



# PLACES WITH PURPOSE

The Future of Industrial Cities,  
Towns and Communities

# Places with Purpose

## The future of industrial cities, towns and communities

### Foreword

*Our industrial cities, towns and communities all have pasts to be proud of. They have a distinctive economic and social heritage and strong traditions and spirits.*

*The task in all our towns, big and small, is to take our places forward. Looking back and building on our pasts is valuable but in many cases it is not enough to guarantee successful futures.*

*Successful places are those with purpose, that are forward and outward looking. Here we set out not only the offer that our cities and towns can bring to the UK economy but also the policies that need to be put in place to help deliver their full potential. We also provide examples of how places across the country have set about reinventing themselves.*

*In these changing times standing still is not enough. Working in partnership with government, business and communities, places of all sizes can flourish and deliver for those who live and work in them.*

*It is the job of all of us who want a prosperous and inclusive Britain to collaborate, share ideas and work together to help our places to flourish.*



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## THE DISTINCTIVE OFFER

- Strong identity and communities
- A spacious and cleaner living environment
- Access to the countryside
- A lower cost business environment
- Land for development
- A plentiful workforce

## THE POLICIES WE NEED

### *Economy*

- Value jobs in manufacturing and its supply chain
- Incentivise investment in new technology
- Make sure finance is available for business growth
- Tackle the skills gap
- Place more emphasis on quality jobs

### *Funding*

- Target funding at areas of need
- Regeneration that covers the whole country
- Investment in local transport infrastructure
- Investment in digital capacity
- Funding that isn't predicated on governance

### *Community*

- Distribute Lottery funding more evenly
- Improve culture and sports facilities
- Keep local services local
- Nurture the retail offer
- Fund services to meet the needs of an ageing population



## Introduction

**Growth in our major conurbations is welcome. But where does that leave the rest of Britain – the numerous smaller cities, towns and communities where so many people live?**

In recent years, national policymaking has become preoccupied with London and the main regional cities. The assumption has been that the major conurbations offer the best prospects for business growth and that if this growth can be nurtured it will gradually benefit the rest of the country.

These are heroic assumptions, and they neglect the contribution that smaller cities, towns and communities can make to economic growth. They ignore the social consequences of growing inequality within regions and nations. And they neglect the considerable attractions of smaller cities, towns and communities as places to live, work and invest.

There is a growing view that the current UK model of economic growth is not fit for purpose. The manufacturing sector has stagnated even while the rest of the economy has been growing and there is an undue reliance on the financial services sector. Economic growth in and around London has far exceeded that of the rest of the UK in recent years. This is not sustainable for London, as evidenced so clearly by congestion, environmental pressures and unaffordable housing. Elsewhere, many areas are failing to achieve anywhere near their full potential.

One policy response has been the emergence of the ‘core cities’ agenda and an emphasis on growing their economies through interventions such as City Deals. This is welcome – revitalising the economies of the big regional cities is an essential step to rebalancing the UK economy. But it is not sufficient by itself. What is needed is a set of measures that will also promote growth in smaller cities, towns and industrial communities.

This booklet has been produced by four groups with a strong understanding of these places and the role they can play in growing the UK economy:



- **Centre for Towns**, the independent non-partisan organisation dedicated to providing research and analysis of our towns



- **Coalfields Regeneration Trust**, the charitable body that promotes regeneration in the former mining communities of England, Scotland and Wales



- **Industrial Communities Alliance**, the all-party association of local authorities in Britain’s industrial areas



- **Key Cities Group**, the all-party group of local authorities representing mid-size cities and larger towns across England and Wales.

In considering the future of ‘industrial cities, towns and communities’ we are not applying a hard-and-fast definition. But we do lean towards the places with an industrial past and present, and several issues and proposals may not fully apply to rural areas and market towns.

That said, up to half the UK population live in the places we have in mind<sup>1</sup>. Just as London and the other major conurbations need appropriate policies and investment to support their economic growth, with the right interventions these places can also contribute to economic growth and prosperity, delivering more for residents and the national economy. But these places also need the right support from government.

Smaller cities, towns and industrial communities are not just there to provide workers and consumers for the big metropolitan centres. They are important in their own right and politicians and policymakers ignore them at their peril.

