



**Ministry of Housing,  
Communities &  
Local Government**

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**Kit Malthouse MP**  
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*Kit* October 2018

Dear Clive,

Thank you for your letter of 17 October asking about the Government's plans for the Oxford to Cambridge Arc and for copies of the letters you received from the Campaign to Protect Rural England and the National Housing Federation.

Alongside work to support major growth in the economies of the Northern Powerhouse and Midlands Engine, the Government wants all regions across the UK to achieve their full economic potential. The National Infrastructure Commission has suggested that, with the right interventions, growth in annual output of the Oxford to Cambridge Arc to 2050 could be approximately doubled, supporting UK-wide prosperity.

Over the past 12 months the Government has been working collaboratively with local authorities and institutions in the Arc, to progress work across a range of areas. We are committed to continued working with local partners to put in place appropriate democratically accountable governance arrangements to deliver the full economic potential of the Arc.

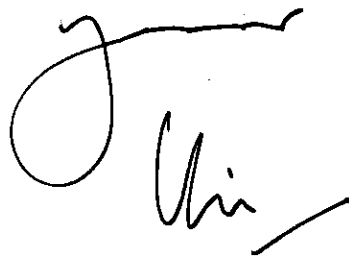
My department, jointly with Homes England, have commissioned consultants AECOM to explore the contribution new settlements could potentially make in delivering the economic potential of the Arc. My department recently wrote to all council, Combined Authority and Local Enterprise Partnership Chief Executives within the Arc to ensure they have clarity on the scope and purpose of AECOM's work and to emphasise that we want to work in partnership with them so that AECOM's analysis is informed by the work they are doing locally to respond to the National Infrastructure Commission's recommendations. The Government will shortly be publishing its response to the National Infrastructure Commission's report on the Oxford-Cambridge Arc, which will reaffirm our commitment to driving forward work on this nationally significant initiative, including setting out a series of steps and actions to realise our collective ambition.

You also asked about the work we are doing to deliver sufficient homes for social rent. The Government remains committed to delivering more affordable homes to support the delivery of the 300,000 overall supply ambition. To support this we have revised the National Planning Policy Framework, are increasing the supply of land and affordable homes in places of high housing demand through housing deals with local areas and are investing £9 billion through the Affordable Homes Programme.

In June we announced how we will deliver a further 23,000 affordable homes outside of London, including at least 12,500 at Social Rent in the areas of highest affordability pressure, such as the Oxford Cambridge Arc. This represents a real change in how we focus the Government's grant funding – targeting affordable homes to the areas where they are most needed. Government recognises that further work is needed when it comes to making our housing market work for all parts of our society – including residents of social housing. Our Social Housing Green Paper published for consultation in August this year is an important step towards this.

We are also supporting local authorities to build more. The Government recently announced borrowing restrictions will be removed enabling councils to play a key role in delivering the homes their communities need. Councils in areas of high affordability pressure have already been invited to bid for a share of £1 billion extra borrowing to build much needed homes.

Finally I can provide reassurance that the Government has been clear that building more homes is not at the expense of the natural environment. We have strengthened planning policy, through the revised National Planning Policy Framework, to achieve net gains for biodiversity which incentivises improved, greener design. As part of their work AECOM will consider the potential environmental, ecological and biodiversity effects of options for housing growth together with exploring opportunities for net gain at a pan-Arc scale.

A handwritten signature in black ink, appearing to read 'Kit Malthouse', with a large, stylized initial 'K'.

**KIT MALTHOUSE MP**