

Foundational Economy Research

**Small Towns, Big Issues:
aligning business models,
organisation, imagination**

Report by Foundational Economy Research
for Yr Is-adran Cartrefi a Lleoedd / Homes and Places Division
Llywodraeth Cymru / Welsh Government
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Contacts for this report:

Karel Williams: williamskarel@hotmail.com

Colin Haslam: haslams_all@hotmail.com

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Executive summary

Future Wales: the National Plan 2040 develops a new vision of environmentally responsible, spatial development around compact centred towns with active travel and local facilities. How can the new vision be turned into practice, when for the past 30 years Wales has mainly built edge and out of town, monofunctional, low density developments where the car is a default necessity for work, retail and leisure? (pp.12-13).

The problem is not a narrow one of town centre regeneration after the decline of retail, but a broader one of towns in their car dependent hinterlands. The problems and possibilities are focused by considering three relatively small towns: Bangor, Haverfordwest and Bridgend. Despite their differences, all face the same problem that the business models of the main actors shaping our towns threaten to undermine delivery of Welsh Government's new vision and the good intentions of local authorities (pp.13-14).

After defining key terms (pp.15-16), the report is structured in 4 parts.

- Chapter 1: How Bangor, Bridgend and Haverfordwest work as towns in a hinterland, and what this tells us about basis for (and obstacles to) town centre regeneration.
- Chapter 2: What town centre regeneration has already taken place in the three towns and how this highlights the preconditions of local agency.
- Chapter 3: How Wales has a planning led system for managing new developments, but the business models of the big players drive development.
- Chapter 4: Some practical proposals for adding imagination, organisation and new business models so Wales can scale good development and slow bad development.

Chapter 1: How Welsh towns work and the consequences for town centre decline and renewal

The focus is on towns in their hinterland and the structural factors that have progressively disadvantaged town centres since the 1980s. Transactional activity for work, leisure and retail has shifted from town centre to edge of town, car served, low density monofunctional spaces like the business park, retail park or owner occupier estate, creating a new, polycentric pattern of movement (pp.17-18).

Bridgend town centre is just off M4 junctions 35 and 36 and that location works to the town centre's disadvantage. Much of South Wales is within 30 minutes' drive time of the Designer Outlet at junction 36 and non-food edge of town retail has nearly three times as many visitors as the town centre. Junction 35 leads to the industrial estates on the south east edge of town which have one third of the town's employment. The residential new build is in out-of-town, middle-income estates like Coity (pp.18-28).

Haverfordwest is a compact market town with a 360-degree catchment from smaller towns in the Pembroke peninsula and a solid employment base in health, education and public administration. There is the usual pattern of car-based commuting to work but only one

major, edge of town retail site, which has done limited damage to the town centre. The compact centre retains a good share of retail activity accounting for more than 40% of non-food retail visits (pp.28-34).

Bangor is a university dominated town built on a narrow coastal strip and skirted by the A55 expressway. The town centre gains less than it should from substantial middle-income employment in education and health and a large visitor catchment. Many workers drive in from either side of the Menai Straits and shop on their way out. Maesgeirchen, a large out of town social housing estate, is semi-detached, with less than one fifth of its working residents employed in the town centre (pp.34-43).

In all three towns, automobility has brought a new socio spatial pattern with edge of town better placed to capture car based movement. This has contributed to town centres becoming more socially disadvantaged places where lower income locals shop. But there is everywhere a basis for town centre renewal. All the town centres are sociable places which have longer dwell times than the more transactional edge of town sites where visitors typically stay for less than an hour and visit one to two shops; and there is an existing active travel base when one third or more of the visitors to all three town centres come from within 10 minutes walking distance (pp.43-46).

Chapter 2: Renewal and local agency in the three towns

To what extent can local actors with agency create impetus for urban renewal? Interviews with local authorities, Welsh government regional teams and others highlighted the importance of local structural factors and organisational capacity which depends on four key preconditions (pp.47-48).

- A shared vision which connects to place and mobilises different actors.
- Stakeholders organised into an alliance capable of delivering a stream of coherent projects.
- “Projects plus” which are more than buildings because they connect to different communities and have a social dimension.
- A small executive group of “sherpas” which works continuously on developing and progressing projects.

Bangor has some momentum from town centre developments like the new centre for Nyth Community Theatre. but is not organised to sustain momentum. Edge of town development continues with the move of the Further Education College to Parc Menai and plans for more out of town housing. The future depends on an explicit commitment from the University and community engagement in developing a shared vision (pp.48-52).

Haverfordwest shows how a local authority with limited resource can self-organise to lead renewal in a way which is responsive to the needs of different local communities. A stream of projects, from the Riverside Library to the Haverhub Community Centre, strengthen social

and cultural use of the town centre and open up a riverside corridor. But there is a blind spot about the need for housing in town and how to integrate edge of town new build into the vision (pp.52-56).

Bridgend is seriously challenged by live-work-spend-do disconnects, which make it difficult for the local authority to build an alliance for change. The local authority sees the planned relocation of the further education college and a new town centre masterplan as a way of create momentum for change. But this does not engage the established problems of dispersion while private development continues to push in that direction with low density, car dependent, major residential developments under consideration (pp.56-60).

All the towns are differently placed and it is easiest to develop organisational capacity in towns like Haverfordwest where structural conditions are least challenging. Nevertheless, all three towns are making progress with the provision of social infrastructure like cultural centres or health centres, but none have large scale projects for housing in towns which are necessary if revitalised town centres are to have more active travel. In addition, the local authorities, like Welsh Government, remain narrowly focused on the immediate problem of their town centres and have a blind spot about how competition from repurposed edge of town retail units is a big upcoming issue (pp.60-61).

Chapter 3: What planning can do

Since 1990 Wales has had a “plan led” system whereby permission for new development has to be coherent with a local development plan to ensure the right development in the right place. But our three towns and much of Wales have ended up dispersed and polycentric because the pattern of development has been driven by private developer priorities (pp.62-63).

New build housing illustrates the problem. The process of preparing a Local Development Plan begins with a call to would be developers to propose candidate sites from which the local authority can choose those which meet local housing need. The initiative is then with private developers which account for more than 85% of the new housing built in Wales over the last 40 years (pp.63-65).

Sites proposed by private developers reflect the business model consideration that edge of town and out of town development of all kinds (retail, office and residential) is generally more profitable and less complicated than in town development. Hard financial logic pushes towards dispersion and against the centred communities vision in *Future Wales: the National Plan 2040*, which does not engage with the complexities of containing this financial logic while managing polycentric realities (pp.65-67).

Insofar as Welsh Government has a policy against polycentrism, it relies on the Town Centres First principle whereby in all new, large scale developments precedence should be given to town centre sites. But going forward this will apply mainly to occasional public sector relocations by not for profits like further education colleges which are sensitive to cost and can often plead there is no suitable central site (p.67-71).

More generally, the major upcoming challenge of the 2020-2040 period is not new build but managing the re-purposing and reuse of existing buildings. In housing, for example, Wales has serious problems about the energy efficiency of its aged housing stock and these problems will be compounded by a growing mismatch between the available housing stock and the housing needs of an ageing, relatively low-income population (pp.71-76).

If planning alone is not enough, it does have a major role and needs to become more agile and flexible in support of the high-level vision in *Future Wales: the National Plan 2040*. Specifically, local planners should urgently review designated primary retail areas within town, creatively use General Permitted Development Orders to allow trials of alternative uses and explore the potential of Local Development Orders for facilitating large scale development by giving in principle permission for certain types of development (pp.76-79).

Chapter 4: Urban renewal through imagination, organisation and new business models

If local agency and progressive planning policies are necessary but not sufficient conditions of transition, Welsh Government needs a suite of coordinated urban renewal policies and an understanding of the current business model constraints. This chapter makes practical suggestions to encourage policy debate but starts by looking at the business model constraints (pp.80-82).

The business model constraints will produce more pepper potting in the absence of a credible private business models for large scale town centre renewal. The problem is that the market value of newly refurbished or rebuilt property is below the renewal cost incurred. So some small owners of retail property in town centres will be left with stranded assets and financial value creation will often depend on taking a neighbourhood not a single unit approach to redevelopment (pp.82-84).

The business model incentives to do the wrong thing at the edge of town are strong. Off roundabout housing is highly profitable and the leading large private housebuilders have been making a 20% return on capital since 2015. Fund and corporate owners of edge of town retail parks will respond defensively to retail retreat by accepting lower rents to limit voids and actively seek non-retail uses for large bay units, which are relatively reusable and easily reached by car with convenient free parking (pp.84-88).

The motive to break out from these constraints is a new imaginary that extends what is thinkable and doable in towns. Welsh Government should sponsor small scale experiments which deliver fragments of a future that works differently: through a competition for low cost refurbishment; by sponsoring several high-density new model urban developments; by creating a challenge fund for social enterprise and other imaginative projects in town centres. At the same time, it is important to raise the bar for all developers by overhauling the framework of technical requirements for new build (pp.88-92).

Delivering a local, place specific vision for urban transition then depends on organisation. In some larger towns with addressable problems, we recommend. the creation of formal

Renewal Associations. Generally, Welsh Government and Local Authorities should use their legitimacy and resources not to direct but to coordinate and empower: by getting major local corporate actors like public employers and health associations to develop and buy into a shared vision; by enabling community actors who can take a lead in coproducing social outcomes; and by enlisting citizens and civil society groups in deliberation that frames priorities as well as consultation on decisions (pp.92-95).

With imagination and organisation in place, towns could get a proper local return from national policies which tackled the primary financial problem and tilted the balance of business model incentives towards repurposing town centre fabric and away from edge of town capture of relocating activities (pp.95-100).

- In edge or out of town retail parks, allow conversion of units for non-retail uses only when facilities like gyms, shared workspaces, health centres and such like serve an edge of town neighbourhood purpose.
- Levy per hour charges or business rates on every marked, publicly available car parking space in edge of town retail parks to create a significant fund for the support of in town social infrastructure.
- Recognise Section 106 and other levies on new build have raised little money to date and consider also levying an urban renewal charge through the rates on all existing buildings; on the same principle as electricity bill charges for green policies that will benefit future generations.
- Lobby Westminster for designating town centres as renewal zones with a suite of tax concessions including zero business rates and no VAT on building refurbishment to divert activity and reduce costs for developments that contribute to the *Future Wales* vision.

These reforms could attract all kinds of funders of urban renewal, including local authority pension funds following the 2017 guidance on social obligations. But can Welsh Government develop a coordinated suite of policies (p.100)?

Key messages from this report

Much urban renewal policy is doomed to failure because it does not engage place specifics and avoids business model issues. But it must also be said that a report like ours, which does engage specifics and financials needs an analytic summary of the key messages from this report and shows how big issues relevant in many places outside Wales are framed by our analysis of three small Welsh towns.

Structural analysis: big ideas from how small Welsh towns work

- Welsh towns combine dense multi-functional areas especially in their centres and spatially dispersed low-density areas composed of large monofunctional zones. The old industrial and social housing estates have since 1980 grown with the edge of town addition of retail parks, business park, off roundabout housing etc.
- When 80% or more of households have at least one, the car is the primary means of transport and automobility has enabled work-live-spend-do disconnects (with two income households living in one place, but shopping and working elsewhere in different places); “drive to” connects both dense multifunctional areas and dispersed monofunctional areas.
- Within this new polycentric order, edge of town and out of town destinations are easier to reach by car and have become favoured locations, not because of conviction but due to convenience when they are the default choice of many time-poor households.
- Town centre footfall is primarily sustained by an inner circle or doughnut of poorer residents for whom town centre shopping and socialising is a functional choice because they live within a 10-minute walking distance.

Strategy implication: big ideas about renewal from small Welsh towns

- Town centre renewal depends on remaking work-live-spend-do connections in and around town centres to increase the number of households and the diversity of social groups for whom the town centre is the easy, default option for shopping, visiting and socialising.
- The development of edge/out of town retail parks and the acceleration of online shopping creates a more important role for social, cultural, public service and shared workspace uses to drive footfall in town centre. These facilities will need to be sustained by new high density residential developments in the town centres, while protecting the space needed for the relation and work uses.
- Edge of town retail parks will be looking to repurpose retail units for non-retail purposes; and this re-purposing will need to be governed otherwise edge of town sites will compete successfully to further divert activities from town centres.

- Renewal strategies need to consider edge of town neighbourhoods as well as town centres. Some facilities have to be centralised while others are distributed as policy makers must try to replace the current car based polycentrism with an active travel based polycentrism.

Renewal analysis: what Welsh towns are doing right and wrong

- Post-retail town centre renewal which goes in the right direction (towards community and public service centres) is happening in Wales. But, in parallel, planners are considering new edge of town housing developments, which will strengthen existing out of town retail, leisure and employment poles and continue to normalise car based lifestyles.
- There is a fundamental contradiction between (a) the planning system which pushes in the direction of compact town centres, contiguous live/work/ spend and active travel and (b) the business models of private actors like housebuilders which push in the opposite direction for dispersed, edge of town, car-based developments which are cheaper and easier.
- Town centre renewal is more successful when: a) it materialises through a stream of “projects plus” whose facilities engage different communities; b) major stakeholders and community groups are enabled to articulate and reconcile their objectives; and c) a small regeneration team drawing on many skills works continuously on project delivery and development.
- The difficulty of town centre renewal varies greatly from town to town for structural reasons related to population size, community participation, local stakeholders, geographical position and the extent of out of town developments etc. This means that local agency can generate momentum in some places, while in others this will depend on drawing in external resource and building effective alliances.

Delivery implications: how to tilt the balance towards in town regeneration

- Unless business models are changed to align the objectives of the planning system with the financial incentives for developers, little renewal in town centres will happen and edge of town will capture a large share of new non-retail activity.
- New public interest business models are needed which can enable rebuilding and repurposing in town centres so to create a) new attractive, high-density housing at scale and b) new social and community facilities in town centre.
- Stronger financial and regulatory constraints (e.g. out of town car park levy, restrictions on car based out of town developments) are necessary to impede out of town developments which support car based lifestyles.
- There needs to be a strategy for the creation of district centres beyond town centres which promote active travel based lifestyles in edge of town areas.

Introduction: the new vision of sustainable spatial development for Wales, the role of town centres and the problem of implementation

Context for the study

Wales has set itself a new direction of travel in relation to spatial development and sustainability, with the publication of *Future Wales: The National Plan 2040*,² in February 2021. Deepening and expanding on the previous National Development Framework,³ Wales has decided to place a stronger emphasis on environmental sustainability and social justice in its planning system in line with the forward-looking *Wellbeing of Future Generations (Wales) Act 2015*.

A stated aim for Welsh Government in its spatial strategy is ‘building sustainable places that support active and healthy lives, with urban neighbourhoods that are compact and walkable, organised around mixed-use centres and public transport, and integrated with green infrastructure’.⁴ Town centres will have a key role to play in realising this strategy by concentrating residency, employment, leisure and retail in compact, high-density zones connected to public transport and active travel infrastructures. Welsh Government is conscious of the importance of town centres, and with the Town Centre First principle it has added a new major requirement that ‘significant new commercial, retail, education, health, leisure and public service facilities must be located within town and city centres’.⁵

In international terms, this new insistence on town centres and mixed use, post-car living follows established Scandinavian and Dutch best practices, which are now going global. The principles of compact, centred settlement with local facilities fits with recent ideas characterised as the 15-minute city of district towns, as promoted in Paris by Mayor Hidalgo and her chief architect Carlos Moreno;⁶ and with the concept of the 20-minute neighbourhood, originating in Portland, Oregon, adopted in Melbourne⁷ and now also part of the Scottish discussion around town centre renewal.⁸ The language and direction of Welsh

² <https://gov.wales/future-wales-national-plan-2040-0>

³ Note: Adopted in 2004, *People, Places, Futures - The Wales Spatial Plan* was updated in 2008. The updated version is available here: <https://gov.wales/sites/default/files/publications/2019-05/people-places-future-the-wales-spatial-plan-update-2008.pdf>

⁴ Note: Update to Future Wales National Plan 2040, p.65: ‘Policy 2 – Shaping Urban Growth and Regeneration – Strategic Placemaking’. This policy includes 7 principles: mix of uses, variety of housing, walkable scale, density, street network, plot-based development and green infrastructure. <https://gov.wales/sites/default/files/publications/2021-02/future-wales-the-national-plan-2040.pdf> .

⁵ Source: Future Wales: The National Plan 2040 p. 71.

⁶ <http://www.moreno-web.net/the-15-minutes-city-for-a-new-chrono-urbanism-pr-carlos-moreno/>
<http://www.moreno-web.net/urban-proximity-and-the-love-for-places-chrono-urbanism-chronotopia-topophilia-by-carlos-moreno/>

⁷ <https://www.portlandonline.com/portlandplan/index.cfm?a=288098&c=52256;>
https://www.planmelbourne.vic.gov.au/data/assets/pdf_file/0003/509736/Brochure-January-20-min-neighbourhood-2019.pdf

⁸ <https://www.gov.scot/publications/new-future-scotlands-town-centres/>

strategic documents suggest that the national vision incorporating sustainability and sociability shares many of these aspirations. In principle, the compact settlement with local services could be applied in towns and larger villages. Indeed, the 2020 report of the Future Generations Commissioner includes the recommendation that Government should ‘Commit to introducing the 20-minute neighbourhood concept for all towns and cities in Wales; creating healthier, happier communities fit for a zero-carbon future’.⁹

The big question explored in this report is whether Wales currently has the tools to deliver on this ambitious vision. This is a crucial question because spatial development in the 1980s, 1990s and much of the 2000s has gone in exactly the opposite direction of what Future Wales: The National Plan 2040 now advocates. Like England and most other European countries over the past 30 years, Wales has mainly built edge and out of town monofunctional, low density development, where the car is a default necessity for work, retail and leisure (not a positive choice).

The successful renewal of towns requires unprecedented policy co-ordination between different parts of Welsh Government, as well as with other public agencies, to align and deliver on strategic objectives. However, that will not be sufficient. Achieving some scale in delivery will require the private sector to put its skills and finance into this radically different spatial and social project. And, at the same time, energised community organisations and public service providers will need to become drivers of structural transformation beyond prefigurative experiments.

Before this can happen, we will need to ask and answer several important questions. Will a focus on town centres be enough to renew and rebalance Welsh towns? Where are the limitations and constraints that the private, public and third sectors encounter in realising the new vision of spatial development set in Future Wales: The National Plan 2040? And, while the vision for the future of Welsh towns takes shape at national policy level, what has already taken place on the ground locally in Wales; and what can we learn from existing experiments in town centre regeneration?

These are the issues at the heart of this report on Welsh town centres. The focus is on how to transform the new vision of sustainable spatial development into practice, given the development legacy of the last few decades. We explore the problems and possibilities by focusing on three towns, Bangor, Haverfordwest and Bridgend. These towns are of different sizes, located across Wales and with distinctive economic bases. Yet despite their differences, all three face the same big problem when it comes to town centre regeneration. The problem is that the business models of the main actors shaping our towns point in a different direction to that envisaged in government strategy and policy guidelines of the Welsh planning systems. This threatens to undermine delivery.

⁹ Source: https://www.futuregenerations.wales/wp-content/uploads/2020/07/Chapter-3_-A-Wales-of-Cohesive-Communities.pdf, p.3.

The report is structured in four parts.

Chapter 1: A structural analysis of how Bangor, Bridgend and Haverfordwest work and how this affects the town centre dynamic, ending with a discussion of the big strategic policy ideas for town centre regeneration.

Chapter 2: An analysis of the existing processes of town centre regeneration already taking place in the three towns, ending with a discussion on local agency.

Chapter 3: A critical analysis which looks at planning in Wales as part of a broader and more complex problem of place making where the business models of the big players matter.

Chapter 4: What needs to be done to scale up good development, find solutions for the existing built form and resist bad development in Welsh town centres and towns more broadly.

Methodology, data sources and key concepts

Discussion of town centre decline and renewal is often presented as a problem focused on retailing (and what replaces it) in town centres. The analysis in this report goes a step further to look at town centre decline and renewal as a broader territorial question of how towns and their hinterlands function. The central idea is that to understand the development of town centres we need to consider towns and the broader hinterlands in which they are embedded.

This orientation results in a focus on the structural features that shape towns and their hinterlands, including social geography, the built environment, transport patterns, planning systems and the business models of the main actors who drive development. Towns can be built, changed and adapted over time with logics and path dependencies that reflect several factors: the hard structures of the built environment; the lifestyles of residents; the planning system; and the business models and decisions of those who are able to shape its development. Understanding these underlying structures that make a town 'work' is therefore key to understanding how we have arrived at this point and what needs to be changed if we want different things to happen.

The focus on these structural elements has informed our choice to limit most of the empirical analysis to the pre-pandemic period. Covid-19 restrictions have already greatly influenced shopping and social behaviours more broadly. But, while it is clear that Covid-19 will have consequences on Welsh towns and their centres, it is very unclear at this stage what *structural* consequences it will have. The analysis therefore focuses on the established structural trends and phenomena that have shaped Welsh towns. It is also the case that post-Covid-19 outcomes will partly be shaped by key actors in regeneration and development, who need to respond to both the longer-term shifts and to acceleration of existing trends such as the acceleration of online shopping caused by the pandemic. The analysis of town centres in this broader context draws on a variety of sources. We have made extensive use of official statistics, which are open access and allow comparisons over time. The analysis in chapter 1 draws in particular on the Nomis database provided by the Office for National Statistics (ONS)

from which comes data on travel to work and employment. These sources allow great insights into structural trends but they are often not up to date (a particular problem for data that comes from the 2011 Census), nor are they always comprehensive.

Official statistics are therefore supplemented by big data to provide complementary insights. With Welsh Government support, this research has been able to draw on two key sources. First, mobile device location data from Ellandi covers movements across areas and footfall at a micro level; here, we commissioned usage data on each of the three towns specifying key retail sites in town centres and edge/ out of town. Second, real estate data from CoStar covers commercial property rents, transactions and occupancy, as well as allowing us to understand the demographic catchments of key retail sites in the three towns.

If information coming from big data sources has proved very useful in understanding the outcomes of the structural factors shaping the development of towns, we should also be clear that we are not uncritical enthusiasts for big data driven analysis and policy. Big data driven approaches to urban development (as in the smart city approach) can generate problems of information overload and community disempowerment.¹⁰ But, provided a good conceptual frame is used to guide the analysis and interpret the results, big data can deliver a granular knowledge which greatly expands existing understanding of towns and cities derived from official statistics and interviews. Private companies are already using big data for commercial purposes: it is time that policy and the social science used this data in creative ways for the public good.

The report has tried to avoid technical and academic jargon as far as possible. We use several terms and concepts to discuss towns and their development, which should resonate with policy makers and the broader public alike. Nonetheless, to avoid confusions and misunderstandings, these terms require some preliminary definition, as outlined below.¹¹

- Town centre: the core of the town which has developed around the main high street(s) and public spaces (a riverside, a town square etc.) within an 8-12 minutes on foot radius depending on the size of the town and physical boundaries such as rivers, railways and main roads. Beyond shopping and major cultural and social venues, the town centre can also include employment and residential sites. Ten minutes on foot is widely regarded as a good average threshold for pedestrian accessibility in tune with busy modern life, and a pedestrian perspective on the town centre is essential for thinking about sustainable renewal.

¹⁰ Note: These problems have been summarised in slogans such as ‘smart city, dumb people’ or conceptualised in more academic terms as ‘stultification’.

<https://www.theguardian.com/cities/2020/jan/15/the-case-for-making-low-tech-dumb-cities-instead-of-smart-ones>

<https://cityterritoryarchitecture.springeropen.com/track/pdf/10.1186/s40410-018-0098-0.pdf>

<https://www.archdaily.com/576480/rem-koolhaas-asks-are-smart-cities-condemned-to-be-stupid>

¹¹ The defined town centre and town centre retail core used for analysis of the three towns in this study may not follow the boundaries defined in the Local Development Plans of those towns.

- **Town centre retail core:** a subset of the town centre, comprising the main shopping streets and shopping centres, which typically have a concentration of retail, leisure and hospitality.
- **Edge of town:** the neighbourhoods, residential areas, employment poles and retail parks spatially located at the outskirts of towns and cities. The edge of town can also include relatively small, semi-detached settlements, which are close, and effectively part of a town yet separated by small, greenfield sites and infrastructures. Our concept of the edge of town excludes larger settlements, which are divided from a main built-up area by major greenfield sites and sizeable infrastructures.
- **Hinterland:** an area of influence and co-dependency in relation to a town centre. Hinterland refers to a collection of spatially detached settlements, which are connected on an everyday basis via car commuting and other kinds of trips (for shopping, leisure or access to public services like healthcare) to a main town within a 30-minute drive time. The use of a 30-minute threshold comes from business and retail studies, which recognise the central use of the car and use the 30-minute drive time to identify the 'natural' catchment of shopping centres and retail parks.
- **Neighbourhood:** while the concept of the neighbourhood can be used with reference to identity and community, we adopt a spatial definition. In this report, neighbourhood refers to particular parts of the built-up areas of towns and cities, where there is spatial overlap of work, live and shop. Neighbourhoods are typically mixed-use areas where, within 10-15 minute walk, there is housing, employment and social infrastructure, representing the three key functions which make a town.
- **Monofunctional zone:** if neighbourhood is about mix, with monofunctional zone we refer to built-up areas of substantial size – as over a 10-minute walking radius – which are disproportionately dominated by one function so that there is little overlapping of different functions. Shopping centres, industrial estates and large public services sites, e.g. a big hospital, are regarded as monofunctional zones in this report. So too is a large residential suburb with little more than a convenient store and a primary school.

Chapter 1: How Welsh towns work and the consequences for town centre decline and renewal

1.1. Understanding town centres as a structural question of how town and hinterland work

There is a general understanding from policy, media, academia and business insiders that town centres are declining all across Wales and the UK. This mainly reflects the decline of their retail core, typically taking the highly visible form of empty buildings and reduced footfall.¹² The two most common explanations for the decline of town centre retail are the expansion of online shopping and the convenience of relatively recently developed alternative edge and out of town sites. Covid-19 is generally viewed as having accelerated the move to online retailing, though its overall and long-term impact on town centres is mixed and still uncertain.¹³ Taking the long view, it is important to understand why edge of town shopping centres and online shopping have grown at the expense of the town centre retail core: this helps to understand the underlying causes and outlines the scope for policy interventions which could strengthen town centres.

The first chapter of the report therefore takes a deep dive into the ways that economic, social, transport and spatial structures influence the trajectory of town centres, using Bangor, Bridgend and Haverfordwest as illustrations. The aim is to highlight underlying structural factors and trends, which have progressively disadvantaged town centres. The focus will be on the competition between town centres and edge of town retail parks because the development of these places is controllable by local policy. Online shopping is treated as a background factor because it is a global phenomenon which local policy cannot directly influence, though the perceived attractiveness of specific town centres might affect the extent to which they can thrive as spaces for both transactional and more social activities.

The general argument underpinning this chapter is that the current problems of town centres are not simply caused by internal dynamics, but are the result of deeper social, spatial and transport trends. These trends have created new relationships between towns and their hinterland so that there are new sites have developed which are mono functional in that they do not have multiple functions. Over time, many transactional activities (e.g. work, leisure, shopping) have shifted from the town centre to car accessed edge of town sites; and these developments have expanded to the point that they now compete with town centres. It is

¹² Note: See, for example, <https://publications.parliament.uk/pa/cm201719/cmselect/cmcomloc/1010/1010.pdf>
<https://www.theguardian.com/cities/ng-interactive/2019/jan/30/high-street-crisis-town-centres-lose-8-of-shops-in-five-years>
<https://www.walesonline.co.uk/news/wales-news/demise-llanelli-how-out-town-15747401>
<http://www.vanishinghighstreet.com/wp-content/uploads/2016/03/GrimseyReview04.092.pdf>

¹³ Note: The extent of the impact of Covid-19 on specific town centres reflects a range of factors, including their reliance on commuters rather than residents: larger towns and cities have been disproportionately affected by the absence of workers, while some smaller places have experienced benefits from residents staying local. Long term effects will partly depend on shifts in patterns of working and commuting.

within this polycentric and dispersed re-formatting of living-working-shopping-doing that we can understand and address the decline of town centres. At the same time, this opens up the opportunity to tackle the wider challenges of managing down car usage, protecting natural ecosystems and promoting well-being and social justice, as proposed in Future Wales: The National Plan 2040.

In Wales and the UK more generally, the edge of town is mostly a post-1980 development, comprising a mix of different and separate, mainly low-density and monofunctional spaces. They include new private residential developments, edge of town retail strips, off roundabout supermarkets and off junction business parks, all with good road access and adjacent car parking. These spaces have expanded to incorporate legacy edge of town social housing and industrial estates from an earlier period and to absorb outlying villages and smaller centres as car using commuters move in. Edge and out of town relocations of major public facilities such as hospitals and colleges have compounded these hybrid spaces so that now the edge of town contains segregated living, working, leisure and shopping infrastructure.

These edge of town developments have generally arisen in a piecemeal way. While they collectively involve the key ingredients of living, working and shopping/ leisure, these areas are fragmented, not integrated in the way that can be possible in a town centre that has historically evolved around pedestrian mobility. The private car provides individual convenience, allowing access to these fragmented sites within the hinterland for living, working and shopping. Those without a car can suffer considerable inconvenience as public transport has incomplete coverage and distances are often too great for easy active travel. Sites on the edge and out of town all have car parks, which are essential for both workers and visitors, given limited public transport connectivity, and encourage car use as default. As the hinterland develops, this changes the dynamics of the wider urban area, so that the town centre can then appear less accessible for those using cars to access other sites. As we will explain in the next sections, this creates deep challenges for town centres that were not designed for car-based living.

