

NATIONAL INFRASTRUCTURE COMMISSION

1 Purpose

- 1.1 To raise Members awareness of the work of the National Infrastructure Commission (NIC) and particularly in relation to the development of the transport corridor between Cambridge-Milton Keynes-Oxford which was identified in their interim report published in November 2016. This was the subject of an initial consultation which closed in March 2017. Feedback from this consultation is currently being analysed by the NIC. This report also seeks to outline current activity undertaken so far in response to the recommendations set out in the interim report. The publication of the final NIC report is expected in the next few weeks. Members will be provided with a verbal briefing of the final NIC report if it has been published ahead of the meeting.

2 Recommendations

- 2.1 Note the report and verbal update to be presented at the meeting and any comments it would suggest Cabinet take account of when they consider this issue.

3 Background information

- 3.1 The NIC provides government with impartial, expert advice on major long-term infrastructure challenges. It is chaired by Lord Adonis and has 9 other non-executive commissioners. In relation to the Oxford to Cambridge corridor the NIC said in November 2016:

“The Cambridge-Milton Keynes-Oxford corridor has a major role to play in the future of the UK economy. Towns and cities across the corridor are amongst the most successful and fastest growing in the UK, making a substantial, and increasingly important, contribution to the UK income and to national tax revenues. The success of these places matters, not just to those who live and work in the corridor, but to national prosperity”.

In developing its thoughts around the Oxford to Cambridge corridor the NIC has been engaging with individual local authorities, developers, Local Enterprise Partnerships (LEPs), universities and Whitehall departments.

4 NIC Interim Report

- 4.1 The interim report represents the Commission’s assessment of the key challenges facing the corridor. It also sets out how the NIC will work to help tackle the challenges and makes a number of short term recommendations which it believes should be implemented.
https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/569867/Cambridge-Milton_Keynes-Oxford_interim_report.pdf

- An Area of Economic Importance for the UK

- 4.2 The Cambridge-Milton Keynes-Oxford corridor is home to 3.3 million people and hosts some of the most productive, successful and fast growing cities in the United Kingdom. Stretching around 130 miles from Cambridgeshire, via the south-east midlands to Oxfordshire, the corridor forms a ribbon around the north and west of London’s green belt.
- 4.3 This area is a hugely valuable asset to the UK as a whole and the assets of the area have a global reputation and compete on the world stage.

- 4.4 With the exception of London, no other part of the country hosts such powerful a combination of:
- World leading universities and research institutes – Oxford and Cambridge Universities rank consistently amongst the top 4 in the world, and Cranfield University is a global leader in engineering disciplines
 - Globally competitive business clusters – the area has a concentration of businesses in the scientific research and development, life sciences, pharmaceuticals, high-tech manufacturing, performance technology and motorsport sectors.
 - Highly skilled workers – Oxford and Cambridge have the most highly qualified workforces in the country. Milton Keynes and Northampton have seen sustained growth in degree-level qualifications. In addition, workers in the cities are highly productive; workers in Milton Keynes and Oxford are 23% and 14% more productive than the UK average respectively. This has been enabled by a combination of innovation, entrepreneurship and high skilled labour.
- 4.5 The corridor has sustained high levels of job growth and population growth and high land values over a long period. However, the area does not function as a single joined-up economic corridor and has yet to achieve the full extent of its economic potential – particularly when compared with its global competitors that are the highest performing knowledge-based economies in the world. Rather than a connected cluster of fast-growing places, Cambridge, Milton Keynes and Oxford have developed as distinct city economies, each positioned on different radial routes around 50 miles from London. The principal transport arteries run north to south through the area meaning connectivity between centres of economic opportunity is more limited.
- 4.6 The NIC interim report states that based on current trends in development, population and local economic growth – the area could see job growth of 335,000 to 2050, increasing economic output by £85bn. However, further analysis prepared for the Commission suggests that the economic potential of the area is greater than this; the area could support a further 700,000 jobs by 2050, increasing GVA by £163bn. Key constraints currently on achieving this growth are a lack of sufficient suitable and affordable housing and poor east-west connectivity and limited ‘last mile’ capacity into certain centres and employment locations weaknesses in the transport infrastructure required to connect cities in the area to each other and to labour supply.
- 4.7 The East West Rail project is underway with the first section between central Oxford and Bicester open and the second section between Oxford and Bedford via Bletchley by 2024 (anticipated 2022 to dovetail with construction of HS2) and recommended further commitment to the remaining section to Cambridge. Proposals for an Oxford-Cambridge Expressway are being investigated by Highways England. These infrastructure projects present a unique opportunity to develop a multi-modal spine for the corridor in an east-west direction – developing substantial national benefits and providing a foundation for the area’s long-term development. The schemes will help complete missing links in the rail and road networks but also improve labour supply but also require a cross-corridor transport and planning strategy.
- **A joined-up strategy**
- 4.8 The Commission’s central finding is; ***“that a lack of sufficient and suitable housing presents a fundamental risk to the success of the area.***

Without a joined-up plan for housing, jobs and infrastructure across the corridor, it will be left behind by its international competitors. By providing the foundations for such a strategy, new east-west transport links present a once-in-a-generation opportunity to secure the area's future success".

