

**UK business & economy**

## Plans to create UK rival to Silicon Valley shelved by Boris Johnson

UK prime minister's levelling up agenda means plans for the Oxford-Cambridge Arc have been put on the backburner



Michael Gove and the route of the new railway line between Oxford and Bedford © FT Montage/Alamy/Getty Images

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Boris Johnson's government has shelved a strategic plan to create a British rival to Silicon Valley around Oxford and Cambridge in order to prioritise "levelling up" spending in the north of England.

The "Oxford-Cambridge Arc", a regional project designed to connect the UK's two leading universities and the manufacturing and logistics centre of Milton Keynes by building east-west transport links, was a key priority of successive Conservative governments, until last year.

Individuals with detailed knowledge of the plans across Whitehall, industry and local government have told the Financial Times that the project is no longer considered a priority by ministers.

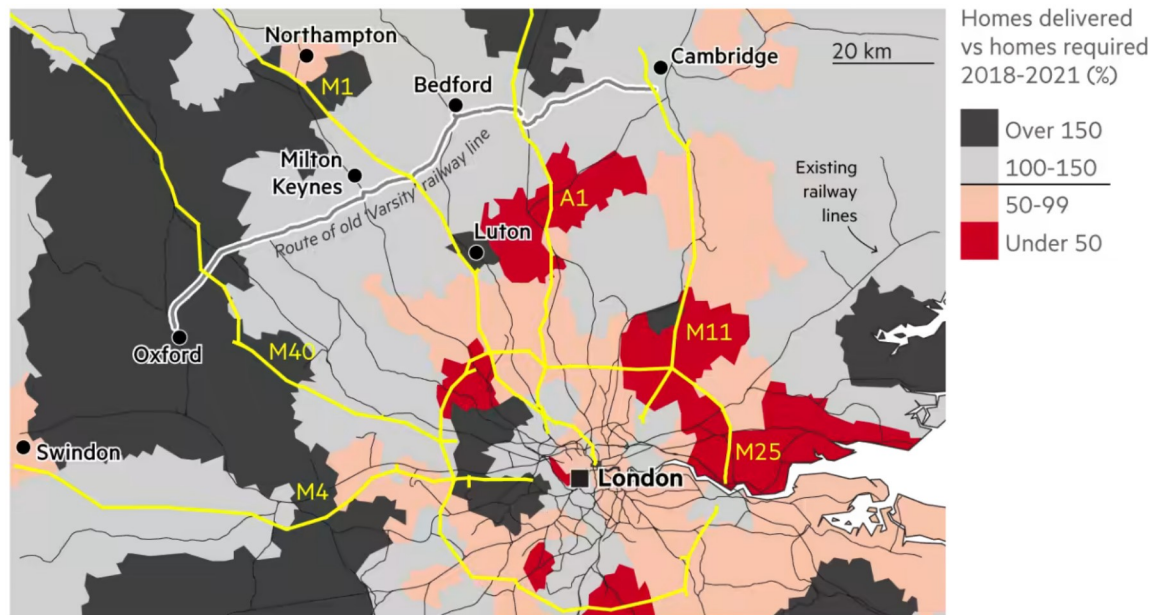
Michael Gove, the levelling-up secretary, has indicated privately that the project was on the backburner, prompting anger from local leaders and several major companies in the region.

One Tory MP told a meeting of local constituents in Cambridgeshire that, when asked about the scheme, Gove had mimed to him sitting on a lavatory and pulling the chain, adding: "That's what's happened to the Arc".

Under a 2017 [plan](#), drawn up by the National Infrastructure Commission, the Arc in its most ambitious form promised to deliver 1mn extra homes and 700,000 jobs while boosting the average annual productivity of workers in the region by £6,000 by 2050.

## The proposed 'Oxford-Cambridge Arc'

The "Oxford-Cambridge Arc" scheme envisaged the reopening of the old Varsity rail line between the two cities, alongside 1mn new homes and an east-west "expressway" that has now been cancelled



Graphic: Alan Smith Sources: ONS, Department for Levelling Up, Housing and Communities, Ordnance Survey © FT

Although a new railway line between Oxford and Cambridge is still going ahead, a new east-west "expressway", or trunk road, has been dropped and the target for 1mn new homes shelved.

The death knell for the Arc was first sounded when Johnson was elected in 2019 on the back of his "levelling-up" agenda, which promised to concentrate delivering economic growth outside London and the South-East.

It suffered another blow after the Tories' shock by-election defeat in nearby Chesham & Amersham last year, prompting Johnson to drop plans to turbocharge housebuilding in Britain.

