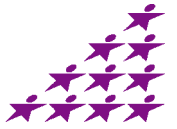


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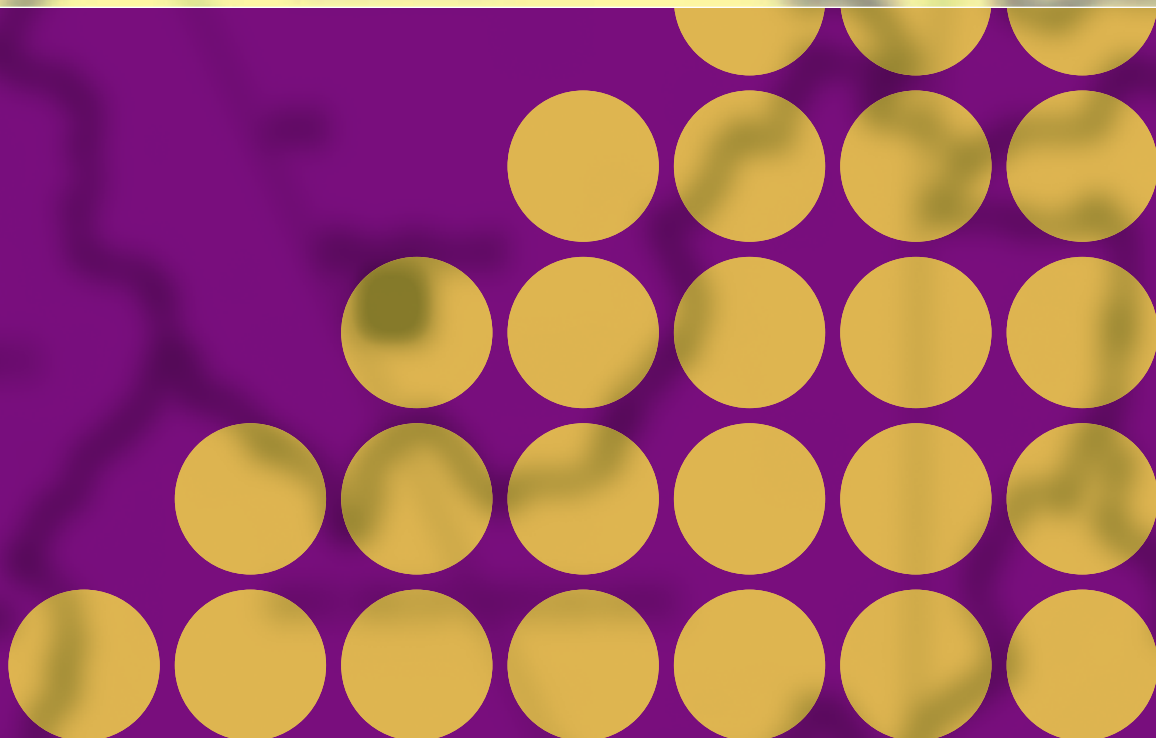
Local Government Association

spreading the benefits of town and city centre renewal

final report of the LGA and SIGOMA enquiry

report produced for the LGA and SIGOMA by URBED

LGAresearch



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summary

There is no doubt that some town and city centres in every English region have undergone an amazing renaissance in recent years, becoming successful and exciting places to visit, work in and even live in. They are also now seen as attractive places to invest in. But how can the benefits of urban renewal be spread to a much wider range of centres?

The central issues for this six month enquiry were: do successful centres provide opportunities or threats to neighbouring centres, what tools are available for collaboration, and what kinds of action need to be taken at local, regional and central government levels to encourage more investment in town centres with potential for growth or renewal?

The research, which was undertaken for the Local Government Association (LGA) and the Special Interest Group of Municipal Authorities (SIGOMA) by the London office of URBED, has involved an extensive literature review and initial report¹; round table workshops; a survey of local authorities; interviews with experts and investors; and four case studies in different parts of England, but excluding London and its immediate sphere of influence. The work has also benefited from discussions with those involved in research into the future of city-regions and the role of Core Cities, as well as from fringe meetings at the Manchester Sustainable Communities Summit.

Spreading the benefits

‘Spreading the benefits’ is about extending renewal to a much wider range of town centres, in suburbs and free-standing towns so that each sub-region improves its offer of lively and attractive places that are different, but complementary to one another. ‘Spreading the benefits’ should not be seen to be about diluting the success of any one city or town centre, but about building on, and adding to, the urban renaissance that has already begun. It means distinguishing between what is happening to different types of areas, and between different types of conurbations and networks of centres.

The enquiry found that there is considerable potential for reducing disparities within, as well as between, regions by focusing more attention on the health of existing centres. The challenge of ‘spreading the benefits’ to what this report calls ‘second tier towns’ requires greater priority and thought by local, regional and national policy-makers. It will only work in areas that have effective joint working by all the local authorities within a sub-region, where partnerships develop explicit strategies for their centres, and where private investment can be attracted to promote more sustainable patterns of development.

Strategic framework

Three overriding policy goals appeared to be common to all the areas that were looked at. They provide a strategic framework for understanding what needs to be done to spread the benefits:

1 Boosting productivity

Higher levels of productivity mean more benefits to spread. Although town and city centres are a natural focus for investment, enterprise development and the creation of new jobs, too often they are failing to support each other. They need to pursue distinctive, but mutually supportive roles to reach the critical mass that successful local economies require. Concentrating employment growth in and around town centres would also reduce reliance on the car and make job opportunities more accessible to disadvantaged communities.

2 Boosting liveability

The *cleaner, safer, greener* agenda of central and local government is helping to address some of the shortcomings of the environment and housing in many local areas. However, more work and resources are needed to provide the levels of confidence and quality that are required to attract more private investment into a wider range of urban areas and make more people want to live in them. This means

being able to create higher quality housing on the edge of town centres, upgrade the environment and ensure high levels of amenity and accessibility in many more areas. The benefits of boosting liveability include stemming the 'urban exodus', widening housing choice and increasing local spending power.

3 Boosting connectivity

Access (including walking, cycling and public transport) is the area where towns and cities outside London fall furthest behind their counterparts in mainland Europe. Smaller centres cannot compete in terms of the range of attractions they provide. They need to improve their local accessibility and their connections with the main city centres and with neighbouring centres, so as to attract people and investment. Experience shows that it is possible to reverse the drift of new jobs and housing to the periphery through better public transport infrastructure and better co-ordination between transport funding and economic development strategies. Boosting connectivity will make places more attractive to live and to work in, promote a more efficient use of natural resources and reduce levels of pollution.

Key principles

Discussions with councillors and officers and with development experts highlighted seven principles that can form the basis for concordats between public agencies aimed at spreading the benefits in the future:

- see town and city centres as assets to be nurtured and managed, not liabilities to be ignored or milked;
- focus more on opportunities and places that are at a tipping point, rather than just concentrating on the areas with the most acute problems;
- treat urban regeneration or growth as a holistic process to be promoted over a long period, not as a

machine to be fixed in one go with a simple replacement part;

- work with existing organisations and build their capacity and confidence, instead of expecting to solve problems through continual reorganisation;
- encourage interaction and partnerships, not competitive bidding and fragmentation;
- create a climate of confidence in town and city centres that will attract appropriate private investment and reduce the drains on future public expenditure; and
- keep things simple and minimise the number of targets and regulations.

Conclusions and ways forward

On the basis of these principles and the evidence of the enquiry, it is possible to make recommendations for local, regional and central government.

Local authorities

As Sir John Egan recognised in his report *Skills for Sustainable Communities*², the driving force for urban renaissance and sustainable communities has to be local authorities as they control both planning and the delivery of many key public services. However, they do not control important areas such as transport and economic development.

- **Thriving networks of centres** Local authorities should recognise the importance of their urban centres in their community strategies and Local Development Frameworks (LDFs). Councils need to take the lead in defining the distinctive roles for different centres in their areas. They need to ensure that their local aspirations and visions complement those of other neighbouring centres, and are developed collaboratively at a sub-regional level to reflect existing and future economic relationships.

These strategies can in turn provide the basis for public-private partnerships, masterplans or development frameworks, and action plans for specific neighbourhoods.

- **Ladders of opportunity** Thriving town centres have a crucial role to play in expanding training and ‘stepping stone’ jobs in locations that are accessible to all. The expansion of sectors like health or the evening economy may fill some of the gaps left by industrial decline, but this depends on avoiding places becoming ‘no-go areas’ while all the growth takes place out of town.
- **Safer streets** Town and local centres need to be the main focus for the *cleaner, safer, greener* agenda. People living in disadvantaged areas can easily lose out from urban renewal as the benefits do not trickle down by themselves. Funding and sustaining street improvements requires better co-ordination of local services, measures to give people priority over cars and real community engagement in the improvement process.
- **Living places** Town centres are the best places to achieve sustainable development, using positive planning and design strategies. New ways must be found to fund improvements to the public realm, and councils need to be able to fund and deliver local solutions, for example by capturing some of the increase in land value from new development to fund infrastructure, perhaps through a planning gain supplement or a wider use of prudential borrowing powers.

Regional agencies

Regional planning bodies have a crucial role in ‘joining-up’ planning so as to maximise the gain from transport improvements, housing development and economic regeneration, for example through sub-regional spatial frameworks. Regional Development Agencies (RDAs) have an important role to play in supporting strategic alliances in sub-regions or wider areas in order to increase the attractiveness of smaller

centres and the potential for ‘spreading the benefits’ out from bigger centres. This means supporting efforts to get towns and cities to work together over the long term.

- **Joined-up planning** Planning should no longer be seen just as a specialist profession, concerned primarily with land use, but as involving a series of skills and values that are shared by all those concerned with making our towns and cities better places. The new National Academy for Sustainable Communities will have a key role to play in sharing lessons on how centres can be turned around and the skills that are required.
- **Charters and concordats** RDAs should take the lead in getting the different professions and public agencies, including highway authorities, to commit themselves to working together to upgrade the public realm in the hearts of our towns. Town charters can provide a tangible output, generate enthusiasm and support among a wide body of interests, and help overcome the barriers of institutional inertia and professional rivalries. They should be enshrined in Local Area Agreements (LAAs) and in the work of Local Strategic Partnerships (LSPs).
- **Integrated transport strategies** Greater control over transport budgets needs to be devolved to the regional and local levels in ways that stimulate greater private investment. Change needs to be promoted at the level of the city-region, or employment catchment area, to make public transport a more attractive alternative to the private car. This should include promoting the use and refurbishment of the railway stations, which were once the hubs of most town centres.

Central government

Central government’s main role should be to ensure the conditions are right for local leadership, proactive planning and collaborative working at the regional, sub-regional and local levels.

- **Smarter local finance** Better value from public expenditure lies at the heart of any moves to devolve power. New ways must be found to finance local services that do not depend on competitive bids to government or complex formulas because these can undermine joint working at the local level. The most important single step would be to provide local authorities and regional agencies with both the means and the incentives to nurture their town and city centres. Smarter local finance also implies providing local authorities with a greater share of the surplus generated from rising property values, including that due to the success of their town centres.
- **Learning communities** The enquiry has highlighted the importance of social capital as well as physical capital in enabling disadvantaged communities to benefit from urban renewal. Government can use investment in second tier town centres to build more cohesive communities and to break down social and racial barriers. The government is in a uniquely powerful position to use both the educational and health systems to help achieve this.
- **Culture change** We need to secure a change in the way we see both cities and planning. In effect, we need to behave a little more like Europeans, who take pride in all their centres, and less like Americans, who leave much more to market forces. Town centres should feel safe at all times and pedestrians should not be dominated by cars. This is crucial to making towns more liveable and in moving to a knowledge-based economy where everyone feels well-connected. Europe can also be a source of learning about successful town and city centres, and Britain should use its Presidency of the European Union to promote this.

These ideas could form the basis of an agenda which the LGA's Urban Commission and SIGOMA may wish to consider taking further, encompassing: dialogue with government; action research for the Northern Way and Smart Growth: the Midlands Way; work on local finance; and policy research on devolution.

section 1

introduction

This report draws together the main conclusions from a six-month enquiry into how to 'spread the benefits' of town and city centre renewal. It shows how government at different levels needs to act in a more concerted way to help town and city centres to attract investment in the face of strong trends towards economic concentration and population dispersal. It therefore addresses the national and local priorities not only of boosting economic performance and reducing regional disparities, but also of creating truly sustainable communities.

