development purposes subject to the agreement of the local authority constituent member where the relevant land is located, and to the consent of the Secretary of State for Levelling Up, Housing and Communities.
35. Additionally, NEMCA will be granted the power to make Mayoral Development Orders so that they can proactively grant permission for strategic development opportunities, with the local planning authority's consent.

Housing Quality

36. DLUHC, DWP, and NEMCA are committed to tackling poor quality housing in the North East. As part of this, DLUHC will work in partnership with NEMCA to understand specific local housing quality issues, and set out approaches and potential solutions across the private and social rented sector in priority focus areas.
37. NEMCA and its constituent authorities will work together to share best practice and maximise the use of data and intelligence, providing support for the implementation of selective licensing schemes and the enforcement of housing standards (including damp and mould).
38. Contributing to this work, the Government will provide support to NEMCA and its constituent authorities to improve housing quality in the following ways:
- DLUHC will facilitate the sharing of best practice and information from across the country, including from enforcement pathfinder and pilot programmes already underway.
 - DLUHC will bring together best practice from across all the mature mayoral combined authorities to help shape this work, including to help inform NEMCA's future resource requirements.

- The local housing authorities within the North East will be given support and powers to help manage areas of private rented accommodation in line with previous devolution deals.
- NEMCA will explore policy to improve the quality of private rented sector homes in the North East, including identifying perverse incentives or failure demand within the existing welfare and referral systems that help to sustain poor quality provision. DWP supports NEMCA's ambitions and will consider NEMCA's policy proposals to help address this.

Homelessness

39. The Government recognises the importance of innovating in homelessness prevention, especially for people with the most complex and multiple needs. The Government will therefore work with NEMCA to establish a Homelessness Prevention Blueprint – which will build on the approaches in place within the region's local authorities and align DLUHC funding and policy to ensure strong collaboration across boundaries and sectors. This will include collaborating on a bespoke policy approach in the North East, building on learning from sub-regional Housing First pilots in other MCA areas, and housing-led projects in the North East.

Resilience and contingency planning

40. The Government will work to significantly strengthen Local Resilience Forums by 2030, as described in the UK Government Resilience Framework. This will include a clear role for NEMCA and its Mayor in local resilience and civil contingency planning, preparation, and delivery. This is subject to the conclusion and full consideration of the Stronger Local Resilience Forums pilot programme in 2025/26.

Transport

41. The Government recognises and supports the ambitions of the North East in delivering an integrated transport system for the area across bus, Metro, rail, electric vehicle charging and active travel. Building on the first devolution deal agreed with the Government in 2022, the transport commitments set out below will support NEMCA and the Mayor in delivering their ambitious plans for transport in the area.
42. NEMCA's plan to integrate and invest in transport will provide a safe, reliable, sustainable, and affordable public transport system, giving people more choice about how they can best make their journey.
43. Transport is also a critical element of place-making and has a huge impact on people's lives and on communities. Well planned and supported transport can improve quality of life and physical and mental wellbeing by ensuring that the needs of all users are considered. Getting transport right is also critical to achieving net zero and safeguarding the environment.

Local Transport Plan

44. The Government recognises that every place is unique and has different transport needs. That is why an area's statutory local transport plan has an important part to play in ensuring good transport outcomes for the area. A Transport Plan for the North East is being refreshed as agreed in the 2022 devolution deal. This Transport Plan and its supporting documents will set out plans to both maintain the existing network and deliver improvements, with clear outputs and outcomes. The Transport Plan and assurance framework for a single transport funding settlement will underpin the Government's relationship with NEMCA on transport policy and will enable the Department for Transport (DfT) and local communities to hold NEMCA to account for how it is delivering its local and regional transport priorities. The commitments set out below are intended to support NEMCA to deliver on the priorities set out in its local transport plan.

Single Transport Funding Settlement

45. Subject to demonstrating an appropriate level of fiscal sustainability and broader institutional capacity and capability within NEMCA, the North East Mayor will be responsible for a devolved and consolidated integrated local transport settlement for the North East which the Government will provide from the next multi-year Spending Review for the length of the Spending Review period. The ambition is for the consolidated local transport budget to include all funding allocation to the North East Mayoral Combined Authority for Local Transport. The Government will work with the North East on the detail of the consolidated integrated local transport settlement.
46. The assurance framework will build on the existing City Region Sustainable Transport Settlement (CRSTS) assurance framework and will include outputs, outcomes, and circumstances where a project becomes a retained scheme and as such is subject to approval from the Government. NEMCA's eligibility for future local transport funding competitions run by central Government will be decided on a case by case basis.

Tyne and Wear Metro

47. In the 2022 Devolution Deal, the Government acknowledged the significant economic and social benefits provided by the Tyne and Wear Metro to the North East, which is essential for local connectivity. The Government provided £57 million of capital funding for the Tyne

and Wear Metro's Essential Renewals programme for 2023/24 and 2024/25, agreeing that this would be paid direct to Nexus as Metropolitan Rail Grant, outwith the CRSTS mechanism. However, £57 million of capital funding was deducted from the North East's nominal CRSTS1 allocation.

48. In recognition of the Tyne and Wear Metro's significant benefits, the Government agrees to provide Nexus with funding to support the safe renewal of the Tyne and Wear Metro, as per the arrangement agreed in the 2022 Devolution Deal. The Government will provide £58.4 million of capital funding in 2025/26 and 2026/27 for Metro's Essential Renewals Programme. This will be paid direct to Nexus as a Metropolitan Rail Grant, outwith the CRSTS mechanism. However, £58.4 million of capital funding will be deducted from the North East's nominal CRSTS2 allocation to take account of the additional Metropolitan Rail Grant capital payments in 2025/26 and 2026/27.

Rail

49. The Government acknowledges the major capacity constraint on the East Coast Main Line that affects the performance and future growth of rail services in the North East. As part of its Integrated Rail Plan (IRP) the government committed to upgrading and improving line speeds and capacity along the route and the Department commits to considering how these ambitious plans can be delivered as efficiently as possible.
50. The Government continues to recognise the North East's rail aspirations including the reintroduction of rail services to Ferryhill and Sedgefield, the introduction of Metro services to South Hylton via Washington using part of the Leamside line (the Washington Loop) and reopening the rest of the Leamside line (Leamside South). The Government will continue to support NEMCA as it develops business cases for the Washington Loop and other regional rail schemes. Consideration will be given to contributing additional funding in support of business case development, where appropriate.
51. The Government will support NEMCA in developing a formal rail partnership with Great British Railways (GBR), once established, which will be overseen by a North East Rail Board, subject to discussions between NEMCA, Great British Railway Transition Team (GBRTT) and the Government on the remit, objectives, and membership of that Board. The North East Rail Board will allow for NEMCA, GBR and the Government to jointly develop plans for improvements to rail infrastructure and services in the North East that can be made for the benefit of both customers and taxpayers. Prior to GBR's formal creation, NEMCA, GBRTT and other key stakeholders from across government and the rail sector will work together in partnership to identify and deliver benefits through improved collaboration.
52. The Government acknowledges that a long-established working arrangement, the North East Rail Management Unit (NERMU), exists between the North East, Tees Valley, and North Yorkshire through which local authority and rail industry partners collaborate to monitor rail network performance and to jointly agree areas for improvement and investment. NEMCA intends to use the NERMU as a means of consulting its regional partners over matters of shared interest, and where appropriate, forming a region-wide view that will be formally progressed through the North East Rail Board.
53. The North East commits to joining the Rail Data Marketplace, providing greater access to local rail data and improving local scrutiny of performance. By adopting an 'open by default' approach, the Rail Data Marketplace will remove barriers and make it easier for partners to work with the railway industry.