As a result, Gove has taken a strategic decision to deprioritise the plan and leave it in the hands of fragmented local councils instead.

A 40-person Whitehall unit in the Department for Levelling Up, Housing and Communities to deliver the Arc was disbanded "within weeks" of Gove taking up his new role in September last year, according to three Whitehall insiders.

The department said it would not comment on staffing matters or whether Gove had indicated he had "flushed" the plan down the toilet.

Yet the result of an October 2021 consultation on delivering an overarching



planning framework for the Arc remains unpublished, with local authorities informed that central government no longer wishes to drive the project forward.

An internal report by South Cambridgeshire district council this week said that it had become clear the government did “not wish to see the Ox Cam Arc as a project driven by central government” and that it would now be “locally led”.

Bridget Smith, the Liberal Democrat leader of the council, expressed frustration at the lack of clarity. “The implication from Gove is that they want us local council leaders to take it forward — but we have no money or power,” she said.

The government said it continued “to recognise the importance of the Oxford-Cambridge Arc as a globally renowned hub of innovation” and it would provide more information in due course” on last year’s consultation.

But Dave Hodgson, the Lib Dem mayor of Bedford, a town that is central to the Arc plans, said he now believed the project was effectively “dead”. He added: “This is all the result of successive secretaries of state never being clear about what they want, so we just have more and more false dawns.”

There are even doubts about the future of the long-delayed Oxford-Cambridge railway link, which in parts would have involved reopening the old [“Varsity line”](#) between the two cities that closed in 1967. Steven Broadbent, chair of the East West Main Line Partnership that runs the project, warned in October that the Treasury’s spending review had failed to resolve critical questions about its future.



Oxford Science Park © Richard Tugwell/Alamy



Cambridge Science Park © Geoffrey Robinson/Alamy

Funding is still needed for the line eastward to Cambridge while there remains “uncertainty” over the delivery of the Aylesbury-Milton Keynes link, he added.

The failure to deliver the Arc project in a holistic manner has left investors, industry, local government and local MPs deeply divided.

Philip Hammond, the former chancellor, who backed the Arc while in office, said the decision by the Johnson government to step back from the scheme to focus on levelling-up priorities was deeply misguided.

“We have to get away from this idea that levelling up for the north means stifling investment in high-growth areas. That is a recipe for making the entire country poorer,” said Hammond.

Lord Andrew Adonis, who as chair of the National Infrastructure Commission in 2016 was [tasked](#) by then chancellor George Osborne with drawing up plans for the Arc, said the project could be squared with the levelling-up priorities of the Johnson government.

“Oxford, Cambridge and Milton Keynes are halfway to the Midlands; it would help to shift the centre of gravity away from London and the South-East,” he said.

A group of 17 major companies in the region, including Oxford Properties, Abcam, Brockton Everlast and Kadans Science, wrote to Rishi Sunak this month warning the chancellor that “the current passive approach” to the Arc was deterring inward investment to the UK.

Noting that international rivals such as Boston had nearly 6mn sq ft of lab space under construction in 2021 — compared with an average of 300,000 sq ft for Oxford and Cambridge — the letter warned that companies were already choosing to expand in the US not UK because of lack of science facilities.

It said the group was “deeply concerned” that the Arc appeared to have been “deprioritised within government” and warned of “significant economic implications for the UK” from failing to deliver the plan.

But for local Tory MPs the decision to soft-pedal is a welcome recognition of local opposition to new roads and houses that has fuelled a grassroots political backlash.

Richard Fuller, Conservative MP for North East Buckinghamshire, said the project was based on a “flawed thesis” and that it should have focused on improving transport links to satellite towns around Oxford and Cambridge.

Steve Baker, the MP for Wycombe, labelled the Arc “a massive exercise in top-down state planning” that was unsurprisingly rejected by people in the region. “You only have to go there to see it is a beautiful place and people are bound to take exception to putting a million new houses into it,” he added.

The Conservative-controlled Buckinghamshire council [formally withdrew from the Arc](#) in August 2020, rejecting the “top-down” approach to planning from Whitehall.

Planning experts said the fate of the Arc demonstrated the deep structural challenges facing the UK as it tried to tackle its long-term productivity crisis.

David Valler, professor of planning at Oxford Brookes University, who is publishing a [forthcoming paper](#) examining the failure of politicians to sell the Arc to the public, said the project was emblematic of the wider constraints on planning in England.

“The Arc is a core expression of strategic planning in England, and a huge test case for the planning system as a whole,” he said. “At the moment we don’t appear to have the apparatus to make it work.”

