

# TOWN

## Small and medium sized towns in their functional territorial context

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## List of authors

Rob Atkinson and Ian Smith

University of the West of England, Bristol

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*This case study report addresses the question of how spatial development in Welsh small towns is managed through the policy and governance approaches that currently exist in Wales. It is the output of the UK team for the ESPON-funded TOWN project (see [http://www.espon.eu/main/Menu\\_Projects/Menu\\_AppliedResearch/town.html](http://www.espon.eu/main/Menu_Projects/Menu_AppliedResearch/town.html)).*

*The report is made up of four chapters: the first chapter outlines the broad policy and local government context for this case study report and enable the reader to situate this case study of Wales with the other regional 'cases' included in the TOWN project; the second chapter responds to the question of how well the TOWN geomatic method identifies small towns in Wales; the third section responds to the question of how well are small towns across Wales doing for the period 2001-2011; and finally the fourth chapter outlines the ways in which the spatial development of three small towns have been shaped by the policy context for three case study areas in which they are located. Overall it is clear that the economic future for Welsh small towns does depend to a great extent upon the public sector (and local government in particular) either as the primary employer or as the primary agent for pushing forward a spatial development agenda framed by small towns.*

*We would like to acknowledge the time and assistance of all who agreed to be interviewed as part of this research. The views and interpretations expressed in the report, however, are those of the authors alone and are not intended to represent those of any particular individual or organisation involved in this work.*

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# 1: Small towns and spatial development in Wales

Welsh small towns are located in the Welsh context of local government, of spatial planning and of policy-based definitions of what a small town is. This chapter sets out those contexts primarily for those who will compare the case studies of small towns in Wales with small towns in European contexts.

## 1.1: Small towns and local government in Wales

Given the typical size of settlements that we are describing as 'towns' within the TOWN project (with a contiguous urban population of between 5000 and 50000 residents), local government is the level of territorial governance and public service delivery that is 'closest' to being able to take in the territory of a single town.

Within Europe, the United Kingdom is a unitary state but with significant elements of devolution and decentralisation to its constituent nations (Scotland and Wales). These constituent nations have either their own parliament (Scotland) or assembly (Wales) with varying degrees of law making (and tax-raising) powers. In addition there are continuing elements of 'direct rule' in Northern Ireland. England retains more elements of the 'ideal-typical' unitary state form, arguably being the most highly centralised of the four nations. The Welsh Assembly, unlike the Scottish Parliament, has no tax-raising powers but since the Government of Wales Act, 2006, it has been able to pass legislation on matters such as health, education, social services and local government.

In essence local government in the United Kingdom is structured in two different ways (see Table 1). In Scotland, Wales and parts of England there are Unitary, Metropolitan and London Borough Councils, these are single tier, all-purpose councils responsible for all local authority functions. While the remainder of the UK has a two-tier system in which two separate councils divide responsibility, these are the District and County Councils. It is important to bear in mind that as well as undergoing a number of structural changes in the period since the 1980s the local government system in the United Kingdom has also been affected by an increase in forms of privatisation, the development of contracting out and quasi-markets as well as an increasing role for the voluntary sector in the provision/delivery of services. Associated with this has been a growth in the development of partnerships between local government and other relevant stakeholders to provide a range of services and/or deliver projects. Thus the local governmental landscape has become more complex and fragmented – usually captured by the term local governance – with an increased need for the coordination and integration of all these activities.

Turning to Wales in terms of its formal local government structure it currently has 22 unitary authorities; in addition there are 735 community and town councils in Wales that cover 70 per cent of the population and 94 per cent of the land area of Wales (see Table 1). In addition to these there are a wide range of partnership arrangements involving different stakeholders depending on the particular service/project. Thus in common with the rest of the United Kingdom the governance landscape in Wales has become increasingly complex and difficult to decipher and this creates problems for spatial planning and the delivery of services in terms of accountability, transparency and legitimacy (see Bristow et al, 2008; Healey, 2012).

**Table 1: Local government structure(s) in the four nations of the United Kingdom**

	England	Wales	Scotland	Northern Ireland
Upper tier and unitary	27 two tier 'shire' counties and 125 unitary authorities	22 Unitary	32 Unitary	No Unitary authorities
Lower tier (local authorities)	326 'district' authorities in two tier areas	No lower tier	No lower tier	26 Districts
Statistical wards	7938 standard statistical wards (LAU2)	868 standard statistical wards (LAU2)		
Civil Parishes/ Ward-level	8,092 Parish Councils and 591 Town Councils (35% of population)	735 Community Councils (100% of population)	Abolished in 1975 (retained for statistical purposes only)	

Thus typically in Wales, local authorities typically cover population areas in of the order of 100,000 residents whilst community councils (including self-nominated town councils) cover areas with fewer than 5000 residents. Welsh unitary authorities are local government bodies with extensive powers and resources whereas Community or Town Councils have relatively few powers and few resources. However in the case of Wales 100% of the population is covered by an area with a Community Council in contrast to England where only 35% of the population lives in an area with a parish (or town) council. Thus the main thrust of local government competence and resources in Wales is managed at a territorial level that is somewhat more extensive than the scale of small towns in Wales making small towns sub-areas of a larger local planning authority (unitary or district). However in many cases the morphological core of smaller towns may be represented by a parish or community council (some of which will have retained or acquired the nominal title of 'town council') albeit that this level of local government has few powers and resources.

## 1.2: Spatial development policy and small towns in Wales

Spatial planning has only really begun to emerge in the UK over the last 20 years as an 'extension' of traditional land-use planning as embodied in the Town and Country Planning system that emerged post-1945. In part it represents an attempt at "...integrating' disparate agendas, activities and actors." (Healey, 2006, 64) associated with land use planning, economic development, transport and service provision at particular territorial levels (i.e. the sub-national). It represents one of a number of responses to the increasing fragmentation of the national and sub-national system of governance. As Healey points out:

The planning system...is expected to be the carrier of multiple policy objectives into the sectoral heartlands of other policy communities. This is where the spatial planning agenda gets its leverage. It is not just about co-ordinating and aligning the spatial aspects of the policies of other sectors. It is about the 'nature of places and how they function'." Healey, 2006, p71)

Thus it reflects the attempt to coordinate and focus (in a place based sense) the activities of a number of policy fields. It represents, as Allmendinger and Tewdwr-Jones (2006) argue:

*...a strategic capacity and political integration mechanism intended to cement the increasingly fragmented agents of the state, all of whom possess their own agendas, political objectives, strategies and resources, but who need to cooperate in order to deliver projects and developments. (ibid, p17).*

However, those responsible for spatial planning largely lack the authority to 'command' coordination, rather they must operate through the creation of 'visions' and 'persuasion' and the construction of 'consensus', thus the frequent resort to a wide variety of partnerships. The irony being that this leads to further fragmentation and the emergence of new problems of coordination.

In the post-1997 devolution era the Welsh Assembly, established in 1999, became responsible for spatial planning in Wales and the Wales Spatial Plan represents a form of "...high level strategic guidance..." (Harris and Hooper, 2006, p142) for the Welsh counties and other parts of the Welsh governance system. The role of the Spatial Plan is to act as "...a policy integration tool. The principal concerns of the plan centre on the integration of a range of sectoral issues in the economic, social and environmental spheres." (ibid, p150).



**Table 2: Spatial development plan-making powers and local government in the nations of the United Kingdom.**

Constituent nation	England	Wales	Scotland	Northern Ireland
National	No English spatial plan but there is English planning policy.	Welsh Spatial Plan	Scottish National Planning Framework	All Ireland Spatial Plan
Regional	Regional spatial strategies (2004-2010) Abolished 2010	Not applicable	Not applicable	Not applicable
Sub-regional	Abolished 2004	Yes (within national plan)	Yes (within national plan)	Planning Strategy for Rural Northern Ireland
Local	Yes	Yes	Yes	Yes but not produced by Districts
Parish/Community/Town Council	Consultative – some area planning	Consultative	Not applicable	

In the United Kingdom the notion of spatial planning is interpreted more narrowly than elsewhere in Europe. However, even within the UK interpretation of the scope and extent of spatial planning as spatial development policy, there are notable differences between the UK's constituent nations where Wales, Scotland and Northern Ireland are framed within national spatial plans whereas statutory planning within England (outside of London) is framed by a series of aspatial national planning policies rather than a national spatial plan. For the most part the thematic areas of spatial development policy-making (statutory planning, transport, economic development and local welfare delivery) are devolved areas of policy action. Thus in order to understand the construction of SMSTs as objects of policy action within the case study area, we will need to focus on the policy context for Wales (see Chapter 4). Given that local authorities will typically incorporate more than one small town, the power to make spatial development plans is also likely (in an ideal case) to incorporate some process of partnership between the small towns and the planning authority in Wales.

### 1.3: Are ‘towns’ explicit policy objects in the Welsh policy context?

As we have indicated the territorial governance and spatial development contexts for SMSTs in the UK is fragmented across the four constituent nations of the United Kingdom (including Wales). This section will focus for the most part on the policy context for Wales although we will be making comparisons with the policy context for England.

In Great Britain (England, Wales and Scotland) there is no official definition of a ‘small town’, although interest in ‘small towns’ at national and sub-national level has tended to focus on specific types of settlement (with associated functional roles such as market and coastal towns) that are made up for the most part, in a rather unsystematic manner, of SMSTs. The principal identification of market towns in England arose through the 2000 Rural White Paper (DETR 2000) where ‘market towns’ were associated with a number of roles in rural areas and a nominal ‘size’ threshold was given as 2,000-20,000 inhabitants. Only in the case of Northern Ireland is there an official definition of a small town. Here the national statistical agency for Northern Ireland defines a small town as a settlement with a population greater than 4,500 inhabitants (up to 10,000 inhabitants – see NISRA 2005).

Responsibility for implementing the recommendations of the White Paper in relation to English market towns has changed with the fashion of agency reform moving from the Countryside Agency (2000-05) to a combination of the Countryside Commission and Regional Development Agencies (2005-10). Currently no specific agency has an explicit responsibility for SMSTs in England although there is a campaigning organisation ‘Action for Market Towns’ that seeks to focus attention on the situation of such places in England as well as elsewhere in the UK. Given the devolved nature of much spatial development policy, the responsibility for small towns falls under the various national jurisdictions.

In the case of the Welsh National Spatial Plan (Welsh Government, 2008a), there is a comprehensive identification of all significant settlements in Wales albeit that there is not a specific identification of ‘small towns’. Earlier research funded by the Welsh Government (Brown et al 2004) working with the Economic Development Unit used a population definition of 1,000 to 30,000 inhabitants in order to reflect the belief that the settlement structure of Wales meant that very small towns were likely to play a very significant role in remote rural areas. The National Spatial Plan (Welsh Government, 2008a) distinguishes between settlements in terms of a functional hierarchy of Key Settlements with National Significance, Primary Key Settlements, Cross-boundary Settlements and Linked Centres representing a single “Key Settlement”. This has been overlain with a notion of Hubs and Clusters. Referring to Central Wales the Spatial Plan argues:

*The hub and cluster approach seeks to encourage communities to work collaboratively, not competitively, to support their own needs and those of the smaller settlements and hinterlands which gravitate towards them, balancing the needs and aspirations of communities with appropriate plan-led growth and service provision (ibid, p44).*

The Spatial Plan has also recognised what it terms the “...diverse and complementary roles of settlements in Wales for the delivery of services, housing and job opportunities.” (ibid, p22) and this relates to the fact that:

Much of rural Wales is more sparsely populated than any rural areas in England and is more like the Highlands and Islands of Scotland. As a consequence, many places in rural Wales with populations of more than 15,000 perform roles characteristic of much larger towns elsewhere. This poses unique challenges for the effective delivery of services. (Welsh Government, 2008a, p22)

For instance in relation to Central Wales, a sparsely populated rural area, the Spatial Plan notes:

*“The rich mosaic of towns and villages is important for employment, social and recreational activity and to access a wide range of services. In such a diverse area, it is important to recognise the interaction between places of varying sizes and their mutually supporting roles in providing access to services” (ibid, p43).*

The basic point to bear in mind is that because of their rurality, relative peripherality and the sparsely populated nature of the areas in which they are located many smaller towns need to fulfil roles and functions that would normally be associated with much larger towns. This has led to the recognition that smaller towns need to develop collaborative relationships and work together in a complimentary manner if they are to provide a full range of services to the relevant populations. On the other hand small towns in south Wales closer to the major population centres have rather different functions. Overall these indications point to the diversity of small towns (and their contexts) in Wales.

The situation is well summed up by a report from the Wales Rural Observatory (2007) which notes:

*“Small and market towns should be recognized as a distinctive category in the geographical structure of Wales. Although small and market towns are often ‘lost’ within broader-brush categorizations of ‘rural’ and ‘urban’ areas (especially when these are defined at local authority level), they differ significantly from both. Small and market towns differ from the more extensive urban areas of North East Wales and South Wales and the Valleys in their relative isolation, their enhanced service function compared to population, the spatial compactness of their territories and their interactions with the surrounding rural areas. Yet, they also differ from rural communities in that they can support a larger number of services and amenities, often have a broader economic base and can be large enough to exhibit typically ‘urban’ physical features and social characteristics. At the same time, small and market towns are inextricably connected to both larger urban areas and rural areas through a tangled web of social and economic flows, networks and interactions.” (p3)*

In addition to seeing small towns in terms of a settlement pattern (whether this is a network or a hierarchy) spatial development policies in the UK also identify SMSTs as nodes within a retail hierarchy. The English and Welsh Planning Policy guidance indicate that local planning authorities should identify the hierarchies and networks of retail centres in their areas that would include ‘town centres’ (along with city centres, district centres and local centres). In the English PPS6, it is acknowledged that:

*“in rural areas, [town centres] are likely to be market towns and other centres of similar size and role which function as important service centres, providing a range of services for extensive rural catchment areas” (CLG 2005, p30)*

The aim of planning for retail and town centre development in the Welsh planning system is that the:

*“[Local Planning Authorities] should set out a framework for the future of town, district, local and village centres in their area which promotes a successful retailing sector supporting existing communities and centres”. (Enterprise and Business Committee, 2012)*

Although the threat to town centre shopping from out of town retail centres has been long-standing (since the late 80s), there has been a growing concern with the position of smaller towns in a retail hierarchy during the post-2008 recession. For instance in Wales there is a concern with 'high street regeneration' as part of the regeneration of town centres (Enterprise and Business Committee, 2012). This also overlaps with the desire for many smaller towns to retain a role as providers of a range of services (e.g. education, health) to surrounding rural areas that their size would not appear to merit.

The situation regarding small towns at UK level and within its constituent countries is best summed by a review of small towns in Scotland carried out by the Scottish Small Towns Task Group (2007) which noted:

*"In discussions with Scottish Executive officials it is evident that responsibility for policies relating to small towns are spread across a number of departments and that there is no one portfolio or section that has responsibility for small towns."*  
(*ibid*, p44)

With regard to small towns the report highlighted the existence of a 'policy vacuum' which reinforced "...their isolation from political support and resource allocation." (*ibid*, p45). Thus while policy makers at various levels of governance have expressed concern over the future of small towns there is little in the way of focussed and concerted action to address their situation from an integrated perspective.

