

# NORTH EAST MAYORAL MANIFESTO

**A Manifesto Delivering  
Sustainable Growth**



# Foreword

In May, voters across England will elect 10 metro mayors, the most to date. By May 3 approximately 26 million people, or 44 per cent of the English population will be presided over by a mayor. And in May, another three mayors will be elected for the first time, in the North East<sup>1</sup>, York and North Yorkshire, and the East Midlands. This combined group of Metro Mayors (the M12) will then collectively represent more than 50 per cent of England's GDP.

With a strong personal mandate, mayors provide a powerful and influential voice, bringing a strategic regional view to crucial policy decisions on areas such as transport, housing, education, strategic planning and infrastructure. All of which are crucial to business. Across England, we see mayors continue to play a vital role in ensuring a region is an attractive place for inward investment and to do business, both domestically and internationally.

The CBI has been a long-standing supporter of devolution and of directly elected mayors, we have seen how they can be strong advocates for their region with the convening power to make things happen. They act as ambassadors for their regions both nationally and internationally, and importantly, provide the governance and accountability Whitehall needs in order to devolve powers and funding.

## Regional priorities for devolution

From biotech to construction, advanced manufacturing to screen, digital tech to renewable energy – and underpinned by an established education, housing, and services sectors – the North East economy is primed for growth.

However, businesses operate in tough economic conditions: high interest rates, rising costs, a tight labour market, and fluctuating demand. In many respects, our region – and its Mayor – must work harder to continue **narrowing the gap** between national performance metrics and intraregional disparities.

To succeed, the Mayor must prioritise:

- **skills development and mobility** – consolidating a complex system into a single regional skills plan, co-created with industry to generate a talent pipeline, and use transport powers to optimise the connection between people, training and jobs
- **industrial decarbonisation** – championing both the environmental and economic prizes, and marketing our most significant investible propositions to both UK government and international investors
- **technology adoption and innovation** to transform sluggish regional productivity – recognising the correlation between innovation eco-systems and economic health,

---

<sup>1</sup> The North East Mayoral Combined Authority will replace the non-mayoral North East Combined Authority and the North of Tyne Combined Authority, whose incumbent mayor is Jamie Driscoll

without hampering innovation potential through a purely 'grants-for-jobs' approach; and

- **business support** with a simplified regional-by-design approach – capitalising on economies of scale to commission high-quality, fit-for-purpose services accessible through one front door.

Most importantly, the Mayor must use their mandate to **relentlessly promote and pursue an ambitious, long-term regional economic vision**. This should recognise existing strategic assets and clusters, inspire inward investment and tourism, and differentiate the North East narrative in a competitive domestic and global market. In pursuing greater regional prosperity, the North East must identify the region's most significant economic strengths and unashamedly back emerging success stories- showcasing the region will be a vital part of any successful mayor's programme of activity.

Public and private sector collaboration is a critical component of all these priorities; a strong industry voice – through the **Business Board** and other advisory groups – is essential.

### **Matt Bratton, Acting Regional Director – CBI North East**

[Matt.Bratton@cbi.org.uk](mailto:Matt.Bratton@cbi.org.uk)



# Drive regional investment

Despite recent UK economic turbulence, the North East remains resilient. The region has created 7,000 jobs through inward investment in the past two years, ranking second only to London<sup>2</sup>. Moreover, since 2014, the region has created 60,000 additional jobs and increased the total number of better jobs by 82,000.

But to reach its potential and become a truly competitive regional economy, it is vital that the Mayor not only champions the region's unique economic, social, and geographical strengths but also safeguards new investments with appropriate skills provision and talent attraction. This will be an essential component in leveraging private-sector investment and establishing destination recognition.

A regional approach in this space will ensure the creation of new jobs, not just new vacancies, and avoid potential synthetic wage inflation.