54. The Government is also committed to ongoing engagement with the North East on the Long-Term Strategy for Rail. Once established, Regional teams in GBR will work with local partners to consider local priorities and strategies as part of long-term, strategic planning.
55. The establishment of GBR creates an opportunity to increase commercial income and the local responsibilities of NEMCA will help to realise this. The Government will support discussions between NEMCA and other relevant organisations, including Network Rail, GBRTT and London & Continental Railways, to explore land use options and to identify new opportunities.
56. The Government recognises the North East's ambitions for more influence over local rail services and their ambition for a separate contract for rail services in the region. These ambitions will be considered within the context of the national network and progress will be subject to development of wider reform of the railways and industry processes that support this.

Bus

57. Buses are essential to the social and economic wellbeing of communities across the North East and the Government recognises the North East's ambitions to improve bus services as set out in its Bus Service Improvement Plan. The Government has already allocated £163.5 million of funding (£89.8 million resource funding and £73.8 million of capital funding) for 2022/23 to 2024/25 to support the introduction of measures outlined in the North East Bus Service Improvement Plan. In addition, the North East has been allocated £11.2 million in 2024/25 from the funding for Bus Service Improvement Plans announced as part of Network North announcement. This will allow the measures already put in place to be extended and improved upon, to continue to meet the objectives of improving bus services and growing bus patronage.
58. The North East has already made a number of high-profile interventions using this funding including a £1 fare for young people aged 21 and under and area-wide multi-operator day tickets for adults; revenue funding to enhance and maintain bus networks; and capital funding for bus infrastructure programmes to speed buses up and make them more reliable.
59. The Government will devolve powers for the payment of Bus Service Operators Grant to NEMCA. NEMCA will provide support to identify the funding for commercial bus services entirely within their boundary that is paid to commercial operators and would be suitable to be devolved.
60. The Government supports the North East's ambition to decarbonise their bus fleet and have provided financial support, through both the ultra-low emission bus scheme and the Levelling Up Fund, to enable the purchase of Zero Emission Buses (ZEB) and infrastructure. ZEB deployment is being taken forward in line with wider plans to improve bus services and increase patronage.
61. NEMCA may wish to consider a range of mechanisms to drive increased ZEB uptake. This can include procurement and the adoption of local ZEB strategies. DfT is committed to working with NEMCA in considering these mechanisms to help them decarbonise their bus fleets.
62. DfT expects that NEMCA will publish and implement strategies to decarbonise their local bus fleet, which could be done through their Bus Service Improvement Plan, in line with

the relevant government strategies and guidance. This would include setting a date for reaching an all zero-emission bus fleet in the area.

Integrated Ticketing

63. The Government is committed to delivering on the Levelling Up Transport Mission that by 2030 local public transport connectivity across the country will be significantly closer to the standards of London, with improved services, simpler fares and integrated ticketing.
64. The North East has widespread smart and integrated ticketing on offer through the “Pop” brand and the established back-office systems managed by Nexus to support its use on bus and Metro alongside single-operator products, as either a smart card or phone-based payment option. Contactless payment is available on most buses in the region and tap-on-and-tap-off payment is becoming more widely available. The aim is that the “Pop” brand and functionality will be enhanced to allow for multi-operator, multimodal ‘Pay As You Go’ (PAYG) journeys across bus, metro and on rail, the Northumberland Line when it opens for passenger service, with fares subject to a daily cap and discounted fares for young people.
65. While on rail, the Government’s current priority is to develop PAYG pilots in Greater Manchester and West Midlands, with an aim to implement these pilots in 2025, it also commits to working with NEMCA and Nexus to take account of any local developments in the North East that are of relevance to this work. It is intended that the pilots will set out how PAYG can be delivered in other urban areas. Subject to the design and results of the pilots in Greater Manchester and West Midlands and funding, the government commits to working with NEMCA to introduce PAYG in the North East as soon as viable on those rail operators and flows where it has not already been introduced through local developments, in line with frameworks and solutions agreed with GBRTT. As part of this work, the Government also commits to support NEMCA in its plans to develop a business case with Northern Rail for the expansion of the “Pop” brand and functionality onto other local rail passenger flows in NEMCA’s area, if possible in advance of the delivery of PAYG pilots as set out above.
66. The Government recognises that the North East have ambitions to expand the “Pop” brand and functionality to other local rail services in the North East. The North East has ambitions to develop contactless bank card and mobile phone PAYG payment options on the Tyne and Wear Metro, and for this functionality to be extended across all operators and modes of public transport.
67. The North East is developing Pop 2.0, which aims to enable multi-modal fares capping, including on buses in the area. The significant progress that has been made on smart-ticketing on buses in the North East will be enhanced by the multi-operator cEMV contactless ticketing solution for bus and tram services which is being funded by the Department for Transport and delivered by local authority partners and bus operators and which will be made available to all Local Transport Authorities in England outside of London.

Roads

68. The Government recognises the area’s priorities for improvements to the Strategic Road Network, particularly those schemes recognised in the 2022 Devolution Deal such as the upgrading of A19 junctions North of Newcastle (Moor Farm roundabout and associated work at Seaton Burn and White Mare Pool), A1 dualling between Morpeth and Ellingham, and further work to improve the safety, capacity and speed of the A69.

69. The Government notes that a partnership forum is being established with senior representatives of NEMCA and National Highways. This forum will identify opportunities for improved engagement and closer working on priorities for the strategic and key road networks in the area.
70. NEMCA will support the Mayor once elected in creating a Key Route Network (KRN) of local authority roads. This will allow the most important local roads to be managed in a strategic way across the area to improve traffic flow and reduce congestion. This will also allow for the introduction of traffic management measures to, for example, improve public transport, improve cycling and walking infrastructure, improve bus journey times and to introduce lane rental schemes to minimise disruption and smooth traffic flow for all road users. The constituent authorities will remain the highway authority for their area, responsible for the management and operation of the local highway network in line with their statutory duties and taking account of the needs of all road users, including drivers.
71. If the Mayor, once elected, chooses to take on a power of direction over the KRN, NEMCA will support them in taking on this power. The power of direction will allow the Mayor to direct member highway and traffic authorities in the exercise of their powers with regard to the KRN. The power of direction will ensure the Mayor has the full range of levers available to deliver their Local Transport Plan and the priorities of the institution and realise the full benefit of the government-funded local transport investment.