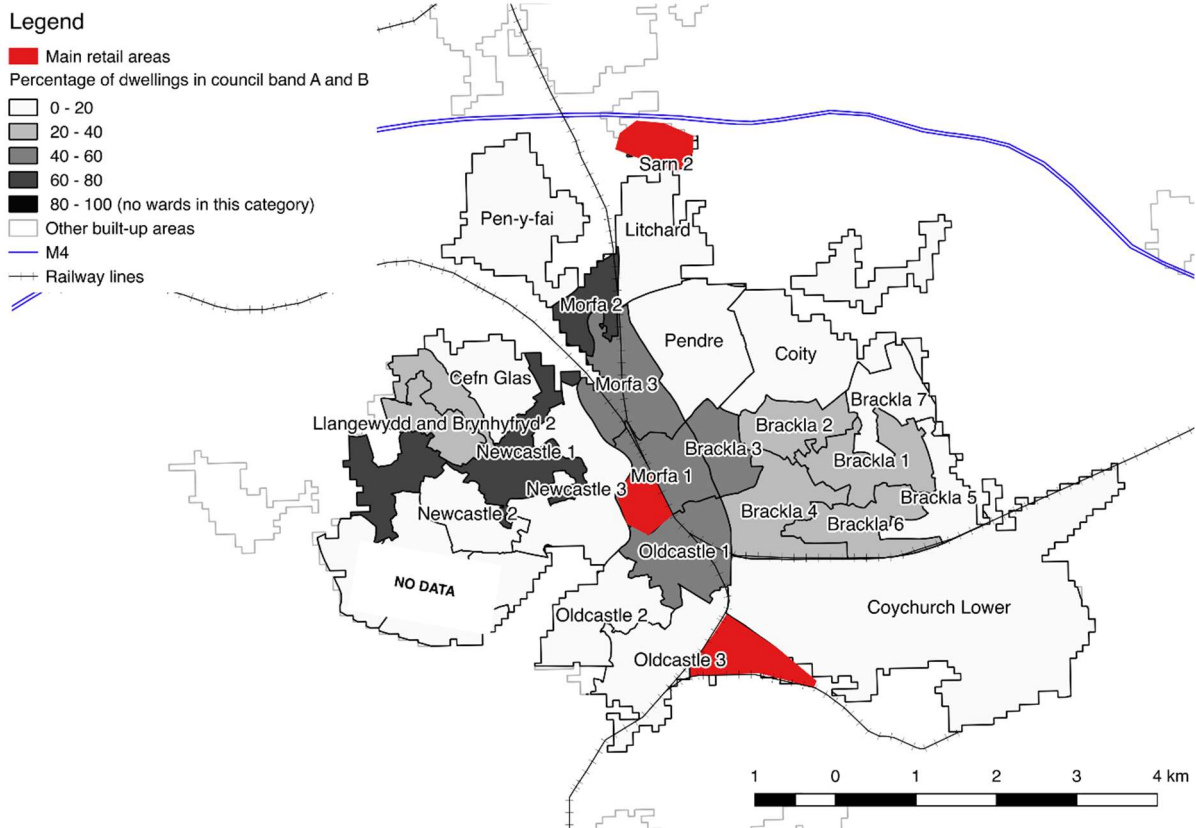
The discussion starts with Bridgend and Haverfordwest, which share some key features but have different town centre dynamics. The analysis then shifts to Bangor, which functions in a distinctive way because of its geographical location and the presence of a research university which is relatively large in relation to the town.

1.2. Bridgend: a town centre by-passed by edge of town retail parks, suburbs and industrial estates

Bridgend represents the archetype of a town whose edge of town development is wrecking the town centre. Located between Swansea and Cardiff and a few miles off the M4, Bridgend is the largest by far of the three towns we have studied, with 46,000 living in the built-up area

and above average density¹⁴ of 30 people per hectare.¹⁵ Despite the considerable size and variety of the economic base that brings in commuters, the town centre is struggling because edge of town developments have captured the major flows of people and expenditure across the town and its hinterland. In effect, the town centre is by-passed and left dependent on a relatively low-income, local catchment.

Exhibit 1.1: Main retail areas and housing by council bands A and B in Bridgend



Since the M4 was completed in the 1970s, the axes of development in Bridgend have progressively shifted northwards for housing and south east for employment. The dominant residential area in the north is the new build estate at Coity, where 1,500 homes were built over the past two decades, increasing its population from 1,394 in the 2001 census¹⁶ to an estimated 4,506 in 2018.¹⁷ Close to the Designer Outlet retail site off the M4 Junction 36, Coity is a good 2 miles away from Bridgend town centre, which implies a 40-minute walk. This suburb offers a choice of recently built houses selling at between £200,000 and £350,000. Annual household incomes here are on average over £50,000, twice those in the town centre.

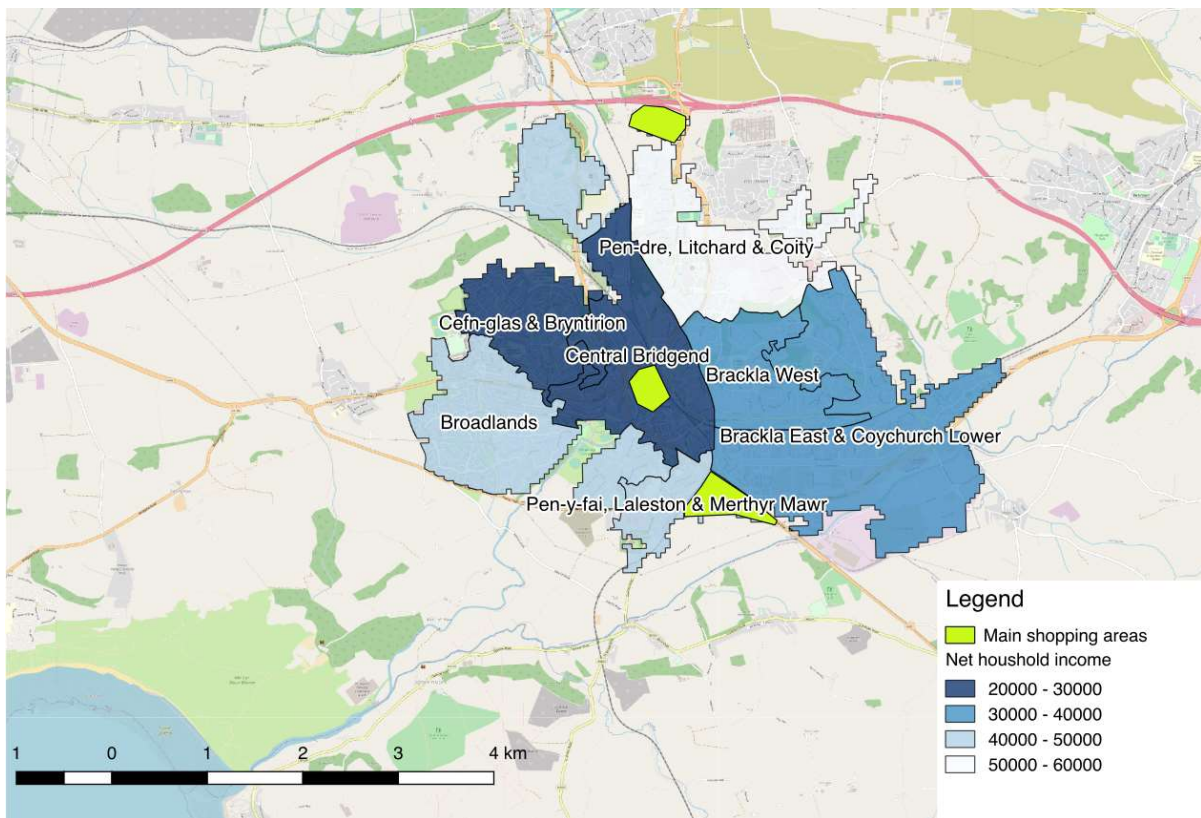
¹⁴ Note: The average density of metropolitan boroughs in the UK is around 20/21 people per square meters with places like Manchester and Birmingham reaching a density of over 40 people per hectare. <https://lginform.local.gov.uk/reports/lgastandard?mod-metric=176&mod-area=E08000003&mod-group=LAsByTypeAndCountry&mod-type=comparisonGroupType>

¹⁵ Note: The M4 has been considered as the northern border of the built-up area of Bridgend. The settlement of Sarn is hence excluded.

¹⁶ Source: Univariate Tables, 2001 Census, Nomis.

¹⁷ Source: Population estimates - small area based by single year of age - England and Wales, Nomis.

Exhibit 1.2: Net household income in Bridgend split by ward in 2018 and main retail areas¹⁸



However, this development runs ahead of community infrastructure in the form of local stores and primary schools; in effect, a car-dependent community has been created in Coity with nearly three-quarters of households having two or more cars (Exhibit 1.3).

¹⁸ Sources: Income estimates for small areas, England and Wales: financial year ending 2018, ONS.

Exhibit 1.3: Car and/or van availability split by Bridgend wards, 2011¹⁹

	No car households %	1 car households %	2 car households %
Morfa	30.2%	43.8%	26.0%
Newcastle	16.5%	42.2%	41.2%
Oldcastle	17.2%	37.4%	45.4%
Town council	21.0%	41.2%	37.8%
Brackla	10.2%	41.1%	48.7%
Cefn Glas	13.4%	45.1%	41.5%
Coity	5.4%	23.5%	71.1%
Coychurch Lower	8.7%	36.7%	54.5%
Litchard	6.9%	39.4%	53.7%
Llangewydd and Brynhyfryd	13.1%	42.4%	44.5%
Pen-y-fai	5.2%	30.6%	64.2%
Pendre	18.2%	44.9%	36.9%
Outer Bridgend	14.4%	40.3%	45.2%
Bridgend Borough	15.8%	40.2%	44.0%

While housing has shifted northwards, employment has been consolidated on the edges of the town, primarily in the south east of the built-up area in the ward of Coychurch Lower, on the main road to the M4 Junction 35. Here the Bridgend Industrial Estate and the Waterton Industrial Estate together provided 12,000 jobs in 2018, roughly one-third of the total employment of the built-up area of Bridgend, which counts 25,800 employees in full-time equivalent (FTE) employment.²⁰ By way of contrast, the Princess of Wales Hospital and the Brackla Industrial Estate in the north employ 4,900, while the town centre employs approximately 4,000 workers.

The manufacturing base sits alongside the foundational economy employment base in public administration and health. This base is a major component of the local economy with around 15,000 jobs, in line with Bridgend's status as county town.²¹ Foundational employment is

¹⁹ Source: LC4609EW - Car or van availability by economic activity, 2011, Nomis.

Note: We classify the non-shaded rows as Outer Bridgend.

²⁰ Note: This manufacturing employment base has shrunk with the closure of the Ford factory in autumn 2020.

²¹ Note: The foundational economy meets household needs through systems of networks and branches. For this reason, foundational employment is widely distributed across any territory and larger urban settlements will always have significant foundational employment in health, education and public administration. But the

more evenly spread across the town, in the south east, the north and the town centre (Exhibit 4). Bridgend also retains a substantial professional service economy, accounting for an additional 6,900 jobs.²²

Exhibit 1.4: Full-time equivalent (FTE) employees in Bridgend split by foundational economy segments and other parts of the economy, 2018²³

	Material	Providential	Overlooked	Other	Total	Of which Manu- facturing
	No.	No.	No.	No.	No.	No.
Morfa	80	124	20	171	395	0
Newcastle	183	1,420	161	134	1,898	0
Oldcastle	993	1,256	634	1,260	4,143	200
Town Council	1,255	2,800	815	1,566	6,436	200
Brackla	95	290	140	78	603	0
Cefn Glas	0	111	0	15	126	0
Coity	149	102	583	1,363	2,197	325
Coychurch Lower	1,378	3,429	1,332	6,542	12,681	3,878
Litchard	200	39	95	89	423	10
Llangewydd and Brynhyfryd	0	38	15	5	58	0
Pen-y-fai	25	635	50	52	762	0
Pendre	8	2,550	30	10	2,598	10
Outer Bridgend	1,854	7,193	2,245	8,155	19,446	4,224
Bridgend Borough	6,372	15,554	9,438	18,166	49,530	8,360

relative size of the foundational sectors can vary depending on the local economic mix and here Bridgend constitute an interesting case because until very recently it has had a fairly diversified economic base and was not heavily dependent on foundational employment.

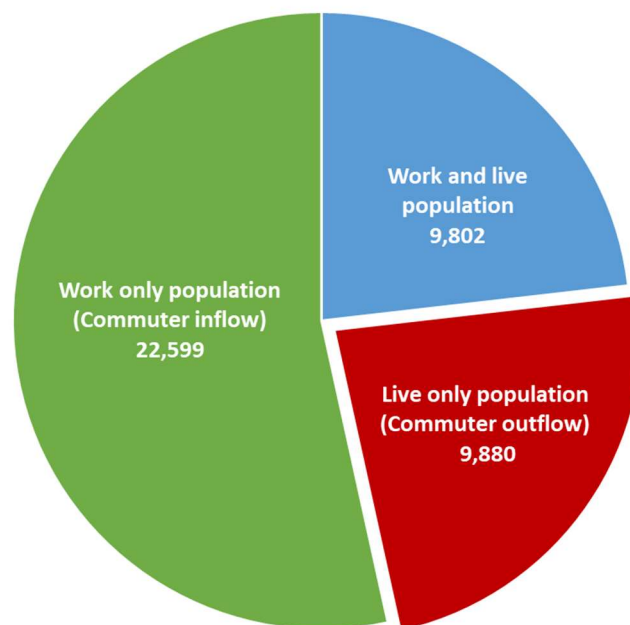
²² Note: Professional services exclude services in the retail sector, in the foundational economy and services to households in things like personal care and leisure.

²³ Source: BRES, Nomis [Accessed 21st July 2020].

Note: FTE is full-time equivalent employees with part-time calculated as 50% of a full-time employee. Ward totals exclude DEFRA (Department for Environment, Food & Rural Affairs) data.

Bridgend is connected to its hinterland in the north and to neighbouring towns and cities, especially the Valleys and Cardiff to the east. In 2011, 22,000 commuters came to work in the Bridgend built-up area, while almost 20,000 left the built-up area for work (Exhibit 1.5). This mobile demographic of commuters in and out dwarves the local population of 9,802 living and working in the town and its suburbs. Commuters in and out of the Bridgend built-up area represented 80% of daily work-related movement. Moreover, with the major employers located at the north and south edges of the town, most of the commuter flows by-pass the town centre entirely. In contrast, the main out of town retail areas, strategically located close to the employment poles on the main commuter arteries, intercept these large daily flows.

Exhibit 1.5: A comparison of commuter flows in and out of Bridgend²⁴



Retailing has followed the main axes of development of residential and employment sites. In the north, close to Junction 36 and on the road to the Valleys, is the Designer Outlet shopping centre with 80 branded shops, 10 restaurants, a multiplex cinema and a large supermarket. In the south east, on the way to Junction 35 and Cardiff, is the retail strip at the Waterton Industrial Park with B&Q and other bulky goods retailers. The result is that the built-up area of Bridgend has effectively not one but three major retail centres, one in the town centre and two at the edges of the built-up area.

This points to a situation where, as the town and hinterland have developed, the edge of town retail parks are better placed to capture the spend of the mobile populations moving in and out of the built-up area, especially the spend of higher income households living in the

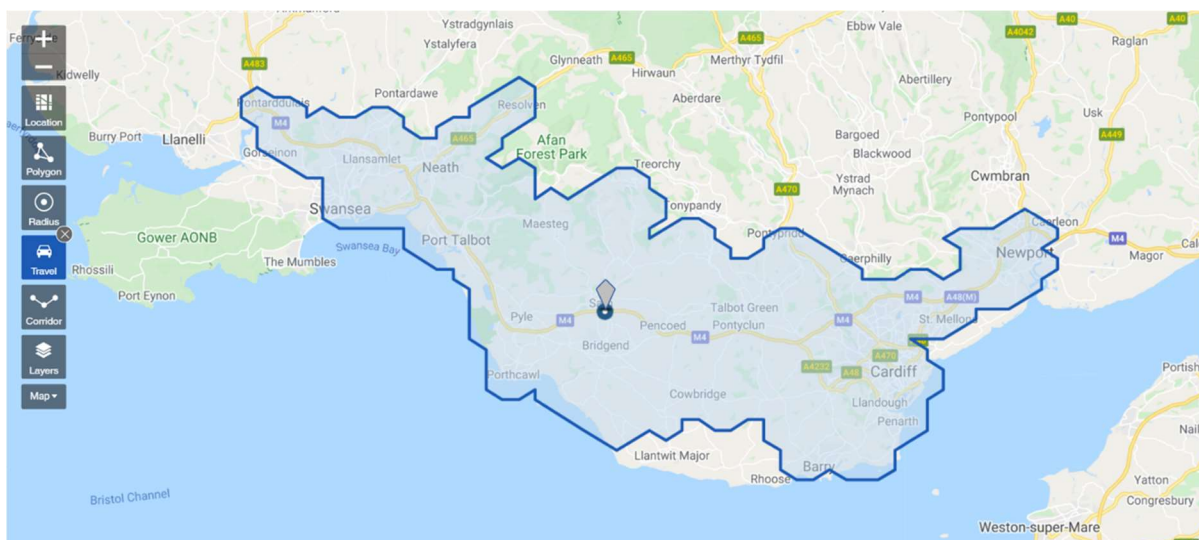
²⁴ Source: 2011 Census, Nomis.

Note: The data is based on the MSOA (Middle-Layer Super Output Areas) which largely overlaps with ward boundaries.

suburbs of Bridgend. So far, we have used official statistics, based on the 2011 Census and on more recent releases. These statistics highlight structural trends relating to commuting, location of employment, car ownership and household income. Big data analysis adds an additional dimension here in providing more information on the usage and catchments of different sites within the town and its hinterland.

The first insight is an understanding of how the edge of town retail parks relate to Bridgend's hinterland. The drive-to catchment of the edge of town retail parks of Bridgend is impressive and arguably unique in Wales. We are accustomed to think about places from the perspective of local identity, history and political administration. From this perspective, Bridgend is a county town with its hinterland stretching northwards towards the Valleys and south to the coast. However, if we consider south east Wales from the perspective of the car user it is easy to see the attractions of the Designer Outlet location just off the M4. Cardiff, Bridgend, (much of) Swansea and Newport are all within a 30-minute off peak drive, implying a huge drive-to catchment (Exhibit 1.6).

Exhibit 6: The geographic area within a 30-minute drive of the Designer Outlet in Bridgend²⁵



A second crucial insight from big data concerns the usage of the retail areas in Bridgend town centre, compared with the retail parks at its edge. In terms of the numbers of non-food retail visits, there is a significant imbalance between town centre and edge of town (Exhibit 1.7). The main edge of town shopping sites – the Designer Outlet in the north and the Waterton retail strip in the south east – together attracted over 18 million annual visitors in 2019, more than three times the number of visitors to the retail area of the town centre of Bridgend.²⁶ This means that over 70% of the retail visits to the main shopping areas of the Bridgend built-

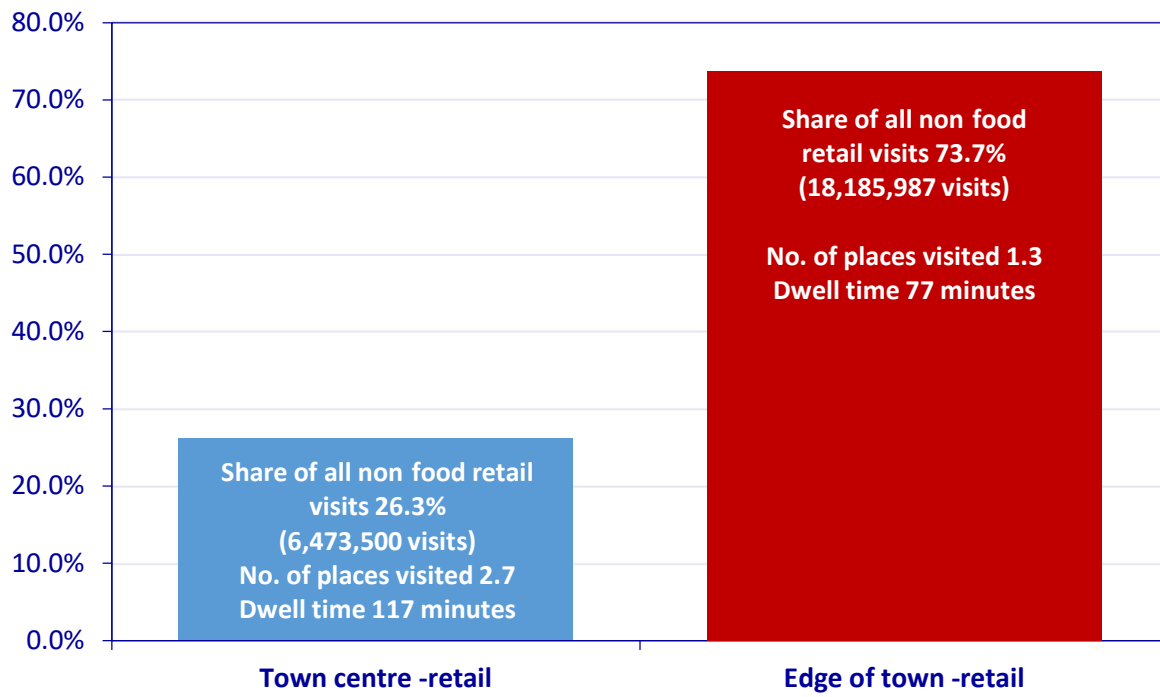
²⁵ Source: Co-Star database.

²⁶ Source: Ellandi (Commissioned report on movements within Bridgend).

Note: This stark imbalance was already visible in 2012 where a report by Welsh Government, based on payment card data, showed that the Designer Outlet alone had at that time a non-food turnover five times as large as the town centre as a whole. See Welsh Government (2014) *Town Centres and Retail Dynamics: Towards a Revised Retail Planning Policy for Wales*.

up area have taken place in edge of town locations. As we shall see, this is by far the greatest imbalance we observe in any one of our three towns.

Exhibit 1.7: Comparison of town centre and out of town non-food retail visits in Bridgend, 2019²⁷



If the work-live-spend patterns in Bridgend structurally favour edge of town locations, the decline of the town centre is aggravated by the impoverishment of its local catchment. By local catchment we refer to the areas immediately surrounding the town centre which, as we shall see throughout this chapter, are very important for the success of town centres (Exhibit 1.8). According to mobile phone data, in 2019 36% of annual visits to the town centre in Bridgend originated from within a 10 minute walking distance.²⁸ This shows that for the people living in and around the town centre, the town centre is still a functional choice for shopping and leisure.

²⁷ Source: Ellandi (Commissioned report on movements within Bridgend).

²⁸ Source: Ellandi (Commissioned report on movements within Bridgend).

Exhibit 1.8: Geographic area within a 10 minute walk from Bridgend town centre²⁹

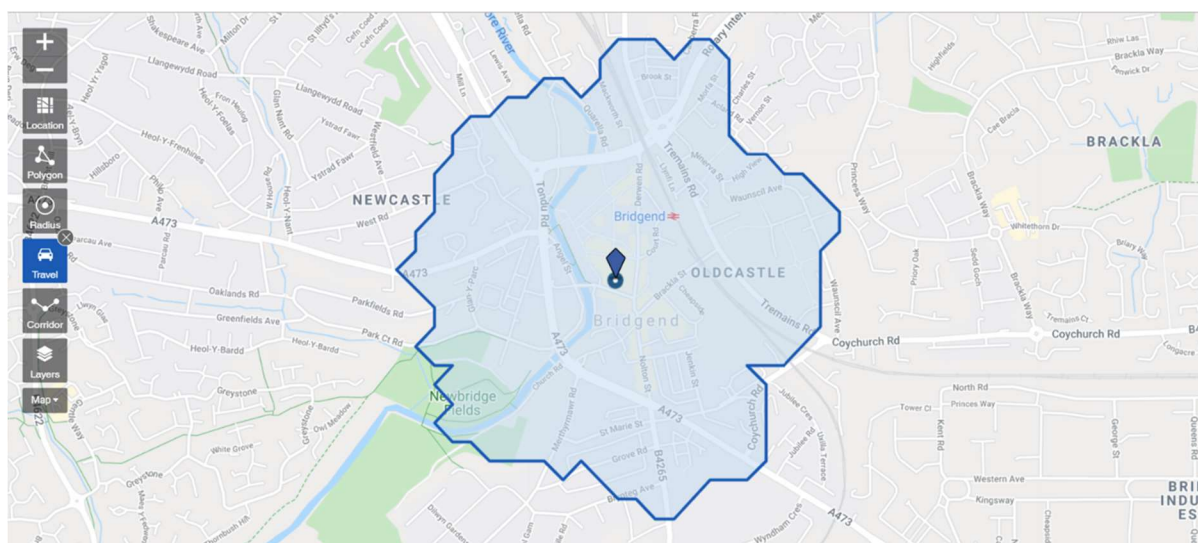


Exhibit 1.9: Number of households within selected distances of Bridgend town centre³⁰

	1 mile	2 miles	3 miles	5 miles	10 miles
Households (2018)	10,820	21,631	26,430	39,852	103,548
Population (2018)	24,989	52,609	63,950	95,956	246,487
Average household income	£23,090	£26,870	£26,526	£26,998	£24,992
Weekly household spend	£404	£431	£429	£433	£414
Per capita weekly spend	£175	£177	£177	£180	£174

However, when the new build houses are mainly in the outer suburbs, the local catchment of Bridgend town centre comprises residents with relatively low incomes living in less expensive properties. In 2019, the wards in the town centre had around 35% of property in Council Tax bands A and B – against an average in outer Bridgend of less than 20% (Exhibit 1.10). In these central wards, household incomes varied between £20,000 and £30,000 a year, half the average income of those living at the edge of the town.³¹

²⁹ Source: Co-Star database.

³⁰ Source: Co-Star database.

³¹ Income estimates for small areas, England & Wales, financial year ending 2018, ONS.

Exhibit 1.10: Bridgend domestic property split by council tax bands and geography, 2019³²

	Town council	Outer Bridgend	Bridgend Borough
	%	%	%
Band A	18.0%	2.6%	16.1%
Band B	17.7%	14.0%	23.6%
Band C	25.6%	33.4%	22.4%
Band D	19.5%	23.2%	16.3%
Band E	11.9%	17.2%	12.0%
Band F	5.5%	7.7%	6.7%
Band G	1.7%	1.9%	2.3%
Band H	0.0%	0.1%	0.4%
Band I	0.0%	0.0%	0.2%
Total	100.0%	100.0%	100.0%

The way that town and hinterland have developed in Bridgend has led to the creation of new edge of town poles, which outcompete the town centre in terms of visits. However, number of visits is only part of the story because it is also important to consider how visitors use these sites. The general story here is twofold: first, edge of town and out of town is transactional and task-focused in a way that suits car dependent, time poor, two income households; second, the town centre is a space of more sociable and leisured usage around multiple interactions. It is striking to see how town centre usage differs from that of the shopping centres on the edge of towns, despite the presence of broadly similar retail, leisure and hospitality functions.

Visits to the retail core of Bridgend's town centre are of substantial longer duration than to edge of town retail centres. On average, a visit to the town centre is of almost 2 hours (117 minutes) while a visit to the edge of town shopping centres is only 1 hour and 15 minutes (77 minutes). Furthermore, a visitor to the retail core of Bridgend town centre visits 2.7 places on average, more than double that of visitors to an edge of town site like the Designer Outlet with 1.3 places per visit on average.

Mobile phone data also allows us to track the flow of visits over the day. As one might expect in what historically developed as a county town, Bridgend's town centre is primarily used during the day while the night-time economy is limited. 28% of the total visits to the retail core of Bridgend's town centre take place between 4pm and 11pm and when we shift from the retail core of the town centre to a broader town centre area this percentage does not

³² Source: Council Tax: stock of properties, 2019, Valuation Office Agency. (Table CTSOP4.1: number of properties by Council Tax band, property build period and region, county, local authority district and lower and middle super output area). <https://www.gov.uk/government/statistics/council-tax-stock-of-properties-2019>

change.³³ Indeed, the figure of 28% of visits between 4pm and 11pm is the same in Bridgend's edge of town shopping centres, which do not have bars and venues open in the evening.

This evidence on town centre usage is positive and suggests there remains a local and social base for renewal in Bridgend. But this base is eroding with progressively fewer visits from lower income shoppers, leading to a declining retail offer. At present Bridgend has two struggling shopping centres with mainly value offers. The Bridgend Shopping Centre includes Poundland and Peacocks while the Rhiw Centre had 8 out of 20 units vacant in early 2021. Furthermore, the town centre high street offers little independent retailing and an overreliance on value driven national chains.

The core of the Bridgend town centre problem is that the majority of its residents and commuters have no cause to go into Bridgend town centre when they live and work on the edge of the town or in the town's hinterland. By implication, the renewal of the town centre is a serious challenge requiring concerted experiment to bring in new employment and residents, as well as enhancing the centre's role as a community, public services and a cultural destination. In this regard, a quick win to start to reverse structural trends would be relocating a major public employer like the further education college to the centre. Beyond that, broader thinking is required to understand which activities, developments and demographics should be targeted to grow back the local live-work community in and around the town centre within the 10-15 minutes on foot, active travel radius.

Bridgend is formally the county town. As the analysis of its employment base and commuter flows has shown it is still an economic centre with a worker inflow much larger than the worker outflow. However, the analysis of big data has revealed it is not the town centre but the edge of town which is benefitting most. The edge of town concentrates employment, middle income residency and mid-market retail offer in two large poles which have effectively made the town centre redundant for most residents and commuters beyond the lower income households living in and around the town centre.

