

# Supplement for Council

On **Monday 24 November 2025** At **5.00 pm**

## Item 10 Devolution

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10.	<b>Devolution</b>	3 - 20
	<p>The Chief Executive has submitted a report to note that Cabinet will take a decision on whether to endorse the submission by Oxfordshire County Council on behalf of all Oxfordshire councils of an Expression of Interest to Government for the inclusion of the Thames Valley area in the next wave of its Devolution Programme.</p> <p>Council is recommended to:</p> <ol style="list-style-type: none"><li>1. <b>Note</b> that a Special Cabinet on 4 December will be asked to:<ol style="list-style-type: none"><li>a) Endorse the benefits from the proposed devolution of powers and functions to a future Thames Valley Mayoral Strategic Authority, and agrees to continue building on the collaborative approach across the region to date;</li><li>b) Endorse the Expression of Interest (EOI) to be submitted by Oxfordshire County Council as the upper-tier authority to Government, noting that the EOI is designed to proactively position our region for early consideration in the next wave of the Devolution Programme;</li><li>c) Acknowledge the EOI as an initial invitation to Government, opening further dialogue and engagement, and not a decision to establish a Strategic Authority;</li><li>d) Agree that a further report will be brought to Cabinet prior to any final decision by Oxfordshire County Council as upper-tier authority on the creation of a Strategic Authority; and</li><li>e) Note an informal Devolution Programme Board will oversee discussions with Government, ensuring robust governance</li></ol></li></ol>	

and stakeholder engagement by elected members throughout this process.

The agenda, reports and any additional supplements can be found together with this supplement on the committee meeting webpage.

**To:** Council

**Date:** 24 November 2025

**Report of:** Chief Executive

**Title of Report:** Devolution Expression of Interest for Oxfordshire within a Thames Valley Mayoral Strategic Authority

Summary and recommendations	
<b>Decision being taken:</b>	To note that Cabinet will take a decision on whether to endorse the submission by Oxfordshire County Council on behalf of all Oxfordshire councils of an Expression of Interest to Government for the inclusion of the Thames Valley area in the next wave of its Devolution Programme.
<b>Key decision:</b>	No
<b>Cabinet Member:</b>	Councillor Susan Brown, Leader of the Council
<b>Corporate Priority:</b>	Good, affordable homes Strong, fair economy Thriving communities Zero Carbon Oxford Well-run council
<b>Policy Framework:</b>	The Government's Devolution White Paper published December 2024 The Council Strategy 2024-28

**Recommendation(s):** That Council resolves to:

1. **Note** that a Special Cabinet on 4 December will be asked to:
  - a) Endorse the benefits from the proposed devolution of powers and functions to a future Thames Valley Mayoral Strategic Authority, and agrees to continue building on the collaborative approach across the region to date;
  - b) Endorse the Expression of Interest (EOI) to be submitted by Oxfordshire County Council as the upper-tier authority to Government, noting that the EOI is designed to proactively position our region for early consideration in the next wave of the Devolution Programme;

- c) Acknowledge the EOI as an initial invitation to Government, opening further dialogue and engagement, and not a decision to establish a Strategic Authority;
- d) Agree that a further report will be brought to Cabinet prior to any final decision by Oxfordshire County Council as upper-tier authority on the creation of a Strategic Authority; and
- e) Note an informal Devolution Programme Board will oversee discussions with Government, ensuring robust governance and stakeholder engagement by elected members throughout this process.

