



Ministry of Housing,  
Communities &  
Local Government

**Kit Malthouse MP**  
Minister of State for Housing

***Ministry of Housing, Communities & Local  
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26 July 2018

## **Delivering ambitious housing growth in the Cambridge–Milton Keynes–Oxford Corridor**

Dear all,

The Government believes that the corridor between Cambridge and Oxford has the potential to be a globally significant economy. A combination of innovation, entrepreneurship and highly-skilled workers has established it as one of the most productive and fastest growing areas in the UK. It also includes some of the least affordable housing markets in the country.

The National Infrastructure Commission has stated that realising its full potential as a world class economic hub would require delivery of up to 1 million new homes here by 2050. The Government welcomes this ambition. Last year, we set out a significant programme of investment in infrastructure, housing and business to support it.

Realising the ambition of 1 million homes here will require additional action from central and local partners. This action includes Government's planning reforms, our national programmes such as the Housing Infrastructure Fund, the forthcoming national prospectus inviting proposals for locally-led new garden communities, and further work to understand the potential for housing growth across the corridor.

Government will also soon begin detailed analysis to explore potential locations for new settlements across the corridor, their alignment with transport infrastructure, and any environmental considerations.

Therefore, we now invite local authorities from across the corridor to bring forward ambitious proposals for transformational housing growth, including new settlements. Proposals should be led by the relevant local authority, working closely with partners including Local Enterprise Partnerships, universities and colleges, landowners, businesses, and others. Where appropriate, these should build on any housing deal discussions that are already underway. They should focus on:

- **Economic rationale:** how new settlements will support job creation and economic growth; any propositions involving existing or new anchor institutions or industries.
- **Transport and other infrastructure:** connections to existing and planned transport networks; potential for new transport schemes; requirements for other forms of infrastructure to support housing growth (healthcare, utilities, education, etc); key challenges (inc. funding and planning).
- **Geography and land:** understanding potential locations; availability of land including ownership and physical and legal constraints; factoring environmental considerations into any proposals.
- **Delivery:** proposed scale and pace of delivery; deliverability and commercial viability.
- **Partnerships:** how local authorities will work together and with other key partners; the role of central government.
- **Funding:** how proposals could be funded, including the role of private finance.

Along with colleagues across government and corridor champion Iain Stewart MP, I want to see swift action. I know this feeling is shared across the corridor. Therefore, I would welcome your proposals by Friday 14 September. Following this, I would be keen to discuss the most ambitious proposals. My officials will be in touch to discuss this further and stand ready to support you throughout this process.

I am sending this letter to the leaders of all local authorities in the Cambridge-Milton Keynes-Oxford corridor, and copying it to partners including Local Enterprise Partnerships, England's Economic Heartland, universities and colleges across the corridor.

A handwritten signature in black ink that reads "Kit Malthouse". The signature is written in a cursive, slightly slanted style.

**KIT MALTHOUSE MP**



[www.EnglandSEconomicHeartland.com](http://www.EnglandSEconomicHeartland.com)

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17<sup>th</sup> September 2018

Dear Kit,

### **Delivering ambitious housing growth in the Cambridge–Milton Keynes–Oxford Corridor**

Stretching from Swindon to Cambridgeshire and from Northamptonshire to Hertfordshire, England's Economic Heartland brings political and business leaders together in a strategic collaborative partnership with a shared commitment to realise the economic potential of the Oxford – Milton Keynes – Cambridge corridor and surrounding areas.

In this regard England's Economic Heartland and Government have a shared ambition for the growth corridor.

However, realising that shared ambition requires a long-term commitment from Government and other partners to invest in the strategic infrastructure (roads, rail, digital, utilities, education and health facilities).

Our infrastructure is already under considerable pressure, with congestion and network resilience increasingly a concern, making it all the more important to deliver the investment to support the growth already set out within Local Plans, which in themselves represent an acceleration of planned growth.

We recognise that our shared ambition for economic growth and the jobs that come with it will mean higher levels of housing for the longer term as highlighted by the National Infrastructure Commission and we welcome the Government's initiative in stimulating the debate.

However, any new proposals for new settlements – were they to come forward – would present additional pressures on the Heartland's strategic infrastructure and services. These would present significant challenges in their own right and would need to be addressed in order to give confidence to local communities and businesses that our infrastructure needs will be met.

England's Economic Heartland has not been approached by any local authority (or grouping of local authorities) in respect of a prospective proposal for a new settlement.

It is essential that any consideration of a new settlement proposal is done within the local plan making process: this is particularly important to ensure that the current round of local plan making is not undermined in any way.

A shared ambition requires a shared commitment on the part of both parties – one that is developed on an equal basis. It requires:

- A public acknowledgement that realising the economic potential of the Heartland is a long-term project – indeed that a long-term commitment from the public sector (both nationally and regionally) is essential to give businesses the confidence to invest now
- An acknowledgement by Government that the shared ambition to realise transformational growth cannot be realised without a step change in investment in infrastructure and services – that achieving net betterment for the corridor, in terms of the built and natural environment, requires both capital and revenue investment: and that it requires investment in the full range of public services that enable a community to be sustainable in the long term
- A commitment from Government to work with England's Economic Heartland to put in place a geographically specific National Policy Statement for strategic infrastructure: a framework that ensures investment in strategic infrastructure – transport, digital, utilities, water resources – is co-ordinated and aligned in ways that support delivery of the shared ambition: a framework that the Government then uses to ensure (via the economic regulators) that infrastructure owners are required to work with local partners to ensure investment in enabling infrastructure is planned and delivered
- A commitment from Government to set out an 'indicative funding envelope' for the Heartland – thereby enabling the two partners (Government and the corridor) to have an honest conversation about the investment choices that have to be made with public funding.
- A commitment from the two partners (Government and the corridor) to use the long-term certainty provided by the National Policy Statement and the clarity provided by the indicative funding envelope to engage with institutional investors who offer the potential to unlock genuinely new investment in infrastructure and services

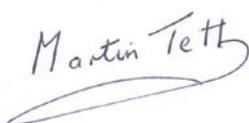
What is needed is effect a 'grand bargain' between Government and the corridor – one that embraces all partners.

A bargain whose foundation lies in the inescapable fact that the pace at which the economic potential of the corridor can be realised is inextricably linked with the pace at which investment in infrastructure and services is delivered.

We are committed to working in collaboration with Government and partners across the Heartland, to use a 'grand bargain' to create places where people and business realise their potential, and are able to compete on the global stage for UK plc.

We believe that the work underway to develop a 'joint vision' for the corridor is potentially the starting point for such a 'grand bargain'. We believe that the next Spending Review presents the opportunity to work collaborative in developing the detail of a 'grand bargain' for the corridor.

Yours sincerely



**Cllr Martin Tett**  
Chairman, England's Economic Heartland