Thus there is relatively little explicit focus on SMSTs although there has been a thread of interest through the 2000s in 'market towns' and then latterly 'coastal towns'. The Market Town initiative focussed primarily on the spatial development role of smaller towns in rural development. In this context market towns were defined as places with a population of between 2,000 and 20,000 inhabitants but it was recognised that such settlements may be playing a functional role in excess of their basic 'size' because of their role within their wider rural area. An early assessment of the English market towns initiative suggested that the most commonly cited significant issues by respondents who were engaged in market town partnerships related to affordable housing, local economic decline, traffic and transport as well as locally specific (and unclassified) issues (The Countryside Agency, 2004, p23).

So in reviewing the framing of market towns in the UK policy discourse we would suggest that the key 'problematic issues' for SMSTs in the UK relate to:

- Their actual or potential roles for facilitating economic development in rural areas (as economic functional areas and facilitators);
- The threat to their retail role (within an existing retail hierarchy) as 'town centres';
- Their role as 'service centres' for a wider population whereby the loss of 'service' function (in education/health as well as in financial or business services) accentuates rural disadvantage (by making access to services more problematic for low income households);
- Their capacity to be sites of affordable housing; and,
- The possibility that small towns might be a 'place' where sectoral policies can be joined up through concerted partnership working.

## 1.4: Concluding points

In the case of Wales, the principal focus of local government is that of the unitary local authority and this is likely to incorporate an area that will take in more than one small town. Town Councils are a symbolic remnant of earlier local government systems and albeit that they retain some capacity to emphasise and mobilise a civic identity, they retain few powers and few resources in the Welsh context. Most powers (such as those articulated by the statutory planning system) are located in the unitary authority in Wales. Small towns are rarely defined as coherent (holistic) policy objects in spatial development policies and plans in Wales but the functions that small towns play (retail centres, transport hubs, locations for employment and housing development) are often cited (as you might expect) in spatial plans (and associated spatial policy).

## 2: Identifying small to medium sized towns

The TOWN project set out to identify settlements that might be small towns across Europe and then generate attribute values for these small towns (relating to demographic, social, housing and labour market characteristics). This chapter outlines this process in relation to Wales touching on: the identification of small town settlements in Wales; giving these towns their 'attribute' values; the identification of functional areas for small towns; and the classification of Welsh small towns as functional areas.

### 2.1: Identifying morphological small towns in Wales

One of the principal aims of the TOWN project was to identify small towns across Europe building from a dataset made of population grid data. Using geomatic analysis methods, these grids have been analysed and aggregated in order to identify the settlement pattern across the territory of the European Union. In this procedure 'population dense' contiguous areas were identified as small towns when they met both a population number (more than 5000 estimated residents) and a population density criterion. This process then labelled settlements as one of the following categories: a highly dense urban cluster (a HDUC), a small to medium sized town (a SMST) or a very small town (a VST).

In Wales this process identified 56 morphological small towns that are shown in Map 1.

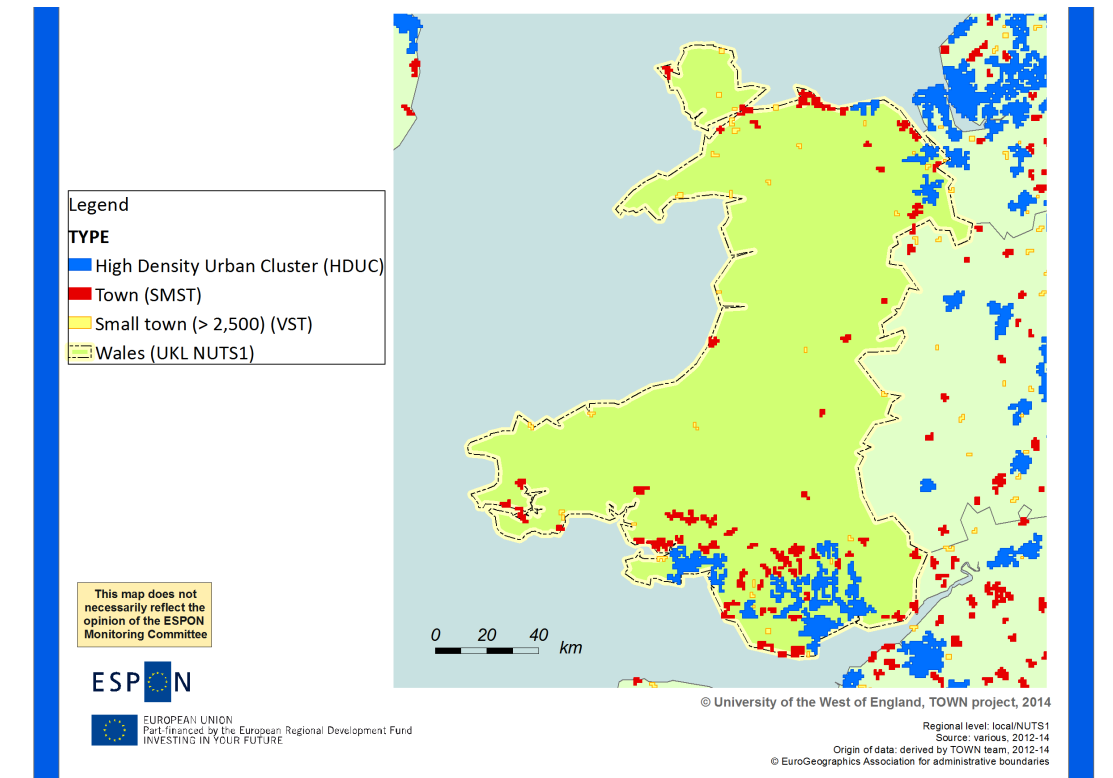
The validity of this geomatic process was checked by two methods:

- A visual inspection of the geomatic polygons with aerial images available through google map
- A cross tabulation with polygons produced for urban areas in Wales by the National Statistics Agency (the ONS) for the 2001 Census of Population.

Table 3 compares the number and type of settlement identified by the ONS methodology (in 2001) with the population grid method adopted in the TOWN project for an area of Wales and a border area of England (Gloucestershire through to Cheshire). Table 3 suggests that the grid aggregation method is a reasonable approximation to the settlement pattern of Wales and the English marches between the finer grain ONS method and the coarser grain of the grid. The 'best fit' was found for HDUC polygons where around 90% of ONS polygon fragments associated with large towns and cities were correctly identified within HDUC polygons. The identification of small to medium sized towns (and very small towns) was less successful with around 62% of SMSTs and 60% of VSTs classified to the same size category

by both the ONS and the RA2 method. For the most part ONS identified small to medium sized towns had become associated with HDUC polygons (32% of ONS SMSTs) whereas 39% of ONS very small towns had become associated with either SMST or HDUC polygons. This would suggest that the geomatic method tends to incorporate smaller towns close to high density areas into those high density polygons. This would explain the 'loss' of 10 small to medium sized towns and the over-estimation of HDUC population in comparison to the ONS estimates.

**Map 1 : the settlement map of Wales and the English borders**

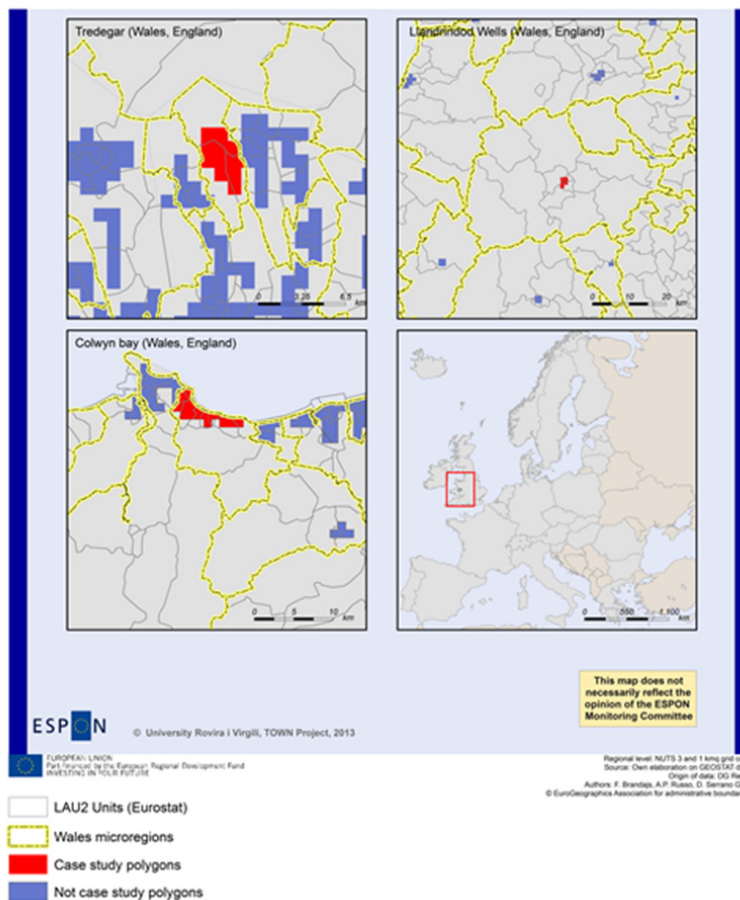


With regard to differences in classification between SMSTs and HDUCs, the problematic areas of Wales are principally found in areas of complex settlement pattern in the Valleys of South Wales and the intermediate region of North East Wales. Figure 1 maps the South Wales valleys setting out the ONS classification and the RA2 classification of places. Here settlement patterns are determined by long valleys and a history of industrial activity (mining and iron-making). The RA2 polygons (based on grids of population density) are classified according to SMSTs (in red) and HDUCs (in blue). The South Wales Valleys is a complex area with regards to settlement. In the case of Bridgend and Barry, the population for the settlements are close to the 50,000 population threshold. Thus small differences in estimation lead to different classification. The difference in classifying other settlements in the valleys results from differences in setting boundaries and the granularity of the spatial data on which such decisions have been made. The 1km grid used for TOWN makes it problematic to separate out settlements that might be close together.

**Table 3: Comparison of classification of settlements by ONS and by RA2 geomatic analysis for Wales and the English Borders**

ONS (2001) typology settlements	Number of entities	Settlement classification based on TOWN project			
		Not identified	VST (<5000 residents)	SMST (5 – 50000 residents)	HDUC (> 50000 residents)
<1500 residents	131	14.5%	71.8%	7.6%	6.1%
1500 to 4999 residents	131	0%	60.3%	20.6%	18.3%
5000 to 49999 residents	124	3.2%	2.4%	62.1%	32.3%
> 50000 residents	55	0%	0%	12.7%	87.3%
Total number of ONS polygons	441	5.4%	39.9%	27.4%	27.2%

**Figure 1: Case study towns in Wales**



These problems of different classifications also arises in North East Wales where there is a difference in defining settlements as separate within the agglomeration of Connor's Quay (see Figure 1 – North West Wales). The ONS data-set distinguishes between a series of SMST settlements such as Mold and Buckley whereas the geomatic method based on 1km grids have agglomerated these settlements to construct a HDUC polygon. In the case of the North Wales Coast, coastal development including caravan parks (fixed caravan sites) makes it difficult to distinguish where settlements are delineated. Hence there are differences in how the indigenous polygon analysis and the geomatic-based analysis demarcate the Colwyn Bay to Llandudno agglomeration and the Abergele to Prestatyn area (see Figure 1 – North Wales Coast).

## **2.2: Identifying the functional regions of towns in Wales**

Following guidance from the Czech team a functional analysis of Wales was carried out using commuting data from the 2001 Census of Population (based on ward-level data). Given that Wales is a devolved nation within the centralised unitary state of the United Kingdom the functional analysis was carried out on Wales and a buffer zone of English local authorities that touch the Welsh border (Gloucestershire through to Cheshire) in order to take into account the fluid state of commuting across the English-Welsh border (in particular in relation to the English cities of Chester and Bristol). This process is slightly different from the standard method of identifying travel to work areas that has been deployed in Great Britain since 1981 as there is only the initial employment centre criterion for size and no criterion for labour market self-containment. The consequence is that the defined micro-regions tend to be smaller than the standard travel to work areas.

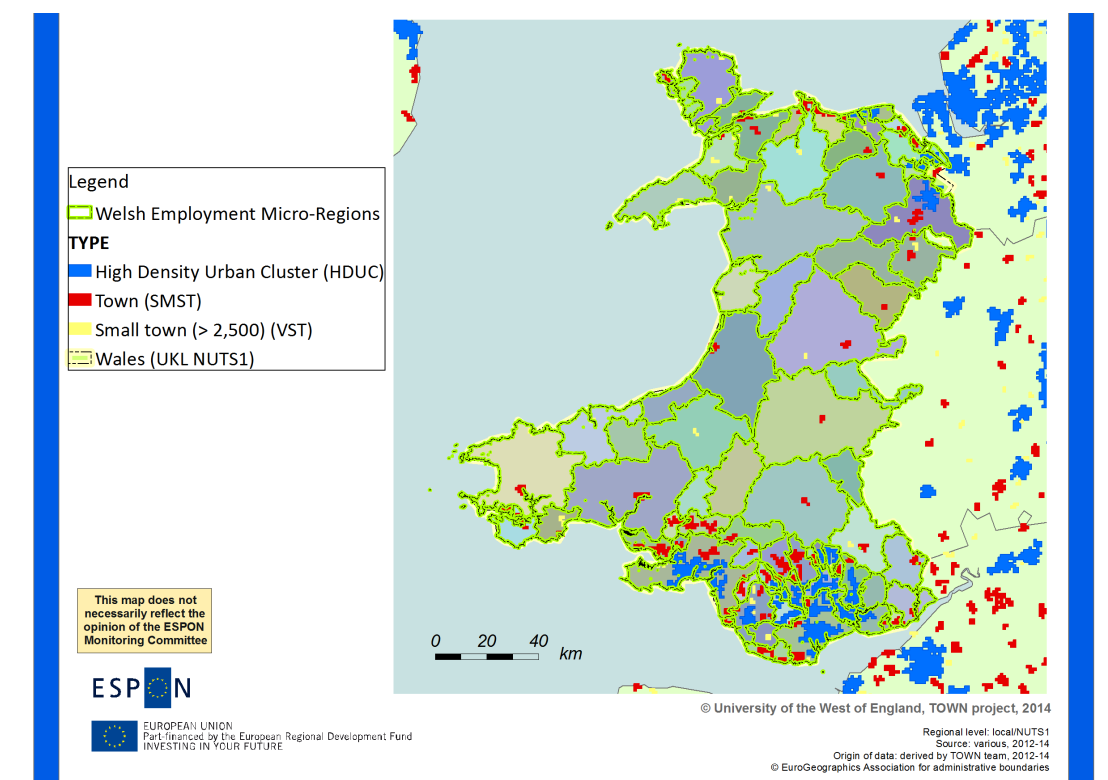
The first stage of identifying micro functional regions around employment centres involved:

- Identifying all employment centre wards with over 1000 employees;
- Aggregating commuting flows from non employment centre wards to the employment centre with which it records the highest commuter flow
- Aggregating all wards and employment centres to which they are associated by the highest flow and checking that these employment zones, have at least two wards, have at least 1000 workers in employment and have a resident population of 5000 residents
- Re-distributing the flows of wards from employment zones that do not meet the criteria
- Mapping the aggregated zones and re-assigning wards that are not contiguous.