Enhanced devolution across the North East offers a unique opportunity to develop and deliver a comprehensive economic narrative, allowing the Mayor to market the region's reputation and instil a sense of stability for investors. By utilising the generous investment funding offered by the Autumn 2022 deal – in part made up of a £1.4bn regional investment fund with considerable flexibility<sup>3</sup> – NEMCA should develop a comprehensive investment framework that delivers programmes grounded in requirements of regional benefits, value for money, and maximise social value.

Co-creating this investment framework with business partners and shareholders will provide clear strategic direction. In turn, this will give businesses the confidence to co-invest in long-term, strategically important regional assets, including centres of excellence, education institutions, and transport hubs such as Newcastle Airport and the region's extensive port network.

This will provide the foundation for the region to crowd significant private sector investment, including foreign direct investment, an essential part in ensuring the future growth trajectory of the North East.

- The Mayor should ensure that Investment Zone policy is aligned with the objectives and priorities identified within NEMCA's devolution deal.
- Like other MCAs across England, NEMCA should publish a Regional Investment Prospectus to catalyse private sector investment. Firms seeking to invest in the North East require clarity on the role of private sector financing in economic growth projects.
- To ensure inward investment in the North East is optimised, the new MCA must ensure that skills provision is matched against business demand and avoid driving synthetic wage inflation/skills gaps.
- NEMCA must ensure that regional partners receive frequent and consistent communication. This will inform firms of the opportunities on offer and ensure that the region speaks with one coherent voice.

---

<sup>2</sup> [Our economy 2023 : Progress and challenges - North East Evidence Hub \(northeastlep.co.uk\)](https://northeastlep.co.uk)

<sup>3</sup> [Developing an Investment Plan for the North East MCA \(mcusercontent.com\)](https://mcusercontent.com)

- The newly elected Mayor must continue to build upon the world-class strengths of the region in offshore wind, engineering, and green manufacturing. Collaboration with Newcastle Airport, Port of Blyth, Port of Sunderland, and Port of Tyne will be essential if NEMCA seeks to deliver on the ambitions of the Green Superport<sup>4</sup>.
- NEMCA should seek to boost exports with a fully integrated export strategy highlighting trade benefits and providing targeted business support. This includes aiding existing exporters in navigating EU trade relationships and diversifying into new global markets as the UK forms fresh trading agreements.
- In his report to government in 2023 Lord Harrington, suggested “**A need for collaboration over competition**”<sup>5</sup>, citing the importance of regions, and mayoral combined authorities working in partnership to land investment into the UK. The mayor should seek to work with the 12 English regional mayors in the spirit of collaboration that will act as a powerful collective voice.

## Future proof the regional labour market to drive inclusive growth

For years, the UK's flexible job market and skilled workforce have fuelled economic growth. However, ongoing issues like a decline in foreign workers, post-COVID economic inactivity, and a shortage of specialised labour for innovation-intensive sectors are eroding this advantage.

The upcoming May elections present an opportunity for the Mayor to collaborate with the UK government and Further Education/Higher Education providers to bring structural changes to the region's skill provision. This involves removing barriers to work, addressing immediate shortages, and targeting skills required for future demand. While a regionally tailored approach is vital for the North East's economic resilience and inclusive growth, the CBI stresses the need to avoid a fragmented, postcode-based skills provision.

As such, the CBI supports Local Skills Improvement Plans (LSIPs) and is keen to collaborate with NEMCA and FE/HE institutions to integrate findings from various plans into a comprehensive North East regional skills plan. Balancing national and regional priorities can effectively bridge skill gaps across the entire region, and by utilising anchor institutions such as our world-class colleges and universities, we can attract and retain a new generation of highly skilled, highly paid workers.

Upon the Mayor's election, NEMCA will take control of its adult education budget, aiming to build on the track record of constituent sub-regional progress. To make a real impact, the Mayor should consider the diverse economic and geographical landscape of the North East, addressing skill gaps in SMEs across rural and coastal communities.

- Comprehensively integrate universities and FE colleges into the devolution process moving forward. By embedding this collaboration, universities can work alongside the new MCA on future regional skills policies such as the LSIP process.