Every place in the UK began and grew with a purpose, whether linked to a natural resource, as a market town, around a fortification, government or religious institution, or as an industry developed. Over time communities change and diversify, industries rise and fall and demographics alter. If we ignore the scale and pace of this change and fail to shape it, the risk of places and their residents being ‘left behind’, with all the economic and social cost that brings to the UK, can only increase.

All communities across the UK should have purpose, and the purpose will differ from place to place. Finding purposes, making sure that these purposes are sustainable and helping places make the transition to new purposes is vital to the economic and social success of the UK.

## Strong identity and communities

If there is one feature that unquestionably distinguishes smaller places, it is their stronger sense of identity. There are communities everywhere but in mid-size and smaller places the networks tend to be denser, if only because the likelihood of encountering the same people in more than one context is higher.

For many people, a sense of local identity and a strong local community make smaller cities, towns and communities a more satisfying place to live. It can contribute for example to a feeling of ‘community safety’, where you are more likely to know your neighbours and community leaders.

There is huge diversity among these smaller places – from historic towns to former pit villages, from commuter towns to New Towns, from transport hubs to hideaways off the beaten track. What is also clear, however, is that the world as seen from mid-size and smaller communities is not the same as the world seen from Britain’s metropolitan hubs. Voting patterns in the EU referendum and in the 2017 general election have shown the big metropolitan centres moving apart from the rest of the UK<sup>ii</sup>. In England and Wales, smaller places mostly voted to leave the EU.

## A spacious and cleaner living environment

The largest urban areas may have many advantages but there can also be significant disadvantages in the quality of life such as high rents, congestion and pollution<sup>iii</sup>. In smaller places the population density is mostly lower so there is less need for high-rise housing or the multi-occupancy of dwellings. The housing offer is generally a little more comfortable. Housing can also be cheaper – all ten of the most affordable places to live in Britain, measured by the ratio between house prices and local wages, are older industrial towns<sup>iv</sup>.

Although some towns are affected by air pollution, increasingly this is the exception rather than the rule. World Health Organisation statistics, ranking all the cities and towns in the UK for particulate air pollution, place six of the UK’s core cities, including London, among the worst 30, well ahead of most towns<sup>v</sup>.

In most smaller places across Britain, traffic congestion is less than in the biggest cities and vehicle-related pollution lower. The problem of NOX emissions from diesel engines, now such a prominent concern in London, is a less acute problem in smaller cities, towns and communities.

THE DISTINCTIVE OFFER

## Access to the countryside

In smaller cities, towns and communities the countryside is never very far away. There is often no need to catch a bus or train or even to jump in a car – the countryside is just there, to be accessed in many cases on foot or by bike.

A lot depends on lifestyle preferences of course. If urban nightlife is all that you're interested in then the city is probably the place to be. But for many people the relatively easy access to an outdoor lifestyle in the surrounding hills, fields, rivers and coast is one of the most appealing offers of smaller places. And in some cases, the city is not too far away in any case so it's possible to enjoy the best of both worlds.



## A lower cost business environment

The competition for space and for labour is generally less in smaller places than in cities, and certainly a lot less than in a global city such as London. So in smaller cities, towns and communities, the costs of doing business are generally lower.

There are some business activities, like international banking, that big cities do better and in these places they might be expected to play a leading role. But there are other activities in which non-city areas have a competitive advantage. These include logistics and manufacturing businesses that rely on just-in-time delivery systems that cannot afford to be disrupted by urban traffic congestion. More generally, firms that value a stable workforce can often find this in smaller places.

It is far from clear that larger city size equates to higher productivity. A study of smaller cities and towns in the North of England found that places such as Warrington, Wakefield and Durham all had growth rates that exceeded their city neighbours, and two case study areas – Wigan and Burnley – had higher productivity rates than nearby Manchester<sup>vi</sup>. The study concluded that towns such as these are too big and too productive to be ignored.

## Land for development

Smaller places can usually offer more land for development. This doesn't apply absolutely everywhere – in the Welsh Valleys, for example, the topography is a constraint and some towns in other parts of the country are bounded by areas of high landscape value – but as a general rule the observation holds true. By comparison, the competition for space in big cities tends to mean that only polluted or damaged land remains undeveloped. The greater availability of land for development applies to both housing and industry. At a time when the UK population is growing strongly and compounding a shortage of housing, land availability is an important national asset.