In this way the functional analysis identified 75 micro regions in Wales (see Figure 3). On average a Welsh micro-region is made up of 11 wards and has a mean resident population of 38,000 residents and a workplace population of 15,000 working age adults. Figure 4 outlines the geography of the 141 micro-regions across Wales and the English borders. If the geography of micro-regions is compared with the geography of settlement polygons, it is notable that of the 75 Welsh micro-regions, 16 contain neither a SMST nor a HDUC polygon. These are mainly located on the most rural and western fringe of Wales where settlements are generally smaller.



**Map 2 : Employment micro-regions in Wales and the English border counties**



The geography of micro-regions was then compared with the geography of the settlement structure (based on the grid-derived settlements). Thus the whole area of Wales can be defined as one of five types of areas: an area associated with a large (HDUC) settlement, an area associated with a small (SMST) town, an area associated with a very small (VST) town, a rural area associated with a hinterland within a micro-region but not associated with a settlement and finally an area associated with a micro-region that appears to have no settlement within it. Table 5 looks at the relative importance of these five types of areas in Wales.

Thus of 75 micro-regions, 36 have some kind of rural hinterland (to either a small town or a large city) and a further 16 micro-regions contain no small town or large city (as defined by the TOWN project). The remaining 23 micro-regions are only made up of small town or large city units. The implication of the micro-region definitional work is that some of the settlements identified as contiguous (morphological) settlements could be divided up into smaller functional units (based on commuting patterns). Hence instead of identifying 56 small towns in Wales, the combination of functional and morphological analysis suggests that there are 66 small town-sized units and a further 11 very small-town sized units. These settlements account for about 38% of the resident population and 37% of the workforce population in Wales. This is a proportion as large as that of the larger cities and larger urban areas of Wales.

**Table 5: Relative importance of areas based on a morphological-functional classification of area types**

Type of area (intersection of micro-regions and identified settlements)	N	Population, 2001		Workplace population, 2001	
		Average size	Total as % of Wales	Average size	Total as % of Wales
Rural hinterland within a micro-region	36	11,638	15%	5,094	16%
Micro-region without a small town or large city settlement	16	11,692	6%	4,746	6%
Very small town settlement	11	3,526	1%	1,465	1%
SMST-sized settlement	66	16,705	38%	6,560	37%
Large town or city-sized settlement	8	142,578	39%	58,727	40%

### **2.3: Classifying small towns on the basis of their commuting patterns (a functional classification)**

The third aspect of this phase of work is to create a Welsh typology of small towns based on their (employment) functional role. We have had to focus on the functional role of settlements with regards to their role as employment centres because this is the only harmonised data-set of flows across all case studies (across ten countries) in this project. However having created a geography of employment-based micro-regions and polygons it is possible to consider the commuting flows within and between this geography of fragments.

We have used the patterns of significant commuting flows between settlements in order to classify small towns as on a first dimension of primary/secondary employment centre within a micro-region and a second dimension describing the nature of the in and out flows. In terms of the first dimension a town is either a principal employment centre (the main destination within a micro-region) or a secondary employment centre (not the most important employment centre). The second dimension is determined in relation to cluster analysis of the principal commuting flows (based on a method suggested by van Nuffel (2007) that allows us to define relatively autonomous towns (with self-contained commuting flows), networked towns (in networks with other small towns) and agglomerated small town (networked with larger urban areas and cities).

The 66 morphological-functional small towns (identified in Table 5) are classified against these two dimensions in Table 6. Of these 66, eleven are relatively autonomous (significant internal primary flow with one other significant flow to a non-polygon hinterland), thirty two record some kind of significant secondary flow to another SMST fragment whilst 23 are strongly linked to a larger HDUC (ie they are agglomerated albeit that eighteen are still the principal employment centre within their own micro-region). Thus small towns in Wales were still playing the role of principal employment centre within localised travel to work regions in 2001. Eleven of these were the principal employment site within a relatively autonomous region.

**Table 6: Simple typology of polygon fragments by population size and micro-regional context**

	Number of employment centres (N)		
	Principal Centres	Secondary Centres	Totals N
Relatively autonomous employment centre	11	0	11
Employment centre networked to other smaller towns	21	11	32
Agglomerated employment centre associated with larger city settlements	18	5	23
Totals	50	16	66

## 2.4: Concluding thoughts

Using the geomatic (1km) grid of population density to identify small towns in Wales works to some extent. The method is able to identify 60% of the small towns settlements identified in earlier work by the ONS (working from maps of land cover). Settlement identification is most problematic in the ribbon development of the South Wales Valleys and in the intermediate region of North East Wales.

Functional analysis based on ward-level data intersected with the grid-based settlement areas is able to refine our understanding of how settlements ‘work’ and the functional roles of small towns in Wales. This work suggests that small towns in Wales were still important employment centres in 2001, accounting for 37% of jobs in Wales. Some small towns were still relatively autonomous in their commuting flows and around 80% of towns were still the principal employment destination centre for their micro-region in 2001. It remains a key hypothesis of the TOWN project that the capacity of small towns to do well in contemporary Wales depends upon the functional role that they play within the Welsh urban system.

We will have to await the release of the 2011 commuting data in order to revisit whether Welsh small towns were still important employment centres at the end of the 2000s.

## 3: The territorial performance of small towns in Wales

Chapter 3 outlines and contextualises the performance of the three case study towns in relation to both the settlement system of Wales and to smaller towns within the wider context of both England and Wales. This is dealt with in two sections: the first outlines the performance of small towns in Wales using secondary data-sets compiled on the basis of the geomatic and functional delineation of smaller towns (see section 2); the second section is concerned with how well respondents representing key agencies and constituencies within the case study small towns think that the town is performing.

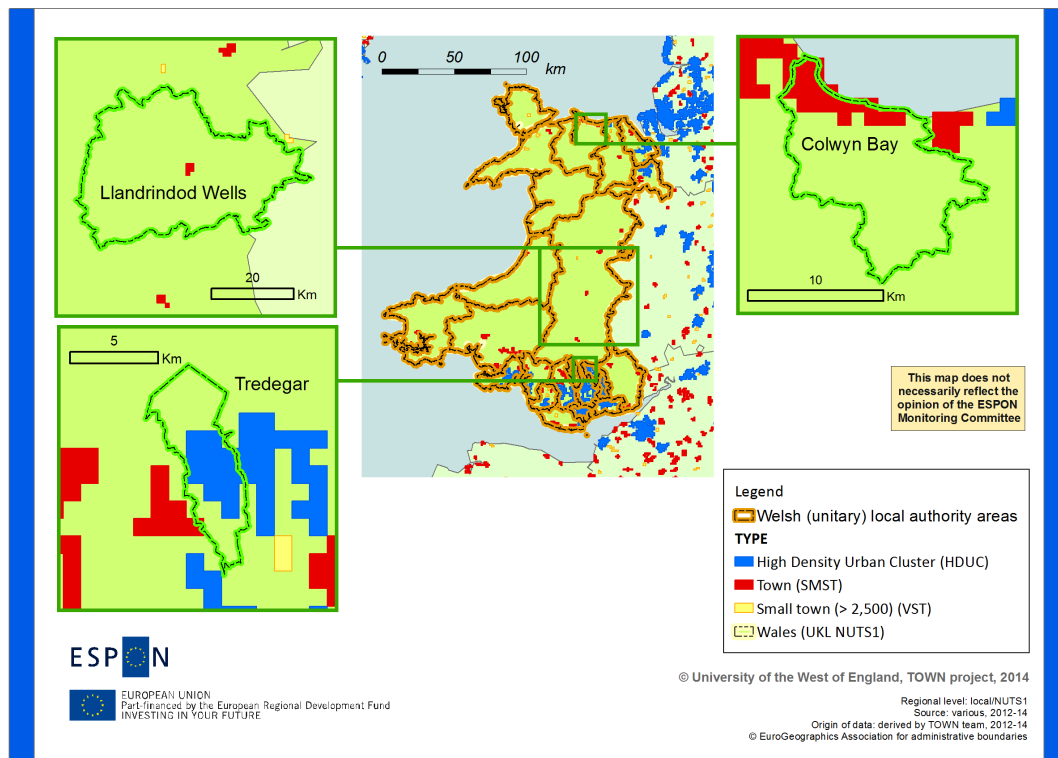
### **3.1: Socio-economic characteristics and small towns in Wales: an overview**

In the literature review on what is happening in European small towns, it was suggested that small towns are a diverse set of places. Within this diversity it was suggested that some small towns are 'doing well' whilst others are suffering under contemporary processes of economic geography because they lack 'scale' and the agglomeration economies that go with agglomeration. In this section we will compare the characteristics and changes that relate to our three case study towns with the average attributes of settlements in Wales distinguishing between very small towns, small to medium sized towns and high density urban clusters. The location of the three case study towns is mapped in Figure 4.

The three case study towns

- Colwyn Bay is a town with an estimated resident population of 30,566 (2001) and a workplace population of 11,421. The population of the Colwyn Bay is slightly larger at 32,485 persons. The grid analysis of RA2 identifies Colwyn Bay as part of a continuous strip of development that would include Llandudno and the historic small town of Conwy. Work by the ONS (NSI) classifies the town as separate from Llandudno and Conwy. In terms of local government the Town Council of the Colwyn Bay incorporates three former 'communities' of Old Colwyn, Colwyn Bay and Rhôs-on-Sea.
- Llandrindod Wells is a small isolated rural town in the County of Powys. It has a population of 5,033 persons and a workplace population of 3,852 although it has a wide hinterland where its micro region has a population of 23,727 residents and a workforce population of 10,535. The town was formerly the seat of the County of Radnorshire (prior to 1974) and since 1974 has been one of the administrative centres for the County of Powys. The town has some history as a spa town and has its own Town Council.
- Tredegar is a settlement of around 15,000 residents and a workforce population of 4240. RA2 analysis grouped the town with a HDUC area of Ebbw Vale although the ONS classification of settlements in Wales identifies Tredegar as separate from the agglomeration of Ebbw Vale/Brynmawr to the east. Functional analysis identifies Tredegar as a 'separate' micro region. The town has a long industrial history with ironworks starting up in the town from the early 1800s. The valley in which the town is located has been also been associated with coal mining. The town has experienced de-industrialisation over the past 30-40 years and is looking to re-build its economy. The town has a Town Council that historically was an urban borough before local government re-organisation in 1974.

**Map 3 Location of case study towns in Wales**

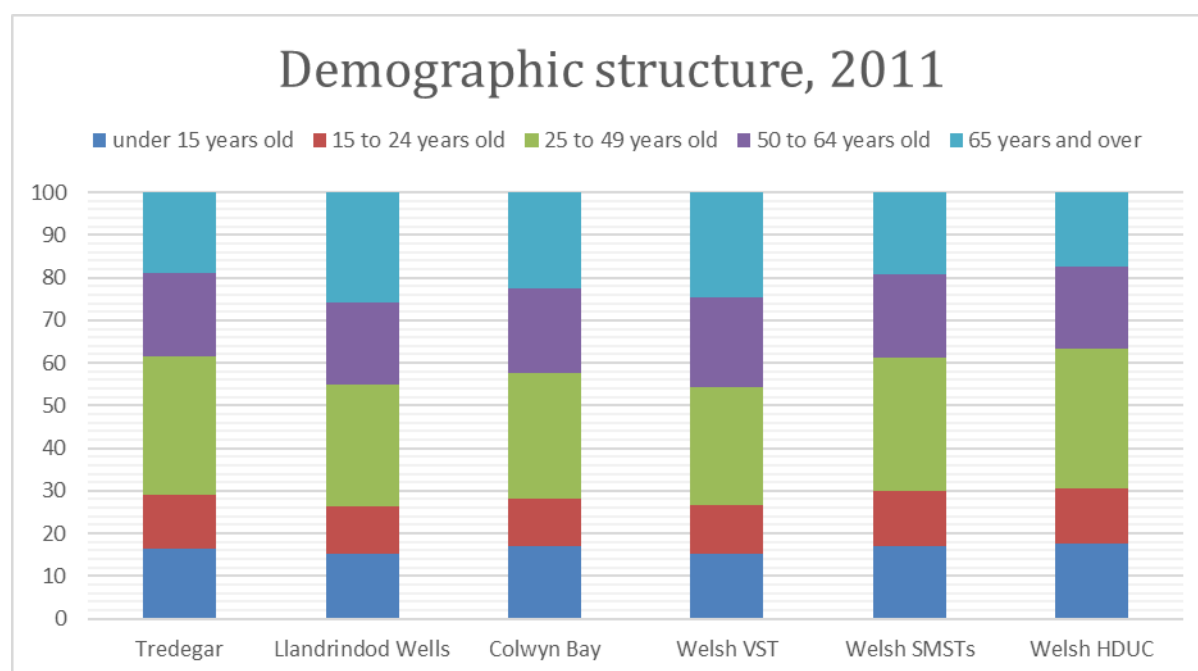


### 3.1.1: Demographic structure

Across Wales, there are some significant differences between the three types of settlement identified in the TOWN project. Very small towns and small to medium sized towns tend to have older populations. The differences in average demographic structure is most pronounced for the population aged under 15 years old and for the population aged 65 years and older. Figure 5 illustrates the differences for the three types of settlement and for the three case study towns. The very small towns form a distinctive group as the average proportion of people aged under 15 years (school age) and the proportion of working age adults aged between 25 and 49 years is significantly lower than for either small towns (SMST) or larger settlements (HDUC) whilst having a significantly large proportion of people aged 65 years and above. Thus these 17 settlements face a different set of demands on public services based on the age profile.

It is less easy to distinguish statistically SMSTs from HDUC settlements in Wales albeit that SMST settlements have a lower average proportion of working age adults between 25 and 49 years old. This group of 60 settlements in Wales have a lower average proportion of school age child and a higher average proportion of adults of pensionable age but the difference with HDUC settlements is not statistically significant.

**Figure 2: Demographic Structure of the case study towns and the Welsh urban structure**



**Table 7: Welshness and small towns in Wales**

	Number of settlements	proportion of residents who were born in Wales (QS203), 2011	proportion of population who speak, read and write Welsh, 2011	proportion of population with no skills in Welsh, 2011
Tredegar	1	91.7	5.9	87.6
Llandrindod Wells	1	45.4	8.6	80.7
Colwyn Bay	1	54.0	14.2	68.2
Welsh VST	17	53.9	39.9	40.2
Welsh SMSTs	60	73.6	16.2	69.0
Welsh HDUC	23	77.6	8.6	82.2

Source: Census of Population, 2011

Our three case study towns demonstrate some interesting differences in relation to the Welsh SMSTs as a group. Thus Colwyn Bay and Llandrindod Wells tend to have a smaller proportion of young adults (aged 15 to 24 years) in comparison to all Welsh SMSTs and a significantly greater proportion of adults of pensionable age (aged 65 years and over).

