

Leader of the Council
Councillor David Hingley



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Dear Jonathan

The UK's Modern Industrial Strategy

Thank you very much for your letter regarding the above. It is many years since we were on our university's Student Union Executive together and I am delighted to see that you are now leading the UK's economy through this ambitious Industrial Strategy.

Cherwell District Council replied with enthusiasm and in some detail to the Green Paper in Autumn 2024 (please find attached).

In our response, this Council emphasises the key 'Local Leader and Enabler' role it already plays in driving economic growth in north Oxfordshire and beyond.

Located mid-way between London and Birmingham, on the East-West Rail corridor, Cherwell is increasingly home to many spinout enterprises from Oxford University, a wealth of growing businesses and many international inward investors. We are actively involved with key regional partnerships, including the Oxford to Cambridge Partnership and Oxford Growth Commission, to deliver infrastructure, housing and employment that meets the needs of our area and region while contributing to the wider nation.

Indeed, Cherwell is a key economic driving force for the UK, hosting over 7,000 businesses, many of which relate to the eight growth-driving sectors identified in your Strategy. Some of our businesses - such as Fortescue and Oxford Ionics - are explicitly named, and these could be supplemented by many others. I would be extremely pleased to introduce you to any of them.

Siemens Healthineers, for example, is to open its bespoke £250 million UK headquarters near Bicester in 2026. This facility alone will provide 1,300 skilled jobs in the design and manufacture of

superconducting magnets used for MRI patient scans in healthcare facilities globally. It will add a net additional £820m to the Gross Value Added (GVA) of the economy by 2040.

Additional to this development, our new Local Plan will aim to ensure that high technology businesses can expand within a significant cluster of activity. This cluster alone is expected to add £6.3m in business rates annually.

We do, however, have a serious concern. Previously, Cherwell took up the incentive scheme introduced in 2013 to drive growth across the district to become one of the top 10 Local authorities with retained growth above the business rates baseline. However, this emphasis now makes Cherwell one of the authorities at greatest risk of losing significant resources if a full reset of retained business rates growth is implemented. Cherwell estimates that if a full reset were introduced for 2026/27 then it could face a reduction of **£12m**, 42% of our net budget. This is in addition to the loss of **£1.4m** one-off grants (New Homes Bonus and Funding Guarantee) and continuing upward pressures on our services. Even if cuts of this scale were to be phased over three years, the corresponding impact on services would be devastating for our residents and communities.

We therefore wish to co-operate extremely closely with Government to address these concerns, such that our services can continue to be provided, as well as to ensure that Cherwell remains amongst the most important localities in the UK supporting beneficial economic growth for the country.

Within the Industrial Strategy, I was also pleased to see that the importance of 'the foundational economy' is also now highlighted. As a district in central England, strategically located on the national highway network, this council is allocating land through our Local Plan to enable, for example, some of the most efficient and sustainable logistics businesses in the UK. The corresponding industrial units are equally capable of accommodating our world-leading cluster of high technology and advanced engineering as they are for meeting the essential supply chain needs of, for example, science-related companies or essential household needs.

In addition to this, very recently, this Council approved the outline development of a logistics park extending over 65 hectares primarily to meet national supply and distribution needs. Of course, in order fully to realise such development, our local authorities must be properly resourced to prepare for the homes, skills and infrastructure needs of a greatly expanding workforce and populace.

So, in short, with our ambitious Local Plan to 2042 also soon to be submitted for inspection, Cherwell provides huge potential to help deliver Government's ambition. However, we crucially need to ensure the resources and infrastructure are readily in place and this means we need government's understanding and support in addressing the financial challenges ahead.

I would therefore like to invite you to Cherwell to see for yourself the progress we have made so far, to review the further opportunities, and to discuss how we might work with government to address these future challenges.

Yours sincerely



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Leader
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cc:

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