Taxis and Private Hire Vehicles

72. In partnership with its constituent authorities, NEMCA will develop a single set of taxi and private hire vehicle licensing standards, incorporating the Government's Statutory Taxi and Private Hire Vehicle Standards and Taxi and Private Hire Vehicle Licensing: Best Practice Guidance, which all constituent authorities of NEMCA will then apply. NEMCA will lead work to explore the creation of a single shared service for processing taxi and private hire vehicle licence applications in the North East.
73. NEMCA will lead work to ensure enforcement and compliance action can be taken against any licence issued by a licensing authority in the area by either all licensing authorities in the area or the single shared service. These commitments will be implemented within 24 months of the deal agreement, unless otherwise agreed with the Department for Transport.
74. The Government is exploring transferring taxi and PHV licensing to both combined authorities and upper-tier local authorities and will be engaging stakeholders on this in due course. Moving licensing would enable eligible institutions to benefit from the efficiency savings of bringing licensing under one authority. If, following engagement, this policy was taken forward, primary legislation would be needed. If the Government decided not to move licensing on a national level, the Government would still be prepared to consider seeking a legislative slot to enable the Secretary for State to transfer licensing in areas where there was agreement of all the lower-tier or unitary authorities.

Pavement Parking

75. In partnership with its constituent authorities, NEMCA will work to identify pavement parking problems across the area and, in cooperation with its constituent authorities, will seek to develop a consistent approach to the restriction and enforcement of pavement parking, using available powers as appropriate. This will provide consistency to drivers, whilst also helping to provide a consistent level of service for people using the pavement and increasing accessibility for disabled users and those with children. The Government is currently considering its response to the national pavement parking consultation.

Active Travel

76. To ensure consistency in the quality and safety of schemes, Active Travel England (ATE) will provide support to ensure walking, wheeling and cycling schemes are designed and delivered to high standards, including compliance with Local Transport Note 1/20 (LTN 1/20). NEMCA will work with ATE and all its constituent authorities to boost capability and improve the design quality of all active travel schemes funded by the government and those that are locally funded, including for cross-modal schemes that have active travel elements, such as a corridor or transport interchange scheme.
77. All cycling and walking schemes funded by the Government must comply with LTN 1/20. ATE will support the NEMCA design assurance approach, which is recommended to be a Design Review Panel (DRP). Should there not be a DRP, ATE will prioritise specific schemes for ATE to design review. Schemes not prioritised will be provided with ATE standing advice and should be approved by the NEMCA design assurance approach (DRP or equivalent). This will avoid delaying schemes unduly. ATE capability ratings will continue to be considered when allocating consolidated funding that includes active travel infrastructure.

Electric Vehicles

78. The Government recognises the North East's recently published Zero Emission Vehicle Charging Strategy, which will increase the uptake of electric vehicles and reduce carbon emissions by supporting all motorists in making the switch. Through its work to develop a Zero Emission Vehicle Charging Infrastructure strategy, NEMCA aims to better understand the plans of the private sector so that it can identify the gaps in the network alongside identifying appropriate areas for the installation of Electric Vehicle (EV) charging infrastructure.
79. NEMCA can also access support from Transport for the North, which has received government funding to develop a regional Electric Vehicle Charging Infrastructure (EVCI) strategy. This strategy will provide a robust plan of charging needs in the North East and can be used to underpin any public sector funding proposals, including applications for the Local Electric Vehicle Infrastructure (LEVI) Capital Fund. The North East Joint Transport Committee has previously been allocated £15.8m in capital funding from government's LEVI Fund and a further £1.4m in capability funding. This can be used to increase NEMCA's capability to deliver associated EV infrastructure and support the uptake of Electric Vehicles, particularly for residents without off-street parking. Through the LEVI fund, NEMCA will be able to utilise the LEVI support body for further assistance and upskilling of EV officers.

Transport Governance

80. "Nexus" is the Passenger Transport Executive for Tyne and Wear. As set out in the devolution deal agreed in 2022 NEMCA commits to reviewing transport functions and whether to amend public transport delivery and other responsibilities to a single organisation across the NEMCA area.

Education and Skills

Governance

81. NEMCA and DfE will work together to develop a strong joint governance mechanism aligned with the political portfolio governance arrangements established for NEMCA. It will ensure there is a robust link between the post-16 education offer within the North East and real time labour market intelligence about the needs of the North East labour market.

Devolution of Adult Skills provision

82. The Government will devolve non-apprenticeship adult skills functions and grant funding to NEMCA. There may be specific instances when the Government needs to direct the design of adult skills provision or allocation of adult skills funding. However, this will be the exception rather than the rule, in circumstances where the scale or urgency are such that a national response is judged to be required to deliver the required outcomes or where there are national skills priorities that the Government believes are not being met sufficiently by the skills system. The Government will work with NEMCA to ensure that any such direction can be aligned with the existing skills landscape.
83. The Government will fully devolve and remove all ringfences for Free Courses for Jobs (FCFJ) funding from academic year 2025/26. To access this part of the framework, the following condition must be satisfied:
- NEMCA demonstrates spending 80% of its available funding for the FCFJs offer on delivering high value Level 3 qualifications across an academic year and has a track record of delivering the current 'core offer' criteria or using the agreed 50% flexibility to address needs in the local labour market to eligible learners, addressing any barriers to Level 3 learning where necessary.
84. The Department for Education (DfE) will provide eligible institutions with sector flexibility over 100% of its allocation of Skills Bootcamps funding from financial year 2025/26, subject to eligible institutions satisfying agreed performance indicators. The DfE will share with the institution relevant commissioning activity, performance information and other data on Skills Bootcamps provision that will, or is likely to, include delivery to local residents or employers. In turn, NEMCA commits to share relevant commissioning activity, performance information and data about local delivery. NEMCA must satisfy the following conditions to access this part of the framework:
- NEMCA must retain the core purpose, policy intent and branding of Skills Bootcamps, consistent with the national model and maintaining this model integrity including while using sector flex;
 - NEMCA must meet performance thresholds and achieve 80% starts and 60% outcomes, to be agreed in a side agreement with local areas;
 - NEMCA must have delivered Skills Bootcamps for at least a full year, and the DfE will need to have confidence in their assurance process;
 - NEMCA must maintain regular engagement with DfE and fellow eligible institutions.

Skills Pilots

85. The Government recognises both the ambition and success of the North East region in securing major inward investments in key sectors such as advanced manufacturing, digital, green energy, health and social care, as well as creative sectors such as culture, film and TV. In order to build upon these strengths and secure a strong pipeline of skills to support these industries, the Government commits to working with NEMCA to co-design a

small number of pilot models for skills development, linked specifically to these key sectors and investments. These pilots will focus on learners supported by NEMCA's devolved adult learning functions.

Apprenticeships

86. NEMCA will explore ways to join up the regional approach to apprenticeships, including the possibility of brokering levy transfers and increasing apprenticeship knowledge, accessibility and take up for both residents and employers.

Careers

87. With a mandate from the Secretary of State for Education, the DfE will work with NEMCA to take forward the recommendations of the Holman review of careers education by offering a more place-based approach to careers education. This will enable NEMCA to act as central convenor of careers provision in the region, creating strategic partnerships with local stakeholders to ensure that services for adults and young people align and respond to the skills needs of the local economy and with local skills planning. For adults this will include shaping and agreeing local KPIs with prime contractors of the National Careers Service and for young people this will include building on the current role of Careers Hubs and the support they provide for schools and colleges. The convening role will need to continue to align with, and respond to, the national funding and delivery of careers services.
88. NEMCA will strengthen delivery of the National Careers Service by reviewing and, where necessary, strengthening, collaborative activities and agreement of local KPIs, using existing national contractual mechanisms.
89. NEMCA will play a greater role in shaping the future national specification of an all-age careers system with the opportunity to feed into policy development for how the nationally funded careers offer evolves in the future, alongside continued engagement with the National Careers Service through locally agreed key performance indicators with regional prime contractors. This collaborative approach, including dialogue with DfE officials, will help to shape future service provision and contract specifications.
90. This is contingent on NEMCA continuing to work with Careers Hubs and engaging with them at the local level.