In terms of Welshness, smaller settlements in Wales offer some interesting contrasts (see Table 7). On average very small (VST) towns in Wales tend to have a lower proportion of current residents who were born in Wales implying a higher rate of lifetime migration combined with a significantly higher proportion of their population who claim to be able to speak, read and write in Welsh. SMST settlements are different in that the proportion of

residents who claim to be able to speak, read and write in Wales is higher than for HDUC settlements but lower than for the VST settlements. Thus SMSTs seem to have a profile of cultural Welshness somewhere between VST towns and HDUC settlements captured in this dataset.

Our case study towns are thus interesting contrasts amongst the group of SMST settlements. Tredegar is a bastion of English-speaking Welsh-ness with over 90% of the population in 2011 having been born in Wales but only 6% of the population claiming to speak, write and read in Welsh. Colwyn Bay and Llandrindod Wells have a very high levels of lifetime migration implied from the fact that around 50% of the populations in both towns were born in Wales (significantly lower than the SMST average for Wales). In the case of Llandrindod Wells there is also a relatively low level of knowledge of the Welsh language with just under 9% of the population claiming to be able to speak, write and read in Welsh and just over 80% claiming no skills in Welsh at all. In terms of knowledge of Welsh, the population of Colwyn Bay falls into the average of SMST settlements in Wales.

### **3.1.2: Labour market**

Table 8 outlines some of the key labour market characteristics of settlements in Wales from the perspective of the supply of resident labour. In terms of the overall employment rate for adults aged between 16 and 74 years, there is no significant difference between the types of settlement across Wales. However Tredegar demonstrates a very low employment rate in comparison to other settlements with only 51% of the working age population in some form of employment in 2011.

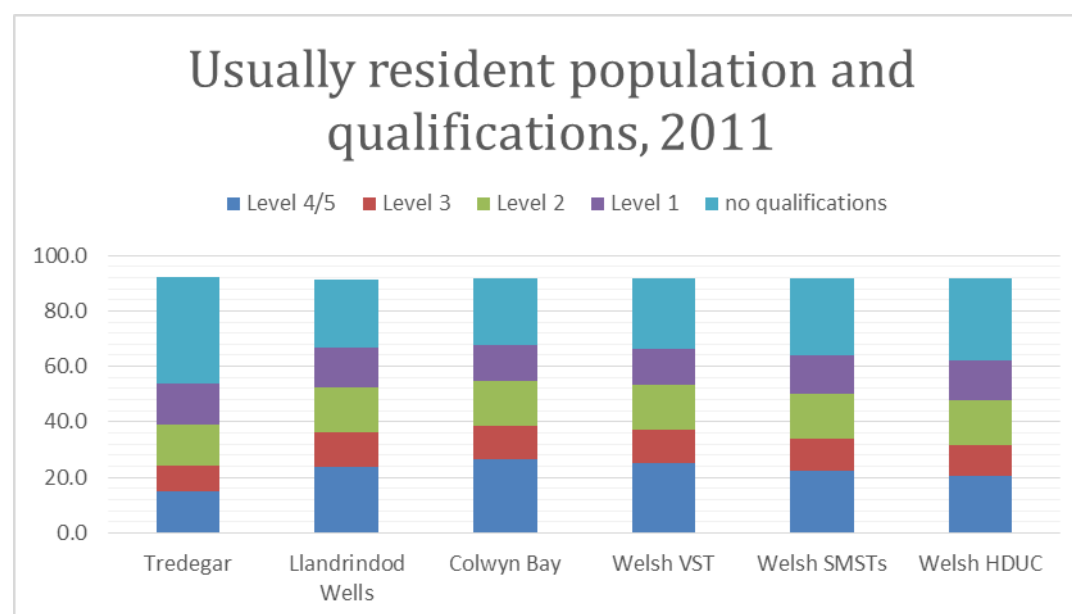
Self-employment is often a feature of rural economies in the UK. Given that the VST settlements in this study were located in non accessible rural locations it is not a particular surprise that VST settlements demonstrate statistically significant higher levels of self-employment (on average) than the average for either SMST or HDUC settlements. Thus on average 14% of the working age population in VST settlements are self-employed as opposed to nearly 8% of working age adults in SMST settlements. Very small towns in Wales show markedly higher rates of self-employment than HDUC-type settlements (14% of working age population rather than under 7%). Working mainly from home strongly correlates to self-employment and thus it is not surprising that the proportion of working age adults working at home demonstrate a similar pattern to that of self-employment.

**Table 8: Labour market characteristics and small towns in Wales, 2011**

	Number of settlements	employment rate for 16 to 74 year olds (QS601), 2011	self-employment rate for 16 to 74 year olds (QS601), 2011	proportion of residents in employment aged 16 to 74 years who work at home (QS701), 2011
Tredegar	1	51.1	5.1	2.5
Llandrindod Wells	1	56.8	11.1	7.4
Colwyn Bay	1	58.2	9.2	5.2
Welsh VST	17	59.8	14.2	9.5
Welsh SMSTs	60	57.6	7.7	4.5
Welsh HDUC	23	57.0	6.5	3.3

Source: Census of Population, 2011

**Figure 3: Qualifications of the resident population and the Welsh urban structure, 2011**



Our case study towns of Colwyn Bay and Llandrindod Wells show markedly similar characteristics to each other that are different from the average attributes of SMST settlements in Wales. They both show higher than average levels of self-employment and working at home than the average for SMST settlements in Wales.

Figure 2 outlines the profile of the highest qualifications held by working age residents in the Welsh urban hierarchy. There is little statistical difference between the settlements by group average. However our three case study towns do differ from the average profile of a SMST settlement in Wales. Tredegar is different because of the markedly higher proportion of working age adults with either few or no qualifications. The 2011 Census suggests that



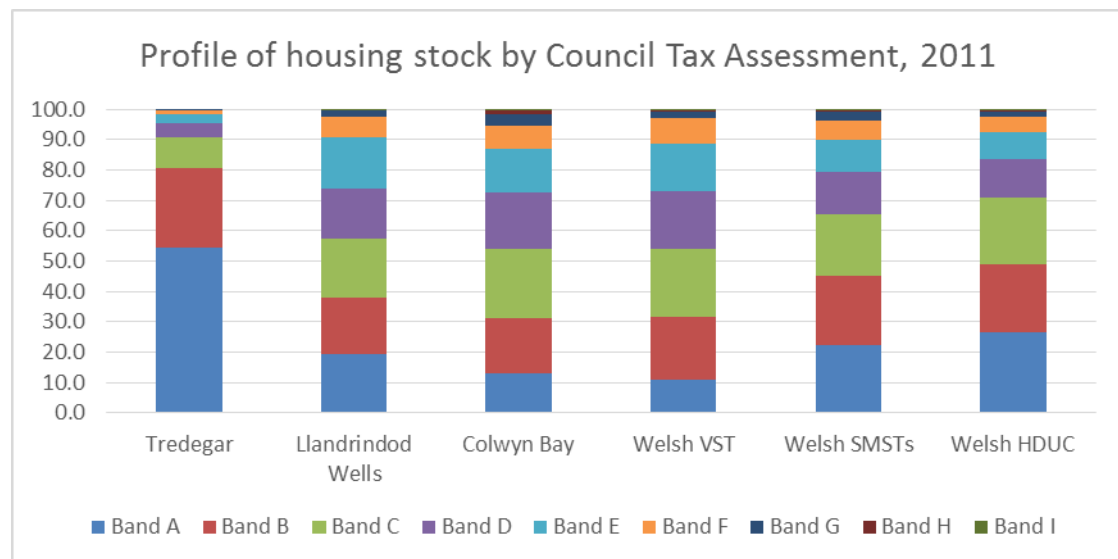
just over 38% of working age adults in Tredegar have no qualifications whilst the average for SMST settlements is just under 28%. For Colwyn Bay and Llandrindod Wells, there is a slight over-representation of working age adults with at least degree level qualifications (level 4/5) and a slight under-representation of adults with either level 1 (primary schooling) or no qualifications.

### 3.1.3: Housing

The housing stock of a locality can be assessed in relation to how the stock of dwellings is assessed for a local tax known as Council Tax. Council Tax is one of the principal sources of local revenue for local authorities (including community councils) in England and Wales. Thus comparing the council tax profiles reveals both something about the local tax base as well as something about the type of housing stock within a settlement. Council tax is assessed by assigning properties to value bands.

Figure 7 gives the average council tax profiles for the settlement hierarchy in Wales as well as for the three case study towns. In terms of the settlement hierarchy there are significantly lower proportion of low value (band A) and a higher proportion of mid-level value (band E) properties in very small towns in contrast to either SMST or HDUC settlements. Our three case study towns display profiles that are different from the average Welsh SMST settlement. In the case of Tredegar the town has a markedly higher proportion of lower rated properties (bands A to C) than the average of SMST settlements. Llandrindod Wells and Colwyn Bay have Council Tax profiles that are more like that of VST settlements than SMSTs as they both have a greater proportion of higher value properties indicating a greater fiscal base than the average SMST settlement in Wales. However it is also notable that the occupancy rate on housing in both Colwyn Bay and Llandrindod Wells is lower than the average rate for SMSTs in Wales in 2011. Thus properties in these two case study towns may be valued for taxation purposes as high (on average) there may be underlying housing demand issues for these towns,

**Figure 4: Housing stock and the Welsh urban system, 2011**



### 3.1.4: Industrial structure

Figure 8 outlines the industrial structure across the settlement hierarchy in Wales as defined by TOWN. For the purposes of this profile we have divided up the industrial profile into seven sectors that each have a different set of spatial preferences. These sectors are outlined in Table 9. Thus extractive industries are dependent upon access to natural resources be that good quality farmland, minerals or water. It is reasonable to expect extractive industries to be associated with rural locations. Manufacturing is an aggregate grouping of many different types of activity ranging from artisanal production, food processing, old fashioned metal bashing to high technology production. Through the 1980s, there was a notable rural-urban shift of some forms of manufacturing within the United Kingdom. Construction is an industry for which there is often a dislocation between where employment is recorded (for the purposes of administration or business surveys) and where the work is done. Residential services relates to a set of activities that depend upon the consumption base of a local economy whilst private marketed services are service activities that are often exported from a local economy. Tourism is singled out as a specific industry that depends upon the consumption of visitors rather than residents. Finally public sector employment is driven by the bureaucratic logic of service delivery rather than by a market driven search for agglomeration economies.

**Table 9: Industrial groupings**

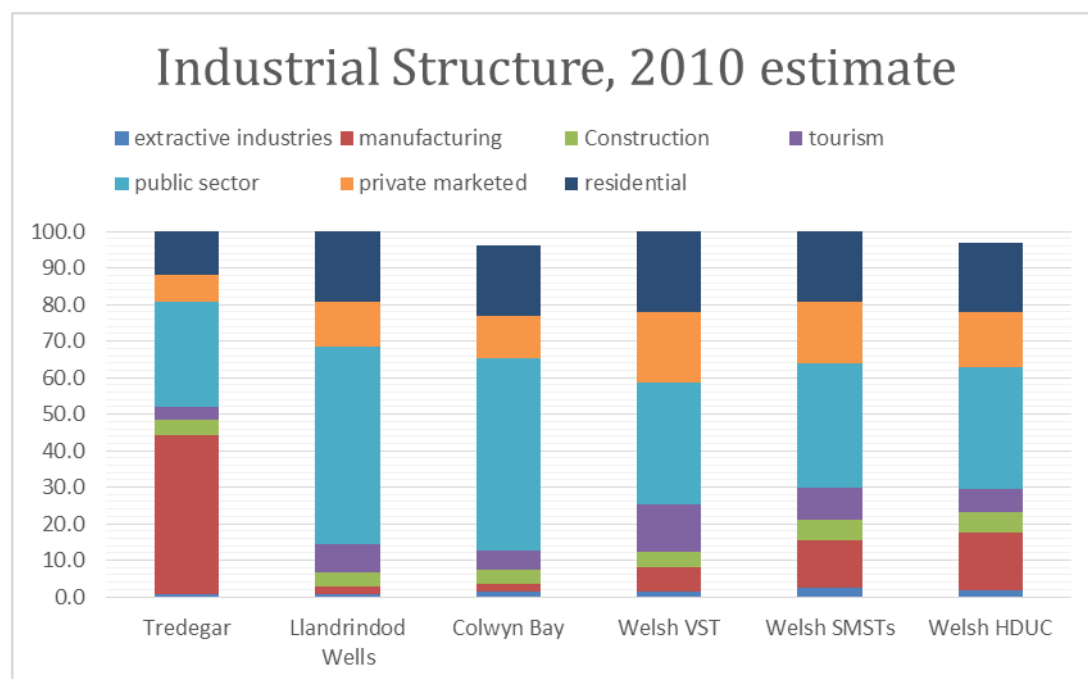
Group	Sectors	Sector description
extractive industries	A, B, D and E	Agriculture, forestry and fishing, Mining and quarrying, Electricity, gas, steam and air conditioning supply, Water supply; sewerage, waste management and remediation activities
manufacturing	C	Manufacturing
construction	F	Construction
residential services	G, R and S	Wholesale and retail trade; repair of motor vehicles and motorcycles, Arts, entertainment and recreation, Other service activities
tourism-related	I	Accommodation and food service activities
private marketed services	H, J, K, L, M and N	Transportation and storage, Information and communication, Financial and insurance activities, Real estate activities, Professional, scientific and technical activities, Administrative and support service activities
public services	O, P and Q	Public administration and defence; compulsory social security, Education, Human health and social work activities

Figure 8 plots the profiles of these sectors against the Welsh settlement hierarchy averages as well as for the three case study towns. For the settlement hierarchy there is relatively little difference in the profiles. The only exception to this is the slight under-representation of jobs in manufacturing within VST settlements in comparison to either SMSTs or HDUC settlements and the slight over-representation of employment in residential services (retail,