The enquiry grew out of concerns that while a renaissance seemed to be under way in the centres of our main metropolitan cities, it was far from clear how such benefits could be spread out to the surrounding areas, in particular to the large number of suburban and industrial towns where most of the population actually live. This view was expressed, for example, in the report of the *24 Towns and Cities Initiative*³, and there is strong evidence that both trade and investment are being concentrated in a relatively few areas. Despite an abundance of policies to the contrary, disparities are growing.

To tackle the highly complex set of inter-related issues facing successful cities, their sub-regions and what this report calls 'second tier' town centres, the Local Government Association (LGA) and its Special Interest Group of Municipal Authorities (SIGOMA) commissioned URBED to review the relevant literature, interview key experts, undertake a survey of local authorities, and prepare brief case studies of a cross section of situations. The initial findings were discussed at meetings at the Sustainable Communities Summit in Manchester, as well as in workshops around the country, and the research has benefited from advice and comments from individuals at all levels of government.

The next steps are for the commissioning bodies to decide how to use URBED's conclusions and recommendations in their on-going discussions with government and other national bodies, and to develop an action plan that could apply the lessons in

some pilot areas and share experience across local and regional boundaries. In particular, this report calls for a more 'joined-up' approach to public investment that will make our towns and city centres more like European centres, and less like American 'edge cities' with holes in their hearts. The benefits will not only be stronger and safer neighbourhoods and communities, but also better value from public investment and reduced regional disparities. Success, however, depends on creating the right development frameworks, orchestrating the flow of resources, and creating enough momentum to convince the private sector to invest on the scale required to make our 'second tier' towns attractive and sustainable – without the need for ever increasing public expenditure.

The following sections of the report deal in turn with:

Section 2 What are the benefits of town and city centre renewal, who are the winner and losers, and how can 'second tier' towns contribute to the goals of national policy?

Section 3 Where are we at present, both in terms of the general picture and in four different kinds of sub-region, and what are the common challenges?

Section 4 What tools are available for delivering 'smarter growth' in different types of situation, and what are the key factors for success, with examples of good practice?

Section 5 Finally, what are the implications for policy, including the basic principles for achieving a step change, the roles that each level of government should play, and the kinds of action that could form an agenda for the way forward?

section 2

spreading the benefits

There is much to celebrate in the renaissance that has been taking place in the centres of our metropolitan cities and historic towns. Not only have they become popular and exciting places to visit, work in and live in, but they are also now seen as attractive places to invest in. This is a vital change, for on-going investment (within an agreed local development framework) is the key to the long-term health of centres. However, towns and cities differ greatly and even some quite large centres are not sharing in this success. This section summarises who the current winners and losers are, outlines the benefits of town and city centre renewal, and explains the meaning of 'spreading the benefits'. It then puts forward a simple framework for understanding what needs to be done to make more centres successful.

Winners and losers

Investment nearly always follows demand and so tends to become concentrated in successful areas. Between 1971 and 1998 the 200 largest retailing centres in Britain increased their share of comparison goods (non-food) shopping from 50 per cent to 75 per cent, and the top 80 centres now account for half of all sales. Smaller centres are also losing trade to out-of-town superstores and retail parks. Between 1992 and 2002 the number of superstores grew by 50 per cent to nearly 1300, which is more than the number of market towns in the whole country. In 2004 a report by the British Council of Shopping Centres warned of "...an increasing leakage of trade from the smaller centres to the larger ones, with suburban and smaller metropolitan centres being particularly badly hit"⁴. Similarly, in its reports *Ghost Town Britain*⁵ and *Clone Town Britain*⁶ the New Economics Foundation pointed out that independent businesses were fast disappearing from Britain's High Streets and that shopping centres were becoming ever more alike, with many feeling dead or intimidating for much of the time.

Of course there is more to town centres than just shopping, and urban areas are made up of centres of different kinds – often with inner areas that grew up

around industry and with a range of different types of suburbs. Many large towns, however, seem to be turning inside out, with an expansion of shops and employment on their peripheries, close to new roads or bypasses. A study by Professor Sir Peter Hall of the changes in the 'urban hierarchy' of England and Wales over the course of the 20th century showed that while most of the large cities maintained their positions there were considerable changes further down the order.⁷ The town centres that have done worst are mainly on the edges, for example coastal towns, and industrial towns in general. In contrast, the 'rising stars' tend to be not only in the more prosperous regions, but also in locations that are well connected with other areas, for example because they are at historic crossroads or modern interchanges.

In the survey of local authorities carried out for this enquiry respondents were asked to name the centres in their area which they thought had undergone successful urban renewal. Nearly two thirds (41 out of 66) of the centres mentioned were towns or cities with populations of over 125,000. Several of the largest centres, including Core Cities such as Birmingham and Leeds, were mentioned more than once.

All this confirms that while some centres – such as those in large cities, historic towns, or in highly accessible locations – are doing well others, even the centres of quite large 'second tier' towns, are not sharing in this success. As the prime minister said in the introduction to a recent election campaign document *Strong Economy, Great Cities*: "The challenge is now to apply the lessons of our successful regional cities to the next level of cities and towns"⁸.

This is what 'spreading the benefits of town and city centre renewal' is all about. It means:

- **improving access to successful centres** so that more people, particularly those who are less well-off, can benefit from the facilities, jobs and other opportunities they offer; and

- **improving other nearby town centres (especially 'second tier' centres)** so that they too become more lively and attractive to the people who live near them and to potential newcomers – so that they also become attractive to investors.

The first aspect is important because economic regeneration does not necessarily lead to social inclusion. It is easy for poorer people, families, women and older people, for example, to feel excluded from city centres and public life, either because everything there seems too expensive or because the place where they live is cut off from the centre by busy roads. However, it is the second aspect which will have the greatest impact, especially the renewal of many more of our larger ('second tier') town centres. Thus 'spreading the benefits' is not about diluting the success of the centres of major cities, but about finding ways to extend that success to many more town centres. This will not only help to reduce disparities across regions. It will also improve the quality of life of the many people who live in those towns and promote sustainability.

Importance of second tier town centres

The term 'second tier towns' is used in this report to refer to towns that are of a substantial size but are not the main regional/sub-regional centres. While no precise definition is intended, they are likely to have a population or catchment of more than 40,000 (or are likely to grow to this size) but less than 200,000. Their centres will therefore be capable of performing a wide variety of functions (although not on the scale of the largest cities) and will have extensive infrastructure, including a passenger railway service. They are much more than just local centres.

The importance of second tier centres stems from their number as well as their size. There are approximately 200 urban areas of this size in England (outside London) with a combined population of around 15m. Their successful renewal will therefore bring benefits to large numbers of people including, if the renewal is properly planned, young people and

the less well-off, as well as those with good jobs. Furthermore, second tier centres contain a high proportion of the nation's physical and economic capital. Their regeneration will enable existing infrastructure to be used more efficiently and help to reduce the need to travel by car. This will be especially true if high quality housing can be developed close to the centres and if public transport, including rail services, can be improved. Again the key lies in making the centres attractive enough for people to want to live in them and for investors to want to invest in them.

Benefits of urban renewal

Several reports, including ODPM's *A Tale of Eight Cities*, document the wide range of benefits which the successful renewal of our main city centres has brought.⁹ This was confirmed by our survey in which planning departments in 230 local authorities in England and Wales (excluding London) were asked for their views on the benefits and negative impacts of urban renewal, and on the types of areas and communities that had benefited most – and least – from it. Responses were received for 66 centres that were considered to have undergone, or were undergoing, successful renewal. There was widespread agreement across all sizes of centre that urban renewal brought important benefits in many fields – economic, environmental and cultural – as well as some social benefits and improvements in local pride and in the external image of the centre.

Many different types of benefits were cited and they were frequently described as 'major benefits' (**Figure 1**). By contrast, the negative impacts were seen as being quite small (**Figure 2**) and mainly involved the diversion of trade from other centres and increased polarisation (particularly in the largest centres).

Figure 1 Local authority survey: town and city centre renewal brings many benefits

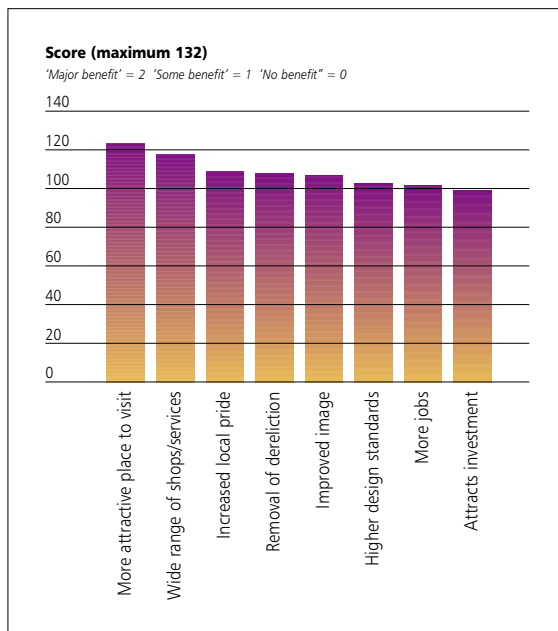
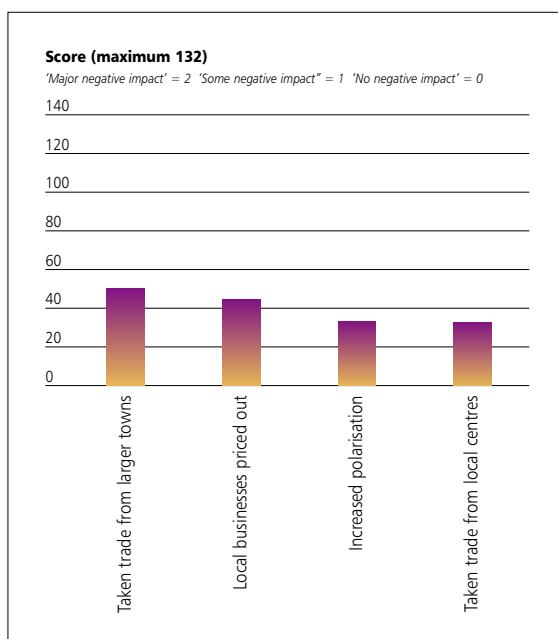


Figure 2 Local authority survey: there are few negative impacts



In addition, the survey found that it was local residents and local businesses, as well as young people and students, who were thought to benefit most from renewal of a town centre. In the case studies it also became apparent that some commuters from the surrounding areas, particularly those with good jobs in the centre, had greatly benefited as well. When asked if any nearby places had missed out on, or been disadvantaged by, the renewal of the town or city centre, a small majority (23) of survey respondents thought that other places had not missed out, compared with 19 respondents who thought that they had. (The remainder either did not know or did not respond to the question.) The places thought to have missed out were 'poor inner area communities', 'secondary areas' in the town or city, and 'second order towns' nearby. Comments included:

- "For people living here [14 miles from city centre] there has been little discernable benefit. The knowledge-based/creative industries remain grossly under represented. There have been no spin-off benefits. There is little evidence that many of the agencies promoting growth see this as part of their remit."

- "RDA funding policies favour the big cities at the expense of other centres."

However, the largest number of respondents felt that other places had not missed out. Comments included:

- "Improvements to public transport have meant that we are starting to see knock-on benefits and interest in the next level of centres."

- "Towns need to have a clear identity that is marketable and differentiated it from competitors."

- "The key to small town regeneration has been local ownership and local decision-making."

From their comments, there seemed to be a major difference in the way that the two groups of

respondents viewed the successful renewal of a nearby centre. One group saw it principally as a threat – increasing the attractiveness of one centre would draw trade and potential investment from other centres. The other group saw it as an opportunity – the success of a major centre nearby could increase the attractiveness of the whole area which other places could seek to exploit, not perhaps through direct competition but by looking for complementary strengths. In the case study workshops too, several participants made the same point: change is inevitable; the challenge for second tier centres is to seek out the opportunities that it can bring, not to be overwhelmed by its potential threat.

Networks of centres and 'Smart Growth'

Town and city centre renewal can bring important benefits. This is confirmed by the reports of the Core Cities Working Group, such as *Our Cities Are Back*¹⁰. But the success of the Core Cities did not happen overnight. Sustained efforts, led by the public sector, were required on many fronts over a long period of time to bring about the current renaissance. The same will be true for second tier centres.

