



Three policy priorities for Cambridgeshire and Peterborough

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Introduction

The first metro mayor of Cambridgeshire and Peterborough will cover two growing economies that despite their recent successes face very different challenges.

Cambridge has seen its recent success driven by knowledge-based activities (including research and development and information technology), which has made it one of the most productive parts of the UK economy, but has also pushed up house prices and contributed to congestion problems.

Much of Peterborough's success in recent years has been based on the expansion of lower-skilled activities. The challenge here will be to attract higher-skilled business investment, while improving the skills of the residents living in and around the city.

For the metro mayor to support economic growth, they will likely require very different approaches in these two areas, but these will need to be coordinated as part of a coherent narrative and vision for the area. This briefing sets out three priorities that address the biggest issues facing Cambridgeshire and Peterborough.

A **'quick win'** will help the mayor to set the tone for delivery right from the start. Delivering results quickly will build trust, and show what the metro mayor is able to do for the city region. The best 'quick wins' in these circumstances are high profile and of value to citizens.

Strategic decisions form the framework for delivering the metro mayor's vision. As such, the metro mayor will have the power to take the decisions that will make the most of the new geography of governance. While the mayor will be keen to show progress towards their vision, strategic decisions will often take longer to show outcomes, therefore careful evaluation is needed to allow for flexibility and to demonstrate the effects.

A **long term vision** for the city region will be the key election platform – it is what the mayor is working towards while in office. This should be ambitious, but reflect the real needs and potential of the city region. Some aspects of the vision will be achievable within the mayor's term in office, while others will build momentum or signal a change in direction. It is important to be clear and strike the balance of where each policy lies on this spectrum.

Policy priority 1: A quick win

Fund improvements to public transport in underserved areas and tackle traffic problems by introducing a congestion charge in Cambridge

- Ease growing traffic pressures in Cambridge by introducing a congestion charge
- Commit to investing revenues from the scheme to enable radical improvements to public transport
- Use new mayoral powers offered to mayors to reregulate bus services, better linking people living near Cambridge and Peterborough to job opportunities in and around the cities

Ease growing traffic pressures in Cambridge by introducing a congestion charge

Congestion has long been an issue in Cambridge at morning and evening peak times. This is likely to become an ever bigger problem as the city's economy continues to expand, with particular pressure on key employment hubs such as the Science Park and the Biomedical Campus. Radical improvements to public transport will be critical, but the challenge is that these will need to be funded.

This has been a heated topic of local debate in recent years, particularly over the idea of introducing a congestion charge, and the Greater Cambridge City Deal programme team has been working on a range of possible solutions. Concerns about growing traffic, the impact on businesses and associated pollution sit alongside worries that a congestion tax could hit hardest lower paid workers who have no alternative but to drive to work. However, it is hard to envision a solution that does not involve road use charging in some form – and this is exactly this kind of issue that the new metro mayor must take the lead on.

By placing a cost on the use of road space for every journey taken, road use charging alters the balance of costs and benefits of private car travel against public transport or cycling. To tackle Cambridge's congestion challenges the new metro mayor should introduce a charge during peak hours in Cambridge at the beginning of his or her mayoralty and reinvest all of that money into radical improvements in public transport, to offer local workers genuine alternatives to the car. Transport improvements form the basis of the second two actions.

Use new mayoral powers offered to mayors to reregulate bus services, better linking people living near Cambridge and Peterborough to job opportunities in and around the cities

To complement the investment of revenues raised from a congestion charge, additional powers being devolved through the Bus Services Bill will allow the metro mayor to make further improvements. He or she will also take control of strategic transport powers including over the key route network, franchising bus routes and smart ticketing, which can be used to make travelling across the city region easier. There are two ways the metro mayor can make the most of these powers.

Firstly the metro mayor (and combined authority) should use the new regulatory powers to simplify the service across the area. By coordinating routes, the timetables and ticketing services that are currently run by different operators should complement each other rather than compete. The exact powers that the Buses Services Bill will give the mayor are still to be finalised, but reregulation should allow users to benefit from a simplified, coherent timetable and ticketing system. It would also allow the mayor to better link surrounding settlements to the job opportunities available in Cambridge and Peterborough.