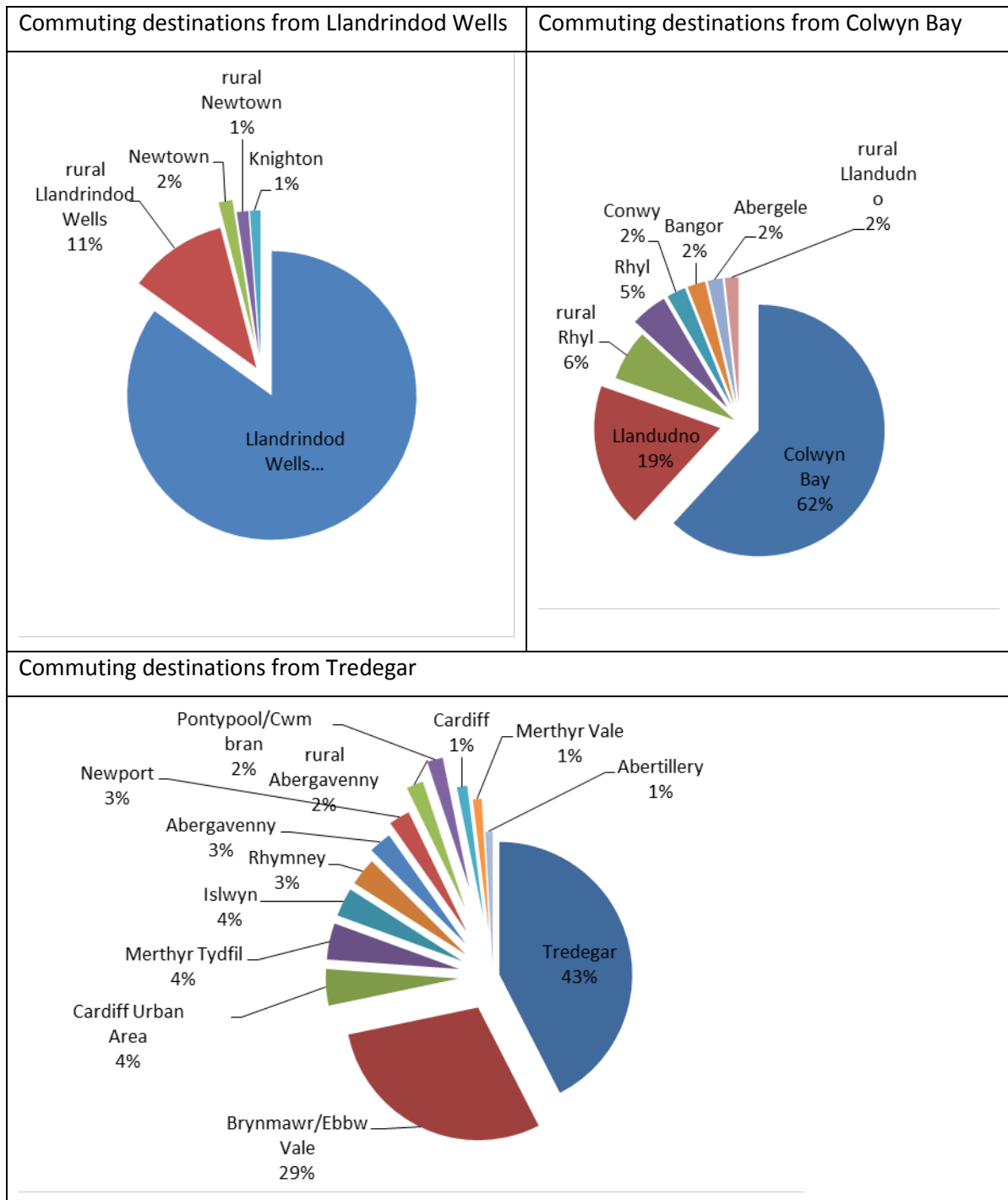
recreation and personal services). Thus on average most forms of employment are spread across the three types of settlement.

However our three case study towns reveal quite markedly different profiles. Again Tredegar is very different from both Colwyn Bay and Llandrindod Wells. Tredegar has a very significant manufacturing sector (based on the 2010 Business Register and Employment Survey). On average across all forms of settlement in Wales, manufacturing accounted for around 12% of employment in 2010 but in Tredegar 45% of employment was in manufacturing. Colwyn Bay and Llandrindod Wells were very similar to each other but equally different from the average profile of SMST settlements in Wales. In the case of Colwyn Bay and Llandrindod Wells, it is the size and importance of employment in the public sector that is most notable. Over 50% of employment in these two towns was identified with the public sector (government, local government, social, health and educational services) in comparison to the SMST average of 34%. During a period of fiscal austerity where public sector employment is under pressure, this puts the local economies of both these towns under a particular pressure. Despite its location on the coast and its history as a resort, Colwyn Bay does not have a particularly high level of employment in tourism-related activities (accommodation and food services) although employment in tourism in the neighbouring town of Llandudno is nearly twice the average for small towns. This suggests that Colwyn Bay may have emerged as a complementary employment centre in a network of settlements where each settlement has a specialising employment function.

**Figure 5: Profile of employment by sector**



**Figure 6: Commuting patterns (2001) for case study towns**



**3.1.5: Commuting patterns**

Each of the case study towns was selected as offering a distinctive functional role in relation to being an employment centre. Thus Colwyn Bay was judged to be a networked settlement that traded commuting flows with similarly sized settlements in its immediate sub-region. However Llandrindod Wells was judged to be an isolated settlement that was, when combined with a rural hinterland, judged to be relatively self-contained. Tredegar was considered to be a town that was agglomerated within a wider sub-region dominated by

larger cities (Cardiff and Newport) albeit that it was located at the periphery of a south-east Welsh 'capital region'.

Figure 9 outlines pie charts for each of the three case study towns depicting all commuting flows that account for at least one per cent of residents in employment (2001 Census of Population). It is clear that the commuting destinations of these three towns are even more complex. In the case of Llandrindod Wells, some 85% of residents in employment also work within the town in contrast to 62% of resident workers in Colwyn Bay and only 43% of residents in employment in Tredegar. Llandrindod Wells records four other significant commuting destinations (of which only one is another SMST) in contrast to seven for Colwyn Bay and twelve for Tredegar. All the case study towns are strong employment centres in that the workplace population for those in employment exceeds that of the resident population who are employment (in 2001). Thus all three towns are net importers of workers.

### **3.2: Trends and changes in the characteristics of small towns in Wales 2001-11**

Having outlined the basic profile of the three case study towns within the context of the Welsh settlement hierarchy, it is next useful to consider the ways in which these places have changed over the past ten years based on the secondary data sets to which we have access. In order to consider the dynamic of change, we have constructed five measures of change: the annualised rate of change of population 2001-11, the annualised net migration rate 2001-11, the annualised rate of natural change for 2001-11, the annualised percentage change in the number of dwellings and the annualised rate of change of jobs for 2003-10. The basic statistics of these five measures for the Welsh urban hierarchy and the three case study towns are given in Tables 10 and 11.

Comparing across settlement types, the only measure that is significantly (in a statistical sense) across the type of places is the natural change rate. On this measure the Welsh VST settlements have a marked decline in population with many more recorded deaths than live births on average. On the other four measures, there is a diversity of outcome within each of the groups that makes it difficult to distinguish between types of Welsh settlement.

Our three case study towns however are quite different from the average performance of SMST settlements in Wales. For measures of basic growth, Tredegar appears to have been the least attractive of the three towns. Thus Tredegar records lower levels of population growth and of growth in the number of dwellings albeit that employment growth is about average for Welsh SMST settlements. However both Colwyn Bay and Llandrindod Wells on this data set appear to have grown faster than the average for SMSTs in Wales although the BRES data suggests that employment has declined in Llandrindod Wells to a greater degree than the average for small towns in Wales.

Table 10 allows us to consider some of the demographic drivers that might lie behind these gross figures. Thus all three case study towns record a net negative natural change rate over this period. In all cases the number of recorded deaths per 1000 head of population outweighs the rate of live births for the same period to a greater degree than the Welsh SMST average. However what distinguishes the performance of both Colwyn Bay and Llandrindod Wells was the apparent capacity of these towns to attract migrants. Net migration rates for these two towns are between two and three times the average for Welsh SMSTs. This confirms the profile of these towns as being made up of around 50% lifetime migrants (of people who were born within the UK but not born in Wales).

**Table 10: Demographic change indicators, 2001-11**

	Number of settlements	annualised percentage population change 2001-11	Net migration rate (per 1000 population) 2001-11	natural change rate (per 1000 population) 2001-11
Tredegar	1	0.03	25.64	-22.58
Llandrindod Wells	1	0.60	88.25	-28.27
Colwyn Bay	1	0.78	112.21	-33.82
Welsh VST	17	0.27	74.82	-48.02
Welsh SMSTs	60	0.41	42.68	-1.56
Welsh HDUC	23	0.33	22.92	9.69

Source: TOWN database

**Table 11: Change indicators for Welsh urban system**

	Number of settlements	annualised percentage change in the number of dwellings 2001-11	Annualised proportion change in total employment 2003-10
Tredegar	1	0.39	0.61
Llandrindod Wells	1	1.01	-1.66
Colwyn Bay	1	1.11	0.54
Welsh VST	17	0.82	1.12
Welsh SMSTs	60	0.69	0.89
Welsh HDUC	23	0.64	0.62

Source: TOWN database

**Figure 7: Demographic classification of small towns in England and Wales**

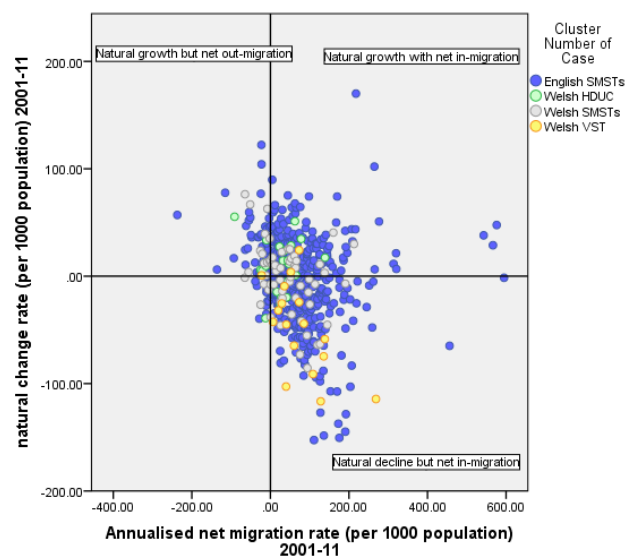


Figure 6 draws out the comparison to a wider scale. Thus Figure 6 plots the natural change rate and the net migration rate for the settlement hierarchy in Wales and for English SMST settlements. Here it is possible to see the diversity of the demographic changes within Welsh settlements. However it is also clear that Welsh VST settlements (yellow circles) are tending to be located in the lower quarter of natural decline combined with net in-migration. It is also possible to pick out the tendency for growth in English SMST settlements to be greater than that for Welsh SMSTs. So on the whole small towns in England and Wales appear to depend upon net in-migration to maintain their levels of population and this is an issue that becomes more acute as the settlement (on average) become smaller. That stated, it is also clear that some small towns are able to maintain a balance where births exceed deaths and so 'natural' demographic replenishment is happening along with net in-migration.

Thus overall the data profiles suggest the following:

- Tredegar is a bastion of English speaking Welsh-ness with high levels of detachment from the labour market (low employment rates) that sits with relatively low levels of qualifications amongst the working age population. The town has low cost housing that is generally occupied and residents can get access to employment in the wider Capital Region of South East Wales and in the valleys. The town has a notable manufacturing base for employment.
- Colwyn Bay has a specialist public sector services role that is complementary to neighbouring settlements to which Colwyn Bay is networked. Although experiencing natural decline, the town attracts a high level of in-migration and it is likely that most of this in-migration comes from England. Despite its attractiveness and growth, there is a higher than average level of vacancy in the housing stock suggesting some degree of mismatch between housing demand and supply in the town.
- Llandrindod Wells is a small isolated rural town. It has a strong employment base in public sector services but the data suggests a decline in the number of jobs within the town through the 2000s. Like Colwyn Bay, the population experienced a natural decline but managed to attract a high level of net in-migration. Also like Colwyn Bay the large stock of lifetime migrants from outside Wales suggests that the town attracts migrants who were born in England but relatively low occupancy rates for housing indicates some mismatch between housing demand and supply in the town. The town has very high levels of self-employment.

## **4: The Policy Dimension: How our small towns are addressing their situation**

As we have seen in Chapter 3 over the last 30 years each of our small towns has undergone considerable change, in socio-economic and demographic terms, as well as with regard to the position they occupy within the wider territory. Here we seek to set out how they have responded to these changes with a particular emphasis on the last 10 years. However, we first need to set out the national context and how this has structured/facilitated their response (more detail can be found in chapter 1) before going on to discuss the three towns (Tredegar, Llandrindod Wells and Colwyn Bay) in more detail.

## 4.1: Welsh and European Policies impacting on SMSTs

Once again it is important to remind the reader that although the UK is a 'unitary state' over the last decade it has undergone considerable devolution/decentralisation of powers to its constituent 'nation' since 1997. In the case of Wales, where our three SMSTs are located, there is a Welsh Assembly and Welsh Government with limited law making powers although no powers to raise taxes (see Chapter 1). In terms of the UK government the major focus has been on 'market towns' seeking to preserve a range of services (e.g. retailing, public services such as health and education) that serve not only the town but also a wider rural hinterland. However, as we noted in Chapter 1 there has been no specific policy focus or governmental department/agency with overall responsibility for 'small towns policy'. Given this, although there have been a range of initiatives available to support small towns they have often lacked focus and integration at national level with the onus for this being on the sub-national level and often with the small towns themselves.

In the Welsh case a concern has been expressed for maintaining the service delivery functions of small towns with particular reference to their rural locations and hinterlands. In Wales there has been explicit acknowledgement that given the nature of Wales (with many sparsely populated rural areas) small towns have an important role to play and that they often perform functions (in terms of service delivery and employment) vis-à-vis their hinterland out of proportion to their size. As in the rest of the UK there has been particular concern expressed regarding preserving their retail function (this can be traced back to at least 1996 in the Planning Guidance (Wales) Technical Advice Note (Wales) 4, Retailing and Town Centres) and the role of Town Centres more generally. The need to preserve/maintain Town Centres has been a more or less consistent concern since then. Nevertheless, no single governmental agency has responsibility for small towns and once again it is the sub-national level that has to pull together the various policy strands/resources available and mobilise them to address the situation of SMSTs in the relevant administrative areas. Although as we noted in Chapter 1 the Wales Spatial Plan does seek to 'encourage' cooperative working, rather than competition, across administrative boundaries between complimentary towns (see Chapter 1 for more detail). However, in recent years the Spatial Plan has declined in significance and may best be described as a somewhat moribund document.

The most recent edition of Planning Policy for Wales (Welsh Government, 2012a) continues the Wales Spatial Plan's emphasis on cross-boundary working and strategic cooperation. It also acknowledges the need to maintain and protect the position and functions of towns and villages through a range of policies related to limiting expansion, housing and transport. For instance it is argued:

*“Although retailing should continue to underpin town, district, local and village centres it is only one of the factors which contribute towards their well-being. Policies should encourage a **diversity of uses in centres**. Mixed use developments, for example combining retailing with entertainment, restaurants and housing, should be encouraged so as to promote lively centres as well as to reduce the need to travel to visit a range of facilities. Leisure uses can benefit town and district centres and with adequate attention to safeguarding amenities can contribute to a successful evening economy.” (ibid, p142, emphasis in original)*

However, the document does not contain, nor articulate, a particular approach to small towns. There does appear to be an assumption that small towns will 'automatically' benefit from the various policies and initiatives.