Appendix No.	Appendix Title	Exempt from Publication
<b>Appendix 1</b>	Report to Cabinet of 4 December 2025	No
<b>Appendix 2</b>	Expression of Interest (EOI) letter to Government	

## Introduction and background

1. As Council is aware Government intends to deliver Devolution to all areas in England, as set out in its Devolution White Paper 2024 and enabled through the English Devolution and Community Empowerment Bill that is currently being considered by Parliament.
2. The Government's vision is for all parts of England to be part of regional Strategic Authorities led by a regional Mayor. These authorities will drive growth and deliver strategic leadership in areas such as inward investment, employment, skills, strategic planning, sustainability, infrastructure investment and transport.
3. As set out in the Appendix 1, all local authorities in Oxfordshire, Berkshire and Swindon have been working together to develop an Expression of Interest (EOI) to Government, requesting the inclusion of the Thames Valley region in the next round of Devolution for the purpose of creating a Mayoral Strategic Authority (MSA). The EOI is attached in Appendix 2.
4. As only unitary and upper tier councils can formally make a Devolution EOI, Oxfordshire County Council will be doing so on behalf of Oxfordshire local authorities. Oxford City Council's Cabinet is being asked to endorse the County Council's submission of the EOI by 19 December.
5. The decision to submit is a matter for Oxfordshire County Council and the decision to endorse is a matter for Cabinet, however it has been considered appropriate to bring this to full Council for noting.

## Alternative Options Considered

5. All options on the proposals for submission are outlined in the report at Appendix 1.

### **Other implications**

6. There are no other implications arising from this report to Council. All implications of the decision of Cabinet are outlined within the Appendix 1.

### **Financial implications**

7. There are no financial implications arising from the recommendations of this report. All implications of the proposals for submission are outlined in Appendix 1.

### **Legal issues**

8. All legal issues are covered within the body of this report and the Appendix 1.

### **Level of risk**

6. There are no risks associated with this recommendation, in relation to the decision of Cabinet they are as outlined in the Cabinet report at Appendix 1.

### **Equalities impact**

9. There are no equalities impact associated with this recommendation, in relation to the decision of Cabinet they are as outlined in the Cabinet report at Appendix 1.

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<b>Background Papers:</b>
1
2

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**To:** Cabinet  
**Date:** 4 December 2025  
**Report of:** Caroline Green – Chief Executive  
**Title of Report:** Devolution Expression of Interest for Oxfordshire within a Thames Valley Mayoral Strategic Authority

Summary and recommendations	
<b>Decision being taken:</b>	To endorse the submission by Oxfordshire County Council on behalf of Oxfordshire councils of an Expression of Interest to Government for the inclusion of the Thames Valley area in the next wave of its Devolution Programme.
<b>Key decision:</b>	No
<b>Cabinet Member:</b>	Councillor Susan Brown, Leader of the Council
<b>Corporate Priority:</b>	Good, affordable homes. Strong, fair economy. Thriving communities. Zero Carbon Oxford. Well-run council.
<b>Policy Framework:</b>	The Government's Devolution White Paper published December 2024 The Council Strategy 2024-28

**Recommendation(s):** That Cabinet resolves to:

1. **Endorse** the benefits from the proposed devolution of powers and functions to a future Thames Valley Mayoral Strategic Authority, and agrees to continue building on the collaborative approach across the region to date;
2. **Endorse** the Expression of Interest (EOI) to be submitted by Oxfordshire County Council as the upper-tier authority to Government, noting that the EOI is designed to proactively position our region for early consideration in the next wave of the Devolution Programme;

3. **Acknowledge** the EOI as an initial invitation to Government, opening further dialogue and engagement, and not a decision to establish a Strategic Authority;
4. **Agree** that a further report will be brought to Cabinet prior to any final decision by Oxfordshire County Council as upper-tier authority on the creation of a Strategic Authority; and
5. **Note** an informal Devolution Programme Board will oversee discussions with Government, ensuring robust governance and stakeholder engagement by elected members throughout this process.

Information Exempt From Publication	
	None

Appendix No.	Appendix Title	Exempt from Publication
Appendix 1	Expression of Interest letter (EOI)	No

## Introduction and background

1. This report notes an Expression of Interest (EOI) will be made by Oxfordshire County Council to Government on behalf of Oxfordshire councils. This is in response to the Government's Devolution policy and seeks to position the Thames Valley region in the next round of Devolution for the purpose of creating a Mayoral Strategic Authority (MSA).
2. By submitting the EOI (Appendix 1) Oxfordshire councils are requesting the Secretary of State engages with us on devolution of powers and functions.
3. Our region aims to enter dialogue with Government to target regional economic growth working within a strategic partnership that focuses on promoting innovation, sustainability and prosperity.
4. An MSA would provide collaborative regional governance and resources to support Oxford City Council's work to enable inclusive growth in our area for the benefit and wellbeing of our residents.

