

## Strategic Transport Forum 15<sup>th</sup> December 2017

### Agenda Item 8: National Infrastructure Commission and Budget Update

**Recommendation:** It is recommended that the Forum:

- a) Welcome the recognition within the National Infrastructure Commission's final report of the positive contribution made by the Strategic Transport Forum.
- b) Support the recognition that strategic transport infrastructure requirements need to be considered alongside other wider strategic infrastructure, and note the work commissioned by the Strategic Alliance partners in this regard.

#### 1. National Infrastructure Commission Report

- 1.1. On 17<sup>th</sup> November the National Infrastructure Commission (NIC) published its final report: ['Partnering for Prosperity: a new deal for the Cambridge-Milton Keynes-Oxford Arc'](#).
- 1.2. The Commission's final report builds upon the key messages that were set out in its Initial Report (published in October 2016). Particular points that this meeting may wish to note include:
  - The Commission's central finding was that rates of house building need to double if the arc is to achieve its economic potential. It proposes that this requires a new deal between central and local government – one which aligns public and private interests behind the delivery of significant east-west infrastructure and major new settlements, and which seeks commitment to faster growth through a joined-up plan for jobs, homes and infrastructure. Any deal must give local areas the certainty, freedoms and resources they need to create well-designed, well-connected new communities.
  - Infrastructure is identified as a vital part of the investment package, along with investment in skills, higher education, science and technology.
  - The Commission sets out that realising the economic potential of the arc will require national investment, local leadership, support from local communities and buy-in from industry.
  - It highlights the importance of all parties committing to an ambitious, arc-wide vision and robust plans for its city and county-regions – integrating planning for jobs, homes and infrastructure.
  - The multi-modal spine is seen as a once-in-a-generation opportunity that will enhance connectivity across the arc, expanding the labour markets of key towns and cities, as well as improving connections to with international gateways such as Heathrow. The Commission also sees it as providing a vital step in the

development of a strategic transport corridor connecting East Anglia to the west of England and South Wales.

- 1.3. The Commission's final report also talks in terms of:
- Any deal between the local authorities and Government being based on a shared vision for the future of the arc and a robust framework for strategic planning.
  - The vision should shape a supporting arc-wide Strategic Infrastructure Plan and economic plan, framed to support the UK's emerging industrial strategy and which distils a set of strategic arc-wide investment priorities.
  - The strategic perspective should build upon local perspectives generated through sub-regional working – including that underway in Oxfordshire and Cambridgeshire/Peterborough.
  - Local and national government capitalising on the hard work done to establish the Strategic Transport Forum and on the momentum that has been built behind its current work programme – noting that the overarching Transport Strategy should form a key component of a Strategic Infrastructure Plan for the arc. The Commission comments that the wider strategic infrastructure plan should cover transport, digital, utilities and flood management.
  - The proactive approach of the Strategic Alliance in engaging with local enterprise partnerships (LEPs) and local planning authorities is explicitly referenced by the Commission, although it challenges partners to go further in developing an arc-wide 'strategic partnership board' with membership drawn from sub-regional growth boards and combined authorities (including all types of local authority and LEPs).
- 1.4. What is clear – from both the Commission's final report and the Government's initial response - is that realising the economic potential of the arc is a national priority. There is a clear sense of urgency about the need to build on the momentum already generated, backed by commitments to invest in infrastructure, driven forward by effective strategic leadership.
- 1.5. This is not to suggest that the content of the Commission's final report should be accepted without challenge, indeed there are some aspects of the Commission's work (particularly that in respect of third party funding and land value capture) that arguably need further consideration in order to determine their practicality.
- 2. 2017 Autumn Budget**
- 2.1. On 22<sup>nd</sup> November Government announced the 2017 Budget. The main [Autumn Budget 2017 report](#) included a section relating to the Cambridge – Milton Keynes – Oxford corridor (see Annex 1).
- 2.2. Government published a summary briefing alongside the Budget: ['Helping the Cambridge – Milton Keynes – Oxford corridor reach its potential'](#). This document sets out the Government's 'overarching vision for the area', providing more detail of the

commitments made by Government as an initial response to the NIC report. A brief summary of the key points made within the report are as follows:

The Government:

- Will be formally responding to the NIC report in next 6 – 12 months, but is committing to a package of infrastructure investment, planning and development measures now (through the Autumn Budget) to start the process of enabling the corridor to meet its economic potential.
- Has agreed a housing deal with Oxfordshire, committing to a target of 100,000 homes in the county by 2031.
- Is committed to developing an Expressway of high-quality east-west roads between Oxford and Cambridge, key elements to be built in the Road Investment Strategy 2 (RIS2) period (2020 to 2025), accelerating development work for the M1 – Oxford section to be open by 2030 (decision on corridor choice by summer 2018). Will commission England's Economic Heartland to study how communities not on the Expressway itself can still benefit from it.
- Confirmed funding to deliver phase two of the western section of East West Rail (Bicester to Bedford, and Milton Keynes to Princes Risborough) - for services to be running in 2023 and the project to be complete by 2024. Looking to accelerate delivery of the central section (Bedford to Cambridge), for services to begin by mid-2020s.
- Announced match-funding of up to £5 million for a Cambridge South station (possible construction from the early 2020s).
- Is commissioning Network Rail to report by summer 2018 on rail growth in Cambridgeshire up to 2043, and the enhancements required to support this.
- 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 (with consideration of a Cowley Station).
- Announced Cambridge as one of eleven Tech Nation regional hubs that will be established outside London.
- Invited local partners to work with it through 2018 to agree a long term vision for the whole corridor up to 2050 (homes, jobs and infrastructure).