At the same time there have been a number of other initiatives from which SMSTs can benefit, particularly related to retailing and Town Centres but also more general 'regeneration policies'. In terms of Town Centres the broad consensus in Wales (and elsewhere in the UK) is that they should continue to operate as multi-functional (in the sense of being places of service delivery, business, cultural activities, leisure, etc) centres and that policy should support/facilitate this role with stakeholders in each town developing their own strategy (usually led by the relevant level of local government). Thus there is a presumption in favour of 'protecting' Town Centres (and their High Streets) and enabling them to adapt to the demands of 'modern society'. This is obviously important for SMSTs given the challenges they face and the roles they have traditionally played as multi-functional service providers, particularly those in rural areas serving a wide hinterland.

The argument developed by the Enterprise and Business Committee of the National Assembly for Wales (2012) is that Local Development Plans should address the situation facing Town Centres by developing an integrated approach to their regeneration/renewal. This entails that Town Centres be protected from the impacts of out of town retail developments, be a focus for integrated transport systems and actively engage with local stakeholders (including the community) in the development of a comprehensive approach. Although questions have been raised regarding the extent to which these proposals have been acted upon (Welsh Conservatives, 2012).

The *Communities First* programme was launched in 2001 and continues to run and is the Welsh Government's key programme aimed at Community Development and focussed on the most deprived communities. Two of our small towns (Tredegar and Colwyn Bay) have benefited from this programme. When originally launched it targeted 142 communities, in 2005 this was extended to 150 communities, thus covering around 20% of the population of Wales (Welsh Government, 2011a, p10). Its aim is to improve economic and social outcomes for its target communities and the people who live in them." (ibid, p10). Initially the approach was focussed on building community capacity (including developing appropriate partnership structures that would be able to develop strategies and deliver outcomes) and cohesion. However, according to the theory informing the Programme it was intended:

*"...that over time these community benefits would lead to 'harder' outcomes reflecting lower levels of individual and area deprivation. In parallel with this...the Programme was also intended (through influence exerted on other agencies as well as through specific CF-supported activities) to generate activities and projects that led directly to these 'harder' outcomes. "(ibid, pp10-11)*

Around £300m was allocated to the programme, which given its ambitious aims may appear to be quite modest, although the intention appears to have been not so much to support particular projects but more to bring about change by improving ..."the quality and effectiveness of the activities of other relevant agencies (including third sector organisations as well as 'mainstream' public sector agencies such as local authorities) in the target areas." (ibid, p12).

Overall it would seem up to 2011 the programme has achieved some success, although there seems to have been considerable variation between areas, particularly in terms of building local capacity. However, the evidence is less clear on the 'harder' outcomes the programme sought to bring about (see Welsh Government 2011a).

The most recent national Welsh policy initiative potentially relevant to small towns is the *Vibrant and Viable Places* (Welsh Government, 2013), this is the latest in a long line of Welsh

regeneration initiatives<sup>1</sup> that have had implications for small towns (in the sense that they have been able, or at least had the opportunity, to benefit from these initiatives) without necessarily explicitly addressing their situation. The programme will run from April 2014 to March 2017 with £90m available over the three years and up to £5m per year per project potentially available. *Vibrant and Viable Places* also continues the emphasis on maintaining the role of town centres.

Drawing on the experience of the *Communities First* programme (see CAG Consultants, 2005, for an overview) *Vibrant and Viable Places* builds on a long line of UK regeneration initiatives and aims to achieve "...joined up delivery to maximise impact and key priorities for regeneration investment." (Welsh Government, 2013, p5). The key priorities are:

- A more targeted approach to successful place making resulting in more intensive investment in fewer places to maximise impact.
- Three key urgent priorities for targeted investment:
  - Town centres serving 21<sup>st</sup> Century towns
  - Coastal communities and
  - Communities First clusters
- Recognition of the importance of local delivery and accountability through local partnership bidding into Welsh Government for town centres, coastal communities and Communities First clusters using the five case business model and assessed against clear criteria. (ibid, p5)

In order to achieve its aims the approach advocated is a place-based approach (broadly in line with the Barca Report, CEC, 2009) arguing that:

*"It is particularly recognised that settlements are key to regeneration and that there is growing need for town centre and seaside town regeneration. These can create a developmental hub in a region which has wider economic impact as a place of employment, leisure activity and location of public services." (Welsh Government, 2013, p20).*

This entails the development of local partnerships to implement the initiative at local level and the joining up programmes (and resources) from different departments and sources (e.g. with other Welsh Government policies and ERDF and ESF) to maximise local impact. Although the targeting of, the limited, resources available through the programme means that it is the "...mainstream budgets which will deliver the majority of regeneration impact." (ibid, p38).

The document also maintains the recognition of the significance of much of Wales' rural structure, noting that while many of the problems to be addressed are most visible in urban areas "...they affect rural areas too. Indeed, although our population is concentrated in the city regions on the South coast...most of Wales is characterised by small settlements in a rural context. (ibid, p21).

In principal small towns will benefit from these priorities. In terms of our case studies Colwyn Bay, which is a coastal community and in a Communities First Cluster, and Tredegar, which is also in a Communities First Cluster, both stand to benefit from this initiative. Llandrindod Wells in the rural county of Powys, however, lies outside the designated areas

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<sup>1</sup> We do not have the space to discuss all of these, for an overview see (CAG Consultants, 2005)

and is unlikely to benefit (although it may be a beneficiary under the Wales Rural Development Plan/Pillar II of the Common Agricultural Policy which is discussed below). However, given the targeted nature of the funding it is likely that the majority of small towns will not benefit, particularly those in the rural areas, given that they lie outside the designated target areas.

Other policy areas that rural small towns could benefit from include the Small Towns and Villages Initiative (STVI) launched by the Welsh Development Agency in 1999. This was a three year programme designed to assist with economic and community regeneration in small rural towns and villages. This initiative built on the earlier Market Towns Initiative, and includes both urban and rural locations seeking to support 'community-led' regeneration. Although this initiative now seems to have fallen into abeyance.

In addition there is the Enterprise Zones (EZ) initiative of the Welsh Government, launched in 2011, which provides firms located in them with a series of incentives including a scheme to reduce business rates and an enhanced capital allowance enable businesses to claim a 100% first year allowance for the capital cost of investment in plant and equipment made before 31 March 2017. There is an EZ based in Ebbw Vale focussing on advanced manufacturing (particularly the automotive sector) part of which includes Tredegar Business Park.

Furthermore in 2012 the Welsh Government (announced by the Minister for Economy, Science and Transport Edwina Hart) launched an initiative called 'Local Growth Zones' (LGZs) specifically aimed at developing the rural economy with the aim of supporting rural-based businesses. While they are broadly similar to Enterprise Zones in their overall aims they have the distinctive element of a rural focus. The types of support could include rapid planning zones, access to corporation tax reductions, skills support, labour market coordinator, rebates for national insurance contributions for employers who recruit new workers or create additional jobs, prioritising applications for financial assistance and assistance with patents. The idea being to flexibly provide a range of support/incentives tailored to local situations with local business playing a leading role in development. Powys County Council responded positively to the announcement and set up of a group with the role of developing a pilot proposal for a LGZ in one of our small towns - Llandrindod Wells (Powys, 2012).

Rural small towns can also potentially benefit from the Welsh Government's Rural Community Action Programme (RCAP), launched in 2002, and designed to support community regeneration and more specific projects. This entails the formation of local partnerships to support community capacity building as part of an integrated strategic approach to promoting development across a range of economic, social, environmental, cultural and other sectors. The partnerships may be pre-existing ones, including Local Action Groups (LAG) formed by LEADER, and includes grant aid for projects. It is intend that the RCAP will be articulated with and support Axis 3 and 4 of CAP. The intention appears to be that community capacity building undertaken as part of RCAP will focus on geographical communities, whereas that under Axis 4 of the Rural Development Plan will focus primarily on communities of interest whilst developing synergies between the two. Clearly the key elements of Welsh Rural Development Policy (Welsh Government, 2012b) have been developed as part of the Common Agricultural Policy. Small Towns can, indirectly, benefit from Pillar II on rural development, particularly in relation to Axis 3 (The Quality of Life in Rural Areas and Diversification of the Rural Economy) and Axis 4 (LEADER). However, while this policy contains a general acknowledgement of the need to maintain rural small towns and villages, because of the roles they play, there is no explicit policy to do so. Nevertheless it is reasonable to assume that under both Axis 3 and 4 small towns have been a focus of activity, particularly with regard to Local Action Groups (LAGs) but also in terms of other investments designed to improve the quality of life and diversification of the rural economy.

What appears to be lacking is a 'spatial focus' on small towns and a clear 'steer' regarding their role in the rural economy and society.

The major European funding programme small towns have been able to draw upon has been the West Wales and the Valleys Objective 1/Convergence Programme and the Objective 2 (Transitional Programme 2000-2006) Programme and the Objective 3 Programme. This is particularly relevant as two of our small towns (Tredegar and Colwyn Bay) are included in the relevant geographical area for the Objective 1/Convergence Programme and Llandrindod Wells is located in the East Wales Objective 2 and 3 area. One point to bear in mind is that:

*"The local authority areas that make up West Wales and the Valleys are diverse in nature. The South Wales Valleys, with approximately 60% of the population of the region, are predominately urban with a high representation of production industries. The Western and Northern areas are rural in nature with a number of towns and small villages where the economic is largely dependant on traditional agriculture and service sector industries with a small representation in production industries." (Welsh European Funding Office, 2010, p12).*

The Objective 1 Programme (2000-2006) provided £3.3bn of investment including £1.4bn via the European Regional Development Fund (ERDF), the European Social Fund (ESF) and other programmes (e.g. agricultural). The Objective 2 Programme provided £285m of investment including £90m via the ERDF while the Objective 3 Programme provided £230m of investment including £95m via the ESF (all total from Welsh Government, 2012c). The Objective 1 Programme was designed to contribute to transforming the regional economy to achieve (ibid, p7):

- A high quality, job creating, diversified, innovative and knowledge-driven economy;
- A skilled, enterprising and adaptable workforce;
- Prosperity and a high quality of life for communities across all parts of West Wales and the Valleys, both urban and rural;

The Objective 1 area suffered from:

- A structural dependence on relatively low value added activities and in some cases relatively low productivity within locally important sectors;
- The relatively low proportion of the population which was in employment, in many areas partly as a result of relatively high unemployment, but more generally because of low economic participation rates.

In terms of Objective 2 the key aims were:

- Increase employment growth across the region;
- Promote economic diversification in the region; and
- Develop sustainable communities

In the Objective 1 Programme there was no specific spatial focus on urban/town areas, however, significant investment did go to support improvements in the built environment: nine town centre regeneration projects were supported and 16,000 community groups assisted (ibid, p14) thus it is reasonable to assume many small towns benefited from these actions and associated investment. This view is confirmed by an assessment carried out by the Wales Rural Observatory (2007) which noted:

*“In both the Objective 1 and the Objective 2 regions, much of the ERDF funding delivered to rural areas has been awarded to initiatives based in small or market towns.*

*The focus on small or market towns is most evident in the Objective 1 area .... The programme document for the West Wales and the Valleys Objective 1 area does not specifically mention small and market towns as a distinctive unit or scale through which Objective 1 measures could be delivered. In practice, however, well over a quarter of the 325 grants awarded between 2000 and 2005 were for initiatives based in small towns. Moreover, these grants in total amounted to 41% of the total ERDF funding in the Objective 1 area over this period.” (ibid, pp58-59)*

The report goes on to notes that the Objective 2 programme “...specifically identified small towns as appropriate sites for economic investment.” (ibid, p59) and that:

*“Initiatives based in small towns received close to a fifth of the 75 ERDF grants awarded to the Objective 2 region between 2000 and 2005 and in terms of monetary value over a fifth of the total ERDF funding over this period. The per capita value of grants awarded to fixed location projects was higher across small towns than across residual rural areas.” (ibid, p59)*

Although it should be noted that there was significant variation between local authority areas within the qualifying areas in terms of the degree of focus on small towns compared to rural areas (ibid, pp60-63) reflecting the different priorities and emphasises within each local authority. In terms of our small towns the County of Powys (in which Llandrindod Wells is located), which qualified for Objective 2 funds, had a relatively low emphasis on small towns. Similarly the County of Conwy (in which Colwyn Bay is located), which qualified for Objective 1 funds, also assigned a relatively low priority to small towns<sup>2</sup>. However, overall the report notes that small and market towns in rural Wales received a greater share of Objective 1 ERDF funds than their share of total would warrant, suggesting that there was an indirect (or implicit) focus on such places.

West Wales and the Valleys Convergence Programme seeks to build on the previous Objective 1 programme and “...create a vibrant, entrepreneurial region at the cutting edge of sustainable economic development, with its people living in prosperous, strong, healthy, safe communities...” (Welsh European Funding Office, 2010, p8). It aims to achieve this by addressing the relatively poor economic performance of the area and transform the economy to achieve a better industry mix (with more high value added jobs in R&D, financial and professional services and higher levels of productivity) and create a better qualified workforce. It also aims to improve connectivity and services. The ultimate aim being to create a sustainable knowledge based economy as well as providing “...integrated regeneration solutions necessary to support the development of vibrant local economies.” (ibid, p6). In total it was expected ERDF and ESF would provide funding of €2.08bn (of which €1,25bn will come from ERDF with the remainder coming from ESF) leading to €4bn investment over the lifetime of the programme (ibid, p8).

In addition the Operational Programme for ERDF notes that Wales suffers from “...an inability to benefit from strong agglomeration effects, due to Welsh towns and cities being relatively small and much of Wales being sparsely populated and distant from major centres.” (ibid, p20). As part of the Operation Programme (OP) under Priority 5 Building

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<sup>2</sup> Unfortunately Tredegar is not included in this assessment as it is in Blaenau Gwent which is considered to be an urban authority.

Sustainable Communities (Themes 1 and 2) there is a strong emphasis on the physical regeneration of communities (including town centre renewal) and community economic development which clearly links to the focus on communities and town centres in other Welsh policies. This link is further emphasised as physical regeneration is to be achieved by:

- supporting the integrated regeneration of the most deprived towns and villages by physical improvements to the urban fabric and the wider natural and built heritage... in ways that involve local communities and organisations; and
- developing and delivering effective ways of engaging local communities and developing local networks with the aim of finding and implementing local solutions for regeneration activity. (ibid, p137).

Clearly this will potentially benefit many small towns including both Tredegar and Colwyn Bay.

The ESF OP aims to complement and achieve synergies with the ERDF OP to achieve the same objective through strengthening economic and social cohesion by improving economic opportunities, with a greater emphasis on people in terms of:

- (a) Supplying young people with skills for learning and future employment;
- (b) Increasing employment, in particular by tackling economic inactivity;
- (c) Improving skills to help businesses to move continually up the value chain and increase the value-added per job, thereby raising productivity and earnings; and
- (d) Modernising and improving the quality of our public services. (Welsh European Funding Office, 2009, pviii)

Clearly both OPs will potentially benefit many small towns including Tredegar and Colwyn Bay.

