



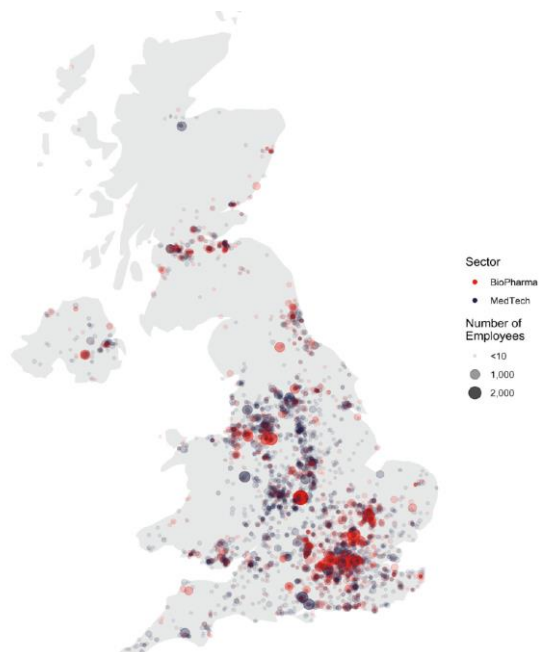
Alternative Futures for the Corridor

Linking London to Cambridge – the UK's leading sci-tech region

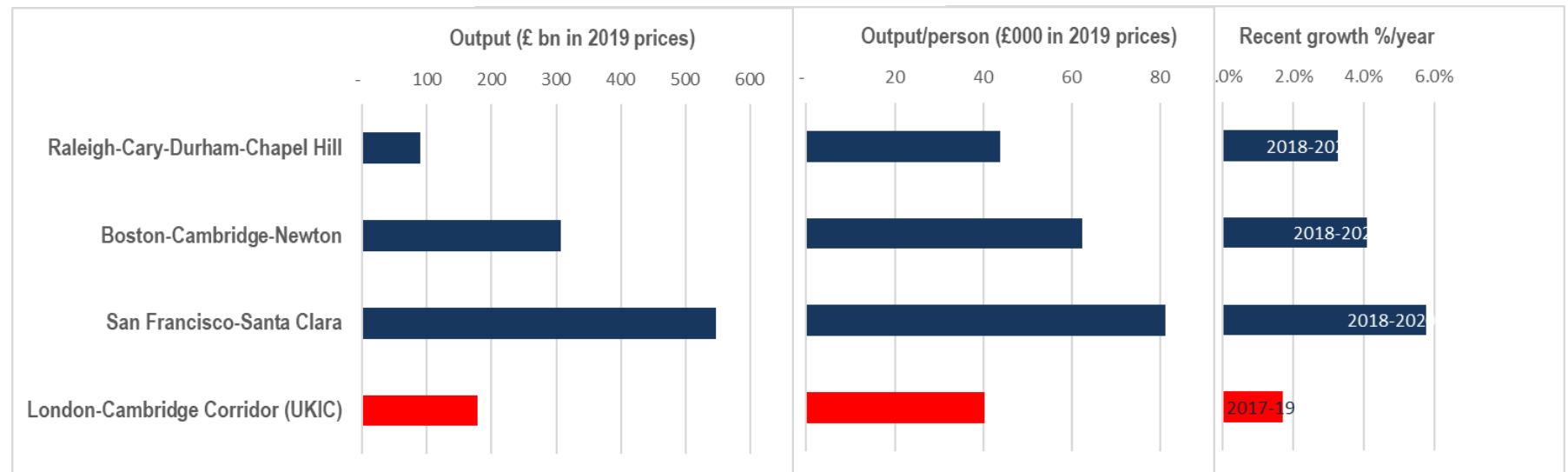


Alternative futures of the corridor – 2050 scenarios – overview

- Overall approach: Corridor-wide scenarios for economic development, skills, land use planning, transport infrastructure and services – i.e. how the policy areas are coordinated
- Build on the UKIC strengths
- In the past 20 years, UKIC has been the fastest growing among all corridors to/from London, achieving 2.9% per year; It is still some way behind the global peers, and to compete well, there is a need to up the game.



