



HM Government

North of Tyne Devolution Deal

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Introduction

- 1) This document sets out the headline terms of a devolution deal ('The Deal') between Government and the North of Tyne area, (represented by the Leaders of Newcastle and Northumberland and the Directly-Elected Mayor of North Tyneside), and the North East Local Enterprise Partnership, to devolve a range of powers and responsibilities to the North of Tyne Mayoral Combined Authority ('the NTCA'). Government announced in November 2017 that it was minded to agree a deal with the North of Tyne area on these terms. Following Parliamentary approval of the creation of the North of Tyne Combined Authority this Deal is now confirmed.
- 2) This Deal will support the North of Tyne in delivering its ambitious vision for the social and economic prosperity, and wellbeing of its communities. It builds upon the area's significant economic, educational and cultural assets to increase its contribution to both the North East and national economies and to improve the area's productivity and innovation. At the same time it will ensure that all residents have the skills and opportunity to benefit from and contribute to future growth.
- 3) The North of Tyne generates almost £17 billion in economic output (GVA) and is home to over 815,000 people. It has 30,000 businesses providing 415,000 jobs. It is a coherent economic area and has a number of significant growth sectors including digital and technology; offshore, sub-sea and energy technologies; pharmaceutical manufacturing and life sciences; rural, tourism, leisure and culture; and financial and professional business services sectors.
- 4) But the North of Tyne also faces challenges which impact on productivity levels and the ability to grow. These include a relatively low business density, high unemployment, low skill levels, poor health outcomes, rural sustainability and entrenched deprivation and poverty in some communities.
- 5) The Deal package, comprising the Investment Fund, new initiatives and new powers, is set to add £1.1bn GVA to the economy, deliver over 10,000 new jobs, and leverage over £2.1bn in private sector investment. The investment fund will support a wide range of economic interventions including a number of transformational projects. These may include the redevelopment of East Pilgrim Street in Newcastle City Centre, the potential reintroduction of passenger rail services on the Newcastle to Northumberland line and the development of Indigo Park in North Tyneside
- 6) This Deal is an important part of Government's Industrial Strategy, which is seeking to improve living standards and economic growth across the whole country. The Deal will support delivery of the North East Local Enterprise Partnership's Strategic Economic Plan which sets a forward direction for industrial growth, delivering improved opportunities for people and business in the North East. It 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, 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. A decision on the funding of any projects will be taken following full assessment.

- 7) This Deal will protect the integrity of the three existing North of Tyne local authorities, and continue to support strong working between the local authorities and North East Local Enterprise Partnership. Beyond this, the NTCA will work closely with other local authorities and LEPs in the wider region, including the North East Combined Authority, in the shared pursuit of greater productivity and economic growth. The NTCA will also work with other partners across the North of England to promote opportunities for pan-Northern collaboration, including Transport for the North, to drive northern productivity and build the Northern Powerhouse.

Summary of the devolution deal between the Government and the Local Authorities of Newcastle, North Tyneside and Northumberland (collectively 'North of Tyne'), supported by the North East Local Enterprise Partnership

The Government and North of Tyne have agreed an ambitious devolution deal which will provide the area with significant new powers and funding to increase opportunities and living standards through inclusive growth and productivity improvements, and help drive the Northern Powerhouse.

The devolution agreement means:

- A new, directly elected North of Tyne Mayor, acting as Chair to a new North of Tyne Combined Authority.
- Control of a £20 million per year allocation of revenue funding, over 30 years, to be invested by the North of Tyne Combined Authority to drive growth and take forward its economic priorities.
- Establishment of an Inclusive Growth Board, with Government participation, to better integrate skills and employment programmes across the area, including a North of Tyne Education Improvement Challenge.
- Devolution of the Adult Education Budget for the area to allow North of Tyne to shape local skills provision to respond to local needs.
- Opportunity to secure funding for pilots to help North of Tyne residents with particular barriers to employment into work.
- Establishment of a Housing and Land Board, with powers to the Combined Authority to acquire and dispose of land, and mayoral powers to take forward compulsory purchases and establish Mayoral Development Corporations, as a foundation for North of Tyne's housing and regeneration ambitions.
- Driving improvements to rural growth and productivity, and becoming a Rural Business Scale up Champion for England.
- More effective joint working with the Department for International Trade to boost trade and investment in the area.
- Collaborative working with Government to support North of Tyne in taking forward its considerable ambitions around digital capability and infrastructure, and low-carbon energy.
- A statutory Joint Committee to exercise transport functions jointly on behalf of the North of Tyne and North East Combined Authorities.