Attainment

91. To address educational inequality in the region, DfE will support NEMCA to work with stakeholders in the wider system and academia to explore regional outcomes at KS4 and KS5. This work will determine the most promising opportunities for impact, including maximising use of disadvantage funding across the NEMCA area. As part of this work, DfE will support NEMCA to identify and share best practice. DfE will consider findings from the project as part of DfE's broader disadvantaged strategy.

Special Educational Needs Provision

92. DfE and NEMCA will work together to share emerging best practice from the national Change Programme and encourage early adoption of 'what works' for those elements of reform that do not require legislation within the NEMCA area. The DfE's Change Programme team will provide additional NEMCA specific communication activities, promoting the adoption of emerging best practice. DfE will support NEMCA through authorities (Durham and Gateshead) who are already part of the Change Programme to

enable collaborative partnership working to build on local insight and intelligence across the NEMCA area.

93. The DfE will also work in partnership with NEMCA to help champion learning from the Family Networks Pilot and Kinship pilot across all seven local authority areas, including working closely with Gateshead and Sunderland to help embed learning from their Family Network Pilots across the NEMCA region.

Employment support

Regional labour market governance

94. The Department for Work and Pensions' (DWP) Secretary of State will ask NEMCA to convene a new Regional Labour Market Partnership Board, which builds on the current collaborative structure that is already in place between the Department and the North of Tyne Combined Authority. The new board will be made up of senior NEMCA officers and senior DWP officers (such as the area's Strategic Partnership Manager, Service Leader, or other appropriate UKG officials) with the authority to consider evidence, make advisory recommendations and engage in discussions proactively, to ensure that DWP, Jobcentre Plus (JCP) activity and NEMCA activity works together to improve client outcomes.
95. Outside this Board, discussions between NEMCA and JCP will take place between a single point of contact either through the area's Strategic Partnership Manager or Service Leader. Through these discussions, the new Regional Labour Market Partnership Board, and continued engagement with regional Jobcentre Plus teams, DWP and NEMCA will work closely to generate and/or identify, and test where feasible, approaches and initiatives that promote, and address priority needs in the area.
96. By taking this approach, NEMCA and DWP will work together to ensure value for money, better use of public funding and achieve the best possible outcomes for clients locally and nationally.

Contracted Employment Programmes

97. The Government and NEMCA recognise the commitment to joint working and co-design on future Contracted Employment Programmes set out in the Greater Manchester and West Midlands' deeper devolution deals, and the need for robust evaluation of this approach as a precursor to next steps. Subject to successful evaluation outcomes, DWP will determine a single departmental approach to Contracted Employment Programmes that provides value for money and outcomes for citizens, and which may include elements of the Greater Manchester and West Midlands' Contracted Employment Programmes commitment, for example, co-designing Contracted Employment Programmes. In recognition of NEMCA's bespoke deal, DWP commits to engage with NEMCA on implementation once a decision has been made.

Employment Support Pilots

98. The Government commits to working with NEMCA to consider the feasibility and potential scope of employment support pilots for people with multiple, complex needs that are aligned to national and regional priorities and challenges using devolved funding for local needs.
99. Specifically, initial activity will likely be for DWP and NEMCA to work together to jointly scope potential NEMCA-led employment support pilots that focus on using national employment levers, alongside devolved local funding (e.g. Adult Education Budget and UK Shared Prosperity Fund) to support tenants in social housing who are economically inactive to return to work. This would draw on learning from innovative employability programmes delivered across the country e.g. North of Tyne Working Homes and Greater Manchester's 'troubled families' programme.

Data Sharing

100. DWP is committed to the Government's ambition to develop a data sharing framework. Alongside this, DWP and NEMCA will work together to explore feasibility and potential for proportionate data sharing arrangements for programmes and services operating in the region to reduce duplication and facilitate better targeting and efficiency of an integrated employment and skills offer. This will be dependent on the work set out in the trailblazer devolution deals with the Greater Manchester Combined Authority and the West Midlands Combined Authority to establish principles for the legal, safe, and secure sharing of data between the Government and Combined Authorities.

Growth, Investment, and Innovation

101. This deal outlines how the Government and NEMCA will work together to drive growth in the North East's existing and emerging economic strengths. This includes supporting businesses to grow, boosting investment in the North East, supporting the innovation ecosystem, and specific measures to drive growth at the Green Superport, bringing together the region's three ports and airport.

Joint work with DBT to support private sector growth

Business Support

102. The Department for Business and Trade (DBT) will establish a Strategic Productivity Forum - a collective arrangement with several devolved bodies as a forum to discuss closer working and co-operation regarding the delivery of local and national business support interventions.
103. NEMCA will have the opportunity to raise local priorities for future business support and advisory services to inform and influence the Government's future development of business support. DBT will also work in partnership to help increase the take up in their areas of national business support interventions.
104. NEMCA will have the opportunity to discuss the Northern Powerhouse Investment Fund II. The referral network between NEMCA, commercial lenders and the British Business Bank UK funds will be strengthened to make it easier for more local businesses to access the finance they need.
105. Partnership working and collaboration between NEMCA and the British Business Bank's UK network representatives for the North East will be strengthened to stimulate informed demand for finance among businesses. This may involve joint events and initiatives, as well as knowledge sharing.

Export

106. DBT will support the development and implementation of a NEMCA-specific export plan and international strategy, and seek to develop NEMCA-specific events and other activity based on local priorities.

Partnership Working

107. Further to any wider established principles for the legal, safe and secure sharing of data between NEMCA and the Government, DBT will work to share more of the intelligence and data owned by each party, to better inform mutual planning and strategy, within the requirements of UK General Data Protection Regulation (GDPR) or other data protection obligations.
108. DBT will jointly seek to maximise the engagement of appropriate businesses and stakeholders in global trade opportunities and activity created and identified as a result of this deeper devolution agreement and maximise the opportunity for regional businesses and stakeholders to contribute to national policy consultations, including the development of new Free Trade Agreements, for example by responding to Calls for Input that inform the mandate for Free Trade Agreements.

