

North East business leaders back devolution bid that could create 17,000 new jobs

Three of the North East's main business organisations have issued a joint statement welcoming plans for a devolution deal for the area.

Documents emerged this week that outline plans for a devolution deal to cover Northumberland and Tyne and Wear, with hopes that the deal can bring more than £3bn of government funding over 30 years and generate more than 17,000 jobs.

Business leaders have long backed moves to give the region a greater say over its affairs and many were dismayed when a previous deal to cover Northumberland, Tyne and Wear and County Durham collapsed in 2016. A new deal looks likely to be progressing without County Durham, which is hoping to secure its own county deal.

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Now the North East England Chamber of Commerce, the CBI and the Federation of Small Businesses have jointly welcomed an outline of a proposed new devolution settlement for the north of the region.

John McCabe, chief executive, North East England Chamber of Commerce said: "We recognise the huge amount of work from leaders across Northumberland and Tyne and Wear to get discussions to this advanced stage and are grateful for it.

"Positive partnership working has already paid real dividends for our businesses and communities, especially as we recover from Covid. An extended deal which delivers more funding and

powers over transport, skills, jobs and homes would be a welcome next step on the region's devolution journey."

Sarah Glendinning, regional director of the CBI said, "The CBI is keen to see local leaders empowered to make the big decisions which address regional challenges and deliver economic growth.

"Businesses tell us that devolution in the North and South of the region has already delivered tangible benefits – that is why our members are really positive about conversations so far and support regional leaders to get this next phase of work over the line."

And Reshma Begum, North East development manager of the Federation of Small Businesses said: "For small and medium sized businesses in particular, we know that wider devolution could make a real difference to creating the conditions for success in the North East.

"They are really supportive of the opportunities a new deal could open up, especially in areas where we have unique regional assets, such as the rural economy or green industries."

The previous bid for devolution collapsed in 2016 amid a political and geographical split, after which Newcastle, North Tyneside, and Northumberland broke away to form the North of Tyne Combined Authority.

A package to mend the divide between the councils either side of the Tyne and hold a mayoral election in 2024 is close to being agreed and new documents reveals that the draft deal is now "stable enough" to discuss with council leaders and "stands up to the tests and major red lines" set before the negotiations with Government officials began.

Business leaders will welcome moves in the devolution process to improve transport and skills training in the region.

The devolution document outlines plans to set up mayoral development corporations, create 17,516 new jobs and leverage a further £3.7bn of investment from the private sector.

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