



Creating Real Opportunity

The Interim North East Local Growth Plan

March 2025



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Foreword

North East Mayor Kim McGuinness

My vision for the North East is for it to be known as the home of real opportunity, a region where everyone thrives.

This 10-year plan sets out how we will grow our economy, support our businesses and improve living standards for people across our great region.

As the first North East mayor I will unlock world-class opportunities and build inclusivity into every element of our economy, ensuring that – even as our trailblazer region contributes ever more to the UK’s economic success – we do so in a manner that improves lives for all.

Within 10 years we will have made substantive progress against our five key missions:



Home to a growing and vibrant economy for all

Thousands more good jobs will have been created, contributing to higher levels of employment and rising take-home pay.



Home of the green energy revolution

The North East will be at the forefront of the low-carbon economy, with the region a national leader on the path to net zero.



A welcoming home to global trade

We will continue to welcome international companies to the North East, exceeding national average levels of foreign direct investment, while also seeing the proportion of international visitors increase.



Home of real opportunity

Every child will have access to opportunity, while we will also have seen an improvement in skills, digital inclusion and health outcomes, alongside a substantial reduction in child poverty.



A North East we are proud to call home

More affordable and social homes will have been built, alongside a green, integrated, transport network which connects everyone.



The North East has huge potential, and I am determined to be the mayor who delivers for all our brilliant people and businesses.

This Interim Plan has been developed with the Combined Authority’s Cabinet and with the support and input of partners from across the region. It is intended for wider consultation and input, and to identify our key investment and delivery priorities, with a final version published in the summer after the Government’s Spending Review.

I’ll ensure we build on our strong track-record of attracting investment and public-private partnerships to bring further jobs into our Great North East, putting this region back on the world stage.

Introduction

North East England is a land of energy and creativity – the home of a £54 billion economy well-placed to power UK growth and energy security through world-class businesses such as Nissan, Sage Group, P&G, Low Carbon Materials and SMD. Working with partners, we have an ambitious Plan to make the most of our sectoral strengths and our strategic location at the heart of the country and facing out to the North Sea.

Opportunities for all will be at the centre of our approach. We'll create an economy that works for the whole region and delivers sustainable growth. For too long, this has not been the case, resulting in rates of low-pay and child poverty among the highest in the country.

Our approach is rooted in a deep understanding of what makes the North East unique. Our inspiring and diverse geography spanning rural, coastal and urban centres. A track record of manufacturing excellence and reinvention, including our offshore energy cluster. A growing service sector economy, led by innovators such as Atom Bank. Three World Heritage Sites, a National Park, and a cultural offer including Beamish and the Glasshouse. Combined with the passion, pride and welcome of our increasingly diverse communities.

We have identified those sectors where the North East has unique economic assets and opportunities. These areas will be integral to the UK's future international competitiveness and we are working with Government, including the Office for Investment, to unlock their potential. In addition, the region has a critical role to play in developing UK energy and national security.

This includes opportunities in:



Offshore wind and energy transition



Advanced manufacturing including electric vehicles



Creative industries and content



Life sciences, pharmaceuticals and process industries



Tech, digital and AI



Defence, security and space



We also recognise that the prosperity and success of the region depend on a much wider set of interventions, including – investment in skills, improving access to employment, tackling child poverty, reducing the digital divide, improving housing and creating a better transport system. We will take forward our Local Growth Plan ambitions through: innovation, creativity and partnership working; focussed delivery capacity; and by setting out more detailed delivery plans in key areas.

The Plan has been developed by the Combined and Local Authorities with the support of partners from across the business, education, voluntary and community sectors. All are critical to the region's success.

Our region

The North East powered the industrial revolution, through its natural resources, engineering excellence and strategic transport links. Today this legacy – of mining, shipbuilding and railways - has paved the way into new opportunities in advanced manufacturing and renewable energy generation, and in growth opportunities spanning from the life sciences to the digital and creative industries. Nissan produces about 1 in every 3 cars built in the UK, while Sage Group is the country's largest software company.

But our residents and businesses are held back by an economy punching below its weight in terms of skills, productivity and GVA.¹

By unlocking the potential of our people through increased skills, better and more employment, and improved health outcomes, we can increase productivity and help drive the UK's Growth Mission.

This will mean delivering sustained, long-term, public and private investment to support growth that delivers for our residents, communities, industry and the national economy. Our Investment Zone is already landing major inward investors, and we can do more to help deliver the Government's Industrial Strategy.

We are committed to driving economic growth that delivers for all our residents, including supporting our public services and strengthening our foundational economy.

Our Local Growth Plan will create opportunities and communities that our residents will both contribute to and benefit from. We are taking an integrated approach that recognises the inter-relationship between: eradicating childhood poverty; improving household incomes and healthy life expectancy; and increasing productivity and output.

Building on our assets and opportunities whilst responding to our challenges



A diverse geography with three cities, many vibrant towns, and extensive rural and coastline communities.

2,000,000 inhabitants.

55,000 businesses providing 820,000 jobs.

4 universities, 9 FE colleges and other exemplar skills provision.

A £54bn economy at the heart of the UK union.

Low unemployment by historic standards but rising levels of health-related inactivity.



3 deep-water ports, riverside assets, and an international airport providing onward connectivity via Paris, Amsterdam and Dubai.

New CA, with strong political leadership and already delivering and innovating.

Outperforming the national average for attracting inward investment.

Second largest MCA by area.

An economy punching below its weight – with skills, productivity and GVA behind national averages. Closing the gap will benefit regional residents and economy, as well as UK plc.

Metro – the UK's original modern light rail system – operates over 77km of track, connecting Newcastle, Gateshead, North Tyneside, South Tyneside, and Sunderland. Complemented by the successful introduction of the **Northumberland Line**.

Excellent connectivity to rest of UK via East Coast mainline and strategic road network including A1, A19 and A69.

Vibrant VCSE sector, with around 30,000 employees and unparalleled expertise of communities.

Distinctive cultural and visitor economy offer: over 500km of coastline, two UNESCO World Heritage Sites, Northumberland National Park, historic castles and cathedrals, leading football teams, an international cricket ground, and diverse and distinctive cultural venues.

¹ Detailed evidence base available at: <https://evidencehub.northeast-ca.gov.uk/>

Positioning the North East to respond to major global trends

Over the 10-year duration of our Local Growth Plan, we expect to see major changes at the national and global level.

Here we have identified some of the major trends that will impact our region, and how the Growth Plan positions the North East to respond and thrive.

Technological

- Automation and digitisation
- Artificial Intelligence (AI)
- Biotech advances for healthcare and agri-tech
- Addressing the “digital divide”

Advances in technology are changing the way we work. New tools can help to increase productivity and efficiency, boosting pay and living standards, if we have the right training and skills in place and a supportive environment for businesses to invest and upskill their workforce. Our region can play a key role in the development of future tech, building on our existing strengths in advanced manufacturing, life sciences and renewable energy. This Plan will help to put the infrastructure in place across the region to ensure that the opportunities unlocked by technology are accessible to all of our residents.

Economic

- Supply chain resilience
- Post-Covid trends in working and travel
- Global trade and competition for investment
- Energy and National Security

Global supply chains are being reshaped by rising trade protectionism, and businesses are seeking opportunities to increase supply chain resilience and new trading arrangements following the UK’s exit from the EU. Climate change presents a threat to future economic stability and the rise in remote and flexible working will continue to impact the way we live, work and travel. North East industry currently plays an important role in supply chains critical for national security, and our Plan will help to strengthen our position and capture new investment. Our plans will also help to deliver new housing developments, supported by better public transport and the regeneration of high streets and town centres, creating new jobs in high-growth sectors.

Social

- Poverty and inequality
- Rising cost of living and childcare
- Health and wellbeing
- Impacts of child poverty

Creating opportunities for all means addressing levels of poverty, inequality and digital exclusion. These issues also pose a significant risk to realising the region’s growth potential. Our plan seeks to build inclusivity into every element of our economy in a manner that improves lives for all. We are also committed to a programme of public service reform to improve outcomes for families and communities. The combined impact of our interventions will help lift children out of poverty, increase opportunity and reduce costs for residents re-entering the workforce.

Environmental

- Climate change – adaptation and mitigation
- Carbon and nature markets
- Clean energy generation and supply
- Agriculture and land use

The global effects of climate change and the transition to Net Zero will be one of the defining challenges of the next two decades. Our region has shown a commitment to innovation and resilience, taking a lead on the production of offshore renewables, electric vehicles and batteries. In addition to accelerating these trends, future opportunities lie in the electrification of the wider economy, the delivery of a £1bn+ North East heat network pipeline, and in using our strengths in research to develop new solutions, such as agritech. Our Plan identifies a pipeline of projects to accelerate decarbonisation, launching a North East Carbon and Nature marketplace, alongside our investment into coastal and rural communities.

Delivering on our missions

Our Local Growth Plan has been developed so that we make substantive progress against our missions over the next 10 years. These set clear, long-term, goals that contribute to a bold vision of change. The overall outcome of these five missions is to increase opportunity, create

more well-paid employment, improve transport connections, build a greener North East, and reduce child poverty.

We will work with the Combined Authority's Cabinet and Business & Economy Board to

accelerate delivery; innovating and working creatively with Government, businesses, investors and the VCSE sector to unlock growth and opportunity across the region, making the most of our once-in-a-generation investments.

Home to a growing and vibrant economy for all

We will support businesses to create jobs across the North East. We will ensure people have the skills to access work and provide the right conditions for economic growth. We will ensure support and investment across a wide range of economic drivers: from advanced manufacturing to digital and the cultural sector, from skills training to good transport.

Home of the green energy revolution

We will grasp the opportunity that net zero presents to the North East. Not only will we transition to a green economy, creating thousands of jobs and reducing carbon emissions, we'll build the new technologies and solutions needed for the UK to decarbonise too.

A welcoming home to global trade

The North East is an exporting powerhouse and the region will build on that global reputation to maximise international opportunity. We will secure more global investment, create the environment for sustained business growth and increase our export output, including a focus on our cultural exports.

Home of real opportunity

We will work to create opportunity for all, ensuring inclusive growth and good public services are spread across the North East. Our region is a great place to live and work, but too many people face challenges to success. We will implement policies which help to overcome those challenges - including skills training, digital inclusion programmes and child support.