For businesses that can't compress their needs into smaller spaces the greater availability of land away from the big cities has obvious appeal. Added to this, many of the development sites on offer are close to junctions on motorways or trunk roads, offering a degree of access for lorries (and also for car-borne staff) that simply can't be matched in the interstices of major urban areas. Even the quality of office space is now higher in the suburbs than in city centres<sup>vii</sup>.

## A plentiful workforce

Unemployment is down since the depths of the recession that followed the 2008 financial crisis. But substantial parts of Britain are still a long way off full employment.

This is particularly true of older industrial Britain, where many towns and communities continue to be dogged not only by substantial numbers officially recorded as unemployed but also by large numbers of men and women diverted into 'hidden unemployment' by the benefits system<sup>viii</sup>. Many of the places with the highest estimated levels of 'real unemployment' are the towns and local authority districts that a generation ago suffered so badly from job destruction. In these places, the real rate of unemployment is often still 8-10 per cent.

The point is that in many towns and communities across the UK, growing businesses should be able to find the employees they need – provided, of course, that they are prepared to treat their staff decently, invest in training where necessary, and reward a fair day's work with a fair day's pay.

### ***Irvine: enterprise in action***

*Irvine, a town of 35,000 people, is an ancient settlement; in medieval times a royal burgh, and now a New Town on the coast of the Firth of Clyde in North Ayrshire.*

*Irvine is home to i3, Scotland's largest designated Enterprise Area with over 130 hectares of allocated land. The site has both business rates relief and accelerated capital allowances available on different parts. Large, flat serviced sites are available for development, together with a range of premises under refurbishment that will soon be ready for occupation. New development within i3 enjoys streamlined planning, building warrant and road construction consent.*

*The i3 site is part of the proposed Ayrshire Growth Deal, under discussion between the Ayrshire councils, the Scottish Government and the UK Government. The deal has the ambition for Ayrshire to be a vibrant, outward looking, confident region, attractive to investors and visitors, making a major contribution to Scotland's growth and local well-being and leading the implementation of digital technologies and the next generation of manufacturing.*



## Value jobs in manufacturing and its supply chain

Manufacturing is still a major component of the economy in many places beyond London and the core cities. In older industrial towns, for example, it accounts for almost twice the proportion of jobs as in the main regional cities, and three times as much as in London<sup>ix</sup>.

Manufacturing's importance to local prosperity is also much greater than its share of employment because it brings in income to the local economy that then recirculates through supply chains and wages to support other local jobs.

The UK needs more manufacturing, and more modern manufacturing. Over the last twenty or thirty years, UK economic growth has been driven by ever-rising household debt. This is unsustainable. The UK has also become over-reliant on financial services, especially in London. The UK needs to sell more to the rest of the world, to address the country's huge trade deficit and support spending growth by higher incomes rather than by more borrowing. Furthermore, the manufacturing sector offers scope for the increases in productivity needed to raise the output of the economy and underpin rising living standards.

Supporting manufacturing is a win-win strategy. It is what the UK economy needs most to sustain growth and promote exports and it would be especially beneficial to the mid-sized cities, towns and communities where so much manufacturing continues to be located.

### ***Sunderland: Nissan and beyond***

*Sunderland City Council, in North East England, covers an area with a population of 275,000. At its core, Sunderland itself has a population of 180,000. The local economy was originally built on coalmining and shipbuilding – all of which has now gone.*

*These days Sunderland is best known for the Nissan car plant, which has built almost 9 million cars since it opened in 1986 and currently employs 7,000 people plus many more in local suppliers. The plant is renowned as one of the most efficient and productive in Europe.*

*Immediately to the north of the Nissan plant, alongside the A19 trunk road and in partnership with South Tyneside council, 150 hectares of land has been designated to become a new International Advanced Manufacturing Park. The UK Government has deemed the development to be a 'Nationally Significant Infrastructure Project'. It is intended to be a hub for automotive, advanced manufacturing and technology businesses, accelerating economic growth and generating private sector investment of more than £300m. It is predicted to deliver 260,000 sq. metres of new floorspace and 5,200 new jobs by 2027.*

## Incentivise investment in new technology

Growing the economy requires investment. Productivity growth in the UK has remained largely stagnant for ten years and now lags 26 per cent behind the United States and 15 per cent behind the average of G7 countries<sup>x</sup>. The Westminster Government's Industrial Strategy rightly sees this as a key challenge for the UK.