Comparison with leading innovation areas in the US

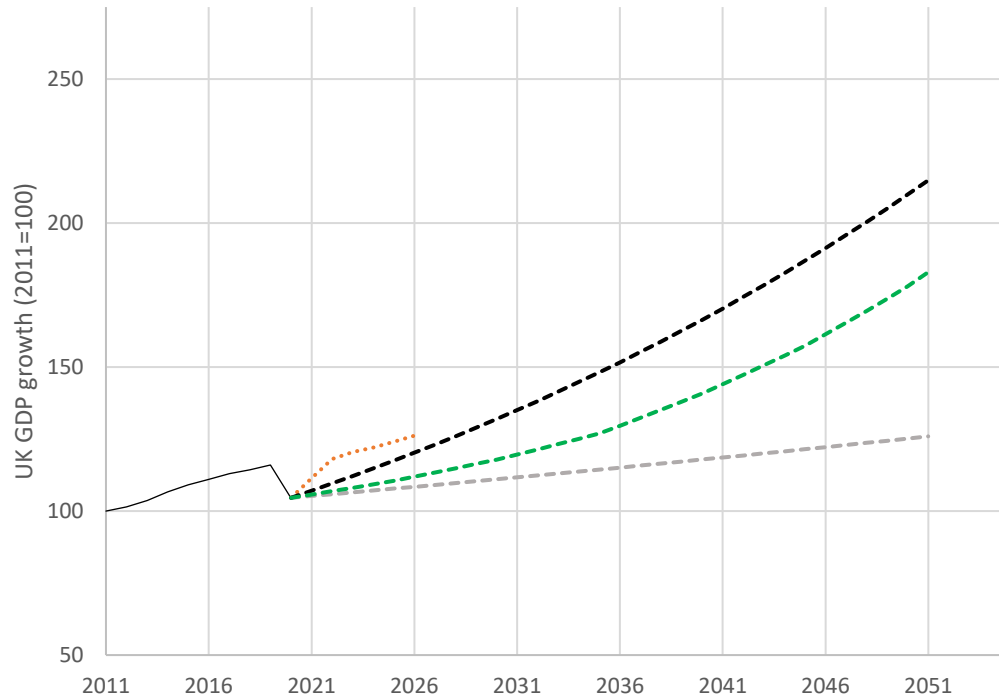


Number employed in BioPharma (pink) and MedTech (blue)

Sources: BioIndustry Association; Government's Life Science Vision https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1013597/life-sciences-vision-2021.pdf