1.3. Haverfordwest: a compact market town where limited out of town development limits the damage to the town centre

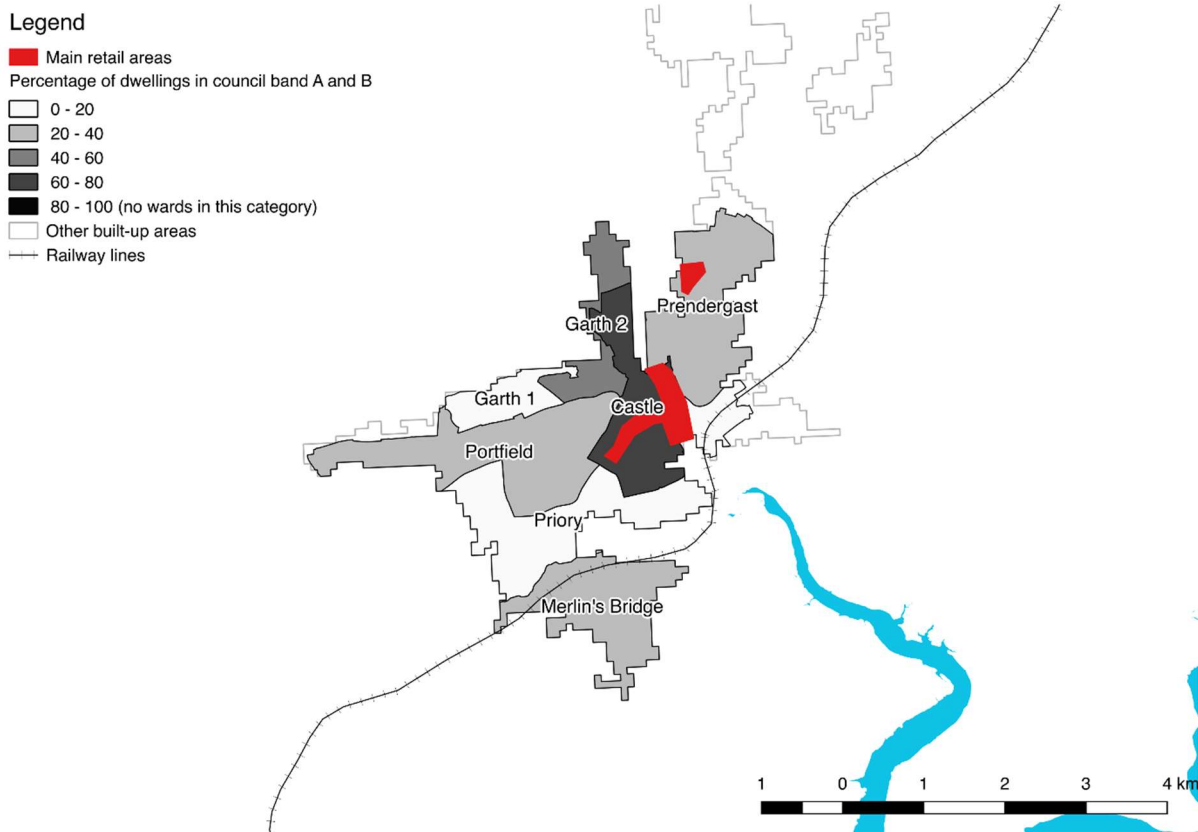
If Bridgend represents a sprawling town where the town centre has been significantly undermined by out-of-town developments, Haverfordwest shows how a smaller and more compact traditional market town can support its centre more effectively where out of town sites are less developed. As outlined in this section, Haverfordwest shows similar patterns to Bridgend in terms of commuter flows and employment but these are developed to a lesser degree.

Haverfordwest has a built-up area population of 15,500, which has developed in corridors circling the centre at a density of 24 people per hectare, compared with 30 per hectare in Bridgend. Despite the low density, the relatively small size of the town means that most of

³³ Source: Ellandi (Commissioned report on movements within Bridgend).

the built-up area is contained within a radius of 2 km from the town centre (Exhibit 1.11), while in Bridgend this radius is 4 km. As the county town, Haverfordwest concentrates administration, public services and retail for Pembrokeshire, leading to employment across a range of foundational economy activities in health, education and public administration. These are the local stabilisers, accounting for a remarkable 60% of town employment most of which is generally secure, even when not highly paid (Exhibit 1.12).

Exhibit 1.11: Main retail areas and housing by council bands A and B in Haverfordwest



Employment in Haverfordwest is distributed across three employment poles. Over 2,900 are employed in the northern Prendergast ward where the Withybush Hospital is located and another 1,900 in the southern Priory ward, which contains Pembrokeshire Further Education College. The third pole is in the town centre where 2,700 are employed in the Castle ward, including the County Council headquarters (Exhibit 1.12). Unlike Bridgend, where the two major employment poles are either out of town or at the edge of the built-up area, in Haverfordwest the poles are in the town centre or at its edges outside the 'ring road', less than 1 km from the town's core.

Exhibit 1.12: Full-time equivalent (FTE) employees in Haverfordwest split by foundational economy segments and other parts of the economy, 2018³⁴

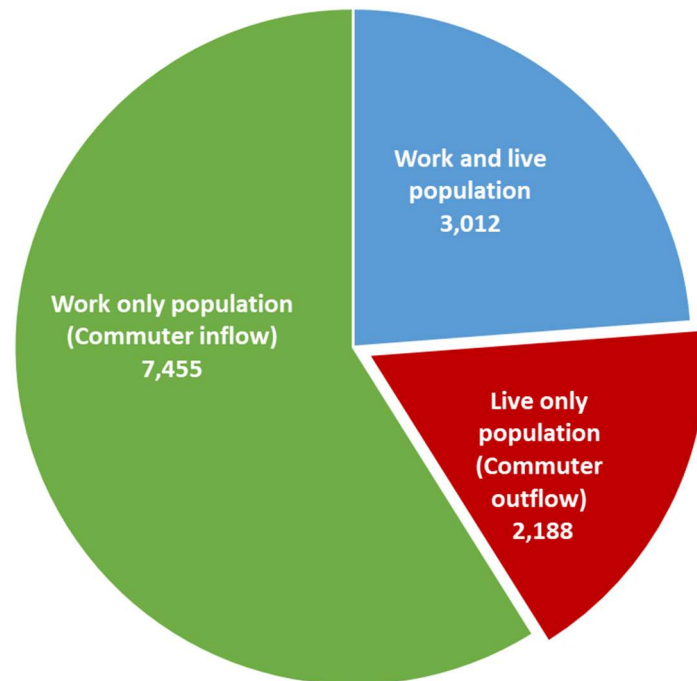
	Material %	Providential %	Overlooked %	Other %	Total %	Total FTE employed No.
Castle	7.8%	50.5%	20.6%	21.2%	100.0%	2,726
Garth 1	25.0%	50.0%	0.0%	25.0%	100.0%	30
Garth 2	100.0%	0.0%	0.0%	0.0%	100.0%	8
Prendergast	3.8%	82.2%	9.2%	4.8%	100.0%	2,907
Portfield	38.4%	39.9%	14.6%	7.1%	100.0%	834
Priory	10.4%	61.2%	12.4%	16.0%	100.0%	1,244
Merlin's Bridge	38.6%	13.7%	31.9%	15.7%	100.0%	414
Haverfordwest	10.1%	62.9%	14.3%	12.7%	100.0%	7,748
Haverfordwest inc. Merlin's Bridge	11.6%	60.4%	15.2%	12.8%	100.0%	8,162
Pembrokeshire	23.4%	29.6%	27.1%	19.9%	100.0%	38,241

As in Bridgend, Haverfordwest's town and hinterland have become tightly integrated. As a result, the process of hollowing out through car commuting is evident. The relative weight of commuters in and out of the built-up area compared with the local live and work community is similar to that of Bridgend: more than 80% of the work-related movements in 2011 are of people commuting in or out of the Haverfordwest built-up area (Exhibit 1.13).

³⁴ Source: BRES, Nomis [Accessed 9th August 2020].

Note: FTE is full-time equivalent employees with part-time calculated as 50% of a full-time employee. Ward totals exclude DEFRA data.

Exhibit 13: A comparison of commuter flows in and out of Haverfordwest (Total daily movements 12,655)³⁵



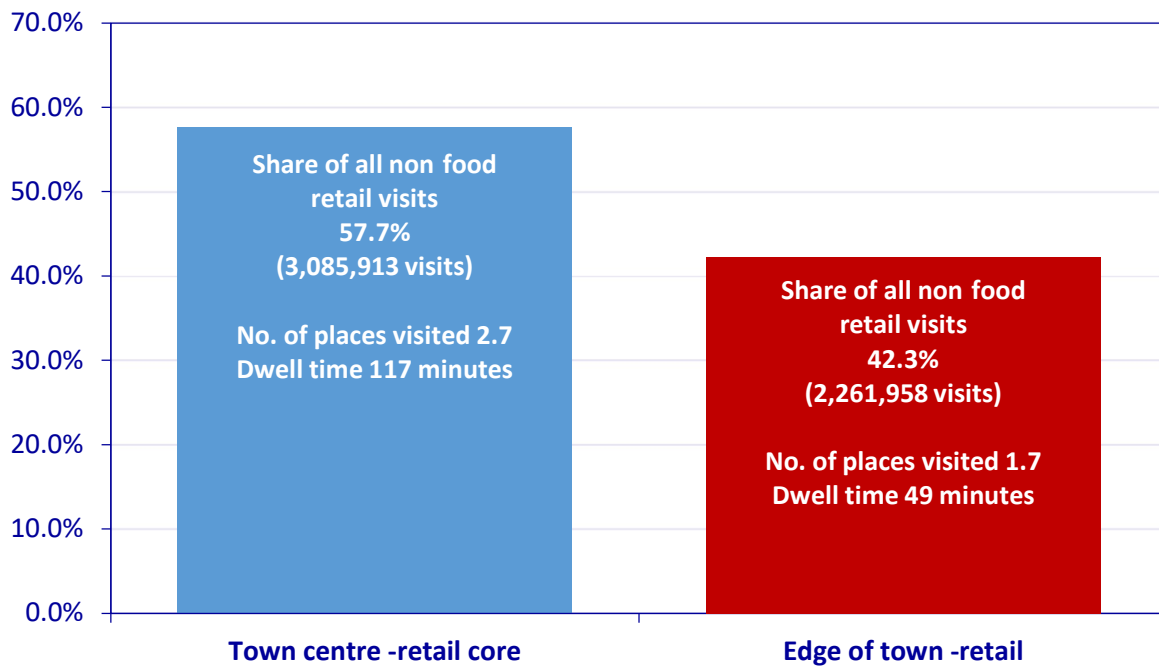
If there are similarities with Bridgend, there is a striking difference between these towns in terms of the expansion of edge of town retail. While edge of town retail growth in Bridgend has been massive, in Haverfordwest this has been more limited with one major edge of town retail site located north of the town centre. Here, the Witybush retail park has the same mid-market chains (M&S, Next, Debenhams etc.) as many town centres, with the convenience of front of store parking.³⁶ Nonetheless, the town centre in Haverfordwest has remained a functional retail destination for both the lower income households living in and around the town centre and the middle income households living in the southern suburbs (Exhibit 1.14).

³⁵ Source: 2011 Census, Nomis.

Note: The data is based on the MSOA (Middle-Layer Super Output Areas) which largely overlaps with ward boundaries.

³⁶ Note: This is a major attraction for visitors from Haverfordwest and beyond in the Pembroke peninsula including the smaller towns of Fishguard, Pembroke Dock and Milford Haven. Haverfordwest is at the hub of an A road system with 100,000 population in 30 minutes' drive time. Edge of town retail diverts car borne visitors from the hinterland of surrounding areas who are then likely to bypass the town centre.

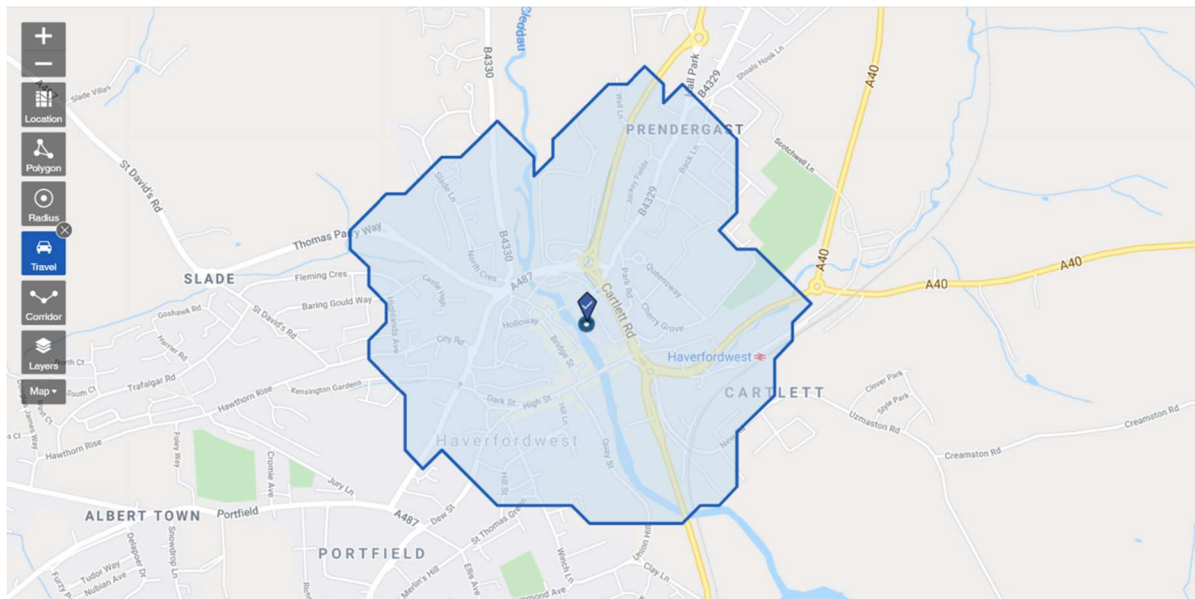
Exhibit 1.14: Comparison of town centre and edge of town non-food retail visits in Haverfordwest, 2019



Mobile phone data provides insights into how in town and edge of town retail areas are used in Haverfordwest. While in Bridgend the balance between town centre and the edge of town has been completely lost over the past decades, in Haverfordwest the town centre has almost 60% of total non-food retail visits (Exhibit 1.14). In 2019, the number of non-food retail visits to the town centre (3 million) was considerably higher than those to the edge of town retail sites (2.2 million). Local residents are an important driver of town centre footfall, as in Bridgend – and even more in Bangor as we shall see in the next section. In 2019, 34% of the annual visits to the town centre came from within a radius of 10 minutes walking distance (shown on Exhibit 1.15).³⁷

³⁷ Source: Ellandi (Commissioned report on movements within Haverfordwest).

Exhibit 1.15: Geographic area within a 10 minute walk from Haverfordwest town centre



Shifting from number of visits to usage of the town centre, as with Bridgend edge of town shopping sites struggle to become places of socialisation and casual shopping. They remain transactional places where people tend to stay less than one hour and generally involve visiting only one or two shops. By way of contrast in the retail core of the town centre of Haverfordwest, people stay on average almost two hours while visiting two to three place. This suggests that the town centre of Haverfordwest can offer a broader experience comprising shopping, leisure and socialising, compared with edge of town retail sites.

The town centre of Haverfordwest is mostly used during the day as 26% of visits take place between 4pm and 11pm.³⁸ There are no differences between the town centre retail core and the broader town centre area, while the figure is the same for edge of town shopping centres. This does not mean that Haverfordwest has no night-time economy but that this is limited as might be expected in a small market town.

In contrast to Bridgend, the car-based integration of town and hinterland has caused less damage to the status of Haverfordwest as county town. As Exhibit 1.17 shows, the town has a 360-degree 30-minute drive catchment that lacks major competing towns or other retail sites. While edge of town retail expansion has taken place, this has been relatively limited. The success of Haverfordwest's town centre is also underpinned by strong local usage especially among those living in the residential areas within a 10-minutes on foot radius.

³⁸ Source: Ellandi (Commissioned report on movements within Haverfordwest).

Exhibit 1.16: Number of households within selected distances of Haverfordwest town centre³⁹

	1 mile	2 miles	3 miles	5 miles	10 miles
Households (2018)	5,441	6,940	7,551	10,854	34,160
Population (2018)	12,166	15,617	17,084	25,131	78,924
Average household income	£18,104	£19,348	£19,980	£21,769	£19,907
Weekly household spend	£376	£389	£397	£418	£402
Per capita weekly spend	£168	£173	£176	£180	£174

Exhibit 1.17: The geographic area within a 30 minute drive of the Haverfordwest town centre⁴⁰



1.4. Bangor: an ‘outlier’ where the University, substantial foundational economy employment and a large visitor catchment generate relatively little benefit for the town centre

Bridgend and Haverfordwest, though differently sized, have the same role as administrative centres of their counties and share similar characteristics in terms of employment and demographics. As a university town near the Gwynedd coast, Bangor appears to be more of an outlier, with distinctive employment, demographics and spatial structure. For example,

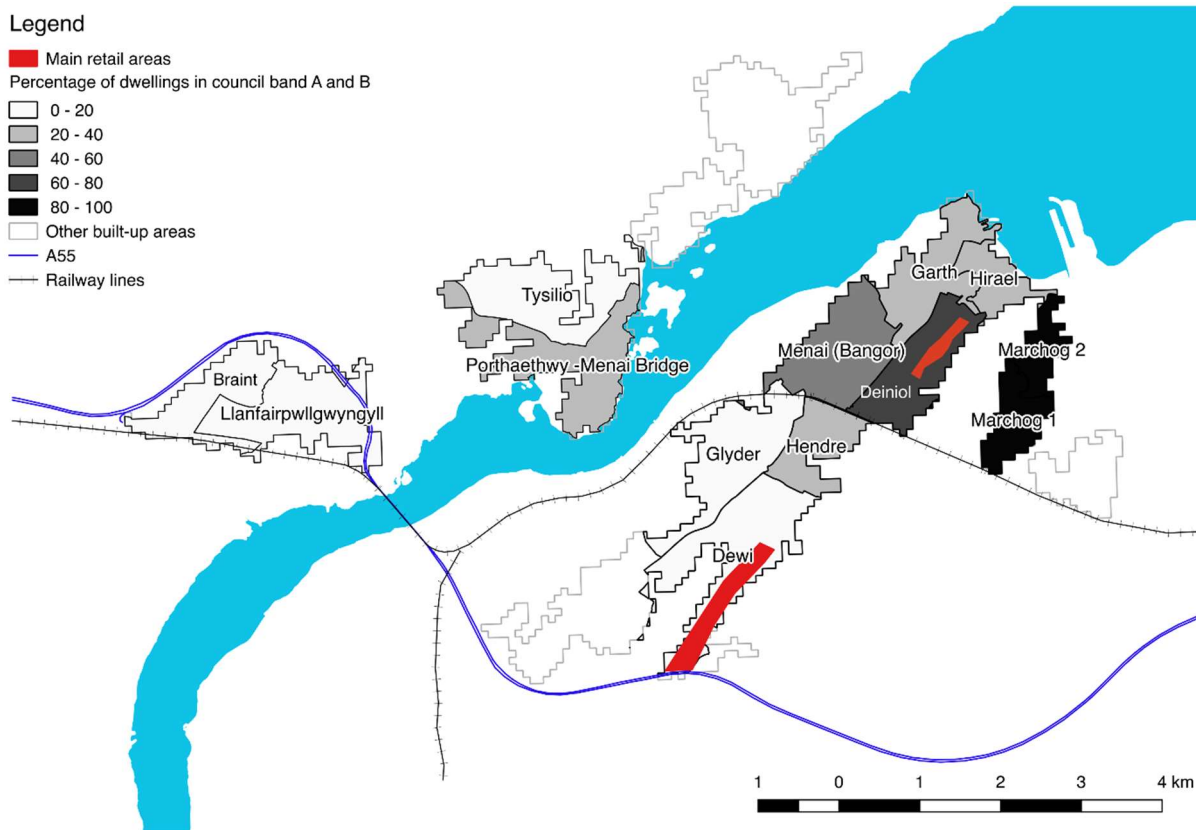
³⁹ Source: Co-Star database.

⁴⁰ Source: Co-Star.

Note: Travel time off peak.

Bangor is built on a narrow coastal strip: the town is a gateway to Anglesey with two roads crossings across the Menai Straits and semi-detached from a large social housing estate, Maesgeirchen (covering the Marchog wards) which is on the other side of the Bangor Mountain ridge (Exhibit 1.18).

Exhibit 1.18: Main retail areas and housing by council bands A and B in Bangor

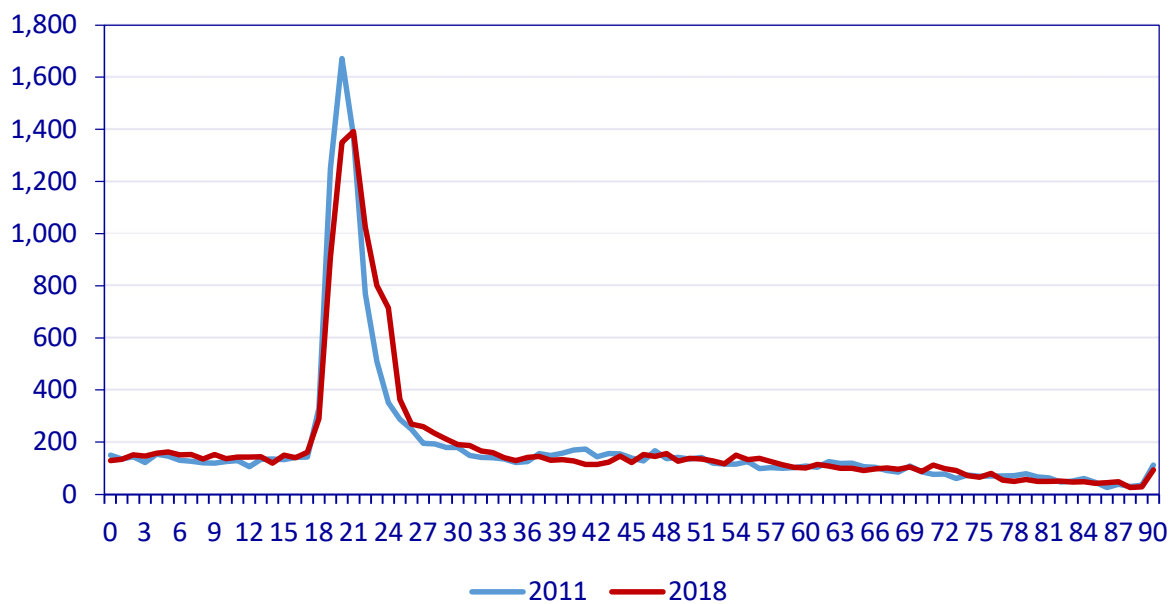


The town has a number of preconditions for a vibrant town centre, with a large catchment and a high number of annual visitors, as explained later in this section. However, with the middle income households on the edge of the town and in car-dependent suburbs on the other side of the Menai Bridge (Exhibit 1.18), the town centre is struggling with overreliance on the demand of students and lower income households in the north of the town. This is contributing to town centre retail decline on the high street and in the two in-town shopping centres.

Bangor has a linear built-up area with a population of almost 18,000, of which over 10,000⁴¹ are students. Approximately 8,000 students live in the town, creating a very uneven population in terms of its age distribution, even with gently falling student numbers (Exhibit 1.19). Despite the presence of low-density residential suburbs and housing estates, Bangor has a remarkable population density of 40 people per square hectare across the built-up area. This is by far the highest of the three towns considered in this study and reflects high-density student accommodations blocks around the town centre.

⁴¹ <https://www.bangor.ac.uk/planning-and-student-data/documents/student-population/school-2018-19.pdf>

Exhibit 1.19: Bangor population (8 wards) in 2011 and 2018⁴²



The built-up area has a large amount of secure and relatively high wage employment, concentrated mainly around the town centre where the University is located (Exhibit 1.20). Bangor University accounts for around 4,000 jobs, almost two-thirds of total employment in the town in 2018 (6,300 jobs in total). There is a second employment pole south of the town around Junction 9 of the A55 with a 400-bed hospital on one side and the Parc Menai business district on the other. As discussed later in the report, the FE College plans to relocate to Parc Menai, thus consolidating this as a key employment area for Bangor.

⁴² Source: Population estimates - small area based by single year of age - England and Wales, Nomis.

Exhibit 1.20: FTE employees in Bangor split by foundational economy segments and other parts of the economy, 2018⁴³

	Material %	Providential %	Overlooked %	Other %	Total %	Total FTE employed No.
Deiniol	22.6%	20.6%	29.9%	26.9%	100.0%	1,895
Dewi	34.7%	5.0%	42.0%	18.2%	100.0%	893
Garth (and Hirael) ⁴⁴	0.0%	89.0%	2.9%	8.1%	100.0%	2,095
Glyder	0.0%	87.9%	6.8%	5.3%	100.0%	663
Hendre	37.5%	37.5%	3.1%	21.9%	100.0%	160
Hirael (and Garth)	6.9%	48.3%	3.4%	41.4%	100.0%	145
Marchog (1 and 2)	0.0%	90.5%	0.0%	9.5%	100.0%	105
Menai (Bangor)	26.8%	51.0%	14.1%	8.1%	100.0%	373
Bangor total	14.3%	52.1%	17.5%	16.0%	100.0%	6,328

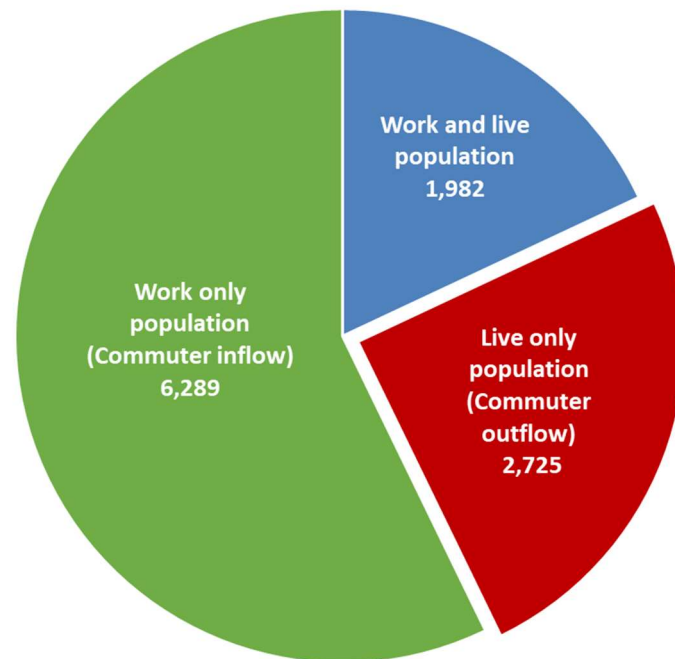
Because of this substantial employment base, even if Bangor is not the administrative centre of its county, it is the economic centre. The town population grows during the day, with a large number of commuters from its hinterland. At the time of the 2011 Census, more than three times as many (6,200) commuted to work in Bangor from other places than those (1,900) who live and work in Bangor (Exhibit 1.21). This ratio of work-only inward commuters to live-and-work resident population in Bangor is the highest of the three towns in this study.

⁴³ Source: BRES (Business Register and Employment Survey), Nomis [Accessed 20th July 2020].

Note: FTE (full-time equivalent) employee total is the summation of full and part-time employees with part-time weighted as 50% of a full-time employee. The data refers to employees only and excludes the self-employed and parts of agriculture.

⁴⁴ Note: A later entry in this table is called Hirael (and Garth). This is not a mistake but is the way ONS classifies wards in Bangor due to boundaries not being strictly adhered to.

Exhibit 1.21: A comparison of commuter flows in and out of Bangor (Total daily movements 10,996)⁴⁵



Retailing is concentrated in two sites: in the town centre and on the edge of town along the Caernarfon road. In addition to a long high street, Bangor has two shopping centres with car parks - the Deiniol and the Menai - which include brand anchors like H&M and, until recently, Debenhams, with more down-market chains and independent shops. The edge of town retail strip on the main road to Junction 10 of the A55 includes a mix of chains selling bulky goods like B&Q, catalogue retailer Argos and a Tesco Extra.

Shifting from official statistics to big data from CoStar and Ellandi allows a richer understanding of the relationship between Bangor and its hinterland. Although Bangor's location is in some ways inconvenient, with the western and northern sides of the settlement enclosed by the Menai Strait and the eastern side by Bangor Mountain, the town centre benefits from a wide visitor catchment across Gwynedd and Anglesey (Exhibit 1.22). It is quite striking, however, that the catchment area of the retail site close to the junction 9 and 10 of the A55 is much more elongated, with the 30-minute drive time hinterland reaching as far as Conwy in the east and Holyhead in the west (Exhibit 1.23).

⁴⁵ Source: 2011 Census, Nomis.

Note: The data is based on the MSOA (Middle-Layer Super Output Areas) which largely overlaps with ward boundaries.

Exhibit 1.22: The geographic area within a 30-minute drive of Bangor town centre⁴⁶

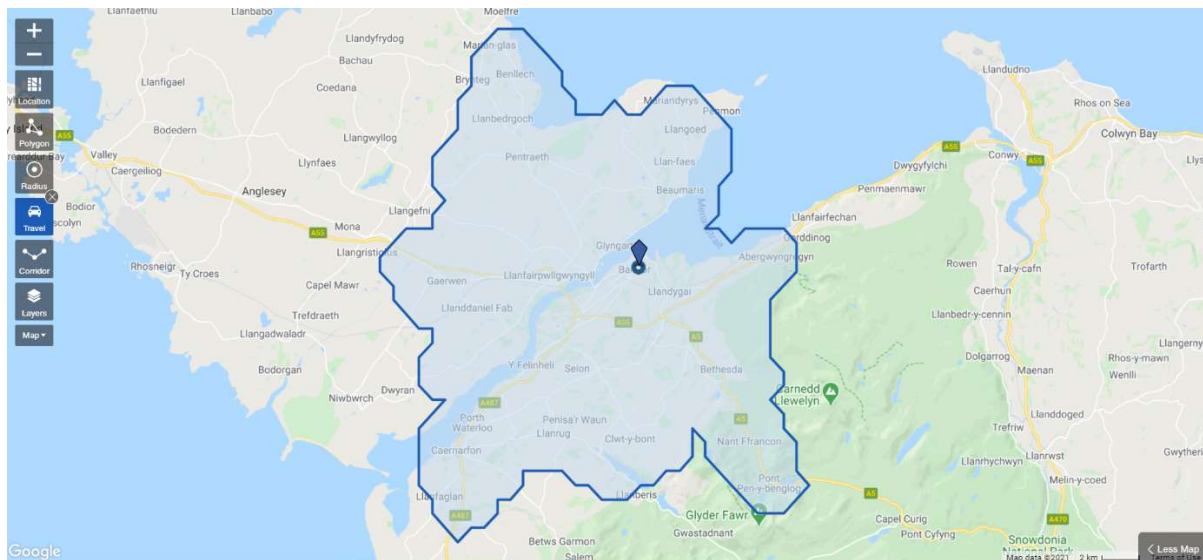


Exhibit 1.23: The geographic area within a 30-minute drive of the Caernarfon Road retail parks⁴⁷



As a result of this wide drive-to catchment, Bangor attracts an impressive number of visitors. According to mobile phone data, in 2019 a remarkable 12 million visitors went to the two main retail areas of the town, the town centre and the edge of town retail strip. The contrast with Haverfordwest is useful here: with a similar built-up area population of 15,000, Haverfordwest had 5.3 million visitors to its retail areas in 2019, that is less than half of the 12 million visitors to the retail areas of Bangor.

⁴⁶ Source: Co-Star.

Note: Travel time with no traffic

⁴⁷ Source: Co-Star.

Note: Travel time with no traffic

This high number of visitors is related to the distinctive position of the town, where Bangor has two clear advantages.