109. DBT will provide lead contacts to NEMCA for implementation of Exports, Investment and domestic business support.

Increasing Investment in the North East

Inward Investment

110. DBT will work with local partners including NEMCA to gain a holistic view of the UK's business environment's competitiveness vis-à-vis its peers specific to our ability to attract regional investment. NEMCA will provide referrals for potential DBT Investment Champions from the local area. DBT will agree to make appointments based on intake capacity and selection criteria.
111. NEMCA will have support from the Office for Investment at the regional level. This will concentrate around two core elements – capital investment and traditional foreign direct investment (FDI). Both parties will work together with the aim of maximising large-scale inward investment (>£100 million) – utilising NEMCA's knowledge of capital investment propositions and opportunities, priority sites, innovation, and sector/clustering opportunities. NEMCA will provide/signpost to public support to help land inward investment; and the Office for Investment will engage with high-value projects and provide a cross-Whitehall convening role working together to increase the profile of NEMCA's area internationally as an investment destination.
112. DBT will jointly support investor relationships with access to information, local support and facilitation as needed to retain and attract high-profile companies in the UK. This includes partnering on external investor propositions, content for events and digital marketing material.
113. DBT will support the development of a specific investment plan. This includes helping develop the 'investability' for key local assets such as Investment Zones and economic clusters, and presenting these to the international business community. Alongside this, DBT will create a more formal network of local investment promotion agencies and will seek to improve access to its network of Investment Champions to help inform city region investment priorities and provide peer support to future investors.

Investing in Local Priorities

114. This deal outlines how Government and NEMCA will work together to drive growth in the North East's existing and emerging economic strengths.
115. The Government and NEMCA have been working closely to finalise the detail of the North East's £160m investment zone – a package of policy interventions which will boost industrial clusters in advanced manufacturing and offshore wind, reflecting the region's long-standing sectoral strengths. The North East Investment Zone will target specific innovation sites running from Northumberland down to Sunderland and Durham, and including the Tyne corridor. NEMCA plans to use the Investment Zone to deliver tax benefits and business rates retention to support two of these sites, as well as funding for infrastructure works, to boost the regional skills base, and to promote research and development at a further two development sites and across the wider region.
116. In addition to this, Government will provide NEMCA with new tools to unlock key growth opportunities across the region. Through the North East Devolution Deal, Government provided £20m CDEL to drive place-based economic regeneration, including in priority sites such as NetPark and Aykley Heads. Through this deal, subject to business case, Government will provide £35m CDEL and £2m RDEL for NEMCA to further invest in local

economic priorities. The CDEL will be used to remediate brownfield sites, so they can be utilised for new investment. The RDEL will be used to accelerate regional projects, with a focus on regeneration and economic innovation.

117. The Government will also work with NEMCA and its constituent bodies towards the designation of a growth zone within which 100% of business rates growth above an agreed baseline will be retained for 25 years. Retained rates would not be subject to reset at any national reset of business rates within this period. The location of this site will be determined locally – subject to consultation and final business cases. The Government will work with NEMCA to agree the detail of these proposals.
118. These tools will help NEMCA realise the potential of key sites across the region to act as hubs for economic growth and innovation and help facilitate regional collaboration to boost local industry. Subject to agreement of business cases with Government, NEMCA's intention is to use the growth zone and £25 million CDEL to support early development of the Riverside Sunderland site, and £10m CDEL to accelerate progress on a Health Innovation Zone - including the Health Innovation Neighbourhood and Forth Yards sites in Newcastle. Revenue support could help develop regional projects such as the Green Superport, the Culture and Creative Sector Catalyst, and the Inclusive Innovation Deal.
119. The Combined Authority and the Government have a shared ambition to unlock further investment, to help deliver long-term impactful change and growth for the North East.
- The Government recognises the importance of access to finance in supporting levelling up. The Government's Local Finance Working Group is exploring these issues, and the Government will continue to work with NEMCA to explore options for strengthening the local finance ecosystem. The Combined Authority is continuing to develop proposals for a Regional Wealth Fund, and the Government will consider its role supporting and promoting the fund as plans develop.
 - The UK Infrastructure Bank is already working with local authorities, combined authorities, other public sector bodies and the private sector to increase investment in infrastructure across the UK. The UK Infrastructure Bank will work to strengthen their relationships with NEMCA, with a view to building a strong strategic and operational partnership to leverage greater private investment locally.
 - The Government and NEMCA will explore the role of impact investing in meeting the NE's wider ambitions to increase investment in the region.
 - Building on the approach taken on the Northumberland Line, NEMCA will utilise Land Value Capture in the next phase of its infrastructure development programme. This is expected to include the emerging proposals for the Leamside Line and Metro extensions. In undertaking this work, NEMCA will engage with DfT and DLUHC, exploring how to create alignment with Government policy, including reforms to the system of developer contributions. The Government will consider any learnings which may be applied more widely.

Inclusive Innovation Deal

120. The North East Devolution Deal states that NEMCA will develop an Inclusive Innovation Deal that will translate the region's world class research expertise into jobs, skills and inclusive growth outcomes. By strengthening local innovation capacity this will help to realise the potential of local innovation assets and the innovation potential of small and medium enterprises, including by considering how the lessons learned from the Innovation Accelerator pilots could be rolled out more widely.
- NEMCA will be periodically invited to articulate their research and development priorities to UK Research and Innovation (UKRI). NEMCA will demonstrate that

their priorities are informed by inclusive and well governed engagement with stakeholders from their local research and innovation ecosystem.

- UKRI will help NEMCA to identify regional comparative innovation advantages and relevant funding opportunities, including through co-developing a regional action plan with Innovate UK.
- The Department for Science, Innovation and Technology (DSIT) and UKRI will consult NEMCA on the development of relevant future research and innovation strategies.
- UKRI will publish regional data on its investments through its Gateway to Research portal to enable NEMCA to identify relevant opportunities and to track progress.

121. NEMCA will establish an Innovation Board to oversee the production of the Innovation Deal, with representation from the regional research and innovation ecosystem.

Green Superport

122. The North East Green Superport (bringing together the Ports of Newcastle, Blyth and Sunderland and Newcastle International Airport) will deliver world-class, innovative green facilities and leading-edge services designed to retain, attract, and grow target anchor clients in the renewable energy and green advanced manufacturing sectors, along with their supply chains. This unique collaboration will generate additional, better, generational jobs, for a more sustainable, prosperous, and inclusive north east, with the partnership model having the potential to act as blueprint for the global ports industry.

123. The ambition is that, by 2050, the North East Green Superport will be: powered by clean energy, smart technology and seamless, fast, interconnectivity; operated by local people whose demographics represent the communities served, and who have the skills to operate the region's ports; for customers who are committed to long-term investment in the region. This will build on the excellent existing skill-base, knowledge and experience demonstrated already in the Ports for handling clean energy projects, offshore renewables and advanced manufacturing and in delivering exceptional port operations management. This expertise will ensure that the North East reaches its full potential around Low Carbon industries, including offshore energy.

124. As set out in the North East's 2022 devolution deal, NEMCA plans to bring this work together under the collaborative banner of the Green Superport. Through this deal, the Government will support a locally led Green Superport Taskforce to deliver this vision by exploring:

- the delivery of tailored quayside and land developments, supported by accelerated planning permissions and associated consents, for target anchor clients and their supply chains;
- the effective promotion and marketing of the port facilities and development capability;
- how to work with partners to meet electricity grid infrastructure capacity and connection requirements;
- the development of an effective industry-leading skills pipeline, ensuring that there are progression routes for all communities;
- the creation of an industry-leading green energy research centre of excellence for the Superport, in partnership with the region's universities;
- the decarbonisation of all ports including the development and implementation of green shipping and aviation fuels;
- and developing a plan to meet future transport requirements for these sites, whilst utilising 5G and next-generation digital connectivity to innovate and create new opportunities.

