

# News story: Budget delivers devo deal and transport boost for North of Tyne

Those living North of the Tyne will benefit from £600 million of new government investment to spend on local priorities to boost growth after the area agreed a historic devolution deal.

Details of the deal were unveiled today by Treasury Minister Andrew Jones, who visited the region and was joined by the Northern Powerhouse Minister Jake Berry and local leaders.

The 815,000 people living in Newcastle, North Tyneside and Northumberland will vote for a new directly-elected mayor who will have exciting new powers in housing, planning and skills.

The deal, announced by Chancellor Philip Hammond on Wednesday, will generate huge rewards for the area – boosting the local economy by £1.1 billion, creating 10,000 new jobs and attracting £2.1 billion in private investment.

As well as receiving devolved powers, the North of Tyne area will also get:

- full control over the adult education budget
- an Inclusive Growth Board to coordinate skills and employment
- collaboration with government to boost trade and investment, digital infrastructure and rural growth across the area

The Chancellor's Budget also revealed the area will benefit from a further £337 million of government investment in the Tyne & Wear Metro to replace its 40-year-old trains with a new fleet. Mr Jones visited the area in the summer where he heard representations from local business leaders. He returns today having delivered on his pledge to ensure investment is found to ensure the Metro system is fit for the future.

To mark this occasion, the ministers were joined by the Mayor of North Tyneside, Norma Redfearn, Leader of Northumberland County Council, Cllr Peter Jackson and the Leader of Newcastle City Council, Cllr Nick Forbes.

Exchequer Secretary to the Treasury, Andrew Jones, said:

This government is delivering for the North East. We have been clear in our commitment to ensure that opportunity is shared across the country as we create an economy fit for the future. Today represents a big step in achieving this – giving the people of the North of the Tyne a bigger voice and greater power over their future.

This historic deal, including £600 million of government investment is yet another example of how we are backing the North. It will bolster the local economy in the North of Tyne and generate

thousands of new jobs.

This deal comes on top of a Budget that delivers brand new trains for the Tyne and Wear Metro, freezes fuel duty for the eighth year running and supports business with a cut in business rates.

Northern Powerhouse Minister, Jake Berry, said:

This ground-breaking, multi-million pound deal – sitting alongside the Metro funding boost – truly passes power to the people, and is a pivotal moment for the Northern Powerhouse.

With a strong voice in a new mayor, a new Wear crossing and the globally-significant Great Exhibition of the North, this is a new golden era creating jobs, growth and prosperity for the resurgent North East.

Councillor Nick Forbes, Leader of Newcastle City Council, said:

The devolution deal we have negotiated is our region's next step towards creating a North East economy with above average wages and below average unemployment.

We now have a real opportunity for our region to come together and turn our ambition for more and better jobs into reality.

Newcastle is already home to national centres of excellence, and this deal builds on our strengths as we look to confirm our place at the heart of modern Britain.

Norma Redfearn, Elected Mayor for North Tyneside said:

This is a very exciting deal that will help us to develop our economy and give us access to a wide range of new opportunities.

I am extremely proud of North Tyneside and am confident this deal will allow us to build on the strengths of our people and businesses.

It provides people with the chance to retrain, gain new skills and secure jobs at all levels in growing economies in our area. We will be able to invest in our infrastructure to support existing businesses and attract new ones, and make the North of Tyne an even better place to live.

It's vital that the North of Tyne has a strong voice as the country makes important decisions about its future. This deal gives us a seat at the table with other mayors, where we can fight for the

needs of our residents.

Councillor Peter Jackson, Leader of Northumberland County Council, said:

The detailed negotiations with government ministers have resulted in an ambitious deal with many exciting opportunities for the County.

There are some significant issues for us to tackle over the next few years and this deal will give us the tools with which to make a real positive difference to the whole of Northumberland.

In particular, we have been asking government to help us significantly improve the educational attainment in our schools and I am delighted that we have been given the opportunity to introduce an Education Improvement Challenge for the area. This will be the first outside London. We've also been asking central government to devolve powers to our region so we will become a rural growth pilot for England to develop ways in which we can improve prosperity, job opportunities and housing delivery in all of our communities.

This is a once in a generation opportunity to make a step change to improve the prospect of every single person living in Northumberland.

## **Further information**

The deal sets out a range of powers and funding which will enable investments in infrastructure, skills, entrepreneurship, innovation and business growth. In addition to interventions which will be funded locally through the Investment Fund, the government will commit to review business cases brought forward for further investment in areas where the North of Tyne hosts nationally or regionally significant innovation assets science and research strengths – including in offshore and energy, digital (including data, 5G and Building Information Modelling), culture and creative industries, and life sciences and ageing.

More information on the powers North of Tyne will have:

- an Inclusive Growth Board to take forward skills and employment reforms across the area, including a pioneering North of Tyne Education Improvement Challenge to address disparities and drive excellence in schools across North of Tyne, ensuring that no one is left behind
- full control of the Adult Education Budget to allow North of Tyne to shape local skills provision to respond to local needs
- collaboration on an Employment Support Framework Agreement to drive better coordination of employment, skills and health services across the North of Tyne, increasing the number of residents moving into work
- a Rural Productivity Plan, with North of Tyne becoming a Rural Business

A decision on the funding of any projects will be taken following full assessment.

The deal signifies that government is minded to agree these terms with North of Tyne. Once the consultation process is complete and all seven constituent authorities of the existing North East Combined Authority consent to the deal, the minded-to deal will become a binding agreement and the new Combined Authority will be established.