More detail on these commitments is given in the main body of the document below.

The Deal will support delivery of the North East Local Enterprise Partnership's Strategic Economic Plan. Further powers may be agreed over time and included in future legislation.

Governance

- 8) This Deal has received the formal ratification of the constituent councils of Newcastle City Council, North Tyneside Council, and Northumberland County Council that make up the North of Tyne area. It has also adhered to the statutory requirements including the consent of all councils affected and parliamentary approval of the secondary legislation implementing the provisions of this Deal. The Deal protects the integrity of the three existing North of Tyne local authorities.
- 9) As part of this Deal, the North of Tyne constituent councils have established a Combined Authority and adopted the model of a directly elected mayor for the area of the NTCA. Following the necessary consents and other statutory requirements being met, Government has obtained Parliamentary approval to secondary legislation to establish and confer functions on to a Mayoral NTCA. The Mayor will exercise certain powers with personal accountability to the electorate, devolved from central Government and set out in legislation:
- Creation of new Mayoral Development Corporations, which will support delivery on strategic sites in the North of Tyne area.
 - Compulsory purchase powers, subject to the agreement of the NTCA member where the relevant land is located, and to the consent of the Secretary of State for Housing, Communities and Local Government.
 - Power to set a precept on local council tax bills to help pay for the Mayor's work. This would be subject to the provisions on council tax referendums, as determined each year by Parliament
- 10) The NTCA, working with the Mayor, will receive the following powers:
- Control of a new additional £20 million a year revenue funding allocation over 30 years to be invested to drive growth
 - Devolved 19+ adult skills funding from 2019/20
 - Broad powers to acquire and dispose of land to build houses, commercial space and infrastructure, for growth and regeneration
 - Powers to borrow for its new functions, which will allow them to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury.
- 11) The first election for the directly elected Mayor will be held in May 2019 with the North of Tyne Mayor being elected by the local government electors for the areas of the constituent councils of the NTCA. The Combined Authority will be chaired by an interim appointed mayor between its establishment and May 2019. The second election for the directly elected Mayor will be held in May 2024.

- 12) The strength of the governance arrangements of the mayoral combined authority will be commensurate with the powers of that authority and the mayor, including all newly devolved powers and functions, recognising that strong, accountable governance is an essential prerequisite of any devolution of powers and functions to a city region. The North of Tyne Mayor and the NTCA will exercise the powers and responsibilities, including for additional funding or budgets, described in this Deal in relation to the NTCA area. Any transfer to the Combined Authority or Mayor of existing powers or resources currently held by the constituent authorities must be by agreement.
- 13) Working within the constitution of the NTCA, the directly elected Mayor will autonomously exercise new powers. The Mayor will also chair the NTCA Leadership Board (to be named as a Cabinet). Each constituent council will appoint two members, including the Leaders of Newcastle City Council and Northumberland County Council and the Elected Mayor of North Tyneside. Within this Cabinet model, each of the local authority representatives will have a clear portfolio.
- 14) In recognition of the importance of the LEP role and the private sector in growth strategies and their delivery:
- a. The North East Local Enterprise Partnership (the “NELEP”) will be represented on the Combined Authority’s Cabinet through a member who will have no voting rights – the expectation is that this would be the NELEP chair;
 - b. The North of Tyne Mayor will be a member of the NELEP Board as one of three representatives of the NTCA;
 - c. The Mayor may, with the majority support of the Cabinet, appoint a “Mayor’s Ambassador for Business” to strengthen the working arrangements between the Combined Authority, NELEP and the private sector; and
 - d. Under the North of Tyne Combined Authority and Mayor model, the role of the LEP and local businesses will be integral to the delivery of economic outputs.
- 15) The Mayor will be required to consult the NTCA Cabinet on his/her plans and strategies, which the Cabinet may amend if two-thirds of the members who have been appointed by the constituent councils agree to do so. [In accordance with the regulations](#), the Cabinet will also examine the Mayor’s draft annual budget and will be able to amend his/her plans, again if two-thirds of the members appointed by the constituent councils agree to do so.
- 16) Proposals for decision by the NTCA may be put forward by the Mayor or by any of the other Cabinet Members. The Mayor and one Cabinet Member appointed by each constituent council will exercise voting powers and all those exercising voting powers will have one vote. Any questions that are to be decided by the Combined Authority are to be decided by a majority of the members present and voting, unless otherwise set out in legislation or specifically delegated through the Authority’s constitution. Decisions by the Combined Authority should have the support of the Mayor, unless set out otherwise in