Investment in machinery and technology can displace existing jobs as well as create new jobs but it is essential if the industries that underpin so many towns and communities are to have a future in a competitive global economy. There is scope within EU State Aid rules to incentivise this sort of investment, especially in less prosperous parts of the country, and whether or not the same rules continue to apply after Brexit the UK needs to take advantage of the opportunities. In England, where investment aid to businesses has fallen into abeyance since the demise of the Regional Growth Fund, the financial incentives are now weaker than at any time since the 1960s.

Raising the economic performance of places beyond the major conurbations would add to the output of the economy as a whole. Research by the Key Cities Group has estimated that if its 20 mid-size cities all performed at the same productivity level as the England average, collectively they would add £21.4 billion a year to the UK economy<sup>xi</sup>.

## Make sure finance is available for business growth

Too much lending goes into property, often in London and the main regional cities, and not enough into supporting the productive activities that drive the economies of smaller places. Manufacturing firms need long-term financial support at reasonable rates of interest. Money that should be used to finance investment in new technology and working capital is instead used to finance ever more household borrowing and speculation on world markets.

The big banks need to be challenged over their investment behaviour and, if they don't change their ways, there is more than enough scope for a new, government-funded Investment Bank. They also need to be weaned away from their focus on London and a handful of other cities. Tens of millions can be loaned to build yet another city-centre office or a new block of luxury flats that is then sold on foreign investors who keep them unoccupied. A fraction of this money would often make a big difference to small businesses in the regions or unlock development potential in towns and communities.

## Tackle the skills gap

In the 1980s, when industrial employment plummeted, the old apprenticeship system essentially broke down. It wasn't perfect, but what it has been replaced by is a hotchpotch of short-duration schemes and college courses that hasn't really plugged the gap. The early evidence is that the new Apprenticeship Levy hasn't delivered the hoped-for solution<sup>xii</sup>.

The towns and communities beyond Britain's big cities face their own distinctive skills problem. The proportion of 18 year olds moving into higher education from these places is, on average, no higher or lower than elsewhere<sup>xiii</sup>. But mostly these young people move away to university cities, never to return. Beyond graduation, London exerts a big pull: six months after graduation, London employs 22 per cent of all working new graduates and 38 per cent of working new graduates with a first or upper second class degree from a Russell Group university<sup>xiv</sup>.

The unsurprising consequence is that in older industrial towns, graduates make up just 31 per cent of the working-age population, compared to 40 per cent in the main regional cities and 52 per cent in London<sup>xv</sup>.

### **Doncaster: gateway to the North**

*Doncaster metropolitan borough, in South Yorkshire, has a population of 310,000. The borough includes Doncaster itself (population 110,000) and several smaller towns and former mining communities. Doncaster was hit hard by the closure of the coal industry but enjoys an enviable location on the motorway and rail network and these days has an airport too.*

*The council's aims are to break the cycle of deprivation, to increase economic participation and to reduce demands on acute public services. There has been real progress since the recession – more jobs, more businesses, inward investment and new infrastructure. Over 10,000 more residents are now in work.*

*The opening of the National College for High Speed Rail, with 76,000 sq. ft. of teaching and workshop space, puts Doncaster at the forefront of the UK's drive to meet the demand for highly skilled rail engineers. A new Doncaster University Technical College, due to open in 2020, will train up to 750 young people in the latest engineering techniques, in computer coding and in 3-D design skills.*

## Place more emphasis on quality jobs

Too many of the new jobs that have been created in recent years have been low-wage and insecure, with little or no prospect of advancement. The coalmines of Yorkshire and the Midlands, for example, have often been replaced by call centres and warehouses, many paying the national minimum wage on zero-hours contracts. Better than unemployment perhaps, but not by much.

The problem is not confined to the former coalfields. 15 Key Cities have over 20 per cent of female employees earning below the 'living wage', and all the Key Cities have over 10 per cent of male employees earning below the living wage<sup>xvi</sup>. Across the country as a whole there has been a surge in 'self-employment'. On average, the self-employed now earn only 60 per cent of the median annual earnings, down from 70 per cent ten years ago<sup>xvii</sup>.