- Even though Caernarfon is the county town, Bangor has limited retail competition from other towns and good road connections to a hinterland along the A55 expressway. While Bridgend suffers from competition from two much larger towns, Swansea and Cardiff, Bangor (like Haverfordwest) is a natural centre of a large hinterland of smaller towns.
- The second advantage is that Bangor is a university town. This means that the town has a captive student population during term time which is mainly pedestrian and shops locally. And, with the University having a strong presence in and around the town centre, the result is that students boost the number of visitors to the town centre.

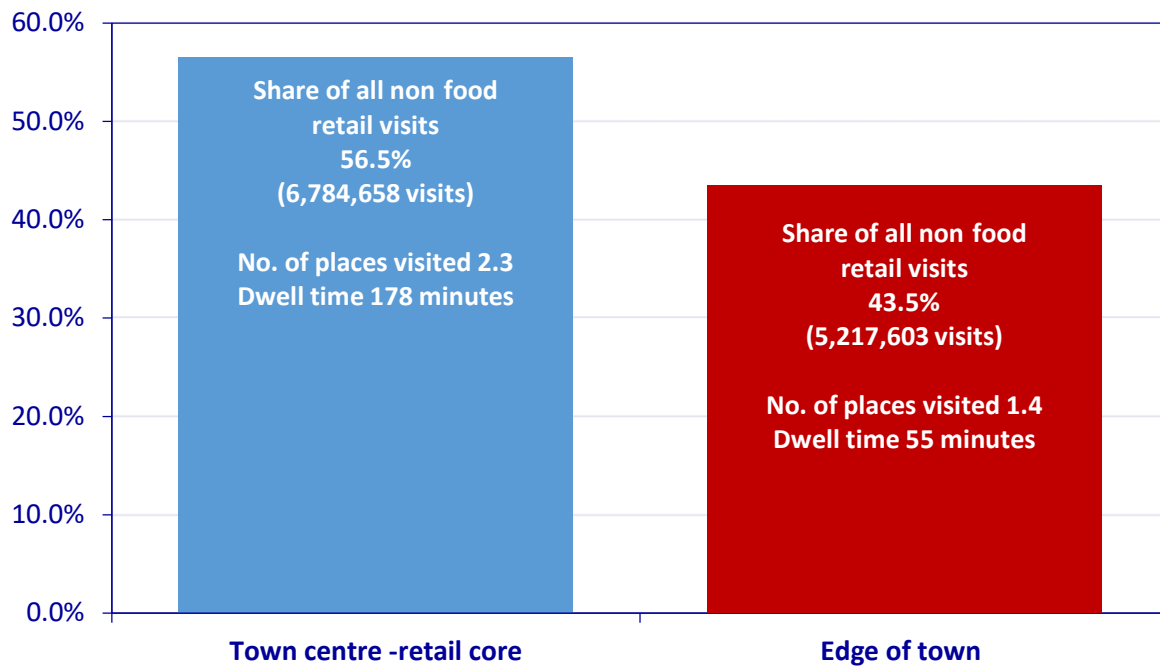
Overall, Bangor has several preconditions for town centre vibrancy. The town centre is adjacent to the University with its large workforce, and the centre is also the most functional leisure and shopping destination for most students as well as those living in the residential wards in the northern part of the town. Furthermore, as the largest settlement in the area, the town centre is well-positioned to benefit from both local out of town visitors and from the substantial numbers of tourists visiting Gwynedd and Anglesey.

As a result, more than half of total non-food retail visits in Bangor in 2019 were to the town centre. As with Bridgend and Haverfordwest, visitors to the retail core of Bangor's town centre visit 2.3 places on average, compared with 1.4 places visited for edge of town retail trips (Exhibit 1.23). What is distinctive about Bangor's town centre is the long dwell time (almost three hours) of visits. This is two hours longer than the average visit to the retail strip at the edge of Bangor, and more than an hour longer than the average visit to the town centres of Bridgend and Haverfordwest. The long dwell time in the town centre of Bangor might reflect use of the town by students, though it is worth noting that, despite the relatively large number of students, the centre seems to sustain only a limited night-time economy. Only 25% of town centre footfall in Bangor town centre as a whole is recorded between 4pm and 11pm, this is slightly less than Bridgend and Haverfordwest with 28% and 26% respectively.⁴⁸

⁴⁸ Source: Ellandi (Commissioned report on movements within Bangor).

Note: The comparison between the three towns should be treated with some caution on this point. The statistics here does not refer to the town centre retail core but to a broader town centre area. In the case of Haverfordwest and Bridgend this area includes more residential and employment sites than in Bangor. This difference could introduce an element of confusion because in the case of Haverfordwest and Bridgend the movements after 4pm would include more people coming back to their homes after work and commuter flows of those going to evening or night work.

Exhibit 1.24: Comparison of town centre and edge of town non-food retail visits in Bangor, 2019



The relatively good position of Bangor’s town centre in terms of visitors and dwell time should not prevent retail town centre decline, which is already real enough in Bangor. The clearest sign of this is the oversupply of retail space. With the recent closure of Debenhams, the Menai shopping centre has lost its anchor tenant and has now 40% of floor space vacant, while the Deiniol shopping centre has experienced a significant decline in occupancy (-17% in the year to 2020).⁴⁹ Depending on the source, between 10%⁵⁰ and 20%⁵¹ of retail space is currently vacant on the very long High Street.

Without successful interventions, there is a risk that Bangor will be caught in a downward spiral similar to that in Bridgend because of the disconnection of living-working-spending: in effect, those with well-paid jobs in Bangor live and spend elsewhere, leaving the centre over reliant on lower income residents. The local catchment is particularly important for Bangor: in 2019, 40% of visitors coming to its town centre came from within a 10-minute walking distance (Exhibit 1.25).⁵²

⁴⁹ Source: Local Data Company GB Leisure and Retail Market Analysis H1 2020, p.34. <https://www.localdatacompany.com/blog/h1-2020-retail-and-leisure-analysis-out-now>

⁵⁰Source: Annual Monitoring Review.

⁵¹ <https://www.bbc.co.uk/news/uk-wales-47696952>

⁵² Source: Ellandi (Commissioned report on movements within Bangor).

Exhibit 1.25: Geographic area within a 10-minute walk from Bangor town centre⁵³

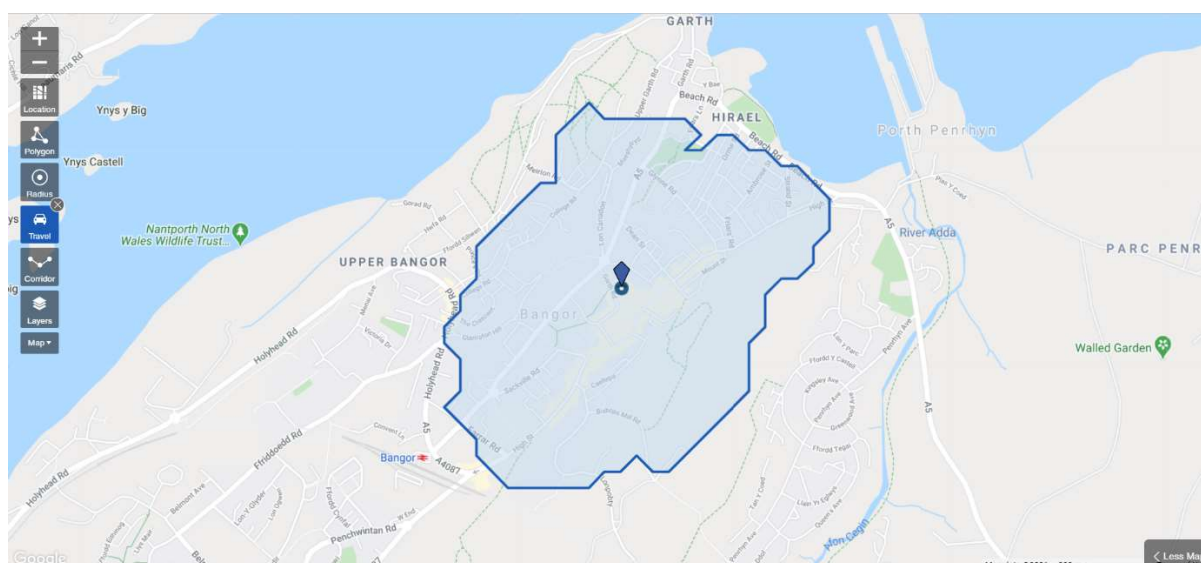


Exhibit 1.26: Number of households within selected distances of Bangor town centre⁵⁴

	1 mile	2 miles	3 miles	5 miles	10 miles
Households (2018)	4,256	8,048	10,663	16,946	38,186
Population (2018)	14,905	24,025	29,908	44,417	82,977
Average household income	£16,709	£21,855	£23,185	£23,562	£22,553
Weekly household spend	£407	£432	£439	£440	£431
Per capita weekly spend	£116	£145	£157	£168	£177

This is the highest percentage among the towns in this study, meaning that Bangor has become very dependent on those living around its centre. Using council tax bands A and B as a proxy for income, we can infer that the local residents are disproportionately low-income including both those in northern wards like Hirael adjacent to the town centre, and the student population who use the town centre intensively but have expenditure patterns biased towards budget food, drink and leisure. The distribution of property by council tax band also shows that higher value properties are mainly on the southern edge of the town and the adjacent large commuting villages, especially those on the other side of the Menai Strait. For those living outside Bangor, the edge of town is a more convenient retail option.

A separate yet pressing problem in Bangor, which needs to be considered when thinking about town centre regeneration, is the Maesgeirchen social housing estate. Awkwardly

⁵³ Source: Co-Star database.

⁵⁴ Source: Co-Star database.

placed on the other side of Bangor Mountain from the main linear settlement on the coastal strip, this 2,600-inhabitant estate – the third largest in Wales – is socially and economically disconnected from the town despite being little more than a mile from the town centre. With an active working population of 1,200, only 350 Maesgeirchen residents accessed jobs in Bangor town in 2011, with less than 200 working in the town centres wards of Deiniol, Garth and Hirael. In addition, Maesgeirchen is also a ‘zone of relegation’ because there is limited shopping, leisure and economic infrastructure within walking distance, even though 30% of households have no car.

Overall, town centre regeneration in Bangor will need to address two structural issues. Firstly, the local catchment of the town centre is relatively low income, with students representing a significant proportion of the regular users. Without a shift in the level and composition of visitors and an increase in the number of residents using the facilities, it will be difficult to sustain a vibrant town centre. This requires a rethinking the town as a social, cultural and public services space, as much as a retail destination to enhance the volume and diversity of visitors.

Secondly, those working in the town centre but living on the southern edge of the town and in the commuter villages outside of Bangor take employment income from the town centre and spend it elsewhere. This highlights the importance of engaging the two major employers – the university and the hospital – in thinking about shifting the live-work-spend-do relations in ways that can benefit the town centre more over time. Equally important, Bangor needs to face up to the issues around Maesgeirchen estate which is semi-detached from the town and lacking in neighbourhood facilities. Maesgeirchen needs both better facilities on the estate and better connection to the town.

1.5. Conclusion

This chapter has shown that the town centre problem is not just a matter of declining retail sites, but rather a broader and more structural consequence of changes in the relationship between people and towns in terms of their living, working and spending of time and money. Towns and their hinterlands became more socially and economically integrated with nearly universal household car use after 1980, as 75% or more of households typically had a car. Welsh towns then grew in a dispersed way by adding monofunctional zones for living, working or shopping - the new build owner occupier estate, the business park and the retail park - which were all conveniently accessed by cars which parked up in front of homes, offices and chain shops and supermarkets.

At first the car-based integration of town and larger 30-minute drive to hinterlands in Wales incidentally benefitted town centres because it expanded and consolidated the catchment and, in many towns over the 1980s and 1990s or later, the retail chains were not only opening edge of town branches but maintaining or consolidating their positions in town centres. But, as edge of town retail parks increased the square footage and retail choice, they were better placed to intercept and divert the large volume of flows between town and hinterland. In the

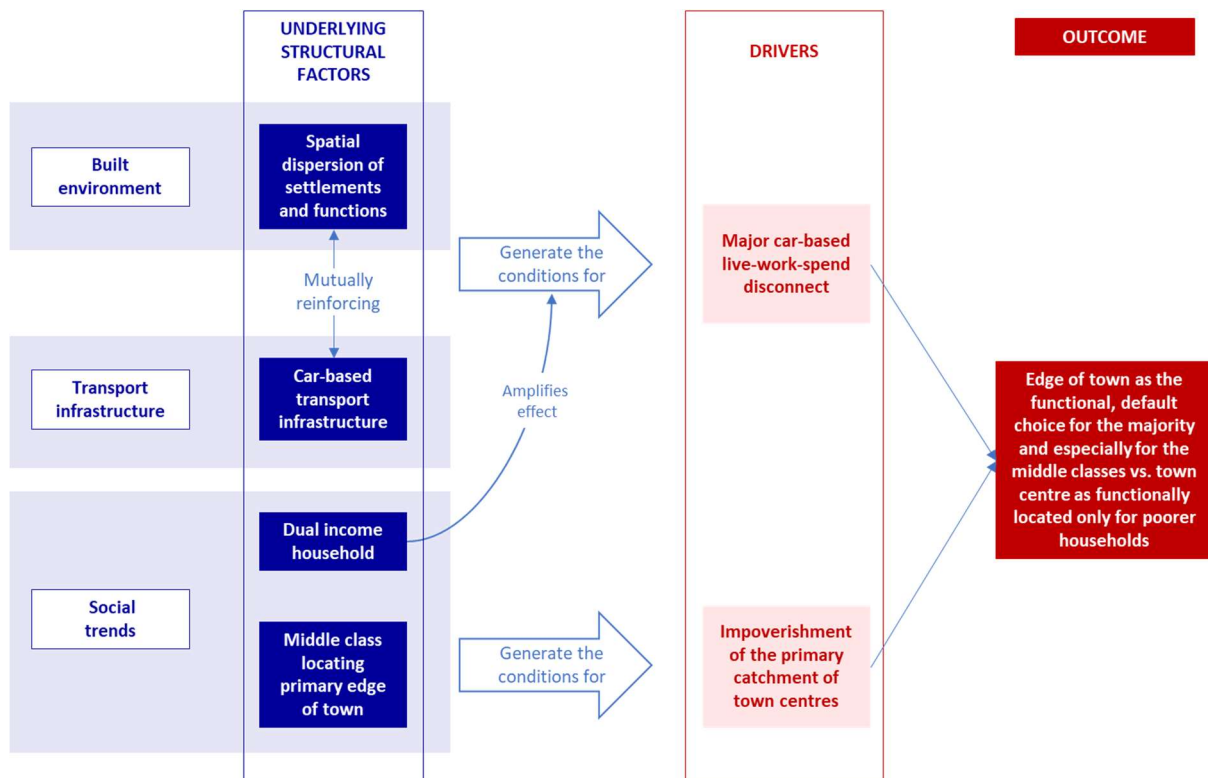
case of Bridgend, where road connections create a very large hinterland, the edge of town (M4 Jn 36) site was able to attract visitors who would not normally consider Bridgend town centre as a destination.

The result is that these trends have created a 'socio-spatial settlement' which puts town centres at a structural disadvantage when there is a surplus of retail space, and the most visible manifestation of town centre crisis is empty shops on the high street. Once the uncontested heart of communities, town centres have become less functional, secondary destinations where lower income residents shop. Towns are less centred on a high street(s) and have become dispersed and polycentric with all kinds of activity displaced to edge of town sites. These sites are connected by car-based commuting, often along what were intended as long-distance routes, and which have now become hinterland distributors. As more people live and work in different places, connected mainly by car, so edge of town retail parks (close to main roads and with plenty of free parking) become more important for shopping and leisure; and there is less cause for those who live on the edge or out of town to use the centre. And, when the higher income residents have become concentrated in outer areas where new housing developments have been permitted, middle- and high-income groups are spending their leisure time and incomes out of town even if their jobs are in the town centre.

Through this process, social, infrastructural and spatial factors are combined in a reinforcing system. Employment, residency and retail dispersion have made the private car increasingly a necessity by default not an active choice: those households without car access are inconvenienced or excluded from the new order; while two cars allowed two jobs in different places. Incrementally, car-based, mobile lifestyles – whereby people live, work and shop in different places – have become the new normal consolidating the demand for dispersed settlements (Exhibit 27). The epitome of all this is the new build, middle income estate at Coity outside Bridgend with more than 90% of households having a car and around two thirds of households having two or more cars.

The result is a socio-spatial settlement now set in the tarmac, brick and steel of our roads, houses and cars, and the life choices of many people within this hard frame. The socio-spatial settlement has been decades in the making and is now the central organising device which makes many Welsh towns work. Middle income households have invested in family houses in edge of town estates or commuter villages, businesses have relocated to business parks and retail to high bay units in retail parks. Public services like Welsh Government or further education have in many cases also made this shift which of course depended on public investment in road infrastructure. Large parts of Welsh society are embedded and/or have a stake in the dispersed territories at the edge of towns and in their hinterlands. Striking a new balance in favour of the town centre will be a major challenge in this context.

Exhibit 27: The forces that lead to the decline of the town centre and the dominance of the edge of town



The degree of this challenge depends on the specifics of place when, as we have seen, all towns are different and there is room for optimism because, as we will explain later in this report, local agency can address the town centre problem. Edge of town development has damaged the town centre in each of our three towns, but the extent of the damage varies considerably. In Haverfordwest the town centre holds, but in Bridgend edge of town retail and out of town development have had a destructive impact which makes the local task of renewal much more difficult. Going forward, national policy needs to understand these local differences and consider providing extra resources, support and interventions to places that face challenges above the current capacities of their local administrations.

More broadly, much of what has happened in the last 40 years was controllable by Welsh Government and local authority policy; and much that will happen in the next 40 years is controllable. The task of policy is to be clear about objectives, unintended consequences and the levers that deliver results. Town centre decline is now the unintended consequence of the way in which public policy over the past 40 years has enabled private developers to rework Welsh towns and their hinterlands. Policy can and should do better over the next 40 years. Some trends including the shift to online shopping are largely uncontrollable at the national level; but much else can be controlled by Welsh policy and planning for the renewal of towns and town centres. This renewal is both possible and necessary to secure the well-being of future generations.

Our analysis in this chapter suggests there is in every Welsh town an economic and social basis for renewal of town centres and a more ecologically responsible relation to edge of town

centres: there is still a 10-minutes-on-foot local catchment in each of our three towns and they all retain a legacy sociability function. On average across the three towns, this local catchment constitutes 37% of town centre footfall and this shows that a functionally located town centre will be heavily used. Policy should try to strengthen this local catchment increasing the mix and number of people living in and around the town centre, as well as making active travel into the centre more attractive. It is important to get more and higher-income households in the town centre to boost the town centre dynamic. This needs to be achieved without gentrification, which means that housing, shopping and social infrastructure for lower income groups should also be preserved and enhanced for balanced neighbourhoods.

Town centres have always existed to serve wider populations and their fortunes have historically been dependent on their capacity to attract regular visitors from a broader hinterland for shopping and other services. The question now is what new activities can replace and/or augment retail as a prime function. Our response is that we need to rediscover and enhance the social function of town centres, which the retail boom of the 1980s and 1990s had overshadowed. While shopping centres and retail parks are fundamentally transactional spaces, the empirics show that town centres have remained relational places where people hang out, meet friends, take in cultural events, engage in voluntary activities and use local services as well as shopping. This results in visitor dwell times two to three times greater than in retail parks. This social, cultural and public service usage is the clear competitive advantage that town centres have over edge and out of town destinations and regeneration should focus on strengthening the social infrastructures that underpin and can enhance it.

Chapter 2 Renewal and local agency in the three towns

2.1 Introduction: local agency as an organisational and structural problem

As outlined in Chapter 1, Bangor, Bridgend and Haverfordwest are spatially organised in ways that systematically favour edge and out of town destinations. Renewal should have the objective of rebalancing so that the town centre dynamic is revived, with an enhanced capacity to fulfil multiple economic and social functions in an ecologically sustainable way. This means partially inverting the direction of social and economic interaction so that more people and more expenditure circulate around town centres – using active travel as far as possible - instead of concentrating in edge and out of town locations via private car travel.

A key question is to what extent local actors can create impetus for this kind of change within their town. The current context of austerity has limited the resources of local government in particular; splintered political agency and multiple communities with different objectives contribute to this difficult challenge. While masterplans can be commissioned, it is more difficult to deliver regeneration through a stream of coherent projects that connect to each other and to the different communities of a town.

Where does local agency for renewal come from? Here we highlight two elements, which need to be considered together: structural factors and organisational capacity. Agency does not happen in a vacuum but in specific contexts defined by distinctive structural features. Depending on circumstances, these factors can facilitate or obstruct local agency.

If structural factors are important, local agency also reflects the capacity of local actors to organise themselves. In this chapter, we highlight four key preconditions:

- a. there need to be a shared vision, which connects to place and mobilises different actors;
- b. stakeholders need to be organised into an alliance capable of delivering a stream of coherent projects;
- c. these projects need to be what we call ‘projects plus’ because they connect to different communities and have a social dimension;
- d. a stream of projects usually requires a small executive group of ‘sherpas’ which works continuously on developing and progressing projects.

To establish the extent to which Bangor, Haverfordwest and Bridgend have been capable of creating local agency for town centre renewal we talked with local authorities, Welsh Government regional teams and others. We also looked at recent and ongoing/ proposed developments in the three towns to assess how they have responded to specific challenges, as well as to better understand the constraints. Our overview included both the town centre and the edge of town. Towns are systems made of parts that work together more or less effectively. For example, if edge and out of town development continue to take place at scale and in ways that strengthen centrifugal forces and the dispersion of activities, there will be

little rebalancing in favour of the town centre, even if good regeneration projects take place in central areas.

2.2 Bangor: some momentum from town centre developments, but edge of town development continues and the future depends on major stakeholder commitment and community engagement

Bangor is a place which is beginning to do the right thing but only after (or at the same time as) it is doing the wrong thing; and in Bangor University it has a major actor which, with more sustained commitment, could drive transition and end underperformance. After some years of what is generally perceived as drift in Bangor, regeneration projects are under way, suggesting momentum and impetus. Bangor has at least four regeneration projects confirmed in the town centre and a couple at its edge: the balance of these developments may strengthen the position of the town centre. However, Bangor is also a town of missed opportunities and unrealised potential with continued edge of town development working against renewal of the centre.

Bangor's regeneration activities can be understood through three contrasts between projects of different types in different locations. These contrasts highlight the mixed nature of Bangor's renewal and, by implication, the limits of local agency when stakeholders are developing a shared understanding but have not yet mobilised and fully engaged local communities. The three contrasts are major projects or actors:

1. Pontio vs Nyth
2. Redrow vs Adra
3. Waterfront vs. town centre vs. Jn 9, A55 edge of town.

The first contrast - Pontio vs Nyth - covers two approaches to socio-cultural regeneration in the town centre, one based on a top-down grand project with community ambition, the other on a bottom-up, small project with in-built community connection. Post-retail regeneration in the town centre of Bangor started conventionally with a grand project concentrated on a key site, with the replacement of the Bangor theatre by the Pontio Arts Centre,⁵⁵ completed in 2015 at a total cost of £49 million.⁵⁶ The Pontio Arts Centre renewed Bangor's central theatre and cinema while adding a research focused lab facility with expensive equipment.

Later projects such as the conversion of the grade 2 St Mary's Church into the Nyth Community Theatre were complementary but embraced a quite different model. Promoted

⁵⁵ Led by the University but mostly financed by Welsh Government, the European Union and the Arts Council, the development combines culture and business innovation providing a modern theatre, a single screen cinema, a restaurant and an innovation centre with a fab lab. See

<https://www.pontio.co.uk/Online/default.asp>;

<https://www.bangor.ac.uk/about/pontio-innovation>

⁵⁶<https://www.youtube.com/watch?v=j8506LGEcmCM+https%3A%2F%2Fwww.bangor.ac.uk%2Fabout%2Fpontio-innovation>

by the Welsh language theatre company Fran Wen, this regeneration aims to transform the disused church into a creative space for young people and artists.⁵⁷ Unlike the Pontio Arts Centre, the Nyth Community Theatre has been developed with community participation and at a fraction of the budget with expected costs of £3.8 million.⁵⁸

If the aim of renewal is increased vitality of the town centre and connection to different local communities, a set of smaller projects like the Nyth Community Theatre offer a potentially greater return than single grand projects. A set of diffused projects across a town centre bring physical improvements to several spots instead of just one and can be focused in a way that achieves a ‘quarter’ effect, widening the appeal. Furthermore, diffused renewal can also better engage different communities. This is something Bangor needs to do because at present the regeneration process has mainly focused on students and young creatives, highlighting the need to engage more with other communities of the town, including families, older people and the residents of Maesgeirchen.

The second contrast is Redrow vs Adra and relates to two approaches to residential development. One approach is based on low-density, out/edge of town sizeable developments on greenfield sites: these have little active travel integration with the surrounding areas, creating car-dependent monofunctional zones. The other is based on small scale, high-density developments on brownfields site in the town centre, with a strong focus on social inclusion while enabling lifestyles based on active travel.

At present Bangor has both. At one end of the spectrum is the edge of town Goetre Uchaf housing developments built in Penrhos close to junction 9 of the A55 on a greenfield site by commercial builder, Redrow⁵⁹. Opened in 2016 and already sold out, this large-scale development comprising 245 mostly family houses of different size is more than 40 minutes on foot from the town centre. Advertised for a car-based commuter lifestyle, it has active travel access only to primary schools.

On a different model, there are the developments by housing association Adra in the town centre. These include a 12-flat block on the High Street providing temporary accommodation and training for homeless people⁶⁰ and a larger apartment development of 38 one- and two-bedroom flats on the former Bangor Social Club site to be let at market and social rents.⁶¹ Both developments have limitations,⁶² yet they are interesting because they take up the

⁵⁷ Nyth Community Theatre is equipped with performance and rehearsal spaces, an underground studio and creative spaces for artist residences. See <http://www.franwen.com/en/events/nyth/>

⁵⁸ <https://www.thebangoraye.com/planning-secured-for-new-3-8m-bangor-creative-hub-for-young-people/>

⁵⁹ Most homes have been sold at market prices, though 80 of these units were sold to a housing association providing affordable housing. See: <https://www.bbc.com/news/uk-wales-23933876>; <https://www.redrow.co.uk/developments/goetre-uchaf-bangor-022146>

⁶⁰ <https://www.adra.co.uk/en/successful-planning-permission-to-tackle-homelessness-in-bangor/>

⁶¹ <https://www.thebangoraye.com/drone-images-show-progress-of-bangor-apartments-development/>

⁶² The hostel is too small on its own to address the intensifying housing crisis and is not clear if training will be sufficient to allow residents to transition to employment positions that can support them adequately. <https://www.northwaleschronicle.co.uk/news/18929611.bangor-homeless-flats-approved-amid-claims-citys-gentrification/>

challenge of rebuilding in the town centre where remediation costs are high. Furthermore, they also have an explicit focus on social inclusion and their location promotes active travel.

New residential developments will continue to be needed and their location and format will play a significant role in either consolidating or shifting the unfavourable town centre dynamic. At present a further monofunctional edge of town development proposal promoted by the private developer Macbryde Homes Ltd is being discussed, which includes 66 new homes built on the edge of town on the road to Maesgeirchen.⁶³ Here as elsewhere, planning authorities are not sufficiently focused on the issue of new housing and arranging new developments in ways that strengthen the town centre and create active travel sub-centres, not new car-dependent zones.⁶⁴

The third key contrast relevant for focusing the renewal problem in Bangor relates to the choice of spatial focus. At present Bangor has three axes or corridors of regeneration and/or new development: a) the town centre around the high street; b) the waterfront in the north east; and c) the new edge of town around junction 9 of the A55 in the south west. Competition between sites reduces the available public resources for any one site and the outcome will work for or against the objectives of reinforcing the town centre and encouraging more active travel.

To reinforce the town centre dynamic the waterfront regeneration⁶⁵ must be linked to the town centre via active travel routes so that it becomes a blue infrastructure and recreational space integrated with the town centre and adjacent residential areas, not a semi-detached competing destination. This is important because Bangor already has what is effectively a new small edge town at junction 9 with a concentration of leisure, employment and housing,⁶⁶ recently reinforced by the relocation of the FE college from the town centre.⁶⁷ The question is whether the waterfront can be rethought as an active travel sub-centre in the periphery in limited competition with the town centre.⁶⁸

In Bangor, momentum for town centre renewal is building. Serious consideration is being given to building a new health and well-being centre on an ex-retail site in the town centre

⁶³ <https://north.wales/news/gwynedd/plans-put-forward-for-66-new-homes-on-outskirts-of-bangor-23169.html>

⁶⁴ Bangor's built-up area is already too large for one active travel zone.

⁶⁵ The pier has been sympathetically renovated at a cost of £1.9 million, and a flood protection scheme is underway in Hirael where the ambition is to include wider regeneration aspects including a waterfront destination. <https://www.bbc.com/news/uk-wales-47951965>

<https://walesnewsonline.com/preparatory-work-underway-on-major-flood-alleviation-scheme-in-bangor/>

⁶⁶ This area already concentrates major public employment sites, with the hospital and a range of private and public sector services on Parc Menai on the other side of the A55, as well as substantial housing developments and retail sites close by.

⁶⁷ The employment of the edge town area will increase further with the relocation of the Menai Coleg Campus to Parc Menai where a planning application has been recently submitted. Despite the Town Centre First policy, the FE college decided to relocate from its in town site on Ffriddoedd Road in upper Bangor, where it has been since the 1950s. The College wanted to expand and argued that relocation would be cheaper than renovation. <https://www.thebangoraye.com/plans-submitted-to-relocate-coleg-menai-campus-to-parc-menai/>

⁶⁸ Continuing business as usual developments around junction 9 will reinforce the emerging car-based edge of town. This will compete with the town centre and undermine on-going town centre renewal efforts.

and the Business Improvement District was confirmed in a recent ballot. Further strategic developments depend on public actors and crucially on whether the University can commit to a programme of town centre projects with social dimensions.⁶⁹ Bangor needs to secure these key moves and connect developments into a strategy with a stronger social and spatial focus so that renewal strengthens the town centre, and more communities are engaged. This will also require interventions to ensure that more of the residential developments and employment creating activities are directed towards the town centre, rather than by default on the edge of town, with no consideration for active travel.