the Authority's constitution. The Mayor is not able to veto any decision of Cabinet but the Mayor will be able to require a “mayoral review” of a decision for which the Mayor has not voted with the majority of Cabinet members; such a review will cause the decision to be re-considered by the Cabinet and at its conclusion the decision may be confirmed or changed by the Cabinet.

- 17) [In accordance with the regulations](#) the NTCA's and the Mayor's decisions will be scrutinised and the NTCA and the Mayor will be held to account by the North of Tyne overview and scrutiny and audit committees.
- 18) This Deal contains no new powers, functions or funding in relation to transport and as such the Mayor will not be individually exercising any transport powers, including those for bus franchising. The Deal is made on the understanding that the current transport arrangements for the seven local authorities in the North East will be maintained and the governance replicated through the establishment of a statutory joint committee that will exercise all of the local transport functions and powers of the two combined authorities. Nexus will remain as the Passenger Transport Executive and will serve the two combined authorities (NTCA and NECA). The statutory joint committee will have seven members drawn from the two combined authorities. NECA will appoint four members. The NTCA will appoint three members, one of whom is to be the mayor, unless the mayor agrees otherwise. The statutory joint committee will be responsible for preparing a single Transport Plan for the area of the two combined authorities. It will continue with the work to maintain and improve strategic transport connectivity across the region and to international markets. Arrangements for overview and scrutiny and for audit will be undertaken jointly by the two combined authorities in relation to the work of the statutory joint committee.
- 19) The NTCA will work with partners across the North of England to promote opportunities for pan-Northern collaboration, to drive northern productivity and build the Northern Powerhouse.
- 20) This Deal represents a first step in a progressive process of devolution of funding, powers and responsibilities to the NTCA. As well as the areas set out in this Deal, the NTCA and Government will continue to consider further opportunities for devolution.

Finance and investment

- 21) The NTCA will create a fully devolved funding programme covering all budgets for devolved functions (“**The North of Tyne Investment Fund**”), accountable to the NTCA. This pot will comprise a flexible, multi-year settlement providing the NTCA with the freedom to deliver its growth priorities, including the ability to redirect funding to reflect changing priorities, whilst upholding its statutory duties.
- 22) The NTCA will develop a robust Single Pot Assurance Framework, in line with national guidance, to be signed off by the MHLC Accounting Officer prior to funding being released. Within this Assurance Framework, the NTCA will demonstrate an objective means with which to assess interventions and programme design so that these are aligned to their balanced economic outcomes for the area.
- 23) The NTCA will use the North of Tyne Investment Fund to deliver a programme of transformational long-term investment. Government agrees to allocate £20m for 30 years (anticipated to start in 2018, subject to the conditions below) which will form part of the North of Tyne Investment Fund. This will be subject to five-yearly gateway assessments to confirm that the investment has contributed to economic growth. Once the NTCA is established and has its Assurance Framework signed off, the NTCA may have access to the Investment Fund prior to Mayoral Elections, subject to the agreement with Government of suitable caps.
- 24) The costs of the Mayoral Combined Authority will be met from within the overall resources of the Combined Authority.
- 25) The joint ambition will be to give the NTCA a single pot to invest in its economic growth. This pot will comprise a flexible, multi-year settlement providing the NTCA the freedom to deliver its growth priorities, including the ability to re-direct funding to reflect changing priorities, whilst upholding its statutory duties. The Combined Authority will have the flexibility to secure substantial private and public sector leverage. The Combined Authority will also be able to use capital receipts from asset sales as revenue funding for public service transformational initiatives, this would be subject to the provisions on council tax referendums, as determined each year by Parliament.
- 26) The NTCA will be given powers to borrow for its new functions, which will allow it to invest in economically productive infrastructure, subject to an agreed cap with HM Treasury. The NTCA will agree overall debt limits with HM Government, and update HM Treasury about any deviation from its underlying borrowing plans in order to support HM Treasury in its duty to monitor and forecast changes in the fiscal aggregates. NTCA will also provide information, explanation and assistance to assist the Office for Budget Responsibility in its duty to produce economic and fiscal forecasts for the UK economy.
- 27) The Mayor will also have the power to set a precept on local council tax bills to help pay for the Mayor’s work. This precept can only be raised for mayoral functions.