The failure to address the quality of jobs places a financial burden not just on households but also on the Exchequer. In older industrial towns, 900,000 in-work households receive an annual average of almost £6,500 in Tax Credits, at a cost to the public purse of £6bn a year<sup>xviii</sup>. This is the taxpayer having to step in to make up the shortfall when employers pay too little to enable working families to get by.



## Target funding at areas of need

The EU Structural Funds have been the cornerstone of regional development in the UK for most of the last thirty years. In the present 2014-20 spending round, £9bn of EU funds is coming to the UK, most to the less prosperous parts of the country and much of it to places beyond the big cities<sup>xix</sup>.

After Brexit, the plan is that the EU Structural Funds will be replaced by a new UK Shared Prosperity Fund. But nearly all the important details of the new Fund are still to be worked out.

Like the EU funds it replaces, the new Shared Prosperity Fund needs to be targeted at areas of need. The UK is already a highly polarised economy, with big and growing disparities between different parts of the country. Some of the most problematic local economies, most in need of support to help deliver growth and jobs, are in towns and communities away from the big cities. A trickle-down of prosperity from the big cities can't be relied on to work.

Of course, there are cities too that require help to help rebuild their local economies. The driving principle, however, should be that need is the basis of funding allocations.

### ***Bolsover: growth in a market town***

*Bolsover is a long-established market town in North Derbyshire that prospered with the growth of the local coal industry and was then badly hit by the closure of the mines in the 1980s and 90s. Public funding has been essential to transforming the town and the wider district.*

*The site of the former Coalite coking and chemical works was especially contaminated. Private investors had found it difficult to develop a regeneration plan that stacked up. £5.8m was eventually secured from the Local Enterprise Partnership to kick-start site remediation and unlock the site's potential to accommodate 1,500 jobs and 660 new homes. £2m was secured from Derbyshire County Council for infrastructure works.*

*The site is less than a mile from Bolsover town centre where public realm improvements were delivered with £750,000 in EU funding. These projects, combined with others such as Bolsover North with 950 homes, now form a growth zone around the town.*

## Regeneration that covers the whole country

It is a myth that the only attractive development opportunities are in the big cities.

A couple of years ago the UK government worked up a list of 20 investment projects linked to the Northern Powerhouse to be floated with potential Chinese investors. The idea was sound but the details were flawed because 19 of the 20 schemes were located in or close to the North's biggest cities. Challenged by MPs from elsewhere in the North, ministers invited additional proposals. No fewer than 26 major investment projects across the former coalfields of the North alone were subsequently identified<sup>xx</sup>.

The Prime Minister has recognised that economic change has made some people and communities feel "left behind". But an emphasis on big cities has dominated policy thinking to the exclusion of too many other places. Some firms may flourish better in cities where they can benefit from proximity to suppliers, customers and competitors, but there are plenty of branches of industry and commerce where a location outside a city makes more sense.

### **Newton Aycliffe: Royal Ordnance to rolling stock**

*Newton Aycliffe is a town of nearly 30,000 people in County Durham, located just to the north of Darlington. It was identified as one of the first New Towns in Britain and established in 1947.*

*The town's trading estate, which dates back further, was originally the site of a Royal Ordnance factory making bombs and bullets. After the war it became an important centre for manufacturing but by the beginning of the present century it had suffered a number of closures and job losses and the estate as a whole was in poor condition. Durham County Council held on to it because of its strategic location near the A1 (M) and East Coast Mainline.*

*In 2015 Hitachi Rail Europe opened a new facility to start producing the new generation of inter-city rolling stock. Hitachi's arrival has attracted a range of other investments and businesses and the area has been transformed into one of the largest business parks in North East England. A new extension – Forrest Park – is now being developed with financial support from the Local Growth Fund. This has the potential to accommodate more than 3,000 new jobs and £500m of investment.*

## Investment in local transport infrastructure

For too long the priority has been investment in London (Crossrail etc.) or in connections between the big cities (HS2, HS3). There has been under-investment in local trains and buses, exacerbated by cuts to local authority budgets. The 2018 debacle in the North of England, when Northern had to withdraw many of its newly re-scheduled train services, illustrated a lack of resilience in local transport links.