While retailing will always be an important function in second tier centres, they need to perform many other functions too if they are to attract a wide range of people to use them. The literature review for this project¹ showed that the conventional practice of assessing town centres just as a retail hierarchy is no longer appropriate. As a result of growing car ownership and changing lifestyles, many people now live, work, shop and spend time in quite different places. An alternative view is provided by the European model of 'polycentric development'.¹¹ This encourages cities and their hinterlands to work together. It sees towns as having distinctive strengths and identities, and forming collaborative networks which promote growth in many places. Although large cities have their own special character and drawing power, all towns are expected to get the basics right and to be attractive places. Each town should build upon its particular strengths – in terms,

for example, of its location, visitor attractions, business clusters, cultural assets, creative industries, university links etc. – while also taking account of the strengths and strategies of other towns in the network, so as to foster its own growth and that of the sub-region as a whole. Under this model it is also seen as important to encourage talented people, such as those who have graduated from local universities, to live and work within the network of towns.

A successful network therefore needs to promote 'ladders of opportunity' in terms of both employment opportunities and of places that are attractive and affordable to live in. In other words it is necessary to improve towns (and particularly town centres) in many different ways in order to create places that will attract in people with choice. This in turn will start to attract in long-term private investment, just as the Core Cities in Britain have succeeded in doing. Networks of centres which are well connected to each other and to the outside world by public transport form the ideal basis for 'polycentric development', or 'Smart Growth' to use a punchier American term.

The case studies show that some second tier centres in Britain (including Barnsley, Keighley, Corby and Havant) are beginning to take this type of approach. They have developed a distinctive vision for their town and a 'development framework' to guide its renewal and promote sustainability. They are now focusing on a wide range of improvements to the town centre so as to make it attractive to residents and potential newcomers, and to change the image of the town in the eyes of investors. Wakefield's 'Five Towns' (which include Castleford, the subject of a forthcoming Channel 4 series on regeneration) illustrate the potential for towns to work together as a network and benefit from both productive collaboration and healthy competition.

A framework for 'Smarter Growth'

In the past, making progress towards urban regeneration has often been complicated by the profusion of objectives and indicators. Some people even say that so much effort has to be devoted to reporting progress that not enough time gets spent on thinking about what really needs to be done. Our discussions with practitioners and experts suggest that there is a simple framework that can help second tier towns assess what to concentrate on in order to promote Smarter Growth in their centres and among a wider 'network of centres'. The framework can also help identify what needs to be done in general to help 'spread the benefits'.

There are three main factors on which the success of town centres seems to rest – **productivity**, **liveability** and **connectivity**. Each of the three factors is important, but it is the combined effect of boosting all three together, within a locally agreed development plan, that will make a centre attractive to investors and lead to sustainable regeneration. This approach or framework builds on previous research (eg the ESRC's *Cities: Competitiveness and Cohesion* research programme¹²) but is more focused on the need to mobilise private investment.

Boosting productivity is the main concern of the Treasury and of particular importance to the regional development agencies (RDAs). Higher levels of productivity, and more jobs that generate higher levels of wealth, will lead to more benefits to spread. Town and city centres have key roles to play in boosting productivity by providing training and a wider choice of jobs, including 'stepping-stone' jobs, and acting as seedbeds for new enterprise. Furthermore, concentrating employment growth in and around established town centres (which includes new public sector employment, such as in schools and health centres) makes it easier for people to get to work without having to use a car. With suitable support, this can make ladders of

opportunity more accessible to people from disadvantaged areas and lead to greater social inclusion. It can also tap into an underused source of labour. Furthermore, attractive town centres provide opportunities for people to meet and exchange information and ideas which is important for the development of effective 'business clusters'. Second tier centres, where premises are likely to be cheaper than in metropolitan centres, can also be good places for creative businesses to grow.

Boosting liveability falls mainly within the remit of the local authority and the ODPM but other government departments such as Health, Education and Skills and the Home Office are also involved. In many ways the essence of 'urban renaissance' is about making towns places where people wish to live out of choice not necessity. This requires fundamental changes to most second tier and smaller towns, including their centres. Second tier centres can play a wide range of roles, not only in retailing but also in entertainment, cultural activities, public services and transport. There is also huge untapped potential for increasing the residential population of second tier centres, provided that good quality housing and high standards of amenity and public safety can be achieved and maintained. Innovative developers are looking for opportunities on the edge of attractive town centres to create housing that will appeal not only to 'urban pioneers' but also to older people who value living close to shops and services. Furthermore, the new population will create demand for new local services which will improve facilities for existing residents. Liveability is being given a higher national priority under policies such as *cleaner, safer, greener*¹³ and the *Sustainable Communities Plan*¹⁴ and the new drive to combat anti-social behaviour. Thus the Clean Neighbourhoods and Environment Act 2005 contains a wide range of measures aimed

at improving the local environment to help stem the 'urban exodus'.¹⁵ What is important for long-term sustainable development is to take practical steps which will build confidence in the town among potential investors.

Boosting connectivity falls mainly within the powers of the Department for Transport and private operating companies. It is a key factor. Discussions with investors have revealed that accessibility has a huge influence on investment decisions. Out-of-town locations have been favoured in recent years because of their accessibility by car and, while everyone recognises that this is unsustainable, investors have little faith in present proposals for better public transport ever being realised. Yet improving accessibility to large successful centres, and between other centres in their sub-regions, would have a major impact on investment and on sustainability. Improving links between poorer areas and successful centres will help spread benefits to disadvantaged people. Improving transport corridors between centres, especially second tier centres, will enable the 'network of centres' to function better and will often allow underused suburban rail services to be used more efficiently. Outside London, connectivity by public transport is the area in which British towns and cities fall furthest behind their continental counterparts. In growth areas there is understandable resistance to building more houses unless problems with traffic congestion, parking and transport and other infrastructure have been fully addressed. However many of our second tier towns, particularly industrial towns with their legacy of railways lines, offer opportunities for substantially increasing the number of people who live within walking distance of town centre shops, services and public transport facilities.

Conclusion

After many years of concerted efforts led by the public sector, a noticeable urban renaissance is taking place in the centres of our major cities, but many second tier towns are not sharing in this success. Spreading the undoubted benefits of urban renewal to such centres, so that in time they will also become attractive places which more people live in and spend time in, would have many advantages, including reducing disparities across regions, creating more sustainable communities and improving opportunities for existing residents. However, bringing this about will require boosting sub-regional productivity, improving all aspects of liveability in the centres concerned and increasing connectivity between places that make up relevant networks of centres. Furthermore all this needs to be done in a co-ordinated way that creates momentum, helps change the image of the places in question and attracts long-term private investment.

section 3

understanding where we are

Spreading the benefits of urban renewal to a wider range of town centres, so as to tackle the “*increased regional polarisation*” which the *State of the Cities* progress report drew attention to¹⁶, depends on more than improving the delivery of public services or concentrating on the ‘worst first’ areas through one programme after another. It requires simultaneous action on a number of fronts to improve productivity, liveability and connectivity. Since regeneration usually takes at least a generation, it will need concerted efforts over several political lifetimes to secure a lasting renaissance in many second tier centres. Nevertheless, as the four case studies undertaken for this enquiry show, progress is being made in several different types of urban area. This section summarises the results of the case studies which looked at four areas: Leeds city-region, Bristol and the West of England, Northamptonshire and the South Midlands Growth Area, and Portsmouth and Urban South Hampshire, and highlights common challenges.

Revealing the picture

Although things may change when the final version of the *State of the Cities* report is published, most of the statistical data that is currently available on urban areas is actually based on local authority district boundaries. Larger conurbations, however, cross many borders. Leeds city-region, for example, covers parts of 10 local authority districts and it clearly also overlaps to some extent with the Sheffield city-region. The Milton Keynes and South Midlands Growth Area crosses into three different regions. Furthermore, individual towns and cities nearly always form only part of the district they are in, and data on their centres – whose performance needs to be carefully monitored – is even more deeply hidden.

In preparing the case studies efforts were made to use at least some geographically-based information about the sub-regions in question and the individual towns within them. For example, maps were used in the workshops to throw light on what kinds of places are benefiting from urban renewal and who is

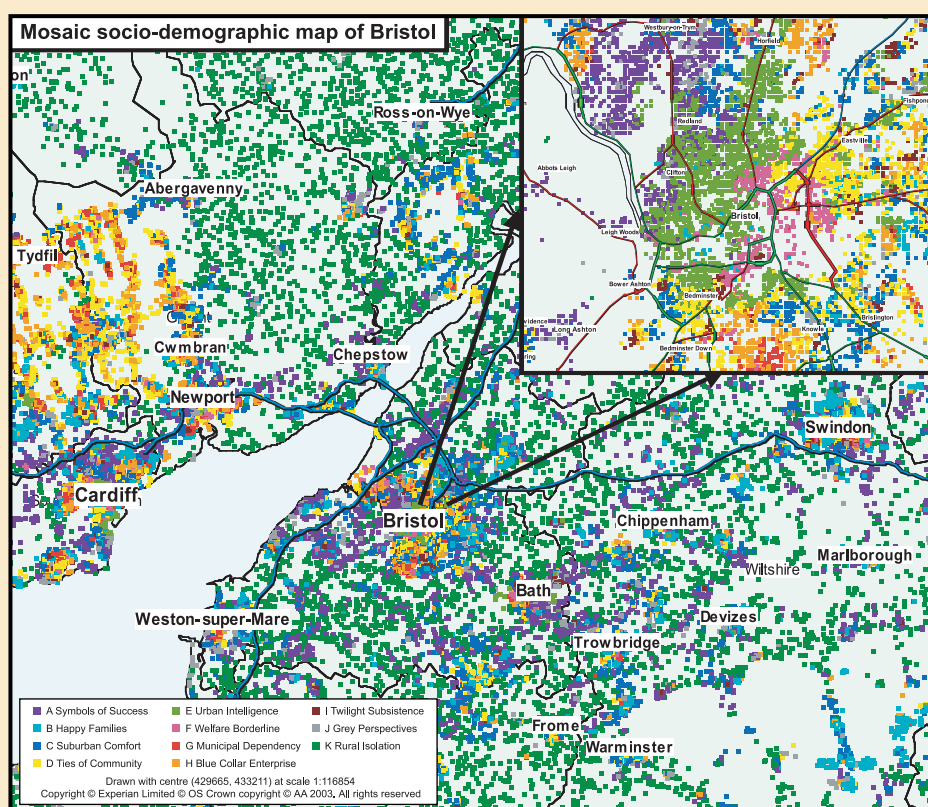
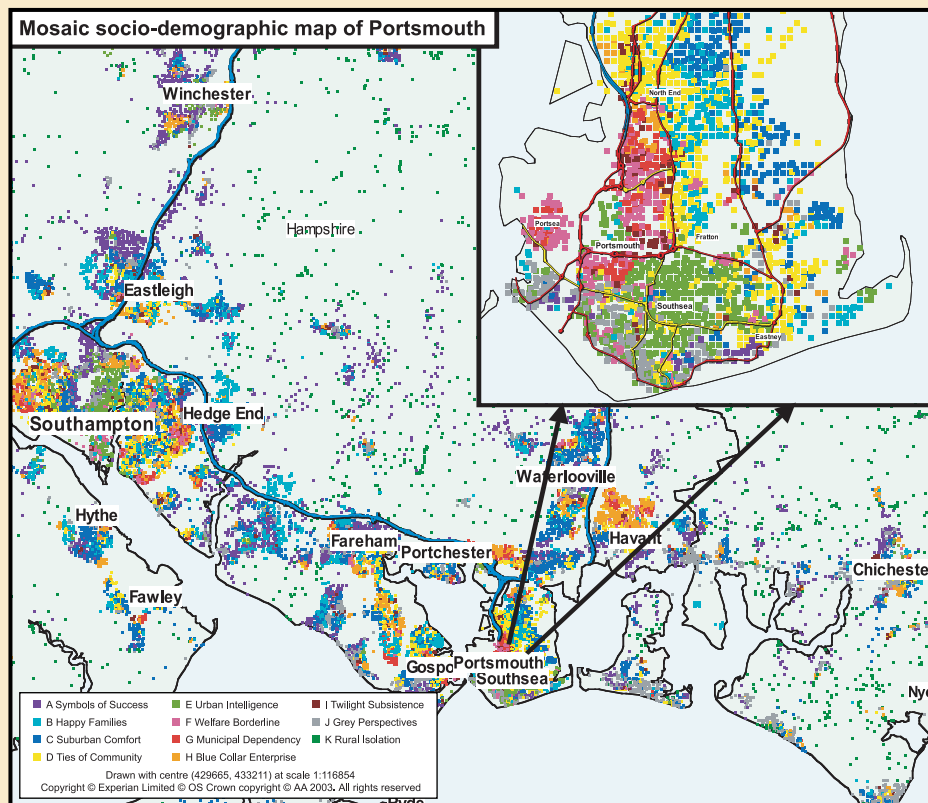
gaining and who is losing out. Several different types of maps seemed particularly useful.