125. Within the Government, support will be coordinated by DLUHC who will bring together multiple Government departments, agencies, NEMCA and local partners, and facilitate joint working to tackle the key policy challenges. This will build on the existing work, catalysed by the North East's 2022 devolution deal and being undertaken by NEMCA and local stakeholders, and by the Government and key Government agencies, to tackle the environmental and infrastructure barriers to realising this vision.

Net Zero and Energy

126. The North East has world-class strengths and capability in its green energy sector, assets that can boost UK innovation, export capability and energy security, as well as harnessing such expertise to help local communities.
127. Strategically placed to serve the North Sea energy sector with cutting-edge ports, interconnector landing sites, and access to development land, the North East is already at the forefront of emerging renewables and electrification industries. The North East has excellent access to the resources needed to grow a low carbon economy, including minerals, water and minewater energy, in addition to a skilled workforce and world-leading universities and research institutes.
128. The large rural geography of the North East, whilst offering unique land-based opportunities, does present energy resilience and decarbonisation challenges which require a different approach to energy strategy

Strategic energy system planning

129. The Government recognises the strategic role NEMCA can play in planning our future energy system for net zero, with its ability to convene local authorities, energy infrastructure providers and other key stakeholders, and is committed to ensuring that devolved regional institutions such as Combined Authorities have a meaningful role in planning our future energy system for net zero.
130. The Government is considering the role of local area energy planning in delivering net zero and supporting efficient network planning, working closely with Ofgem as they develop regional energy planning roles across Great Britain to improve local energy planning and speed up the transition to net zero.
131. NEMCA will engage both with this discussion and the future systems and network regulation workstream, which looks specifically at network investment.
132. In line with this, NEMCA will establish a North East Strategic Energy Board to guide energy policy in the region, and liaise and coordinate between stakeholders including the National Grid, Ofgem, electricity providers, and large energy consumers. The Board will review regional grid connectivity, understand future grid capacity, accessibility and the joint-investments that will be needed to underpin inclusive growth within the region's relevant industries and sites. DESNZ will provide observer representation on this Board.

Developing the Offshore Wind Sector and Supply Chain

133. Through this Deal and the development of the North East Investment Zone, the Government and NEMCA will work together to drive priorities around the delivery of offshore wind generation.
134. In particular, the Government and NEMCA will explore opportunities available through the Investment Zone, with a focus on ensuring a successful transition from oil and gas and supporting regional growth areas including in the Offshore Wind supply chain (including robotics and floating offshore wind), Operations and Maintenance and decommissioning.

Unlocking Grid Constraints to Drive Growth

135. To overcome the energy crisis and meet our future needs, it is more important than ever that we rapidly develop a smarter, more integrated, more resilient, low carbon energy

system. Investment by network operators is central to achieving this, as is having the right input from stakeholders to inform it.

136. As part of the current electricity distribution price control framework which started in April 2023, Ofgem required DNO Electricity Distribution to engage with the eligible institution and other local stakeholders to inform its business plans. Where additional allowances are granted during the period, Ofgem expects DNO electricity distribution to engage with NEMCA and other local stakeholders to provide them with confidence that their proposed investment will meet local needs and enable the delivery of net zero and green growth objectives.
137. NEMCA's North East Strategic Energy Board will engage local stakeholders, including large energy users, investors, Ofgem, and the National Grid, to help coordinate and align energy demand with grid supply and unlock constraints to growth. DESNZ will provide observer representation on the North East Strategic Energy Board.
138. The Government supports a locally led review of regional energy requirements, which will be done by the North East Strategic Energy Board.

Retrofit

139. The Government will consider devolving net zero funding, including for retrofitting buildings to NEMCA. This is subject to evaluation of the outcome of the trailblazing pilots with GMCA and WMCA. The Government recognises the work NEMCA is currently doing on net zero, including work on retrofit. NEMCA will build on previous work, and opportunities under this devolution deal, to develop a North East Retrofit capacity building programme, identifying measures needed to promote a viable, stable, long term approach to retrofit with which the Local Net Zero Hub can provide support. DESNZ will continue to engage NEMCA through representative bodies on the Local Net Zero Forum, in addition to the North East Strategic Energy Board, providing opportunities for collaboration and shared learning on key issues relevant to local net zero. The Government will also look to take forward opportunities to advance cross sectoral opportunities to work with the private sector to accelerate the transition to net zero.

Decarbonising Heat

140. The Government has confirmed its intention to establish heat network zoning in England. Under the zoning proposals, zoning coordinators within local government will be able to designate areas as heat network zones where heat networks are going to be the most cost-effective way to decarbonise heating and hot water within the zone. This will enable the appropriate level of local government to assume the role of heat network zoning coordinator and play a key role in the delivery of heat decarbonisation infrastructure. This includes requiring certain buildings to connect to heat networks within the zones. The Government is committed to have heat network zoning in place by 2025.
141. The Government recognises the expertise in the North East in developing a geothermal cluster and area of expertise, and will involve NEMCA, through the Local Net Zero Hub, in work to tackle the barriers to deployment of geothermal energy; and partner on action as appropriate, including addressing recommendations in the Geothermal White Paper.

Digital

Joint Working and Governance

142. The Department for Science, Innovation, and Technology (DSIT) is committed to working with NEMCA, and across the Government, to support the region's digital connectivity ambitions, to drive digital take-up and the roll-out of high-speed connectivity in fixed and mobile connectivity.
143. NEMCA will be represented on the Board of DSIT's Digital Infrastructure Advisory Group, which will support adoption and identify barriers to deployment of advanced digital connectivity. DSIT will support regional activity as appropriate.

5G Innovation Region of Excellence

144. NEMCA will establish the North East as a National Innovation Region of Excellence where cutting-edge innovation and 5G and advanced wireless infrastructure (AWI) scale-up becomes a reality. DSIT supports this ambition and will help promote the North East as a National Innovation Region of Excellence, which will accelerate the economic, social and wellbeing impact of enhanced digital connectivity. The region will focus on both terrestrial and non-terrestrial 5G use-case development, rapid adoption, and scale-up of this technology across our key sectors including:
- Public Sector Services
 - Tourism, Media and Entertainment
 - Transport and Logistics (including Ports), recognising the North East as an exemplar for autonomous transport
 - Agri-Tech
 - Advanced Manufacturing, and
 - Health and Social Care
145. The region's ambition draws together a number of strands of work:
- The Region has recently secured funding through DSIT's 5G Innovation Region programme to build 5G and AWI use-case adoption across Ports and Logistics, Agri-Tech, Connected Intelligent Transport Systems and Creative Industries.
 - Through the Digital Infrastructure Advisory Group, DSIT will engage with and support the region and its ambitions in this space, including helping to share best practice and showcase results from NEMCA's 5G Innovation Region programme.
 - NEMCA will work with the Government and key industry partners to drive investment and deployment of greater 'true' 5G/AWI coverage and the deployment and rapid scale-up potential of innovative use cases building on the 5G Innovation Region programme, particularly realising the opportunities presented by autonomy and self-driving vehicles.
 - NEMCA will support the PM's commitment at the recent AI Safety Summit and aims to be the first region to fully integrate AI into use cases as they are designed and deployed working alongside leading regional academic expertise and to reciprocate shared learning and expertise.
 - NEMCA will work with DSIT To explore future connectivity models such as ORAN technologies and 6G working alongside globally renowned industry partners embedded within the region and local academia.

