

WRITTEN SUBMISSION TO THE GOVERNMENT CONSULTATION ON CREATING A VISION FOR THE OXFORD-CAMBRIDGE ARC

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The Confederation of British Industry (CBI) is the UK's leading business organisation, speaking for some 190,000 businesses that together employ around a third of the private sector workforce. With offices across the UK as well as representation in Brussels, Washington, Beijing, and Delhi, the CBI communicates the British business voice around the world. With members representing businesses of all sizes and sectors across the entire geography of the Oxford-Cambridge Arc, the CBI is well placed to not only be part of the discussion but to provide support when determining the vision for the Oxford-Cambridge Arc.

Key Points

The Oxford-Cambridge Arc Spatial Framework must unleash the potential of the area sustainably, providing a powerhouse that contributes to the economy, produces job and educational opportunities and improved living standards.

The Arc has strong potential, but there needs to be strong collaboration and cooperation supported by government policy, planning and investment in order to successfully deliver on the stated ambitions.

Successful delivery of the Arc through the Spatial Framework should result in

- A powerhouse which provides benefits within and outside of its boundary
- Economic growth and increased educational opportunities through partnership and collaboration
- A well-managed and sustainable environment, with a thriving green economy
- Improved physical and digital connectivity
- Better coordinated infrastructure and development as well as improved living standards

Creating the vision for the Arc

The Oxford-Cambridge Arc is on the cusp of reaching its full powerhouse potential. The Arc is of great importance to the boundaries set out by government, the outlying areas and the wider UK, with investment in the Arc contributing to further investment across the UK.

The Spatial Framework is key to the successful delivery of the Arc and it is very important that the development of the Framework brings together a wide-range of public and private stakeholders. To be successful development must be collaborative and should provide a platform for linking the Arc with the wider geography.

It is vital that the Spatial Framework provides:

- An overarching forward-thinking vision for the Arc, resulting in a coherent offering across the economy, environment, connectivity and infrastructure, and place-making.
- Acknowledgment of the importance of the Arc internationally, positioning it to attract inward investment with appropriate branding for its status as an international market with true global connectivity.
- Appropriate futureproofing to prevent the Framework from becoming outdated, keeping an eye on how new and evolving technology can provide a solution to current and future issues. The Arc with its geographical area encompassing both rural and urban environments, and including key arterial routes, provides an ideal area to be a testbed.

Collaboration and cooperation are key and government must continue to engage with both the public, private and third sector to ensure the economic growth of the Arc is sustainable.

The development of the Arc provides an opportunity to take a strategic view of a national economic priority area. Existing strengths must be capitalised on and by drawing together the key elements that make up the Arc including key business sectors, the universities, local and national government. There is a unique opportunity to provide economic growth alongside a showcase of environmental and economic sustainability, but this can only be delivered if cooperation can be achieved to create a shared vision to deliver. The Oxford-Cambridge Arc should also have both a business and political champion.

Economy

The creation of the conditions to drive economic prosperity and growth in the Arc will need commitment and partnership, public and private sector working in tandem. This includes true partnership between higher and further education providers and business.

The Arc must build upon its global competitiveness and ensure that it continues to be an attractive place to invest and grow business. Business connectivity should be a focus, not just in terms of transport but also the business support ecosystem.

Economic growth and opportunities can be developed through partnership with business, universities, colleges, research and technology organisations. This could be through schools and universities working side by side with businesses to match skills to opportunities, reskilling workers for future industries, and delivering an end to productivity disparities and income inequalities. Business leaders must be given the confidence in the region's plans enabling them to take bold decisions on innovation and investment. Giving employers confidence means that they can recruit diverse talent from all corners of society.

Government has a big role to play – forging a business-friendly regulatory framework which rewards innovation and investment, and delivering modern, reliable infrastructure– but it's local knowhow which has the power to be truly transformational. By diverging from the cookie cutter approach of the past, to instead celebrating regional differences, we can harness them in a way which enables each region to forge its own path to global competitiveness.