## Government's programme of Devolution

5. The principle of devolution is well-established, with Government aiming to redistribute political, social and economic power across England. With its ambition now focused on universal coverage of Strategic Authorities across England following the English Devolution White Paper and the English Devolution and Community Empowerment Bill, Leaders have been meeting across our region to explore the opportunity for Devolution.
6. The Government's vision is for all parts of England to be part of regional Strategic Authorities led by a regional Mayor. These authorities will drive growth and deliver



strategic leadership in areas such as inward investment, employment, skills, strategic planning, sustainability, infrastructure investment and transport.

7. Devolution will require council Leaders, supported by their Chief Executives, to form new strategic regional partnerships to drive our ambitions for place based all-inclusive growth.

### **A Thames Valley MSA to drive regional growth**

8. Becoming a Mayoral Strategic Authority represents a significant opportunity for regions in England to drive inclusive growth and prosperity for communities and businesses. With new powers and investment, MSAs can address strategic economic challenges and opportunities, in collaboration with local Leaders, business leaders and investors, with Government and increasingly, with other Strategic Authorities as part of the Council of Regions.
9. Failing to pursue this opportunity carries real risks. Areas that do not secure a strategic authority risk missing out on funding, influence, the ability to set their own strategic direction and deliver against regional priorities. In an increasingly devolved landscape, inaction could for some years result in diminished competitiveness, slower growth, and reduced leverage in regional and national decision-making around investment. Ultimately, Government is taking powers through the English Devolution and Community Empowerment Bill that would enable it eventually to direct local areas to join an MSA.

### **Thames Valley regional economy**

10. The Thames Valley economy is one of the most dynamic and globally connected in the United Kingdom contributing £billions in Gross Value Added (GVA) to the national economy each year. On a per-person basis, it ranks second only to London, a reflection of the area's powerful concentration of high-value industries and skilled workforce.
11. The Thames Valley region's prosperity has its roots in knowledge and innovation, driven by digital technology, communications, life sciences, biotech, and health including creative and professional service sectors that have flourished thanks to the connectivity and proximity to London and Heathrow Airport. Global companies have long chosen to locate in the Thames Valley with established hubs for technology and business services. This includes fast growing sectors in pharmaceuticals, manufacturing, and digital.
12. Our region's economy has a critical mass of science, learning, intellect and inspiration. It has a culture of pushing boundaries, pioneering and entrepreneurship. The universities are powerhouses of knowledge and beacons of experimental excellence as are many of the businesses located in Oxford and elsewhere across the Thames Valley geography.
13. The talent emerging from the universities is driving the establishment of spin out businesses and their scaling up, contributing to an environment that promotes and nurtures commercialisation.

### **Risk of economic decline**

14. Despite its track record of success, the Thames Valley economy has not been immune to the decline in productivity across the UK in recent years, suffering from underinvestment and increased global competition. Its relative prosperity brings other

challenges, including housing affordability, infrastructure constraints, and uneven growth across localities.

15. Transport infrastructure, an essential enabler of economic growth, is struggling to cope with increased demand. Education and skills are in many respects mismatched with those required to power capacity for economic growth.
16. A strategic approach is needed to plan a step change in housing delivery and associated infrastructure, coordinate the adoption of green technologies, develop regional connectivity and attract inward investment to power up the economy.
17. Without this, the Thames Valley risks economic decline as businesses and inward investment divert to regions that have clear joined up regional Growth Plans and unfragmented governance arrangements; or simply goes to established international knowledge economy hubs in places like Boston and Silicon Valley.