Demographic profile maps, such as those produced by Experian Ltd.¹⁷, bring out the differences in the characteristics of the people living in different areas (see **Figure 3** overleaf). In Experian’s Mosaic system all United Kingdom residents are classified into one of 11 colour-coded groups, based on census, credit, lifestyle and other household data. (The groups can be further subdivided into 61 categories if required.) The information can be mapped using residential postcodes, and the different colours where different types of people live, as the maps of Portsmouth and Bristol clearly show. The colourful phrases (shown in the keys to the maps) that are used to describe the different groups help to explain why some centres are doing better than others. Demographic profile maps show that, as well as the North-South divide, there are other important divides, such as those between different sides of the same city and those between urban areas and rural/peripheral areas in all parts of the country. Polarisation reinforces the tendency that ‘the winner takes all’. Lifting the performance of second tier centres through policies for Smart Growth will help to reduce polarisation across cities and wider sub-regions.

Photographs taken from a satellite at night pick up the light from settlements on the ground and create a map where people live¹⁸. They highlight the fact that most people in Britain live in a few large urban agglomerations, although these are not as dense as in Holland and North Germany. Unlike North America, for example, most British towns are very close together, making it hard to draw boundaries around sub-regions, particularly in places like Northamptonshire that are made up of a number of free-standing towns.

Other maps based on census data and other indicators, such as those produced by Local Futures¹⁹, can draw attention to underlying differences between different parts of the country. For example, most of Britain’s ‘knowledge economy’ is concentrated in an area within about a hundred miles of London

Figure 3
Different urban areas have demographic profiles (Experian's MOSAIC)

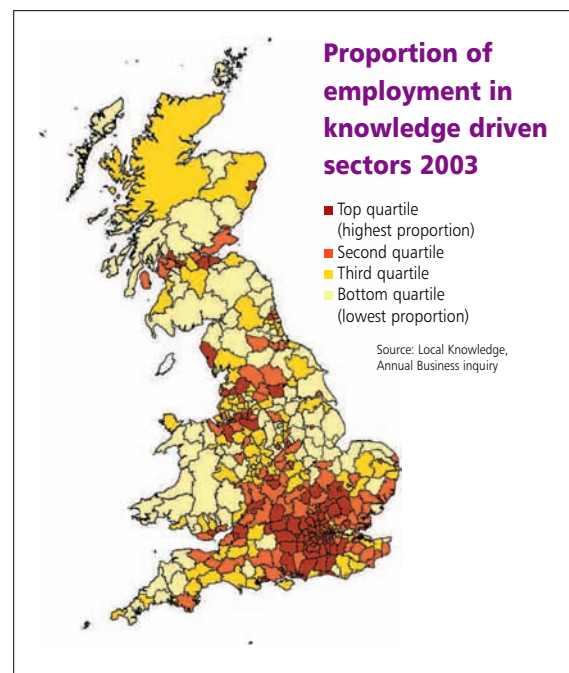


(see **Figure 4**). This is a major challenge for the regions where knowledge industries are weakest, as talented people are drawn away from them even though some aspects of liveability are high. Stimulating business growth, and particularly encouraging more graduates to stay on in provincial towns and cities, is key to narrowing regional economic disparities.

The renaissance of the Core Cities is changing attitudes to them, and large companies are finding it easier to attract good staff outside London. But unless there is a range of attractive and affordable places to live talent will continue to leak away. There are huge differences in the prices of similar kinds of housing in different parts of the country, and differences in affordability (the ratio of incomes to house prices) affect the viability of renewal. The difficulty of making renewal stack up financially explains why many authorities in the Midlands and the north need public investment to help close the gaps. In contrast, areas like the West of England are overheating as house prices are rising much faster than earnings, leading to people having to travel ever further to work because of the difficulties of linking housing development to transport infrastructure.

The demographic profile maps also show how polarised English regions are, with the growth of new private housing concentrated for the most part in smaller settlements in the rural edges where those with the most spending power live. Surprisingly perhaps, parts of the south coast, such as Portsmouth, suffer from similar problems to the old industrial areas of the north, except that land is much scarcer. Large low-density council estates clearly stand out in places as different as East Leeds and Havant as areas of some of the greatest deprivation, cut off from shops and employment. Less obvious, but just as important, are the large swathes of low status housing on the edge of town centres. These are the terraced houses that have fallen empty in parts of the north, but which have formed the basis for gentrification in the south. It is these maps that

Figure 4 The UK's 'knowledge economy' is heavily concentrated in the south-east (Local Knowledge, Local Futures Group)



retailers and investors are increasingly using to decide where to concentrate their investment.

Statistics published on the ODPM website on factors such as floor space and employment in town centres²⁰ enable relationships between centres in a catchment area to be mapped (see **Figures 5 and 6** overleaf), bringing out, for example, the problems for towns like Northampton that struggle to improve their offer in the face of competition from several large centres close by. Maps can also reveal how centres are often located along old river and transport corridors, like pearls on a necklace, and show the essentially polycentric nature of most urban agglomerations. Motorway and railway maps reveal how far we are from having a properly integrated transport system and that the best connected places are now often on the edge of towns rather than in their centres.

At the Leeds workshop analysis by the University of Leeds showed the trend for businesses to locate

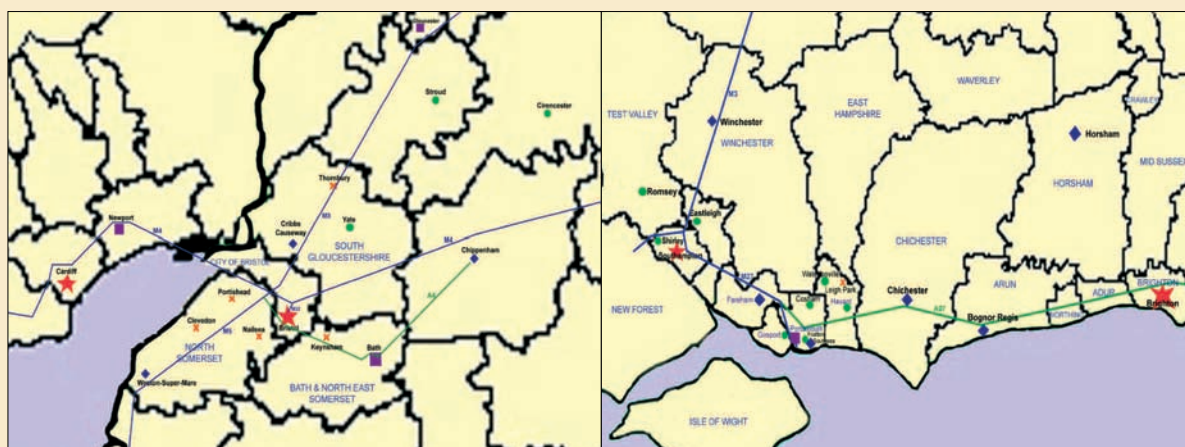
Figure 5 Different areas have different sizes and patterns of centres (URBED/ODPM)



Part of the Leeds city-region

Northamptonshire

Figure 6 Different areas have different sizes and patterns of centres (URBED/ODPM)



Bristol and the West of England

Portsmouth and Urban South Hampshire (and West Sussex)

Key for figures 5 and 6

Main shopping and service centres (A1, A2, A3) floorspace

★ 400k or more sq. metres ◆ 50k to 100k sq. metres

★ 200k to 400k sq. metres ● 20k to 50k sq. metres

■ 100k to 200k sq. metres ✕ up to 20k sq. metres

outside the central area and to employ people who drive to work across the city centre. This makes traffic congestion worse and lowers the quality of life for people living in disadvantaged inner areas. Analysis of where workers in the city centre came from showed the need for a transport authority that covered a wider area than the old West Yorkshire Metropolitan County, and that could control all the transport modes, including suburban rail services and car parking charges.

So how can the second tier towns and cities tackle the challenges of 'spreading the benefits', given their very limited financial resources and planning capacity, and the private sector's preference for 'backing winners'? Is it possible to learn from abroad, and repeat some of the approaches that seem to be working on the Continent and that are being promoted through European programmes such as *Interreg III*? Can we avoid going down the American road of polarised communities and car-based 'edge cities', or is it too late? To address these and related issues the enquiry included brief case studies that looked at four very different parts of the country (Leeds, Bristol, Northamptonshire and Portsmouth). These were chosen to include both growth and renewal areas which contained different types of town and city centres with different spatial relationships between them. Three of the case studies included workshops whose purpose was to assess what was happening and how far the current machinery was able to cope with the underlying market trends and development opportunities.

Leeds city-region

Leeds, a Core City with a population of over 440,000, is the dominant centre of a city-region of around 2.8 million people. It was once the hub of Britain's worldwide textile industry, but after many decades of decline its city centre has recently undergone a spectacular renaissance. After many years of investment in regeneration led by the city council and other agencies, it has become a magnet for private investment. 91,000 new jobs were created in Leeds

between 1984 and 2003, bringing total employment in the city centre to 116,000. With heavy commuting into the area, there is now concern that the city centre is starting to overheat. Investors are also looking to other places in the sub-region for new developments. The area around Leeds was also part of Britain's industrial heartland. Much of it is densely populated, and retains an extensive transport infrastructure.

There are a large number of centres in the Leeds city-region (see **Figure 5**). At least 12 of these can be thought of as second-tier centres and there are others that have growth potential. Some towns are doing well, particularly historic places like York and Selby where house prices have risen sharply, and the smaller towns and villages in which many of those who commute to Leeds live. But many former industrial towns, especially those that have been affected by recent industrial decline, are not doing well. However, some of them (for example Bradford, Barnsley and Keighley) are now developing visions and development frameworks for their centres, which aim to build on their local strengths and opportunities (including their proximity to Leeds and other successful centres) and to make themselves attractive to the right kind of investors. Yorkshire Forward's *Renaissance Towns Initiative* provides a method for doing this (see section 4). In each case, much needs to be done on many fronts to improve liveability and make the areas in and around the town centres attractive places to live in. Smaller centres, in particular, find it difficult to obtain funding for upgrading and maintaining the public realm. The good connectivity between centres in the wider city-region provides opportunities which many places might build on. But service improvements need to come first if people with choice are to be persuaded to live in the second tier centres. However, as most transport investment is centrally controlled it is not easy to make it fit in with local regeneration strategies, even though it is nearly always an essential component. Above all, productivity in the whole city-region needs to be improved so that there are more good jobs to attract people in and convince them to

stay. Among other things, this will require raising basic educational standards and promoting the growth of small enterprises.

Bristol and the West of England

Bristol is also a Core City and has an urban area with a population of 550,000. It is the largest city in the south-west and has one of the highest Gross Value Added per head rankings of any English city. It has close ties with the three surrounding local authority districts (which used to form the County of Avon). The sub-region has a population of one million and contains two other substantial towns (see Figure 6): Bath (population 84,000) and Weston-super-Mare (72,000). In spite of losing trade and investment to South Wales (where government grants were available) and to out-of-town developments such as Cribbs Causeway, Bristol city centre has undergone a significant renaissance. Its waterfront has been transformed. It has a thriving economy. It is a major centre of culture and the decline of its main shopping centre, Broadmead, has been reversed. There have been spectacular public investments and also a mass of high-quality private sector investment schemes. While some deprived parts of the city have not benefited, innovative programmes have been introduced to try to improve links between them and the city centre. These include a customised construction training programme to help unemployed people to get work on the redevelopment of the Floating Harbour, a programme to provide people from inner and south Bristol with jobs in Broadmead, and a pioneering *Legible City Initiative*²¹ which helps people find their way throughout the city based on a co-ordinated set of signs. All these schemes are helping to spread the benefits of city centre renewal to disadvantaged areas.