Promoting inclusive growth

- 28) At the heart of the Inclusive Growth elements of North of Tyne devolution is the creation of a single unified “Inclusive Growth Board”. This Board will bring together the organisations responsible for the most significant socially focused interventions within the North of Tyne and will be chaired by the Mayor.
- 29) The Board will be comprised of:
- relevant representation from the NTCA; (including, where appropriate, the Regional Schools Commissioner for the North, or their representative).
 - relevant representation from MHCLG, DWP and DfE ;
 - relevant representation from the NELEP;
 - other relevant business representatives; and
- 30) The Board’s work will be underpinned by an operational and performance framework, consistent with the priorities of the recently refreshed North East Strategic Economic Plan (SEP), and aligned with emerging thinking on local industrial strategy in the North East. Wherever appropriate, this framework will seek to complement interventions that are already being delivered across the broader North East geography.
- 31) The Board will be responsible for working closely with the local Skills Advisory Panel to deliver the North of Tyne Strategic Skills Plan.
- 32) The Board will work together to better integrate and strengthen education, skills and employment interventions in order to improve local education and employment outcomes. The Board will also support the development of an effective Local Industrial Strategy and will take forward and build on the aspirations and commitments in the Northern Powerhouse Strategy.
- 33) In line with Government’s collaborative participation in the North of Tyne Inclusive Growth Board, the Cities and Local Growth Unit will work together with North of Tyne to help develop the key projects and programmes that the board will seek to take forward. Government and the NTCA will agree appropriate milestones for this work which will be reflected formally in North of Tyne's deal implementation plan.

Inclusive growth: education and skills

School improvement

34) The NTCA will introduce a **North of Tyne Education Improvement Challenge** focused on:

- improving the marked disparities in educational attainment that exist within the area;
- increasing attainment in STEM subjects;
- deepening the approach to careers, information, advice and guidance through the adoption of the Good Career Guidance benchmarks; and
- achieving excellence in teaching, leadership and school governance.

35) The constituent local authorities of the NTCA will work together to explore the scope for developing a unified approach to school improvement for the schools they maintain, initially through the preparation of a Joint School Improvement Strategy that would significantly assist in identifying constituent strengths and weaknesses, and support efforts to work together to learn from and replicate good practice as appropriate.

36) The DfE, including the Regional Schools Commissioner for the North of England, will work with the Combined Authority. The Education Improvement Challenge and Joint School Improvement Strategy will need to align with work led by DfE on raising educational standards in the North, in particular through the work of the Sub-Regional Improvement Board.

37) The Challenge will also build on the existing pilot programmes run by the NELEP's Employment and Skills Board, in particular the "Education Challenge and Ambition Framework".

38) With support from the DfE's Children's Social Care Innovation Programme, North of Tyne councils will explore opportunities for greater collaboration across services for children, young people and families. The councils will work with partners, including health services, to develop a proposition that describes how we could work better together to improve practice, services and outcomes across North of Tyne.