Joint work to address not-spots and promote digital inclusion

146. DSIT and NEMCA recognise the gaps in mobile network and gigabit-capable broadband coverage across the region, which hampers economic growth and is a barrier to the adoption of transformative technologies.
147. DSIT is continuing to invest in digital infrastructure to broaden gigabit-capable and mobile network coverage including in the North East, and working with the stakeholders on the affordability of telecoms services, including raising awareness of low-cost social tariffs.
148. While rollout of broadband and mobile infrastructure will be delivered nationally through DSIT and BDUK, BDUK will engage with NEMCA on a regular basis on delivery plans, implementation, and progress – particularly in the regions where they involve hard to reach areas such as rural parts of Northumberland and County Durham. The Government is committed to achieving nationwide coverage of gigabit capable broadband by 2030 and to ensuring that rural areas in the region are not left behind including in the North East.
149. As part of the Wireless Infrastructure Strategy, the Government set out plans to ensure that all parts of the UK have the wireless connectivity they needed to unlock growth and prosperity. The Strategy outlined a 10-point action plan to extend and improve rural connectivity, including a new ambition for all populated areas to have high-quality, standalone 5G by 2030. DSIT will continue to engage and support NEMCA on their wireless connectivity ambitions, including via the Digital Infrastructure Advisory Group.
150. NEMCA will support the conditions for 4G and 5G roll out in rural and not-spot areas, including by developing a consistent local position on streetworks, planning and provisions under the Electronic Communications Code.
151. DSIT recognises the vital role of NEMCA's Not-Spot Connectivity Taskforce. This will bring together regional innovation assets and industry partners to take a holistic approach to adoption of transformative technologies in areas which are not commercially viable and aren't covered by Project Gigabit. This will:
- help develop a blueprint for the trial and adoption of innovative connectivity solutions in communities which are not currently supported by Project Gigabit or commercial roll out plans.
 - Support greater links to national deployment programmes like Shared Rural Network and Emergency Services Network.
 - Support involvement in existing connectivity trials e.g. low earth orbit satellite trials.
152. NEMCA will work on opportunities to accelerate the implementation of fixed and mobile infrastructure in areas where broadband availability falls below minimum/universal service standards, building on the results of the Digital Connectivity Infrastructure Accelerator (DCIA) programme.
153. The Government recognises that the North East is one of the most digitally excluded regions in the UK. DSIT will welcome learnings generated by NEMCA's emerging Digital Community Hubs and will continue to engage the region on these.

Culture, Creative Industries, Heritage, Sport, and Visitor Economy

Cultural, Creative, Tourism, Sport and Heritage Blueprint

154. The North East's rich arts, cultural, heritage and sports offer has an important role in the area's plans to attract and retain skilled workers, to improve health and wellbeing outcomes and to foster pride in place and a cohesive identity in the region.
155. Culture, creative industries, heritage and sport are key determinants of places' social capital and critical elements of their social infrastructure. The North East Culture, Creative, Tourism, Sport and Heritage (CCTSH) Blueprint will be a regional cultural agreement: a formal partnership between some DCMS Arm's Length Bodies (ALBs), aligned agencies and NEMCA that will drive arts, culture, creative, heritage, sport, communities and visitor economy as key components of the regional inclusive economy and vision for the new Combined Authority.
156. The Blueprint will drive policy and strategic collaboration across and within the region (in line with individual national ALB strategies). It will maximise place-based impacts by supporting greater funding alignment, joint investments and strategic cross-sector collaboration. This will enable agencies and local bodies to collectively prioritise and pilot collaborative place-based policymaking, protect standards of investment and establish innovative and collaborative regional data-sharing arrangements. It will co-commission joint research and/or demonstrator projects such as specific Cultural and Creative Zones and the proposed cultural data observatory to enhance the evidence base for the value of culture in place-making and Return on Investment.
157. The Blueprint would collectively recognise that arts, culture, creative industries, heritage, sport, and the visitor economy all play a strong role in supporting places and enabling communities to thrive - and that this effect is maximised when individual investment decisions consider the wider context of other plans and decisions being made for the area.
158. The Blueprint would be used to pilot approaches that can be rolled out nationally and inform future policy, particularly in relation to DCMS subsectors and inclusive economic growth. For example, the area is already piloting the Government funded Destination Development Partnership (DDP), where an approach is tested to support visitor economy growth on a regional basis. The aim is to showcase proof of concept in the run up to the next Spending Review to enable the potential roll out of the DDP model across other regions in England.
159. The focus of the Blueprint will be co-commissioning and investment alignment. However, all members would retain their autonomy for individual decision-making. The Blueprint would not prejudice ALB decisions around national grant funding processes or their national priorities. ALBs will also seek to use the Blueprint to deliver their national priorities. The scale of each ALB's involvement in the Blueprint will be dependent on the specific context and degree of alignment identified between individual priorities. DCMS will be involved in discussions as appropriate.

Culture and Creative Sector Catalyst

160. NEMCA will establish a dynamic investment vehicle to catalyse culture and creative sector growth, innovation and R&D, and new investment at scale. This will adapt the

Growth Company concept to focus on a key economic sector in a way that is underpinned by cross-sector leadership and clear industry engagement.

161. The Catalyst will harness the potential of the culture and creative sector by increasing job creation, skills, innovation, productivity and global competitiveness. Working in partnership with industry and the Government, alongside data and analysis, it will facilitate a collective voice to enhance export potential and inward investment opportunities, driving stronger collaboration with HEIs and industry.
162. The Government will work with the North East in establishing the region as a hub for digital, creative and music industries. This will build on considerable collaborative work to strengthen cultural and creative sector growth in the region – such as North East Screen, the North of Tyne Culture & Creative Innovation Fund, Sunderland's Culture House initiative, Durham's Place Labs approach and the role of publishing and music as key economic sectors in Newcastle, including the commitments from EMI and Warner to establish a North East base.
163. The Government agrees to discuss with NEMCA ways to help realise the potential of the Catalyst for enabling long term development and investment priorities for the local area. The Catalyst will engage with cultural sector organisations, civil society and private sector stakeholders. It will aim to function as a strategic enabler and draw inward investment into key cultural assets to ensure this further catalyses other key developments within the region.

Skills for Screen Exemplar

164. NEMCA and the BFI, supported by the Government, agree to collaborate on the development of key skills strategies for screen production across the North East, exploring how the North East could benefit from existing and future skills policies, programmes, and support. The Government and the BFI will also provide advice on the design of a NEMCA and industry-led pilot programme of investment and critical production-based training. The programme will incentivise large-scale film, TV, creative and live events productions through a 'payment by results' principle working to industry career practice, tripling regional production, developing and upskilling the regional skills base, and supporting supply chain growth. This will complement the wider regional Skills Strategy. It will also aim to accelerate the regional screen industries partnership, the BFI Skills Cluster programme across the North led by Screen Alliance North, studios in the region, and the National High-End TV Skills Fund. It will also create new work-based training opportunities for a greater diversity of young talent to progress locally from existing initiatives such as BFI Film Academy courses and National Saturday Club Film and Screen Clubs supported by the BFI through National Lottery funding.