Bath is a historic city with world famous tourist attractions and specialist shopping. It has a strong university and established links with the military and there are plans to re-open its once-fashionable spa. Even though it may be benefiting from Bristol city centre's renaissance, it has long been successful in attracting private investment in its own right. Weston-

super-Mare is a classic seaside town, which like other British resorts has lost out to European competitors. It provides Bristol with some attractive suburbs, but also has areas with a desperate need for regeneration.

The whole area around Bristol is seen as an attractive place to live and work in. Its wider catchment area extends from Newport in South Wales to Gloucester and Swindon and contains one of the highest concentrations of wealth creators and skilled workers in the country. However, it also has one of the weakest public transport systems and the main motorways are highly congested, particularly during commuting times. One particular motorway junction may soon have to be closed at peak times. Thus, productivity and liveability are high and will lead to further growth so long as connectivity can be improved.

A mutual interest in maintaining the quality of life throughout the sub-region has provided the incentive for the four local authorities to collaborate. Working together as the West of England Partnership (see section 4) they have set out a vision for the sub-region in 2026 which recognises the contribution it could make to improving national economic growth and reducing disparities, so long as infrastructure improvements are achieved. There is a shared recognition that new development could be promoted to the south of the city, especially in North Somerset, linked to new transport infrastructure including a major new road. A government backed strategic transport study has assessed all the main options. There is already commitment within the partnership to secure greater investment in rail capacity, such as in the suburban lines and in the link to Weston-super-Mare. Once again, bringing connectivity into the development equation is seen as crucial. However, this is difficult to achieve at a sub-regional level given the way that public investment decisions are made, with some public agencies, for example, being encouraged to concentrate on the more deprived peripheral parts of the region.

Northamptonshire and the South Midlands Growth Area

Northamptonshire is a prosperous, mainly rural county in Middle England. It is well located on the main roads between the Midlands and London (M1) and the Midlands and Felixstowe, Britain's largest container port (A14). Its population and economy have grown rapidly since the 1970s, and as part of the Milton Keynes and South Midlands Growth Area its growth is set to accelerate. Unlike the other case study areas it has no dominant centre. Northampton (population 200,000) is the largest town, and there are three other sizeable towns: Kettering (60,000), Wellingborough and Corby (50,000). Almost half the county's population live in villages and small towns. The main towns do not at present form a strong 'network of centres'. Each one is rather independent of the others with, for example, little commuting to work between them, and people with cars can easily travel to larger centres outside the county for a wider range of attractions (see **Figure 5**). Milton Keynes, which is only 15 miles away along the M1 but in a different region, is beginning to develop into the main sub-regional centre, and Leicester, Birmingham and London are not far away.

All four towns were industrial towns, but with the exception of Corby (a former steel town) their industries were small scale and because of their location they have been able to attract in new sources of employment. They have been able to take advantage of good national connectivity – along trunk roads and mainline rail lines – but local public transport infrastructure is poor. There are no local or suburban rail services and Corby no longer has a station. Given the plans for their future growth, all the towns are aware of the need for improvements to their infrastructure and are setting up their own 'local delivery vehicles' to bring together the key agencies.

Corby, which suffered greatly from the closure of its steelworks in the 1980s, is the most advanced. It set up an Urban Regeneration Company (URC), Catalyst Corby, in 2001. URCs bring together relevant agencies

and private sector organisations to implement a long-term vision to regenerate their areas. Corby Borough Council and Northamptonshire County Council, together with English Partnerships and East Midlands Development Agency, were the founding public sector bodies in Catalyst Corby and, working with all the stakeholders, the company has developed a strategic vision and regeneration framework for the town. It has already succeeded in attracting considerable investor interest and significant projects are underway. Because Kettering, Wellingborough and Corby are very close together and the new growth plans will affect them all, the three towns have also recently established a company limited by guarantee to develop and implement a co-ordinated approach between them. In addition, the government has set up an Urban Development Corporation (UDC) to co-ordinate and provide leadership to the growth, and where necessary, regeneration of Northampton (with Daventry and Towcester). Half of its board will be members of the local authorities. Unlike a URC, a UDC is a public sector organisation. It is not the planning authority although it does have strategic development control powers. It is primarily a long-term delivery vehicle which has a clear focus on bringing about sustainable development in the area it is responsible for. It has its own dedicated staff who are able to take a holistic and long-term view, and it has easier access to central government and to financial resources. There are, however, currently only three UDCs in the country.

Catalyst Corby is already concentrating on delivering improved productivity (with 1m sq. ft. of industrial floorspace under construction and a new office park planned), liveability (with planning applications for 6,000 new residential units already received and plans to upgrade the town centre dramatically) and connectivity (with plans to re-open the passenger rail service and to build a new station) within its agreed regeneration framework. This is the path that the other local delivery vehicles will need to follow.

Portsmouth and Urban South Hampshire

Portsmouth, Britain's principal naval base and a leading tourist attraction, is mainly located on an island on the south coast of England. It has a population of 187,000 and is the centre of a wider urban area of 440,000 people, stretching over three neighbouring boroughs and including the sizeable second tier towns of Gosport, Fareham, Waterlooville and Havant (see **Figure 6**).

Portsmouth has had a reputation of being more like a northern industrial city than part of the prosperous south-east region, even though it is only 75 miles from London. However, it has recently started to undergo a definite renaissance. Its retail offer has been transformed by the opening of a large designer outlet and entertainment complex on the waterfront. A major new John Lewis store is planned for the city centre. The polytechnic has become a university and is growing rapidly. High-priced apartments are beginning to be built near the city centre.

While many people still commute in from the surrounding towns, much of the new commercial development is being located along the M27/A27 which runs from Southampton (Portsmouth's rival city, 20 miles to its west) towards Brighton. The whole area of 'Urban South Hampshire', which includes both Portsmouth and Southampton, has been growing rapidly and is now seen as another 'growth area', with potential for large numbers of new houses – provided that the infrastructure is improved. The second tier towns have opportunities for growth and for developing their own centres as distinctive places. Fareham, a well-established market town on the M27, is now doing this. Havant, once mainly seen as an over-spill town for Portsmouth, has developed a new vision which builds upon its road and rail connectivity, its extensive coastline and its proximity to Portsmouth, with its growing attractions, and to other places like Chichester (see section 4). It has recently used the government's *Liveability Fund* (a pilot scheme for 'transforming the quality of local environments')²² to improve its public realm and is

preparing an urban design framework for Havant town centre in order to help change its image and 're-brand' the town. One of the aims of the *Liveability* project is to ensure that clear urban design principles are set for the next 20 years along with policies to ensure that Section 106 monies are targeted and prioritised. The service reforms are already delivering improved performance against government indicators and will be sustained in the future by the reallocation of mainstream resources. In many ways Havant is following similar steps to some of the 'renaissance towns' in the Leeds city-region and the growth towns in Northamptonshire. It is early days as yet, and it is not clear that the support and resources required to make progress on several fronts simultaneously will be available.

In the south of England improving productivity is less of an issue than it is in the north. But Portsmouth and the other centres in Urban South Hampshire still see it as a major factor for the continued growth and prosperity of the whole area, if it is to remain competitive with cheaper locations abroad. Portsmouth, with the limitations on accessibility to its city centre, also recognises the need for it to start working strategically with its neighbouring authorities along the M27 to improve the transport infrastructure. It is also working to change its image as a place to visit and a place to live in, including developing its cultural assets, so as to ensure that its renaissance continues and that its centre remains one of the magnets of a developing network of thriving centres.

Common challenges

Although the differences within cities and sub-regions can be as great as those between the North and the South, the case studies show there are some important common challenges which call for similar kinds of tools and which therefore make it important to share experience across boundaries. The case study areas were very different. For example two contained Core Cities and two did not. They also differed in the extent to which they faced – based on productivity, liveability and connectivity – pressures for growth or renewal. Yet it was possible to use a common framework to analyse the regeneration issues that they faced.

Boosting productivity

A core finding of this enquiry is that if it is to be successful a town or city centre must be able to attract on-going private investment. This means that investors must have confidence in the centre. If this confidence is not initially present it will be necessary for public agencies, led by the local authority, to build it up. This will require concerted efforts to improve productivity, liveability and connectivity so that more people with choice wish to use the centre, and so that sufficient results are achieved to change the image of the centre and create confidence in its future success. The ODPM's Five Year Plan *People, Places and Prosperity* spells out the links between the different policy goals.²³ While it is hard for local authorities to affect the levels of innovation and skills (key elements of productivity) and international connectivity that have been identified as the reasons why European cities are doing better than their British counterparts, they do have an important impact on town centres. Economic competitiveness and the development of the knowledge economy are closely bound up with the health of town and city centres, which should also be good places to start and grow a business. It is therefore essential that the economic strategies which the RDAs have been developing are closely integrated with the spatial plans and development frameworks that are being developed by

regional and local planning bodies. Yet all four of the case studies highlighted the disjointed nature of transport investment, housing development and planning for future jobs.

It is also crucial to create the kind of environment in smaller towns that is conducive to learning and training, and to avoid the circumstances that encourage anti-social behaviour, particularly among disaffected young people. Keighley near Bradford, for example, is focussing on the role of its college in its strategy for making the town distinctive. Similarly, the fact that skill levels and wages in the private sector remain so low in large parts of many urban areas reflects in part the low quality of the working environment and its neglect over many decades. As the disparities between town and city centres and peripheral or rural areas widen, so the growth of new employment will often take place in areas that are inaccessible without a car. Encouraging businesses and property owners to improve the working environment is one practical way in which attitudes to business in urban areas could be changed and inequalities narrowed.

Boosting liveability

The Urban white paper and the subsequent *Sustainable Communities Plan* show real commitment to treating towns and cities as assets not just liabilities, and as places which people should want to live in.¹⁴ However, efforts to make town centres a focus for developing new housing are being hampered by the difficulty of co-ordinating the action required. An attractive environment is vital for attracting people to live in an area. Yet, as the Leeds workshop brought out, while funds are available for improving the public realm in major city centres, they are not available in smaller centres from either public or private sources on anything like the scale required. The Portsmouth case study showed that Havant has been able to tap into the government's *Liveability Fund*, but this is only a three year pilot programme which is limited to only three local authority areas in

each region, selected on national priorities through competitive bidding.²²

Interviews with experts reveal that some property investors are interested in looking beyond current prime locations to second tier centres. But this investment will not happen unless the public sector can provide the confidence needed for high quality development. This means being able to assemble sites, upgrade the environment, and ensure higher levels of accessibility, which are skills that have fallen out of use in many areas. The ability to assess areas in terms of both their social and their economic potential is also essential, so as to ensure that resources are put into the areas that are at risk or at a 'tipping point' and that have growth potential, rather than concentrating all public resources in the most deprived areas. Sub-regional frameworks and strategies clearly have a key role to play here, but at present the kinds of analysis that are required do not seem to be done, possibly because the process is too rushed or because planners lack the tools for dealing with networks of centres.

Boosting connectivity

The interviews with experts confirmed that accessibility – and therefore connectivity – is a major factor in making property investment decisions. All the case studies confirmed that local transport is a key issue for both regeneration and sustainable development. Understandably there is a resistance in many places, such as Northamptonshire and South Hampshire, to building more housing unless problems with congestion and transport and other infrastructure can be overcome. Yet the industrial towns in particular offer huge opportunities for increasing the numbers living within walking distance of town centre services and shops and, in the process, making public transport more viable. The Leeds case study showed that unless there is a marked shift towards using public transport new jobs are likely to be located on the edge of the city where they can only be accessed by car. The resultant congestion and possible social conflict will make the city centre less

and less liveable. Leeds has seen its proposals for Supertram fall into abeyance, and plans for a tram system linking Portsmouth, Gosport and Fareham have also been turned down by the government. Yet the development of the new office quarter between Bristol Temple Meads railway station and the city centre demonstrates that it is possible to reverse the drift of jobs to the periphery. Linking transport improvements to development and regeneration is clearly a problem even for the Core Cities with their direct links to central government. It will remain an even bigger problem for second tier and smaller centres unless a way is found of devolving more decision-making powers on transport investment to the regional and sub-regional levels.

