

Battle for Britain. Robert Houston.

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As a nation, we love it when we win, don't we? We still prattle on about the two World Wars and the 1966 World Cup. So, London being St Bride's Number 1 World City again in 2017 should make us feel good - at least for those who live or work in London.

Other notable observations on this year's World Cities' rankings are:

- The top six cities hold exactly the same positions as last year.
- Stockholm and Madrid have been relegated from the Top Twenty.
- Frankfurt and Atlanta have been promoted in their stead.
- The US now has seven cities in the Top Twenty.

Of course, Frankfurt's arrival amongst St Bride's elite city rankings is particularly pertinent as it, along with a number of other European towns, has already started to vie for the lucrative 'pickings' that will be presented when the UK leaves the EU.

World Cities 2017

Rank	City	Score
1	London	100
2	New York	97.2
3	Tokyo	91.5
4	Paris	84
5	Los Angeles	82.8
6	Singapore	81.9
7	Hong Kong	81.6
8	Sydney	80
9	Amsterdam	79.1
10	San Francisco	78.9
11	Boston	78.1
12	Chicago	78
13	Berlin	76.9
14	Toronto	75.6
15	Melbourne	73.7
16	Washington DC	73.6
17	Frankfurt	73.4
18	Seoul	72.3
19	Munich	71.3
20	Atlanta	70.7

We all know that the UK is a great place. Notwithstanding recent shocks, we are recognised as having the best parliamentary democracy, we love our sport and culture and our economy is the fifth or sixth largest (depending on the exchange rate) in the world. So, for us to be ranked 19th in the UN Happiness Index is disheartening. And we can't even blame the weather as the climates in the top nine countries - Norway, Denmark, Iceland, Switzerland, Finland, Netherlands, Canada, New Zealand and Sweden are no better than ours. Apparently, the Australians (10), the Americans (14) and Germans (16) are all happier than us too but we may take some comfort that France (31) is ranked some way below us.

So, is the UK's state of gloominess down to us being a divided nation?

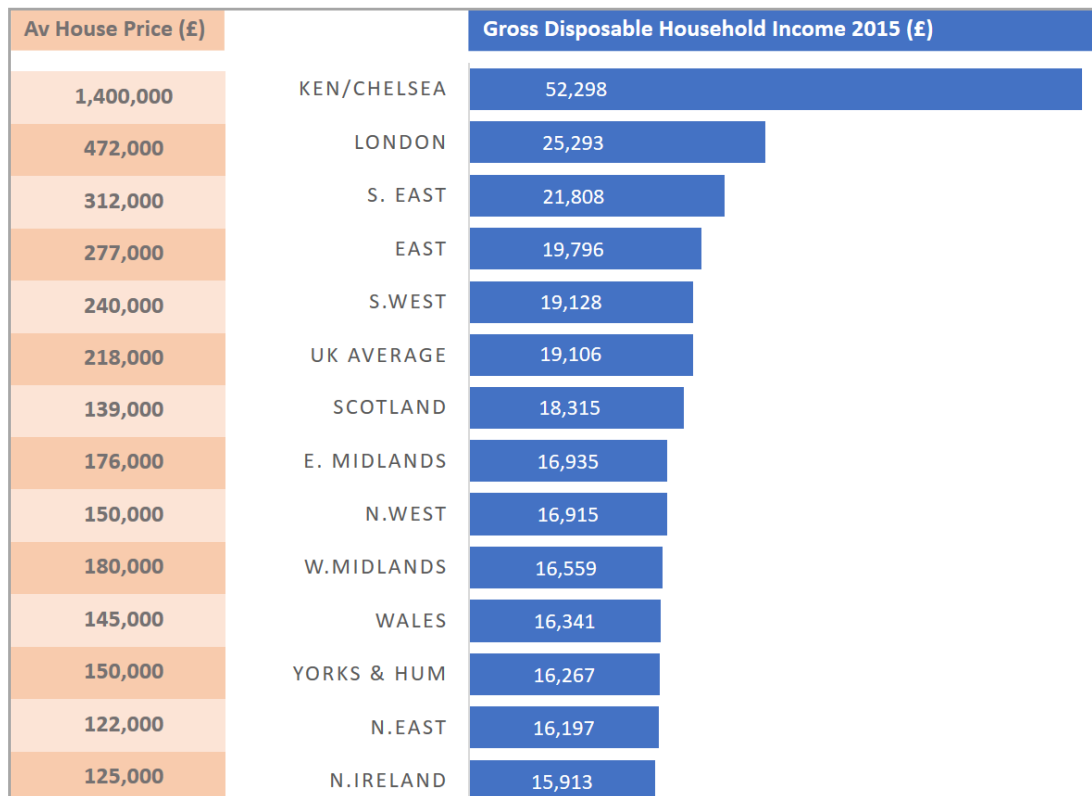
Of course, there are significant differences in the hopes and expectations between (say) the young and the old. There always will be. They have even written songs about it! And the current difference was clearly demonstrated in the EU referendum when 75% of the under 25s voted to Remain whilst 61% of the over 65s voted to Leave.