Region of Sport

165. As part of this Deal, the Government will discuss a potential pilot with NEMCA on how the North East may establish itself as a 'UK Region of Sport'. This would seek to boost efforts to increase community participation, women and girls' participation, visitor numbers, investment and public health and wellbeing outcomes through sport.

Rural, Coastal, and Environmental

166. NEMCA covers a large variety of urban, rural and coastal communities. The region's rural areas and coast bring visitors to the area, enhance quality of life and biodiversity, and sustain a real sense of pride in the region.
167. NEMCA and the Government recognise the challenges that come with such a diverse landscape and the complex range of issues, such as poor connectivity and access to jobs and skills, that exists in rural and coastal areas, as well as the challenges and opportunities that come with managing such a diverse natural and historic environment.

Coastal and Rural Taskforce

168. Recognising the needs of, and opportunities in, rural and coastal communities, NEMCA and the Government are committed to joint, place-based, and inclusive working to create policy which improves the region's natural environment and levels up the North East's rural and coastal places.
169. As part of this, NEMCA will establish a North East Coastal and Rural Taskforce with representatives from local and national Government. This will drive forward policy to help address the unique challenges facing coastal and rural communities in the North East.
170. Subject to the agreement of a terms of reference, the following government departments and bodies will contribute to this Taskforce:
- The Department for Levelling Up, Housing and Communities
 - The Department for Environment, Food, and Rural Affairs, and arms length bodies including Natural England, the Environment Agency, Forestry Commission, and the Marine Management Organisation
 - The Department of Health and Social Care
 - The Department for Transport
 - The Department for Education
 - The Department for Culture Media and Sport, and arms length bodies including Historic England and Visit England
 - The Department for Energy Security and Net Zero
171. The Taskforce will develop a Coastal and Rural Economy Transformation Blueprint for the North East. This Blueprint will set out a series of agreed policy interventions to improve and restore the natural and historic environment, promote conservation and appreciation of the historic environment, promote local economic growth, including the visitor economy, support carbon sequestration, boost resilience to climate change and boost living standards in the region's rural and coastal communities.
172. Initially the Taskforce will examine a number of policy options and possible existing funding sources focused on the natural environment, including climate adaptation, mitigation, natural infrastructure, and landscape restoration. Some policy options to be considered include:
- Trialling new, sustainable heritage and nature-based solutions to sequester carbon and boost resilience in the face of climate change. This could include work to improve tree cover, water quality, erosion, wave impacts, wildlife and hidden underwater habitats (including seagrass meadows, kelp forests, oyster reefs). This would learn from and build on the Stronger Shores and Seascapes projects, and the Government's wider Flood and Coastal Resilience Innovation Programme.

- Schemes to promote sustainable drainage, flood alleviation, coastal protection, seascape restoration, and other interventions with multi-benefits. These include carbon reduction, biodiversity enhancement, heritage conservation, pollution control, and flood and coastal erosion reduction.
- Develop new models of project development and delivery for nature-based solutions, restoration, sustainable heritage, and land recovery. This could bring together regulators, landowners, offshore wind and housing developers, academics, marine users, local authorities, environmental organisations and water companies to accelerate strategic planning, project development, funding and delivery.
- Creating business mentorships for small coastal enterprises to share best practice and help facilitate the net-zero transition, climate adaptation measures, and the integration of digital technology.

173. In the future, the Taskforce will also consider a range of policies to support coastal and rural communities, including:

- Housing and regeneration – including exploring the creation of new coastal neighbourhoods and working with landlords to improve quality in the rented sector.
- Data – NEMCA will identify key gaps in small area data sets around coastal communities that impact the delivery of policy priorities in the North East, and DLUHC and the Office for National Statistics will jointly explore whether there are solutions.
- Health – including the possibility of piloting Mobile Health Units in partnership with the Integrated Care System, intervention to reduce major health risk factors concentrated in coastal communities such as smoking, alcohol and substance abuse, and action to address health and care workforce issues.
- Skills – including initiatives to improve incentives for teachers and teacher retention, and promoting apprenticeships in local employers.
- Infrastructure – including initiatives to improve the speed of gigabit broadband rollout and unlocking private funding.
- Transport – including work to improve the provision and frequency of the rural bus network.

Natural Environment, landscape restoration, climate mitigation, and adaptation

174. The Government welcomes the North East's ambitions to be a leader in adapting to climate risks and in making its area more climate resilient, including through the Rural and Coastal taskforce and rural and coastal blueprint, the Natural Capital Investment Plan (including LNRS), and food security. The Department for Environment, Food, and Rural Affairs (Defra) looks forward to further understanding the proposals by the North East for an adaptation programme as they develop. The Government recommends that NEMCA engage with the Local Authority Climate Service pilot, which is currently being established by the Government and the Met Office. This will enable NEMCA to access climate information for its area, and help it develop a climate report summarising key results for awareness raising.

175. Nature recovery is a priority for the Government and NEMCA, a uniquely rural Combined Authority with a wide range of valuable species and habitats across its rivers, coasts, lowlands and uplands. NEMCA will support the delivery of three Local Nature Recovery Strategies in the North East, working together with local authorities and Defra group expertise and data to ensure expertise and best practice is shared across the region.

176. The Government supports the North East region's ambition to attract further investment into nature's recovery and to help nature to adapt to climate change. Defra and

the Environment Agency are already supporting Northumberland, Cumberland and Westmorland & Furness and local partners to develop a natural capital investment plan as one of four pioneering local areas within the Local Investment in Natural Capital programme. NEMCA will build on the learning gained from this pilot programme and work towards a comprehensive plan for natural capital investment across the North East of England.

Food and Agriculture

177. The Government welcomes the ambition of the North East to create a regional food covenant or charter to help boost local production. This would build on the Defra Food Strategy which aims to deliver a prosperous agri-food sector.
178. Defra welcomes the North East's ambition to deliver an agri-food and drink event in the region in 2024/25 to showcase innovation, scale, and growth potential of industry in the region. Defra has delivered regional growth masterclasses for food and drink manufacturing SMEs including in the North East, which highlighted Government growth opportunities to regional food and drink businesses. Defra would welcome the opportunity to collaborate on an event, in 2024/25, which would be future events delivered by NEMCA.

Public Sector Innovation

179. The Government is keen to explore the potential of working at Combined Authority level to support public service innovation. Government is working closely with Liverpool City Region Combined Authority (LCRCA) on public sector innovation, including exploring the use of data and evidence through an emergent Office for Public Service Innovation to inform how local public services can continue to improve and how to target services more effectively. As part of this deal, NEMCA will work with the Government to agree arrangements for a new, NEMCA-led local partnership to identify and take forward opportunities to drive better outcomes for citizens through using innovation, technology and new models of delivery to drive improved public sector productivity. NEMCA and LCRCA will act as public sector innovation trailblazers, working together with local partners and the Government to embed robust evaluation methods to ensure continuous learning and to ensure innovative approaches can form a model for other areas to adapt and evolve.

THE END