### **The opportunity**

18. There are substantial benefits in seeking devolution of powers. Devolved control over adult education and skills budgets allows authorities to better align training provision with the needs of local industries from digital technology and life sciences to creative industries, helping retain talent and businesses whilst ensuring inclusive access to opportunities.
19. Devolved powers and responsibility strategic housing delivery and spatial planning will help address housing affordability and ensuring growth benefits reach all communities.
20. A regional transport strategy would future proof the region's rail links. Coordinated investment in rail, bus, and sustainable transport would reduce travel times, improve productivity and support the net zero agenda.
21. A science partnership could form a knowledge-intensive growth region with a stronger national and international identity capable of competing with major European economic clusters.
22. Stronger coordination through an agreed MSA regional growth plan, influenced and led by local authorities, will stimulate a larger, integrated economy that can carry more weight in negotiations with Government, securing devolved funding and national infrastructure investment. It would also present a more compelling 'investment ready' proposition to global investors seeking a region that combines cutting-edge research with commercial capability.

### **Expression of Interest**

23. The EOI emphasises the region's strengths in innovation and productivity and its readiness to enter discussions with Government for a possible MSA. Devolution will drive inclusive growth and unlock significant opportunities for local communities and the UK more broadly.
24. The Thames Valley EOI highlights:
  - **Economic rationale:** The region has national excellence and/or international excellence in at least 5 of the 8 key business sectors highlighted in the Government's Modern Industrial Strategy. The MSA would provide the framework that allows businesses to leveraging those sectors across a wider geography and create jobs. The ambition is to restore growth to pre-Covid levels.

- **Collaborative governance:** There is a commitment to partnership working across constituent councils, with clear terms of reference and for the EOI to mark the start of wider stakeholder engagement across the region.
- **Strategic powers and funding:** Powers over transport, skills, strategic planning, housing, and economic development and the ability to provide these within a business eco-system will lead to greater investment.
- **Place-based leadership:** Greater local control to deliver national policy objectives at local level has been shown to be successful in other established Strategic Authority areas. Adapting powers and functions to meet local needs strengthens local identity, accountability, and the ability to deliver tailored solutions for residents.

25. The EOI is the first stage towards devolution. While it does not bind any council to an MSA at this stage, it does indicate our readiness to engage further.

26. The EOI is described as non-geographically specific and so does not yet determine the future membership of the proposed Thames Valley MSA. However, those councils that are signatories to the EOI and are continuing to collaborate to see its implementation are: Bracknell Forest Council, Cherwell District Council, Oxford City Council, Oxfordshire County Council, Reading Borough Council, Royal Borough of Windsor & Maidenhead, Slough Borough Council, South Oxfordshire District Council, Swindon Borough Council, Vale of White Horse District Council, West Berkshire Council, West Oxfordshire District Council, Wokingham Council

27. Oversight of the proposals will be through a Devolution Board made up of elected representatives from each participating council.

## Next Steps

- **Submission of the EOI** (subject to approval) by Oxfordshire County Council on behalf of Oxfordshire councils to Government by 19 December 2025, followed by further engagement and refinement based on feedback from Leaders, Chief Executives, and stakeholders.
- **Ongoing governance and oversight** via the Devolution Board, with updates to Cabinet as needed and public consultation as the process evolves.
- **Build the proposal** through regular engagement, agreeing a specific geography and the size and scale of the Strategic Authority based upon criteria set out in the Devolution White Paper as follows:
  - **Scale:** Strategic Authorities should be of comparable size to existing institutions. The default assumption is for them to have a combined population of 1.5 million or above. The combined population of the council areas submitting EOI is 1.9 million.
  - **Economies:** Strategic Authorities must cover sensible economic geographies with a particular focus on functional economic areas, reflecting current and potential travel-to-work patterns and local labour markets. It is likely that where travel to work areas are small and fragmented, Strategic Authorities will cover multiple travel to work areas.
  - **Contiguity:** Any proposed geography must be contiguous across its constituent councils (either now or with a clear plan to ensure contiguity in the future through agreed local government reorganisation).