In the towns and industrial communities of Britain the real priority is for better local transport connections so that jobs in nearby cities can be accessed and so that people can get to and from the increasingly dispersed pattern of businesses on trading estates, business parks and in town centres. Not everyone has access to a car of course, but even those that do usually find that roads have become more congested and journey times have increased.

There are plenty of investments in local rail that could make a difference<sup>xxi</sup>. These include reinstating passenger services on existing freight lines, reopening other lines altogether, better and bigger rolling stock, more frequent services and in some cases electrification. In terms of value for money, most of these incremental, local investments can probably deliver better returns than prestige inter-city projects.

### **North Lanarkshire: connecting with development**

*North Lanarkshire lies to the east of Glasgow and comprises a number of smaller towns, the largest of which is Cumbernauld (population 52,000). The local economy suffered significantly from the loss of heavy industry and manufacturing jobs, but since 1998 has actually shown the fastest growth in GVA of any local authority area in Scotland.*

*Recent growth owes much to the upgrading of local motorways (the M80, M8, M74 and M73) by Transport Scotland, which has increased connectivity and opened up opportunities for industrial and business development along key transport corridors. North Lanarkshire also has almost half of all the marketable land available for industrial and business use within the Glasgow city region, and generally at a lower cost than in Glasgow itself.*

*Claimant unemployment is sharply down on its post-recession peak and the local council has plans for a new 20 year 'growth programme' that will be underpinned by investment in housing – including 5,000 publicly-owned homes and an extra 8,000 private homes – further infrastructure to improve road and rail connectivity, and the renewal of town centres.*

## Investment in digital capacity

In the modern world a good broadband connection is vital for businesses and households. Thankfully, the quality of provision across the UK gets better year-on-year, but there remain important differences between places.

As a general rule, the broadband providers invest first in the places where the biggest numbers of potential customers are located – which means the cities. Towns and smaller communities only get this investment a little later, but by that stage a new generation of still faster services is generally being introduced in the cities. Catch-up never quite happens.

Maps produced by the industry regulator Ofcom demonstrate this very clearly<sup>xxii</sup>. Whilst in 2017 91 per cent of all premises in the UK were able to receive superfast broadband, in small towns and rural areas the proportion declined, in the worst cases to less than 20 per cent. Ofcom estimated that almost 230,000 small businesses could not receive decent broadband, and around 500,000 did not have access to superfast broadband. In all, around 1.1 million UK premises could not access a broadband capable of delivering download speeds of at least 10Mbit per second and an upload speed of at least 1Mbit per second.



## Funding that isn't predicated on governance

In England, economic development and service delivery has been complicated by the uneven pace of devolution. Under the 'devolution deals' agreed between a number of areas and central government, in exchange for the establishment of a combined authority with an elected mayor the government is making available extra funding. Most of the new devolution deals cover city regions, partly because some other areas do not believe that the Mayoral Combined Authority model is appropriate to their area.

Subsequently, in establishing England's new Transforming Cities Fund, intended to improve local transport connections, the Westminster Government chose to pre-allocate half the total funding to the areas that had already agreed to introduce elected mayors, leaving the other half to be fought over by the rest of the country through a competitive bidding process<sup>xxiii</sup>.

Whilst devolution is generally welcome, a dangerous precedent has been established here, and one that could work against the best interests of towns and communities beyond the big cities. Whether or not an area has an elected mayor is not necessarily a good guide to need, nor indeed to the ability to intervene effectively to improve the local area.

The government needs to recognise that a 'one-size-fits-all' model of English devolution is not appropriate in all areas of the country and adopt more flexible governance models, best suited to each area's needs.

### ***Preston: public procurement as a development tool***

*The administrative centre of Lancashire, Preston (pop. 140,000) was formerly a port and cotton town. It provides an example of what some places can do by using their own resources and influence.*

*Preston Council has worked with local partners to develop an 'anchor institution' approach in which all major local organisations come together to reconfigure their spending patterns and procure more in the local area. Preston's public services now source £74m more from businesses in the town than they did in 2013; with another £200m more sourced from businesses across the rest of Lancashire.*

*The prime aim of what has become known as the 'Preston Model' is community wealth building – making sure local communities and businesses prosper and are more resilient to downturns. Preston is now exploring regional banking to boost local businesses and the wider development of cooperatives and other models of local public ownership and economic democracy.*

## Distribute Lottery funding more evenly

Funding from the National Lottery is an important tool supporting numerous good causes across the country, from community projects through to sport, the arts and heritage.