Adult Education Budget

39) Government agrees to fully devolve the 19+ Adult Education Budget (AEB) to the NTCA, for the start of the academic year 2019-2020, subject to the NTCA demonstrating that it meets the readiness conditions set out by DfE for the devolution of AEB. These arrangements do not cover apprenticeships. Devolved funding will be governed by the Single Pot Assurance Framework, developed by North of Tyne and signed off by Government, as outlined above.

40) The readiness conditions for full devolution of the AEB are that:

a. Parliament has legislated to enable transfer to local authorities of the current statutory duties on the Secretary of State to secure appropriate facilities for further education for adults from this budget and for provision to be free in certain circumstances

b. Completion of the Area Review process leading to a sustainable provider base

c. After the area reviews are complete, agreed arrangements are in place between central government and the Combined Authority to ensure that devolved funding decisions take account of the need to maintain a sustainable and financially viable 16+ provider base

d. Clear principles and arrangements have been agreed between central government and the Combined Authority for sharing financial risk and managing failure of 16+ providers, reflecting the balance of devolved and national interest and protecting the taxpayer from unnecessary expenditure and liabilities

e. Learner protection and minimum standards arrangements are agreed

f. Funding and provider management arrangements, including securing financial assurance, are agreed in a way that minimises costs and maximises consistency and transparency.

41) In addition (and within the context of the existing national 16-19 policy, funding and accountability framework) the Inclusive Growth Board, together with the Skills Advisory Panels (once established) and other relevant partners, will explore how the delivery of 16-18 and 19+ skills can be more effectively aligned within North of Tyne.

Higher Skills

42) Government agrees to consider a business case for the establishment of an Institute of Technology within the North of Tyne area that is supported by the current North East Combined Authority and NELEP, under the Government's call for Institute of Technology proposals.

43) The Inclusive Growth Board, consistent with the Northern Powerhouse Strategy, will explore the potential for developing innovative proposals for retaining and attracting graduates and skilled workers. These proposals would be employer-led, integrated and adapted to local needs.

Inclusive growth: employment

- 44) The Government and the NTCA will jointly develop and adopt an Employment Support Framework Agreement to drive the better coordination of employment, skills and health services across the North of Tyne in order to increase the number of residents moving into work. The Framework Agreement will be signed by the Elected Mayor for the North of Tyne and the Secretary of State for the Department for Work and Pensions, and delivered through the Inclusive Growth Board.
- 45) The Framework Agreement will seek to align:
- a. How the fully devolved Adult Education Budget will improve literacy, numeracy and digital skills of claimants; delivery of statutory entitlements to Job Seekers; and how to improve access to additional non-statutory training;
 - b. How DWP/Jobcentre Plus will jointly design, commission and performance manage locally funded employment support programmes;
 - c. How NTCA will work, building on the learning and experience of Generation NE, with Jobcentre Plus and DWP to encourage the LEP and local businesses to offer employment, apprenticeships and other work related training and work experience opportunities to young people to support Government's ambition that all young people are either earning or learning;
 - d. How Jobcentre Plus, local authorities and their partners will work together to deliver a comprehensive suite of in-work services to promote skills development and progression from low-paid employment to support growth.
- 46) The remit of the Inclusive Growth Board will include full engagement in the design, commissioning and performance management of future local DWP-led employment support initiatives, pilots and trials that will affect the delivery of employment support services in the North of Tyne.
- 47) The Inclusive Growth Board will seek to improve the progression of employees from low-paid jobs, including via a labour market pilot that develops an advancement service for employees and employers in low wage sectors, in order to develop our understanding of what interventions are effective in supporting in-work progression. The new approaches adopted would have a particular focus on the retention and progression of older people (aged 50+) in the workforce, consistent with Government's Fuller Working Lives Programme.
- 48) Government will consider an NTCA outline business case with a view to providing financial support for a locally-managed employer-focussed intervention, concentrating on improving employment behaviour in the recruitment, retention and progression of people with disabilities or long term health conditions. The business case should be submitted to the Work and Health Unit outlining clearly how the project would fill gaps in the evidence base, what resource is required from government, what resource will be committed locally, costs and plans for a robust evaluation that will provide evidence of what works.
- 49) Government and the NTCA will explore ways to support those returning to the labour market after time out of paid employment to care for children or other family members.