- No ‘devolution islands’: Geographies must not create devolution ‘islands’ by leaving areas which are too small to go it alone or which do not have natural partners.
- Delivery: Geographies should ensure the effective delivery of key functions including Spatial Development Strategies, Local Transport Plans and Get Britain Working Plans.
- Alignment: The government will seek to promote alignment between devolution boundaries and other public sector boundaries.
- Identity: A vital element of successful devolution is the ability for local residents to engage with and hold their devolved institutions to account – and local identity plays a key role in this.
- **Stakeholder engagement** with residents, businesses and public sector partners to explore devolution for our region.
- **Finalise proposal** with further decisions made at key points by Cabinet.

### **Analysis and consideration of alternative options**

28. The Government has set a clear ambition for universal coverage of MSAs across England. It is also legislating for a ministerial directive, which will enable it to directly create Strategic Authorities in any places where local leaders in that region have not been able to agree how to access devolved powers. Therefore the “do nothing” option could mean Government legislating on our behalf for devolution and is not recommended.
29. Opting to begin further discussions with Government on devolution would allow the Council to lead the definition of the strategic authority for our region. This will provide choice over the geography and the ability to determine the key priorities for our area.

### **Financial implications**

30. During the Budget process 2025/26 Oxfordshire County Council set aside a budget of £10m to cover the costs of LGR and devolution. Subject to Cabinet decision, Oxford City Council will consult on a proposed £2m provision in its 2026/27 Budget as its contribution towards the costs of LGR and devolution. To date the costs of devolution have been limited to the costs of the Programme Director role and consultants advising on the economic analysis. These costs are shared amongst the councils participating in discussions on devolution.
31. There are no direct financial implications arising from the submission of the Expression of Interest. As discussions with Government proceed the opportunity will arise to explore how growth in our economy could create significant social and economic uplift for our area and indeed, for the whole country. The Thames Valley is a positive contributor to Treasury.
32. Devolution and Local Government Reorganisation offer an opportunity to reset local government finances. In this context, the EOI submission seeks discussions with Government on developing innovative fiscal solutions to support investment into the Thames Valley Region. This reference to investment funding will also look to develop a more self-sufficient strategic authority that is not reliant on revenue gainshare and

seeks inward investment through the private sector and funding institutions, as part of any regional investment strategy.

### **Legal issues**

- 33. The submission of an EOI to open discussions with Government on Devolution is an executive decision of Oxfordshire County Council as the upper-tier authority. The Levelling Up and Regeneration Act 2023 allows for areas to collaborate to create new Strategic Authorities. The Act requires constituent councils to consent to Devolution, however 'constituent council' is defined in the Act as including only upper-tier councils. While Oxford City Council has participated in all discussions regarding devolution for Oxfordshire and the wider region, its role is to consider whether it supports the decision by the County Council.
- 34. The Cabinet has the authority to formulate the Council's overall policy objectives and priorities, which permits it to make this endorsement.
- 35. The English Devolution White Paper sets out the Government's intention that where the geographies of new Mayoral Strategic Authorities align with Police areas and Fire and Rescue Authorities, Mayors will, by default, be responsible for those services. Where those boundaries do not currently align Government has said that it will look to align public sector boundaries to strategic authority boundaries.
- 36. Through the English Devolution Bill, the Government will introduce a new bespoke duty for Strategic Authorities in relation to health improvement and health inequalities. Strategic Authorities will support partners in driving public service reform and the new devolution framework will set clearer expectations for Mayors' roles in local health systems and in improving population health.

### **Level of risk**

- 37. Risks associated with not seeking to progress Devolution are considered in this report. However, as the decision to submit an EOI rests with Oxfordshire County Council, with or without this Council's support.

