

Influencing government policy and investment through economic research

Case studies from Cambridge and Oxford

June 2014

Successive governments have tried, with limited success, to deal effectively with two major constraints on UK economic growth: the reluctance of local communities in areas with the greatest potential for economic growth to accept the consequences of that growth, particularly in the form of increased housing development; and a failure to realise the full commercial potential of the UK's strong science base.

SQW's work in Oxfordshire over the last two years, and over a longer time period in the Cambridge area, has demonstrated how robust economic research – which is well argued and well timed – can help inform and change both attitudes and outcomes. Locally, it can help to align key organisations behind clear priorities. Nationally, it can help make the case to secure government funding for infrastructure to support growth.

SQW's influence in Oxfordshire

In 2012, SQW was commissioned to undertake impact assessments of two major planned projects: a 60,000 sq ft bioescalator building to be developed on the Churchill Hospital campus to accelerate the commercialisation of bioscience and biomedical research; and the Magnet, a science-based visitor attraction and innovation centre in central Oxford. Subsequently, SQW was appointed by the University of Oxford, The Oxford Trust and Oxfordshire Local Enterprise Partnership to analyse the potential for growth of the high tech cluster and the key constraints to growth, and to recommend measures to address those constraints. The report, entitled *The Oxfordshire Innovation Engine*¹, was launched in October 2013 by David Willetts, Minister for Universities and Science. Separately, SQW also provided inputs to an assessment of housing requirements in the county, to support realisation of the economic growth potential. In the process of undertaking these projects we also contributed to meetings on the City Deal.

In January 2014, there were several announcements from the Government about investing a total of £67m in science and innovation infrastructure in Oxfordshire, including the bioescalator and other projects highlighted in *The Oxfordshire Innovation Engine* report. The Magnet was also offered Government funding, but the Oxford Trust has decided not to pursue the proposals in their current form. In the same week, the City Deal was signed by the Deputy Prime Minister, Nick Clegg, committing the county to a significant increase in housing and economic growth and the Government to further investment.

More recently, the Strategic Economic Plan for Oxfordshire has been submitted to the Government by the Local Enterprise Partnership. This picks up and further develops the main

¹ The full report is available at http://www.sqw.co.uk/files/2613/8690/7243/Oxford_engine.pdf

themes of *The Oxfordshire Innovation Engine* and makes the case for further funding to support growth.

The focus of Oxfordshire's local authorities, universities and other key organisations on realising the area's growth potential represents a sea-change for the area, which Government previously considered to be anti-growth. There are still tensions which need to be resolved, but progress is now being made.

SQW's influence in Cambridge

SQW produced *The Cambridge Phenomenon* report in 1985. It was the first major study of the impact of a research-based university and related institutions on local economic growth, and it created great interest nationally and internationally. By 1990, there was concern in the business community that growth was “*being frustrated by unwarranted physical constraints*”². A full scale revisit of the Phenomenon study in 2000 called for “*new mechanisms to achieve sustainable and high quality development on a scale and within a time period commensurate with the need*”, and identified possible future patterns of growth. These were informed by a collaboration with a private sector led organisation called ‘Cambridge Futures’, which identified the consequences of alternative settlement patterns on the future of Cambridge.

In the late 1990s, we completed the early feasibility work that informed the development of Granta Park, now one of the area's premier locations for bioscience; in the early 2000s, we completed an assessment of the demand-side potential which influenced plans for the Cambridge Biomedical Campus; and more recently, our work on the Employment Land Review Update for Cambridge City Council and South Cambridgeshire District Council provided a material input into planning policy which in turn has been important in relation to the increased role of the CB1 area for the high tech community.

Looking back, our reports had a significant bearing on the 2003 Cambridgeshire and Peterborough Structure Plan. This was more growth-oriented than previous versions, and focused much more of that growth in and around Cambridge (rather than seeking to disperse it around the county). In addition, Cambridgeshire Horizons was formed in 2004 to manage the delivery of the growth strategy³ – the mechanism that had been called for in SQW's *Cambridge Phenomenon Revisited* (2000) report.

These local commitments in turn stimulated central government to fund infrastructure improvements. Key examples included the guided busway from Cambridge to Huntingdon; forward funding for a link road from the M11 to enable development of the Cambridge Biomedical Campus at Addenbrooke's Hospital and 2,250 new homes; and major improvements to the A14 (which have had a chequered history, but appear now to be back on track).

Starting with the original *The Cambridge Phenomenon* in 1985, the succession of studies undertaken by SQW has therefore helped to set in train a long term and substantial change in attitudes towards economic and housing growth in the Cambridge area. They have helped to articulate the area's opportunities and focus attention on the constraints that needed to be

² Publisher's note to the third printing of the Phenomenon report

³ Cambridgeshire Horizons was a company limited by guarantee with a public/private sector Board and public sector funding

addressed to realise them. Recognition of this contribution is illustrated, for example, by the inclusion of SQW among the 125 most influential organisations in Cambridge, organised by the *Cambridge News* to celebrate its 125th birthday.

Conclusions

In both Oxford and Cambridge, sound analysis and persuasive recommendations have influenced decision-making locally and at central government level. The process of developing these with the local business and the academic base, aligned to the public sector, has helped to inform local debates and secure local-buy in to managed growth. Many other factors were at play in both places. For example, other organisations and reports have been influential in Cambridge, such as the work by Cambridge Futures. In Oxfordshire, the composition of the Steering Group for *The Oxfordshire Innovation Engine* report, and its timing, were both crucial in translating soundly researched and clearly articulated recommendations into government commitments.

The key lesson from both areas is to engage senior people from private, public and third sectors in an informed debate around future economic possibilities. Substantial change is unlikely to be achieved quickly, but it can be achieved if there is leadership and commitment from across the public and private sectors. It took years to change the development strategies for Cambridge, and now Oxford, and it will take continuing efforts to maintain the impetus. Different people and organisations have played key roles at different times, and without them little would have been achieved. The leverage with central government, now evident in both places, results from the fact that both are evidently taking steps at a local level to support the future growth of their respective high tech clusters and to address issues relating to housing supply – two imperatives that are really important to the Government, whatever its political make-up.