The survey and the case studies also confirmed that while car owners have increasing choices over where to shop or work, those without personal transport are in danger of losing out. This was a particular problem in parts of Northamptonshire where public transport in rural areas was weak. This was another good argument for encouraging town centre living. Although local authorities have lost much of their direct control over transport they have a huge influence on walking and cycling, through the way the public realm is maintained and improved, but often lack the resources to carry out co-ordinated improvements. Projects like Bristol's *Legible City Initiative*²¹ show how access can be made much easier for all through better signing, and the same principles are very relevant to second tier towns. As smaller centres cannot compete with large centres in terms of attractions, improving their accessibility and liveability becomes ever more important. One of the main tools for influencing accessibility is the availability and cost of parking. Currently the system works against moves to make town centres more sustainable because, while parking in out-of-town facilities is free, parking in town can be difficult, expensive and possibly unsafe. Although some areas, such as the Black Country, are starting to look at their centres as a joined-up network, there is at present little incentive to focus development where accessibility is greatest or to manage parking in a co-ordinated way.

Conclusion

Though very different in terms of their spatial frameworks, the four case study areas turned out to be facing relatively similar challenges. The dominant centres are doing well, and some second tier centres are starting to copy their example by developing strategies for improvement and, in some cases, growth. This requires upgrading their accessibility, connectivity and liveability and, in northern regions in particular, stimulating the growth of private sector employment to provide ladders of opportunity for more people.

In general, traffic congestion is growing everywhere which makes the upgrading of public transport an even more urgent necessity. This provides a great opportunity for regenerating the centres of second tiers towns because of their existing transport infrastructure. It must, however, be done in combination with other measures in order to change the image of the centre and attract sustainable private investment. Hence, there is a need for tools for co-ordinating action in several fields and delivering smarter growth.

section 4

delivering smarter growth

The previous section has suggested some common issues which cut across regional boundaries and which justify looking at the challenge of spreading the benefits at a national level. As the public sector can only fund a small proportion of the costs of improving productivity, liveability and connectivity, resources need to be used as strategically as possible, with the aim of making a town centre attractive for users and attractive for investors. The economics of development, that is the relationships between costs, values and risk in different types of situation, will affect the influence that planning can have. The new sub-regional spatial frameworks provide the scope for taking a strategic approach that systematically identifies opportunities for growth or renewal, and then allocates public funds where the overall results will be best. But rather than simply calling for different approaches in the North and the South, it might be better to differentiate between different types of 'polycentric conurbation' especially in terms of their property values and their potential for mobilising private investment. This section first outlines situations in different parts of the country and then describes some of the main tools that are being used to promote smarter growth.

Types of polycentric conurbation

The case studies suggest that there are at least three main types of situation in England which call for different kinds of response:

Neighbourhood revival in London and its surrounding region

London is a World City and its economic impact is felt throughout the south-east and beyond. Although we did not undertake a case study in London, previous work shows that there is a quite different set of challenges and opportunities there from the areas we did look at. The emergence of the Core Cities and the interest in city-regions is in part a response to the apparent dominance of London and the south-east. Although London and its surrounding area have the highest property values and have traditionally provided the most attractive prospects for development, there are huge disparities between different places and large numbers of smaller centres in these regions are falling behind. Thus charity shops occupy many secondary properties, and areas around railway stations are often not utilised to their full potential. In many cases these form the hearts of suburban towns and could offer the best prospects for making the suburbs more sustainable, and for providing new homes and workspace for small enterprises. Because of the extent of the suburban railway system, there are much better opportunities for restraining car use than in other parts of the country. However, little can be achieved without a significant upgrading of the public transport system. This requires collaboration across regional boundaries and finding a means of linking the uplift of land values from transport improvements to the funding of new infrastructure. London has a key role to play in showing how to link planning, development, regeneration and transport investment.

Housing renewal and city-regions

In northern city-regions property values are often not high enough to justify redevelopment, even when

renewal may be favoured. Different policies are therefore needed in areas that have been losing their economic base and population. While it may be convenient to think in terms of a relatively small number of city-regions, the overlapping nature of catchment areas and historic political differences make it hard to draw precise boundaries. For example, Barnsley comes within the economic influence of both Leeds and Sheffield, while both York and Doncaster can see themselves as focuses for growth rather than as parts of other cities' regions. The key is going to be political leadership in securing agreement on new development and infrastructure projects that are aimed at improving the overall quality of life of the town or city and at closing the gaps between the richer and poorer areas. Yet this is intrinsically hard given some of the problems identified in the *State of the Cities Progress Report*: *"departmentalism, lack of integration, short-termism, a lack of concern with places, too many policy initiatives and too little mainstream concern with urban areas"*.¹⁶ Whereas in continental cities transport infrastructure is usually provided in advance of housing development, in the UK it generally lags far behind. Most of the investment goes on national projects, rather than on improving the way city-regions function at a more local level. There is also the problem that people in disadvantaged areas are often quite disconnected from opportunities elsewhere. They may not find it economic or attractive to get to the low paid jobs that are available. In addition, problems with the collapse of the housing market in some older areas (such as the northern side of Manchester) are being aggravated by the lack of mechanisms for stabilising the basic environment before confidence is lost and for rebuilding a sense of community and security. Because of the importance being placed on Housing Market Renewal, one of the main priorities for spreading the benefits should be on using sites around second tier and smaller centres to broaden housing choice and to create more cohesive communities. It is also important to avoid building too much housing on the edges of towns if this only leads to sucking demand out of the inner areas, which makes the Leeds situation quite different

from that in Bristol, for example. The first priority is likely to be to develop areas around existing railway stations more intensively as sustainable urban neighbourhoods, and to ensure that brownfield sites on the edge are not developed in ways that further drain second tier centres of life.

Growth areas and links with nearby centres

Many places are having to deal with pressures for new housing, even though their existing social and physical infrastructure already seems overloaded. The bulk of recent growth in areas like Northamptonshire or to the north of Bristol has been taking places outside traditional urban areas in locations that are heavily dependent on private cars. The new households then tend to shop and work in out-of-town locations, which creates divisions between the old and the new communities. Securing smarter growth in places like Northampton and Milton Keynes depends on securing a much higher level of investment in both physical and social infrastructure than has been achieved in recent years. As house prices are relatively high and there is widespread support for protecting the countryside from urban sprawl, it should be possible to build a local consensus for measures to improve housing choice and balance through more proactive planning as a means of protecting the character of traditional villages. This would include preparing development briefs to intensify development around transport nodes and tapping the uplift in land values that results from development. The higher house prices and lower land values in these areas provide a real opportunity for the use of Section 106 agreements to negotiate significant contributions towards improved infrastructure, and other new financial mechanisms are being explored.²⁴

The case studies, interviews and survey found a number of innovative examples of initiatives which might be used more widely to help spread the benefits. These start with visions and forward planning, and end up with mechanisms for making things happen through partnerships and action plans. In each case an example and a checklist are given.

Visions and town charters

Some towns are producing documents that set out broad principles which, when they have been agreed by the main stakeholders, can form the basis for commissioning development frameworks and masterplans for the long-term development of the town and its centre. The first step is having a shared vision, and the case studies all showed the importance of local leadership and community support in developing one. The renaissance of the centres of Leeds, Bristol, Portsmouth – and that which is planned for Northampton – stems in part from their success in rethinking what is needed to succeed in the league that the city wants to play in. In each case the city has gone on to consider how the benefits might be spread out beyond its immediate centre. This goes far beyond simply re-branding a place or publishing architects' impressions of what might be possible, and the same principles can be applied to second tier centres as the example of Barnsley shows. Yorkshire Forward (the RDA) is pioneering a new and imaginative approach for promoting the regeneration of selected second tier and smaller towns through its *Renaissance Towns Initiative*.²⁵ The main ingredients of the approach are:

- focusing regional resources on upgrading the quality of selected town and city centres;
- using a process of community engagement that involves more than the 'usual suspects' and helps to generate fresh ideas that win broad popular support;
- employing appropriate experts to articulate a range of options and to produce development frameworks and illustrative three-dimensional masterplans;
- drawing inspiration not just from local examples but also from abroad (eg the idea of Barnsley as a Tuscan hill town!);
- signing up to a 'charter' in which the main agencies agree to work together to implement the vision over a number of years; and
- securing commitment from private investors to a higher standard of design than they would have previously committed to.

Barnsley: from mining community to Tuscan hill town

The much-publicised proposals to redevelop Barnsley Market in ways that will make it more of a market town, while inspired by examples from overseas countries like Italy, are rooted in the recognition that the town's future depends on making the most of its connections with Leeds and Sheffield and its closeness to the M1. The process of attracting first-rate development proposals was greatly assisted by Yorkshire Forward's *Renaissance Towns Initiative*. This enabled the council to use a team of international consultants to generate a new vision, working through a Town Team which involved a wide range of stakeholders. The resulting charter, to which the stakeholders have signed up, provides a clear picture of what Barnsley could become and a development framework that can be implemented in phases. It is already credited with producing a much higher quality redevelopment scheme for the town's market than would otherwise have been secured. The addition of a university centre to the college and new high quality buildings are also starting to show the way forward and to build investor confidence. As with the Core Cities, the public sector has needed to take the lead in creating and validating the investment framework and in undertaking a range of selected projects which will attract new users and generate confidence among potential investors.

Sub-regional spatial frameworks

The new planning system is intended to be proactive and to go beyond local authority administrative boundaries through frameworks that focus on areas where change is likely. Visions and development frameworks for individual towns need

to be set within a wider framework. The requirement to produce sub-regional spatial frameworks is encouraging new alliances that cross administrative boundaries, and that could therefore encompass a range of town centres that are in competition with each other for investment. A 'concordat', or a formal agreement between authorities which includes a long-term funding agreement, is easiest to achieve where there is a clear external threat or a prize to be won, and where there is mature political leadership, as for example in the case of Manchester or the Grainger Town Partnership in Newcastle. A particularly significant example is the 'Three Cities' of Nottingham, Leicester and Derby, which have used funds from an EU *Interreg III* programme to find out how European cities are collaborating on marketing and re-branding. While one motive may simply be to attract public funds for existing plans, the process may well throw up new options and build the relationships needed to implement a shared strategy over a number of years. Another good example is the West of England Partnership which involves four authorities in and around Bristol, each with no overall political control, working together to tackle common problems. Key factors for success in developing a robust framework include:

- picking the right area, where there are some common issues that can only be resolved through collaboration across boundaries;
- taking a long-term strategic view;
- focusing on a limited number of common priorities;
- providing research support and market intelligence to enable options to be identified and assessed systematically;
- employing a small secretariat to maintain collaboration in the face of competing pressures;
- linking together work on transport, housing and economic development;
- building relationships with the private sector, including major landowners who might provide part of the investment required;
- possibly formalising the structure so it can bid for and manage funds; and
- keeping relationships and procedures simple.

West of England Partnership: from a failed county to a successful partnership company

The old County of Avon was bedevilled with conflicts between Bristol City and the peripheral authorities, who were keen to attract whatever development was going, leading to the 'edge city' around the sub-regional shopping centre of Cribbs Causeway. However the common threats of increasing traffic congestion and escalating house prices, along with a buoyant local economy, have brought the four local authorities together again in an informal partnership which has produced a series of far-sighted reports on housing, the economy and transport. The partnership is looking holistically at the sub-region, bringing together both urban and rural areas. It is committed to 'spreading benefits' and to do this has come up with an ambitious plan for building a new road to relieve congestion on the M4 and to promote new housing and new jobs to the south of Bristol. Having managed to secure agreement on overall priorities, the four councils are now formalising the West of England Partnership so that it can oversee implementation. They have signed a concordat or guarantee of funding for the partnership for a number of years. Private landowners are interested in contributing towards the cost of the new road as part of a comprehensive plan for upgrading accessibility in the sub-region, which could also include the development of several new sustainable communities.

Public-private partnerships for renewal areas

The idea of a partnership is to pool expertise and resources. It also provides a way of packaging resources from a number of sources. Effective partnerships act as a driving force capable of building confidence among a range of disparate interests and maintaining momentum over many years. There are many possible models including the Urban Regeneration Companies (URCs) that the Urban Task Force proposed. Often, of course, it is the people rather than the structures that make all the difference. However, there do seem to be advantages in setting up bodies that can act in the longer-term public interest, but without all the usual constraints that restrict local authorities. The Core Cities have shown that in areas like East Manchester or Grainger Town in Newcastle having a dedicated team can work wonders, provided that it seeks to work through, rather than displace, existing organisations. Similar advantages can be obtained in second tier centres too as the example of Corby shows. Key ingredients include:

- developing a strategic plan that establishes a vision and a series of projects that will bring it about;
- setting up a company or business structure with a clear remit and set of objectives and with enough funding to promote real improvements;
- securing far-sighted leadership and choosing a Board that signifies support from the leading agencies and helps to build confidence;
- getting the delivery vehicle right, with a small locally-based project team;
- hiring the right staff on long enough contracts to make it worthwhile (eg 5 years);
- picking the right flagship projects;
- investing in communicating the vision and producing some early wins;

- securing commitment from government and key agencies (eg English Partnerships) for investment programmes (and possibly land acquisition at existing use values);
- finding and signing up the right private sector partners; and
- publishing a clear masterplan and/or development framework.

