

Press release

Reeves: I am going further and faster to kick start the economy

Chancellor unveils new plans to deliver the Oxford-Cambridge Growth Corridor that will boost the UK economy by up to £78 billion by 2035.

From: **HM Treasury** (</government/organisations/hm-treasury>) and **The Rt Hon Rachel Reeves MP** (</government/people/rachel-reeves>)

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- Rachel Reeves will today vow to go ‘further and faster’ to deliver the government’s Plan for Change to kick start economic growth and put more pounds in people’s pockets.
- Chancellor to unveil plans to unleash the potential of the Oxford-Cambridge Growth Corridor that will add up to £78 billion to the UK economy according to industry experts, catalysing growth of UK science and technology.
- Comes after Chancellor last week announced National Wealth Fund and Office for Investment will take new approaches to spur regional

growth across the UK.

Chancellor Rachel Reeves will today vow to go “further and faster” to kick start the economy, as she unveils new plans to deliver the Oxford-Cambridge Growth Corridor that will boost the UK economy by up to £78 billion by 2035 according to industry experts.

In a speech in Oxfordshire, the Chancellor will tell regional and business leaders that economic growth is the number one mission of this government and its Plan for Change. She will declare that Britain’s economy has “huge potential” and is at the “forefront of some of the most exciting developments in the world like artificial intelligence and life sciences.”

She will back the redevelopment of Old Trafford and will review the Green Book - the government’s guidance on appraisal - in order to support decisions on public investment across the country, including outside London and the Southeast.

The speech comes after the Chancellor last week announced a new approach for the National Wealth Fund (NWF) and the Office for Investment (OfI) to work with local leaders to build pipelines of incoming investment and projects linked to regional growth priorities. This includes the NWF trialling Strategic Partnerships in Greater Manchester, West Yorkshire, West Midlands, and Glasgow City Region and the OfI piloting an approach in the Liverpool City Region and the North East Combined Authority to connect their regions to central government and industry expertise in order to unlock private investment.

Reeves will say “low growth is not our destiny, but that economic growth will not come without a fight. Without a government that is on the side of working people. Willing to take the right decisions now to change our country’s course for the better.”

The Chancellor is expected to say:

“Britain is a country of huge potential. A country of strong communities, with local businesses at their heart.

“We are the forefront of some of the most exciting developments in the world like artificial intelligence and life sciences. We have great companies based here delivering jobs and investment in Britain.

“And we have fundamental strengths – in our history, our language, and our legal system – to compete in a global economy.

“But for too long, that potential has been held back. For too long, we have accepted low expectations, accepted stagnation and accepted the risk of decline. We can do so much better.

“Low growth is not our destiny. But growth will not come without a fight. Without a government that is on the side of working people. Willing to take the right decisions now to change our country’s course for the better.

“That’s what our Plan for Change is about. That is what drives me as Chancellor. And it is what I’m determined to deliver.”

In her speech the Chancellor will announce:

- The Environment Agency has lifted its objections to a new development around Cambridge that could unlock 4,500 new homes and associated community spaces such as schools and leisure facilities as well as office and laboratory space in Cambridge City Centre. This was only possible as a result of the government working closely with councils and regulators to find creative solutions to unlock growth and address environmental pressures.
- That the government has agreed for water companies to unlock £7.9bn investment for the next 5 years to improve our water infrastructure and provide a foundation for growth. This includes nine new reservoirs, such as the new Fens Reservoir serving Cambridge and the Abingdon Reservoir near Oxford.
- Confirming funding towards better transport links in the region including funding for East-West Rail, with new services between Oxford and Milton Keynes this year and upgrading the A428 to reduce journey times between Milton Keynes and Cambridge.
- Prioritisation of a new Cambridge Cancer Research Hospital as part of the New Hospitals Programme bringing together Cambridge University, Addenbrookes Hospital and Cancer Research UK.
- Support for the development of new and expanded communities in the Oxford-Cambridge Growth Corridor and a new East Coast Mainline station in Tempsford, to expand the region’s economy.
- That she welcomes Cambridge University’s proposal for a new large scale innovation hub in the city centre. As the world’s leading science and tech cluster by intensity, Cambridge will play a crucial part in the government’s modern Industrial Strategy.
- A new Growth Commission for Oxford, inspired by the Cambridge model, to review how best we can unlock and accelerate nationally significant growth for the city and surrounding area.
- Appointment of Sir Patrick Vallance as Oxford-Cambridge Growth Corridor Champion to provide senior leadership to ensure the Government’s ambitions are delivered.