### **Equalities impact**

- 38. There are no immediate equalities implications arising from this report. However, the purpose of forming an MSA is to bring an inclusive growth strategy to the Thames Valley Region. A strategy that ensures no one is left behind in the ambition to bring economic growth.
- 39. The expected benefits of devolution are to drive growth, enable housing delivery, and empower local leaders to place more focus on inequality and living standards. An Equalities Impact Assessment will be developed against the different elements of devolution, as proposals progress.

### **Carbon and Environmental Considerations**

- 40. There are no immediate sustainability implications arising from these decisions. Government has indicated it will give strategic authorities a meaningful role in planning for our future energy system, establishing heat network zoning in England and leading on local nature recovery. The detail of these various policies are to follow as the English Devolution and Community Empowerment Bill proceeds through Parliament.

## Engagement

41. The EOI was developed collaboratively, with input from local authority Leaders, Chief Executives and other council officers.
42. The EOI is a strategic step to initiate formal discussions with Government, with public and stakeholder engagement planned should the Government accept the Council onto the devolution programme.
43. Devolution is a collaborative process which will require continuous engagement and collaboration between local authorities and with residents, public sector institutions including the NHS, Police and Fire Authorities, businesses, and further and high education providers and other key local organisations and businesses.
44. It is also vital that residents are involved at the earliest opportunity to inform and shape the process. It will not be possible to carry out resident engagement prior to submitting an EOI but it is expected that resident engagement would begin after Government agrees to further discussions.

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<b>Background Papers:</b>	
1	English Devolution White Paper
2	English Devolution and Community Empowerment Bill

## Appendix 2

### Thames Valley Devolution EOI Letter

VERSION AND DATE	DESCRIPTION
VERSION 6 11 <sup>TH</sup> NOVEMBER 2025	Sixth draft with minor amends following Devolution Board

#### **This EOI aims to...**

Proactively position Thames Valley at the front of the queue for future devolution by submitting a compelling case ahead of formal process, as an input for new ministerial briefings

Set out a clear and focused pitch, explicitly aligned to current Government priorities, making it easy for ministers and officials to see how their goals can be achieved through Thames Valley's proposals

Demonstrate the existing strength of partnership and delivery across the region, and readiness for devolution

Demonstrate proactive thinking around how Level 3 MSA powers will be used to drive benefits in this region and its specific conditions and opportunities

#### **This EOI is not...**

A longform prospectus

For a broad range of audiences – we are in this instance aiming to convince Government and the Thames Valley Members of the case for devolution

An exhaustive application form with all questions answered – emerging ideas and thinking is helpful

When submitted to each local authority Council for approval, this letter will be accompanied by a cover report setting out the context and rationale for the EOI, and addressing regional and individual local authority issues or concerns. This aims to support constructive Council discussions and approval.

The EOI letter will also be accompanied by supplementary document for use by local authority Leaders and CEOs in discussions with Government and other national and regional stakeholders. It will set out more information on the economic context, growth challenges, and opportunities facing the Thames Valley; the rationale for devolution and a Mayoral Strategic Authority; the proposed objectives and mechanisms for regional growth; and anticipated next steps in engagement with government and stakeholders. We are in the process of collating a list of projects and ideas to include in this document and the EOI itself.

## EOI

Dear Secretary of State,

We, the Leaders of the local authorities in the Thames Valley, are writing to you in your capacity as Secretary of State for Housing, Communities and Local Government regarding our desire for devolution and our inclusion on a future Devolution Programme.

We have carefully considered our rationale and case for devolution to this region and see a significant opportunity to drive growth and prosperity as a Mayoral Strategic Authority. Our £97 billion economy is already a core contributor to the national economy and will continue to add economic value through our highly productive and innovative businesses, constituting the sectors prioritised in the Modern Industrial Strategy and a large part of the Ox-Cam Corridor, a key national growth proposition. However, the region's post-pandemic recovery has been slower than the national trajectory, and our globally recognised clusters face increasingly strong competition. We will use the powers, investment and platform as an MSA to unlock constraints on growth, with the potential for the Thames Valley economy to be up to £18.7 billion a year larger by 2040, which corresponds to a £7 billion annual uplift in tax revenue contributions to the exchequer.

