

Local Government and Communities Committee

City Region Deals

Submission from Newcastle City Council and Gateshead Council

Introduction

In July 2012, the Newcastle City Deal was one of the first wave of City Deals agreed with Government. As part of the deal, Newcastle City Council and Government agreed the following:

- To create a NewcastleGateshead Accelerated Development Zone (ADZ), unlocking city centre growth.
- That Newcastle and Gateshead Councils should benefit from new Tax Increment Financing powers, with all growth in business rate income generated within four key development sites, covering 80 hectares, ring-fenced by government and retained by the two Councils for 25 years.
- That, backed by the revenue stream created by localised business rates, Newcastle and Gateshead Councils will immediately initiate a £92 million investment programme, creating 600 construction jobs and leading to 1,500 permanent jobs within five years, and 13,000 over the next 25 years.
- To work together, with enhanced support for inward investment through UKTI, and the Centre for Offshore Renewable Engineering, to secure a further £500 million in private sector investment into the marine and offshore sector, with the potential to create 8,000 jobs across the North East.
- To establish Newcastle as a low carbon Pioneer City, working in partnership to deliver its smart city ambitions and carbon reduction target of 34% by 2020.
- To improve employment opportunities, through: co-location of services, sharing of data, more integrated working and co-financing between Jobcentre Plus and local services.
- To develop and deliver a Joint Investment Plan in partnership with the Homes and Communities Agency (HCA).
- To develop an investment programme to reduce congestion
- To invest in super-connected broadband infrastructure,
- To work with the seven local authorities represented on the North East Local Enterprise Partnership, to strengthen governance; including the option of a North East Combined Authority.

How is the Governance of your local City Deal structured?

The integrated nature of the sites in the Newcastle and Gateshead Accelerated Development Zone has required decision making and governance arrangements to ensure that the ADZ and other elements of the City Deal reach their full economic potential. Since the City Deal was published, Newcastle and Gateshead have produced a joint planning framework, our “Core Strategy and Urban Core Plan”. In addition to regular officer contact across the two Councils, activity is overseen by the Gateshead Newcastle Partnership, a Joint Committee comprising the Leaders and senior Cabinet members of the two Councils.

How are City Deal projects prioritised and managed, and who is held accountable for the outcome of projects?

The Council’s adopted project management and performance management processes operate to identify and reinforce linkages between City Deal programmes, projects and priorities (and wider Council programmes) from the earliest stages of a planned investment through to completion.

City Deal projects are prioritised according to their financial viability and the impact upon maximising growth opportunities, and ensuring that residents are connected to these opportunities.

The Council’s Capital Investment Programme, which incorporates City Deal, supports the delivery of the Council’s ambitions against agreed priorities; and seeks to deliver the maximum possible benefits from the City Deal in other areas of the City including of the City Centre, and the Enterprise Zone on the North bank of the River Tyne.

The accountability for the capital programme and agreed outcomes is through internal Programme Boards and monthly monitoring of progress and outputs, including monthly reporting to the appropriate Cabinet Member.

How are City Deal projects evaluated?

Projects are primarily monitored against job outcomes and development objectives. In addition to internal reporting, progress against objectives is regularly reported to central government.

How are local residents and business involved in and kept informed of City Deal projects and activities?

The Council uses a variety of channels to engage, involve and inform the wider community on our City Deal projects and activities. This includes formal and informal meetings, events, newsletters (“Citylife”) and social media. We also have good relationships with local and national press where positive news stories are promoted. Specific examples include: Science Central Open Days promoting the benefits that Accelerated Development Zone status brings to the city and Leader’s breakfast

briefing's aimed at the private sector encouraging the take up of broadband connectivity.

How does City Deal funding interact with Growth Deal and Devolution Deal funding?

Newcastle and Gateshead Councils ensure that all additional funding, including Growth Deal funding, supports and is complementary to City Deal funding.

The North East Combined Authority does not have an implemented devolution deal with Government.

Could projects delivered through City Deal funding been delivered through other means?

There is no doubt that the City Deal has enabled Newcastle Council to unlock and accelerate developments that would have not occurred without the powers provided by the City Deal. At the time of the City Deal, the City's economy was recovering from a major recession and business confidence was low and there were uncertain prospects for the future. The powers devolved via the City Deal empowered both Councils to provide the conditions for growth and to reduce uncertainty for businesses to invest within the City.

Have City Deals (as opposed to Growth Deals and Devolution Deals) helped to encourage a shift towards local decision-making on major infrastructure projects in your region?

We found that the City Deal process led to a strengthening in relationships with a number of Government Departments, which has improved their understanding of the opportunities and challenges in the area – including significant additional investment in transport infrastructure.