Structurally Bangor is in a mixed position in term of renewal. It has large assets, including a research university located in the town centre, a potentially attractive waterfront which has a Victorian pier, and Eryri National Park close by bringing many visitors to Gwynedd. It also has disadvantages because the old town is a linear built-up area constructed on the narrow coastal strip between the Menai Straits and Bangor Mountain. The middle-income groups can commute from Anglesey and the social housing estate on the other side of Bangor Mountain has poor connections to the town centre, while the A55 expressway anchors an emerging new edge town.

These are difficult yet addressable problems and actors including Gwynedd Council and many in the local community are up for the challenge. The preconditions for local agency in Bangor are very encouraging although more vision, resource and impetus are needed if Bangor is to realise its potential.

- Vision: the town needs a stronger vision as a diverse small town with a magnificent natural backdrop offering an active travel-based lifestyle for different demographics, integrating education and culture through the University and various arts facilities, offering nature and recreation of all kinds from sea level to the summit of Yr Wyddfa.
- Project Plus: the cost/ benefit ratio from the grand project of the Pontio Arts Centre is uncertain but, coming on behind, Bangor has other more modest town centre projects with a strong social connection including the proposed health and well-being centre. The scale of the in town residential projects is however relatively small compared to edge of town developments, most notably Redrow's Goetre Uchaf estate.
- Alliance of actors: through regular meetings of the Bangor Strategic Partnership the town is building an alliance for renewal with key stakeholders developing a shared understanding of the problem. But Bangor also needs the renewed commitment of the University to the town centre which integrates other stakeholders and recognises that

⁶⁹ The Health and Wellbeing Hub negotiations have advanced to the point where town centre sites are being considered including the repurposing of one of the shopping centres; the possible relocation of Natural Resources Wales offices to the town centre is a further possibility. The big question is whether and how the University will recognise its co dependence and rethink and deepen its relation to the town. In 2009 the University finished its largest residential complex to date, a 2,000-bed accommodation on Ffriddoedd Road in upper Bangor, a 10-minute walking distance from the town centre. This provides a basis for consolidating its position as an 'urban University', with more facilities spread across the town centre.

relatively large universities in small towns can create town and gown issues which need to be addressed before they become problems.

- Organisation: the recent appointment of a town manager is an important move which can help with co-ordination and momentum. A next step would be to identify and empower a small group of sherpas who could work together continuously on projects plus which provide the impetus for renewal. One of their first tasks could be to fold the existing town centre plan into a more ambitious renewal vision building on the kind of territorial analysis provided in Chapter one of this report.

2.3. Haverfordwest: a stream of projects supporting post-retail transition of the town but blind spot about housing in town and on edge of town

Haverfordwest is the one of our three towns which could be held up as an example of what local agency can do (when faced with soluble problems). That qualification is important but does not in any way devalue the exceptional initiative, imagination, alliance building and community engagement manifest in Haverfordwest. Under Council leadership, the town has completed and/or enabled a succession of related projects which have added important social and community facilities to the town centre while other substantial regeneration projects are on their way. This has contributed to redeveloping the town centre as a community and social hub to benefit local people and businesses, maintaining the relation to its hinterland and supporting a larger share of the visitor economy.

Redevelopment has happened through connected projects and at scale so that, though there is much more to do in the historic town centre, it is possible in Haverfordwest to argue that regeneration is already delivering a post-retail transition and partially proofing the town centre against continuing retail decline. But, as in the other two towns, private developers continue to press for large housing developments at the edge of the town, north and south of the main built-up area; and significantly, there are no plans for residential refurb or redevelopment in the town centre. This is problematic from an active travel perspective and represents a missed opportunity to secure a more sustainable town centre by increasing the number and diversity of local residents.

The concepts of *social outreach* and *spatial focus* are helpful in understanding what is really good about town centre renewal so far in Haverfordwest. Social outreach refers to the capacity of Haverfordwest regeneration to engage the various and different communities in a place. Spatial focus refers to the clear vision of Haverfordwest town centre as a forward-looking cultural and social hub, which can support its traditional county town functions and move on to embrace novelty.

- The local communities engaged are diverse. A new public outdoor skate park opened in 2014, on the edge of the town centre close to the Pembrokeshire County Council offices, offered some of the best facilities of this kind in the UK.⁷⁰ Built at a cost of £427,000, the

⁷⁰ <http://www.caughtinthecrossfire.com/skate/skate-news/new-maverick-skatepark-opens-in-haverfordwest/>

park (which works also as public space) engages children and young adults in the street sport scene (skateboard, inline skating, BMX and scooters) drawing on core users coming from the town and occasional visitors from outside.⁷¹

- The one showpiece modern public building has visitor figures which demonstrate its usefulness of its facilities. The New Riverside Library opened in 2018 brings a modern, multifunctional public library to the heart of the town centre at the riverside, at a cost of £3 million.⁷² It offers a variety of additional services beyond a lending library including, gallery space cafe, tourist information and play areas for children. The library holds together culture, sociability, welfare and tourism, engaging residents and visitors throughout the whole day with a particular focus on families. This represents a commitment to quality public provision which in recent times is highly unusual in a British town of this size.
- The arts and cultural activities have not been neglected. Since 2017, under the aegis of a community interest company, the Haverhub Community Centre has been developing a grassroots community and cultural centre in the formerly empty grade 2 listed Old Post Office building. The Haverhub provides a mix of affordable working and meeting spaces for artists, social entrepreneurs and community groups⁷³ and has recently been designated as one of Welsh Government’s pilot remote working locations.⁷⁴
- Renewal in Haverfordwest has also taken advantage of disused properties in the town centre waiting for redevelopment. A local group of artists and architects, ‘Meanwhile’, have agreed temporary use of the empty Ocky White department store building. This kind of temporary use is commonplace in Germany and the Netherlands but still not standard practice in the UK.⁷⁵ Many of the later arts and cultural activities can be traced back to the way in which Haverfordwest benefitted from the Lab, a successful, low-cost arts centre which ran from 2014-17.⁷⁶

⁷¹ Usually, skate parks are located at the outskirts of towns and cities, yet in Haverfordwest the skate park was placed in a relatively central site after pressures from the local skate community. This move is remarkable because it puts a street sport facility – which also functions as a public space and meeting place – at the heart of renewal. This is in line with similar uses of skateparks as a way to revitalize public spaces in cities like Paris, Malmo or Copenhagen: <https://www.reliance-foundry.com/blog/skateboarding-public-spaces>.

⁷² <https://www.pembrokeshire.gov.uk/the-riverside-information>;
<https://www.westerntelegraph.co.uk/news/17272830.first-look-inside-riverside-haverfordwests-3million-new-county-library/>

⁷³ This bottom-up regeneration was started by a social entrepreneur who bought the site and pulled together a group of people and organisations interested in promoting social and cultural activities in Haverfordwest. The space was intelligently developed step by step with modest sums of money, using self-renovation, crowd funding and larger contributions from institutional funders. Intended from the outset as space for ‘social engagement’ encouraging ‘active citizenship for the benefit of the wider community, the hub now provides a theatre, a concert hall and various work, meeting, sport and art spaces thus reaching into the creative and social businesses community as well as beyond.
<https://haverhub.org.uk/home/about/>

⁷⁴ <https://gov.wales/remote-working-locations-confirmed-across-wales>

⁷⁵ http://urbancatalyst.net/downloads/2013_UC_Extract_eng.pdf

⁷⁶ Named The Lab, the art space organised a series of popular workshops, art exhibitions and public events of which the most famous was a lantern parade attracting 3000 visitors to the town in 2017

- Haverfordwest starts with the advantage of a compact settlement and Pembrokeshire County Council has behaved strategically by buying contiguous sites along what was the neglected riverside and then master planning the redevelopment of a riverside corridor. The council owns the Ocky White building which at a cost of £6.7 million will become the Western Quayside, which will provide also a bar, a rooftop terrace and a public square for civic events.⁷⁷ The Council's purchase of the 3-hectare site of the tenanted Riverside Quays Shopping in March 2021 completes the plan because it gives the Council control of the northernmost section of that corridor. Spatial focus is evident in that the Riverside Library, the Ocky White site, the Haverhub Community Centre and the Western Quayside are within 5 minutes on foot from each other and connected by a pedestrianised area which spans the retail core of the town centre. Together with the town shopping area, the regenerated spaces create a tight spatial continuum which should be able attract a critical mass of footfall throughout the day.

If post-retail regeneration in Haverfordwest has been very successful in strengthening social and cultural uses, residential developments in the town are more problematic. While no major residential development has taken place in the town centre, edge and out of town residential developments have been substantial in recent years with plans for further increase. The two main edge of town housing development sites are Merlinslane and Conygar Slade Lane.

Led by the house builder Persimmon, the Merlinslane development was completed in 2020, adding a monofunctional residential area with 178 houses on a greenfield site on the south west edge of the town.⁷⁸ With limited social infrastructure and no retail facilities on site the car will probably be the default travel mode. This new estate is 1.6 miles from the Riverside Shopping Centre in the town centre, which means a 30-minute walk, a 15-minute bike ride or an 8-minute car journey.

The Slade Lane development on a greenfield site on the north west edge of the town has been under discussion since 2014, though nothing has yet been built. The site is owned by the portfolio developer Conygar, which has proposed different variants from its original proposal of building around 700 homes with a bundle of amenities attached.⁷⁹ There has been local opposition by both council and residents⁸⁰ to earlier plans.

[http://www.thelabhaverfordwest.org/about/;](http://www.thelabhaverfordwest.org/about/)

<https://www.westerntelegraph.co.uk/news/16897463.haverfordwest-river-lights-parade-postponed-2019/>

⁷⁷ Like the Riverside Library and the Haverhub Community Centre, this development is mixed use, combining shopping and leisure to achieve social and economic objectives. This project is also coherent with earlier re-use of the building, continuing and consolidating the regeneration process which started with the temporary use of The Lab. <https://www.pembrokeshire.gov.uk/newsroom/work-starts-at-western-quayside>

⁷⁸ <https://www.persimmonhomes.com/merlins-lane-10845>

⁷⁹ An initial plan included integration of the residential area with a Sainsburys superstore; a later plan for a more mixed development included 10 shops, a hotel, multi-screen cinema and restaurants <https://www.westerntelegraph.co.uk/news/17345839.slade-lane-land-part-conygars-haverfordwest-plans-sale-savills/>

⁸⁰ [https://www.westerntelegraph.co.uk/news/16351353.slade-lane-house-plans-still-development/;](https://www.westerntelegraph.co.uk/news/16351353.slade-lane-house-plans-still-development/) <https://www.bbc.com/news/uk-wales-south-west-wales-40137656>

This Slade Lane development is crucial because Haverfordwest is a compact settlement so that Slade Lane is both a large edge of town settlement and just about within active travel distance of the centre. Potentially adding up to 2,000 residents in a town of 15,000 at 10 minutes on foot from the town centre, Slade Lane is the strategic development for the future of Haverfordwest. If housing is needed, the objective should be to create a dense residential area with local amenities on site and easy active travel access to the town centre. This outcome will require intervention by planning authorities to avoid low density and car dependent development with limited benefit for the town centre and an inevitable increase in local car use.

Post-retail transition in Haverfordwest is happening with substantial, spatially concentrated regeneration projects which have transformed the once retail-based centre into a town with a broader base of attractions. Public sector led moves are complemented by bottom-up projects which the Council is increasingly recognising, valuing and enabling. For the consolidation of this transition, it is crucial that Haverfordwest focuses also on residential developments, including linking the town centre to the proposed large residential development at Slade Lane and promoting additional high-density residential development in the town centre to meet a range of demographic needs including those of older people.

The structural preconditions for town centre renewal are good in Haverfordwest. The town combines relatively limited edge of town competition in retail, a compact settlement structure, a substantial middle-income work-live population and a historic town centre facing what was a neglected riverside. Under these conditions local agency has flourished, bringing together remarkable imagination and organisational capacity.

- Vision: Haverfordwest has a strong vision of how an historic market town can be reinvented as a social and cultural centre at pedestrian scale. Within this vision the town centre has been re-structured to provide social value to a variety of local communities while also attracting visitors from outside.
- Project 'plus': renewal in Haverfordwest is not just about physical refurbishment of key buildings and sites. It is also about bringing new social activities to the town centre which connect to each other within a coherent vision, while engaging different local communities. There has also been an openness to non-standard processes of regeneration (temporary uses, grassroots initiatives) and actors (the skaters).
- Alliance of actors: in Haverfordwest the council is not alone in regenerating but is part of a broader alliance of committed actors pushing from different sides towards objectives which are aligned. Only private housing developers are predictably out of step. Community input is strong and constructive because the council engages and is prepared to change plans in response to community input.
- Organisation: in Haverfordwest the Council's regeneration team is small and directly has only two full time members of staff; the council's regen efforts have been progressed by drawing resources and personnel from other departments within the council. This cross-department working is highly effective in Haverfordwest and breaks down traditional

siload ways of working. A small group of sherpas progresses projects and one officer engages different communities of the town in ways not obvious in the other towns in this study. In Haverfordwest, the council has found ways of working which not only ensure that projects happen but also ensure that a succession of projects are developed in a coherent way which is sensitive to the needs and wants of different local communities (for example the skate park or the library).

2.4. Bridgend: seriously challenged by live/ work/spend disconnects which make it difficult for the local authority to build an alliance for change

Bridgend is a good example of how structural challenges can overwhelm and inhibit local agency despite the efforts of a local authority which under more favourable conditions could generate momentum for a renewal. The point is proved by the way in which Bridgend County Council is responsible for a number of settlements and has been able to develop successful regeneration projects in its smaller communities with the renovation of the town hall in Maesteg⁸¹ (20,000 inhabitants) and the sea front projects in Porthcawl⁸² (16,000 inhabitants). In both places the structural precondition for town centre renewal are more favourable as both places have a clear town identity on which to build, there is civil society, trader and community support, and edge of town development is limited.

Structural conditions for town centre renewal are materially more difficult in Bridgend. As we have demonstrated Bridgend town is a cautionary tale about the effects of live/ work/spend disconnects. After decades of dispersion of employment, housing and retail the town has lost identity and the town centre has been overwhelmed by edge of town development. These hard-wired problems are reflected in, and reinforced by, socio political problems about the absence of a local coalition of interests who not only agree on the direction of travel but can initiate significant steps. In Haverfordwest, civil society has initiated and pushed forward key regeneration projects, no regeneration proposal in Bridgend seems to have come from local groups.

⁸¹ Maesteg's town centre regeneration focuses on strengthening the cultural and community uses of the town centre within a vision of the town as a liveable commuter settlement. There the strategy is to build on the strong community and third sector via a major regeneration of the town hall costing £8 million which will turn it into a community hub providing a theatre, a cinema, a library and meeting/activity space for associations as well a site for public services.

<https://gov.wales/3-and-half-million-maesteg-town-hall-redevelopment>

[https://www.bridgend.gov.uk/news/multi-million-pound-redevelopment-of-maesteg-town-hall-continues/;](https://www.bridgend.gov.uk/news/multi-million-pound-redevelopment-of-maesteg-town-hall-continues/)

<https://maestegtownhall.com/>

⁸² In Porthcawl, regeneration builds on the established function of the town as a coastal tourist destination, which already has a range of independent retail in the high street. Actions here focus on refurbishment of the waterfront where the major projects include a maritime warehouse/centre (café, restaurant, residency, theatre) costing £7 million, with a £2 million watersport centre designed to appeal to surfers, kayakers, paddle-boarders and canoeists.

<https://newsfromwales.co.uk/porthcawl/1-5m-watersports-centre-is-revealed-at-porthcawl/>

<https://www.bbc.com/news/uk-wales-54463100>

There is no active civic group which has voice in the regeneration process to the extent that it has brought forward a major project. Bridgend town centre traders are aggrieved about the decline of the town centre which is manifest to all residents. The response of some has been to call for de-pedestrianisation of parts of the town centre and, significantly, members voted not to renew the Business Improvement District (BID) in 2019 for a second term.⁸³ One of the largest property owners in Bridgend town is private and has interests in a major out of town development. Private developers will press for further edge of town expansion and reuse as their business models are pushing development in that direction.

Under these unfavourable structural conditions, the local authority sees the planned relocation of the further education college and a new town centre masterplan to create momentum for change. The new masterplan begins the process of rethinking the town centre beyond retail⁸⁴ as a place for living, working and shopping, with more active travel integration of residential areas. It points in the right direction of increasing residential development in the town centre, strengthening the employment opportunities and making space for more public services, cultural and social activities. But, while the local authority has secured a number of good housing association projects in Bridgend, under unfavourable conditions the authority will struggle to translate this vision into practice at scale.

To date, most of the regeneration work has focused on public realm and high quality restoration of heritage townscape, with some fairly traditional mixed developments such as the Rhiw Gateway combining retail, parking and residential.⁸⁵ While these may be valuable, they are not sufficient for the renewal of the town. At present there are three ongoing or confirmed post-retail regeneration projects in the town centre.

- The planned further education college relocation will move a major employer and educational institution into the town centre, with the intention to spread some of the college workspaces into nearby sites and creating a stronger physical link with the town.
- The Sunnyside Wellness Village is a mixed-use, inclusive social housing estate of 59 homes with healthcare centre, built on a council owned site by Linc Cymru in collaboration with the health board, and located less than 10 minutes on foot from the town centre.⁸⁶

⁸³ <https://www.walesonline.co.uk/news/local-news/bridgends-business-improvement-district-end-16981211>

⁸⁴ While the previous masterplan was focused on a retail-led revival of Bridgend, the current Bridgend Town Centre Masterplan (produced by the consultancy BDP proposes a major revamp of the town centre via a set of physical and functional improvements including the renovation of the town square, the 'gateways' to the town centre and the riverside, the strengthening of employment and community functions, the increase of residential and the connection of the town centre to the surrounding residential neighbourhoods and employment poles via active travel routes.

<https://www.bridgend.gov.uk/my-council/equalities-and-engagement/consultations/closed-consultations/bridgend-town-centre-masterplan/>

<https://www.walesonline.co.uk/news/wales-news/bridgend-council-town-centre-revamp-19416283>

⁸⁵ <https://www.insidermedia.com/news/wales/Vale-of-Glamorgan-regeneration-project-launched;>

<https://www.walesonline.co.uk/news/local-news/new-9m-apartment-shops-car-9167530>

⁸⁶ <https://gov.wales/new-health-and-wellbeing-village-bridgend-provide-major-boost-community-care-mental-health-and>

- The Coychurch Road / Cowbridge Road / Ysgol Bryn Castell housing developments are also on council owned sites, with plans for redevelopment via a combination of private and affordable housing. The project would bring a total of 223 homes (123 are already completed) within walking distance of the town centre.

These projects – under Council leadership – go in the right direction of strengthening non-retail functions in the town centre in ways that show productive collaborations between local authorities and other public and not for profit partners, especially housing associations. They demonstrate that good things can happen in Bridgend, but they are arguably too small to rebalance a built-up area with 40,000 residents and where the advantages of edge of town and out of town are structurally ingrained.

Meanwhile, private development in Bridgend continues to push in the opposite direction to that implied in the new town centre masterplan. If the masterplan envisages increased living in and close to the town centre, the three major residential developments under consideration ahead of the creation of the Replacement Bridgend Local Development Plan are all low-density, car-dependent edge of town estates.⁸⁷ Together these propose between 2,400 and 6,000 houses outside the town centre (Exhibit 2.1), dwarfing the 59 homes of the in town residential development of Sunnyside⁸⁸.

Exhibit 2.1: Major residential developments in Outer Bridgend currently under discussion

Name	Description	Location	Distance from the town centre
Island Farm development	1,000 new homes on a greenfield site on the mixed-use development with 400 new homes on a brownfield site (ex BGBC depot).	South edge close to the Hut 9 Prisoner of War camp	1.7 kms/ 22 minutes on foot
Parc Afon Ewenni	The LDP has allocated up to 650 homes	Southeast edge in Waterton, just off the A473	2.8 kms/ 35 minutes on foot
Laleston development	Up to 5,000 homes but planners do not want more than 1,000-1,500	Western edge between Bryntirion and Laleston	3 kms/ 36 minutes on foot

⁸⁷ <https://www.walesonline.co.uk/news/local-news/thousands-new-homes-intended-built-17020426>

⁸⁸ Local planners are currently trying to limit the units built on these areas conscious of the problems that come with an additional wave of suburbanisation, which would increase the population by up to 18,000 inhabitants.

The issue is not how these proposed developments can be blocked; but whether (downsized variants) could be channelled into more environmentally and socially sustainable ways than at Coity which stands as a poster child for the kind of edge of town development that does not advance town centre renewal. It is unlikely that the volume of housing that Bridgend requires can all be sited in or around the town centre. If this is a challenge for town centre renewal, it is also a great opportunity for rebalancing and experimentation in favour of more sustainable lifestyles in edge and out of town places. Built at density, equipped with social infrastructure and linked via active travel routes and public transport to the existing developments, new residential areas could help to create active travel-based neighbourhood centres on the edge of town. This is crucial given that Bridgend's built-up area is too large to be rebalanced by one active travel area in a radius from the town centre.⁸⁹

Overall, in Bridgend current and planned moves are mainly led by the council and limited in scope, while business-as-usual developments risk further dispersing the built-up area. The town centre masterplan points in the right direction and it could be the basis for momentum if a local coalition for change can align key actors and involve communities, traders, civil society groups and social enterprises. If it can control substantial new edge of town housing, Bridgend could also make volume changes that rebalance its sprawling built-up area towards more sustainable lifestyles.

In Bangor the regeneration of the town centre is possible and in Haverfordwest it is underway because structural conditions are favourable and local stakeholders and civil society groups are actively engaged. In contrast, difficult structural conditions for town centre renewal in Bridgend are created by live/ work/ spend disconnects aggravated by the fragmentation of local stakeholders and contrary pressures from private developers. As a result, the council is gifted a chronic problem which is challenging to address, especially given limited resources. The pre-conditions of agency can be summarised below.

- Vision: in Bridgend, it is still early days in developing a strong, shared vision for the town and its town centre beyond the generic idea of a liveable place of mixed uses. The new masterplan recognises the town centre cannot be retail driven but it is a consultancy design requiring further work to draw on consultation and engagement so that project priorities are developed.
- Project Plus: the regeneration projects initiated by the Council have a social dimension and connect to each other. But they are relatively small and local communities are not well integrated into the renewal process in ways that enable larger and more multi-functional developments, including bottom-up initiatives.

⁸⁹Beyond Bridgend town, the local authority could also consider new residential areas in the existing satellite towns linked by train to Bridgend and other major centres. There are already plans to put new residential development in the small villages of Pencoed (800-1,000 new homes on the Pencoed site of the Bridgend college) and Pyle (1,500 homes, a new school, a local centre and public open space on a site divided into two parcels by the A48). These new developments would be within walking distance of the train station and could support sustainable living around a) train-based commuting and b) shopping and socialising split between the village (on foot) and Bridgend town centre (by train/metro).

<https://www.walesonline.co.uk/news/local-news/thousands-new-homes-intended-built-17020426>

- Alliance of actors: the regeneration projects in the town centre show that constructive alliances between local authority, further education and housing associations can lead to good projects in Bridgend. But, on a broader view, the council will need to further develop an effective alliance of actors across the private, public and community sectors pushing for renewal in a coherent and sustained way.
- Organisation: Bridgend's local authority team is well-intentioned and capable of addressing more straightforward problems (as with Maesteg and Porthcawl). However, Bridgend presents a different order of difficulty, given the chronic and complex challenge of renewal. Here, there may be opportunities to focus effort through sherpas working continuously on project development and effective cross department collaboration, while continuing to nurture contact and co-operation with key stakeholders and community groups.

2.5. Conclusion: the uneven preconditions for local agency, the problem of scale in the town centre and the 'blind spot' about edge of town

Bangor, Bridgend and Haverfordwest have distinctive structural conditions and are at different stages in terms of the regeneration of their town centres. Haverfordwest is most advanced, with significant regeneration moves already in place. Bridgend has a good new masterplan, but not yet the significant stream of town centre projects, not least because of the dependence on securing funding for each move.. Bangor occupies a middle ground position where interesting projects are happening, and more are on their way, but some opportunities have already been lost.

The aim of this chapter has been to understand when local agency emerges and what it can achieve. After considering the different structural position of the three towns, we will make four key points here.

- First, the extent of the structural challenges in the three towns is important to note. Some places like Haverfordwest have more favourable structural condition, while others like Bangor have problems which are real enough yet addressable if the town can create and sustain a proactive renewal alliance. In contrast, Bridgend has to deal with overwhelming problems which are beyond immediate local agency and make it more difficult to construct and maintain an alliance for change across private, public and third sector actors. National planning policy needs to register these differences in circumstance so that it supports the most challenged local authorities.
- Second, there are differences in terms of organisational capacity of the three towns which is easiest to develop where structural conditions are least challenging. In Haverfordwest, under the aegis of local authority cross department working led by sherpas, a broad alliance for change has formed with roots and links in different local communities with shared (or overlapping) visions of what the town needs to be. Bangor is not there yet, but an alliance for change will coalesce when the University commits. The appointment of a

city director is a move towards the creation of a sherpa group working on making renewal happen. In Bridgend the council is pushing for regeneration without yet being able to draw fully on an alliance for change.

- Third, there are progressive developments happening in all three towns in terms of social infrastructure like community based cultural centres or health and well-being centres. But these are not matched by large scale projects for housing in towns which are absolutely essential if town centres are to be revitalised within an active travel frame. Even in Haverfordwest where regeneration covers most bases, it does not prioritise town centre housing for an ageing population; such accommodation is being pioneered by imaginative housing associations like Clwyd Alyn. None of these towns is developing aspirational mixed-income, mixed-age housing that would be required to divert younger households from edge of towns and suburbs to town centre living.
- Fourth, there is what might be called the Welsh blind spot about edge of town. With Town Centres First, the focus is on moving activity into the town centre; but what happens at the edge of town - especially in terms of new build housing and reuse of retail park units - will decisively influence what does or does not happen in the town centre. This interconnection between town centre and edge town has not been properly registered in Welsh national policy or in any of our three towns. This will remain a major issue as long as we have problematic housing developments at scale on the edges and out of town and no clear policy direction on conversion of edge of town retail units to non-retail uses. Such edge of town developments could extend the areas that are car-dependent and undermine renewal efforts in the town centre.

The next chapter of this report explores how the planning system has developed over time and explains the significance of Future Wales: The National Plan 2040. This chapter also presents projections of future housing which underline the importance of improving the liveability and sustainability of the existing built estate, as well as questioning the location of new housing developments. Chapter 4 then draws on the analysis developed through the report to outline a series of proposals to align imagination, organisation and business models with the vision of the National Plan for Welsh towns.

Chapter 3: What planning can do

“Good planning ensures the right development is put in the right place.... Future Wales is a plan promoting development that enhances our well-being and quality of life. It is a framework to help us focus on achieving big ambitions when we develop and regenerate our cities, towns and villages.”

(Mark Drakeford, Foreword to *Future Wales: The National Plan 2040*, February 2021)

The planning system has a critical role in helping local authorities to get the right development in the right place by providing a framework for spatial development. As the opening quote indicates, this was certainly the belief of the First Minister when early in 2021 he wrote the foreword to *Future Wales: The National Plan 2040*. This is the first national spatial strategy: it forms part of the statutory development plan and sets the direction for infrastructure and development in Wales. The framework will also in due course include four Welsh regional plans and a reworking of the local development plans used by local authorities to inform their planning decisions.

Two questions are raised by this ambitious strategy. First, given that a plan led system has existed for many years, how and why did our three towns and much of Wales end up in the polycentric mess we have described in Chapter 1 of this report? Second, if local development plans are revised within successive regional and national frameworks, can a new Welsh planning vision help not only to regenerate town centres but also to deal with the broader problem of live-work-spend-do spatial disconnects?

The message of this chapter is that a good planning framework will help, but there are limits to what planning on its own can do for the renewal of town centres and to establish live-work-spend-do spatial connections which are environmentally sound and socially inclusive. Certainly, this is so if the planning system envisions a progressive pattern of development while business model pressures (on for-profit and not-for-profit actors) drive a rather different pattern. In effect, a new Welsh planning framework is then a necessary but not a sufficient condition for progress.

Future Wales outlines an exemplary new vision of environmentally responsible, live-work-spend-do contiguity in centred urban communities. But the actual pattern of development has for the past three decades been driven by the business model consideration that edge of town and out of town development of all kinds (retail, office and residential) is generally more profitable and less complicated than in town; and the practical result is dispersion and polycentrism. This contradiction between planning vision and business model drivers will continue and intensify when the added challenge in the next twenty years will be not only curbing new out of town development but reconfiguring and reusing existing built environments in and out of town.

The chapter develops these arguments in four sections. The first section explains the context for the development of a plan led system, including how the contradiction between plan and

developer priorities has played out since the 1980s to produce the polycentric outcomes analysed in Chapter 1. The second section outlines how planners in Wales are reasserting the first principles of planning around a new vision of environmentally responsible, strongly centred urban communities. The third section looks ahead to the relative importance of new build and re-use of existing developments in the 2020s and 2030s, because that is the arena in which the struggle between planning and business model will be played out. The final section sets out how planning can contribute to repurposing and delivering a different future through adapting the existing built environment.

3.1 The development of a plan led system

The 1990 Town and Country Planning Act instituted the “plan led system” in England and Wales where regulation should enforce the public interest in the development of land and buildings. Under section 54A of the 1990 Town and Country Planning Act, “in making any determination under the Planning Acts, regard is to be had to the development plan, (and) the determination shall be made in accordance with the plan unless material considerations indicate otherwise”.

Within the current framework of development plans, the primary point of reference has been a local development plan which provides a spatial framework about what kinds of development are appropriate and where. Such plans indicate the broad direction of local development and identify locations for change including major housing developments.

This should allow principled decisions on planning applications with the presumption in favour of development that is in accord with the development plan.

A whole generation of planners have spent their working lives under the plan led system that followed the 1990 Act. This system is distinct from both the earlier development led system codified under the Town and Country Planning Act of 1947 and a transitional period in the 1980s when the balance between public and private agency changed. The objective here is to understand how the outcomes in terms of what gets built and where reflect both the planning system and the motives and business models of the key agents.

The shape of the three towns described in Chapter 1 is largely an outcome of the planning system since 1980: polycentric, car dependent towns emerged over time as private developers obtain planning permissions for mostly mono functional edge of town and out of town developments. The aim of this section then is to explain how and why the outcome was so favourable to developers in the last generation because that can help understand whether and how future private development can be restrained and redirected in the public interest.