We have come together as strong local Leaders to pursue the significant opportunities of devolution for our communities. Whilst we acknowledge and respect our differing political and local priorities, together we recognise and collectively support the core economic rationale and strategic intention for delivering inclusive growth within a Thames Valley MSA. We stand ready with the strength of relationships, trust, track record, collective governance and ways of working required to work with Government and implement a successful MSA. We would like to work towards a first mayoral election in May 2027, in line with the current timeline for local government reorganisation.

### **Importance of the Thames Valley for the UK Economy**

The Thames Valley serves as an innovation-driven and export-focused catalyst for UK economic growth, accounting for approximately 5% of England's total economy while comprising just 3.4% of its population. Our economy comprises world-renowned universities, respected research centres, and leading science parks filled with forward-thinking companies, driving innovation ecosystems that spur new ideas and growth across UK supply chains. Oxford University is a jewel in the UK's global research offer, and our partnerships with Reading University creates value for residents, businesses, and investors through key assets such as the Thames Valley Science Park, which hosts research facilities and archives for the Natural History Museum, British Museum and Kew Gardens. Our region is a globally compelling investment case, with major global companies such as Microsoft, Oracle, Redwood Technologies, Virgin, Vodafone, and Hewlett-Packard located in the UK's Silicon Valley along the M4 corridor, with direct links to London and Heathrow Airport. From the region that gave the world the Oxford–AstraZeneca COVID-19 vaccine, the Ellison Institute of Technology in Oxford is now investing over £10 billion in research and development to facilitate further globally significant advancements in artificial intelligence, robotics, and life sciences. Major investment in AI infrastructure has been secured across the region, with the second largest concentration of data centres in the world in Slough and the first AI Growth Zone in Culham. We have high-performance manufacturing capabilities along the M40 corridor, exemplified by Plant Oxford, home to BMW Mini, extending into Banbury and the UK Motorsports Valley into the Midlands. We are home to world-famous tourist attractions, from Windsor to the Cotswolds, Oxford, Blenheim Palace and Bicester Village. We are



known world-over as a great place to visit, live, innovate and invest. Our investment proposition is already backed by Government, with continued global promotion of the Oxford-Cambridge corridor, of which we are a core part, investment in East-West Rail, high-profile support through the Oxford Growth Commission and recent investment in the Cowley branch line.

The industrial composition of the Thames Valley directly aligns with almost all the sector strengths outlined in the Industrial Strategy – our economy is anchored by professional and business services, with notable capabilities in digital technologies, life sciences, advanced manufacturing and a prominent finance sector. The strength of the region's visitor economy not only supports our foundational sectors but also positively impacts our creative industries, especially our growing film and television cluster around Shinfield Studios. Proposed visitor economy investments, including the Puy du Fou Bicester, together with significant heritage landmarks would remain substantial contributors to export growth. Importantly, the Thames Valley demonstrates a strong orientation towards export activities: approximately 48% of the workforce is employed in exporting industries, and 40% hold positions within tradable sectors, both figures exceeding national averages. Exceptional productivity and economic complexity facilitate the dissemination of innovation across key sectors and strengthen supply chains nationwide. Furthermore, growth in GVA and household income in the Thames Valley has surpassed national rates, thereby improving local living standards and contributing positively to Exchequer revenues.

### **Signs of risk and stagnation**

Despite the Thames Valley's underlying strength, the region has not re-established its pre-pandemic growth path. Post-Covid productivity indicators show mixed fortunes, even as the UK aggregate edged up through 2023, evidence that recovery here has been shallower than the national trend. If the region were to return to the pre-pandemic growth trajectory from 2027 onwards the Thames Valley economy would be up to £18.7bn a year larger by 2040. This matters for residents: a weaker trajectory means fewer high-value job opportunities and slower wage progression than would otherwise have been the case. Slower growth in the Thames Valley reverberates through national supply chains and weakens spillovers to other regions, putting at risk delivery of the Industrial Strategy's IS-8 ambitions on productivity, exports and business investment. It limits the pace at which discoveries are commercialised, dampens the pipeline of high-value FDI into the UK, and slows diffusion of technologies across the wider economy. Crucially, restoring the Thames Valley's growth trajectory would result in an estimated £7 billion increase in tax revenue contributions from residents and businesses, directly strengthening the Government's ability to fund essential services and invest in long-term national priorities.<sup>1</sup>