The Chancellor is expected to say:

“Oxford and Cambridge offer huge economic potential for our nation’s growth prospects.

“Just 66 miles apart these cities are home to two of the best universities in the world two of the most intensive innovation clusters in the world and the area is a hub for globally renowned science and technology firms in life sciences, manufacturing, and AI.

“It has the potential to be Europe’s Silicon Valley. The home of British innovation.

“To grow, these world-class companies need world-class talent who should be able to get to work quickly and find somewhere to live in the local area. But to get from Oxford to Cambridge by train takes two and a half hours.

“There is no way to commute directly from places like Bedford and Milton Keynes to Cambridge by rail. And there is a lack of affordable housing across the region.

“Oxford and Cambridge are two of the least affordable cities in the UK. In other words, the demand is there but there are far too many supply side constraints on economic growth in the region.”

Designed to take advantage of the region’s unique strengths and potential, the announcements are further evidence of the government’s modern Industrial Strategy in action as it seeks to create the right conditions to increase investment in our leading growth sectors like life sciences, artificial intelligence and advanced manufacturing.

She will add:

“Taken together, these announcements show that for the first time a government is providing real leadership to deliver this project with a clear strategy for the entire region backed by funding for the housing and infrastructure we so badly need.”

The speech comes after the Chancellor last week announced a package of investment reforms to spur regional growth across the UK. Rachel Reeves set out a new approach for the National Wealth Fund (NWF) and the Office for Investment (OfI) to work with local leaders to build pipelines of incoming investment and projects linked to regional growth priorities. Putting local knowledge and leadership at the forefront, there will be tailored strategies for each region to ensure investment matches local needs and drives sustainable growth. Putting the government’s Plan for Change into action, the Chancellor set out that the goal is to harness growth everywhere to rebuild Britain and usher in a decade of national renewal. Measures included the NWF trialling Strategic Partnerships in Greater Manchester, West Yorkshire, West Midlands, and Glasgow City Region and the OfI

piloting an approach in the Liverpool City Region and the North East Combined Authority to connect their regions to central government and industry expertise in order to unlock private investment.

Science Minister, Lord Patrick Vallance said:

“The UK has all the ingredients to replicate the success of Silicon Valley or the Boston Cluster but for too long has been constrained by short termism and a lack of direction.

“This government’s Plan for Change will see an end to that defeatism. I look forward to working with local leaders to fulfil the Oxford-Cambridge corridor’s potential by building on its existing strengths in academia, life sciences, semiconductors, AI and green technology amongst others.

“Together we will build the infrastructure and partnerships needed to join up this region’s academia, investors and business so that we can boost growth, deliver innovations and create new jobs that improve all our lives.”

Transport Secretary, Heidi Alexander said:

“Well connected communities are a cornerstone for growth. East West Rail will not only provide better links and lasting benefits to Oxford and Cambridge, but to all the surrounding areas.

“I’m also delighted to announce a brand new station at Tempsford, which will be game changing for the region – allowing a new community and businesses to grow, unlocking faster and smoother access to opportunities, and delivering on the Government’s Plan for Change.”

