

Big Issues for the Cambridge Area

Notes from the discussion session of the U3AC meeting of 11 October 2017

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Economy

Cambridge is a net contributor to the Treasury, but Government is barely aware of its success, or that the local technology cluster competes globally for funding and highly qualified personnel. Current economic growth needs to be sustained, but there are a number of challenges, and inequalities, for instance the quarter of the population earning £15,000 per year or less, need to be addressed.

1. Growth

The Cambridge environment must be nurtured to attract and retain the much-needed skills which drive the success of the cluster. Growth is probably inevitable but over-development could harm the medieval heart of the city and has to be managed carefully. There is a considerable opportunity to develop outlying market towns (many of which are relatively unprosperous) as places to live and work. Melbourn, home to PA and TTP is a good example.

There is concern that being too distant from Cambridge could hamper business growth but this could be mitigated with good transport and communications infrastructure. Currently, multi-national companies such as Amazon, Apple and Microsoft have chosen to locate close to the station to allow easy access to London, but our horizons have to be expanded. Technology hubs outside the city could be part of the solution.

2. Local Government

Cambridge is dogged with too many layers of government: County council; City council; five District Councils; the Greater Cambridge Greater Peterborough Local Enterprise Partnership (GCGPLEP), and the Greater Cambridge Partnership (delivering the City Deal, and comprising City, County, and South Cambs Councils, the University, and the GCGPLEP, Chair Francis Burkitt). In addition, the new Combined Authority, under the leadership of the Mayor, includes all of Cambridgeshire, and is comprised of seven Councils and the GCGPLEP. This must be simplified as the duplications and frictions between the various organisations and personalities are counter-productive. Both Cambridge and S. Cambs are developing separate local plans, but they will ultimately have to produce a unified plan. A long-term plan is also expected from the Combined Authority. We must achieve unitary status – but recognise that it took 20 years for Peterborough to achieve this.

3. University

The success of Cambridge depends significantly on the success of the university, which is currently world-class, but there is concern that Brexit would affect budgets and attractiveness to foreigners. 13% of CU income comes from the EU.

Currently 17% of Cambridge graduates stay and it was felt that this should be increased. High tech businesses are often predicated on fundamental research, but cost of living is a factor in PhDs and post-docs remaining or leaving. Post-grads from overseas (eg 94% of those at Wolfson) are less likely to stay.

4. Technology businesses and availability of capital

Cambridge has been very successful in starting and nurturing hi-tech \$10bn businesses such as ARM and Autonomy, but the scale is a fraction of US-based equivalents. This may be due to lower ambition and limited capital. 20% of local investment is provided by angels (who in many cases have sold successful businesses, releasing ££ to put into new ventures), the rest coming from external companies and investors, including international venture capital firms, Microsoft, AstraZeneca and Amazon. When companies need to raise larger sums, they have to look further afield than local investors. Biotech is particularly capital intensive and much more could be achieved if we had the early-stage investment capabilities of Silicon Valley.

In the past, government has invested in business growth. Examples include Acorn (via the BBC Micro programme) and CAD Centre (now AVEVA).

5. Tourism

There has been an increase in the number of visitors from 5M to 7M in two years but this figure was felt to be overstated. For instance, two of the biggest attractions, King's College Chapel and the American Cemetery, register around 400,000 and 350,000 visitors per year, respectively. However, the 7 million may include conference delegates and other visitors who aren't coming as tourists. There is a need to encourage longer stays and greater expenditure by tourists. Is there sufficient accommodation to allow this? Better tourist information is needed – for instance, at Park & Rides and the station.

6. Agriculture

Not discussed

Other topics for future discussion

1. Transport

Milton Keynes and Peterborough have impressive transport infrastructures and are growing faster than Cambridge which has no masterplan, although the City Deal of £500m is a start (note City Deal money is coming in stages, £100 million to 2020, and second payment of £400 million 'if initial investments are successful in supporting economic growth').

Successful Park and Ride locations could be key, but local interests interfere with their development.