A North East we are proud to call home

Where we live matters. The people of the North East are rightly proud of their local identity and want services and policies that support them to live here. The North East Combined Authority delivers the strategies and programmes that help make this happen. From better transport to more social housing, from a thriving creative economy to sustainable rural communities, this Mayoral Combined Authority will deliver in a way that aligns to the priorities of local people.



At a glance – our plan

Our approach is based on unlocking the potential of the North East’s unique economic assets and opportunities, whilst simultaneously ensuring that we are creating opportunities for all. The table below identifies our key programmes and their contribution to our missions.

Creating strong foundations and transforming communities

Maximising our unique economic opportunities

 <p>Home to a growing and vibrant economy for all</p>	<ul style="list-style-type: none"> ▪ Innovation and business dynamism ▪ Digital North East 	<ul style="list-style-type: none"> ▪ Creative industries and content ▪ Tech, digital and AI ▪ Knowledge intensive professional services ▪ Life sciences, pharmaceuticals and process industries
 <p>Home of the green energy revolution</p>	<ul style="list-style-type: none"> ▪ Net Zero 	<ul style="list-style-type: none"> ▪ Offshore wind and energy transition
 <p>A welcoming home to global trade</p>	<ul style="list-style-type: none"> ▪ Investment and trade ▪ Infrastructure and key sites 	<ul style="list-style-type: none"> ▪ Advanced manufacturing including electric vehicles ▪ Defence, security and space
 <p>Home of real opportunity</p>	<ul style="list-style-type: none"> ▪ Skills & qualifications ▪ Economic activity, health and wellbeing ▪ Tackling child poverty 	<ul style="list-style-type: none"> ▪ Foundational economy including hospitality, health and social care
 <p>A North East we are proud to call home</p>	<ul style="list-style-type: none"> ▪ Better housing ▪ Green Transport which works for all 	<ul style="list-style-type: none"> ▪ Visitor economy ▪ Rural and coastal businesses

We have current investment opportunities of more than £14bn, including in:

Offshore wind and energy transition

Current state

About 550 renewable energy companies have North East sites, with an estimated 17,000 staff.

Comparative advantage

9% of the UK's offshore wind businesses are located in the North East.

Recent / projected growth

Aim to grow the regional offshore wind workforce to 24,000 by 2035.

Advanced manufacturing including electric vehicles

Current state

3,900 businesses in advanced manufacturing employing 67,000 people.

Comparative advantage

44% of England's employment in battery and accumulator manufacturing.

Recent / projected growth

Employment in battery and accumulator technology has more than doubled since 2015.

Creative industries and content

Current state

61,000 jobs in the wider region's creative industries.

Comparative advantage

Outside of South East England, 6.3% of jobs in screen sectors and 6.6% of music/visual arts.

Recent / projected growth

67% jobs growth in the wider region's creative industries in past decade.

Defence, security and space

Current state

£14bn turnover and 48,000 jobs across defence and the fast-growing space cluster.

Comparative advantage

One of the largest and longest-established defence clusters, with links to space and digital.

Recent / projected growth

UK defence sector expected to grow by 50% over next five years.

Life sciences, pharmaceuticals and process industries

Current state

7,500 employed in life sciences in the North East CA area.

Comparative advantage

Over 10% of England's employment in pharma manufacturing - about 3,800.

Recent / projected growth

Value of pharma exports 2.4 times higher than a decade ago.

Supporting growth across our region, including our rural and coastal economy

Current state

Rural and coastal areas account for almost a third of regional GVA across a broad range of sectors.

Comparative advantage

3,000mi² producing distinctive and world-class food and drink; opportunities in carbon markets.

Recent / projected growth

Opportunity to be a rural innovation trailblazer.

Tech, digital and AI

Current state

About 45,000 jobs in the wider region's digital sector, with 8,400 employees in broad AI sectors.

Comparative advantage

8.4% of UK employment in computer manufacturing outside the South East.

Recent / projected growth

37% digital jobs growth in past decade; advanced digital skills are critical to all sectors.



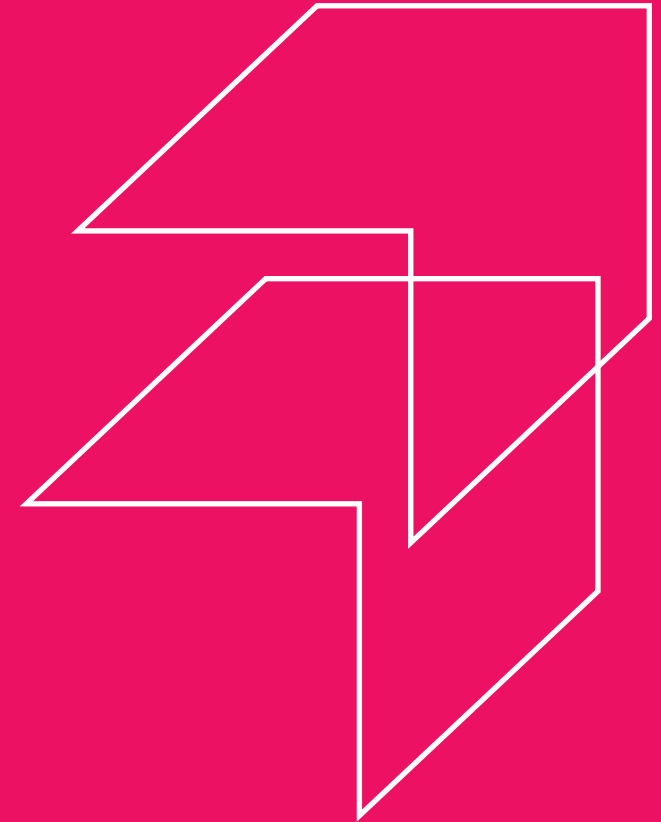
£14bn
Investment
Opportunities

Mission 1

Home to a growing and vibrant economy for all

We will help businesses create jobs and opportunities in every community across the North East. We will ensure people have the skills to access work and provide the right conditions for economic growth. We will secure support and investment in a wide range of economic drivers: from advanced manufacturing to the cultural sector, from skills training to good transport.

This focus will see the Mayoral Combined Authority work with our businesses, universities, and the research and innovation catapults to unlock higher levels of R&D and innovation funding, and to ensure the region transitions to a digitally enabled economy that supports people in employment. We will ensure economic growth reaches all parts of the North East, with targeted support for rural and coastal areas.



Supporting business growth

The North East is home to a dynamic and diverse business community, with around 55,000 firms spanning industries as diverse as manufacturing to software engineering. The region benefits from a large base of SMEs, working alongside nationally-leading large businesses – including Caterpillar in Peterlee, Sage Group and the country's favourite baker, Greggs.

With 4 universities and 9 national Catapults and innovation centres, we can offer world-leading research expertise and a pipeline of STEM talent to support new investment in R&D.

Success over the next 10 years means ensuring that all the factors for business success and investment are in place – from skills to sites, and innovation to finance.

Increasing investment, innovation and business dynamism

The North East has low rates of private sector R&D and innovation reflecting weaker adoption and diffusion of technologies in the region. A reboot is needed to raise levels from a low base, and to increase business start-ups and scale-ups across the board.

Business investment and innovation are fundamental determinants of economic growth, helping firms remain competitive through the development of new facilities, products and processes. To be successful, the North East – like the UK as a whole – needs to increase levels of investment and export-led growth.

- We will accelerate the rate of innovation and R&D activity through an Inclusive Innovation Deal and Action Plan. This will include working with Innovate UK, UKRI, our regional universities and Catapults to drive business R&D and investment.

- The introduction of Universities for North East England provides new opportunities to harness the collective strengths of the universities; including to increase spinouts and improve commercialisation, whilst supporting wider adoption and diffusion of innovation and research.
- We will build on current delivery to support entrepreneurs and SMEs to scale up, and larger businesses to participate in R&D to grow.
- We will provide businesses with a clear framework of business support, including digital adoption, product and process innovation.
- We will promote opportunities to improve access to finance for businesses across our region, particularly for those groups underserved at present.
- We will work with the Government to develop regional investment mechanisms, including via the National Wealth Fund.
- And we will ensure that we have an attractive pipeline of locations for businesses to grow, including in our leading innovation districts, including Newcastle Helix and NETPark.



North East Investment Fund

The Combined Authority is investing £70m to create a new North East Investment Fund. This will help to provide regional businesses with the finance they need to start and to grow – unlocking growth, building confidence in our SME base, turbo-charging university spin-outs and ensuring that the region is a great place to scale a business. The Combined Authority's investment will be re-cycled multiple times and it is anticipated that £390m will be invested in regional SMEs over 15 years, including private sector co-investment of £170m. As a result, the funds will support a minimum of 470 regional businesses with over £300m of investment needed to innovate and grow and will support the creation of 2,300 jobs.

This needs to be about boosting productivity and growth in our business base, as well as increasing the stickiness of inward investment.



Success also means ensuring that we are able to unlock the potential of all our unique economic opportunities.



Creative industries and content

A growing strength with Crown Works Studios representing a step change for growth and potential

Building from a strong base

- There are **61,000** people employed in the wider region's Creative Industries, 5% of the region's total jobs.
- Over the past ten years, jobs in the sector grew by 68%, the largest increase in the UK.
- Between 2021 to 2022, GVA by the creative industries grew in all regions, with the largest growth seen in the North East (23.8%)
- Strong partnerships with **BBC** and **North East Screen**.
- Established expertise in creative-digital sector including video games development, E-Sports and immersive technologies.
- Cultural hubs and shared work-spaces across the region, supporting entrepreneurship and wider engagement, including the forthcoming Culture House in Sunderland.
- Areas of **growth** have included screen industries, software development, music and other creative content generation.
- Capitalising on our strong and varied cultural base, helping to grow and showcase talent, and drive collaboration and a space for R&D.

Priorities

- Crown Works Studios is a **£450m development** which will be one of the largest studios in Europe with 20+ sound stages.
- **Centre for Writing**: major investment which will attract publishing and other businesses, and develop local talent.
- Establish the North East as a **centre for music**, supporting new musicians, the music industry and the visitor economy.
- Ensure a **pipeline of diverse talent** with pathways from education to employment, alongside CPD and retraining. Whilst creativity skills are also essential to other sectors.
- Delivering **sector-specific support and access to finance** helping our creative businesses and practitioners to sustainably grow.
- Develop a '**Creative Catalyst**' to unlock private investment, whilst working with DCMS to maximise the impact of their investments.
- Ensure that our region is seen as a 'home of opportunity' by growing regional approaches to widening engagement and participation.
- Develop our creative industries through support for creative place-making, including at Gateshead Quays and the Baltic Business Quarter

Scale of opportunity

- Creative industries could provide an annual UK GVA boost of around **£10 billion** by 2030.
- Crown Works Studios has the potential to create over **8,000 jobs** and generate £2bn in GVA.