I suspect though that the main cause of our national discontent has more to do with the yawning disparity in our wealth and income. By way of example, average house prices in Northern Ireland and the North East are just 26% of those in London.

But London has its issues too. Average Household Incomes across the capital (£25,293) are below half of those in Kensington & Chelsea (£52,298) and Londoners' Average House Prices (£472,000) are one third of those in Kensington & Chelsea (£1.4 million).

All in all, it is hardly surprising that envy is fermenting across the country given the wide divide between the 'Haves' and the 'Have-nots'?

The UK's Wealth Gap

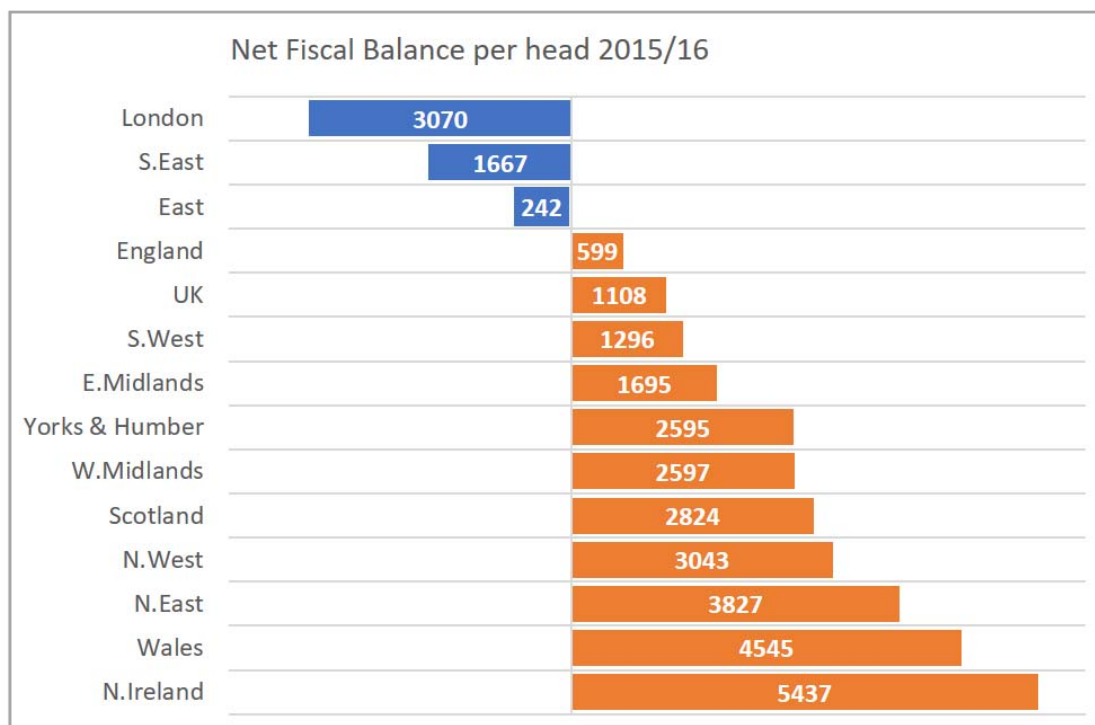


Source: ONS

London's ranking as the Number 1 World City is well deserved. It is dynamic and successful. But has London become so wound up in its own well-being that it has forgotten its responsibilities as the *capital* to the rest of the country? Yes, I fear it has.

London's success, relative to the rest of the UK, is clearly demonstrated by official estimates of the net fiscal balance per head, which were published for the first time in May. These show that in 2015/16 an average Londoner paid £3,070 more in tax than they received back in public spending. The data also shows that the South East and East Anglia were the only two other net contributors. Every other region was a net recipient.

As an aside, it is particularly scary that the UK average was an over-payment of £1,108. We used to call that "living beyond our means!"



Source: ONS

I was rather disheartened to read a recent article by the FT Economics Editor, Chris Giles, which was headed *Why London deserves a 'thank you' note from Britain*. In the article, he claimed that "setting policy to reduce the gap between the capital and elsewhere, threatens universal misery" adding ... "the rest of the UK should stop accusing London of stealing its future." He also made the claim that "If London was a nation state, it would have a budget surplus of 7% of GDP, better than Norway."

However, I think he has missed the point. London is not a nation state. It could never operate, let alone thrive on its own. Not least there would be no food, power, defence or water. So, any thought that London could somehow break away from the rest of the UK is fanciful and ego-centric. It may well be the UK's largest and most successful city... and let's hope it stays that way... but London is also our national *capital* city and it should take its responsibilities for this role more seriously.

So, what are the responsibilities of a capital city? They are normally the political and legislative centres of a country but they have a leadership role too. In footballing terms, a capital city might be regarded as the team manager. But in London's case, it is not only the manager, it is also the captain and the team's best player. Yet we all know that one player, however good, wouldn't get anywhere without the support of his ten colleagues. Yes, you need your star forward (e.g. Ronaldo, Messi or Pele), but you also need a decent goalkeeper, a sound defence and an expressive mid-field.