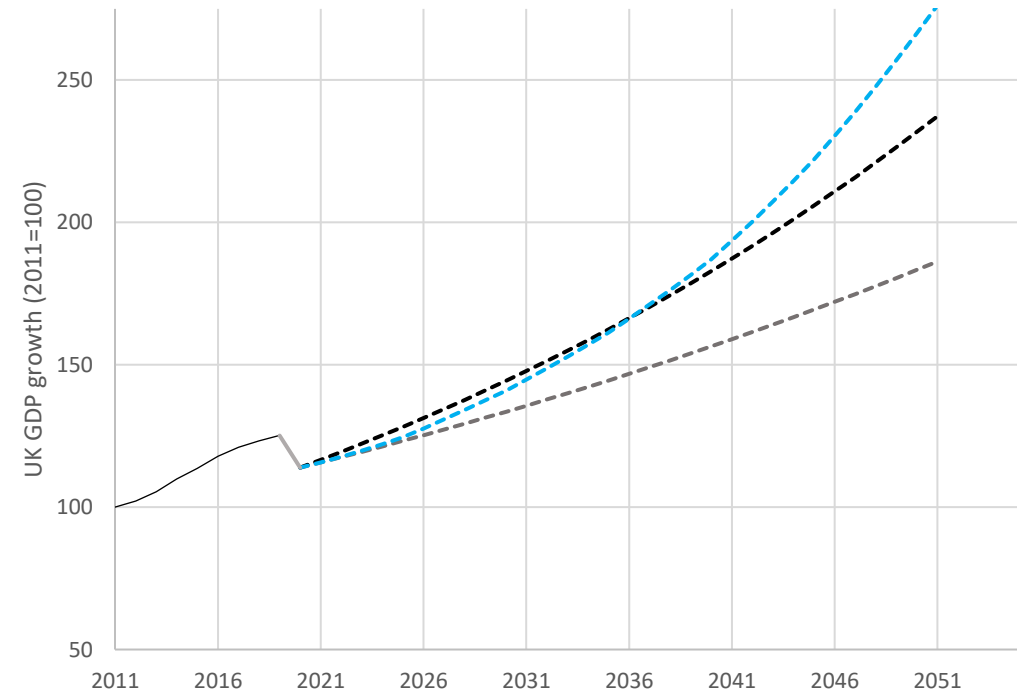
Three growth trajectories: All UK and UKIC

GVA trajectories – UK as a whole



- National - Actual (annualised 1.85%/year)
- OBR UK level projections (October 2021)
- - - "National - Low Growth" (annualised 0.6%/year)
- - - "National - High Growth" (annualised 2.35% year)
- . - . "National - Convergent growth" (1.1% (2021) rising to 2.75% (2051); 1.82% per year)

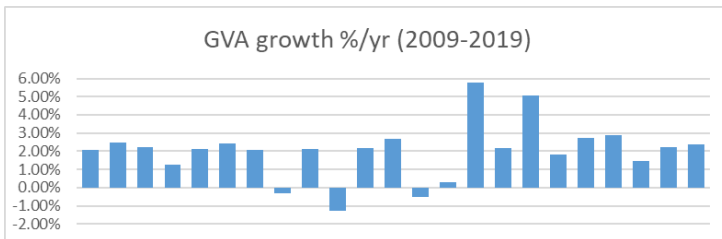
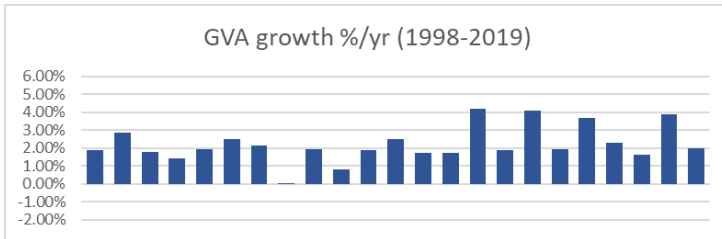
GVA trajectories - UKIC scenarios



- - - "UKIC - Low Growth" (annualised 1.6%/year)
- - - "UKIC - £350bn by 2050" (annualised 2.4% year, constant rate)
- . - . "UKIC - Gradual ramp up" (1.6% (2021) rising to 3.7% (2046), averaging 2.9%/year)
- UKIC - Actual
- UKIC - Estimated