Before 1980, the state was an active agent, organising large-scale development on the operating principle of “state action as necessary”, including planning and executing large scale public interest urban designs. In this period from 1947 to 1980, UK planning took two forms. First, there was new build, large scale master planning on greenfield sites, classically in the form of new towns. For example, the eight new towns around London were all intended to

have more than 50,000 population, while Milton Keynes was from the beginning intended to have 250,000 residents. Second, adaptive master planning of old build was a kind of urban retrofitting which worked in larger towns and cities by knocking down slums and adapting to motor traffic. This was the design behind Manchester's 1945 plan or Colin Buchanan's *Traffic in Towns* in the 1960s; this kind of modernist adaptation materialised in an old town like Preston, which gained a ring road and multi-story car park cum central bus station.

Adaptation and new build were united by the ambition to replace urban disorder with modernist design and by a shared concern to create urban settlements suitable for automobility, classically by segregating motor and pedestrian traffic. However, top-down design seldom engaged local specifics. Adaptive planning of urban clearance and decanting communities to peripheral social housing estates, like ring roads and urban motorways destroyed and divided urban neighbourhoods. This fuelled anti-modernist reactions: as in the case of Jane Jacobs, whose work celebrated the virtues of urban density and diversity.⁹⁰

In this modernist, state driven phase of planning, Wales, mainly escaped large-scale post-war reconstruction which focused primarily on larger towns and cities. In a country of small towns, the main modernist monuments were Cwmbran new town and the rebuilding of Swansea's bombed town centre around Kingsway dual carriage way and roundabout. Overall, the most important development was the improvement of the Welsh trunk road system, which was a precondition for subsequent edge of town and out of town development. Trunk routes like the M4 in South Wales or the A 55 in the North could be then used for local traffic.

After 1980, the planning system delivered change in a more piecemeal way as private developers obtained individual project permissions in a system that was increasingly developer driven. Paradoxically the results of piecemeal change after 1980 were much more transformative in Wales than in the 1945-1980 period.

From this point of view, the 1990 Act can be seen as a regulatory reaction to a decade of "planning by appeal" in the 1980s after local authorities in England and Wales had found it difficult to resist private developers' plans for edge of town and out of town retail parks, business parks and housing developments. At the same time, competitive localism between adjacent areas undermined local authority resistance and indeed encouraged emulation to attract new developments. The outcome was uncontrolled expansion of out-of-town retail and office space as local authorities tried to ensure that their residents did not need to travel to an adjacent local authority area. This then helped to normalise out of town development.

The plan-led approach was intended to provide transparency and coherence for principled decision making in that the need or desirability of new developments could be decided by reference to a formal plan. However, the UK's plan led approach was much less prescriptive than those adopted in the Netherlands, Germany and Scandinavian countries when these countries made a similar shift in the 1980s away from a state driven form of planning. In the Netherlands, for instance, since the early 1990s regulations have existed to govern the

⁹⁰ Note: See for example Jane Jacobs' classic book *The Death and Life of Great American Cities*, first English edition in 1961.

location of retail facilities. As part of a broader policy of zoning aimed at promoting non-car-based transport,⁹¹ these regulations banned the development of large scale out of town shopping malls.

If the UK eschewed Dutch style prohibition, the problem was that plan led restraint on out-of-town development came late in the day or was ineffective. By 1990, many permissions had already been given for retail developments, such as at Trostre retail park where the migration of retail chain stores from the adjacent Llanelli town centre continued through the 1990s without new permissions being required.

In relation to housing and under the current hierarchy of development plans, the procedure for creating Local Development Plans effectively empowered private house builders which have considerable initiative through creating the list of proposed sites from which local authorities choose. For example, in areas where there is housing need and new build targets, the local authority preparing a Local Development Plan will call for landowners and/ or developers to bring forward candidate sites from which the planners make a selection based on a set of criteria. The Plan will be subject to scrutiny, however, there is still a benefit to a private landowner, developer or house builder to be involved at the outset of the process when there is a call for candidate sites.

Critics have argued that large private developers can mobilise all kinds of expertise to argue their case in the planning system and then draw on the capital resources needed to build at scale. In 2019, George Monbiot and others argued in a report to the UK Labour Party that “the planning system should be reformed to address imbalances of power, which currently allow deep-pocketed developers excessive influence over local development”.⁹² Related arguments that the system works to the advantage of large developers have been made by others: for example, smaller, locally based builders have argued that the present system favours large house builders.⁹³

In practice, under the plan led system, private developers have been the dominant actors with a near monopoly of initiative. For example, they have accounted for more than 85% of the housing built in Wales over the last 40 years (Exhibit 3.1). A small group of large private house builders operate UK wide and specialise in edge of town development. Developer profit margins are higher on these green field sites because they do not incur the costs of site remediation, demolition and rebuilding which makes brown field sites more expensive and complex.⁹⁴

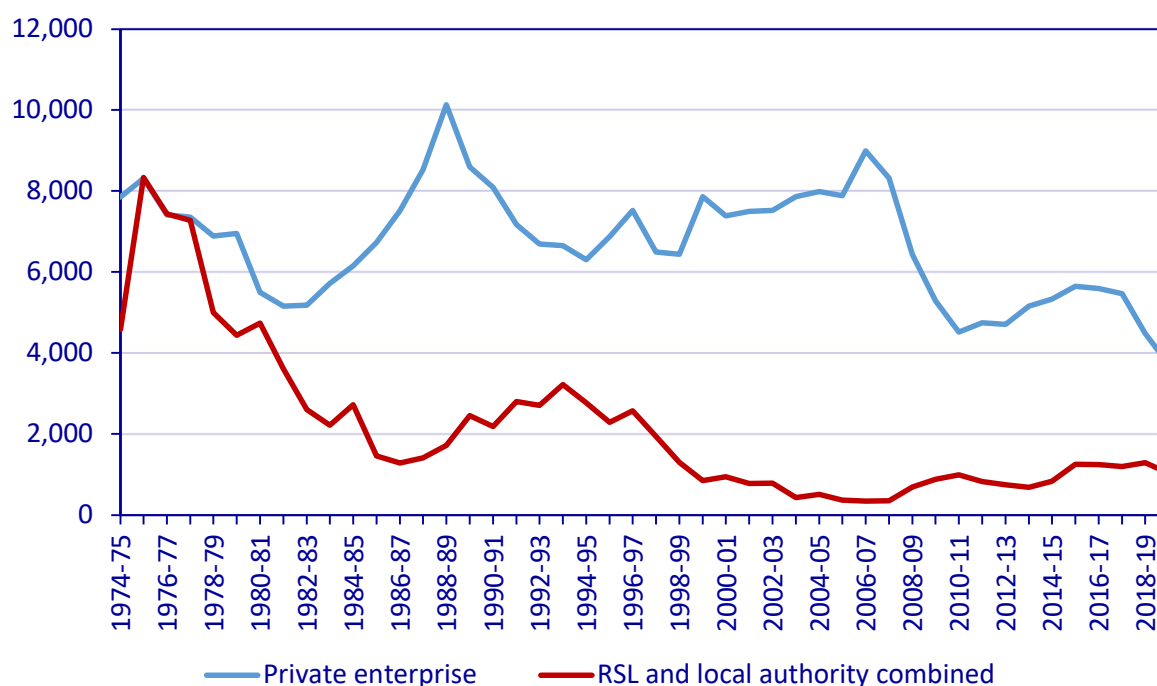
⁹¹ <https://p2infohouse.org/ref/24/23345.htm>

⁹² Source: *Land for the Many*, 2019, available at <https://landforthemany.uk/download-pdf/>

⁹³ https://www.hbf.co.uk/documents/6879/HBF_SME_Report_2017_Web.pdf

⁹⁴ Note: The profitability of private development is explored in Chapter 4.

Exhibit 3.1: New housing completions in Wales, 1980-2019⁹⁵



As we have documented in our analysis of three towns in Chapter 1 and right across Wales, the cumulative result of out-of-town development was car dependence by default. The reconfigurations of automobility - working in the business park, shopping in the retail park and living in a new residential estate - are not so much a matter of individual choice but social default as the car is increasingly the means to society's resources, leaving those without car access inconvenienced or excluded.

The active state was side-lined from the 1980s and ceased to be a builder of anything except infrastructure (like roads or schools) because private developers were reluctant to contribute to such overhead costs of new development which reduce profitability. Under section 106 of the 1990 Town and Country Planning Act, planning obligations are legal obligations that can be entered into to mitigate the impacts of a development. It includes contributions relating to affordable housing, highway works or facilities including GP surgeries or education provision, subject to meeting specific tests.⁹⁶ However, developers became adept at constructing spreadsheets which claimed that any large contribution would make the project unviable so that actual s.106 contributions were often less than those originally expected.

Incidentally, the capacity to experiment and innovate at scale in urban design has been eroded as no actor has the ambition or resource to build a new town or rebuild large parts of an old one. Thanks to housing associations and other actors, Wales does have some model

⁹⁵ Source: StatsWales

⁹⁶ Planning obligations may only constitute a reason for granting planning permission if they meet the tests outlined in the Community Infrastructure Regulations 2010 (as amended by the Community Infrastructure Levy (Amendment) Regulations 2011), which are: (i) necessary to make the development acceptable in planning terms; (ii) directly related to the development; and (iii) fairly and reasonably related in scale and kind to the development.

developments, but these are often at small scale: the Parc Hadau eco estate at Pontardawe in the Swansea Valley, for example, consists of 35 new homes.⁹⁷

In summary, in the period of plan led development since 1990, the business models of for-profit private actors have favoured edge of town and out of town developments. As explained in Chapter 1, this has resulted in polycentrism and disconnection between sites for living, working and spending. In this context, it is significant and progressive that the new National Plan reasserts the virtues of contiguity in live-work-spend-do and promotes the town centre as the destination for new major developments. This new vision is explored in the next section.

3.2 Future Wales: plan led with a new vision

Whatever the results for the built environment, the 1990 Act established a durable regulatory settlement for England and Wales lasting nearly thirty years. But planning in Wales is devolved and the English and Welsh systems are diverging. The English way is broadly deregulatory while the Welsh way is to assert new first principles within a plan led system. The question arising is to what extent these new principles give Welsh Government the policy levers to channel new build and re-use to meet the needs of current and future generations within planetary limits.

The contrast between England and Wales is marked by developments in the year 2020. In England, the Westminster government extended permitted development rights to allow conversion of retail units to housing without planning permission.⁹⁸ It also published a White Paper proposing automatic approval for certain types of development in designated “growth areas”.⁹⁹ By way of contrast, in 2020 Welsh Government extended the “town centres first” principle that had previously applied to retail, so that now a wide range of significant new developments should be located in town centres wherever possible.¹⁰⁰ Welsh Government has also embarked on an ambitious re-working of national, regional and local plans in line with new national level priorities of sustainability around town centre based development.¹⁰¹

Within this frame, Wales is developing a new social and green vision of living, which implies the ambition to reconfigure Wales as a territory of centred communities and contiguous activities over the decades to 2040. At national level, an earlier *Wales Spatial Plan* was replaced by the *Future Wales* publication which has Development Plan status. At regional

⁹⁷ <https://www.southwalesguardian.co.uk/news/18401089.pontardawe-eco-development-designs-revealed/>

⁹⁸ <https://www.theguardian.com/artanddesign/2020/jul/24/our-slum-future-the-planning-shakeup-set-to-blight-british-housing>

⁹⁹ Note: A key recent publication on the subject is *Planning for the Future*, August 2020 and is available at: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/958421/Planning_for_the_Future_web_accessible_version.pdf

¹⁰⁰ <https://governmentbusiness.co.uk/news/27012020/%C2%A390-million-programme-transform-wales%E2%80%99-towns>

<https://www.bbc.com/news/uk-wales-51267609>

¹⁰¹ <https://gov.wales/working-draft-future-wales>

level, Welsh Government is consulting on setting up four Corporate Joint Committees tasked with strategic development and transport planning. Inter alia these Committees will be tasked with preparing Strategic Development Plans for each region. At local level, the guidelines set out by Planning Policy Wales (PPW) and the newly published Future Wales will inform Replacement Local Development Plans. Most Local Planning Authorities have an existing adopted plan, which will be reviewed¹⁰² and those that do not yet have one now have more incentive to prepare an LDP.¹⁰³

Future Wales has an admirable vision of an environmentally responsible, liveable national future. This involves:

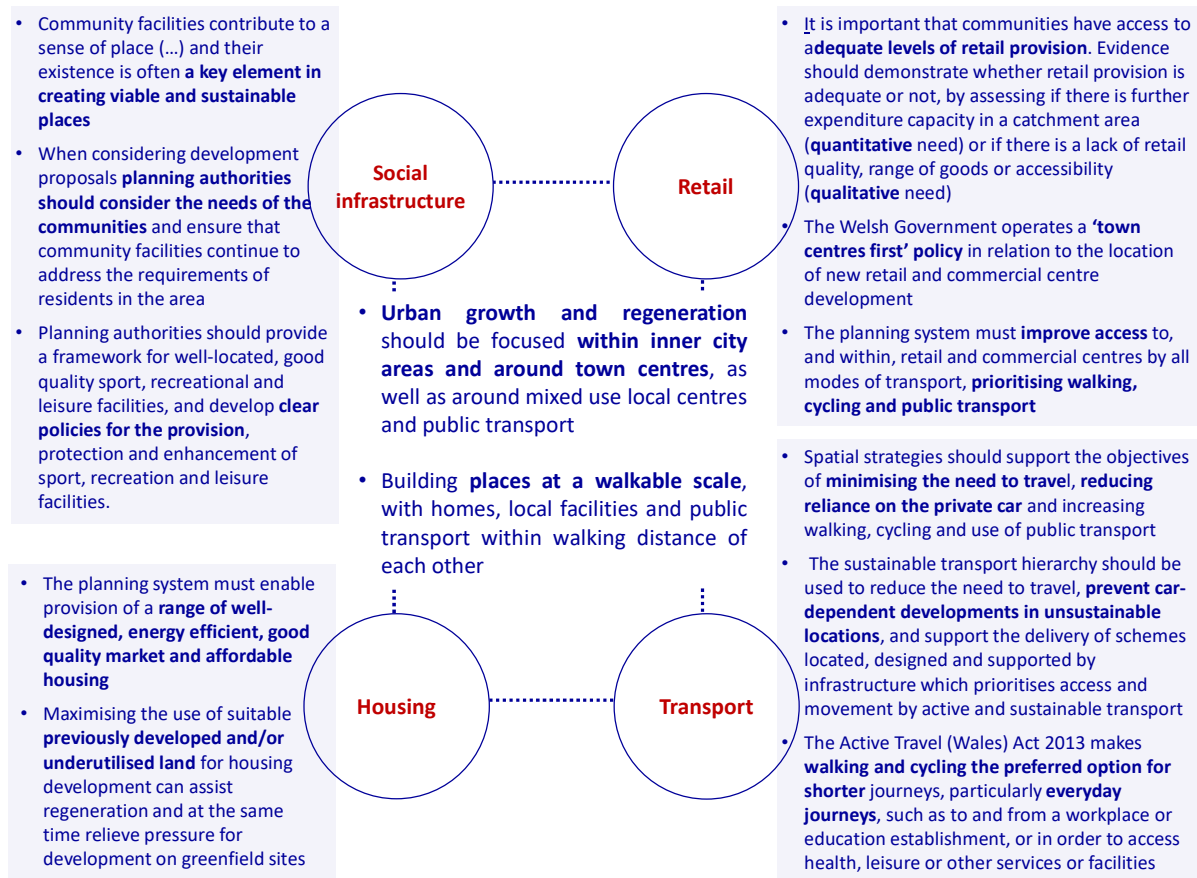
“building sustainable places that support active and healthy lives, with urban neighbourhoods that are compact and walkable, organised around mixed-use centres and public transport, and integrated with green infrastructure”.

This is very much the *Well Being of Future Generations Act* translated into the language of spatial planning. In international terms, the new Welsh insistence on contiguous live-work-spend-do follows long established Scandinavian and Dutch models; the principles of compact, centred settlement with local facilities fits with recent ideas about the 15-minute city as promoted in Paris by Mayor Hidalgo. The implications of this new national development framework are quite different from what has been built over the past 40 years, raising the question: how do we get from where Wales is in 2021, after decades of developer driven regeneration, to where Wales should be in 2040?

¹⁰² Note: Two or more LPAs (there is no maximum number) may agree to prepare a Joint LDP for their combined areas (section 72 PCPA 2004 and LDP Regulation 36).

¹⁰³ Note: In the absence of an LDP, the more general guidelines of the PPW are to be considered but these are not as detailed and sensitive to the local context as LDPs are. This creates a situation where some local authorities have to accept developments which run against their intentions; thus, authorities have an incentive to adopt LDPs.

Exhibit 3.2: The vision in Future Wales and Planning Policy Wales (PPW)¹⁰⁴



Future Wales sets the direction by presenting a generic vision of a responsible, liveable neighbourhood (Exhibit 3.2): this idea of centred communities is both very clear but also highly abstracted from polycentric specifics. For example, what is the balance to be between centralised facilities in town centres and local provision in neighbourhoods like the social housing estate of Maesgeirchen in Bangor or the owner occupier estates like Coity outside Bridgend? The LDPs will no doubt consider the basics like the provision of a primary school or convenience store. But what kinds of old and new community infrastructure goes where? For example, should new, shared workspace facilities be in Bridgend town centre and/or in Coity? What kind of community meeting place and leisure facilities are appropriate in Maesgeirchen whose residents are less likely to use central facilities and have lower levels of car ownership than in other parts of the town?

Future Wales is exemplary in citing data on everything from commuting patterns to demography. But these empirics are not unpacked and problematised so that they frame limits and necessities of intervention with existing and new policy instruments. So, for example, when Wales has an ageing population in the long term, what does this imply for

¹⁰⁴ Source: the quotes in the exhibit labelled as NDF are taken from *Future Wales, The National Plan 2040*, February 2021 available at <https://gov.wales/sites/default/files/publications/2021-02/future-wales-the-national-plan-2040.pdf> while those labelled as PPW are from *Planning Policy Wales, Edition 10*, December 2018 available at <https://dns.planninginspectorate.gov.uk/wp-content/uploads/projects/DNS/3234121/DNS-3234121-001793-MMC254%20MOR-POL-DOC-057%20WG%20Planning%20Policy%20Wales%2010th%20Edition.pdf>

adaptation of the built environment. Or, when Wales has too much retail property for the post Covid world, is an LDP with its specification of town centre boundaries and primary retail frontages sufficiently flexible and creative to facilitate structural adjustment which could, for example, involve concentrating retail on a smaller length of a long high street. If planning instruments like Local Development Orders are available and could be used for this purpose, who is to redevelop, where is the finance to come from and who is to rent or buy rebuilt and repurposed shop units?

In 2020, the Welsh Government's extension of the Town Centres First principle (TCF) added a direct and general policy lever that planners could use to deliver more centred urban settlements. This is plan led development updated to resist polycentrism because TCF establishes a clear hierarchy among the sites to be developed and prescribes that precedence should be given to sites in or close to the town centres. Only if the feasibility of a relocation or development is not possible in the town centre, should other, less central sites be considered. This policy has been applied to retail development for some time, and in 2020 Welsh Government extended the policy to apply to all large-scale redevelopments. This policy is already implemented in Scotland and is entirely coherent with the *Future Wales* vision because TCF is intended to redirect activity and footfall to assist transition towards post-retail, mixed-use, active travel and public transport-based town centres.

The success of the TCF policy depends on two considerations. First, the speed of retail decline in town centres will determine the size of the gap that needs to be filled with other uses. This is likely to be significant in most towns. Second, the extent to which TCF will change the locational decisions of public and not for profit organisations like FE colleges or health boards. In the next decade or so, these are the only large-scale institutions likely to make decisions about relocating existing facilities, like FE campuses, and about locating new facilities, like community health and well-being centres. Can these institutions under Town Centres First policy plug the gap left by retreating retail?

With so many uncertainties about the shape of retail after Covid-19, it is foolish to make definite predictions but sensible to be sceptical about a compensatory expansion of non-retail under current policies. Public and not for profit relocations will apply mainly to a small number of once in a generation, locational decisions, given that some public activity (as with major hospitals) is immovable and most of the rest is fixed in its present location by sunk cost for the foreseeable future. Where relocation or new facilities are mooted, the issue is that public and third sector business models are sensitive to cost. Town centre sites will generally be more costly than out-of-town sites. As noted in Chapter 2, the FE College in Bangor did not relocate within the town centre but went to the Parc Menai business park on the edge of town where it could convert a recently built Welsh Government building relatively cheaply. The Delta Lakes/Pentref Awel project in Llanelli could use a similar argument about no available central site of suitable size.

The implication is that planning regulation needs to be supported with corollary actions. TCF is a good step and can have worthwhile effects; but these will be limited in scope unless Welsh Government adopts policies to reduce the conflict between the objectives of planning

regulation and the drivers of public sector business models which are cost sensitive and private sector business models which are profit seeking. As outlined in the next section of this chapter, this is not the only challenge that stands in the way of realising the vision of *Future Wales*. Private developers (like the modernist planners in the earlier state led system) have focused on the opportunity of new build on green field or cleared brown field sites; but the next generation faces broader challenges of adaptation through repurposing the existing built environment.

3.3 The Welsh challenge of repurposing (not new build)

If we compare the planning challenges of the past and present, one difference stands out. The upcoming challenge of the 2020-40 period is to manage and finance the repurposing and reuse of existing buildings - such as redundant retail units in town centres or energy inefficient housing - within planetary limits to deliver a new and better future.

By way of contrast, in the post 1980 period it was new build by private developers that delivered the future via retail and business parks and off roundabout housing estates. Before 1980, Welsh councils had favoured new build or (more exactly) demolition of the old and rebuild on edge of town: the three largest social housing estates in Wales - Caia Park/ Wrexham, the Gurnos/ Merthyr Tydfil and Maesgeirchen/ Bangor - are monuments to post war municipal belief that problems could be solved by new build.

However, the challenges in the next generation are more about repurposing and this point can most easily be illustrated by considering housing, where the challenge in Wales is not to significantly increase supply but to match supply and demand when the Welsh population is projected to increase slowly and age rapidly over the next two decades. This means that there will be a limited demand for new build houses for young families with two wage earners to pay market rent or mortgage.

Exhibit 3.3: Local authority based population projections¹⁰⁵

	2025	2030	2035	2040	2043	2025-2043 change
	No.	No.	No.	No.	No.	No.
15 and under	121,952	116,831	115,237	116,104	117,524	-3.6%
16-64	408,802	402,572	395,074	392,185	394,120	-3.6%
65 and over	174,095	188,874	201,443	207,623	207,186	19.0%
North Wales	704,849	708,278	711,753	715,913	718,830	2.0%
15 and under	152,807	147,787	145,867	147,094	148,958	-2.5%
16-64	539,892	534,828	529,120	527,669	530,608	-1.7%
65 and over	226,046	245,261	260,517	267,484	267,249	18.2%
Mid and South West Wales	918,744	927,876	935,505	942,247	946,815	3.1%
15 and under	286,005	277,607	274,356	277,155	280,902	-1.8%
16-64	973,966	976,830	975,618	979,368	985,884	1.2%
65 and over	310,045	338,706	363,428	375,629	376,721	21.5%
South East Wales	1,570,016	1,593,143	1,613,402	1,632,152	1,643,508	4.7%
15 and under	560,764	542,225	535,460	540,353	547,385	-2.4%
16-64	1,922,660	1,914,230	1,899,812	1,899,222	1,910,613	-0.6%
65 and over	710,185	772,841	825,388	850,737	851,156	19.8%
Wales	3,193,609	3,229,297	3,260,660	3,290,312	3,309,154	3.6%

From the projections in Exhibit 3, the growth in Welsh population will be negligible in all Welsh regions except the south east, in the absence of large-scale immigration. The projected overall increase of population in Wales from 2025 to 2043 is just 3.6% to 3.3 million and the increase is below 5% in all Welsh regions, even in the south east. The challenge will be to meet the

¹⁰⁵ Source: 2018-based local authority population projections for Wales, 2018 to 2043, StatsWales <https://gov.wales/local-authority-population-projections>

housing needs of increasing numbers of older people, often in single person households, as well as providing more age friendly accommodation. The absolute number of those under 65 is projected to decline in all regions by 2043, while the number of those over 65 will increase by around 20% in all regions. Overall, the projection is of around 150,000 additional older people, taking the Welsh total of over 65s to 850,000 or just over 25% of the population.

This implies limited demand for new build to increase the overall stock of dwellings. As Exhibit 3.4 shows, in south east Wales, dwellings are projected to increase by 10% over twenty years; but the increase will be substantially smaller - around 5-6% - in all other regions. There may also be some mismatches between the stock of homes and the future needs in terms of household size, accessibility and affordability.

Exhibit 3.4: Existing dwelling stock and projected increase in dwelling stock in Wales¹⁰⁶

	Dwelling stock in 2020 No.	Projected increase in dwelling stock 2020-2040 ¹⁰⁷ No.	Projected increase in stock as a share of total dwellings %
North Wales	328,741	16,205	5%
Mid and South West Wales	430,061	27,410	6%
South East Wales	678,764	66,430	10%
Wales (Total)	1,437,567	110,045	8%

If the future, is anything like the past, Wales will remain a country of relatively low incomes, where living standards and quality of life depend on containing housing costs. Many of those over 65 will be on low incomes if they cannot work or lack adequate private or occupational pensions; likewise, many younger people will be unable to afford private rentals or home ownership. A population with many low-income households needs social and affordable housing. However, new build housing in Wales in recent years, has been mainly produced by private house builders for market sale. As a result, as Exhibit 3.5 shows, nearly 90% of recent new build is for market sale, but nearly half of projected future demand is for non-market provision.

¹⁰⁶ StatsWales

¹⁰⁷ Central estimate

Exhibit 3.5: Average annual estimates of housing need (2019-based)¹⁰⁸

	2019/20 - 2023/24 Annual total No.	2024/25 - 2028/29 Annual total No.	2029/30 - 2033/34 Annual total No.	2034/35 - 2038/39 Annual total No.	2019/20 - 2038/39 Total No.	of which: Market %	of which: Affordable %
North Wales	6,155	4,050	3,215	2,785	16,205		
Mid Wales	665	640	375	160	1,840		
South West Wales	8,210	6,555	5,600	5,205	25,570		
South East Wales	21,790	16,455	14,780	13,405	66,430		
Central estimate	36,820	27,700	23,970	21,555	110,045	52.3%	47.7%
<hr/>							
North Wales	7,215	5,740	5,575	5,885	24,415		
Mid Wales	970	1,135	1,065	1,085	4,255		
South West Wales	9,290	8,275	8,015	8,390	33,970		
South East Wales	24,195	20,420	20,220	20,425	85,260		
Higher variant	41,670	35,570	34,875	35,785	147,900	53.5%	46.5%
<hr/>							
North Wales	4,840	1,840	300	0	6,980		
Mid Wales	335	70	0	0	405		
South West Wales	6,880	4,300	2,485	1,005	14,670		
South East Wales	18,745	11,170	7,730	4,175	41,820		
Lower variant	30,800	17,380	10,515	5,180	63,875	50.5%	49.5%

As well as ensuring that the stock of housing meets the needs of the population over time, there is an urgent need to ensure that housing is more energy efficient, given the significant

¹⁰⁸ Source: Average Annual 2019-based Estimates of Additional Housing Need in Wales over 5-Year Periods, StatsWales - <https://gov.wales/estimates-housing-need>

North Wales: Isle of Anglesey, Gwynedd, Conwy, Denbighshire, Flintshire, Wrexham

Mid Wales: Powys, Ceredigion

South West Wales: Pembrokeshire, Carmarthenshire, Swansea, Neath Port Talbot

South East Wales: Bridgend, Vale of Glamorgan, Cardiff, Rhondda Cynon Taf, Merthyr Tydfil, Caerphilly, Blaenau Gwent, Torfaen, Monmouthshire, Newport

contribution of housing to emissions. The existing Welsh housing stock is old and energy inefficient, as Exhibit 3.6 shows. In a 2017-18 survey, just under half of all Welsh dwellings were considered to have 'adequate' energy performance.¹⁰⁹ This directly relates to the age of the housing stock, as energy performance declines steadily with age; just 20% of pre 1919 houses have adequate energy performance. The secondary complication is that the old, energy efficient houses are often cheap to buy housing options for low income owner occupiers or investment options for private landlords: 69% of social housing dwellings are energy adequate as compared with 42% of the owner occupied or private rented stock.

Exhibit 3.6: Percentage of dwellings with adequate energy performance, 2017-18¹⁹

	Percentage of dwellings %	Lower Confidence Interval %	Upper Confidence Interval %
Owner-occupied	42.2	39.4	45.0
Private rented	42.3	36.5	48.1
Social Housing	69.2	65.4	73.0
All tenures	47.0	44.8	49.2
<hr/>			
Pre 1919	19.6	15.8	23.3
1919 to 1944	33.0	25.7	40.4
1945 to 1964	44.8	39.5	50.2
1965 to 1980	52.2	47.7	56.8
Post 1980	78.0	74.2	81.8
All ages	47.0	44.8	49.2
<hr/>			
End terrace	41.0	34.3	47.7
Mid terrace	52.2	47.3	57.1
Semi detached	44.1	40.1	48.2
Detached	40.1	35.8	44.4
Flat	68.9	63.4	74.5
All types	47.0	44.8	49.2

¹⁰⁹ Source: Welsh Housing Conditions Survey, 2017-18, available at:

<https://gov.wales/sites/default/files/statistics-and-research/2019-10/welsh-housing-conditions-survey-energy-efficiency-dwellings-april-2017-march-2018-795.pdf>

Note: 'Adequate' is defined as homes with a SAP score of at least 65 according to Wales Housing Quality Standards (approximately the mid-range of EPC band D or higher). According to the same source, only 28% of homes in Wales meet EPC band C or above, much lower than the rest of the UK (Scotland 32%; England 30%, N. Ireland 49%), partly due the age composition of the national housing stocks.

All the larger towns of the UK in the 1950s had a slum housing problem with damp, insanitary and over-crowded accommodation; all of Wales in the 2020s now has a problem about energy inefficient housing stock. Nobody would wish to repeat 1950s or 1960s slum clearance but there is a major challenge in upgrading private housing, and an important question about the role of compulsory purchase and demolition of poorly located, energy inefficient Welsh housing stock where the cost of retrofitting accounts for a large part of the house's market value.