### **3. Next Steps**

- 3.1. Recognition by the NIC of the added value of this Forum is to be welcomed. Of particular note is the encouragement given to both local and national government to capitalise on the momentum gathered by the Forum in its first 18 months.
- 3.2. The revised Terms of Reference for the Forum (considered elsewhere on this agenda) address the need – identified by the NIC – to strengthen the linkage with 'growth boards' . The Oxfordshire Growth Board has been entitled to a seat on the Forum from its beginning: the revised Terms of Reference make it explicit that where 'growth boards' are established they will be entitled to be represented on the

Forum. Moreover the revised Terms of Reference make it explicit that the expectation is that the growth board will be represented by a local planning authority.

- 3.3. The draft Business Plan explicitly recognises the need for the overarching Transport Strategy being, in effect, a connectivity strategy. The importance of such an approach was something that also emerged through the initial engagement on the Sub-national Transport Body.
- 3.4. The Strategic Alliance Leaders' Group is engaging with the digital infrastructure providers and with central government on digital infrastructure as a matter of priority. The outcome of those discussions will need to be picked up as the Forum moves forward with its work on the overarching Transport (connectivity) Strategy.
- 3.5. At the same time the Strategic Alliance Leaders' Group is commissioning a short piece of work focused on the wider strategic infrastructure – in particular utilities. The focus of this commission is not about identifying the need for additional utility infrastructure, rather it is designed to help inform a debate as to how that need might be delivered in a timely manner within the current regulatory framework.
- 3.6. It is worth noting that the NIC's final report identifies the need to ensure that planned growth should not compromise the high quality natural environment. Indeed the report talks in terms of embedding 'net gain' into development proposals. Consideration of 'net gain' should be a principle that underpins the scenario planning work that will frame the development of the overarching Transport (connectivity) Strategy.

Martin Tugwell  
**Programme Director**

December 2017

**Extract from the Autumn Budget 2017 (November 2017)*****Cambridge – Milton Keynes – Oxford corridor***

**4.65** The corridor between Cambridge and Oxford has the potential to be a globally significant economy. Following the National Infrastructure Commission's report, the Budget sets out an ambitious integrated programme of infrastructure, housing, business investment and development.

**4.66 Housing** – The government recognises the need, highlighted by the NIC's report, to build up to 1 million new homes in the area by 2050 to maximise its economic potential, starting with a housing deal with Oxfordshire for 100,000 homes by 2031, and working with Central and Eastern sections on commitments in 2018. The government will also consider significant new settlements and the potential role of development corporations to deliver these using private finance.

**4.67 Rail** – By 2024 the western section of East West Rail will be complete, allowing services between Oxford and Bedford, and Aylesbury and Milton Keynes. A new East West Rail Company is being established to accelerate delivery of the central section between Bedford and Cambridge, aiming for completion by the mid-2020s and leveraging private sector investment. Working in partnership with local stakeholders, the government is committing £5 million to develop proposals for Cambridge South station, and is starting a study on the enhancements needed to accommodate future rail growth across Cambridgeshire. As a first step towards opening a station at Cowley, the government will also make available £300,000 to co-fund a study of opportunities for new stations, services and routes across the Oxfordshire rail corridor. (28)

**4.68 Road** – Construction will begin on key elements of the Expressway between Cambridge and Oxford in the second Roads Investment Strategy. The government will also accelerate work on the 'missing link' elements of the Expressway so that it is ready to open by 2030. The government is commissioning England's Economic Heartland to analyse how communities not on the route of the 'missing link' will be able to benefit from it.

**4.69 Land value uplift** – The government expects authorities and delivery bodies in the Cambridge – Milton Keynes – Oxford corridor to use existing mechanisms of land value capture and the new powers (subject to consultation) announced at the Budget to capture rising land values from the additional public investment. The government will also encourage authorities to explore the introduction of a Strategic Infrastructure Tariff, in addition to the Community Infrastructure Levy (CIL), supported by appropriate governance arrangements. These approaches will require developers to baseline their contributions towards infrastructure into the values they pay for land.

**4.70 Governance** – The government is setting out its vision for the future, and inviting local partners to contribute. The government has agreed with Oxfordshire that it will work toward the adoption of a new joint statutory plan (JSP), and will seek further JSPs in central and eastern sections.