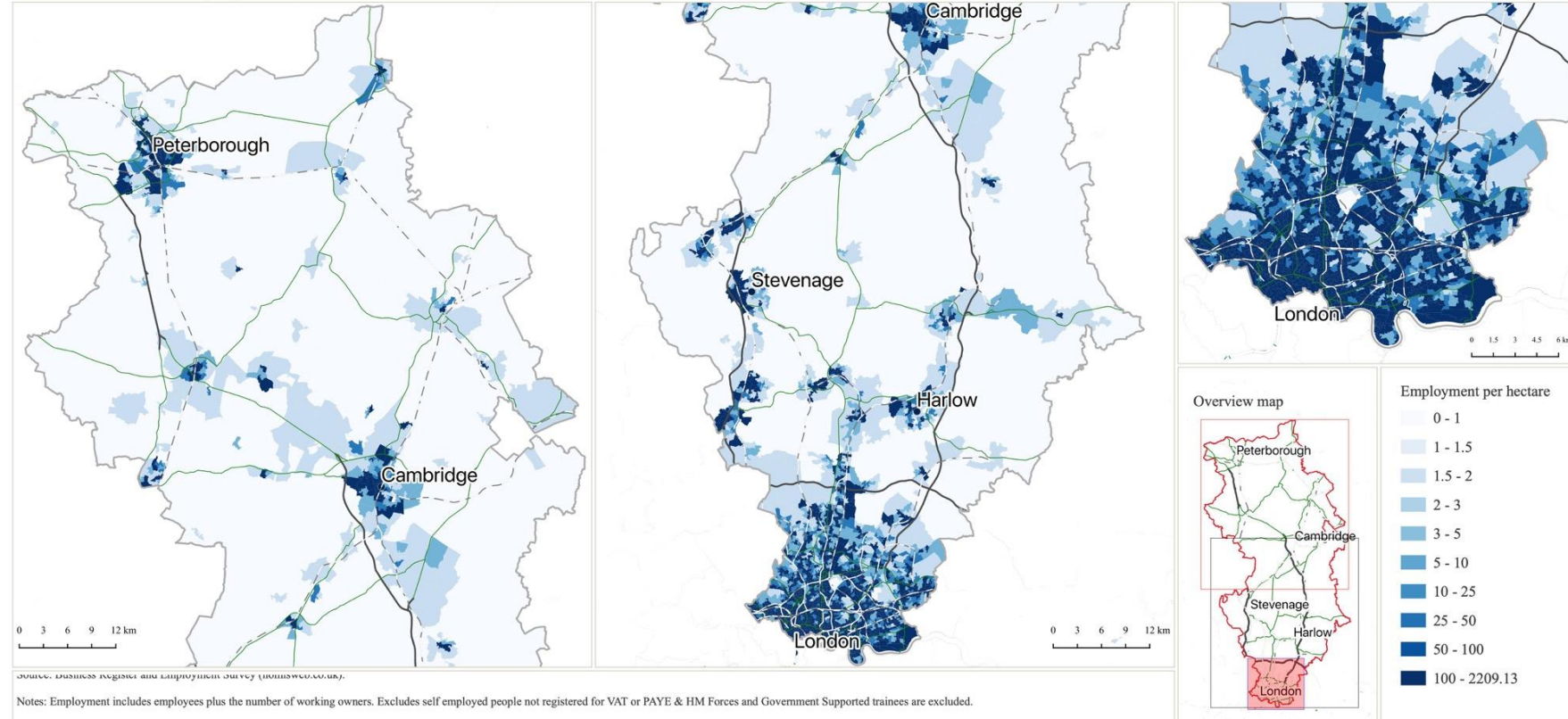
Distribution of growth: Past-trend vs Convergent

Past GVA trends: polarised growth



Overall growth			
	Low	Constant High	Recovery
Trend distribution	X	X	
Convergent distribution			X

JOBS DENSITY - employment per hectare 2019.