The discussion of upgrade and/or repurposing has so far focused on housing. There will also be a need to repurpose surplus retail stock not only on high streets and in town shopping centres but in edge of town and out of town retail parks. The contest of the last generation between in town and edge of town retailers will continue but the internet and home delivery now also threaten some retail parks which, just like in town shopping centres, rely on mid-market chain retailers.

For example, the edge of town Withybush retail park at Haverfordwest and the in town Menai shopping centre in Bangor have both lost Debenhams stores, and even free parking at the edge of town sites will not guarantee high occupancy rates in the future. In growth areas like fast fashion, there are not enough Primark, H&M and Zara stores to go round: Primark the market leader has just 188 UK stores when M&S still has 344 (excluding food only outlets) after already closing several hundred stores, mainly in smaller towns.

In town and edge of town retail present problems in different ways. As outlined in Chapter 4, the standard two-storey high street shop cannot be easily converted to an alternative residential or business use which will command high sale prices or rents that justify major conversion expense. At the same time, retreating anchor tenants in town shopping centres leave behind large unlettable units that will need some kind of conversion. In edge of town and out of town parks, as national retail chains pull out the issue will be that their big bay units are relatively cheaply and easily reusable for post retail tenants like gyms, community health centres or remote working hubs. In the next generation, we will not be building retail parks, but existing sites will compete aggressively with town centres for post-retail tenants.

These issues open up a whole series of repurposing challenges about the business model for in town re-development of surplus retail capacity; and about the pricing and planning restraints necessary to limit out of town competition. For example, should out of town car parks carry charges to level the playing field or raise funds, and should there be restrictions on the conversion of edge of town retail units to non-retail uses?

3.4 Challenges and opportunities

The argument of this chapter is at one level dispiriting. Wales is challenged with serious problems about the energy efficiency of its aged housing stock and these problems will be compounded by a growing mismatch between the available housing stock and the housing

needs of an ageing, relatively low-income population. At the same time there are issues about a growing surplus of retail capacity whose most visible manifestation is town centre decline embedded in live-work-spend-do disconnects which will be a problem for delivering the vision of *Future Wales 2040*. There must be serious questions about how Wales can develop the capacity to deliver on that vision, which requires reorganisation not only of town centres but also of the hinterland. However, if the energy inefficiency and mismatch problems are connected with that other problem of town centre decline in a polycentric frame, we can see that Wales also has a huge new opportunity.

This opportunity is to help create a new and aspirational lifestyle whereby it is possible to live conveniently without a car or with much lower levels of car use in towns. Of course, mono functional, housing dominated town centres risk creating car dependency in reverse, with people living in town centres but driving out to locations with facilities, services and amenities such as childcare, schools, gyms, supermarkets, leisure uses, as well as to work. Therefore, some of these facilities should be relocated in town centres, especially if FE Colleges and health centres were tasked with opening their doors and adding facilities that were available to the town centre community (on the 'projects plus' model outlined in Chapter 2). It is also important to recognise that only some can live in the town centre, as much of the housing for future generations is already built in the hinterland. This means that there needs to be an ongoing debate about what facilities need to be centralised and what needs to be distributed to make the out-of-town housing sites more liveable and sustainable.

Our argument throughout this chapter has been that planning alone is not sufficient to deliver the vision of *Future Wales 2040* and in the next chapter we will show how and why business model change is absolutely essential. However, that does not mean that planning does not have a major role to play after as we put sand in the machine of edge of town reuse and add lubricant to the in town development machine. In this section we outline some key ways in which the planning system can and should support change, before highlighting additional challenges around the business model which will be addressed in Chapter 4.

A key challenge for town renewal is how to use planning (within a plan-led system) to facilitate and manage the large-scale change and repurposing which will be required in the next generation. In doing so, planning has to strike a balance between being able to respond quickly to changing circumstances or priorities and maintaining a considered, coherent and robust approach. The nature of responses will often be place-specific so that a 'one size fits all' approach is not appropriate. While the planning system needs to focus on the long term approach implied by *Future Wales*, there is also a need for an agile and flexible response.

In this context we can begin by reviewing the extent to which Welsh planning is ready to facilitate change by responding flexibly and consistently to the challenges of the 2020s and 2030s about the decline of retail, the need to encourage repurposing in town centres and question repurposing out of town.

- At a national planning policy level, and setting the direction for travel, Welsh Government's 2020 publication *Building Better Places*¹¹⁰ recognises the need to urgently review primary retail areas within town centres, so that unreasonable and inflexible constraints can be challenged through the development plan process. This indicates a broad acceptance of the need for more creative thinking to re-imagine and re-purpose these areas in response to structural change and the aftermath of the pandemic. But, for many landowners, business owners, developers (and indeed Local Planning Authorities), the Local Development Plan review process requires the investment of a significant period of time and resource (exceeding that required to make the changes in a timely fashion to respond to the very real issues currently experienced).
- *Future Wales* introduced a new (and highest) tier of Development Plan, against which decisions on development proposals must be taken. Although it states that a plan-led approach is the best way to identify the location for public service, retail and other facilities, it also recognises that, in the absence of a development plan allocation, a sequential approach must be used to determine planning applications. In effect, it provides a degree of certainty and clarity for developers as to how such development will be assessed and establishes a clear policy position for Local Planning Authorities in terms of the context of their decision making. It is envisaged that a similar approach should be taken for smaller developments to ensure that local facilities and homes are integrated within walkable, mixed-use neighbourhoods. It should be recognised that this sequential process will be more difficult to manage in relation to smaller developments to ensure that such an assessment is proportionate, relevant and appropriate.
- Welsh Government has recently announced temporary amendments to permitted development rights, which may assist in directing individual, alternative uses to town centre locations and discourage their location in unsustainable out-of-centre retail centres. The aim here is to utilise the General Permitted Development Order to provide greater flexibility for changes of use within town centres to enable businesses to trial alternative uses before submitting a planning application.¹¹¹ Permitted changes will only apply to buildings within a town centre, as identified in a development plan. For example, a shop in Use Class A1 will have a temporary permitted change to Use Class A2 (financial and professional services), Use Class A3 (food and drink), Use Class B1 (business), Use Class D1 (non-residential institutions) and Use Class D2 (assembly and leisure).
- Local Planning Authorities can also consider the use of Local Development Orders (LDOs), which give permission for certain types of development, in a specified area, without the need for a planning application (subject to some conditions). In town centres, an LDO can not only deal with changes of use, alterations, extensions and infill developments, but can

¹¹⁰ Note: The extended title of the publication is *Building Better Places: The Planning System Delivering Resilient and Brighter Futures – Placemaking and the Covid-19 Recovery*, July 2020 which is available at <https://gov.wales/sites/default/files/publications/2020-07/building-better-places-the-planning-system-delivering-resilient-and-brighter-futures.pdf>

¹¹¹ Note: These temporary arrangements came into effect on 30 April 2021 and will be in place until 3 January 2022.

also facilitate large-scale development provided that any difficult planning issues are resolved before the Order is adopted. Subject to limitations, they can permit any kind of development and make use of design codes or frameworks and technical reports to set out what the LDO will permit. Although these powers were introduced in 2004, there has been a general reluctance across Wales to use this tool, as LDO preparation has significant time, resource and funding implications which may be prohibitive. The success of an LDO will depend on the Local Planning Authority driving it forward, which could be a serious impediment to its use as a tool for re-invigorating the town centre. Under current conditions, an LDO is most likely to be effective where is a single or limited number of landowners who will support the change of use and may finance the LDO preparation work. In such cases, an LDO is potentially a useful approach to renewing town centres, as it can create confidence and a degree of certainty whilst retaining flexibility to respond to changes in circumstances and conditions. Nevertheless, practically, under present conditions its use is likely to be limited.

The conclusion is that Welsh planning is pointed in the right direction because planning does provide the high level direction via the National Plan and planners have some specific tools to facilitate new ways of using town centres; though it is not clear that the tools listed above allow a speedy, flexible response. However, there is no point in developing an ever smarter and more responsive planning apparatus as an end in itself unless the planning process is socially embedded in local participation and reinforced by business models that incentivise developers to do the right thing in town centres and on the edge of town.

Planning will always be a formal governmental process that needs to be supported in two ways. First, effective planning and delivery at the level of a town will require new alliances and coalitions of actors – including housing associations, education and health bodies, arts and cultural groups, local business and residents’ organisations - which can provide initiative for change and engage effectively with citizens. Second, achieving progressive outcomes at scale depends on finding new business models to mobilise large amounts of capital for a socially and environmentally responsible repurposing of town centres. This capital (whether public, third sector or for profit) will have to accept returns that are low and long-term, not high and short-term as they have been for private house builders over the past few decades. Housing associations play a valuable role in providing housing for low-income groups, but we should also consider empowering other public interest actors with balance sheets as builders. There is also the need for revenue funding for social infrastructure like public realm and green spaces, which are essential to liveability and well-being. These organisational and business model issues are taken up in the next chapter.

Chapter 4: Urban renewal through imagination, organisation and new business models

4.1 Introduction: urban renewal starting from polycentrism.

In previous chapters we have challenged the narrow focus on the problem of the declining town centre. That decline is real enough with the retreat of retail, but it needs to be set in a larger context about the post 1980 reformatting of urban space around car dependence and live-work-spend-do disconnects between dispersed residential, employment and retail sites. This greatly complicates matters, as in the Welsh towns we have studied, which now have as much retail space in edge of town units as in their in town shops. The square foot rentals are typically much the same at both locations and edge of town sites will compete for new leisure and public service uses because they are more accessible for car users and more easily converted for non-retail use.

The reformatting of urban space has been formally “plan led” since the passing of the 1990 Act created a framework of Development Plans and all the rest. But outcomes were actually developer driven. Private business models favoured edge of town projects on green field sites for reasons of cost and convenience and the financial returns on off roundabout building of retail and business parks or middle-income housing were routinely in the double digits. Project by project, public planners disposed of what private developers proposed to meet calculations of housing need, while competitive localism encouraged many permissions for retail and business parks.

Welsh planners have now developed a more socially inclusive and ecologically responsible national vision of urban space. *Future Wales* buys into mainstream European ideas about 20-minute neighbourhoods and active travel. This generic vision fits with Welsh values and is radically different from the deregulatory English response, which allows the uncontrolled redevelopment of surplus office and retail space. But how does Wales transition from 30-minute drive to towns to 20-minute neighbourhoods.

Earlier chapters have explained how and why local agency and progressive planning policies are necessary but not sufficient conditions of transition. The Town Centres First policy is a move in the right direction but easily frustrated. Substantial progress requires a suite of policies and an understanding of how we got here and how to make different things happen in the future. This chapter takes up that task with practical suggestions to encourage debate and enable the radical public policy shifts that are required.

In each one of our three towns, positive steps have been taken to develop new town centre sites for residential, cultural and public service uses, often in partnership with housing associations and other local organisations. However, in Bangor and Bridgend the result so far is pepper potting town centre improvement; while Haverfordwest has done more to connect town centre sites but has not integrated edge of town development into an overall vision.

Our approach to doing more and different focuses on removing three obstacles that stand in the way of urban renewal by adding new business models, imagination and organisation.

- New business models are essential because developer priorities with current business models will not bring Welsh towns closer to the generic national vision. Specifically, there is no private business model for in town development where there is a renewal cost vs market value problem because the market value of newly refurbished or rebuilt property is below the cost incurred. At the same time, out of town business models run counter to the vision for towns because their profitability motivates more edge of town residential development and new kinds of retail reuse.
- A new imagination must be developed because the edge of town private developments (housing estates, retail and business parks) of the past 40 years were formulaic, and their steel and cement construction techniques, car-based access and thermal inefficiency are not what future generations require. We do see imagination in Welsh towns from housing associations building at single site level; but no actor has a larger vision of how we can repurpose specific old town centres as new aspirational neighbourhoods for mixed income and mixed age groups with a range of community facilities including public space.
- A new kind of organisation is required because local authority regeneration leadership on projects is not the same as co-production with other actors through mobilisation of larger capital resources and co-ordinated effort. Council management of planning permissions and Welsh Government funding must be set in the larger context of a relevant and realisable local vision, while mobilising major stakeholders like housing associations and health boards, and engaging citizens in a co-produced transition.

The aim is not so much to “level the field” between in town and edge of town as to reorganise the field through adding imagination and organisation. Each town needs a specific local vision for the town co-produced and articulated with broad community support, drawing on public resources and aligning private incentives.

- Change must be envisioned and driven by a local alliance of place-based actors, probably coming together into a new kind of organisation for renewal. This local impetus for radical change can only come from multi stakeholder alliances for change, with a shared vision that relates to a specific place. Effective planning of transition then requires not just financial resources but deliberative participation by citizens so that change performatively delivers what matters to them.
- Large scale and sustained town centre redevelopment depends on creating a workable new business model which allows private developers and public bodies to recover cost incurred (and subvent what cannot be recovered). In the absence of such a model what we will have is more pepper pot redevelopment by housing associations and Welsh Government grant aided schemes which are relatively small and short lived. Polycentric towns require co-ordinated interventions both in edge of town spaces and in town centres.

- The current Welsh blind spot is a preoccupation with fixing town centres without sufficient attention to how profitability will continue to drive new housing developments and retail reuse on the edge of town. Meanwhile, polycentrism is here to stay so that many towns need visions that include the development of edge of town neighbourhoods as much as the defence of town centres.

This process of change depends on a combination of regulation, interventions and support. Together, these can address the motives and business models of private developers and other actors so they can contribute to, not undermine, the renewal of towns. The key to unlocking change at scale in town centres is to ensure multiple actors work coherently towards delivering social objectives that are aligned with business models which allow public and private cost recovery. Regulatory fixes should channel action in ways that require engagement with detail, for example, about site layout in new housing developments.

This leaves us with multiple “how to” issues:

1. how to develop a shared local vision of urban renewal which recognises specific local circumstances and conditions;
2. how to organise place-based stakeholders and citizens to deliver meaningful outcomes;
3. how to put together a business model which can mobilise large amounts of capital for in town development; and
4. how to manage edge of town housing development and re-purposing of retail parks.

One complication is that the necessary interventions will sometimes exceed the limits of existing Welsh Government and Local Authority powers. To that extent, our proposals below are an argument about how and why Wales needs a much more radical form of devolution.

4.2 The business model constraint in town and the bias towards edge of town development

The business model constraint on in town development and the bias of developers towards edge of town development are problems that can be simply stated. The constraint is the absence of financial incentives to do the right thing and/or to do this at scale in town centres because the costs of purchase and redevelopment of sites cannot be fully recovered. The bias is the persistence of financial motives to do the wrong thing on edge of town so that for-profit business models will support continued edge of town residential development and increasingly the repurposing of surplus retail park space for other purposes.

The probability of doing nothing at all at scale in town centres is currently high when we lack actors with adequate balance sheets, have no capacity to mobilise capital on a large scale and relatedly no credible business models for large scale town renewal. It is difficult to enlist or create public or private actors that can borrow and/or raise capital in other ways. Because in Welsh town centres there is no business model whereby public actors could recover their costs or a private developer could turn a profit if they start by purchasing an individual terrace house or high street shop and then rebuild or refurbish.

Some figures from our three towns will illustrate the problem. To begin with, there is the unit purchase price for any developer. More than 25% of Welsh housing is pre-1914, 2-3 bed terrace housing. The Rightmove web site shows that saleable houses of this type in our three towns of Bangor, Bridgend and Haverfordwest would cost the developer £120 -130k; in the remoter Valleys towns a terrace house would cost at least £80k. Shops are much more variable in price because position and size complicate matters. The Rightmove web site shows that a double fronted high street or town centre shop in one of our three towns will cost £200-250k; a small, poorly positioned lock up shop will be worth near £100k.

After these purchase prices have been paid, it is impossible for any developer in one of our three towns to recover the costs of single unit, like for like 2-storey rebuild and very difficult to cover the costs of substantial refurb. The terrace house case illustrates that cost is prohibitive in the case of rebuild. The cost incurred would be purchase price of £120k, site clearance of £11-25k according to Homes England and rebuild cost of say £100k; but the rebuilt terrace will never be worth £230k when next to it are old terraces selling for £120k. Refurb is more possible but the purchase price is still £120k and the cost of refurb must be at least £50k when retrofit alone is likely to cost £20k. The developer would be very lucky to cover costs by selling the refurbished property for £170k and a private developer could not easily make any profit.

The business model problem here is the result of this cost vs market value discrepancy where the cost of purchase plus like for like rebuild or refurbishment is higher than the market price of the property after that work has been completed.

This cost recovery problem can be managed down in various ways. The English way is planning deregulation which will allow more cramped, ill-lit flats onto ex-retail sites as the 21st century equivalent of 19th century back-to-back terraces. In Wales, this disrespect for housing standards is rightly unacceptable. Some Welsh social housing providers have managed the problem by building up from two to four or five storeys, which increases the number of saleable properties or rental yield. This is what Coastal Housing has done with flats above retail on Swansea High St. This requires an actor who can develop a whole block and higher rise may not be sympathetic or appropriate in smaller Welsh town centres.

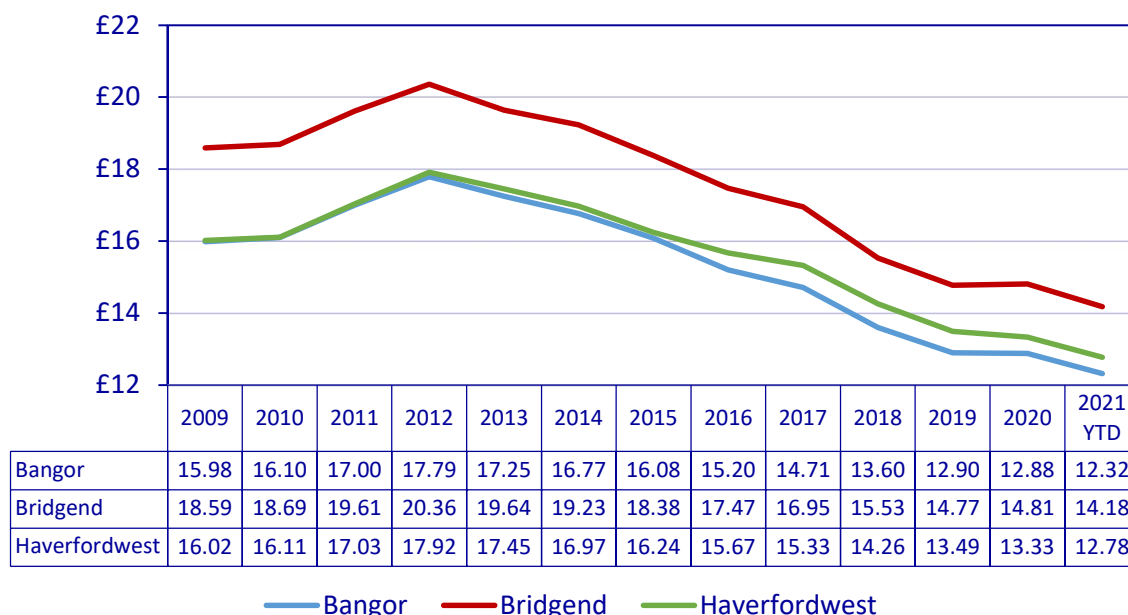
The broader implication of our analysis is that cost recovery and financial value creation depend on taking a neighbourhood (not a single unit) approach to redevelopment; refurbishing several terraces is the approach most likely to yield the necessary uplift in house property values and rentals. This kind of redevelopment is relatively unattractive for private developers, however, who see value as financial and are averse to hassle and accustomed to double digit project returns. Public sector and third sector actors can take a broader social view of value while Local Authorities can take a longer-term financial approach and factor in gains in rates and council tax income. But all this just adds layers of complication to the basic cost recovery problem because no actor can afford to lose on a large development.

Currently buoyant house prices do not help with the town centre cost recovery problem because they raise the entry cost for any subsequent developer. By way of contrast, town centre commercial property prices and rents have been flat or falling since 2012 in most

Welsh town centres but this is not bringing a semi-automatic market solution to redeveloping Welsh high streets.

As exhibit 4.1 shows, from the CoStar database, town centre rents in Bangor, Bridgend and Haverfordwest were falling unsteadily through the 2010s and are typically down by around 33% since 2012. Falling rents drag down property prices and these reductions make a range of alternatives uses more possible for community groups, independent shops and social businesses. But rents are falling from the historically high peak of 2012 which came after decades of upwards only rent revisions. Property ownership in town centres is usually dispersed amongst many small owners who will often hold expensive to convert, neglected sites in the hope that something will turn up. Here the only short-term palliatives are likely to be local authority public purchase, as on Stepney St, Llanelli,¹¹² or financial support for a community interest company that wants to take over town centre properties.¹¹³ Both of these expedients can make a stretch of a high street available for coherent repurposing.

Exhibit 4.1: Retail property market annual rents (£) per square foot in town centres¹¹⁴



The profitability of doing the wrong thing at edge of town is considerable for house builders and a first best defensive option for retail park owners.

House builders are strongly motivated to carry on doing what they have been doing for the last thirty years because they have a robust and intact “build and sell” business model which

¹¹² <https://newsroom.carmarthenshire.gov.wales/2020/11/preparatory-works-to-start-at-key-stepney-street-building/#.YJOru7VKhaQ>

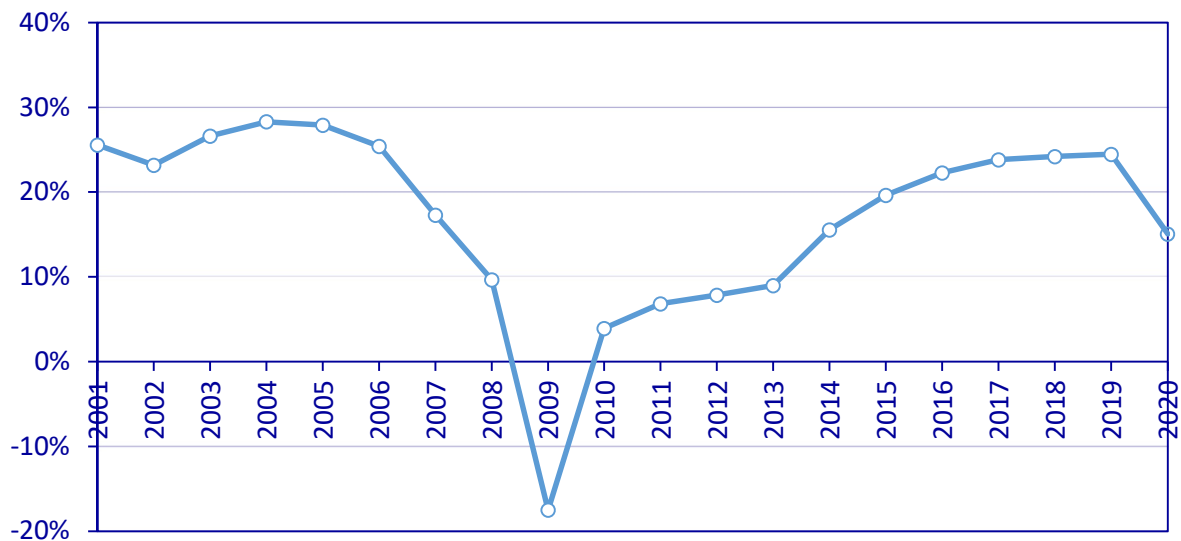
¹¹³ See, for example, Dumfries, where a community benefit society has been redeveloping empty high street properties as part of a plan to renew a larger part of the town centre <https://www.midsteeplequarter.org/>

¹¹⁴ Source: CoStar database.

Note: The data refers to leased property only and therefore excludes owner occupied property including some supermarkets. The rents are based new rental agreements which CoStar track using surveys and valuations. In practice rents do not change simultaneously as retailers have contractual rental obligations which limit the decline (or rise in values) until the contract expires or is renegotiated.

ordinarily generates very high financial returns from building new estates off roundabout on the edge of town. Exhibit 4.2 presents the historic margins of the four major PLC house builders (Barratt, Bellway, Persimmon, Redrow). Earnings on capital employed is the measure which secures these companies their place on the stock exchange. If we take the profits (EBITDA¹¹⁵) generated on long term capital (equity and long-term debt), the house builders' return on capital employed was around 25% in the run up to the 2008 crisis, and then at 20% or more from 2015-19. By way of contrast, the three major British supermarkets (Tesco, Sainsbury and Morrison) 2015-20 made around 5% return on capital¹¹⁶.

Exhibit 4.2: Average return on capital employed for four large UK house builders¹¹⁷



House builders' returns are high because competition is limited when only a few large firms have the resources to acquire a stream of suitable sites before negotiating the complex process of getting planning approval. High margins have been politically acceptable because house building is assumed to be a risky business. This is partly true because, as the 2008 crisis shows, profits can collapse in a major crash when credit is very limited and building stops for a couple of years. However, ordinary fluctuations can be easily managed by house builders if they avoid debt, bank a little land and develop large sites in small lots so that they can withstand downturns and maintain prices by temporarily slowing or stopping the flow of newly completed houses for sale.

Edge of town commercial property represents a different case: what had been a "safe asset/ steady yield" business model is now under pressure with retail retreat and the rise of internet shopping. Retail parks are unexciting investments that historically have changed hands at prices that offer new investors 7-8% yield on the cost of purchase. As exhibit 4.3 shows, the

¹¹⁵ Earnings before interest, tax, depreciation and amortisation (EBITDA)

¹¹⁶ Source: Fame, BvDep.

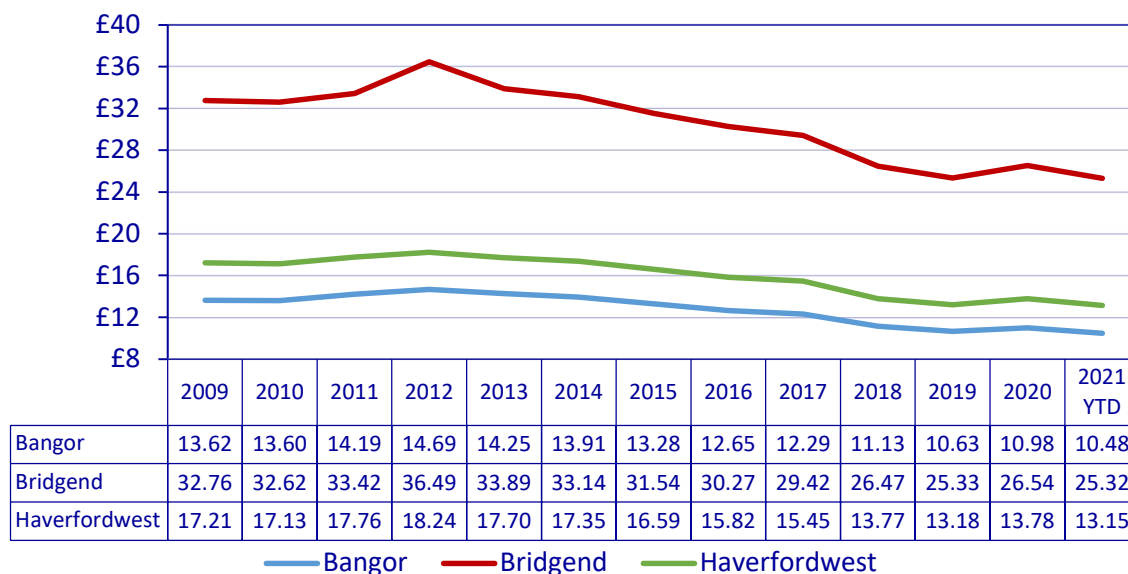
Note: The range is 4.6% to 5.2% between 2015 and 2020. The supermarkets are Morrison, Sainsbury and Tesco.

¹¹⁷ Source: Fame, BvDep.

Note: The four major housebuilders are Barratt, Bellway, Persimmon. Supermarket return is again calculated using EBITDA, where capital employed refers to equity and long-term debt.

retail parks were mostly fully let in the economic upswing from 2012 to the onset of Covid-19 but edge of town rents (and by implication market values) were declining by around one-third. This edge of town commercial business model is not broken if, as capital values fall, financialised owners (typically pension or insurance funds) accept lower rents to limit rental voids. The challenge for Welsh Government and planning authorities is that the most likely adaptations will involve seeking non-retail uses such as leisure or remote working, and thus retail parks will compete directly with town centres for non-retail activity.

Exhibit 4.3: Edge of town retail property market rents (£) per square foot ¹¹⁸



The downward trend in new retail rentals was similar in Welsh town centres and retail parks after 2012. The regional centre status of the Bridgend Designer Outlet unsurprisingly ensures rents per sq. ft that are consistently twice as high as edge of town in Haverfordwest or Bangor (Exhibit 4.4). However, even this Bridgend site was not exempt from general trends, with new rents falling by 33% between 2012 and 2020. More important, in the other two towns, edge of town retail rents per in 2019 were typically at or below town centre rents: in Bangor, edge of town retail was £10.63 per sq. ft against £12.90 in town centre; in Haverfordwest, the comparable figures were £13.18 for edge of town against £13.49 for the town centre (Exhibit 4.4).

¹¹⁸ Source: CoStar database.

Note: The data refers to leased property only and therefore excludes owner occupied property including some supermarkets. The rents are based new rental agreements which CoStar track using surveys and valuations. Therefore, they are guides for new agreements. In practice rents do not change simultaneously as retailers have contractual rental obligations which limit the decline (or rise in values) until the contract expires or is renegotiated. The edge of town sites are the Caernarfon Road in Bangor, The Designer Outlet in Bridgend and the Withybush, Springfield and Bridge Meadow retail parks.

Exhibit 4.4: Comparison of retail town centre and edge of town rent per square foot¹¹⁹

	Bangor		Bridgend		Haverfordwest	
	Town centre £ per sq. ft	Edge of town £ per sq. ft	Town centre £ per sq. ft	Edge of town £ per sq. ft	Town centre £ per sq. ft	Edge of town £ per sq. ft
2009	15.98	13.62	18.59	32.76	16.02	£17.21
2010	16.10	13.60	18.69	32.62	16.11	£17.13
2011	17.00	14.19	19.61	33.42	17.03	£17.76
2012	17.79	14.69	20.36	36.49	17.92	£18.24
2013	17.25	14.25	19.64	33.89	17.45	£17.70
2014	16.77	13.91	19.23	33.14	16.97	£17.35
2015	16.08	13.28	18.38	31.54	16.24	£16.59
2016	15.20	12.65	17.47	30.27	15.67	£15.82
2017	14.71	12.29	16.95	29.42	15.33	£15.45
2018	13.60	11.13	15.53	26.47	14.26	£13.77
2019	12.90	10.63	14.77	25.33	13.49	£13.18
2020	12.88	10.98	14.81	26.54	13.33	£13.78
2021 YTD	12.32	10.48	14.18	25.32	12.78	£13.15

If retail and business park owners face the same problem about falling rents and market values as in town commercial property owners, we predict their responses will be different. Town centre small owners will hold and wait for something to turn up, reduce maintenance and suffer voids because they cannot easily and cheaply convert single and double fronted shops for non-retail uses. Edge of town large owners will seek non-retail users for big bay space which is car accessible and flexibly reusable and will accept lower rents rather than voids.

