



Ministry of Housing,
Communities &
Local Government

**Ministry of Housing, Communities and
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Department for Transport

Great Minster House
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Date: **22 January 2018**

Dear all,

Cambridge-Milton Keynes-Oxford corridor next steps

We are sending this letter to partners in local authorities, Local Enterprise Partnerships, England's Economic Heartland, universities and colleges across the Cambridge-Milton Keynes-Oxford corridor.

In the November Budget, the Government announced a broad package of measures aiming to realise the considerable economic potential of this corridor as demonstrated by the National Infrastructure Commission in its report.

We are writing to you jointly to confirm the Government's ambition and set out next steps. We really want to work with you to maintain momentum on this important endeavour, to ensure the greatest benefits for local people and businesses, and for the country as a whole.

Given the breadth of the Government's ambition for the corridor, we have agreed to establish a joint programme of work within Government to take this forward. This will entail joint working across MHCLG and DfT, reporting to us, in close collaboration with other Government departments and agencies. The programme will be managed on a day-to-day basis by Rachel Fisher, Deputy Director for Infrastructure and Regeneration in the Cities and Local Growth Unit.

The breadth of the programme of course means you will be in contact with different Government departments and agencies. A key aim of the joint programme is therefore to provide an aligned Government voice and clarity on how the different strands of work fit together. Area leads in the Cities and Local Growth Unit and DfT will continue to work with you and your teams, and they will feed directly into the joint programme.

In addition, you will be aware that Iain Stewart MP has been asked by the Government to be a Champion for the corridor. We know that some of you are already engaging with Iain in his

new role and we hope that you and local political leaders will continue to do so as the programme develops.

We have set out next steps on the various elements of the programme below. You are pivotal to the successful delivery of these different strands of work, and we and our teams look forward to working with you.

If you have any questions, Rachel and her team would be happy to speak with you (Rachel.fisher@communities.gsi.gov.uk). Alternatively you can of course contact your Cities and Local Growth Unit and DfT Area Leads.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'SR', with a long horizontal flourish extending to the right.

SIMON RIDLEY

Director General, Decentralisation and Growth, Ministry of Housing, Communities and Local Government

A handwritten signature in black ink, appearing to read 'Tricia Hayes', written in a cursive style.

TRICIA HAYES

Director General of Roads, Devolution and Motoring, DfT

NEXT STEPS

Long-term corridor vision to 2050

At Budget, the Government invited local partners to work with it in 2018 to develop a long-term 'Vision' for the corridor to 2050, reflecting the corridor's significant potential to help drive the UK economy.

Planning at the local/sub-regional scale will remain crucial but we agree with the NIC that the full potential of the corridor could not be reached without aligning ambition across the corridor. We would therefore envisage that individual Joint Plans and Local Industrial Strategies support the long-term corridor Vision. The Vision will also need to consider how growth can be delivered while protecting the corridor's environmental and built heritage, and from the outset this also means considering any requirements for Strategic Environmental Assessment.

Establishing and delivering a Vision will require groups across the corridor to agree effective ways of joint working. We know there is consideration underway locally about how this could be organised, and look forward to discussing this with you.

Next steps: Rachel's team in the Cities and Local Growth Unit will be in contact about arranging an initial workshop to discuss the Vision and corridor-wide joint working to support this. We are aware that a piece of consultant-led work on a strategy for the corridor has already been undertaken locally, and we suggest that this meeting considers how to build on this existing work.

Housing deals

At Budget, the Government agreed with Oxfordshire an ambitious housing deal targeting 100,000 homes by 2031 underpinned by a Statutory Joint Plan. This rate of delivery would be equivalent to 1 million new homes by 2050 if achieved across the corridor. The Housing Deals team in MHCLG is currently working with Oxfordshire towards finalising a delivery plan.

Next steps: The Government is keen to continue discussions about further deals in other parts of the corridor which would be consistent with this level of ambition. The Housing Deals team in MHCLG has already made contact with partners across the corridor, and we are keen to take forward housing deal discussions in the very near future.

New settlements

At Budget, the Government announced that it will bring together public and private capital to support the delivery of five locally led new garden towns, including in areas of high demand such as the South East, and will consider appropriate delivery vehicles such as development corporations. The Government is not limited to supporting just five new garden communities, and will look to consider high quality ambitious proposals around the country.

Next steps: In the Spring, the Government intends to publish a prospectus inviting expressions of interest for ambitious, locally supported proposals for high quality new garden communities at scale, and we would urge local partners in the corridor to consider responding.

Rail

At Budget, the Government confirmed 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.

The Government also announced the establishment of 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. This is a major opportunity to develop a new rail link that will underpin future economic growth and new homes.

In addition, the Government committed £5m to develop proposals for a new station at Cambridge South, matched by £5m from the Greater Cambridge Partnership, the Cambridgeshire and Peterborough Combined Authority, and Astra-Zeneca. The Government also announced two new rail corridor studies – one in Cambridgeshire and another in Oxfordshire.

Next steps: Teams in DfT, Network Rail and EWR Co will continue to work with you as plans are developed and we hope you will take this opportunity to engage fully.

The Oxford-Cambridge Expressway

At Budget, the Government committed to starting construction of the ‘missing link’ of the Oxford-Cambridge Expressway, between Oxford and Milton Keynes by 2025, to be open by 2030. To ensure local infrastructure improvements are felt across the region, the Government is also asking England’s Economic Heartland to analyse how communities not on the route of the Expressway could benefit from it.

Next steps: A decision on corridor choice for the missing link will be made by summer 2018, and teams in DfT and Highways England are already engaging with you on this. The scope for the EEH study is not yet finalised, but we can assure you it will involve district councils.

Local Industrial Strategies

At Budget, the Government invited LEPs across the corridor and the Cambridgeshire and Peterborough Combined Authority to begin developing ambitious Local Industrial Strategies. These should identify long-term priorities to improve skills, back the corridor’s world-class science and innovation assets, and identify and grow new sectors and businesses. Their success will depend on aligning with each other and the long-term Vision for the corridor as a whole.

Next steps: Cities and Local Growth Unit officials discussed LISs with LEP and MCA chief executives on 12 January. This is the first step in a programme of close working, with the hope that LISs may be agreed by March 2019.

Land value capture reform

At Budget, the Government stated its expectation that authorities and delivery bodies in the corridor will use existing mechanisms of land value capture and the new powers (subject to

consultation) announced at Budget to capture rising land values from the additional public investment. We would strongly encourage you to consider how you would capitalise on the proposed reforms to CIL, and explore the introduction of a Strategic Infrastructure Tariff where supported by appropriate governance arrangements.

Next steps: Government will consult on the detailed proposals in due course and would welcome your response to this.

Export growth and attracting international investment into business and infrastructure

At Budget, the government invited local partners across the corridor to work with the Department for International Trade (DIT) to build on the already strong international profile of the corridor, with the aim of boosting exports, foreign direct investment and international capital flows.

Next steps: DIT will be in contact about supporting partners to develop a Trade and Investment Strategy going forwards. We know that work is also currently underway to profile the corridor to international investment markets at MIPIM Cannes in March 2018 at the UK Government Pavilion, and we would encourage you to work closely with DIT on this.