

# Helping the Cambridge, Milton Keynes and Oxford corridor reach its potential

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Alongside Autumn Budget 2017, and following the National Infrastructure Commission's [recent report](#),<sup>1</sup> the government is publishing its overarching vision for the Cambridge – Milton Keynes – Oxford corridor to stimulate economic growth in the national interest. It invites stakeholders from across the region to engage over the next 12 months to turn this high-level vision into a strategy that is capable of being delivered through an integrated programme of infrastructure investments, housing and business growth. The government will respond in full to the National Infrastructure Commission's report, including any formal endorsement of their recommendations within 6-12 months.

## The government's vision for the corridor

**1.1** The Cambridge, Milton Keynes and Oxford axis has the potential to be a growth corridor similar to Silicon Valley that nurtures the UK's innovative industries. Two of its universities are consistently ranked in the global top four and widely recognised as world leaders in key areas of research and innovation. It competes internationally for high-tech and science investment, and contains nationally-significant industry concentrations that can be a springboard for this region to lead the way globally in areas such as medicine, life sciences, autonomous vehicles, biotech and artificial intelligence – with benefits spreading far wider across the UK.

**1.2** Estimates by the National Infrastructure Commission (NIC) suggest that, with the right interventions, annual output of the corridor in 2050 could be £163 billion higher than in 2014<sup>2</sup> – approximately doubling the growth expected without intervention.

**1.3** As the NIC has reported, this growth cannot be taken for granted. The government will respond formally to the NIC's report on the corridor – including any formal endorsements of its recommendations – in the next six to twelve months, but recognises now its central finding that in order to enable the corridor to meet its full economic potential there needs to be an integrated approach to the planning and delivery of infrastructure, homes and business growth.

**1.4** Growth in the corridor must also be sustainable – planned and developed in a joined-up way, with good design, to ensure high-quality outcomes with existing and new communities benefiting from the economic opportunities; and with the protection and enhancement of historic and environmental assets balanced with economic growth.

**1.5** This area is already amongst the most economically successful in the UK. The government wants to build on that success for the benefit of the whole of the nation. It is therefore right that the private sector should play a significant part in delivering this vision, through both direct investment and the reinvestment of land value increases created by strategic infrastructure, for the benefit of local communities. This represents an important announcement intended to have a wide-ranging effect on the delivery of the proposals, and those in the land market should take note.

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<sup>1</sup> 'Partnering for prosperity: a new deal for the Cambridge – Milton Keynes – Oxford Arc', National Infrastructure Commission, November 2017.

<sup>2</sup> 'Cambridge – Milton Keynes – Oxford Corridor: interim report', National Infrastructure Commission, November 2016.

**1.6** This document, published alongside Autumn Budget 2017, sets out an initial package of infrastructure investment, planning and development measures that together are intended to kick-start a process of meeting the area's full long-term potential. The government is also inviting local partners within the corridor to work with it on agreeing a more detailed, ambitious corridor-wide vision in 2018.

## Meeting the area's long-term housing need

**1.7** The government welcomes the NIC's finding that up to 1 million homes will need to be built in the corridor by 2050, if the area is to maximise its economic potential.

**1.8** The government has agreed a housing deal with Oxfordshire, committing to a target of 100,000 homes in the county by 2031 in return for a package of support for infrastructure and economic growth, which could include supporting the growth of employment sites across the county such as Science Vale, one of the most successful science and technology clusters in the UK. This rate of housing delivery would be consistent with a corridor-wide ambition for 1 million new homes by 2050.

**1.9** The government pledges to build on the Oxfordshire deal by working with the central and eastern parts of the corridor in 2018, to realise its housing ambitions.

**1.10** As the NIC has recommended, the government will also consider opportunities for one or more major new settlements in the corridor. It will do so by bringing together public and private capital to build new locally-proposed garden towns, using appropriate delivery vehicles such as development corporations. The government will work closely with the Homes and Communities Agency and local partners to explore such opportunities further.

## Providing the infrastructure needed to support economic growth

**1.11** Although some parts of the corridor have good links to London, the Midlands and the North, east-west road connectivity in the corridor is relatively poor and east-west rail connectivity almost non-existent. When planned in tandem with housing and jobs growth, infrastructure will drive productivity and provide capacity needed to mitigate congestion and enable agglomeration of businesses and jobs. The government:

- commits to developing an **Expressway** of high-quality east-west roads between Oxford and Cambridge, key elements of which will be built in the second Roads Investment Strategy period, from 2020 to 2025. In addition, and in line with the NIC's recommendations, the government will accelerate development work, completing option selection and detailed design work on the 'missing link' elements of the Expressway between the M1 and Oxford so that it is ready to open by 2030. A decision on corridor choice will be made by summer 2018. The government will commission England's Economic Heartland to study how communities not on the Expressway itself can still benefit from it
- confirms funding for Network Rail to deliver phase two of the **western section of East West Rail**, from Bicester to Bedford, and Milton Keynes to Princes Risborough, with the aim of the first passenger services to be running in 2023 and the project to be complete by 2024; and is establishing an independent **East West Rail Company**, which will seek opportunities to accelerate delivery of the central section of East West Rail between Bedford and Cambridge, with the aim for passenger services to begin by the mid-2020s