Tech, digital and AI

Evolving cluster formation at the intersection of strengths in critical future technologies.

Building from a strong base

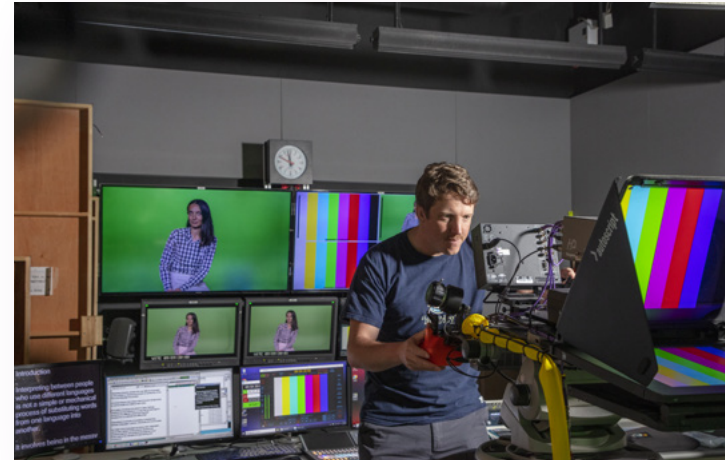
- The digital sector contributes around £2.4 billion to the regional economy and employs 45,000 people in the wider region. With leading businesses including Sage Group, Opencast, Scott Logic and Aspire.
- **Established and emerging specialisms** in games development including E-Sports, software development, data analytics, immersive technologies, 5G innovation, e-commerce, cybersecurity and consultancy.
- **Research expertise** within the universities, National Innovation Centre for Data, Northumbria Centre for Responsible AI, Hartree Centre North East Hub, Catapult centres, and Proto in Gateshead.
- **Major UK Interconnection Hub** at Stellium Data Centre connecting the USA, the Nordics and Mainland Europe. It is home to the newest internet exchange point and offers some of the lowest latency in the UK to the world's major hubs.

Priorities

- Support development of **skills and innovation expertise**, critical to maintaining the high growth rate of the sector. This includes ensuring that there are both the higher-level and technical specialist skills required in a relatively new part of our economy, while also diversifying the potential talent pool.
- The **Hyperscale Data Centre Campus** in Northumberland - £10bn project covering a 300-acre site with infrastructure supporting AI and machine learning workloads.
- Supporting rapid growth of **AI-driven economy**, including introduction of an **AI Growth Zone**.
- Exploring further **large supercomputer projects**.
- Build on 5G Innovation Region status and expertise, including expertise in autonomous transport.

Scale of opportunity

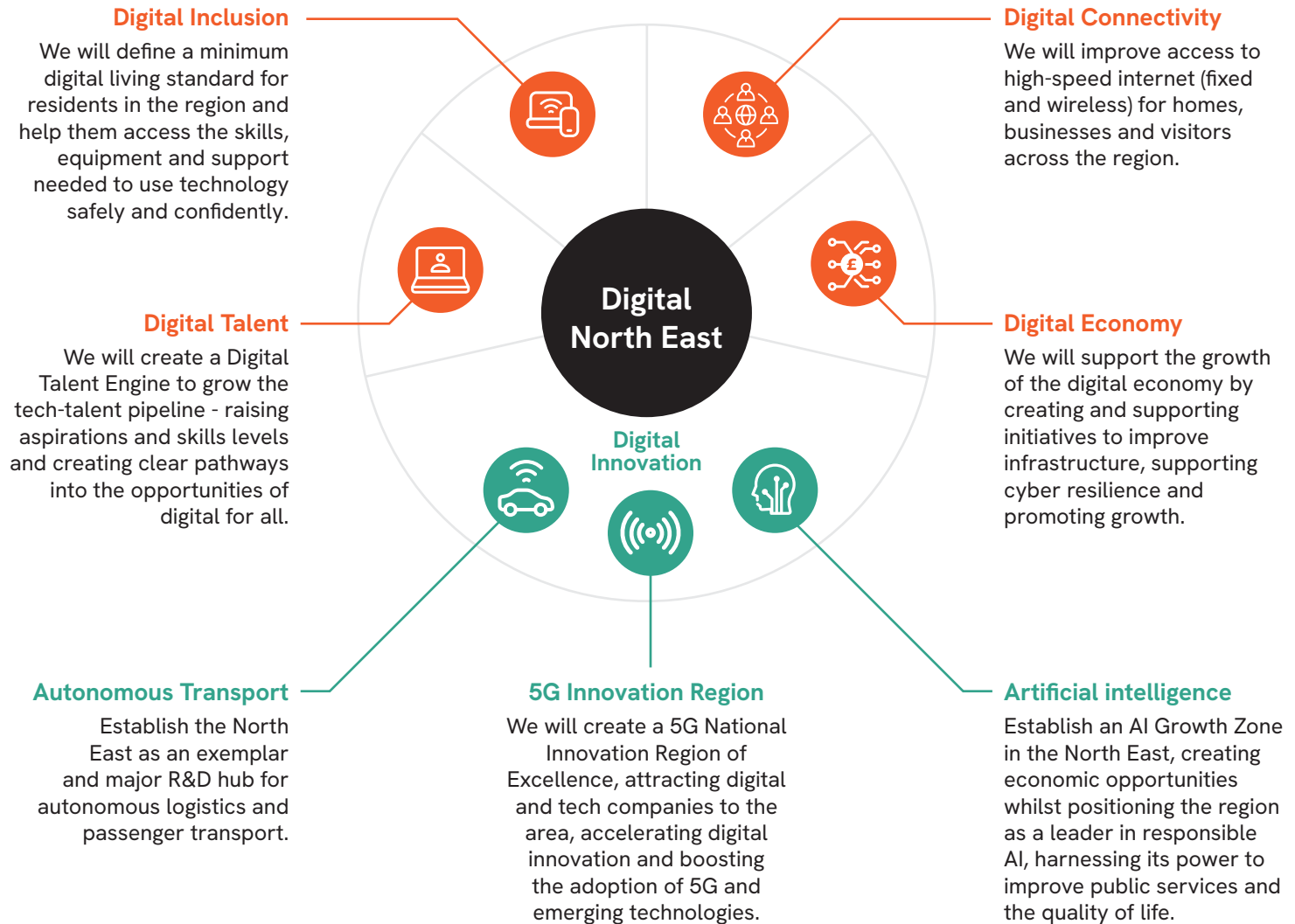
- Opportunity for over £10bn of investment in AI infrastructure, with associated investment in skills, innovation and SME growth.



Delivering our digital ambitions

Growth of the digital economy is an important part of the North East's Digital Programme, which has been designed to make sure that:

- All residents benefit from the digital revolution, with investment in digital inclusion and connectivity.
- Economic growth is both accompanied, and underpinned, by investment in skills.
- The region utilises its innovation expertise to drive growth and opportunity. Including by leading the UK's transition to autonomous vehicles; by investing in the use of 5G and Smart City technologies; and by using AI to drive productivity and social outcomes.





Supporting growth of our knowledge intensive professional services

A growing part of our economy with businesses based across the region

Knowledge intensive professional services

Employment in the North East's knowledge intensive professional services (KIPS) has increased by 19% in the last five years. That is more than twice the rate of growth for England outside of London.

This sector includes: legal, financial, real-estate, ICT and professional/scientific services. With strong links to Government departments and agencies, including HMRC, DWP and BSA.

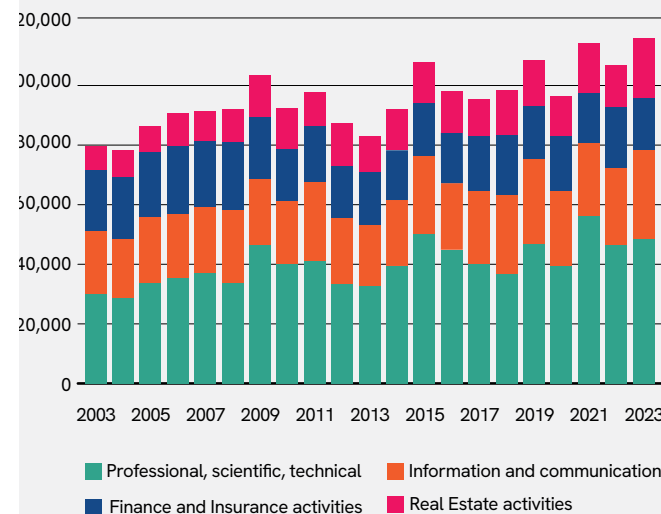
There are **114,000 jobs** in companies engaged in professional, scientific and technical activities, ICT, finance and property. This accounts for just over 13% of all employment – similar to the average across the North and Midlands.

The Universities are critical to meeting the **increasing skill needs** of this sector, with the business schools also providing the management and leadership training proven to support growth.

Going forward, we expect to see further jobs growth from these sectors, whilst recognising that paradigm shifts e.g. automation/AI will create changes to the nature of employment and risks/opportunities.

Priorities include:

- Ensuring that there is a **strong and diverse talent pipeline**.
- Retaining more of the **graduates** from the region.
- Promoting opportunities for service-sector led **export growth**.
- Responding to changes in the sector arising from new technologies, including **AI**.
- Supporting growth of service-sector **exports**, including through deeper international linkages.



North East employment in KIPS businesses





Life sciences, pharmaceuticals and process industries

A growing cluster with large established businesses, high potential spin-outs and a leading research base.