The vision and Spatial Framework should also have a focus on research and development as well as innovation. It is important that the Arc looks beyond its formal geography to the existing ecosystems in the surrounding area. For example, Adastral Park in Suffolk is an internationally significant centre for communications research and technology and has a range of world-class facilities. Ensuring connections with these ecosystems will ensure mutual success and play an important role in levelling up.

The education sector is also a large employer within the region, contributing directly to the economy through the provision of jobs and supporting local economies through drawing students, particularly international students, into the region. Universities can also play a role in both working with business to ensure that

continued innovation occurs and in producing graduates with the right mindsets to drive innovation and the experience and understanding to work across sectors to find and apply solutions. Universities can also play a direct role in bringing together business and the public sector to support cross-sector collaboration, identify cross-sectoral issues and to ensure the conditions are optimised for innovation.

The Arc should develop an investment and exports strategy that can safeguard regional growth and prosperity.

The Spatial Framework should facilitate the creation of a wider policy framework, that looks beyond spatial planning to a business-led regional growth strategy that has sustainability at its core, this should also consider critical national assets that are located just outside the formal geography for example Stansted Airport.

This is also an opportunity to provide the right conditions to encourage research and development investment across the Arc. Government could consider developing a new Arc specific business accelerator scheme targeted towards industries that present greater growth potential in the post-Brexit trading environment to open up new opportunities in emerging markets internationally. A focus on competitiveness will need to form a part of the vision if the 2050 economic output target is going to be achieved.

The Spatial Framework needs to acknowledge the benefits that the Arc contributes to the wider economy.

The development of the Arc not only impacts the formal geography of the Arc, but also the wider geography of the neighbouring counties and the UK. One company currently has around 8,300 employees supporting 38,400 jobs nationally. Sustainable growth within the Arc should bring benefits to the wider UK economy.

Levelling up should occur within the region, but also through the supply chain the Arc should help to level up the rest of the UK. The Spatial Framework should consider the Arc's surroundings and the spillover benefits the Arc can have for both its immediate surroundings and wider geography. These spillover benefits could include the commercialisation of scientific discoveries. The Arc could provide the place, space, opportunity and attitude to deploy new technology and increase the commercialisation prospects of innovation, for example, this could be in smart cities or autonomous technologies.

The Arc has to have a coherent educational offer with collaboration between education and business to ensure the skills required by industry are available.

It's vital that education and training providers work closely with industry to help define the skills required in the future workforce. Further enhancing the variety of education and training opportunities across the Arc is crucial in delivering the future economic growth potential of the region. The Arc is already home to educational excellence with a strong international reputation, but there still needs to be greater parity between academic and technical education to drive forward a more inclusive and sustainable model for skills development that benefits a broader number of people to be able to reach their full potential. There should be a consideration of education and training opportunities outside of the Arc, for example the University of Suffolk have built a DigiTech Centre which is co-located with industry at Adastral Park and will educate and train full-time students, apprentices and employees from companies in the area, providing a pipeline of relevant skills, linked to industry needs.

Good careers strategy and investment in careers education is required to ensure young people understand what's possible and aspire to secure these roles. Skills and employment providers have a strong understanding of the needs of the labour market regionally and can support employers and political leaders in mapping the best route to increase cross-sector collaboration through established networks.

The Arc is already an innovation hub underpinned by outstanding research which generates major social and economic impacts. Universities provide training across a wide range of disciplines that support key skills for the Arc across growth sectors and clusters including Health, Advanced Manufacturing and Engineering, Agri-tech, Aviation, Creative Industries, Digital and IT, Future Energy, Life Sciences, Logistics and Supply

Chain and Space. Alignment of the skills needs of businesses in the Arc with the education provided by universities and training providers ensures graduates will have the skill sets to drive the economic growth of the future. Universities also have a strong role to play across the Arc through the provision of degree apprenticeships, continuing professional development and other training, ensuring that workforces can adapt and reskill as business needs develop and change. The make-up of the Arc and its economy lend it towards developing apprenticeship programmes that provide access to job opportunities delivered by a more skilled workforce. Emerging apprenticeships in AI data analysis and wider cyber demands could complement the existing clusters, including more routes for prospective learners to access technical training in the aviation sector.