Falling retail park rents are a problem for those large financial investors with narrow commercial property-based portfolios (like quoted property companies or real estate investment trusts) which have to take the impairment of capital values as a hit in their profit

¹¹⁹ Source: CoStar database

Notes: The edge of town sites are the Caernarfon Road in Bangor, The Designer Outlet in Bridgend and the Withybush, Springfield and Bridge Meadow retail parks. The data refers to leased property only and therefore excludes owner occupied property including some supermarkets. The rents are based new rental agreements which CoStar track using surveys and valuations. In practice rents do not change simultaneously as retailers have contractual rental obligations which limit the decline (or rise in values) until the contract expires or is renegotiated.

and loss account. However, most retail park owners are pension funds and insurance companies with diversified portfolios in which property is only one amongst various asset classes (shares, bonds, private equity) whose values routinely go up and down. Diversified owners will mark down capital values in line with rents and aggressively market lower and competitive rents to attract new nonretail occupants.

Retail parks with free car parking directly outside the units retain their locational advantage in a car-based society. Rents per square foot are fully competitive with town centre locations; and the units are more suitable for alternative uses and could at lower cost be converted from retail to leisure, health centres, shared workspaces etc, with options including new mezzanine floors in high bay units. The attitudes of edge of town owners and the reusability of their sites create a new challenge for policy makers seeking to make town centres more attractive and viable.

The continued shifting of activities to out of town would, of course, go against Welsh policy and the principle of Town Centres First. However, both public and private actors can evade the spirit of Town Centres First by arguing there are no suitable sites in town centres or that the cost of town centre conversion is prohibitive. On edge of town retail park construction in the 1980s and 1990s, planners and government could fairly claim they had no way of knowing the long term consequence would be polycentric mess. But, in the 2020s, they have no such excuse because they should anticipate upcoming problems that will arise from edge of town competition for all kinds of non-retail activity.

If it is necessary to shift the business model constraint and bias that has disadvantaged in town compared with out of town development, that result could be directly achieved by re-weighting costs and revenues to make in town projects more financially attractive and edge of town projects less attractive. But mobilising finance and changing the balance of business model incentives is not enough. We need an imaginative vision of urban liveability and sustainability which connects with local specifics; and then we need local organisation to deliver a transition.

4.3 Adding imagination to specify a local transition

How do we translate Welsh planners' generic vision of sustainable and liveable new urban settlements, as set out in *Future Wales*, into local plans for towns which are now typically polycentric but are also distinctive in character, layout and needs? It is not enough to focus on the town centre, recognise the retreat of retail and then list the many other activities (leisure, public service facilities, shared workspace, residential and green space) which could replace excess retail. In particular, it is important to recognise first that many of these alternative activities will pay much lower town centre rents than retail and, second, that town centre locations will be competing with edge of town repurposed retail units for some of these alternative uses.

The constructive preliminary task is to extend the idea of what is thinkable and possible in towns before developing place specific visions of urban transition. These visions have to be assembled from something more tangible than lists of alternative uses; and technical and policy support will be needed to address two sets of challenges around in-town and out of town projects.

- Prefigurative, small scale experiments can provide a performative demonstration of new designs for living and working for citizens and stakeholder organisations. These new model developments would tangibly deliver the pieces of a future that works differently; and can be used as a basis for learning and sharing amongst all or those engaged in developing local visions for their own town. Some of these experiments may already exist; others will need to be created. Common resources need to be created to make it easier for stakeholders and planning authorities to find out about such experiments.
- A radical re-specification of the technical requirements for all new development in town and out of town can make new build coherent with the aims of the Well-being of Future Generations Act. A step change in the required technical specification for new build is essential because these requirements will ensure, for example, that all new build housing – not just a handful of exemplary new model developments - is aligned with environmental responsibility and community well-being.

Welsh Government has shown willingness to experiment: for example, in 2012 it co-sponsored an architectural competition to find imaginative ways to refurbish or re-build terrace housing.¹²⁰ Local authorities have also been supportive of imaginative new housing schemes, such as the eco-housing at Parc Hadau.¹²¹ Welsh Government needs to do more of this and facilitate learning from such schemes. The first and easiest thing for Welsh Government to do is to create a fund to sponsor experiments which demonstrate both the building blocks of a visionary future and build Welsh capability to do things differently and co-operatively.

1. In the ‘never demolish’ spirit of the architects Location and Vassal,¹²² organise a *Welsh architectural competition for low cost and effective refurbishment designs*, which could include a typical high street as well as a pre-1914 terrace of houses.¹²³ Then, build the winning designs after co-ordinating with Chris Joffe and the housing associations who lead in organising Welsh housing retrofit; and connecting with the School of Architecture at Cardiff University and others about teaching and researching refurb. The objective here is two-fold: to create new, imaginative and appropriate designs to provide a range of facilities for living, working and doing, and to develop capacity to execute them and share the knowledge so as to build distributed capabilities and to normalise high expectations.

¹²⁰ <https://www.bbc.co.uk/news/uk-wales-20695949>

¹²¹ <https://www.parc-hadau.wales/>

¹²² <https://www.lacatonvassal.com/>

¹²³ There are already imaginative reuses of town centre buildings which recognise the importance of repurposing over demolition and rebuild in terms of carbon and financial costs. For example, Ty Pawb in Wrexham <https://www.typawb.wales/>. A directory of such schemes could be created.

2. Build several *high-density new model urban developments* that put the car at the edge of the development and target mixed income groups. Some of the existing English new model developments typically serve one demographic group: Goldsmith St, Norwich is council housing and the Marmalade St, Cambridge cohousing development is segregated by income when the smallest one bed flat cost £255k. Wales should search for a new model of aspirational town centre living, which would include low and middle-income groups, as well as different ages and sizes of household so that they can be ‘lifetime’ neighbourhoods. Encourage and recognise imaginative developers, especially those Welsh housing associations who are already building imaginatively and fund them to bring forward some mixed income, in town developments.
3. Organise a Challenge Fund (like the earlier fund for Foundational Economy experiments) which would be a *competition for social enterprise and other imaginative projects* in town centres and evaluate the return from such projects in terms of community building and enhanced sociability. Recognise the crucial importance of the social activities in the built environment (not just the buildings in themselves); and facilitate social projects by easing regulations on temporary re-purposing of buildings through bottom-up, self-renovations etc. On the model of the Foundational Economy Challenge Fund communities of practice initiative, network the successful experiments to spread learning and grow new groups of social entrepreneurs.

In parallel, expert communities in Wales need to work on developing a new framework of technical requirements for all new build because this technical frame can itself powerfully change what is thinkable and doable. Here are some general principles for edge/ out of town new build, some of which could in modified form also apply to in town developments.

1. No new developments should connect rainwater run-offs to the drainage system because that increases downstream flooding and flood prevention is everyone’s responsibility in the current and impending climate crisis.¹²⁴ Water harvesting, recharging the aquifers and grey water reuse should be incorporated. Green space could include elements derived from permaculture including ecological zones, fruit bearing and broadleaf trees so that soil erosion is restricted and water run-offs limited.
2. Buildings on greenfield sites should be positioned for passive solar gain and natural cooling while green spaces should be intelligently planned according to simple rules such as no house should be more than 65 yards from green space. Access roads should follow the contours of the site so that water empties into land rather than become run-off. If developers argue some of this is impossible on a site, partial exemption should go hand in hand with over delivery on other environmental obligations.
3. Access preference should be given to walkways and cycleways, which should run to stations and town centres and connect housing with schools and shops using the most

¹²⁴ This is already happening with the introduction of SABs (SuDS Approval Boards) in 2019. This requires that construction works with drainage implications (of 100 sq.m or more) has sustainable drainage systems to manage on-site surface water. This applies to development whether it requires planning permission or not. The Flood and Water Management Act 2010 is the relevant legislation.

direct route. Developers and local authorities should be asked wherever possible to ensure that the car journey takes longer than the cycle way alternative; because the historic lesson of Stevenage's underused cycle way system is that the car will always be used if it is quicker.

4. Energy efficiency needs to be mandated beyond the current building regulations which should include U values close to 1.0 for glazing at a minimum with much more attention to constructing airtight buildings. New developments should include geothermal pumps, solar panels and wind power (collective and individual) so that carbon reduction is not solely the preserve of generators connected to the national grid.
5. Social infrastructure should be a requirement, not an ask. There should be a list of essential neighbourhood infrastructures like community halls, GP surgeries, primary schools and convenience shops with prior agreement on who pays for what before large developments start. The siting of this infrastructure should be carefully considered to ensure broad usage so that social interaction is maximised. On residential developments, an annual charge could be levied on each new build home for the management and upkeep of social infrastructure.
6. Construction should be timber frame for residential and commercial buildings to reduce use of high carbon steel and cement and contribute towards the development of a Welsh wood economy. Building designs should maximise natural light and privacy while facilitating community interaction. Internal structure should be flexible so partition walls can be shifted, and buildings adapted to new uses.
7. Pipe, cable and wireless infrastructure for utility services should be installed at construction as collective property of those who own and rent on new developments so occupants could then rent infrastructure to utility companies who supply services. This will ensure community control and create a source of income which would partially offset any local social infrastructure charge.

The list is not intended to be comprehensive or definitive but points to the need for a set of principles that could be worked out by expert groups with community input and turned into technical rules. As part of this process, expert groups and community representatives could visit some ambitious "neighbourhood" developments where many of these principles have been applied. Notably the development at Inholm Northstowe Phase 2A outside Cambridge¹²⁵ and the New Hall development¹²⁶ outside Harlow which is led by an enlightened private developer and sponsored by Homes for England.

¹²⁵ Homes England press release, 13 February 2020. <https://www.gov.uk/government/news/second-phase-of-northstowe-and-one-of-the-uks-largest-modular-neighbourhoods-gets-the-green-light>; South Cambridge media release <https://www.scambs.gov.uk/media/13383/northstowe-phase-2a-introduction-for-community-forum-15may2019.pdf>

¹²⁶ Newhall Residents, <https://newhallresidents.co.uk/living-at-newhall/>; The Essex Design Guide, <https://www.essexdesignguide.co.uk/case-studies/newhall-be-harlow-exemplar-design/>; Alison Brooks Architects, <https://www.alisonbrooksarchitects.com/project/newhall/>

These suggestions point to the possibilities for an imaginative approach where the aim is to create high quality and attractive in-town developments, while ensuring that new out of town developments are socially and environmentally more sustainable. Moving from imaginative concepts to development, however, raises a challenging organisational question of how to enlist major local stakeholders and citizens in developing and delivering a shared realisable transition vision of renewal for a specific town.

4.4 Adding organisation to deliver a local transition

Envisioning local transition is difficult because there are multiple renewal objectives which are often contradictory or not easy to deliver. These objectives include: non- displacement of existing town centre residents while attracting new and higher income groups to live in town; rebuilding at high density to maximise income from sale or rent of properties but also finding more green space and community facilities which are important for liveability; and repurposing 1970s in town shopping centres or pre-1914 high streets which were not designed with future possible reuse in mind. All of this has to be achieved through a combination of refurbishment and repurposing of existing buildings, with some high-quality new building. For reasons of cost and embodied carbon, renewal should be heavily biased towards refurbishment and reuse, anticipating that this is complex because refurb usually encounters more unexpected snags than new build, including the additional costs and/or constraints relating to heritage assets, including listed buildings.

In this task, Welsh Government and Local Authorities should use their legitimacy and resources not to direct but to enable, co-ordinate and empower by:

- a. getting major local corporate actors like public employers and housing associations to develop and buy into a shared vision;
- b. co-operating with and enabling community actors who can take a lead and co-produce social outcomes; and
- c. enlisting citizens and civil society groups in deliberation that frames priorities as well as consultation on decisions.

The output would be a *locally specific vision for transition from car dependent polycentrism*, which delivers outcomes that are valuable to stakeholders and citizens by establishing local priorities and working through options and trade-offs. Within the new financial framework proposed in the last section of this chapter, the priorities would be translated into facilities and activities delivered through projects by community organisations, private developers, housing associations, health boards and other public bodies.

Developing the vision requires new ways of working and place specific approaches, especially to ensure that processes are inclusive. Some towns are already trying out ways of bringing citizens into conversation about their places and there is growing expertise to build on. For example, Barrow in Furness has embarked on a ‘New Constellations’ creative project to co-

produce a vision for the town which will feed into the council's post-Covid recovery strategy.¹²⁷ The social enterprise "Placed" in Liverpool uses place making capabilities to engage communities in design, planning and development.¹²⁸

This co-ordination and delivery of a local vision will need to happen in different ways, depending on the size of the town and the starting point. In some small towns existing organisations, particularly independent traders and social enterprises, are able to develop shared objectives, work together and draw on external resources in ways that renew high streets and support existing and new enterprises. For example, in different ways, Treorchy¹²⁹ and Narberth¹³⁰ have both been recognised for the quality of their high streets and, by implication, the effective and often informal coalitions that have been responsible for renewing and sustaining them.

Treorchy has a population of around 7,000 and Narberth is even smaller with around 2,000 residents. Other towns at this scale and with the same potential include Cardigan and Llandeilo. They may require support and grants, as for the Llandeilo market hall project, before they can achieve their ambitions.¹³¹ At a larger scale, it is more difficult for local businesses and other groups to self-organise where the town centre is more complex than a single high street, where there is dispersed ownership of buildings, and where there are out of town retail sites that compete. At this scale, the creation of new organising entities is no mechanical guarantee of success but is probably necessary if stakeholders and citizens are to come together to plan, co-ordinate and deliver.

One way to do this would be through a *Renewal Association*, with Welsh Government creating a new kind of formal corporate organisation which would be custodian of the vision for the town and responsible for mobilising the resources to deliver that vision under governance which brings in local stakeholders and sets an obligation to engage citizens. This kind of organisation is necessary to hold and deploy renewal funds and to lever advantage from renewal zone concessions as discussed later. What we envisage here for Welsh towns is in some respects a smaller scale version of the 1980s Development Corporation used to regenerate London Docklands or Salford Quays. However, there are also critical differences because we would build in the local democracy, local participation and accountability that 1980s Development Corporations were designed to bypass.

As we have seen in our three towns analysis, local circumstances and conditions vary radically. The scale of the transition challenge, the mobilisation of local stakeholders, the engagement with civil society varies radically from place to place. Any premature attempt to create a

¹²⁷ <https://newconstellations.co/>; <https://www.barrowbc.gov.uk/news/residents-begin-innovative-journey-to-shape-new-vision-for-the-borough/>; <https://www.theguardian.com/uk-news/2021/jan/01/cultural-rebirth-barrow-in-furness-bold-vision-future-covid>

¹²⁸ <https://placed.org.uk/what-we-do/>

¹²⁹ <https://www.walesonline.co.uk/whats-on/whats-on-news/treorchy-high-street-awards-uk-17620292>

¹³⁰ <https://www.westerntelegraph.co.uk/news/17009621.narberth-running-great-british-high-street-prize/>

¹³¹ For example, social enterprise Planed has helped communities to develop their own action plans: <https://www.planed.org.uk/resources/>. Welsh Government grants support the conversion of Llandeilo market hall: <https://www.southwalesguardian.co.uk/news/18166244.planning-approved-llandeilo-market-hall-transformation/>

national framework for renewal would result in disappointment: if Renewal Associations were established in every midsized Welsh town, the predictable result would be formal compliance and paper plans with little substantive change in many places. It should also be recognised that concentrating effort on the most challenging places is unlikely to produce the quick wins which are essential to maintaining sponsorship and broad support in the Welsh political classes.

So, our recommendation would be that Welsh Government and Local Authorities should initially sponsor no more than 10 Renewal Associations in Welsh towns with populations of between 10,000 and 50,000. The lower population limit is set because the organisation we are proposing represents a kind of social overhead cost in terms of time and money which cannot be justified in a very small town; and the upper population limit is set because towns like Swansea or Cardiff are themselves aggregations of district towns which would often need to be treated separately.

From the group of towns which meet the scale requirement, national policy makers should sponsor the subset of those towns that were “ready to go” in that they are underperforming but have addressable problems with major stakeholders who are up for change and some projects with community involvement. Bangor is the one of our three towns which meets these conditions. This is the kind of place where it is realistic to get quick wins in terms of making a material difference; this would justify the approach, provide learning opportunities and motivate the next cohort. The aim would be to support the next group of towns following behind by taking delegations to visit sites of experiment, network this cohort with best practice local authorities like Haverfordwest and maybe twin one follower town with each town that has a renewal association.

Renewal Associations would operate across a territory which needs to explicitly include edge of town. In most Welsh towns, we now have a large legacy stock of edge of town and out of town, car dependent mono-functional developments. We would prefer not to start from here, but we do have the challenge of a legacy stock of existing large monofunctional housing estates, such as Coity outside Bridgend or Maesgeirchen outside Bangor. These are in effect neighbourhoods with populations of up to 3,000 but typically very few neighbourhood facilities.

The constructive local question is how to make this legacy stock contribute to liveability and sustainability in towns, recognising that some facilities are best centred while others are distributed as neighbourhood essentials. Only Haverfordwest in our three towns has begun to think in these terms about distributing facilities between centre and periphery. Thus, the local vision renewal vision needs to cover both the town centre and the edge of town neighbourhood which has its own needs for green space, community centres and shared working space as well as better active travel and public transport connections to town centre facilities.

Having identified the need for a vision and for a coalition or new organisation to deliver it, the next challenge is to create the business model that will allow town centre renewal, including

making available the capital and revenue funds that are required. And this is tackled in the next section of this chapter.

4.5 Creating the business model conditions for town centre renewal at scale

Town centre renewal at scale has two basic preconditions: first and physically, the town centre must capture a large share of the limited amount of relocating workplaces and service delivery hubs, and of the growth in cultural and living activities that require refurbished premises or new build over the next generation; second and financially, large amounts of capital and revenue expenditure must be available for repurposing town centre fabric and sustaining facilities like public space (including green infrastructure) which do not have a market income stream. These conditions can only be met by tilting the current balance of advantage away from edge of town and towards in town business models. This requires government policies which add cost and complication on edge of town and offer concessions and subventions in town centres to remove or reduce costs.

In securing this outcome, the place to start is not in the town centre but out of town. It should by now be clear that town centre renewal at scale will only work if we physically *limit the edge of town competition for non-retail activity* (health centres, further education, leisure centres and gyms, shared workspace etc.). Equally, Welsh planners and government need to recognise that edge of town retail parks are part of a new polycentric urban world whose problems cannot be solved by concentrating everything in town centres. For this reason, we favour not prohibition of conversion of edge of town retail to non-retail uses but restricting permission for conversion to cases where the conversion can be shown to serve a neighbourhood purpose.

Our policy proposal is that edge of town retail park conversion of units for non-retail uses should be allowed if the owner is able to show that a new facility like shared workspace adds to neighborhood facilities because a high percentage of users would arrive after a short car journey or through active travel. Permissions could be made conditional upon ex post outcomes matching ex ante promises, because big data now allows monitoring of usage. This kind of planning regulation is within the current Welsh Government prerogative as is variation in business rates to increase the cost of edge of town parking to create a fund for town centre renewal.

Levies on edge of town parking are unlikely to level the field compared with the town centre when the edge of town site has easy car access and flat car parking directly in front of a big bay unit. But edge of town parking charges could be used to raise a hypothecated fund for maintaining town centre communal places and public spaces and infrastructure like dedicated cycleways, play areas and green space. This is a major issue because even where capital funds are found for community hubs, public space, green parks and dedicated cycleways there is often no provision for essential operating, maintenance and upgrade costs that cannot be recovered from market income by charging.

Our policy proposal here is to levy business rates on every marked, publicly available car parking space in edge of town retail parks. The same result could be obtained by adding per hour parking charges for users of these spaces and this would do no more than extend in town practice to edge of town. But it is more administratively straightforward to extract the one payment from the owner of the car park. Practically the two policies of direct and indirect charging for parking are likely to have much the same effect because, if the charge for parking space is not directly paid by the user, it will most likely be passed on through higher product prices to the user of the car park.

Levying a new charge on edge of town tarmac infrastructure in the form of car parking spaces to create a hypothecated fund could provide more resources to support the creation and maintenance of the in town social infrastructure which has no means of market support but is essential for a new model of urbanism. Practically, also, a modest edge of town parking levy would create a significant, steady source of revenue for modestly sized towns like Bangor and Haverfordwest with populations of around 15,000.

This can be demonstrated with a worked example. The number of public car parking spaces in town and out of town can be estimated from Parkopedia and the CoStar database. We excluded hospital parking and mainly work-related commuter car parks like those attached to offices, including council offices and universities. As exhibit 4.5 shows, a modest levy of £1 per day on each edge of town parking space would steadily realise more than £500k each year in Bangor and Haverfordwest; and a similar levy on in town car parking spaces would more or less double the amount raised to more than £1 million a year. In Bridgend, the edge of town levy alone would raise more than £1 million every year. Likewise extending the levy to other out of town car parking would increase the overall fund.

Exhibit 4.6: An example of potential income from setting a Parking Levy on parking bays at retail sites out of town and in town car parks¹³²

		Parking bays No.	Daily Parking Levy per parking bay £	Annual income from Parking Levy £
Bangor	In town	2,032	£1	£741,680
	Edge of town	1,570	£1	£573,050
Bridgend	In town	2,019	£1	£736,935
	Edge of town	3,016	£1	£1,100,840
Haverfordwest	In town	1,687	£1	£615,755
	Edge of town	1,306	£1	£476,690

¹³² Source: Parkopedia and supplemented with data from CoStar database.

Note: Includes council owned car parks but excludes work related parking sites attached to offices, universities and hospitals where commuters dominate.

If we turn from our proposals to current practice about social charges on edge of town development, planners have so far focused their attention on levies on new build to extract contributions from private developers towards hard infrastructure like roads and/ or to require affordable housing as part of the development. StatsWales publishes data on the contributions towards affordable housing which (if Wales is at a like England) are the largest item. As exhibit 4.6 shows, the sums raised are modest. For example, the developer cash contribution for affordable housing across all of Wales between 2007-19 is some £28 million or not much more than £2.55 million a year with half of the total raised in Cardiff and the Vale of Glamorgan.

Exhibit 4.6: Financial contributions by developers in Wales towards affordable housing via planning obligations from 2007 to 2019¹³³

	Payments received by local authorities £	Spending £	Proportion of all Wales payments received £	Proportion of all Wales spending of contributions £
Total financial contributions	33,143,048	18,160,935	100.0%	100.0%
<u>of which</u> Cardiff	10,346,837	8,694,213	31.2%	47.9%
<u>of which</u> Vale of Glamorgan	6,330,669	825,263	19.1%	4.5%

The Section 106 form of this levy on new build under the 1990 Town and Country Planning Act aimed to relate the charges to the specific needs of the local community. The levy was problematic because the contribution was conditional on developer profits in excess of a generous norm set at 15% or higher. This incentivised developers to produce spreadsheets showing there were no excess profits, and that the viability of their project would be threatened if any financial contribution was paid (secure in the knowledge that the outturn on their project would not be monitored). The belated response was the 2008 Planning Act which did no more than end this spreadsheet game by giving Welsh and English local authorities the option of charging developers a Community Infrastructure Levy (CIL) instead.

¹³³ Source: Financial contributions towards affordable housing via planning obligations by local authority and amount, StatsWales.

Notes: Payments received include opening balances. Financial contributions towards affordable housing via planning obligations by local authority and amount (gov.wales)

The data details the amount and changes to developer financial contributions received by planning authorities in each year towards the provision of affordable housing via planning obligations. Generally, the developer contributions to affordable housing are provided in-kind and on-site. However, a planning authority may exceptionally agree that it is preferable for a developer to make a financial or other contribution towards the objective of providing affordable housing. The table shows a summary of these contributions. The totals include income and spending of national parks.

If Welsh Government wishes to raise substantial sums for town centre development, it would be more sensible to widen the existing focus on new build and also consider charges on existing property. This is not intended as a replacement for s.106 or CIL – arguably these should be both more onerous and more effectively used – but to recognise their limited scale. Given existing Welsh Government powers, the most obvious option is a renewal charge through the rates on all existing buildings which creates a fund for repurposing sites and buildings for the benefit of future generations. A related principle is already accepted in charging the consumption of energy users. According to Ofgem, 13% of a typical dual fuel energy bill is accounted for by “environmental and social obligations” which are the current costs for householders of green policies that will enhance the well-being of future generations.

If this principle of charging the current generation for the benefit of future generations is accepted, then a modest surcharge on the Council Tax would yield a substantial income. This point is illustrated below with a worked example of a levy on the domestic rates. In this case, the levy is tapered so the annual charge is from £25 per annum on domestic dwellings with the lowest rateable value in band A to just over £50 per annum on domestic dwellings with the highest rateable value band I. As exhibit 4.7 below shows, this would raise an annual income of £46 million, which is much larger than the financial contributions for affordable housing raised by section 106 and community infrastructure levy during the past 12 years.

Exhibit 4.7: Hypothecated Renewal Levy supplement on Council Tax in Wales¹³⁴

	Annual levy per domestic dwelling £	Total annual income from Renewal Levy £	Share of total levy Income %	Share of total properties within Band %
Band A	£25.00	5,256,000	11.5%	14.6%
Band B	£27.50	8,303,075	18.1%	21.0%
Band C	£30.25	9,473,998	20.7%	21.8%
Band D	£33.28	7,741,762	16.9%	16.2%
Band E	£36.60	7,060,622	15.4%	13.4%
Band F	£40.26	4,709,936	10.3%	8.1%
Band G	£44.29	2,356,176	5.1%	3.7%
Band H	£48.72	625,538	1.4%	0.9%
Band I	£53.59	299,567	0.7%	0.4%
Total	£31.83	45,826,674	100.0%	100.0%

¹³⁴ Source: Council Tax: stock of properties, 2019, Valuation Office Agency. (Table CTSOP4.1: number of properties by Council Tax band, property build period and region, county, local authority district and lower and middle super output area). <https://www.gov.uk/government/statistics/council-tax-stock-of-properties-2019>

As Exhibit 4.8 shows, the hypothecated Renewal Levy on 2019-20 Council Tax is a modest 2.7% increase on the Council Tax levied in 2019-20. The sums raised from the rates could be applied towards the costs of change of use or upgrade of old buildings, as for repurposing high street shops, retrofit of private housing and such like. Even if this proposal were implemented, there remains a need for much larger amounts of capital to allow large scale renewal of town centres including repurposing existing buildings, reshaping the retail area, adding active travel routes, incentivising neighbourhood scale residential developments, building new residential care facilities cum community hubs and so on.

Exhibit 4.8: Hypothecated Renewal Levy supplement as a share of 2019-20 levied Council Tax in Wales¹³⁵

	Hypothecated 'Renewal Levy' £	Actual Council Tax £	Renewal Levy as a share of Council Tax %
Total	45,826,674	1,716,653,000	2.7%

While some of this funding can come from Welsh Government augmented by a rates levy, public funding cannot meet the needs of the many towns across Wales that require support for so many different large capital projects. The implication is that the capital funding problem can only be solved by shifting the in-town business model constraint identified earlier in this chapter. There is a need to identify ways not only to provide direct financial support but also to help manage the costs and therefore incentivise actors to repurpose or build.

One way to approach this would be through a tax credit system where the state foregoes revenue in designated town centre renewal zones: the most obvious concessions would be zero business rates and no VAT on building refurbishment. The classic criticism of enterprise zones is that they simply transfer activity from one area to another which is lower taxed; but transfer is exactly what we want to ensure in this case. The disadvantage of this policy is that a comprehensive tax credit system requires powers which are above and beyond those currently available to Welsh Government. However, with Westminster support, the whole of selected Welsh town centres could be designated as renewal zones with a suite of tax concessions much like those offered by Westminster in its enterprise zones. This would make a significant difference to the currently unfavourable cost: value problem.

Fixing the town centre business model problem would help to attract all kinds of *funders of urban renewal with capital resources*. The policies proposed in this section are agnostic about the identity of the developer; private, third sector and public developers would be all be incentivised, provided they met the objectives and requirements of local renewal. There are opportunities to bring in new public sources of funding by involving pension funds. And, specifically, Wales could take advantage of the recent 2017 Westminster guidance on social

¹³⁵ In-year council tax, by billing authority, StatsWales, <https://statswales.gov.wales/Catalogue/Local-Government/Finance/Council-Tax/Collection/inyearcounciltax-by-billingauthority>

obligations and local authority pension fund investment strategies where in some cases “some part of the financial return may be forgone in order to generate... social impact” provided “scheme members share the concern for social impact, and there is no risk of significant financial detriment to the fund”.¹³⁶

4.6 Can Welsh Government do co-ordinated policies?

Welsh Government very often has a vision of a different and better world. It then sets targets and attempts to deliver transition through point interventions, with over reliance on one or two policies that are sensible and necessary, but not in themselves sufficient to deliver the desired results. In some areas, Welsh Government faces complex, multi-faceted problems that require a co-ordinated, coherent suite of policies that can be difficult to put in place.

At the end of this report, our question is whether urban renewal will become an area of underperformance and disappointing outcomes. The National Plan provides a vision of a new kind of liveable and environmentally responsible urban settlement. However, it will require much more than a reorganised planning apparatus plus the point intervention of the Town Centres First principle to transmit the vision downwards to localities and to deliver transition.

The implication of our argument is that if Welsh Government wants to deliver urban renewal at scale it needs to do coordinated interventions in the three areas of imagination, organisation and business models. In these areas, we have done no more than offer a menu of proposals which we would expect policymakers to adapt and expand, rather than simply adopt. However, the problem is such that that delivering renewal at scale will require co-ordinated interventions in all three areas.

¹³⁶ Department for Communities and Local Government July 2017
https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/627030/Guidance_on_preparing_and_maintaining_an_investment_strategy_statement.pdf