Energy and low carbon

- 50) Energy is a key sectoral strength for the North of Tyne area, with significant energy technology and low-carbon expertise centred around the Tyne North Bank and Blyth sites. Government is committed to reducing UK emissions in line with carbon budgets and tackling the impacts of unavoidable climate change. Government recognises that integrating national and local measures can help to support the low carbon transition. North of Tyne wish to develop low carbon projects and services which align to national and local policy. In recognition of this, Government commits to working with North of Tyne to consider how its priorities, and those identified through the NELEP energy strategy work, can be better aligned and integrated with the design and delivery of national policies and programmes, including the UK's Industrial Strategy
- 48) In addition, the NTCA will establish close working arrangements with BEIS officials through quarterly strategic meetings to help review progress, unblock barriers, identify future opportunities and enhance cooperation between national and local government.
- 49) BEIS and the NTCA will discuss opportunities for cooperation, with the aim of delivering a more detailed programme of collaboration across multiple aspects of the low carbon and energy agenda.
- 50) Government will also work with the NTCA to help ensure that the North of Tyne's sector and innovation actions in the areas of offshore and energy technology are aligned with central Government innovation priorities and activities, including the Offshore Wind Innovation Hub, energy innovation support programmes and the Industrial Strategy. The NTCA will use the findings of the Science and Innovation Audit: Offshore Energy report to build upon the region's reputation as an outstanding location for energy research and innovation.

Internationalisation and competitiveness

- 51) The NTCA will simplify and strengthen the support available for business growth, innovation and global trade in the North of Tyne area to improve productivity and deliver more and better jobs. This will entail working in collaboration with the NELEP and in line with the LEP's SEP for the wider North East area.
- 52) In the summer of 2018, Newcastle and Gateshead will host The Great Exhibition of the North, which will be the largest event in England that year. It will showcase to the world how the North of England's great art and culture, design and innovation has shaped all our lives and is building the economy of tomorrow. It also presents a unique opportunity to maximise the trade and investment opportunities arising from this major one off event and to ensure a long-term legacy that builds upon the North's strong cultural sector strengths and assets.
- 53) Government will therefore work with the NTCA and NELEP, within the context of the Northern Powerhouse, to:
- a) Explore trade and investment opportunities arising from the Great Exhibition of the North;
 - b) Work with the GREAT Britain Campaign to develop a marketing campaign that maximises the impact of the Great Exhibition of the North; and
 - c) Support the development and delivery of a Great Exhibition of the North programme and legacy events.
- 54) The NTCA will work with DIT to ensure local and national arrangements continue to deliver the most efficient and effective support to businesses. North of Tyne will align its trade and investment activities with wider work around culture, tourism, skills and innovation to maximise the area's international presence and visibility. This will include collaboration with the universities in the area, as well as those in the wider North East region and the N8 Research Partnership of Universities in the North of England.
- 55) To deliver this commitment:
- a) The NTCA and DIT will work collaboratively to enhance export advice services for North of Tyne businesses, within the context of the Northern Powerhouse. This will include:
 - i) An integrated approach to planning for exports & investment.
 - ii) DIT seeking input from the NTCA in their annual trade mission planning process.
 - iii) Full engagement in trade fairs where appropriate for the NTCA.

- b) As part of this collaborative approach the NTCA and DIT management will provide for:
 - i) Regular strategic review with the Elected Mayor and wider NTCA representation with senior DIT Officials, as part of a wider Northern Powerhouse board.
 - ii) Regular operations reviews including local delivery partners, with the DIT local team, ideally as part of a pan-Northern Powerhouse operations meeting
 - iii) Input to DIT Northern Powerhouse business planning via these reviews.
 - iv) Operational support from DIT that is locally specific to the NTCA.
- 56) The NCTA and DIT will also work on a collaborative approach to inward investment and account management in the North of Tyne area, again, within the context of the Northern Powerhouse.
- 57) DIT will work with the NTCA to support a strategic Key Account Management Programme to provide targeted support for North of Tyne's key sectors, such as offshore and renewable energy, professional services and the health innovation sector.
- 58) The NTCA and the British Business Bank will work together to help SMEs in the North of Tyne area to access the finance they need to grow their businesses.