Developing a new wave of skills incubators, to bolt onto existing clusters, to address critical skills gaps and access to employment opportunities is one route to maximise the future economic growth across the Arc. These incubators could potentially complement the levelling up agenda if they are co-located in areas where job outcomes and access to opportunities are not as accessible in more deprived towns and rural areas running from Luton through to Bedford, Northampton, Kettering, Corby, Peterborough and Fenland.

Environment

A bold vision of the green potential and future of the Arc is crucial. In addition to this bold green vision the branding must hinge around a strong locally driven vision, which has inclusivity, economic prosperity and growth at its heart.

The Arc needs to be sustainable, including across value chains, with true partnership between business and public sector. The green economy should be a key focus, with the Arc known as the place for green skills, green living and green industry for example sustainable aviation.

The Arc has a key role to play in the environment but also in the green economy through the championing of green skills.

The Arc has a significant role to play in developing the highly skilled workforce of the future, the Spatial Framework should facilitate the conditions for cross-sector collaboration allowing the right conditions for green ventures to thrive and scale. There needs to be consideration about how the region can deliver clean growth in line with the government's plan for a Green Industrial Revolution. A commitment to strengthen technical education, in advanced green manufacturing industries, could help provide a solid base to create a more dynamic workforce in the Arc. It will also help meet the government's target to support the creation of highly skilled green jobs.

The Arc has an opportunity to create an environment for green technologies to flourish.

There is also an opportunity to complement the government's commitment to support the development of green technologies to help achieve net zero. The government is committed to raising total R&D investment to 2.4% of GDP by 2027. If the R&D target is going to be realised, the role of the Arc as a major economic growth zone needs to be better harnessed to promote world class innovation in key green technologies of the future. Government could consider developing an initiative to accelerate the commercialisation of innovative low-carbon technologies and the growth of green industrial sectors in places like the Arc which have particular strengths in these areas.

The development of the Arc provides an opportunity to showcase the future of homes, factories and offices, utilising new technologies including building materials and methods.

It is important that environmental considerations are taken during the development of the Arc.

With climate change being an ever more important issue and key resources such as water being in relatively short supply across the Arc, it is critical that business growth occurs sustainably, not only from an economic perspective, but also from an environmental standpoint. The green economy plays a key role in driving economic growth from an environmentally supportive base.

A number of areas in the Arc are at risk of direct impacts from climate change, for example flooding, especially across parts of Cambridgeshire. Provision will need to be made in planning for both economic growth of the region, as well as mitigating the environment impact of that growth, especially in light of increased risk of natural disasters arising from more extreme weather due to climate change. Planners for the region must take advantage of the expertise that exists within the universities in the Arc, both in understanding climate change and particularly in modelling of potential climate change impacts and proposed mitigations. The Framework has the opportunity to ensure that development across the Arc considers and promotes the use of nature-based solutions to provide a more sustainable and climate change resilient environment.

There is an opportunity for the Arc to be a testbed for how water can be used more effectively. Water clearly plays multiple roles and has significant impacts across the Arc, including through supply to residential properties and industry, in flooding and water management / drainage and as leisure facilities in the Arc's rivers and lakes. Understanding and modelling of the supply, use and management of water across the Arc is critical to future development, particularly to minimise the potential impacts of climate change through flooding. This should be part of an integrated and coordinated approach to the management of water. Similarly, air quality and noise levels should be considered, areas need to be live-able and air quality across the Arc should be managed as part of the development process.