The problem is that a disproportionately large share of Lottery funding goes to the big cities. Communities in industrial Britain, for example, receive only around 60 per cent of the national average per head<sup>xxiv</sup>. This gap has persisted since the National Lottery was first established in the 1990s and it can't be explained away by regional and national projects that have administrative addresses in cities. What's more, prestige projects in the cities – galleries, theatres, museums and the like – are often out-of-reach to residents elsewhere.

It tends to be less well-off households who spend most on the Lottery, and many of these people live in the towns and communities beyond the big cities. The suspicion is that at present the National Lottery delivers a perverse redistribution of income.

All communities should receive their fair share of funding to help provide and sustain community infrastructure.

### ***Longannet: a training and enterprise hub***

*The Longannet initiative covers several small communities in Fife, close to the Firth of Forth. Longannet colliery – the last deep mine in Scotland – closed in the 1990s. Longannet power station – the last coal-fired power station in Scotland and one of the vey biggest in the UK – closed in 2016.*

*The Coalfields Regeneration Trust engaged with communities in West Fife and Clackmannanshire who were adversely affected by the closure of the power station. The initiative pulled together seven local communities to produce a five-year action plan.*

*One of the biggest achievements so far is the creation of a training and enterprise hub in a former bank in Kincardine town centre. It is a flexible working space intended to bring together lone workers, to combat social isolation and to encourage social entrepreneurship. The hub acts as an innovation hub, a business incubator and as a community centre where people can collaborate, share resources and hold events.*

## Improve culture and sports facilities

Culture and sport play an important part in building thriving communities. However, in smaller cities, towns and communities it's not difficult to feel short-changed by investment in arts, culture and sport.

That London is the nation's cultural capital, and likely to remain so, is not in dispute. But the extent to which the London dominates public spending is alarming: on a per capita basis, London receives more than five times as much from the Arts Council as the rest of England<sup>xxv</sup>. Over time, London's share of the pot has been increasing too. A recent report on arts funding to the former coalfields underlines the continuing imbalances<sup>xxvi</sup>.

What's more, "the most regular attenders of the most heavily funded cultural organisations are some of the most privileged in society – the highly educated and wealthy middle and upper classes living within easy reach of these major cultural institutions"<sup>xxvii</sup>.

Or take football. The English Premier League clubs are awash with money but at the grassroots in many towns and communities up and down Britain you'd be hard pushed to find an all-weather pitch.

### **Wakefield: re-purposing place through heritage and culture**

*Historically one of the centres of the Yorkshire coalfield, Wakefield district (pop. 340,000) lost over 20,000 jobs as a result of the demise of the coal industry. The council and local partners have worked over the last two decades to re-purpose and re-brand Wakefield, with culture and heritage at the heart of the new vision.*

*Wakefield is now home to the internationally renowned Hepworth Gallery, bringing in around £5m a year in visitor spend and the anchor site for the development of Wakefield's inland waterfront. Wakefield district also hosts the Yorkshire Sculpture Park and the National Coal Mining Museum for England.*

*Culture and leisure have helped re-purpose the local economy. An example is Backstage Academy, the largest indoor rehearsal space in Europe, hosting major artists from across the globe and delivering degree-level courses in performing arts management and in lighting and sound technologies. A performing arts FE college is under development and a number of annual festivals, including festivals of food, drink and rhubarb and the Pontefract liquorice festival, attract international attention and have been instrumental in raising the profile of the district to inward investors and employers.*

## Keep local services local

Efficiencies in the public sector, often driven by budget cuts, are seeing too many key services stripped out of towns – job centres, local hospitals, libraries and post offices for example. As services are centralised they become difficult to access for many people. And jobs are lost too.

The Centre for Towns has looked at distances to the nearest hospital<sup>xxviii</sup>. In the core cities the average distance is just over 3 miles. In ‘large towns’ this rises to 4 miles, in ‘medium towns’ to nearer 7 miles, and in ‘small towns’ to almost 10 miles. In communities beyond the towns, the figure rises to 12-13 miles. For the elderly, who are big users of the health service and often amongst the least mobile, some of these distances pose real problems. The UK population is also projected to get older, on average, in the coming decades.