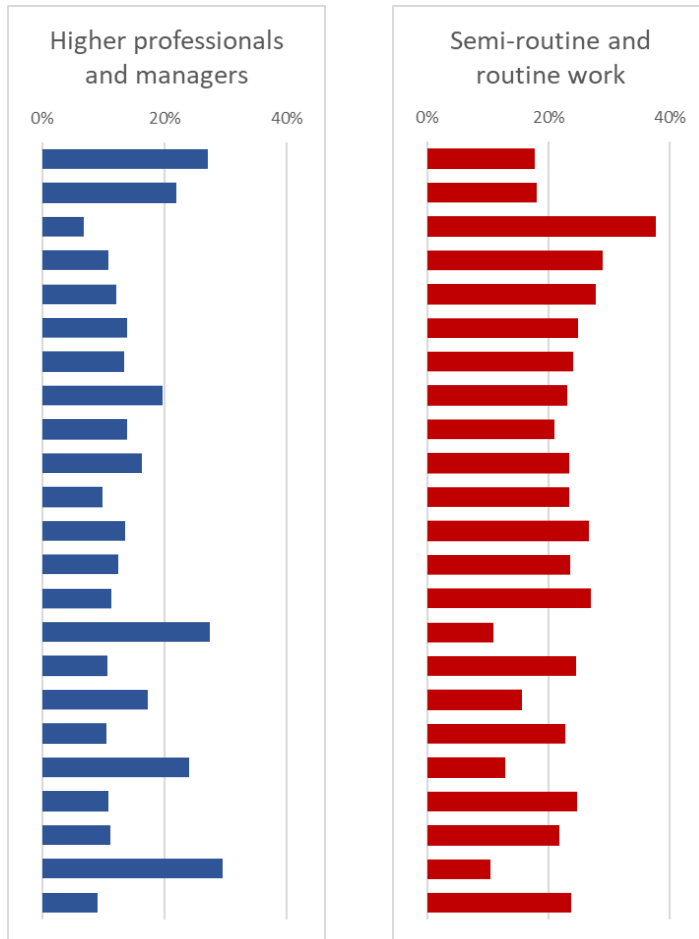


The main employment centres are already situated on the two fast rail corridors ... this may be an asset for UKIC.

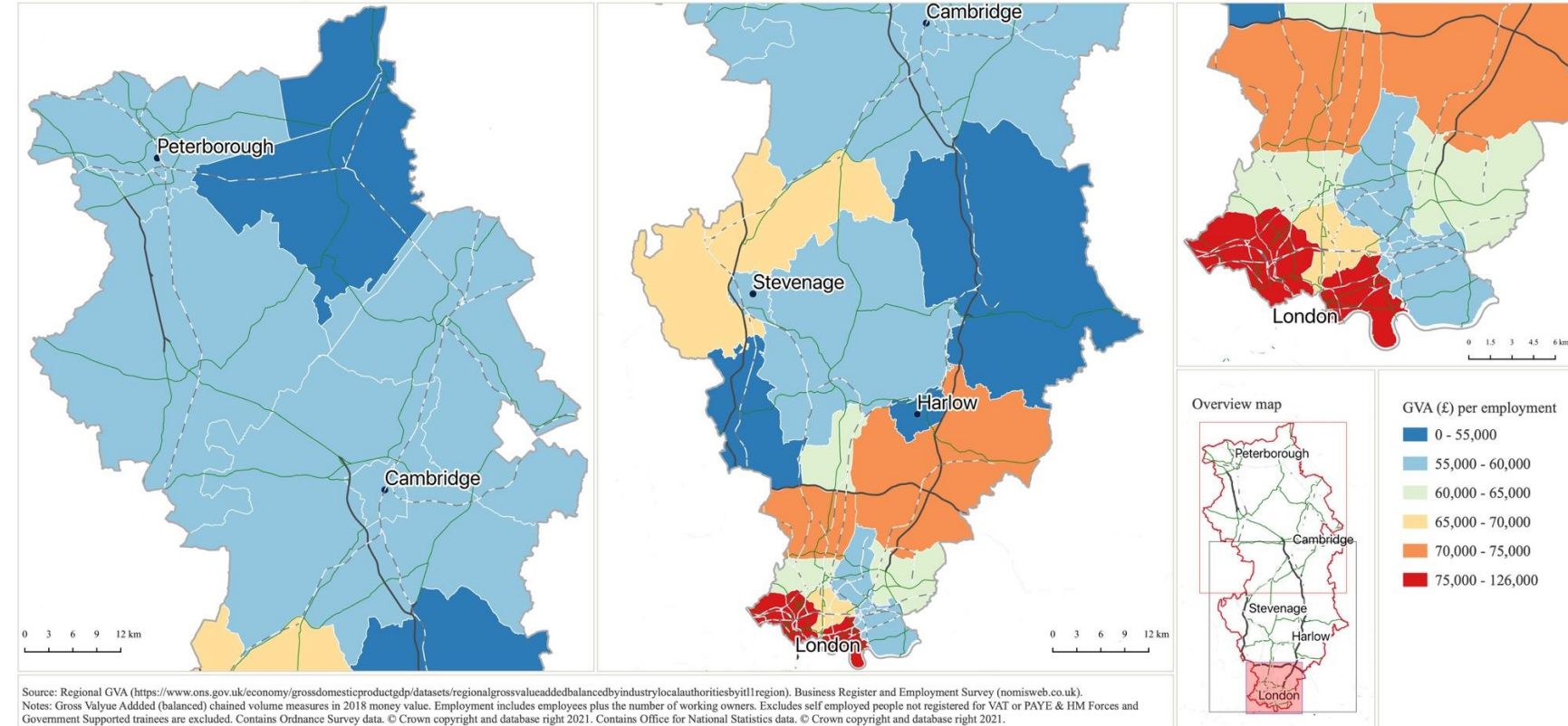
Skills and productivity (output per job) assumptions