The Spatial Framework for the Arc should look to create a best practice for connecting urban green spaces and corridors. This could include community planning and gardening, considering local needs and community benefits. Ensuring a strong focus on green spaces, nature and biodiversity across the Arc is fundamental to ecology, to aesthetics and to wellbeing. Unless the Arc is seen as a pleasant place to live it will not attract the best staff to support the growth of business and the economy.

Connectivity and infrastructure

Poor connectivity is often highlighted by business as a barrier to growth, the Arc has an opportunity to alleviate these challenges using sustainable transport solutions and by improving digital connectivity.

The Spatial Framework provides an opportunity for the Arc to address connectivity and infrastructure challenges in an overarching manner, preventing the common pitfall of a series of small projects rather than true transformational projects. The Spatial Framework should have holistic view of business needs, leisure travel and freight.

Within the Arc digital connectivity must be considered alongside physical connectivity and sustainable transport solutions. The Spatial Framework should look to prevent digital poverty and exclusion.

Digital connectivity including broadband speed is as important as physical connectivity, especially with the emergence of hybrid working. Good digital connectivity enables the hybrid approach so that people can both work from home and the workplace, creating a healthier and happier community and helping to position the Arc as the place to live and work. Milton Keynes, Cambridgeshire and Oxfordshire perform much worse than

Bedford and Luton in broadband speed.¹ Milton Keynes currently has good 5G links and this could be extended across the Arc. There is also an opportunity for collaboration beyond the formal geography of the Arc. For example, there is already a quantum network link between Cambridge and Adastral Park.

International connectivity has the ability to make or break the success of the Arc on an international stage.

The Arc already benefits from having London Luton Airport (LLA), but more could be made of this regional asset. LLA is a vital economic driver for the local region and the UK more widely, providing jobs as well as opportunities for international travel and trade. In 2019, LLA directly provided 10,900 jobs and supported a further 17,300, contributing £1.1bn to the local economy and £1.8bn to the UK economy. Improving transport links to and from LLA, both for passengers and freight, will help with the positioning of the airport as an important gateway to both the Arc and the UK's innovation sector.

But it is also vital to consider those assets positioned outside the Arc that can bring important international connectivity. For example, the ports at Felixstowe and Harwich as well as London Gateway. The Arc should consider how it links with the Thames Freeport and Freeport East. London Stansted is also a strategic asset, especially when considering air freight capacity. There should be an outward focus on international connectivity and consideration should be given to making best use of capacity at airports.

Local transport solutions should include promoting the role of active and shared travel to facilitate an increase in low carbon commuting.

There has been an increase in the number of mobility options available to commuters, such as: regional bike sharing platforms and car clubs. Each of these separately serve to reduce an individual's emissions from commuting, either by promoting active travel for the first or last mile of journeys as well as for complete journeys, or by enabling access to low emission vehicles without the associated costs of ownership.²

The Arc should collectively consider these proven solutions, especially when considering first and last mile journeys. Consistency across the Arc through collaboration will be key to driving sustainability across the entirety of the area.

Employers also have a key role in making sure the right facilities are available for their employees. This can be achieved by directly providing bike storage or showering facilities, or engaging with local authorities on urban planning to ensure local transport infrastructure is well connected and maintained.³ Commuting makes a notable contribution to carbon emissions, so there is a significant part to play for modal shift for journeys that are too long for cycling and walking.⁴

A plan should also be put in place to ensure that electric charging infrastructure is integral to the development of the transport solutions for the Arc.

The availability and reliability of charging infrastructure and the compatibility of charge points combined with pricing and payment challenges, remain common themes causing hesitancy about transitioning to electric vehicles (EVs). As a result, for many commuters the low cost, reliability and convenience of a traditional petrol or diesel car or van means they are currently not adequately encouraged to go electric. Further targeted policy action, particularly at a local level, is required to ensure those without a driveway across the country are not left behind in this transition.⁵

Consumer EVs should not be the only focus in the Arc; public transport solutions should also consider electric, as should local authorities when considering fleet vehicles for service delivery (waste collection, school transport etc.).