### **Scale and agglomeration to drive growth**

To address these risks and realise our full economic potential, we need to leverage our potential for scale and agglomeration across our economic geographies. While each authorities' economy is individually strong, travel-to-work analysis reveals largely self-contained labour markets with currently limited cross-boundary matching and knowledge transfer across the region. In this current fragmentation lies a clear opportunity: given the region's complementary sector strengths the absence of integrated governance and coordinated connectivity means the Thames Valley is under-leveraging innovation adoption

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<sup>1</sup> This estimate is based off the ratio of GDP to national taxation (UK taxation as 37% of GDP) established by [Institute for Fiscal Studies](#) research

and diffusion and the opportunity to create a more unified labour market to scale economic growth.

### **Establishing an MSA with a growth mission at its core**

We propose the establishment of a Thames Valley Mayoral Strategic Authority (MSA) as a decisive step towards realising inclusive growth across our region. By harnessing devolved powers, the MSA will transform thriving yet separate labour markets into a unified innovation economy, ensuring that prosperity is accessible to all communities. Through the implementation of a Local Growth Plan, we can extend and enhance the efforts of the Oxford Growth Commission to systematically address housing quantity, quality, and affordability across the Thames Valley, one of the key constraints on inclusive growth and a key driver of deprivation. MSA powers would enable accelerated delivery of affordable and social homes, around employment hubs. Integrated multi-modal, low carbon transport solutions could be expanded and expedited along the M4/M40 corridors, into Heathrow and across the Ox-Cam corridor, and critical investment in digital, water and energy infrastructure facilitated, strengthening connections between urban and rural residents and key economic growth nodes, and beyond. This infrastructure delivery would align with targeted skills and employment initiatives, developed with spatial awareness of our IS-8 strengths and a commitment to tackling deprivation and untapped potential within our communities. Enhanced collaboration and coordination enabled by the MSA would also position the region to more effectively address environmental priorities, including climate change and biodiversity.

Collectively, these measures would result in improved job opportunities, reduced commute times, and provide greater access to affordable housing for residents, supported by an aligned skills programme and transport system that matches talent to opportunity. For the UK, it means the Thames Valley driving national growth through faster innovation, stronger exports, and a bigger boost to the public purse.

We recognise the highly interconnected nature of the Thames Valley, with London, across the Ox-Cam Corridor and into the Midlands. A Thames Valley MSA will be a strategic platform from which to go further and faster on pan-regional collaboration with our neighbours, including working on joint projects, spatial development and investment to drive wider economic growth. We are determined to use our Thames Valley partnership to further capitalise on economic scale and complementarity and compete across the globe.

If granted MSA status, the Thames Valley would be a fundamentally different kind of strategic authority – the largest by GVA outside of London, the MSA will be focused on unlocking constraints on an already high-performing economy so that all areas of the Thames Valley, and indeed beyond, benefit. We are therefore actively exploring innovative approaches to securing private investment and financing. Work is already underway to develop robust and viable propositions that match the scale and ambition for a Thames Valley MSA, and we look forward to working with Government to shape this more sustainable growth financing model.

### **Next steps**

A Thames Valley MSA would unlock constrained, high-value growth, accelerate innovation diffusion across IS-8 sectors, and strengthen national fiscal headroom. We therefore ask that the Thames Valley be considered for inclusion in the next Devolution Programme, and we would welcome an early meeting to discuss this opportunity. We are ready to work in open dialogue with MHCLG and your officials to implement a new phase of devolution and make the best impact for our businesses, communities, and the country.



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