The other relevant EU programmes in the 2007-2003 period were the East Wales Regional Competitiveness and Employment Programmes (both ERDF and ESF). These two programmes share the same objectives and approach as the Convergence Programme, albeit with less funding and a stronger emphasis on the rural dimension (reflecting the rural nature of much of East Wales). The ERDF element is approximately €72.452m and with the Match Funding element, will produce around €180m investment; while the ESF element will be €64m which with matched funding will amount to €158m. Of our small towns Llandrindod Wells would benefit from this funding.

## **4.2The Case Study Small Towns**

### **4.2.1 Tredegar**

#### *Context and position*

Tredegar is a town in South Wales located within the administrative district of Blaenau Gwent County Borough Council, which is the second most deprived local authorities in Wales (Welsh Government, 2011b). It is also classified as part of the Cardiff capital region (which has a population of around 1.5m, see Welsh Government, 2008a, pp97-107), albeit on the northern periphery of that region with notional travel times of between 50-60 minutes to Cardiff. Within the Capital region it has been identified as one of three Strategic Opportunity Areas which are intended to provide greater coherence for the development of the three

areas. It is also part of a group of linked towns known as the Heads of the Valleys towns and this is of considerable significance in policy terms. The relevant Strategic Opportunity Area is associated with development linked to the dualling of the Heads of the Valleys road which is seen as a major infrastructure investment intended to improve the area's connectivity. In terms of Blaenau Gwent this area includes the towns of Tredegar, Ebbw Vale, Brynmawr and Abertillery. However, it should also be noted that the term also includes a number of other towns in adjacent local authority areas (such as Merthyr Tydfil) and in terms of regional spatial strategy these towns are seen as linked, for example by the Heads of the Valleys road, and part of an overarching socio-economic area (or sub-region) and requiring a distinct policy focus. This policy focus on the Heads of the Valleys is confirmed by the West Wales and the Valleys Objective 1/Convergence Programme where it is identified as a sub-region, albeit one linked/integrated into the surrounding region. As such it has distinct problems to be addressed; for instance the ESF Convergence Operational Framework (Welsh European Funding Office, 2009, p82) notes:

*“The Heads of the Valleys have the highest concentration of social deprivation and economic inactivity in Wales, allied to low levels of educational attainment and skills, poor health and a declining population. This has had a major impact on the ability of the area to attract high quality jobs and for communities to access jobs in other more prosperous parts of the South East region.”*

Similarly the Wales Spatial Plan (2008a, pp98-99) recognises the Heads of the Valleys as a distinct area within the Capital Region requiring a clear policy focus.

In Chapter 3 we provided an overview and analysis of Tredegar's socio-economic characteristics and position in the national/sub-national settlement system and its general performance. The town has a population of around 15,000 and a workforce population of 4,200. The town has an industrial history (most notably coal mining) stretching back to the early 1800s, although the coal mines had been in long term decline since the 1960s and the last one in the area was closed in the early 1980s. The adjacent town of Ebbw Vale (in the next valley) provided considerable employment for people in the town in a large iron and steel works, however, this also closed in 2002 removing at a stroke a major, arguably *the* major, employer in the area. Tredegar and the other Heads of Valleys towns have been struggling to recover from this major shock ever since. Overall Tredegar may be described as a declining industrial town and, along with other towns in the area (and Blaenau Gwent as a whole), it has been struggling to recover from the effects of economic decline and seeking to engage in a long term process of economic and social transformation. Although, as pointed out in Chapter 3, it still has some strength in the low-skilled manufacturing sector. In terms of Blaenau Gwent's strategic approach to regeneration and growth Tredegar is classified as part of the Northern Strategy area which also includes Ebbw Vale and Upper Ebbw Fach (Blaenau Gwent, 2013).

#### *Relevant Blaenau Gwent policies*

In its Local Development (LDP) Blaenau Gwent Council (2012; see also Blaenau Gwent 2009) locates the region within the wider Welsh National and Regional spatial/policy context. In the Capital Region Ebbw Vale is identified as one of 14 key settlements with a key role as a service and employment hub for the Heads of the Valleys area which is intended to function as a network of 'sustainable hubs'; within this framework Tredegar has the role of a 'secondary centre'. In this context while Ebbw Vale is the principle hub Tredegar is one of three other Community Hubs that will function as "...the focus of the key investment programmes and will create real opportunities throughout their local areas, offering a wide range of facilities and services." (Blaenau Gwent, 2009, p4). Blaenau Gwent also benefits

from the Welsh Government's Communities First programme and Tredegar is part of a Communities First Cluster and thus has benefited from this programme (see Blaenau Gwent 2012, pp132-133 for more detail).

The LDP sets out the Council's long term vision for the Borough, that:

*"Through collaborative working, by 2021, Blaenau Gwent will become a network of sustainable, vibrant valley communities, where people have the skills, knowledge and opportunities to achieve a better quality of life and residents will live in safe, healthy and thriving communities, with access to a range of good quality affordable homes and thriving town centres. Its unique environment, cultural and historic identity will be protected and enhanced to create a place where people want to live, work and visit." (ibid, p19; see also Blaenau Gwent, 2008 and 2009)*

The LDP identifies four themes and 16 objectives related to achieving this vision with an overriding focus on "...regenerating the area through creating a network of sustainable hubs around the principle hub of Ebbw Vale..." (ibid, p2). In terms of the network the aim is to build on the distinctiveness of each town, allowing each town "...to foster its own distinct sense of identity, building on its heritage and culture to create a network of settlements...which compliment each other and add strength to the attractiveness of the region as a whole." (ibid, p8). The four themes (which are broken down into sixteen objectives) are:

- To create a network of sustainable vibrant valley communities;
- Create Opportunities for Sustainable Economic Growth and Promote Learning and Skills;
- Create safe, healthy and vibrant communities and protect and enhance the unique natural and built environment;
- Create opportunities to secure an Adequate Supply of Minerals and Reduce Waste. (Blaenau Gwent, 2012, pp20-21)

This will entail integrating and focussing all the council's various strategies (e.g. Community Strategy, Regeneration Strategy, Housing Strategy) on these objectives and working with regional strategies (e.g. the Heads of the Valleys Programme area strategy, the South East Wales Regional Transport Plan).

Central to achieving the objectives is diversifying the areas' economy and addressing the high level of unemployment/economic inactivity by developing sectors in knowledge-based businesses, advanced manufacturing, tourism and sustainable tourism. This in turn requires a better educated and qualified workforce and improved connectivity and accessibility. It is hoped such actions will help to stabilise the areas' population and prevent out migration of more mobile and economically active people. Improvement of local housing provision is also seen as central to achieving the objectives. It is also intended to address the position of town centres which suffer from high vacancy rates and a lack of national retailers. This entails establishing a retail hierarchy to prevent town centres competing against one another, with each town centre having a clear role. Ebbw Vale will be the principle sub-regional shopping centre and Tredegar is classified as a district shopping centre serving the needs of its district. A key priority of the Regeneration Strategy (Blaenau Gwent, 2009) over the next ten years is to support the renewal of town centre (including that of Tredegar)



Although in one of our interviews with a council officer it was argued that Tredegar already has too many shops and there is simply not the disposable income in the area to support all existing shops, the key therefore is seen as supporting what were described as 'viable traders'. This view certainly found some support in the observations of the researchers who noted a high level of vacancy in the high street and the poor quality of many of the existing shops.

In addition the town centres of Tredegar, Brynmawr and Blaina should "...explore complementary roles around tourism, heritage and culture." (Blaenau Gwent, 2013, p25). In the case of Tredegar it is intended that the 'tourism offer' be based around the renovation of Bedwellty House and Park and developments at Parc Bryn Bach. The intention is that by attracting visitors to the town it will "...benefit by catering for the needs of the visitors. The historical legacy [of Tredegar] provides opportunities to build tourism opportunities around heritage trails such as the Aneurin Bevan Trail and Ironmakers trails. (ibid, p28). This will be further supported by a bid to the Heritage Lottery Fund for the development of an 'historic quarter' in the town. In May 2012 the town was awarded £1.6m the Heritage Lottery Fund's Townscape Heritage Initiative programme for regeneration and to market itself as a 'heritage health town'. The intention is that be based on its industrial heritage and National Health Service heritage.

It is also intended that Tredegar's Business Park be further developed as a location for high-quality office uses that will support "...the diversification of the employment base and growth of innovation and enterprise within the local economy." (ibid, p99).

Overall the Council's growth and regeneration strategy makes clear the need to ensure that the towns are interlinked, arguing:

*"The Strategy is based on regenerating the area through building a network of district hubs around the principal hub of Ebbw Vale, whilst recognising that there is a north south divide in terms of opportunities for growth. The creation of an integrated network of modern and revitalised hubs provides an opportunity to transform the area. It creates a mechanism to co-ordinate investment and ensures the benefits of growth and regeneration are shared widely. Vital to delivering this is ensuring good connectivity between the principal hub of Ebbw Vale and the district hubs of Tredegar, Brynmawr and Abertillery, in turn ensuring that each hub is accessible to the areas they serve. "(Blaenau Gwent, 2012, p23).*

Underlying much of the thinking informing this strategy, as became clear in one of our interviews with a senior officer in the Blaenau Gwent Environment and Regeneration Department, is the perception that the area suffers from a large percentage of the population that is economically inactive, a population with low aspirations, no culture of education and poor education qualifications/skills. Such a situation is seen as unattractive to higher level forms of employment. This situation is seen as being at least in part a legacy of its former industrial structure that entailed a heavy reliance on life time employment in heavy industry, such as Iron and Steel, with little need for formal education qualifications and a limited skill base that is now outdated. Such views are rarely explicitly stated in official documents, perhaps the closest they come to stating such a view can be found in the Regeneration Strategy (Blaenau Gwent, 2009, p37) which in the section on Local Business Priorities states:

*"Even where the local economy has the potential for specialisms these are not performing as well as they should be. It also shows the serious local shortfall in entrepreneurship and business creation and survival. When considered in*

*conjunction with low levels of skills and attainment and evidence of poor attitudes to work amongst some groups, the need to focus on boosting enterprise and competitiveness is clear.”*

### *Key Developments in Blaenau Gwent*

The major development within Blaenau Gwent in recent years has taken place on the site of the former steel works in Ebbw Vale. This is a 200 acre site containing a Learning Campus, local General Hospital, leisure centre and sports facilities, a theatre, offices/business units and around 500 homes. Costing around £350m it has been funded by a variety of sources including funds from Welsh Government, Blaenau Gwent Borough Council and EU Convergence funds. This is a complex and ambitious development aiming to deliver services to citizens (both in the town itself and the Heads of the Valleys area more generally – e.g. schools for ages 3-16 years and all sixth form education in the borough will be concentrated here entailing the closure of all other sixth form colleges in the area) and to contribute to the social, economic and physical regeneration of Ebbw Vale and the Heads of the Valleys area. It is hoped that close relationships can be developed with existing (and prospective) employers to provide tailored education and training that will support existing enterprises and attract new ones in high value added sectors. This builds upon and reinforces Ebbw Vales position as the principle hub and emphasizes the need to ensure that there are good connections between Ebbw Vale and the surrounding towns if they are to benefit from developments on the site.

The Works development may, however, be dwarfed by a proposed development adjacent to Tredegar – The Circuit of Wales which was given outline planning permission on July 10th 2013. This is a proposed motor sports development being undertaken by a private sector company – The Heads of the Valleys Development Company. It will be on a 344ha site and it is estimated that it will cost around £280, the proposed development also includes two hotels, an industrial park, commercial park and technology park, all related to motor sports. Overall, according to the report presented to councillors at the meeting to consider the outline planning application (Blaenau Gwent, 2013), it is estimated the development will create 3,500 jobs (consisting of 2,200 employed on site and another 1,300 in multiplier related activities) plus 500 jobs during the 8 year construction period. A key element of the proposal is a ‘commitment’ by the developers to establish links between the various developments on the site and local educational establishments to ensure that the locality benefits from the various developments (e.g. the advanced automotive engineering and local carbon technology firms it is hoped to develop as part of the innovation centre) in terms of increased employment opportunities. It is also estimated that the development will attract over 500,000 visitors per year, with obvious tourism ‘spill overs’ for the surrounding area. The planning application proposes to start construction in 2013 with all development completed by 2021; however, the start may be delayed by the possibility of the project being called in for review by Welsh Government inspectors.

Much of the discussion so far has been concerned with the policies of the relevant local authority in which Tredegar is based, but the town has a Town Council. However, it is important to recognise, that Town Councils have very limited powers and responsibilities. They do not delivery key services (such as education or housing) their service delivery functions can include (although they vary from area to area): signs, notice boards and information boards; maintenance of war memorials; litter bins; traffic calming measures; public conveniences; car and cycle parks; tourism promotion; allotments; Christmas lights; small grants to local groups and organisations. Generally they are mainly concerned with issues related to the ‘well-being’ of their communities and are able to raise a precept of £5

per elector to carry out such tasks (this is based on Section 137 of the Local Government Act, 1972). They also have what many people consider an important representative function as they are closer to, and more accessible to, local people. Although this can lead to confusion as they may be considered responsible for functions that they have no control over. They can also 'represent' local issues to the Borough Council and this link may be strengthened when town councillors are also borough councillors.

Tredegar appears to have an active Town Council who liaise/consult with Blaenau Gwent Council (with which they have a Charter setting out reciprocal rights and responsibilities) on issues affecting the town and also cooperate with four other town councils in the borough to put proposals to the borough council. Recently it has been boosted by the election of a number of younger more dynamic councillors who are striving to counter local apathy and engage with local people. They also have members who sit on both councils and are able to act as a conduit between the two. They have a Town Council Regeneration Plan with funding from the Heritage Lottery Fund to further support the town's aim to be a 'heritage town'. In addition they work with the local business forum to develop common thinking and projects.

The Town Council recognises that the town has undergone significant decline over the last twenty-five years and that this will be difficult to reverse. The Town Council places considerable emphasis on developing its historical tourism offer and in particular in capturing tourism spin-offs from the proposed Circuit of Wales development (it has strongly supported this development<sup>3</sup>) as well as other forms of local employment related to the development. It is hoped that a 'Social Contract' can be put in place with the developers that will include clauses related to local employment/use of local enterprises/local purchasing/links to local collages. The achievement of these goals will, however, largely be left to Blaenau Gwent council.

### *Conclusions*

What is clear is that there are a large number of programmes/initiatives in Blaenau Gwent and that Tredegar has benefited from many of these and will continue to do so in the future. While the various council documents we have referred to provide, on paper, a strategy in practice it was not always clear that the various elements were 'joined-up'. Nor, despite the obvious enthusiasm and desire to bring about change expressed by Tredegar Town Council, is it clear how the deep rooted problems of the town and the wider borough will be overcome. In part a great deal of expectation is being placed on the 'transformative effects' of high quality educational facilities located on The Works site and that this will provide the sort of workforce that will attract new (high quality) investment and perhaps begin to address the identified lack of an entrepreneurial culture and attitudes to work. However, this will be a long-term process and it is likely to take at least a decade before any clear results emerge.