Not everyone has a car, and it is questionable on environmental grounds whether additional car usage should be encouraged. And the internet is, at best, only a partial substitute for face-to-face contact. Keeping services local gives communities focus and can help build resilience in local centres.

### **Tredegar: tackling disadvantage**

*Tredegar is a town of 11,000 people in the South Wales Valleys, and forms part of Blaenau Gwent borough. The town’s economy was originally based on coalmining and (in nearby Ebbw Vale) on steel. All these jobs have gone. Cardiff is 30 miles away and beyond commuting distance for most people, especially bearing in mind the absence of a rail link. Deprivation is widespread in the town.*

*In 2016 the Coalfields Regeneration Trust took over Aneurin Bevan House, a prominent building in the centre of Tredegar. Following refurbishment, an immediate priority was to establish a branch of a Credit Union to begin to offer an alternative to the illegal and high-interest rate moneylending that has caused so much damage in the area. Further work is underway to address the impact on indebtedness of the roll-out of Universal Credit.*

*A new town centre forum has been established to begin to establish a vision of what Tredegar could be in future. One of its emerging priorities is to tap into the town’s rich industrial heritage and culture and to promote Tredegar as a Health Heritage Town, the home of the NHS.*

## Nurture the retail offer

High street retailing is squeezed by out-of-town shopping, by resilient city centres and by the rise of the internet. What is left needs protection to preserve jobs, access for the less mobile, and to nurture the distinctive character of places. Community high streets risk becoming the domain of bookmakers, charity shops, takeaways and nail salons.

The Grimsey Review<sup>xxix</sup> details the challenge. The UK has an oversupply of shops, currently 10 per cent and forecast to rise to 20 per cent (c. 100,000 properties). Around 14,000 shops have currently been empty for more than three years. Footfall in town centres has decreased every year since 2013 and is down by 17 per cent over the last decade. In the first half of 2018 alone, Maplins and Poundworld closed, Carphone Warehouse withdrew from their high street network and retail flagship Marks and Spencer announced the closure of 100 branches. The fundamental structure of Britain's town centres is changing from goods transactions to the consumption of food and personal services.

So far, government has ducked the challenges these trends pose, especially to retailing in the places beyond the big city centres. Planning controls and public investment need to rise to the challenge before it is too late.



## Fund services to meet the needs of an ageing population

In terms of their population structure, cities, towns and smaller communities are pulling away from each other. As a general rule, the big cities are attracting young people and smaller places are getting older, partly because they are losing young people and partly because people are living longer.

There are currently two million more over-65s in towns and smaller places than there were in 1981, and three and a half million more 45 to 64 year olds<sup>xxx</sup>. Around three-quarters of the national increase in over-45s between 1981 and 2011 took place in villages, communities, small and medium-sized towns. Around eighty per cent of the growth in 25-44 year olds has taken place in large towns and core cities.

Looking ahead, population projections mean that we should expect these geographical disparities to continue, as cities and large towns continue to attract younger populations. As they move away, the erosion of family support networks in the immediate locality adds to the demand on public services. These effects mean there will be significant challenges for public policy, requiring adaptations to the housing stock, transport provision, healthcare and education.

### ***Horden: a community that works***

*Horden is a former pit village on the coast in East Durham, close to Peterlee. According to the government's Indices of Deprivation it is one of 35 of most deprived communities in England with substantial issues around worklessness, skills and health.*

*The 'numbered streets' in Horden are terrace houses originally built to accommodate mineworkers and their families. In recent years there have been serious issues with vacant properties. One Housing Association owned 150 properties that were empty and becoming a target for vandalism, dumping and anti-social behaviour. House prices had plummeted from £70,000 to £40,000.*

*The Coalfields Regeneration Trust, working with community groups and local stakeholders, became involved in establishing a House Hub in one of the derelict properties. Using the East Durham Trust as its partner the Hub hosts a range of services which targets, amongst other things, food poverty, fuel poverty, debt and loneliness.*

*Since the initiative started in July 2017 it now has 19 volunteers, has engaged with 540 residents and has helped several move closer to employment. The intervention of the Trust has led to agencies taking a new look at what is required in this community and not simply bailing out.*

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