- 4.9 The NIC poses that meeting the corridor's housing and connectivity needs is a significant financial and planning challenge which will require radical thinking to enable new and expand settlements at the scale needed. It will require different approaches to infrastructure and development in different locations but which must be planned together. It states that the current development of new strategic east-west links, particularly if combined with other targeted local infrastructure movements, provides an opportunity to achieve this and prepare an ambitious long-term strategy for the development of the corridor.
- 4.10 The interim report states that to maximise benefits of significant new infrastructure investment, local stakeholders will need to demonstrate collective strategic leadership, often across administrative borders. This includes developing a shared vision for the corridor and a strategic plan for its development that commands the support of government and wider stakeholders.

5.0 Current and Future Activity on Strategic Issues

- The Central Area Growth Corridor

- 5.1 The NIC report highlights that the challenge remains to create a strategic plan or plans with consistent support across the corridor encompassing planning, transport and funding and makes a number of recommendations which includes for local authorities, LEPS and agencies to work together to develop joint governance arrangements which also considers the full range of delivery mechanisms capable of accelerating housing growth and coordinated planning.
- 5.2 In response to this challenge, the Central Area Growth Board is now being formed which is an emerging partnership of 17 Councils (County, Unitary and District) working together with SEMLEP and BTVLEP. The Growth Board will direct and oversee strategic initiatives and associated investment to secure growth across the corridor area referred to as the Central Area and the introduction of a Common Planning Area (CPA).
- 5.3 The Civic Leadership of the Central Area shares the ambition for the corridor set out in the NIC Interim Report: securing an economy with the potential of a higher GVA than Silicon Valley in California is a prize worth working towards. The aim is to secure a single conversation across the public sector to maximise the benefits which together we can accrue for our communities and economies right across the Central Area.
- 5.4 Progress is being made with developing the Central Area Growth Board governance. Terms of Reference are being developed for final agreement by the 17 constituent local authorities. A Central Corridor Officer Group has also been established and work is underway on a detailed asks and offer (Place Deal) to be overseen by the Growth Board.
- 5.5 A soft launch of the nascent Central Area of the Growth Corridor was staged at MIPIM UK at Olympia on 18-19 October 2017. A large stand was secured in the centre of the exhibition and a new brand, design and marketing materials including a joint promotional brochure were put together to promote

the area's innovation and key sectors. Aylesbury Vale was a stand sponsor along with Bedford Borough, Central Bedfordshire, Cherwell, South Northants, Luton and Milton Keynes. The schedule included a showcase slot entitled; "The Growth Corridor – Unlocking UK PLC Potential: the unveiling of a new partnership that will explore the once in a generation opportunity surrounding the UK's most innovative growth corridor, generating new investment and creating new jobs on an international scale". Roz Bird of Silverstone Park was one of the speakers at this showcase promoting the area.

- 5.6 The key promotional objectives included unlocking our economic potential, and UK PLC potential, place making for business, investment and growth and this once in a generation opportunity were portrayed effectively and the presence at the event effectively raised awareness which will be built on further going forward.

- **Sub-National Transport Body**

- 5.7 The Strategic Transport Forum, Englands Economic Heartlands (EEH) has set out its commitment to develop a proposal to establish a Sub-national Transport Body as part of its on-going work programme. A concept report has been commissioned to prepare advice on options and initial engagement with potential partners has commenced. A review of the Terms of Reference is also underway. Membership of the EEH is at present restricted to county and unitary authorities and not open to district authorities. We have continued to press the need for this to be addressed in the light of the important strategic role we play in planning, as have a number of the unitary members of EEH and SEMLEP.

6.0 Next steps

- 6.1 We are expecting the National Infrastructure Commission to publish its final report before the end of November 2017. The Commission's report will be advice and a series of recommendations which the Government has 6 months to respond to. We expect that there may be some related announcements in the Budget statement on 22nd November. Members will receive a verbal update on the final report if it has been published ahead of meeting and any implications known at that time following the budget announcement.
- 6.2 Work will also continue on raising awareness of The Growth Corridor – Central Area including discussions for a stand alone website as well as submitting the ask and offers document to Government once agreed by the Growth Board.

7.0 Resource implications

- 7.1 None arising from the report although it is likely that studies will need to be commissioned to take forward recommendations from the NIC and in building up and promoting the Growth Corridor: Central Area which will Be met from existing budget allocations for such work.

Background Documents:

https://www.gov.uk/government/uploads/system/uploads/attachment_data/file/569867/Cambridge-Milton_Keynes-Oxford_interim_report.pdf