Catalyst Corby: a pioneering Urban Regeneration Company (URC)

Following the model promoted by the Urban Task Force, Catalyst Corby is one of the 22 URCs that have been set up to act as catalysts for private investment in selected towns. Using the tools of a comprehensive regeneration framework and masterplans with three-dimensional images, and with an energetic Board, it is succeeding in changing the image of this former New Town, once only associated with steel. The aim is to double the population to 100,000 over the next 30 years and to 'grow Corby into self-sustainability'. Investment of £4bn, mostly from the private sector, will be needed to fulfil the regeneration plans. Working with the local authority, a host of projects are planned or under way, including major new housing and schools in the town centre, a new railway station and civic renewal. Because it is so close to other towns such as Kettering and Wellingborough, Corby has recognised the need to differentiate itself from them, for example by emphasising its role in providing leisure facilities. In places that need to secure comprehensive change if they are to attract private investment, having a dedicated group of people who can win the trust of both the public and private sectors over the long term offers a way forward.

Infrastructure companies for growth areas

Companies are set up to achieve limited goals and are able to raise private finance on the back of security provided by their investors. In the areas of the country where major house building is planned there is understandable opposition to the pressures this will place on existing services, particularly transport infrastructure. Yet there is also the possibility of using the expansion to support investment in much needed facilities. The challenge is to link the two and a number of possible solutions are emerging. For example in Milton Keynes and Ashford in Kent alliances between English Partnerships and the local authority, are being used to negotiate sufficient contributions from house builders to persuade the Treasury to release the remaining funding needed to meet the infrastructure deficit. A similar idea is also being considered in South Hampshire where proposals for a new rapid transit system were previously turned down by the government. Mobilising private investment depends not just on the prospect of relatively high house prices, but also on being able to take advantage of existing land that is publicly owned and where the cost of new infrastructure is not excessive. Ingredients for an infrastructure company are likely to include:

- providing leadership through one of the councils;
- securing the collaboration and support of neighbouring authorities;
- setting up a company to promote the provision of new infrastructure (eg a tram or bus way);
- investing in good communications;
- devising the scheme and setting the brief within the public sector (rather than relying on the private sector to take the lead as with the Private Finance Initiative); and
- negotiating for the public investment needed to underpin private investment.

Cambridge Horizons: packaging funds for infrastructure

The decision to build new communities to take the pressure off the historic city of Cambridge depends on being able to upgrade transport in advance of new housing development, if the scheme is to be at all sustainable. Four adjoining authorities have agreed to work together and the city's former chief planning officer has taken on the role of promoting the delivery of the agreed plan. Rather than leaving the provision of the main public transport link (a Quality Bus Corridor) to the private sector, Cambridgeshire County Council has taken the lead in establishing a private company in which all the authorities have shares. By putting public funds into the company to develop a robust plan before investment partners are sought, the company expects to secure much better bids from the private sector and to be able to provide transport improvements in advance of the new homes being built. The company will then be able to pool Section 106 contributions from the many house builders who will be developing the new communities, some of which involve expanding existing small towns. While there are no clear answers to the problem of funding infrastructure in advance of new housing, this kind of public-private partnership could well reduce the risks, and hence the costs, of funding new infrastructure.

Strategies for smaller centres

Strategies set out the route to achieving a set of goals and need to be backed up by mechanisms for delivering tangible improvements. Not every centre can be in the premier league but even smaller centres can learn how to make the most of their strengths. One of the important aspects of Yorkshire Forward's *Renaissance Towns Initiative* is the development of strategies for groups of towns, such as those along the Calder Valley or Wakefield's Five

Towns (Castleford, Pontefract, Normanton, Knottingley and Featherstone).²⁵ While it may be difficult to have managers for each smaller centre, there is a strong case for developing strategies for improving each centre in stages, as resources allow, and for differentiating their roles so that they can work together. Unfortunately local retailers often have shorter term concerns than the public sector and so it is essential that the public sector takes an initial lead. Town Centre Management has shown the value of having a dedicated co-ordinator working for a partnership that brings key stakeholders together. A number of alternative strategies are possible (see, for example, the forthcoming ODPM report on *Strategies for Smaller Centres*²⁶). Key factors for success include:

- undertaking a town centre health check;
- benchmarking the centre by making comparisons with similar places elsewhere as well as with immediate competitors;
- setting up a partnership or town team to act as champions for the strategy;
- agreeing strengths and weaknesses;
- involving local people and organisations fully so that they take ownership of the proposals;
- identifying development opportunities and securing appropriate uses;
- showing how the centre could be transformed in stages, drawing on examples from elsewhere;
- securing feedback from stakeholders;
- adopting the final strategy as a Supplementary Planning Document; and
- reviewing progress against agreed objectives and celebrating success regularly.

Soho Road, Birmingham: dealing with diversity

The success of the strategy for improving the Birmingham city centre has led on to a focus on improving the many smaller centres that form the hearts of Birmingham's diverse neighbourhoods. Previous attempts to focus on deprived residential areas, including Handsworth following the riots there, had not tackled the fundamental issue of improving the main shopping street of Soho Road that runs through the area. By tackling a range of issues simultaneously, such as improving security and parking, and taking a more innovative approach to finding occupants for empty shops (such as attracting branches of small companies based in other areas with a similar ethnic profile) the city council has been able to rebuild confidence in the area and so attract more people to want to live there. Strategies that define distinct roles, and that are backed-up with the resources to make a tangible difference to both accessibility and liveability, provide a way of saving centres that could otherwise become 'no-go areas'.

Action plans for sustainable suburbs

Action plans form part of the new planning system. At their heart is usually a list of agreed projects, with target implementation dates and allocated responsibilities, for achieving an objective. Most people in Britain live in areas that are best described as suburbs and, as many suburban centres have lost their original attractions, action needs to be taken to improve them and to make them more sustainable. Research in London and the south-east has shown that often the best place to start in promoting sustainable suburbs is the 'shatter zone', the fragmented area (often dominated by traffic, parking and other infrastructure) which surrounds many centres.²⁷ Consultation that genuinely involves local communities, for example through some form of

Places by Design exercise, will reveal priorities and help develop objectives and projects – such as, for example, getting people to use their cars less by making it easier to walk or cycle to the local shops. While there are no simple solutions, there is usually considerable potential for intensifying development around local centres and transport nodes, and using some of the value created to help fund the improvements that the community wants. Checklists can be used to assess both the physical and social capital, and toolkits have been produced that cover a wide range of options and draw on practical experience from elsewhere to help overcome anxieties about change. The *In Suburbia* partnership is one source of intelligence.²⁸ The Leeds case study demonstrated that extensive map-based information is now available to help local centres see how they fit into a bigger picture. However, it is still often difficult for adjoining authorities to collaborate, and so regional and sub-regional bodies, such as RDAs and county councils, have an important role to play. Ingredients include:

- identifying areas with significant scope for sustainable development, for example along transport corridors;
- finding sites with space for growth or the need for renewal;
- commissioning visions and strategic plans for moving the area forward;
- setting up mechanisms for collaboration across administrative boundaries, including neighbourhood management;
- sharing experience and building capacity through networks and learning activities (eg study tours);
- using techniques such as action planning and toolkits to make the process as cost-effective as possible;
- promoting civic pride, for example through English Heritage's characterisation studies and school projects; and

- identifying who should take the lead, and setting targets for implementation.

Portsmouth and Urban South Hampshire: Vision for Havant

The coastal towns of South Hampshire are very different from the prosperous historic and market towns in the rest of Hampshire, and have suffered from post-war expansion in sprawling suburbs, ugly shopping centres and an over-loaded road system. Concern that the state of the suburbs was being ignored led planners in Hampshire to promote a network for sharing experience and lifting standards, called *In Suburbia*.²⁸ The former council estate of Leigh Park in Havant has a population of around 26,000 and the area suffers from being stigmatised and cut-off from jobs and shops. With the support of the South East England Development Agency (SEEDA), efforts are being made to build up the capacity of the local community through SRB funded projects and an 'enquiry by design' project called *Creating Quality Places*. This involves a partnership between SEEDA, The Prince's Foundation, Havant Borough Council, Portsmouth City Council, Hampshire County Council and the Leigh Park community. Longer-term progress depends on the two neighbouring councils (Havant and Portsmouth) being able to work together effectively, for while Havant is the planning authority much of the land is owned by Portsmouth. A workshop involving local stakeholders and the consultants who had previously worked in the borough generated a new vision, which in turn helped attract funding under the government's *Liveability Fund* for proposals to transform Havant's main centres.²² The resulting document identified pilot projects or 'early wins' as well as some flagship projects that could turn the centres around within the medium and long terms.

Conclusion

There are a range of tools that can be used to deal with the challenge of bringing the benefits of urban renewal to second tier and smaller centres. However, the case studies and other research have shown the difficulties of generating and maintaining collaboration, given fragmented powers and responsibilities, under-resourcing, and the lack of robust financing mechanisms capable of convincing private investors that visions will be turned into reality. They also suggest that there is a need to share experience across local and regional boundaries. However, the overall conclusion must be that although some progress is being made in several second tier centres changes are needed at all levels of government if joined-up action is to be achieved on the scale required at a sub-regional level.

section 5

securing joined-up action

This enquiry has revealed a considerable amount of interest in ‘spreading the benefits’ of urban renewal beyond the centres of the main cities and in creating polycentric development or smarter growth. The last few years have also produced a wealth of policy guidance, and an abundance of visions, strategies and masterplans for individual centres. Yet, as the *State of the Cities* Progress Report points out, disparities continue to grow, and the performance of most towns and cities lags behind their European counterparts. Building truly sustainable communities seems ever more elusive, and house building figures continue to fall far behind what is needed. Hence the big question is how to go beyond studies to implementation on a significant scale and, in particular, how to overcome the shortage of resources of all kinds. Having confirmed the economic, physical and social value of having a healthy network of town and city centres in section 2 and brought out the limitations of current efforts to work across boundaries in section 3, we have illustrated the range of mechanisms that are being used to spread the benefits in different parts of the country in section 4. This final section sets out a number of actions that together could produce the step change that is needed, before suggesting how the LGA and SIGOMA might take the results of this enquiry forward.

Seven principles for a step change

Discussions with local councillors and officers and with a range of experts highlighted seven principles that can form the basis for concordats between public agencies aimed at spreading the benefits in the future:

- see town and city centres as assets to be nurtured and managed, not liabilities to be ignored or milked;
- focus more on opportunities and places that are at a tipping point, rather than just concentrating on the areas with the most acute problems;
- treat urban regeneration or growth as a holistic process to be promoted over a long period, not as a

machine to be fixed in one go with a simple replacement part;

- work with existing organisations and build their capacity and confidence, instead of expecting to solve problems through continual reorganisation;
- encourage interaction and partnerships, not competitive bidding and fragmentation;
- create a climate of confidence in town and city centres that will attract appropriate private investment and reduce the drains on future public expenditure; and
- keep things simple and minimise the number of targets and regulations.

Building lasting partnerships

There is no way that local authorities, regional development agencies or central government can achieve a step change on their own. They need to build lasting partnerships at a sub-regional level.