¹ CBI, <https://www.cbi.org.uk/articles/reviving-regions-regional-scorecards-and-growth-priorities/>

² CBI, *Greener Miles*, April 2021, p.20

³ CBI, *Greener Miles*, April 2021, p.22

⁴ CBI, *Greener Miles*, April 2021, p.4

⁵ CBI, *Greener Miles*, April 2021, p.15

There are two challenges - to increase modal shift from private vehicles to public transport networks, whilst simultaneously financing a new generation of zero emissions vehicles and infrastructure.⁶ The Arc could be a showcase for best practice, acting as a testbed.

Better transport infrastructure is a key enabler for economic growth. East West Rail (EWR) has the potential to unleash regional economic growth and enhance the customer experience through exemplar integration while supporting the long-term well-being of the community.

Connectivity is key providing access to learning and jobs. The existing rail network and other public transport links between cities and major towns, need to be improved to make parts of the Arc more accessible and ensure travel is more sustainable. New developments add additional strain to the existing transport networks, especially where provision is not made for the extra demand. Climate change needs to be addressed and air quality improved by encouraging more travel by bike, foot or public transport, however the infrastructure to support this is often not fully present, even in new developments, particularly in the initial years after building has started.

Place-making

Place-making must be inclusive, creating communities with jobs, homes, infrastructure and services considered from the start.

Growth should be managed carefully across the Arc to minimise impact on the environment, reduce the need for travel and maximise the ability for business to benefit from infrastructure and networks with other, similar companies.

Growth may vary in meaning depending on the area: it may mean growth in green spaces, housing growth, business growth, or improvement in infrastructure or transport networks. Plans for growth should be developed at an Arc level but supported by well researched local plans addressing local needs and requirements. The ability to travel into and out of new developments to places of work and education, and for leisure and shopping needs to be addressed as a key element of planning. Where driving is necessary, infrastructure should be put in place to encourage and support electric car usage.

The Arc has existing concentrations of business, e.g. life sciences around Cambridge, advanced engineering, electronics and software in the Silverstone Technology Cluster (and other examples mentioned in the consultation document). Supporting the growth of the existing clusters makes sense in developing a critical mass of supporting infrastructure, as well as increasing the ability of businesses in similar sectors to jointly address non-competitive issues. New residential growth and development should be considered based on the environmental impact, for example the sustainability of transport, but also based on the ability to provide appropriate facilities, infrastructure and access to employment.

The Arc needs to exemplify 21st Century solutions, this includes digital connectivity on train lines and housing design that meets environmental and net zero standards. Places should be inclusive for all, when considering active travel mixed use of cycleways should be considered to ensure those that are unable to utilise active travel (e.g. those with disabilities) are not cut off or forced into using private cars.

Lingering pockets of deprivation and left-behind communities within the Arc would undermine the very principle of levelling up.

Place-making is critical especially in areas of deprivation, homes and infrastructure and ancillary services should be designed in tandem in a complementary way. Place-making should not just be about housing. Community building is needed to ensure that new developments are not just satellites. New developments

⁶ CBI, *Greener Miles*, April 2021, p.8

should encompass not only housing, but also make provision for businesses, employment, green spaces and community facilities enabling, among other things, diverse range of arts and cultural events.

Affordable housing is essential to attract and retain talent as well as housing that meets the needs of various target audiences.

There is real opportunity to repurpose commercial for accommodation and undertake brownfield regeneration. Housing in many areas of the Arc is currently very expensive. The high prices make it difficult for first time buyers or people moving from more affordable areas of the UK or internationally to access the market. This may reduce the availability of talented employees for the Arc's businesses and employers.

Construction is key, and bottlenecks are already forming with education providers in the area. There must be further investment to attract industry into teaching to ensure we are able to build the houses and infrastructure needed within the Arc.

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