Secondly the metro mayor should introduce a smart ticketing system. This would enable users to use a single ticket across the city region, make the system run more efficiently and allow data to be collected on journeys to help guide future investment decisions.

A well-functioning bus service is vital for any economy as it provides a flexible and affordable way of getting around the area. The metro mayor's vision should be to simplify the experience of using a bus, and to better connect more communities with the jobs and services on offer across Cambridgeshire and Peterborough.

Policy priority 2: A strategic aim

Put in place a spatial plan to address housing pressures and provide commercial space where it is required

- Make Peterborough city centre a more attractive place to do business
- Build consensus on the need for housing and commercial space

Different parts of Cambridgeshire and Peterborough play different roles in the overall economy of the area. The cities of Cambridge and Peterborough are the main sources of economic activity in the area, accounting for almost half of all jobs and 57 per cent of private knowledge-based jobs. Meanwhile other areas, particularly on the fringes of the two cities, are likely to play a relatively more important role in providing homes for people to live in.

Cambridge in particular has an acute housing problem in terms of both affordability and availability. While great progress has been made in building new homes in recent years (achieving among the fastest housing growth rates in the country), it remains one of the least affordable cities to live in the UK. In order to encourage the future expansion of the city's economy (and the job opportunities this will create), the metro mayor should adopt an overarching spatial plan to guide how the £170 million of devolved housing funding that the area will receive as part of its devolution deal should be spent, either within the cities themselves or elsewhere across the mayoral area.

It is also worth noting that plans to build new satellite communities from scratch should be done with caution. Settlements such as Cambourne have brought welcome new homes to the area in recent years but new homes there require greater infrastructure investment and have lengthier commutes to work than if Cambridge itself expanded. Where possible the metro mayor should favour the expansion of the central city of Cambridge over new satellite settlements, unless these developments are served by good transport links.

Make Peterborough city centre a more attractive place to do business

High-skilled, knowledge-based companies in the UK are choosing to locate in high density urban centres. Even in Cambridge, which traditionally has seen its economic growth driven by high-skilled businesses on edge of town business parks, has seen a boom in high density development around the train station.

Peterborough's lack of higher-skilled job opportunities (37 per cent of jobs were high skilled in 2011, compared to 41 per cent for England and Wales and 55 per cent in Cambridge) is likely to be in part a result of the inability of its city centre to attract in such business investment.¹ Using the Cambridgeshire and Peterborough Single

¹ High-skilled occupations are defined as Managers, directors and senior officials, professional occupations and associate professional and technical occupations. Source: Census 2011, workplace data.

Investment Fund in combination with the spatial plan, the new mayor should make investments to improve the city centre's attractiveness, including enhancing office provision, public realm and transport connections.

Build consensus on the need for housing and commercial space

It will be essential for the metro mayor to work with local developers and housing associations as early as possible to get the homes and offices the area needs. Committing to the established framework early on will enable the metro mayor to do this effectively, offering developers certainty and allowing the area to better leverage private sector investment.

Policy priority 3: A longer term vision

Address low skills levels, particularly in and around Peterborough

- Tackle poor school performance in Peterborough
- Improve the qualifications of those already in work

Tackle poor school performance in Peterborough

Fewer than half of the pupils who left schools in Peterborough in 2015 achieved five good GCSEs including English and Maths, the eighth worst performance of all cities in England, Wales and Northern Ireland.

The large number of lower skilled jobs available in the city means that those pupils who don't achieve strong grades still have a good chance of getting a job, and youth unemployment is a relatively small problem. But the lack of qualifications is likely to hold back their future career progression, while a lower skilled workforce will also make it difficult to attract higher-skilled business investment into the area.

Working with the Regional Schools Commissioner, the metro mayor should set out guiding principles for schools in the area, with particular focus on improving achievement in Maths and English, including setting attainment targets on these subjects. The mayor should also look at what lessons can be learned from the University of Cambridge's creation of a primary and secondary school in the city, and assess whether a similar approach could help improve attainment in Peterborough.

Improve the skills of those already in work

The new metro mayor will have a number of powers and responsibilities over how adult skills money is spent, namely control of funding for adult skills and money to encourage apprenticeships. Using the recommendations from the Government's forthcoming review of post 16 education and training in the area, the new metro mayor should use this money to help improve the qualifications of those already in work, particularly around core skills of numeracy and literacy.

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