Building from a strong base

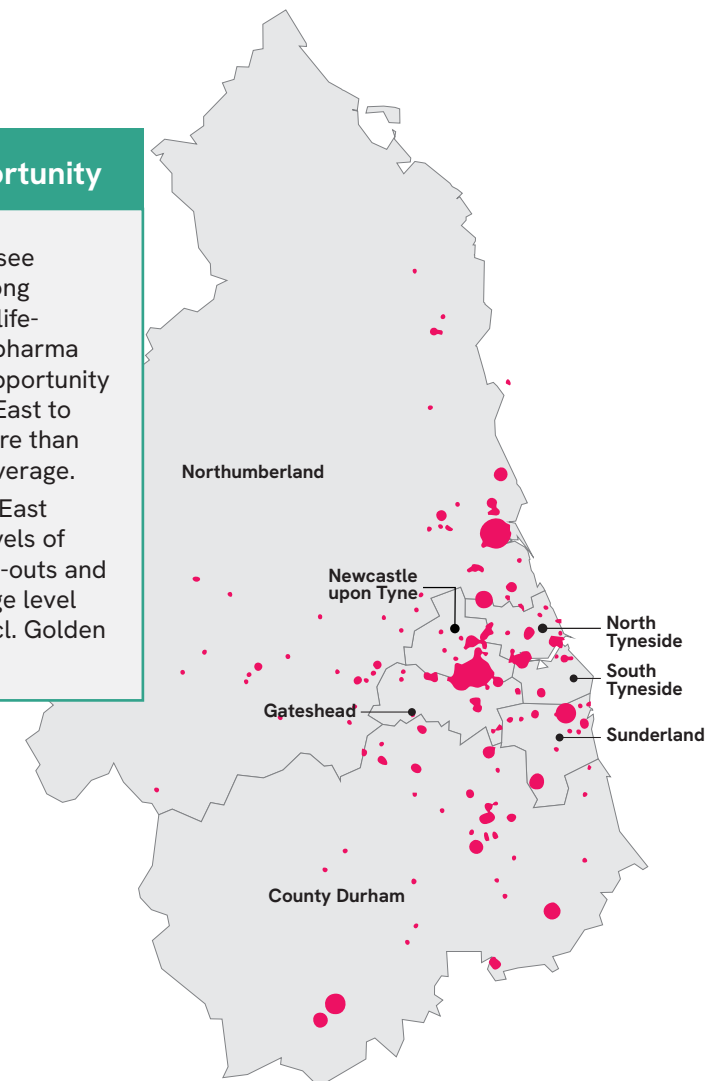
- One of the UK's largest **pharmaceutical clusters**, along with strengths in MedTech and process industries.
- **Major companies** include GSK, Organon, Sterling Pharma, Accord, Thomas Swan and P&G. These are not only major employers but also significant exporters.
- The value of North East pharma **exports** has more than doubled over the past decade.
- **25 active spin-outs** in the region with a continuous, strong pipeline from our universities.
- **Research and innovation capabilities** across universities, research centres and CPI and strengthening networks between anchors.
- Strong synergies with clinical excellence (including in rare diseases and oncology) and nationally-leading healthcare trusts.
- Businesses in the sector generate around £2bn in turnover and employ 7,500 people in high value jobs.

Priorities

- Build on **substantial growth** over the past half-decade, adding further to the region's economy and to create further high-value jobs through continuing investment in existing companies and in new companies through relocation to the region.
- Support development of further export-led growth, including through reinvestment in existing facilities, alongside logistics and new routes from Newcastle International Airport to open up new markets.
- Support a £30m **NHS Medicines Manufacturing Centre** in Seaton Delaval to manufacture aseptic medicines for the NHS.
- **Biosphere 2** to deliver more incubation space and support for spin-outs and start-ups to move into production.
- Support the development of the **Health Innovation Neighbourhood**, creating a thriving all-age development focused on improving lives across the life course, and the **Centre for Health and Social Equity**.
- Build a more diverse talent pool and support **skills development**.

Scale of opportunity

- We expect to see continued strong growth of the life-sciences and pharma sector, with opportunity for the North East to expand by more than the national average.
- For the North East to increase levels of start-ups, spin-outs and IPOs to average level across UK (excl. Golden Triangle).



Source: Metro Dynamics analysis of Data City – trading location of businesses with Life Sciences (minus Human Health Services), Pharma, Biopharma, MedTech or Omics RTIC

Mission 2

Home of the green energy revolution

We will grasp the opportunity that net zero presents to the North East. Not only will we transition to a green economy, creating thousands of jobs and reducing carbon emissions, we'll build and adopt the new technologies and solutions needed for the UK to decarbonise too.

We'll ensure we're the natural choice for new industries that need access to clean energy, development land, natural resources, and a skilled workforce. The Mayoral Combined Authority will encourage innovation, support green businesses to grow, and ensure residents have the skills to take advantage of the immense jobs potential that the transition brings.

We will take a central role in driving regional net zero activity through convening others, and by developing the regional strategy and policy framework that sets our course. We'll provide a compelling net zero vision that provides many more jobs and opportunities for all our communities, creating better places for people to live, work and play, and which protects and restores our unique North East nature and landscapes.

It is important the transition to a more climate-friendly North East is a just one, which takes the people of the region with it. We will ensure there is a route for people to benefit from these economic and social changes.



Delivering Net Zero

Creating jobs, reducing emissions, supporting a just transition and improving the environment.

Growing the low-carbon economy

Offshore wind and electric vehicles

The game-changing economic opportunity for the region, delivering innovation-led growth.

Decarbonising industry

From pharma to fabrication reducing carbon emissions and energy costs will be critical to long-term sustainability.

Foundational economy

We'll support our SMEs to decarbonise whilst supporting new economic opportunities in green construction and skills including innovative solar and low carbon building materials.

Tech and Digital

Providing the clean energy and water needed to support data centres, and working to capture heat from them for local communities.

Green maritime

Our North East Ports will lead the way in using the latest technologies including electrification, hydrogen and e-fuels to decarbonise our ports and shipping routes.

Jobs and Skills

Our plan means delivering a just transition, where we create more Good Jobs, as part of a move away from fossil fuels and towards clean energy. Supported through a massive investment in skills.

Supporting the transition to net zero

Housing

We aim to build the greenest, most sustainable housing in England and will build a new retrofit industry to make our existing housing stock warmer and cheaper to heat. Heat networks offer a £1bn+ growth opportunity and the North East leads the way in minewater and geothermal heat, including in Gateshead.

Transport

Public transport will be the cheap, clean and convenient option. We're bringing new electric buses into service in addition to supporting active travel. We'll support EV charging, including in hard-to-reach and rural communities.

Energy

We're setting up a North East Strategic Energy Board to ensure we meet future energy needs and maximise opportunities associated with being a clean energy-abundant region.

Adaptation to climate change

- The region will need to adapt to combat the impact of climate change, including more extreme weather.
- But climate modelling suggests the North East is likely to be less affected than most parts of the UK. Together with abundant water assets, this creates a competitive advantage.

Net Zero North East England

- Regional partnership to accelerate the transition to net zero.
- Leadership from public, private and VCSE sectors.
- Ambition is to create a cleaner, greener, and fairer North East.
- Promotes collaboration and collective action to accelerate the decarbonisation of the region.

North East Carbon and Nature Marketplace

- We're supporting a huge economic opportunity to develop a North East Carbon and Nature Marketplace in our vast, rural spaces.
- We're developing new business models through nature-based and engineered carbon capture solutions.



Offshore wind and energy transition

The UK's most advanced offshore wind industrial cluster

Building from a strong base

- **Major manufacturers** producing cables, foundations and substructures.
- Energy technology cluster includes Smulders, JDR Cables, Siemens Energy, SMD, Technip FMC, Baker Hughes, Equinor, RWE and EDF.
- Leading in **offshore energy innovation** including robotics, wind farm design optimisation and ecological protection.
- Over 25 years of offshore wind knowledge and capabilities at Blyth.
- **Key infrastructure:** three deep water ports, key sites including Investment Zone at Blyth Energy Central and the River Tyne Corridor.
- Strategically located for sites across the North Sea, including within a future North Sea leasing round and at Dogger Bank.
- Energi Coast provides strong, well established **sector leadership**.
- **Globally-leading design, testing and technology validation expertise** including at the Offshore Renewable Energy Catapult in Blyth, the North East universities, and other leading companies.

Priorities

- Develop **flagship regional sites** with investment in port and quayside infrastructure and connectivity to provide world-class facilities - to attract major new Tier 1 companies, including an **OEM producing the next generation of turbine components**.
- Support inward investment and re-investment at existing businesses to catalyse clean growth.
- Work with businesses, skills providers and the new Energy Academy and Energy Central Campus to strengthen and diversify the **skills pipeline** to meet regional demand.
- Increase innovation and R&D opportunities in the private sector and OREC.
- Work with The Crown Estates to secure a North Sea offshore wind leasing round by 2030 and to maximise regional supply chain opportunities and wider onshore benefits.
- **Remove the cables over the Tyne**, and secure investment opportunities from the North East having the lowest carbon-intensive energy.
- Working in strategic partnership with the **ports in the North East** to unlock growth opportunities.
- Facilitate development of geothermal energy, hydrogen and heat network projects, in conjunction with world-leading research expertise at our universities and through international collaboration.
- Progress the Institute for Low Carbon Hydrogen in partnership with UK Government and the Kingdom of Saudi Arabia.



Scale of opportunity

- The UK's most advanced offshore wind industrial cluster, close to North Sea sites with the potential to account for one fifth of the UK's offshore wind economy
- **£3bn private investment** in renewable energy in the North East, with the regional workforce growing to 24,000 by 2035.

Mission 3

A welcoming home to global trade

The North East has strong international links and we will build on our global reputation to maximise new opportunities. We will secure more inward investment and reinvestment, helping increase our share of global trade, including by maintaining a focus on our manufacturing and pharmaceutical strengths, together with newer opportunities across energy, defence, space, education, digital, finance and the cultural sectors.

We will position the region to attract financial and business investment, whilst refreshing our international inward investment and visitor capabilities. This will be seen in our investment in infrastructure, and the development of key sites to unlock private sector investment.



Attracting investment and supporting trade

The North East has a strong track record of attracting inward investment and translating this into new jobs – consistently outperforming the national average. Recent examples include JDR Cables in the Offshore Energy Sector and the creation of 183 jobs by JATCO UK in their new facility producing electric vehicle transmission systems.

We will build on this to support the Government’s Growth Mission by attracting businesses to our key sites across the whole region – including in our city centres, new sites and existing successes – like the UK’s first Industrial Estate at Team Valley and the UK’s largest business park at Cobalt. Success is dependent on the wider set of assets and opportunities identified in this plan – from the role played by our universities to transport links and the quality of our housing offer.