Housing and land

- 59) The NTCA and its constituent authorities will support the accelerated delivery of an ambitious target for new homes, informed by Local Housing Need figures. The NTCA will report annually on progress against this target.
- 60) To support delivery of this commitment:
- a) The NTCA will have broad powers to acquire and dispose of land to build houses, commercial space and infrastructure, for growth and regeneration. They will be able to invest to deliver housing for the area.
 - b) The Mayor will have compulsory purchase powers, subject to the agreement of the NTCA member where the relevant land is located, and to the consent of the Secretary of State for Housing, Communities and Local Government.
 - c) The Mayor will have the power to create Mayoral Development Corporations, which will support delivery on strategic sites in the North of Tyne area. This power may be exercised only with the consent of the Combined Authority member(s) who represent the area in which the Development Corporation is to be established, and the consent of the National Park Authority, if relevant. Increases in the value of the land as a result of the work of the Development Corporation will be reinvested in the Corporation to deliver new schemes.
- 61) The NTCA and Government will establish a North of Tyne Housing and Land Board. This board will oversee an integrated programme of housing delivery across the area and make best use of all public sector land and available funding. Board representation will be explored further but will include senior representation from Government and the Homes England as well as local partners.
- 62) The NTCA and Government will collaborate to explore options for the expansion of Specialist Housing Provision. This will include utilising the expertise of the National Innovation Centre for Ageing at Newcastle University to develop a housing offer that supports residents to stay well, independent and productive for as long as possible.
- 63) The NTCA, with the support and advice of the Housing and Land Board, will accelerate the delivery of new homes in the area above Local Housing Need figures. Over the coming months, Government will continue to explore the potential for a housing deal, alongside a commitment by the three North of Tyne authorities to develop a joint Infrastructure Delivery Statement and explore closer strategic planning alignment, at the next review of local plans.

Rural growth and stewardship

- 64) The Government recognises the North of Tyne area's desire to become a national exemplar for rural growth and stewardship. In support of this, the NTCA will develop a comprehensive North of Tyne Rural Productivity Plan that aligns with NELEP's SEP, to deliver an aligned and place-based approach to maximising rural productivity. In developing this plan, the NTCA will support the NELEP's Rural Growth Network and will work closely with neighbouring authorities, LEPs and Growth Hubs across the wider North East and Borderland geographies, including via the emerging Borderlands Growth Deal.
- 65) To support North of Tyne's rural growth ambitions, Government commits to:
- a) Engaging with the NTCA on emerging national policy associated with rural growth and stewardship, the Government's 25 year ambitions for the environment;
 - b) Engaging with the NTCA on the implementation of successor arrangements for the EU Rural Development Programme;
 - c) Supporting, where appropriate, the application of a strategic programme approach to bids for resources from national programmes targeted at rural growth, to improve co-ordination and help ensure that bids submitted under these programmes are consistent and aligned;
 - d) Providing advice and guidance on programmes to deliver the North of Tyne Rural Productivity Plan, to maximise their impact and facilitate a genuinely place-based approach (including that provided by the Productivity Council); and
 - e) Working with the NTCA and the NELEP (including its Growth Hub) to focus on opportunities around scale-up, innovation-led growth, natural assets and new technologies in the context of rural growth.
- 66) The NTCA will, as part of its commitment to fully play its part in the delivery of the Industrial Strategy and to become a national rural exemplar, act as a Rural Business Scale-Up Champion for England. This will involve, with Government endorsement, the development of a national network which will facilitate peer to peer collaboration between businesses, local authorities, local enterprise partnerships and Growth Hubs operating in a rural context who share our commitment to scaling up small businesses. The focus of the network will be on sharing expertise and fostering innovation in removing barriers to high growth in rural-based businesses, particularly in examining the ways in which digital technologies can enhance the inter-connectedness of rural economies.