The enquiry has confirmed the importance of different levels of government working together to make many more town and city centres attractive to people with choice and attractive to investors. It would be wrong to suggest there are simple answers or to make precise recommendations. However, the conclusions from the enquiry could form the basis for further dialogue between government, the LGA and SIGOMA. They are organised under three themes: **developing the vision, finding new roles, and making faster progress.**

Local authorities

As Sir John Egan recognised in his report *Skills for Sustainable Communities*, the driving force for urban renaissance and sustainable communities has to be local authorities, as they control both planning and the delivery of many key public services.² However they do not control the key levers of transport and

economic development which have to be operated in conjunction with them. At present the pressures from both electors and central government make it hard to give priority to the difficult but key tasks involved in spreading the benefits of town and city centre renewal beyond the larger centres typically covered by Town Centre Management. Perverse incentives mean that unlike in the USA, where municipalities are motivated to grow both their populations and economic bases, British towns are encouraged to rely almost exclusively on central government for handouts. The *Lyons Inquiry* (following the *Balance of Funding Review*) offers an opportunity for radical change, provided that new sources of finance can be found.²⁹ However, at the same time, the *Gershon Report* is putting stress on cutting staff and expenditure, which could well rule out spending time on the kinds of work identified above.³⁰ So how are local authorities to respond? The answer must lie in finding ways of using the improvement of smaller or second tier centres to realise the objectives of both community strategies and the new Spatial Development Frameworks (SDFs). They should be following the model of European towns, where the town centre is the main source of civic pride. This may call for them to take the lead in encouraging local people and businesses to invest in the long-term future of their town centres, for example by being prepared to contribute to the costs of implementing agreed visions and strategies.

Regional agencies

The regional level, including RDAs, Government Offices, regional planning bodies and other public agencies such as English Partnerships, has a key role to play in ensuring that a longer-term and broader view of development prevails. Although the apparatus for regional planning is still in its early stages, European experience suggests that it holds the key to securing the 'joined-up planning' at the sub-regional level which is essential for obtaining the combined benefits from transport improvements, housing development and economic regeneration. However, instead of relying on national plans to

provide all the direction, it is necessary to foster strategic alliances in order to deal effectively with second tier centres and transport corridors. This means supporting long-term efforts to get towns and cities to work together. The Regional Centres of Excellence and the new national Academy for Sustainable Communities provide a means of bringing about a concerted change, by fostering new mindsets and new ways of working, and by transferring experience across regional and, where appropriate, national boundaries.

Central government

Government sets the climate and direction but it cannot expect to manage delivery. While it is customary in Britain to look to central government to provide both the solutions and the resources, most of the solutions need to come from the bottom up, particularly as far as second tier and smaller centres are concerned as they are simply too numerous to enter into a dialogue with the centre. Central government's main role should be to ensure that the conditions are right for local leadership, proactive planning and work to improve service quality and delivery, and in particular to ensure that there is a level playing field for private investment. The case studies show that the new planning systems are starting to produce the desired changes, but they need to be followed through with the resources to make a difference. Here the government's regional offices could have an important role to play once there is greater devolution of control over resources.

Developing the vision

1 Thriving networks of centres

Local authorities should recognise the importance of their urban centres in their community strategies and local development frameworks. Councils need to take the lead in defining the distinctive roles for different centres. They need to ensure that local aspirations and vision complement those of other neighbouring centres, and are developed collaboratively at a sub-

regional level to reflect existing and future economic relationships. These strategies can in turn provide the basis for public-private partnerships, masterplans or development frameworks, and action plans for specific neighbourhoods. Publishing agreed strategies and investment frameworks will help to create confidence for investors, secure higher standards of design and avoid conflicts, for example between residential and leisure uses. One immediate result should be an increase in the yield from the rates as empty or under-used properties are brought into better uses. The longer-term outcome would be vital and viable town centres, with many more people living and working in them.

2 Joined-up planning

Planning should no longer be seen just as a specialist profession, concerned primarily with land use, but as a series of skills and values that are shared by all those concerned with making our towns and cities better places. The new National Academy for Sustainable Communities has a key role to play in sharing lessons on how centres can be turned around and the skills that are required. Regional Centres of Excellence can play an important role in helping to spread skills in urban design and development economics to councillors and regeneration practitioners, so that there is a common language and greater trust. Techniques such as round-table conferences and study tours can help break down barriers and enable all concerned, including the private and community sectors, to take a more holistic view of town centres. The outcome would be better leadership and better quality places.

3 Culture change

We need to secure a change in the way we see both cities and planning. In effect, we need to behave a little more like Europeans, who take pride in all their centres, and less like Americans, who leave much more to market forces. Town centres should feel safe at all times and pedestrians should not be dominated by cars. This is crucial to making towns more liveable

and in moving to a knowledge-based economy where everyone feels well-connected. Europe can also be a source of learning about successful town and city centres, and Britain should use its Presidency of the European Union to promote this. In particular, better ways need to be found of enabling the different sectors and professions to work together. A change in culture would make planning more attractive as a career. It would also reduce conflict and lead to better quality schemes. The outcome would be better places throughout the country.

Finding new roles

4 Living places

Town centres are the best places to achieve sustainable development, using positive planning and design strategies. New ways must be found to fund improvements to the public realm, and councils need to be able to fund and deliver local solutions, for example by capturing some of the increase in land value from new development to fund infrastructure, perhaps through a planning gain supplement or a wider use of prudential borrowing powers. By combining action on transport, planning, regeneration and community development, local authorities can succeed in stemming population loss. They will also get much better value from capital assets such as schools and other infrastructure. The outcome would be that many more people, including families, would choose to live at higher densities in and around town centres.

5 Learning communities

The enquiry has highlighted the importance of social capital as well as physical capital in enabling disadvantaged communities to benefit from urban renewal. Government can use investment in second tier town centres to build more cohesive communities and to break down social and racial barriers. The government is in a uniquely powerful position to use both the educational and health systems to help achieve this. By encouraging colleges, primary health

centres and sports facilities to expand within walking distance of the town centre, government can breathe new life into them. This could also help to provide constructive activities for young people and to reduce car use. The longer-term outcome would be healthier and better qualified people as well as better centres.

6 Ladders of opportunity

Thriving town centres have a crucial role to play in expanding training and 'stepping stone' jobs in locations that are accessible to all. The expansion of sectors like health or the evening economy may fill some of the gaps left by industrial decline, but this depends on avoiding places becoming 'no-go areas' while all the growth takes place out of town. Business Improvement Districts and Community Action Zones, as well as improvement to local transport services, could help to create links between disadvantaged areas and sources of work in town centres. The outcome would be an increase in the numbers of people taking training courses and obtaining better jobs.

7 Safer streets

Town and local centres need to be the main focus for the *cleaner, safer, greener* agenda. People living in disadvantaged areas can easily lose out from urban renewal, as the benefits do not trickle down by themselves. Funding and sustaining street improvements requires better co-ordination of local services, measures to give people priority over cars, and real community engagement in the improvement process. Further work is needed on how to balance the interests of cars and pedestrians in smaller centres and on reducing litter and disorder, including the use of 'interim improvements' in areas undergoing renewal. The benefits will come from rebuilding confidence and pride of place, and reducing the pressures for 'urban exodus'. The outcome would be a fall in the number of minor offences and a reduction in the fear of crime.

Making faster progress

8 Charters and concordats

RDAs should take the lead in getting the different professions and public agencies, including highway authorities, to commit themselves to working together to upgrade the public realm in the hearts of our towns. Themes might range from Saving Our Streets (English Heritage's current campaign) to revitalising waterfronts or railway stations. Town charters can provide a tangible output, generate enthusiasm and support among a wide body of interests, and help overcome the barriers of institutional inertia and professional rivalries. They should be enshrined in LAAs³¹ and in the work of LSPs. The outcome would be more effective joint working and higher levels of investment.

9 Integrated transport strategies

Greater control over transport budgets needs to be devolved to the regional and local levels in ways that stimulate greater private investment. Change needs to be promoted at the level of the city-region, or employment catchment area, to make public transport a more attractive alternative to the private car. Tools include control of development densities and parking standards and charges. This should include promoting the increased use and refurbishment of the railway stations, which were once the hubs of most town centres. Agreed strategies could provide the basis for raising private finance through some form of infrastructure company, provided that the local authorities were able to benefit from the resulting increase in land values. The outcomes would include less congested roads and reductions in energy consumption and pollution.

10 Smarter local finance

Better value from public expenditure lies at the heart of any moves to devolve power. New ways must be found to finance local services that do not depend on

competitive bids to government or complex formulas because these can undermine joint working at the local level. The most important single step would be to provide local authorities and regional agencies with both the means and the incentives to nurture their town and city centres. Smarter local finance also implies providing local authorities with a greater share of the surplus generated from rising property values, including that due to the success of their town centres. The outcome would be an upsurge of private investment in second tier towns and more sustainable development.

Possible ways forward

There are four main ways in which the LGA and SIGOMA could provide a lead for taking these conclusions forward:

1 Dialogue with government

In the on-going discussions between government and local authorities on a huge range of subjects, it is important that the LGA is able to present coherent and evidence-based proposals for change. Current opportunities include providing evidence to the *Lyons Inquiry*; proposals for devolving control over part of the transport budget; implementing the Sustainable Communities Plan; and the general debate on the future structure of the governance and functioning of city-regions.

The initial report of this project together with these findings from the enquiry should provide a good basis for negotiating changes that go beyond and build on the work done by the Core Cities. This report offers a simple framework for assessing progress and proposals for using the potential that exists within a large number of town centres to help implement a range of national policies. There is scope to develop the kinds of relationships that the Core Cities have built up through joint working between the ODPM and the LGA, for example in taking forward conclusions from the forthcoming *State of the Cities* report.

2 Action research for the Northern Way and Smart Growth: the Midlands Way

Commitments to test out the ideas of city-regions and to secure more collaborative working between authorities provide a good chance for developing strategies for networks of centres, and for applying the tools and good practice set out in section 4 of this report. Areas like the Leeds city-region or Northamptonshire and the South Midlands Growth Area raise huge issues about how neighbouring authorities can work together in developing complementary roles, and in linking development to the upgrading of transport infrastructure. There is a strong case for supporting an action research network in certain regions to link similar projects, as for example has happened successfully with the Association of Town Centre Management's *BID Pilot* projects and with the Small Business Service's *City Growth Strategies* projects.

Relationships with authorities that are playing a pioneering role could provide demonstration projects on how city-regions can be made to work and for testing out new approaches to funding such as LAAs. This could lead to guidance from the LGA on overcoming the barriers to collaboration and the full use of existing powers.

3 Work on local finance

Many urban local authorities are keen to have greater autonomy and are looking for new sources of finance that can be locally determined. The enquiry has touched on a range of possibilities, from tapping the increase in land values generated by new infrastructure, for example in the West of England, to using parking charges as a way of securing a more level playing field between town centres and out-of-town developments. This report also suggests shifting the burden of rates to provide incentives for bringing empty property back into use and for encouraging enterprise growth in areas of weak demand.

The Treasury is looking for proposals that will win the backing of all parties and support the emerging spatial and economic development frameworks. The LGA and SIGOMA could play an important role in this. This report provides some examples of how new funding mechanisms might work and further proposals have been made elsewhere. These might, for example, be used as the basis for a conference to examine radical options, including discussion of foreign experience in upgrading infrastructure and linking it to development.

4 Policy research on devolution

The biggest issue of all raised by the report, and at the LGA and SIGOMA conference in May 2005, is how to promote and sustain confidence through stronger local leadership. Securing joined-up action should be easier if there is greater devolution of powers. This needs to be linked to further changes in the way local government operates, but without incurring the costs and disruption of wholesale reorganisation.

Providing the evidence is essential. More probing comparative research is needed than has been done-to-date. While it is undeniably true that European cities have often outperformed British cities it is not clear how far this is due to devolution or to other factors. There are also concerns over whether a move towards concentrating resources on areas of opportunity would lift overall performance or further increase inequalities. By comparing similar places that have made real progress on all fronts it should be possible to draw conclusions that are robust enough to overcome the sceptics.

Conclusion

The enquiry has revealed a range of tools for 'spreading the benefits' of the renewal being experienced in major town and city centres to the next level of centres, as well as a series of obstacles to bringing this about. While some progress is being made, the key issue remains of how to get commitment and funding for the concerted actions that are required on many fronts at a level where direct access to central government (whose departments control virtually all the funding streams) is not feasible. The success of the Core Cities should provide the inspiration for developing long-term collaboration between neighbouring authorities and the range of agencies involved in planning and development. Although there is considerable private investment to be tapped, it will only go where the rewards outweigh the perceived risks. This requires co-ordinated long-term action to boost liveability, connectivity and productivity in many town centres, not isolated projects and short-term programmes. To help bring this about, the LGA's Urban Commission and SIGOMA should work with the government and with other national and regional bodies to take forward the conclusions set out in this report.

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