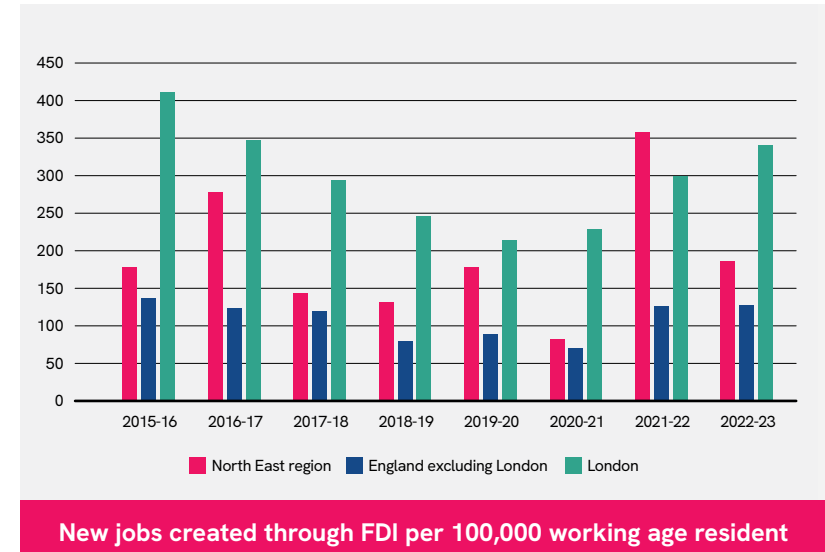
Our flagship North East Investment Zone is a £160m programme over 10 years to create at least 4,000 jobs and attract at least £3bn of private sector investment. Designed to benefit the whole region, and launched with confirmation of up to £1.12bn of investment from Nissan, the Zone is focused on Advanced Manufacturing and Green Industries, building on the Arc of Innovation set out in the North East Devolution Deal.

Backed by expertise from Durham, Newcastle, Northumbria and Sunderland Universities, we will support industrial clusters in offshore

and renewable energy, EV and battery manufacturing, and low carbon materials and research.

The North East is consistently the leading exporting-region in the country, including through strong manufacturing and pharmaceuticals international trade. We are also seeing strong growth and future potential of service-sector exports, including in higher education, digital and finance.

We will seek opportunities to develop and intensify international relationships to bring new investment into the region and to increase our share of global markets. This includes areas of existing strong links – including the US, Europe and Japan – together with those where we are developing relationships, including with India and through Newcastle United’s relationship with the Kingdom of Saudi Arabia.





Advanced manufacturing including electric vehicles

A national leader in vehicle and battery production, alongside other manufacturing strengths.

Building from a strong base

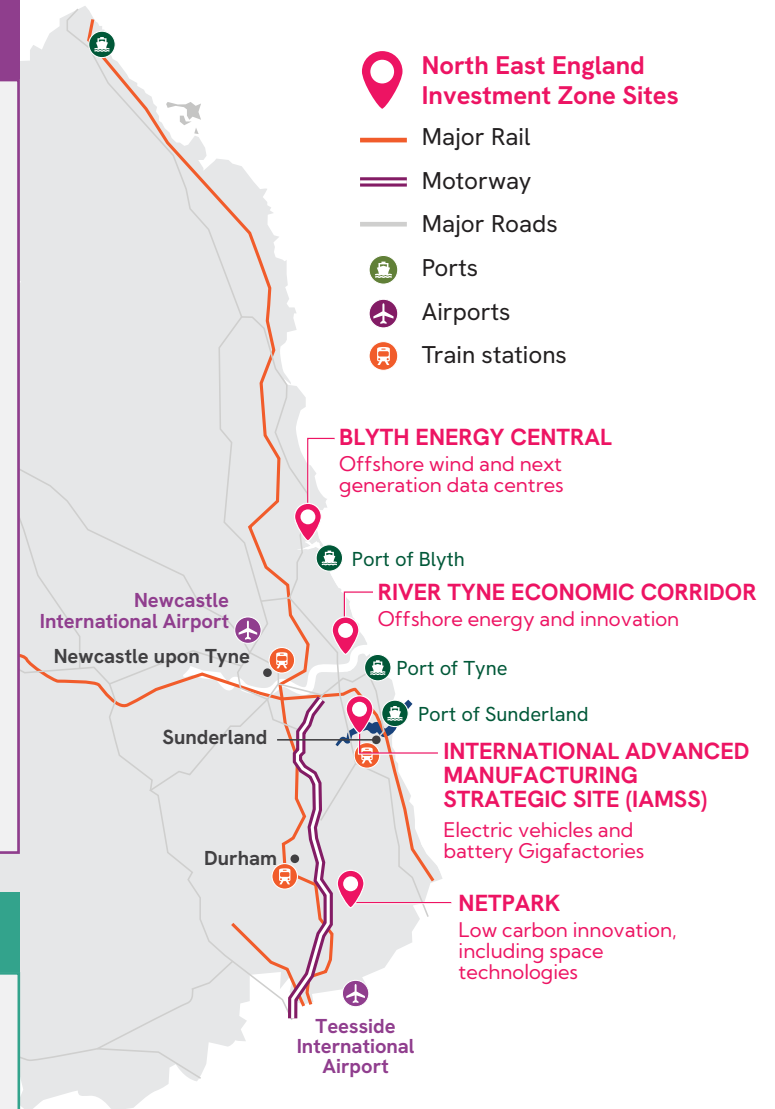
- **Established expertise** with 3,900 businesses in advanced manufacturing, employing 67,000 people.
- Growing specialisation in battery technologies and EVs, offshore renewables, subsea technologies, and robotics.
- Our **automotive sector** has:
 - **World leading EV manufacturing hub** in Sunderland, including Nissan’s EV36Zero strategy.
 - Already producing around a third of all UK passenger vehicles, a globally competitive supply chain, R&D expertise and a strong business support network.
 - The UK’s first gigafactory, established in 2013, with a second under construction by AESC
 - UK’s largest automotive cluster, the **North East Automotive Alliance**
 - Key employers include Nissan, AESC, Turntide, Komatsu, Caterpillar plus 34 Tier1s and over 200 supply chain companies, representing £10.3 bn of turnover in 2023.
 - The only full Power Electronics, Motors and Drives regional capability in the UK.
 - Excellent research capabilities and skills ecosystem across our universities, colleges and research institutes in battery, PEMD and advanced manufacturing; including AMBIC, DER-IC, FINE, IESAM and NBTSA.
- Expertise in advanced materials manufacturing, including Pragmatic Semiconductors and Kromek Group Plc.
- Other leading businesses include J Barbour & Sons, Egger, Ringtons and Prima Cheese.

Priorities

- Support growth of existing businesses and attract new ones – as electrification changes markets and through supply chain consolidation.
- **Maximise the impact of the North East Investment Zone** site at IAMSS site, in Sunderland and South Tyneside, building on recent inward investment success.
- **Implementation and expansion of MADE North East**, the new facility led by Nissan, which will develop the skills pipeline and support innovation for the automotive and battery manufacturing sectors.
- To develop a wider and **more diverse** talent pool.
- Continue rollout of ambitious programme of **EV charging infrastructure** installation.
- Expansion of our NETPark Investment Zone site to deliver **more industrial space**.
- Support the next phase of development of **Hitachi Rail**, including expanding the local supply chain.

Scale of opportunity

- **£24bn** UK passenger vehicle electrification opportunity.
- Opportunity for more than 2000 more jobs.





Defence, security and space

Growing cluster capitalising on advanced technologies to secure our future.

Building from a strong base

- The defence and security sector contributes around **£14 billion** to the regional economy and employs 48,000 people in the wider region.
- **Established and emerging specialisms** in engineering and fabrication and the advanced material electronics sector and adjacent sectors.
- North East defence firms have attracted half a billion in **innovation funding** since 2002
- A **large defence cluster**, with over 1,400 firms including industry leaders Leonardo, Pearson Engineering, British Engines, Airbus, Lockheed Martin UK Space, BAE Systems, Filtronic and A&P.
- Specialist bases include RAF Spadeadam, RAF Boulmer and HMS Calliope.
- **Data and cyber security** are a growing presence, supporting multiple sectors.
- **Mature regional space cluster**, with strong links to Durham, Newcastle and Northumbria Universities.
- Oetric Semiconductors UK recently purchased by UK Government.
- World class **skills and research** capabilities across the region's universities.

Priorities

- **Grow the North East defence sector**, including by making the region a national hub for cutting-edge digital defence technologies and supporting growth of region's advanced materials cluster.
- Attract innovative **technology-based companies** and increase the market for locally-sourced content.
- Enable the North East Regional Defence and Security Cluster (**NERDSC**) to build and grow capacity and skills, including through a major supply chain development programme, and forge links with other regions and nations through exports.
- **NETPark expansion**, including potential satellite manufacturing inward investment.
- Support the Space North East England (**SNEE**) cluster to build upon the success of the last ten years.
- Maximise impact from Northumbria University's North East Space Skills and Technology Centre (**NESST**) - a £50m R&D and innovation investment opening in 2026 - alongside the £5m Durham Space Research Centre.
- Drive further **R&D and innovation** in the region to address technology challenges.