Current distribution of skills highly polarised among the local authorities (see below).

This continues with the trend scenarios, but converges towards the high skill LAs under the convergent growth scenario.



ECONOMIC ACTIVITY - GVA per employment 2019.



Similarly, under the trend scenarios, the output per job (i.e. productivity) continue to be highly polarised (see above)

Under the convergent distribution scenario, the output per job converges towards the current leaders, starting from the anchor locations

Higher productivity is required to support the growth as population everywhere in the world has stabilised.

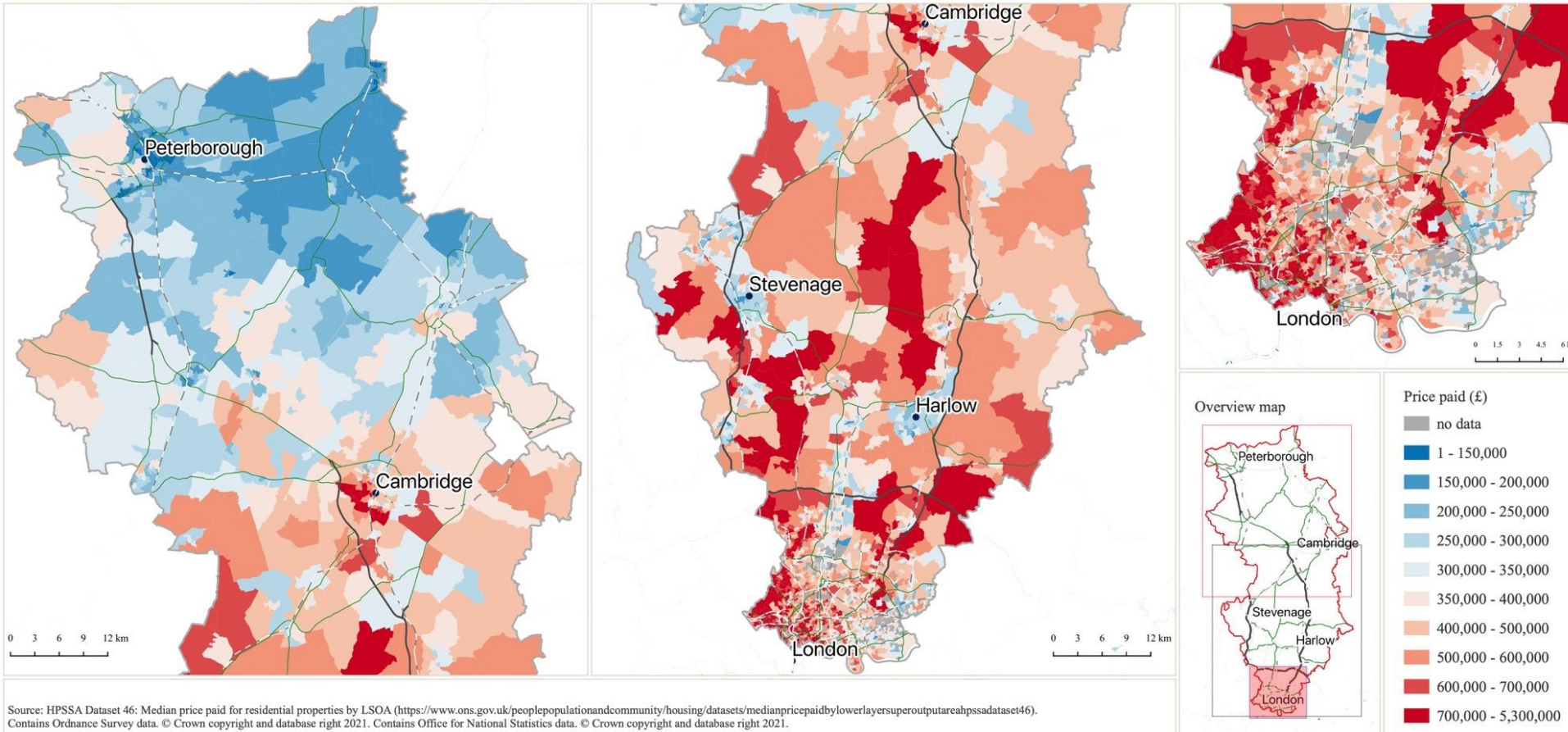
Housing growth and transport assumptions, and model predictions