More details

- Yesterday, Moderna completed the build for their new vaccine production and R&D site in Harwell, Oxfordshire. They have committed to invest over £1 billion in R&D in the UK, strengthening our position as a global leader in biopharmaceutical innovation.
- £78 billion added to the UK economy. Source: [Public First research](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.supercluster.org.uk%2Foxford-cambridge&data=05%7C02%7CElizabeth.Lovegrove%40hmtreasury.gov.uk%7Cc3dd9669dbd46b2258908dd3fadb3ea%7Ced1644c505e049e6bc39fcf7ac51c18c%7C0%7C0%7C638736737462236006%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIiYiOilwLjAuMDAwMCIsIiAiOiJXaW4zMilSkFOljoITWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=NpaYEM5KQkSj0bp0%2FWAlzpmvwApxm7R7VAkARS9i7tY%3D&reserved=0) (<https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.supercluster.org.uk%2Foxford-cambridge&data=05%7C02%7CElizabeth.Lovegrove%40hmtreasury.gov.uk%7Cc3dd9669dbd46b2258908dd3fadb3ea%7Ced1644c505e049e6bc39fcf7ac51c18c%7C0%7C0%7C638736737462236006%7CUnknown%7CTWFpbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIiYiOilwLjAuMDAwMCIsIiAiOiJXaW4zMilSkFOljoITWFpbCIsIldUIjoyfQ%3D%3D%7C0%7C%7C%7C&sdata=NpaYEM5KQkSj0bp0%2FWAlzpmvwApxm7R7VAkARS9i7tY%3D&reserved=0>) for the Oxford-Cambridge Supercluster Board (2025).

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- Dr Andy Williams, Chair of the Oxford-Cambridge Supercluster Board said:

“The announcements today are extremely positive for the region and for the country. As Chair of the OxCam Supercluster Board, which comprises 45 members across business, academia, and investors, we know that the region has the potential to deliver truly remarkable growth in the coming decade and beyond, as evidenced by the research published this week. Achieving £78 billion in cumulative economic value by 2035 requires us to work dynamically and pro-actively across government, the private sector, educational institutions, and the investment community, to fully harness OxCam’s strengths and address its weaknesses. With the experience and knowledge of Lord Patrick Vallance leading this effort, we are excited by the opportunity to co-design a policy prospectus that will allow the OxCam Growth Corridor to realise its potential as a global centre for science and innovation.”

- Dipesh J. Shah OBE, Chair of the Oxford to Cambridge Partnership said:

“I welcome the Chancellor’s drive to accelerate growth in the Oxford to Cambridge corridor and her support for strategic investments in enabling infrastructure. The region houses internationally acclaimed clusters of innovation in each of the growth sectors for the nation. Already one of the world’s great science powerhouses, the region’s full potential will rely on connecting its incredible ecosystems of businesses, places and communities. Investments announced today will spur more and will help local leaders to deliver on their ambitious plans for their communities.”

- Professor Alistair Fitt, Chair of Arc Universities Group and Vice-Chancellor Oxford Brookes University said:

“This region hosts a great diversity and scale of universities. Together we offer a wide range of key contributions: globally renowned research brilliance, the powerhouse of skills provision provided by cutting edge teaching, world class knowledge transfer and commercialisation. Our universities, working in close partnership, in alliance with others - particular the private sector - are organised into the Arc Universities Group. We stand ready for the challenge. We welcome the oversight and experience that the leadership of Lord Patrick Vallance brings to the region, and we look forward to helping deliver the Chancellor’s aspirations for growth.”

- Darius Hughes, UK General Manager for Moderna said:

“We are proud to call Oxfordshire our home with the recent completion of construction of the Moderna Innovation and Technology Centre in Harwell. Today’s announcement demonstrates the government’s

commitment to growth and innovation, and we look forward to delivering British-made vaccines to the UK public, advancing cutting-edge research, and strengthening partnerships in this globally significant region.”

- Steve Bates, CEO of the UK Bioindustry Association said:

“The UK is a global leader in biotech innovation and attracts the most venture capital in Europe. [New figures we've published this week](https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.bioindustry.org%2Fresource%2Fuk-biotech-accelerates-growth-with-3-5-billion-investment-surge.html&data=05%7C02%7CElizabeth.Lovegrove%40hmtreasury.gov.uk%7Cccc3dd9669dbd46b2258908dd3fadb3ea%7Ced1644c505e049e6bc39fcf7ac51c18c%7C0%7C0%7C638736737462252973%7CUnknown%7CTWfPbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOilwLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljoiTWfPbClslldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=vG68Pfn4NtA7Lj7pn9XjlqGxKHxPgKVP1I2abVIIISAI%3D&reserved=0) (<https://gbr01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.bioindustry.org%2Fresource%2Fuk-biotech-accelerates-growth-with-3-5-billion-investment-surge.html&data=05%7C02%7CElizabeth.Lovegrove%40hmtreasury.gov.uk%7Cccc3dd9669dbd46b2258908dd3fadb3ea%7Ced1644c505e049e6bc39fcf7ac51c18c%7C0%7C0%7C638736737462252973%7CUnknown%7CTWfPbGZsb3d8eyJFbXB0eU1hcGkiOnRydWUsIlYiOilwLjAuMDAwMCIsIlAiOiJXaW4zMilslkFOljoiTWfPbClslldUljoyfQ%3D%3D%7C0%7C%7C%7C&sdata=vG68Pfn4NtA7Lj7pn9XjlqGxKHxPgKVP1I2abVIIISAI%3D&reserved=0>) show that biotech is a vibrant growth sector of the UK economy with an exceptional ability to attract global investment. Delivering the infrastructure needed to support the growth at pace – especially in the Oxford Cambridge growth corridor- is key to the success of our sector.”