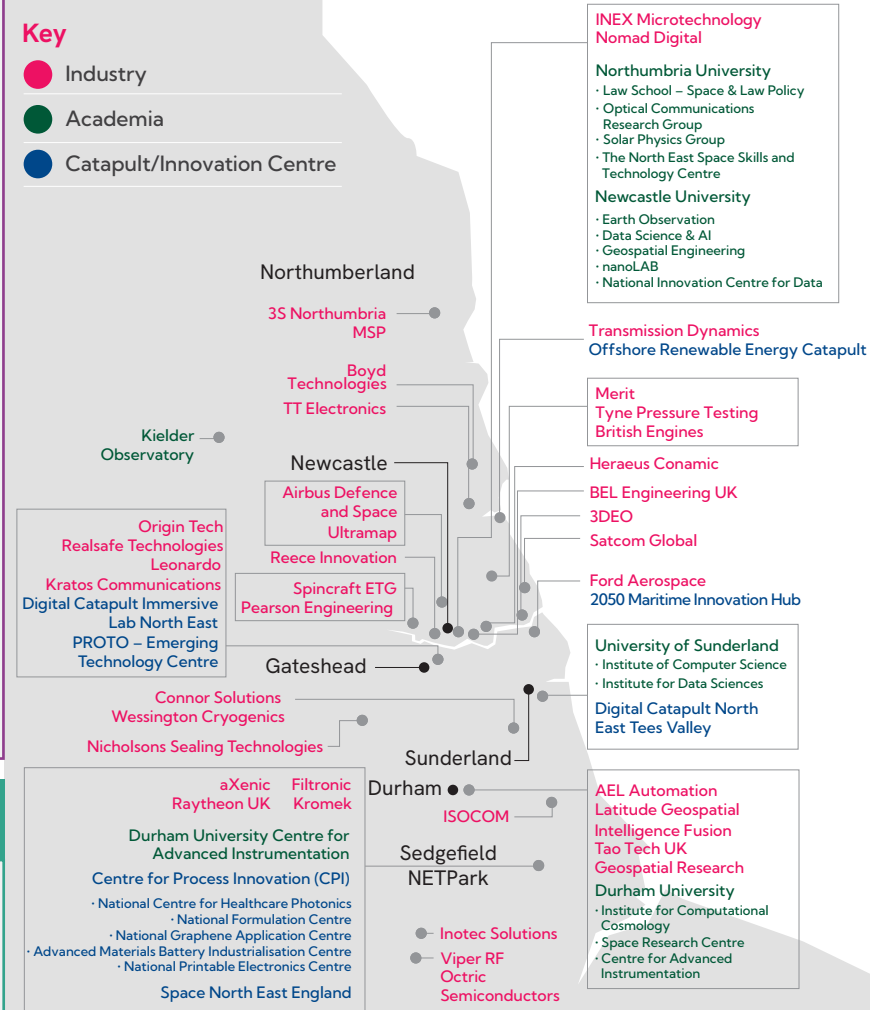
Scale of opportunity

- UK Annual Defence & Security Sector is **worth £51bn rising to £87bn by 2030.**
- **15%** of Ministry of Defence spend in the North East is with SMEs - the largest proportion of any region.

North East Defence and Space Sector assets

Key

- Industry
- Academia
- Catapult/Innovation Centre



Investment in infrastructure and key sites

Investing in infrastructure and unlocking strategic employment and mixed-use sites

We are developing an Investment Prospectus identifying key economic and housing growth sites across the region.

20 strategic new/largely undeveloped employment or mixed-use sites that total 18 million sq. ft with a potential investment value of around £4.4 billion.

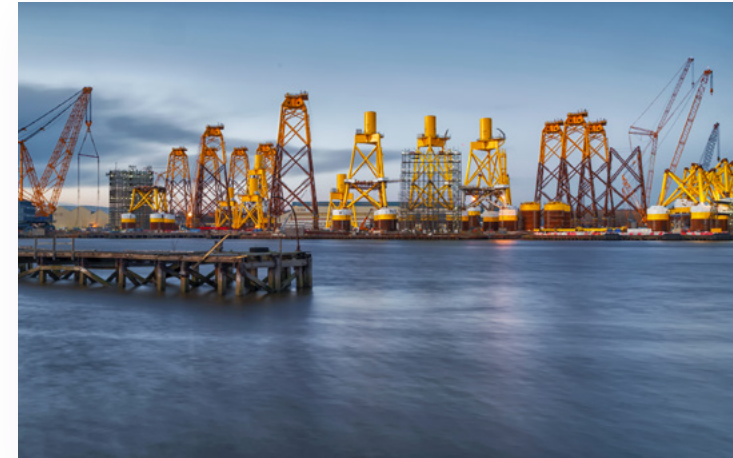
These complement existing major employment locations, including in the city centres, out-of-town and rural locations.

Includes a package of riverside employment sites - 200 hectares of prime quayside land and deep-water berths available - and regionally-significant housing sites that could deliver up to 12,000 homes.

Support the development of new digital infrastructure - unlocking growth potential from AI to areas with poor broadband connectivity.

Priorities include:

- Enhancing physical connectivity to strategic sites.
- Taking a joined-up approach to growth which works for local communities, through the development of a Spatial Development Strategy.
- Working with the North East Strategic Energy Board to improve energy connections and unlock investment at key sites.
- Exploiting new opportunities associated with changes in national energy infrastructure - with the North East benefitting from having more of its electricity produced from renewable sources than any other English region.
- Supporting the introduction of low-carbon infrastructure, which we expect to include district heating systems and geothermal energy over the lifetime of this plan.
- Upgrading or renewing existing ageing infrastructure - from the Tyne Bridge to some of our highways connections.
- Work with National Highways to deliver upgrades to the A66, A1 dualling from Morpeth to Scotland and junction upgrades on the A19 at Moor Farm and Seaton Burn.



Mission 4

Home of real opportunity

We will achieve our missions by ensuring that opportunities for success are accessible to all. Our region is a great place to live and work, but too many people face challenges in achieving their full potential. We will implement targeted policies which help to overcome the challenges hindering individual and regional success – from skills training to child support. We will ensure inclusive economic growth, and that good public services are spread across the North East.

The Mayoral Combined Authority will invest in the foundations of the economy and remove barriers that prevent people succeeding. This work will be done in partnership with businesses, local authorities and trade unions, and will be designed around the needs of the people and economy of the North East. We will help our residents to thrive by providing all-age career support, starting in schools. We will help people progress by funding skills programmes relevant to our region. Our employment support services will help residents with multiple and complex needs at a personal level, providing training and help with transport costs.



Improving skills and employment

We have identified four key outcomes which we will seek to improve: first, for a bigger, more diverse and more skilled workforce to support growth of our economy; second, for our employers to be able to recruit the skilled staff needed for them to succeed, drawing on the expertise of our universities and colleges; third, to improve employment rates of those under-represented in the labour market or in key sectors (including disabled people and those with health conditions, young people aged 16-24, care-leavers and carers); and fourth, to ensure more people have rewarding work and careers.

Improving skills, qualifications and increasing scale and diversity of employment to support growth and increase opportunity

Regional growth sectors are facing skills and recruitment challenges which need to be resolved to keep and grow businesses. We will support residents at every life stage to access skills that get them into good jobs whilst also supporting our businesses to draw from a more diverse employment base - tapping into the potential of currently under-represented groups. We also need to reduce the digital divide and improve digital skills to underpin the growth of all sectors.

Priorities include:

- Supporting people to develop functional and basic skills, including literacy and numeracy.
- Increasing the proportion of residents with higher-level and specialist skills.
- Strengthening links between our highly-rated universities and businesses.
- Better understanding the changing skills requirements presented by structural shifts like the low carbon transition, AI, and technology adoption.
- Clearer pathways into employment via all-age career support - addressing digital divide while aligning skills and qualifications to tackle skills shortages.

- Delivery of the £50m Connect to Work Programme, the Economic Inactivity Trailblazer and NHS Health and Growth Accelerator working regionally with DWP to create an integrated health and work approach.
- Supporting good jobs, encouraging employers to meet the new North East Shine employment standards.
- Making it easier for businesses to support educational pathways and progression.
- Promoting business skills to support entrepreneurialism, spinouts and scaleups, including in existing markets and focused on process improvements.
- Expanding the transport network to improve opportunities and labour force availability.

By taking a comprehensive and joined-up approach we will deliver a New Deal for North East Workers: improving skills and qualifications; reducing inactivity; supporting growth; and expanding opportunity across the region.

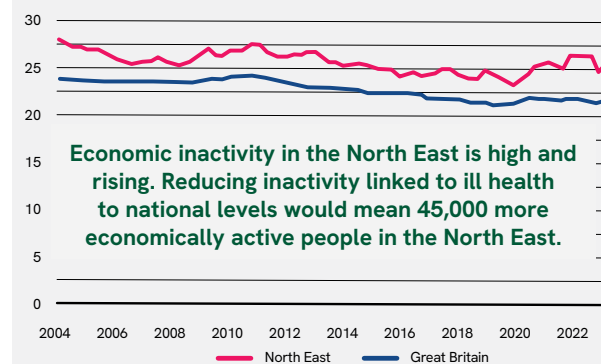
Linking economic activity, health and wellbeing

The North East faces the highest rates of ill health in the country, holding back people's participation in the labour market.

These challenges lead to higher economic inactivity and lower household incomes, putting significant pressure on public services that will only grow due to the ageing population.

We need to address the underlying causes of poor health, strengthen public services, and tailor employment programmes to break barriers to re-joining the workforce. This includes drawing on the expertise of the VCSE sector to reach into communities to engage with and help families.

The North East will be a testbed for DWP, Skills England and the Integrated Care Board to design, develop evidence based targeted interventions to tackle economic inactivity.



Economic Inactivity (%)

Tackling child poverty

Addressing the causes and consequences of child poverty

If babies, children and young people growing up in the North East today are to be able to access our region's economic opportunities and benefit from future growth, we must tackle high rates of childhood poverty and hardship.

As well as measures to immediately improve family incomes, child poverty will be addressed through a regional, cross-sector radical prevention approach to tackling the long-term structural drivers and outcomes of this issue for our region.

Priorities include:

- Tackling educational inequalities - enabling people to acquire skills that facilitate access to good employment.
- Linking together health, public services, and economic outcomes - tackling barriers to opportunity is a vital prerequisite linked to accelerating economic growth.
- Addressing the digital divide - access, cost and skills.
- Helping parents find or return to work and keep more of their earnings, including through a Mayor's Childcare Grant.
- Ensure transport fares and services are affordable for children and young people connecting them to opportunity, broadening horizons and tackling child poverty.

We are working in partnership to support work with 85 employers this year to introduce bespoke, impactful poverty reduction strategies that respond to the voice of staff, including changes to flexible working contracts, updating terms and conditions, and subsidising essential items.

Our 3-part plan:

- **Maximise family incomes now**
- **Make work a route out of poverty**
- **Provide the best start in life**

With the Child Poverty Reduction Unit taking a strategic, long-term and collaborative approach

Building on initiatives already underway, the Unit will deliver on its objectives by:

- Members forming a coalition, working together with purpose.
- Listening to the voices of children and young people living in poverty and their families.
- Galvanising the regional ambitions and efforts across all sectors, including public, private, and VCSE.
- Bringing together expertise from across and beyond the region to develop and publish a regional child poverty reduction action plan 2025-2030.
- Working closely with constituent authorities, private and public sector and VCSE organisations, drawing on experience and expertise to deliver on actions and track progress together.
- Driving collaborative action across the region to maximise impact.