<sup>4</sup> [North East devolution deal - GOV.UK \(www.gov.uk\)](https://www.gov.uk/government/news/north-east-devolution-deal)

<sup>5</sup> P68, [231123\\_Harrington-Review-Report-FINAL-2\\_HH\\_Global\\_.pdf \(publishing.service.gov.uk\)](#)

- NEMCA should convene education providers and facilitate collaboration to encourage and resolve unnecessary duplication and maximise regional provision of skills. This could be through developing or scaling up a Skills Advisory Panel.
- Continue to support and raise the profile of ‘North East Ambition’<sup>6</sup> and ensure alignment to regional skills provision from “play-level to PhD”.
- The Mayor should use their personal mandate and national platform to create a strong sense of place, leveraging this to encourage the retention of the working-age population and establish the North East as an excellent place to develop and build your career.

## Regional climate commitments to help the UK deliver net zero

Few missions hold a greater moral obligation for both industry and society than the transition to a low-carbon economy. Indeed, this lies at the epicentre of the UK’s long-term sustainable growth and how we can revitalise those regions left behind in the wake of deindustrialisation.

The North East is a market leader in the green economy and net zero. From its below national average carbon emissions per capita<sup>7</sup> to its long-established capability in offshore energy, the region is at the very centre of the UK’s green energy revolution.

But delivering on the UK’s climate commitments is not just an economic no-brainer; it also has the capacity to improve the overall health and wellbeing of those living and working across the region. Through evidence-led collaboration between the private and the public sectors, the Mayor can implement an environmentally inclusive agenda that enables responsible green economic growth.

Now is the time to invest in the region’s competitive strengths, building on the previous work of North East partners such as the North East LEP, the North of Tyne Combined Authority (NTCA) and the North East Combined Authority (NECA). This includes developing world-leading renewable energy projects, such as Dogger Bank- the world’s largest offshore wind farm capable of powering up to 6 million homes annually<sup>8</sup>- and numerous industrial sites primed for low-carbon hydrogen production. The North East business ecosystem and its institutions are globally recognised for these innovative, sustainable practices, and the Mayor should harness this to accelerate towards a low-carbon economy.

- CBI members want to see a holistic and interactive plan to coordinate an effective public-private policy to reach net zero.
- The Mayor should work with the CBI and other business organisations to develop further incentives and policy measures to support businesses, particularly SMEs, to transition to a net zero economy.
- Develop an integrated, low-carbon public transport system by continued collaboration with transport providers to deliver integrated and sustainable travel options.

<sup>6</sup> [Homepage - North East Ambition](#)

<sup>7</sup> [Our economy 2023 : Progress and challenges - North East Evidence Hub \(northeastlep.co.uk\)](#)

<sup>8</sup> [The World’s Largest Offshore Wind Farm - Dogger Bank Wind Farm](#)

- Partner with mayors, firms, and local authorities at COP29 to promote the opportunities of the North East in renewable energy generation and low-carbon innovations. This should be closely aligned with the work underway across the region's world-class universities and colleges and within the business community.

## Drive high-growth technology and innovation

Technology adoption and innovation across our region's economy underpins much of the North East's future growth opportunity and is essential in achieving inclusive, sustainable economic growth. Seizing upon the opportunities on offer will drive up productivity and help us tackle our greatest challenges, including our transition to net zero, mitigate the chance of a new pandemic, and futureproof our economy for generations to come.

The UK already has a strong foundation, with the North East representing an integral part of its success<sup>9</sup>. But now is the time to build upon these competitive strengths, utilising the region's early adoption of future technologies to reinforce our pipeline of innovation-intensive sectors and high-growth businesses.

One way a new Mayor can ensure a vibrant innovation-intensive sector would be to bring together SMEs and large corporations to catalyse the region's internal market. By stimulating this cluster effect, scale-ups will have access to a broad and beneficial ecosystem and the associated flow of finance and talent- all vital factors in retaining these regional firms and preventing early sales and relocation.

By re-committing to our reputation in research and enabling our region's world-class universities, we would like the Mayor to build upon existing assets and develop internationally competitive clusters in advanced manufacturing, green technology, and life sciences.