Under Low GVA Growth assumptions (1.6%/yr): housing will grow below the local plans

Under Trend High Growth (2.4%/yr) and Convergent High Growth (2.9%/yr), housing growth will follow the local plans

Transport infrastructure and services: will expand to provide the same level of service as currently.

HOUSE PRICES: Median price paid for residential properties, year ending December 2019.



Source: HPSSA Dataset 46: Median price paid for residential properties by LSOA (<https://www.ons.gov.uk/peoplepopulationandcommunity/housing/datasets/medianpricepaidbylowerlayersuperoutputareahpssadataset46>). Contains Ordnance Survey data. © Crown copyright and database right 2021. Contains Office for National Statistics data. © Crown copyright and database right 2021.

Scenarios with very different outcomes:

House prices:

Low growth: Current hotspots - prices remain high; low skill areas – prices falling;

Trend high growth: Current hotspots - prices far outstrip wages;

Convergent high growth: prices rise but mean wages catch up.

Commuting travel:

Low growth: bottleneck worsening around hotspots;

Trend high growth: grid lock likely towards end of plan period

Convergent high growth: large rise in active and public transport, with shortening of mean trip distances

The outcomes have their social, energy and environmental impacts as well.

Headline summary of the scenario tests

- The alternative scenarios investigate the consequences of the growth and distribution of GVA, jobs, housing and transport – the scenarios are assessed on their impacts on housing prices and affordability, travel choices and associated social and environmental effects
- The scenarios show that without spreading the momentum of growth from the current hotspots, the growth trajectories are likely to be unviable in the medium term
- The spread of growth through creating high productivity jobs around the current hotspots, particularly along the rail lines, would greatly improve job access as well – such spreading should start from the current anchor locations, and post 2031, go on to the rest of the corridor
- The good jobs in currently deprived areas will then drive the demand for skills training in the local communities
- The rise in overall productivity in the corridor will then help to make high rates of growth within the environmental and housing capacities of the corridor – and in turn, the doubling of the overall economic output in the corridor will take the area into the league of the global competitors in terms of the critical mass of technology and skills, thus enhancing its global competitiveness and supply chain resilience.