Supporting growth of the foundational economy

We will also support other parts of our economy to reach its potential. This includes the foundational economy which accounts for around half of employment, including jobs across the private, public and VCSE sectors. The goods and services that they provide, along with the unique role played by the VCSE sector in promoting social cohesion, are essential to creating strong and stable communities that provide a good quality-of-life and enable other businesses to thrive. Together, they are fundamental to creating long-term growth that is sustainable and fair to all.



Foundational economy

The foundational economy provides services and goods that are essential to everyday life.

This includes food, retail, energy, transport, construction, agriculture, care and education. It is the backbone of our economy, providing vital services and the supply chain to delivering wider growth in the region. But its role is often under-recognised and employment in the sector can be relatively insecure.

Our local authorities, NHS trusts, universities, colleges and other large locally-based organisations are anchor institutions and key engines for growth. They are big employers and procurers, are conveners and facilitators of partnerships, and they help shape places. As a result they have a significant impact on the skills, employment and SME ecosystems, and the wider economy.

In addition to first class public services, the sector accounts for around **half of employment and 60% of businesses** in the region.

It is also a disproportionately high employer of women, and offers more-flexible local and part-time employment opportunities which are particularly attractive to parents and those with caring responsibilities.

Many parts, including health and construction, are set for **rapid growth**.

But the foundational economy faces challenges around **pay and progression** opportunities.

Opportunities include:

- Unlocking opportunity through multiple public, private and civic actors working together, learning, learning from and scaling best practice, and engaging with residents to understand their perspectives.
- Using the **expertise of the VCSE sector**, including both the knowledge and trust of communities, to provide support to out-of-work residents and direct employment pathways.
- **Public service reform** and investment in innovation.
- Unlocking community assets.
- Further investment can **create more good jobs**, alongside clearer employment pathways and progression opportunities.

Mission 5

A North East we are proud to call home

The people of the North East are rightly proud of their local identity and want services and policies that support them to live here. The North East Combined Authority delivers the strategies and programmes that help make this happen. From better transport to more social housing, from a thriving creative economy to sustainable rural communities, this Mayoral Combined Authority will deliver in ways that align with the priorities of local people.

We will work with partners including local authorities, housing providers and Homes England to deliver more affordable and social housing, ensuring everyone has access to a good home. As part of this, we'll invest in communities and in making our housing stock meet the needs of residents. We'll also work to secure more devolved powers to support renters.



Delivering a green, integrated transport network

Transport is crucial to our lives - our health, our environment and our economy.

As set out in more detail in the North East's Local Transport Plan (LTP) our ambition is to create a green, integrated transport network that works for all. Achieving this will mean sustainable and integrated

links between communities, services, and opportunities, paving the way for growth and inward investment. The key sections of the LTP are summarised below.

Challenges

- Car journeys made up 58% of all journeys in 2022, contributing significantly to road transport greenhouse gas emissions, which account for 97% of the region's total transport emissions.
- Use of electric vehicles is growing, but they currently make up just 1% of registered vehicles in the region.
- 1 in 4 adults are physically inactive and just 36% of journeys to school made by active travel in 2022—the second lowest English region.
- Public transport use is falling over the long-term. Since 2014, both Bus and Metro passenger journeys and vehicle miles per head have decreased.
- 31% of residents at risk of transport related social exclusion. (622,000 residents)
- Contrasting transport challenges between rural isolation in more remote areas and poor air quality and congestion in parts of our towns and cities.
- An increasing need for maintenance and resilience of our existing transport infrastructure assets. Ageing, poor or weak transport infrastructure hinders productivity and limits growth.

Where we want to be

Aim: to create a green, integrated transport network that works for all.

Five key areas of focus:

- Planning journeys/informing users/supporting customers.
- Ticketing and fares.
- Reach and resilience of infrastructure.
- Safety, especially of women and girls, and other improvements in service quality.
- Connections between different transport types.

How we will get there – delivery plan

- Includes a pipeline of interventions up to 2040 set against potential funding options with an estimated value of **£8 billion**.
- **Powers and other delivery mechanisms** (e.g. bus reform) which are the tools to enable this change.
- Maintained as a **live pipeline** which will evolve as schemes develop, new priorities are identified, and we progress through delivery.
- Interventions designed to enable **cross thematic** outcomes – achieving **integration**.

Outcomes

Through implementation of the Local Transport Plan we will:

- Deliver a green, integrated transport network that works for all **connecting all areas** of the North East, including remote rural and coastal communities and more deprived urban areas.
- **Enable inclusive economic growth** across the North East, through a reliable transport network helping to attract investment, boost job creation, and overcome inequality by unlocking access to opportunity increasing the talent pool for employers.
- **Improve access to and from our international gateways** making it easier to attract visitors and international investment, as well as making the movement of freight to/from our ports and airport more efficient, contributing to economic growth.
- Help **protect our environment and tackle climate change** by providing an attractive, resilient, seamless, and sustainable transport network for people and freight.
- Help **achieve better health outcomes** for people in our region by encouraging active and sustainable travel and facilitating better access to services.

Expand and improve our housing offer

Our ambition is to build a North East we are proud to call home with well-connected housing, high streets and places that are accessible to all and support everybody to live well in our cities, towns, countryside and coast. Our four priorities are to:

1. Build more homes to meet our housing delivery targets

- Supporting the regional housing market means increasing housing choices, including more social and affordable homes and increasing home ownership.
- Promote high-quality and sustainable development, with good active travel and public transport links.
- Work with Homes England as they develop a more regionalised model of delivery, unlocking major housing schemes identified in our Strategic Place Partnership including Forth Yards, Riverside Sunderland and Metro Green.
- Attract and deploy increased funding for housing delivery including for brownfield land remediation and utilising modern methods of construction.
- Work with Government and National Highways to ensure our infrastructure/highways doesn't constrain land supply.

2. Support regeneration, brownfield land remediation and investment in high streets and communities

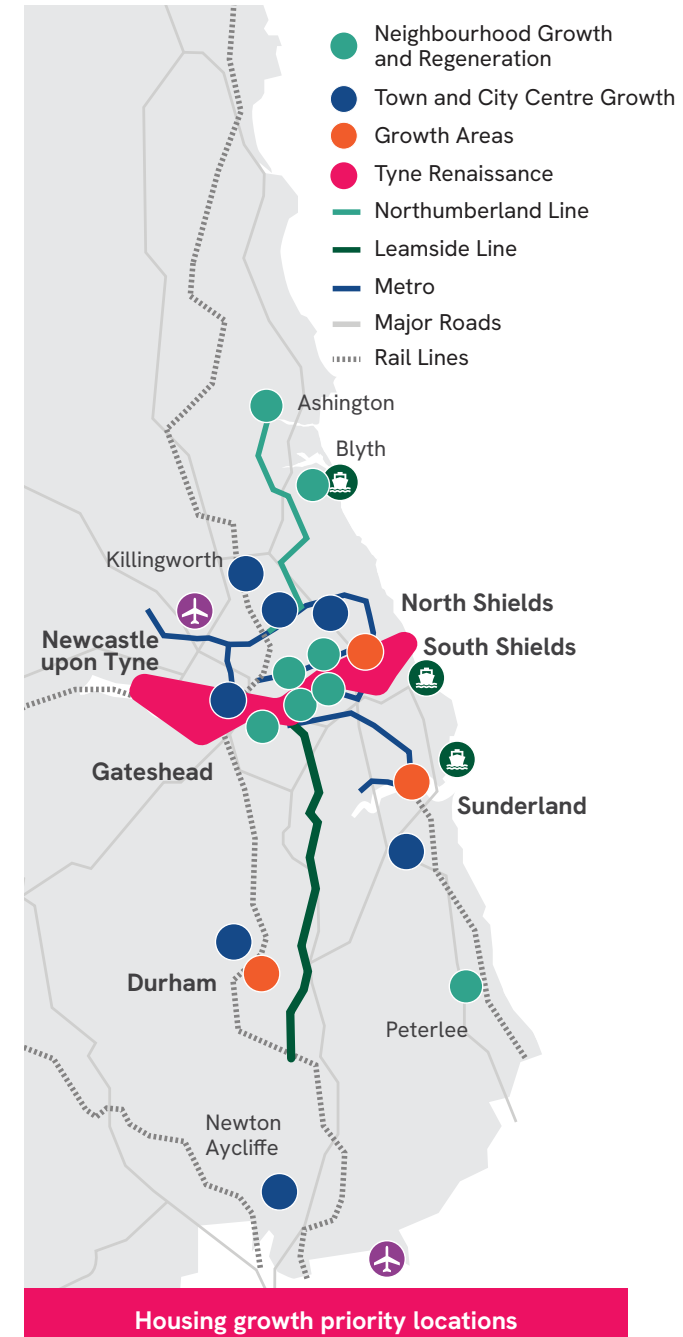
- We will support regeneration of our communities, including by supporting investment in high streets and to improve the quality of our places.
- Previous successes, include The Rise in Scotswood, where the Combined Authority supported enabling and infrastructure works, including ground preparations, retaining structures, highway works and pedestrian links. This will deliver 1800 new homes, with the first 231 having been built.
- We'll also work to secure more devolved powers to support renters.

3. Develop new models to deliver more affordable and social housing

- The North East has suffered from a lack of investment in new affordable housing, which has reflected gaps in viability, and resulted in long waiting lists for social housing.
- We will develop an approach to unlock substantially more housing units - working with the NE Housing Partnership and other funders to create a model involving the Government and other investment.

4. Develop a regional retrofit strategy

- We have too many cold, poorly insulated homes - particularly in the private rented sector.
- We will make it easier for residents to access the advice needed for investments which can reduce carbon and long-term heating bills while we will also develop an ambitious plan for the delivery of retrofit activity as part of our future Integrated Single Settlement.



Source: NE Strategic Place Partnership

Investment in our rural and coastal areas

- Rural and coastal areas make an important contribution to the North East economy, together accounting for **31% of GVA**.
- Rural and coastal communities face specific challenges related to their geography, including in relation to social mobility, transport, employment and access to housing.
- The Rural economy is diverse - ranging from the visitor economy through to advanced manufacturing - but also including **distinctive opportunities** around: quality and regionally distinctive food, tackling nature recovery, carbon and nature markets, and supporting transition to net zero and climate resilience.