With the North East selected to house an Investment Zone, the "Arc of Innovation"<sup>10</sup> demonstrates the capability of the region to deliver at scale, and this is something the Mayor should consider collaborating with regional stakeholders, firms, and business representative groups to ensure the North East continues to bat above its weight.

The clarity and stability a Mayor can provide through their substantial convening power will instil confidence in the private sector and attract the investment and expertise required to drive long-term sustainable economic growth and deliver meaningful projects to scale.

- Advocate for a region-by-design approach to business support – coordinating an end-to-end support pathway for start-ups, scale-ups and high-growth-potential businesses.
- Build on the North East Growth Hub to offer industry one-front-door to high-quality business support – utilising the expertise of sector groups to design fit-for-purpose interventions.

<sup>9</sup> [Regional report North East - UKTN download \(uktech.news\)](#)

<sup>10</sup> [Northumberland County Council - Investment Zone announced for the North East](#)

- Take an evidence-led approach to align innovation support to the region's most acute socio-economic needs – from low life expectancy to multi-generational unemployment.
- A newly elected Mayor must ensure that the North East is at the forefront of HMG programmes when funding 'launchpad' style schemes. CBI members would welcome a place-based innovation programme similar to the Innovation Accelerator pilots in Greater Manchester and the West Midlands.

## **Delivery of resilient public services and fit for purpose infrastructure**

Confidence in our public services is integral to building a thriving regional economy and a central component in delivering sustainable, socially responsible growth.

By striking the right balance between public and private delivery and fostering a new era of collaboration, the Mayor can ensure that essential enablers of progress and prosperity best deliver productivity.

For any region or nation of the UK to succeed, they must enable businesses to invest, innovate and bear some risk in the provision of public services. But, to unlock significant capital investment into everything from infrastructure and AI to education and health, the Mayor must signal ambition and commit to a long-term framework that instils credibility and enables delivery at pace.

A vital part of this must be to review the regional planning system, removing the often burdensome barriers to firms that impact business confidence and prevent investment into regional assets. Committing to a Regional Spatial Plan that offers a long-term strategy will give firms the confidence to collaborate with NEMCA and target investment into those key strategic growth priorities outlined by the Mayor.

- The Mayor should empower the combined authority to develop a strategic framework to identify opportunities and support pan-regional infrastructure delivery – both physical and digital. This will ensure that local plans for employment land uses are equally as important as those for new housing.
- Implement the recommendations made by Network North and bring together the strategic transport plans of NECA and NTCA to form a single unified North East strategy. Integral to increasing investment and productivity, we must have a fully integrated, region-wide public transport system.
- The Mayor should use their considerable convening power to promote investment into UK East-West connectivity. This will give people across the region better opportunities to access education, skills, and employment across the North East.



# Conclusion

On 2 May, the people of the North East will head to the polls to elect the next Mayor of the North East Mayoral Combined Authority (NEMCA).

The **CBI** and its members are committed to collaborating with the next Mayor to ensure that the North East continues to thrive as a region where people live, work, and conduct business. Despite numerous challenges such as the rising cost of living, inflation, and geopolitical instability, both the region and the nation face, the decisions made by the next Mayor will significantly impact employees, employers, and the entire region.

The CBI contends that when politicians, public, and private sectors collaborate, the North East can fully unlock its potential. Businesses are poised to contribute by partnering with the new Mayor to advance the priorities outlined in this manifesto.

Business will have the opportunity to hear from all the mayoral candidates at our hustings event, running in partnership with the FSB and Chamber of Commerce on the 28 March 2024. Register your attendance [here](#).

March 2024

© Copyright CBI 2024

The content may not be copied, distributed, reported or dealt with in whole or in part without prior consent of the CBI.

To share your views on this topic or ask us a question, contact:

**Matt Bratton**

Acting Regional Director, North East

[Matt.Bratton@cbi.org.uk](mailto:Matt.Bratton@cbi.org.uk)