For absolute clarity, I am not in favour of diminishing the influence of London as our star forward, but rather building a great team of players around it.

Looking beyond the St Bride's Top twenty, it is evident that the US has 41 World Cities in the Top 100. Wow! Both the UK and Germany (Berlin, Frankfurt, Munich, Dusseldorf, Hamburg, Stuttgart and Cologne) have seven each. Australia (Sydney, Melbourne, Brisbane, Perth and Adelaide) and China both have five.

The UK's seven Top Cities are London (1), Manchester (46), Glasgow (52), Edinburgh (54), Birmingham (66), Leeds (91) and Bristol (92). That's not bad. But how much better and happier would the country be if one or two of our regional cities could elevate themselves to join London in the Premiership League? History is on our side. Manchester became the world's first industrialised city and was also the first to build an industrial estate (Trafford Park). And Edinburgh, albeit smaller, has been recognised as a 'hotbed of genius' since the 1700's.

Manchester's current ranking of 46 in St Bride's World Cities Index screens a number of interesting facts:

- It is ranked 12 in the world for sport, heavily influenced by its two Premier League football teams, the National Cycling Centre, Test cricket ground and the Commonwealth Games 2002.
- Manchester Airport serves 199 destinations and is ranked 13 globally based on that measure.
- The city is ranked 20 in education. Indeed as well as Manchester Grammar School, it has three universities - The University of Manchester (which is placed 55 in The Times' latest Global Ranking), Manchester Metropolitan and the Royal Northern College of Music. Collectively, the three universities form Europe's largest non-collegiate higher education precinct with about 70,000 students.

This is a real selling point. After all, the global reputation of the UK's universities is outstanding. Whilst the US is dominant, the UK has 3 universities in the Global Top 10, including Oxford at Number 1, The two others are Cambridge (4) and Imperial (8). And we have a further two - UCL (15) and LSE (25=) in the top twenty five. All in all, we have twelve universities in the Top 100.

And as for other European universities? Only ETH Zurich features in the Top 25.

Top Global Universities

Ranking	1-25	26-50	51-75	76-100	Total
US	18	8	12	5	43
UK	5	2	2	3	12
Germany	-	3	2	4	9
Netherlands	-	-	4	4	8
China/HK	-	4	-	1	5
Australia	-	2	2	1	5
Switzerland	1	1	-	1	3
Sweden	-	1	-	2	3
Canada	1	1	-	-	2
Singapore	1	-	1	-	2
Japan	-	1	-	1	2
Korea	-	-	1	1	2
Belgium	-	1	-	-	1
France	-	-	1	-	1
Finland	-	-	-	1	1
Denmark	-	-	-	1	1

Source: The Times

But for all of Manchester's many attributes, it lets itself down on its lack of commercial attraction. And until this issue is properly and aggressively addressed, a Top Twenty World City spot will be out of reach. And even challenging lesser cities such as Copenhagen (27) and Montreal (34) would be tough.

The enhancement of Central Manchester was given an unexpected kick-start with the enforced rebuilding of the Arndale Centre following the IRA bomb in 1996 and the city has definitely made huge progress lately. And looking forward, one of its key advantages is that there is plenty of land suitable for development. And that will be crucial to attracting international businesses. Okay...if Canary Wharf could be given Enterprise Zone status to help get it off the ground as a World Financial Centre, why couldn't we put our fiscal shoulder behind Manchester to become a Global Centre for the Media sector? Having the BBC there gives it a really good start. Perhaps this sort of thing will be easier to manage when we are out of the EU?

But Manchester's other key problem, and even more so with Edinburgh, is that it is just too small to cut it as a World City. The city's population is barely half a million and the metropolitan population is only 2.8 million.

But what if there was a way to aggregate Manchester's metropolitan population with that of Leeds (2.3m), Sheffield (1.6m) and Liverpool (2.2m) which would then total 8.9m? Now that really could be compelling. To put it in context, they are all closer to Manchester than Reading is to London. Okay...there is the small point that the Pennines physically divide Lancashire and Yorkshire and there are centuries of cultural differences between them. But ...where there's a will, there's a way!

And why not adopt the same thinking for Edinburgh and Glasgow. After all, the distance between them is only 47 miles – broadly the same distance as Oxford and Cambridge are from London.

And if we were to really want to capitalise on our country's great universities, how powerful would a connected triangle be comprising Oxford, Cambridge and London? In every case, a few roads and rail links, some fresh thinking and a shared vision would do it.

And then, of course for maximum effect you would have to link up all three mega-centres. HS2 will go a long way towards it. So let's hope there is no back-sliding on this.

Three top World Cities really would make Britain great again. Is this naively optimistic? Maybe. But the Referendum and General Election results tell us that a strategy for more of the same is a dangerous option.

Let's be bold.