

DEVELOPING A DEVOLUTION PROSPECTUS FOR THE NORTH EAST

The **North East Combined Authority** proposes to begin negotiations with government ministers, to secure a substantial devolution of power, funding and responsibilities, to meet the needs of our diverse communities, and deliver our strategic economic plan for more and better jobs. We welcome the early opportunity to discuss this with Greg Clark MP, in preparation for negotiations with the Chancellor of the Exchequer.

We will continue to strengthen our collaborative governance arrangements, building on our creation of one of the UK's first Combined Authorities, working alongside business leaders, universities and colleges and other partners. We will explore new opportunities to engage the citizens of the North East in decisions that affect their jobs and future prosperity. In doing so, we respect the principle of subsidiarity: that decisions should be taken as close as possible to the people most affected, with key responsibilities at the community and local level.

Our agreement with government should deliver the following:

- A **North East Investment Fund**, bringing together devolved capital funding for economic development, transport and regeneration; supporting a project pipeline developed according to high standards of investment appraisal and accountability. The Fund could be financed by a government guarantee to a minimum commitment of funding from the Local Growth Fund, with leverage from the private sector and local sources.
- Enhanced responsibilities for the delivery of around £500 million of **European Funding**, through arrangements devolved to the Combined Authority as a formal Intermediary Body for European funding.
- A government guarantee to deliver on the commitments made under the existing **City Deals**, including to the International Advanced Manufacturing Park and International Conference and Exhibition Centre.
- A **Housing Investment Fund** to deliver on the ambitious plans set out by each of the seven authorities, including funds and guaranteed loans devolved from the Homes and Communities Agency (HCA). Assets owned by the HCA in the North East should also be fully devolved.
- Investment plans for investment in our **major transport infrastructure**, for both passengers and freight. For rail, this requires investment in capacity for the Leeds-Newcastle east coast corridor, through reinstatement of the Leamside Line, and investment in the Durham Coast line, with service improvements to the Tyne Valley line, and the opening of the Ashington, Blyth and Tyne line to passenger services. On the roads, we propose investment on critical north-south and east-west links within and beyond the region; including improvements to the A1 to motorway standard, to the A19, and to the A69 and A690.
- The creation of **Transport North East**, as an integrated public transport system for the North East; delivering our Quality Contract Scheme for buses, overseeing improvements to northern rail services, securing devolved funding for improvements and extensions to the Metro.

- **International Connectivity** secured through investment in connections to Newcastle International Airport, including measures to protect against unfair competition from reduced air taxation in Scotland; marketing in North America to exploit the opportunity of our new service to New York; and investment in the Newcastle International Airport Business Park. We propose an expansion of the role of our successful ports, and to re-invest profits locally in the growth of the ports and marine engineering sector.
- A fully devolved **Work Programme** (or its successor), allowing joined-up employability support to be delivered more effectively, particularly to clients with the highest needs. We will provide greater support to address physical and mental health barriers to work, building on the success of the “troubled families” programme in the region, and over time developing joint accountability for the work of Jobcentre Plus.
- **Devolution of skills funding**, through joint accountability for the Skills Funding Agency shared between national government and the North East; to deliver enhanced apprenticeships and to meet skill gaps in our growing sectors.
- **New powers to help North East business to grow**; with devolved business support budgets, delivered through a coordinated North East Business Growth Hub; joint accountability for UKTI activity in the region; devolved funding from re-investment of the region’s Access To Finance programme; and new powers and funding to support our **vibrant culture and visitor economy**.
- Development over time of an **integrated approach to public service delivery**, supported by the integrated management of all public assets in the region, and a framework to support health and social care integration at local level.

We believe these proposals amount to a coherent and compelling prospectus, and look forward to entering into negotiations with government in a spirit of collaboration and partnership.