- announces match-funding of up to £5 million of contributions from the Cambridgeshire and Peterborough Combined Authority, the Greater Cambridge Partnership, and AstraZeneca for the development of plans for a **Cambridge South station**, with possible construction from the early 2020s subject to affordability, meaningful local contributions and a robust business case
- in partnership with Cambridgeshire County Council, the Cambridgeshire and Peterborough Combined Authority, and the Greater Cambridge Partnership, the government is also commissioning Network Rail to report by summer 2018 on **rail growth in Cambridgeshire up to 2043**, and the enhancements required to support this – which could bring rail benefits across East Anglia, including from Cambridge to Ipswich and Norwich
- recognises the NIC’s arguments for a **station at Cowley in Oxford**, and as a first step towards delivery is making available up to £300,000 to co-fund with local stakeholders an **Oxfordshire Rail Corridor study** to explore rail growth in the area, and opportunities for additional services, stations and routes

## Boosting the corridor’s economy

**1.12** Despite the corridor’s economic strengths, as the NIC’s study has found, the area is characterised by separate labour markets and commuting between hubs is minimal.

**1.13** The government wants to enable individual specialisms to thrive, but also to enable cross-fertilisation between areas and local economic planning to be orientated to the success of the corridor as a whole. To help facilitate economic growth:

- the government is inviting Local Enterprise Partnerships (LEPs) across the corridor and the Cambridgeshire and Peterborough Combined Authority to begin the development of ambitious **Local Industrial Strategies**. These strategies will back the corridor’s world-class science and innovation assets, as well as identifying and growing new sectors and business. Key to their success will be ensuring they read across the four LEP boundaries and align with the shared strategic vision for the corridor
- the government is working on a series of **sector deals** with the life sciences, construction and artificial intelligence sectors to boost these key sectors in the corridor
- the government invites local partners to work with the Department for International Trade with the aim of **boosting inward investment and exports**
- as the corridor is a key centre of expertise for **driverless vehicle technologies**, the government recently announced a £6.9 million investment in a joint driverless vehicle testing infrastructure scheme between the Culham Science Park in Oxfordshire, and Millbrook proving ground in Bedfordshire
- Autumn Budget 2017 announces Cambridge is one of eleven **Tech Nation regional hubs** that will be established outside London

## Providing the leadership needed to align economic, infrastructure and housing growth

**1.14** The corridor is governed by a mixture of county and district authorities, unitary authorities and a mayoral combined authority. In order to ensure that planning for jobs, new homes and

infrastructure is aligned across the corridor over the long term, it will be necessary for authorities to work together much more closely going forward.

**1.15** The government invites local partners to work with it through 2018 to agree a long term vision for the whole corridor up to 2050. This will set out how jobs, homes and infrastructure across the corridor will be planned together to benefit existing and new residents, while balancing economic growth with the protection and enhancement of the area's historic and environmental assets.

**1.16** The government believes this long-term vision should be underpinned by a series of joint statutory plans across the corridor which would deliver the vision through the planning system. As a first step, Oxfordshire has agreed, through its housing deal with government, to bring forward for adoption a joint statutory plan across the whole county. The government urges other areas in the corridor to propose how they will work together with a view to adopting a small number of joint statutory plans at the earliest opportunity to ensure that planning for business and housing is coordinated with the delivery of strategic and local infrastructure.

## **Ensuring local communities benefit from economic investments**

**1.17** The government is prepared to invest to make sure the corridor gets the strategic infrastructure it needs to fulfil its economic potential. This means that there will be significant increases in land value across the corridor due to public investment. It is the government's intention that such increases in land value are shared with local communities for public benefit.

**1.18** The government will be consulting on changes to the mechanisms currently available to local authorities (the Community Infrastructure Levy (CIL) and Section 106 agreements) to make them easier to use and more flexible. This will enable local authorities to capture land value uplift taking place in the corridor more effectively. For example, the government will consult on changes to CIL that would make it easier for authorities to capture land value increases around new railway stations.

**1.19** As a starting point, the government expects authorities and delivery bodies in the Cambridge – Milton Keynes – Oxford corridor to use existing mechanisms of land value capture, and the potential new mechanisms announced at Autumn Budget 2017 (subject to consultation) to capture rising land values from the additional public investment in a fair way, having regard to the announcements made at Budget 2017.

**1.20** The government will also encourage authorities to explore the introduction of a Strategic Infrastructure Tariff, in addition to CIL, supported by appropriate governance arrangements. These approaches will require developers to baseline their contribution towards infrastructure into the values they pay for land.

## **Conclusion**

**1.21** The Cambridge – Milton Keynes – Oxford corridor is a national asset that competes on the world stage and fires Britain's economy. The government invites stakeholders from across the region to work with it over the next 12 months to turn this high-level vision into a strategy that is capable of being delivered through an integrated programme of infrastructure investments, housing and business growth.