- The government is continuing to work with local partners to deliver sustainable growth in Cambridge, with the additional homes and infrastructure the city needs. Peter Freeman and the Cambridge Growth Company are building the evidence base for an infrastructure-first growth strategy to realise the full potential of Cambridge and improve lives for residents.
- The Chancellor today announced that delivery of a new East Coast Mainline station in Tempsford will be accelerated by 3-5 years. The station will link services directly to London, with services in under an hour. It will eventually also be an interchange with the East West Rail station.
- The A428 (Black Cat to Caxton Gibbet) scheme will improve journeys between Milton Keynes, Bedford and Cambridge. The scheme will see a new 10-mile dual carriageway delivered, as well as three grade separated junctions, three tier at Black Cat roundabout (A1/A421) and two tier at Cambridge Road (B1428) and Caxton Gibbet (A428/A1198) junctions, respectively. Main construction began in December 2023 and the road is expected to open in 2027.
- The Environment Agency have lifted their opposition to new development around Cambridge (Waterbeach and the Beehive centre). This unlocks the delivery of 4,500 new homes and associated community spaces such as schools and leisure facilities as well as office and laboratory space in Cambridge City Centre. This demonstrates how the government,

councils, and regulators are working together to find solutions that unlock growth and address environmental pressures.

- The government has agreed water companies' water resources management plans, including Cambridge Water's, unlocking a now-confirmed £7.9bn investment in water resources in the next 5 years to provide a foundation for growth and improving our water infrastructure. These plans include nine new reservoirs, including the new Fens Reservoir serving Cambridge to South East Strategic Reservoir Option (Abingdon Reservoir) near Oxford.
- The Chancellor will announce a new Growth Commission for Oxford, similar to the Cambridge Growth Company to bring together key stakeholders across the city and review how best to tackle the barriers that are constraining development of new housing and infrastructure to accelerate growth in the city.
- AI Growth Zones, as recommended in the AI Action Plan launched by the PM earlier this month, are designated areas designed to fast-track the development of AI-focused data centres and supporting infrastructure. By concentrating government support on planning and energy, AIGZs aim to attract significant private investment, accelerate the build-out of critical AI infrastructure, and drive local economic regeneration. The first AI Growth Zone will be in Culham, Oxfordshire.
- On Monday 20th January the Health Secretary announced the Cambridge Cancer Research Hospital is being prioritised for investment as part of wave 1 of the New Hospital Programme. This scheme will improve cancer survival rates by centralising Cambridge University Hospital cancer services under one roof and will further improve the proposition for the life sciences sector in the region, with AstraZeneca and CRUK researchers co-located at the facility, integrating the clinical and research models of cancer services. In doing so it will help create three new research institutes to be integrated with NHS clinical care helping to provide 10 new clinical trials per year and foster increased collaboration between top scientists and clinicians.
- The Chancellor will welcome Cambridge University's plans for a new largescale innovation hub in the heart of the city. The Global Innovation Index (GII) 2024 has ranked Cambridge as the world's leading science and technological cluster by intensity for the third consecutive year.

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To remove "the Chancellor today announced a 'call for expressions of interest' from regional and local authorities and industry, to inform the next stage of the AI Growth Zones

programme. This will help us understand early opportunities and inform the next stage of the programme in what the government regards as a key growth sector in its modern Industrial Strategy."

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