Priorities include:

- tailored rural business advice service to help businesses overcome additional barriers to growth.
- ensuring that the green, integrated transport network extends into rural and coastal communities.
- developing and implementing high integrity carbon and nature markets.
- supporting and promoting regional food production and agritech adoption.
- rural broadband.



Supporting the visitor economy

- The visitor economy is important in the North East, with 91,000 jobs and a total GVA of £1.6bn generated by the hospitality and accommodation industries, with a further £560m coming from arts, entertainment and recreation activities.
- The region benefits from a diverse range of rural, coastal and urban assets, alongside nationally significant events (e.g. Great North Run; festivals etc.), excellent heritage assets (including two UNESCO World Heritage Sites) and wide breadth of cultural assets.
- These assets are critical to quality of life and attracting further investment.
- There are opportunities to strengthen pay and productivity across areas of the visitor economy with relatively low GVA per worker - including accommodation, food and leisure services.

Opportunities include:

- Change international perceptions of regional peripherality.
- Develop resilient and sustainable transport options to assets and attractions, including EV charging facilities.
- Create a more integrated and mixed visitor package including sustainable 'products'.
- Improve pathways into employment and skills development.
- Develop flagship attractions, venues and assets, including an International Conference Centre and a Centre for Excellence in Tourism and Hospitality.
- Strengthen event infrastructure, utilise technology and increase expertise to attract and host further world-class events.
- We have a **ten-year plan to double GVA** of the visitor economy, including by significantly increasing the number of international visitors (leisure and business) and the duration of their visits.

Leamside Line Investment Corridor

Delivering infrastructure investment to unlock place-based integrated growth

The Mayor's ambitious manifesto pledge to reopen the Leamside Line is the most important new transport infrastructure for the region:

- **First stage** is an extension of the Metro to Washington on the northern section.
- **Second stage** is 'Leamside South' from Washington to Ferryhill in County Durham.

The Leamside Line Investment Corridor will:

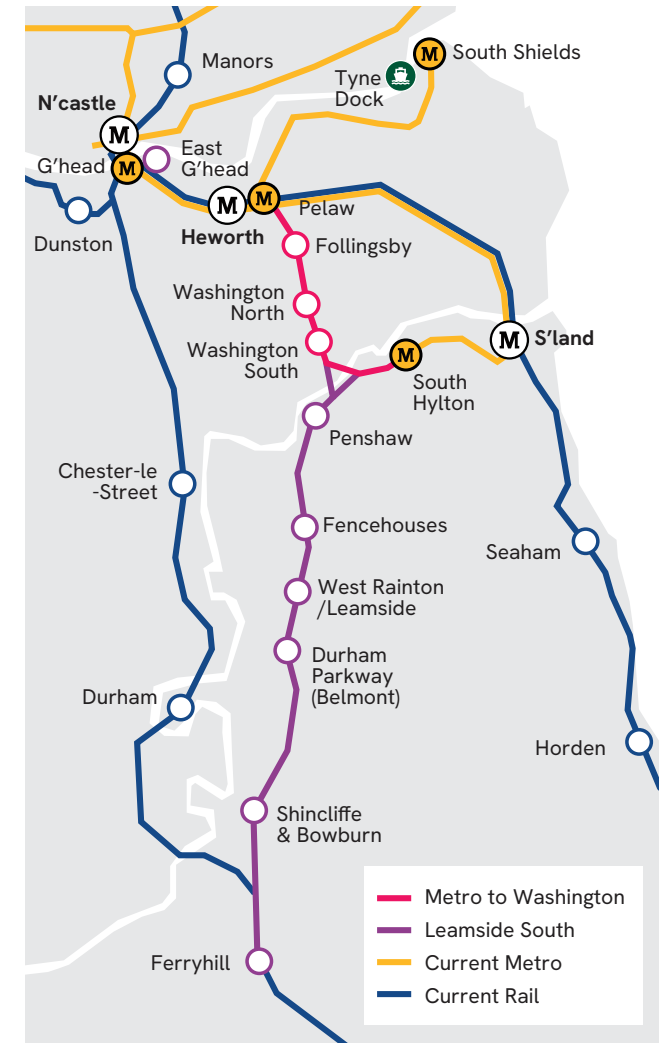
- Unlock over 10,000 new homes.
- Generate more than 1000 new jobs.
- Provide better access to education, employment and leisure activities for 100,000 people.
- Provide a major boost to the region's long-distance rail connectivity.

Current status of the project:

£8.6m invested by the CA to progress pre-delivery work for Metro to Washington including an outline business case as well as early engineering feasibility work for 'Leamside South'.

Reopening the Leamside Line in full will drive economic growth to help make the North East the greenest and best-connected region in the UK:

- It is the most important piece of transport infrastructure for the future prosperity of the North East.
- It will provide a significant capacity uplift to the East Coast Main Line, allowing more passenger and freight services to run from the North East to London and other key economic centres.
- It opens up considerable local benefits, providing fast and direct connections into Newcastle and Sunderland for 100,000 people in Washington and South Durham that currently have no direct rail or Metro connections. This enhances access to employment, leisure, and education centres.
- It will enhance connections and support businesses in the region such as those at Nissan, IAMP, Follingsby, and Integra61; all Investment Zones; and the Airport.
- It will seek to replicate the success of the Scottish Borders Railway connecting Edinburgh and Tweedbank, where passenger numbers are treble those first forecast and the project has increased business investment, footfall, boosting tourism and improved work and leisure opportunities.



Delivering on potential

We will work with the Government on a clear plan for devolving power and funding to support regional delivery, and a joint delivery plan to support the national missions and National Industrial Strategy. We will demonstrate the value of regional leadership and political accountability, unlocking growth for decades to come.



Delivering growth for the region and the UK

The North East has the assets and ambition to deliver growth that benefits the whole of the UK. We will build a coalition with partners who will play a vital role in helping deliver Government targets - unlocked with the right deployment of regional powers and investment.



If the North East were to grow at the same projected rate as the fastest growing G7 economy today our economy will be **£13.1bn larger by 2033**

Partners across the North East are working towards:



Creating tens of thousands of new jobs, including in the green, creative and foundational economies.



Increasing residual household incomes for all our residents through better paid jobs and a better functioning housing market.



Lifting tens of thousands of children out of poverty, working towards its elimination, with the launch of our Child Poverty Reduction Unit as a first step.



Supporting more people into work, including through a unified approach to work and health, and a more co-ordinated skills system.



Supporting Government's commitment to deliver 1.5m new homes, enhancing our housing market for all our residents.



Creating stronger neighbourhoods, including by reducing educational inequalities and investing in communities.

Working together to deliver change

This is an interim version of our Local Growth Plan and we will work with partners to consult on, and further develop, our propositions and delivery plans before final publication in the Summer.

We will be guided by an ambitious vision of what the next 10 years could hold for the region; not just what the Combined Authority can do, but how we can work with partners to Create Real Opportunity and to unlock the impact of our investments.

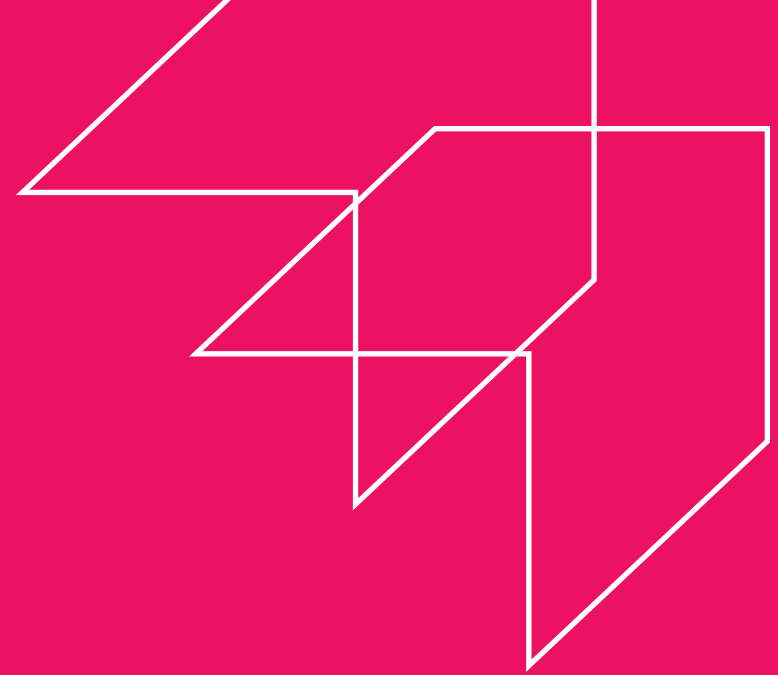
We are a proud and active participant in the 'Great North' collaboration, and will work at a wider northern level to maximise the collective impact from the opportunities outlined in this Plan – from extensive offshore wind supply chains to creative sector collaborations.

We will steward private sector and inward investment by de-risking investment and deploying an entrepreneurial mindset. This approach is already bearing fruit, with current opportunities of over £14bn set to unlock thousands of new jobs, including through existing programmes, like the Investment Zone, and the new North East Investment Fund. We are investing in our capabilities and capacity to deliver at pace and demonstrating innovation, creativity and the wherewithal to take a nimble and lean approach to delivery. This includes working with partners, including Government's Office for Investment, to accelerate our investment opportunities and to create new opportunities for funding of projects that will deliver economic growth with and for our region.

We are working with the Government to bring the benefits of further devolution to the region, including a new multi-year integrated funding settlement, which will not just bring together existing funding streams, but increase flexibility and unlock innovation in achieving outcomes.

As we move forward, we look forward to working with our Business and Economy Board to develop our action plan and to accelerate delivery: collaborating with a wider range of businesses, investors and stakeholders who share our values and ambition for the region; ensuring that we have a clear set of propositions in the areas highlighted in this Interim Plan and guiding delivery over the coming years; working together to attract further jobs into our Great North East, putting this region back on the world stage.

 Offshore wind and energy transition.	 Advanced manufacturing, including electric vehicles.
 Creative industries, including screen sector and creative content.	 Life sciences, pharmaceuticals and process industries.
 Tech, digital and AI.	 A thriving foundational economy - including in hospitality, health and social care - and strong professional services.
 Tackling child poverty.	 A new deal for North East workers, with increased skills, employment and health.
 Supporting innovation and business dynamism.	 Strengthening our housing market, including more affordable homes.
 Green transport that works for all.	 Defence, security and space.
 A bigger visitor economy.	 Growth across our region, including in rural and coastal areas



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