Digital infrastructure and “smart data”

67) World class digital infrastructure and innovation, together with smart utilisation of data, is key to North of Tyne’s ambition to be a leading location for socially inclusive economic productivity.

68) Government (DCMS) will support North of Tyne’s ambition for improved digital connectivity by:

- a) Continuing existing support for investment in rural areas, maximise access to superfast connectivity to as many residential properties as possible; and
- b) Continuing to explore options to allow interventions in dense urban areas within the NTCA, where market failure has resulted in poor provision for some residents and SMEs.
- c) Supporting the use of the planning system to require the provision of fibre optic cable and smart metering as standard in any new development.
- d) Recognising the strategic significance of a new fibre optic cable to Europe.
- e) Encouraging commercial providers to improve cellular coverage along key transport routes.

69) North of Tyne will use devolution as an opportunity to harness its digital strengths to develop nationally important innovation assets in areas such as cyber security, in line with the national cyber security programme’s emphasis on the role of regions in ensuring resilience.

70) The North of Tyne will pioneer a smart-data environment, with improved sharing of data across local and national public services, to deliver more sophisticated, more responsive and more efficient services. North of Tyne commits to:

- a) Explore new ways in which data and smart technologies can be used to enhance decision making;
- b) Innovate to introduce new methods of digital delivery of services where appropriate;
- c) Explore new opportunities to increase open data, to improve outcomes and transparency; and
- d) Move towards common data standards across the three authorities and the Local Enterprise Partnership, where appropriate.

North of Tyne's commitments underpinning the Deal

- 71) The NTCA (and prior to its establishment, the local authorities and NELEP) will work with HM Government to develop a full implementation plan, covering each policy agreed in this Deal, to be completed ahead of implementation. This plan must be approved by Government prior to delivery. Any issues of concern with the subsequent delivery of this Deal will be escalated to Ministers and Leaders to resolve, in keeping with the letter and spirit of devolution.
- 72) The NTCA (and prior to its establishment, the local authorities and Local Enterprise Partnership) will be accountable to local people for the successful implementation of the Devolution Deal. Consequently, HM Government expects NTCA to monitor and evaluate its Deal in order to demonstrate and report on progress. Government will work with the constituent members of the proposed Combined Authority to develop a monitoring and evaluation plan that meets local needs and helps to support future learning, which must be approved by Government prior to delivery. Where relevant, this will include the coordination of metrics, methodologies and areas of focus with other local areas in order to secure the most useful evidence base across the full range of devolution deals.
- 73) The NTCA will be required to evaluate the impact of the North of Tyne Investment Fund. The NTCA and Government will jointly commission an independent assessment of the economic benefits and economic impact of the investments made under the scheme, including whether the projects have been delivered on time and to budget. This assessment will be funded by NTCA, but agreed at the outset with MHCLG and HMT, and will take place every five years. The next five year tranche of funding will be unlocked if Government is satisfied that the independent assessment shows the investment to have met the objectives and contributed to economic growth. The gateway assessment should be consistent with the HM Treasury Green Book, which sets out the framework for evaluation of all policies and programmes. The assessment should also take into account the latest developments in economic evaluation methodology. Government would expect the assessment to show the activity funded through the scheme represents better value for money than comparable projects, defined in terms of a Benefit to Cost ratio and considered in the strategic context of local ambitions for inclusive growth across the whole geography.
- 74) The NTCA and Government will agree a process to manage local financial risk across local public bodies.
- 75) Prior to the first Mayoral elections, Government will work with the NTCA to develop and publish a guide to the deal, which will aim to give the public and stakeholders – including Parliament – a clear understanding of the powers and funding that are being devolved to the NTCA; where accountability sits as a result of this deal; and how decisions are made. This is consistent with the guides published for other mayoral deals (which can be viewed at <https://www.gov.uk/government/publications/devolution-and-mayors-what-does-it-mean>)

76) The NTCA and its members will continue to adhere to their public sector equality duties, for both existing and newly devolved responsibilities.