There is also an acknowledgement that the town is increasingly becoming a commuting/dormitory town for Cardiff, and while this holds out certain opportunities such as potentially creating new demand for retailing this will need to be captured through the provision of the necessary retailing facilities. At the moment this does not appear to be happening.

The other more 'immediate' hope is 'The Circuit of Wales' which is seen as potentially being of immense benefit to Blaenau Gwent in general and Tredegar in particular. However,

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<sup>3</sup> Although it should be noted that there is relatively little the Town Council can do to influence the development other than make representations to Blaenau Gwent Council and the developers.

despite the granting of outline planning permission by the Borough Council there is no guarantee that this will proceed given that significant opposition has been expressed in some quarters (e.g. by environmental and heritage groups). Even if the project does proceed it is likely to be some years before it comes to fruition. Moreover, in order to capture the benefits of the development a great deal will depend on the capacity of the project to train and recruit local labour during the construction phase and then to do the same when it is operating. Much will depend on the establishment of close relationships between the sites operators and local schools (particularly on the The Works site) to provide the flow of suitably qualified people. It also requires that developments such as the promised advanced automotive engineering and local carbon technology business will come into existence and can recruit locally.

The other potential 'spill over' from the 'The Circuit of Wales' is the tourism spin-off from the estimated 500,000 visitors per year it will attract. Tredegar is placing considerable hope in its ability to attract a sizeable number of these visitors to use its facilities and provide a boost to local businesses and employment. Currently its most notable features are a beautifully restored town clock and the equally beautifully restored Bedwellty House and Park. However, apart from these at the moment the town simply lacks the infrastructure to benefit from any visitors attracted. Currently the town does not have a single hotel and very few bed and breakfasts, nor does it have a single restaurant. Plans are underway to develop a restaurant and associated new bed and breakfast in the town, but this represents a very small beginning. Perhaps when (if) final planning permission is granted and construction commences private investment will begin to flow in as investors see the potential, although much will depend on them being convinced that there will be a sufficiently large regular flow of visitors to justify the investment. Nor is it clear if the 'historical tourism' proposed will appeal to motorsports aficionados.

More generally one might question if this emphasis on more recent historical buildings/places (based on early and mid-twentieth century developments) has the same sort of tourist appeal as that based on ancient and medieval buildings/sites or as more specialised tourist offers based on factors such as steam engines or aviation. While the Town Council recognises that the tourist offer will need to be marketed in tandem with the offer from other towns in the locality it is not clear how this will be done and whether it will add up to an 'experience' that will persuade significant numbers of visitors to come to the area and spend time there.

While the Town Council is undoubtedly enthusiastic and operating with the best interests of the town at heart there is relatively little it can do to influence the factors identified above, much will depend on the actions of Blaenau Gwent Borough Council and probably of the Welsh Government. For instance it will be up to them to develop and enforce any 'social charter' with the developers of the Circuit of Wales (should it go ahead). One might ask: how do they plan to maximise the local 'capture' of any tourism and wider employment benefits arising from this development? Clearly a great deal of hope is being placed on links that will, hopefully, be developed with local schools and the educational establishments on The Works site. Also there will have to be training facilities provided, in conjunction with the developers, to ensure that local workers with appropriate skills/qualifications are available. No doubt plans to put these in place are currently being developed but we saw no evidence of this. But past experience suggests that much of the benefits associated with such projects tend to 'leak' from the local economy into adjacent areas within the region. For instance unless the necessary tourist infrastructure is in place it is highly likely that any tourist benefits will be appropriate by Cardiff (only 60 minutes away by road) and the wider region. The same applies to the training infrastructure.

Overall Tredegar, and Blaenau Gwent more generally, has undergone a traumatic three decades in which it has seen its industrial/employment base decimated and relatively little new development put in place to compensate for this loss. While there is clearly an intention at Welsh Government and Borough Council level to maintain the service/retailing functions of small towns such as Tredegar, within a settlement hierarchy, it is not always apparent how this will be achieved. Towns such as Tredegar appear to have entered into a long-term 'spiral of decline'; experience suggests that it is extremely difficult to break out of such a spiral. Developments such as The Works and the Circuit of Wales offer the potential for towns such as Tredegar to break out of this 'spiral of decline', but this will not happen automatically. Much will depend on the plans and actions of national and local government and private investors and enterprising individuals who will need to take advantage of the opportunities provided by these developments. Even then it is likely to be a lengthy process before real change becomes apparent and Tredegar once again becomes a 'vibrant and viable' place.

#### **4.2.2 Colwyn Bay**

##### *Context and Position*

The town of Colwyn Bay is located on the north-west coast of Wales and, as noted in Chapter 3, has a population of around 30,000 with a working population of approximately 11,500 and according to our functional analysis of commuting patterns it is an identifiable micro region. The town is part of the administrative area of Conwy County Borough which is a largely rural county. The borough has a population of around 110,000 of which 80% live on the coastal strip (Conwy Council, 2005). Colwyn Bay is part of this coastal 'urban strip' which our analysis identifies as a continuous strip of development (see Chapter 2) including towns such as Llandudno and Rhyl. Locally it is almost indistinguishable from the adjacent towns of Old Colwyn and Rhôs-on-Sea.

In the last three decades of the nineteenth century the town began expanded rapidly as a major tourist destination but over the last forty years there has been a major decline in the industry in the town (Conwy Council, 2011b) with all the former hotels either being demolished or converted into apartments for sale or rent. Currently the town has only one hotel and a relatively small number of bed and breakfasts, according to our interviews there are around 120 overnight beds. As Chapter 3 notes it has a relatively low percentage of its workforce engaged in tourism related activities. The town appears to have entered into a prolonged process of decline with many shops closing, this was reflected in the economy and built environment (including housing) of the town.

Although Conwy local authority area is one of the least deprived areas in Wales it should be noted that Colwyn Bay and other towns in the coastal strip contain significant pockets of deprivation (the area of West Rhyl 2, in the adjacent local authority of Denbighshire is the most deprived area in Wales).

The town, and the coastal strip, is well connected to other locations on the North Wales coast and into England by the A55 (North Wales Expressway) which runs from Holyhead to Chester which, potentially allows daily commuting into and from North West England (e.g. Chester [50 minutes by road], Liverpool [65 minutes] and possibly Manchester [85 minutes]); it also has reasonable connections by rail, although travel times are generally longer than by road.

The town is part of an Urban Development Strategy Area (Conwy Council, 2013b) in which the LDP proposes most new development should take place. This is in line with the Wales

Spatial Plan (Welsh Government, 2008a, pp54-55) that identifies Conwy-Llandudno-Llandudno Junction-Colwyn Bay as a key strategic hub and Colwyn Bay, along with the other two towns mentioned, is designated as a Primary Key Settlement in the North East Wales Border and Coast area.

With regard to Colwyn Bay the Spatial Plan points out:

*“The area has experienced a lack of investment and a range of socio-economic problems due to a declining economic base. The future focus for this settlement will build on existing works already approved under the Bay Life Initiative, including improvement to the Colwyn Bay waterfront, making it more attractive, accessible and sustainable for residents and visitors and encouraging new investment.” (ibid, p70).*

More generally the development of the wider area is seen in terms of both developing endogenous potentials and ‘cross-border’ relations with North-West England:

*“The focus should be on developing existing key sectors such as high value manufacturing, financial and business services, public service administration, health/social care and childcare, tourism, retail and leisure... If the economy of this strong economic area has a structural weakness, it relates to the lack of graduate level employment, professional services and financial services, where the Chester and Cheshire cross-border area has its strength.” (ibid, p57).*

Conwy is included in The West Wales and the Valleys Objective 1/Convergence region. The ESF Convergence Operational Programme (Welsh European Funding Office, 2009) covers a wider area than that in the Welsh Spatial Plan but notes similar issues, advocating a similar strategy that is based around “...harnessing the economic drivers on both sides of the border, reducing inequalities, and improving the quality of its natural and physical assets.” (ibid, p81). It goes on to note that: “Areas of need are characterised by a complex set of issues in relation to skills, educational, social deprivation, health and economic inactivity, especially the coastal towns of Conwy and Denbighshire.” (ibid, p81).

Colwyn Bay itself has benefited from ERDF funding, most notably to fund coastal defences and environmental improvements to the Promenade, its link to the Town Centre and associated streetscape improvements (as we shall see below this has been of particular significance for the town).

#### *Relevant Conwy policies*

As pointed out Chapter 3 there is a high level of in-migration to the in town; the council (Conwy Council, 2013a) points out that for the County Borough as a whole the number of people of working age (18-64) is declining while those over 65 are significantly increasing and the number commuting out of the borough to work elsewhere is described as ‘unsustainable’. This is seen as having negative implications for the future development of the borough’s economy. The situation in Colwyn Bay reflects the wider borough and is potentially compounded by the fact that with the decline of the tourist sector the town’s economy is, as noted in Chapter 3, dominated by the public sector, currently leaving it highly exposed to the impact of sustained cuts in that sector.

Furthermore, the Colwyn Bay Masterplan (Conwy Council, 2011a, p12) points out that: “Living in parts of Colwyn Bay also has its challenges...there is an unbalanced housing stock, with many of the large Victorian and Edwardian houses converted into multiple occupancy.”.

Plus a lack of affordable family housing in the town centre despite its proximity to the sea. Moreover, the seafront is described as perhaps the town's "...best but most forgotten asset." (ibid, p12) reflecting the decline of the tourist industry. The situation of neglect facing the seafront is epitomised by the fact that it is cut off from the rest of the town by the A55 (North Wales Expressway) which is the very road that provides the town, and the coastal strip, with good accessibility. Unfortunately there are only three access points from the town to the seafront.

The Conwy LDP (Conwy Council, 2013a) has recognised the problems facing the town and identified as one of its priority issues the need to

*"...promote the comprehensive regeneration and renaissance of Colwyn Bay to broaden economic activity, address social exclusion, reduce deprivation, and limiting and reducing Houses in Multiple Occupation (HMO) through the Strategic Regeneration Area Initiative..." (ibid, p24).*

As noted above in Conwy's LDP (Conwy Council 2013a) Colwyn Bay is part of the plan's designated Urban Development Strategy Area located on the coastal strip which is intended to be the focus of the vast majority of new economic and housing development in the County (Conwy Council, 2013b). The underlying objective of this strategy is that "...the sustainable and accessible urban coastal belt settlements of Abergele, Colwyn Bay, Conwy, Llandudno and Llandudno Junction will have become the economic, social and cultural focus of the Plan Area." (ibid, p19). Although not explicitly mentioned it would seem that these towns are intended to operate as a network of linked towns in the manner envisaged in the Wales Spatial Plan (Welsh Government, 2008a). This is allied to a hierarchy of settlements to which roles are allocated (for employment/economic activity, housing, retail and public services) in which Colwyn Bay is a key centre. For instance in the retail hierarchy Llandudno is designated as the sub-regional shopping centre while Colwyn Bay is a Town Centre (see Conwy Council, 2013b, pp188-189).

Our interviews with Conwy Council officers revealed that a clear intention emerged that, within the strategic framework outlined above, Colwyn Bay was to be a focus of major intervention. In part this seems to have been based on a fear that if action was not taken soon there was a real possibility that the town could follow the same path as one of the areas in the nearby town of Rhyl (in particular West Rhyl which as we noted emerged from the Welsh Index of Multiple Deprivation 2011 as the most deprived area in Wales). In addition it was felt that the town had considerable potential (assets) for development that needed to be built on and linked together to form an integrated approach to the development of the town. Thus the need for a Colwyn Bay Masterplan to "...re-invent Colwyn Bay as a 21st century town with a renewed focus on its role as a seaside town and an attractive place to live, visit and invest." (Conwy Council, 2011a, p4).

The starting point for the Masterplan is a recognition that:

*"Colwyn Bay has had particular issues associated with the construction of the A55, the physical separation of the beach from the town centre, and the consequent lack of vitality of the town centre, resulting in an under-utilisation of many of the town's key tourist features and distinctive features including the beach, retail core, promenade, park and pier. Colwyn Bay has failed to establish a distinctive economic role in the hierarchy of North Wales towns and its housing, retailing and investment issues spring from this. Recognition of this led to the Bay Life Initiative and the focussing of regeneration funds within the North Wales Strategic Regeneration Area." (ibid, p4).*

This was coupled with a clear recognition that the town was the site of a number of new investments:

- The setting up a Welsh Rugby Academy<sup>4</sup> in Eirias Park
- A range of other investments in Eirias Park
- Refurbishment of the Bay View Shopping Centre
- Investment in the buildings and streetscape of the Town Centre (supported by the Heritage Lottery Fund and ERDF funds)
- New sea defences and associated improvement of the seafront (including a new beach) and the Promenade (supported by ERDF and Welsh Government funds)
- The creation of the Bay Life initiative (set up to deliver the Strategic Regeneration Area designated by the Welsh Government – the goes beyond Colwyn Bay and includes other adjacent areas on the North Wales coast)
- Proposed renovation of the Pier

Our interviews, and the relevant council documents, made clear that the council was cognisant of the need to maximise the combined cumulative impact of these developments which was seen as crucial to the future of the town. In addition aspects of the housing market were also been identified as requiring action along with creating new opportunities for retail and commercial development in the town.

As well as providing a boost to the town in terms of its physical structure/built environment and providing new facilities for residents there is a clear intention that these investments should draw on new forms of tourism (e.g. short-stay tourism based around specific activities and/or events). This change in the nature of tourism has been recognised in the Conwy LDP (2013a, p173) which notes:

*“Conwy is currently experiencing a change in demand, with a decline in traditional summer family holidaying and an increasing emphasis on a wider range of activities, not solely restricted to the traditional summer months. The three main growth areas are business tourism, marine activities and short activity speciality breaks. These growth areas need quality accommodation and facilities to ensure that tourism continues to play an important role in the Plan Area”.*

The intention being to locate new tourist accommodation and facilities in the Urban Development Strategy Area (ibid, p175). The new developments in Colwyn Bay clearly reflect this new and more diverse form of tourism and provide the potential to renew the town’s tourist offer.

The role of the Masterplan is to bring “...all of the ideas and initiatives into one integrated strategy for change.” (ibid.p4). The aim being to create a strategic spatial framework that ensures “...all the projects interconnect and integrate with each other and the wider economic and cultural ambitions of the town.” (ibid, p5). Spatially speaking all the

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<sup>4</sup> For those not familiar with Wales it should be pointed out that rugby can be described as the national sport in terms of participation and spectators, more popular than football (with perhaps the possible exception of some parts of South Wales, notably Swansea and Cardiff which have Premier League football teams). The location of the Rugby academy represents a major coup for the town.



developments are relatively close to one another but in terms of flows within the town each is rather isolated. The Masterplan places great emphasis on creating connections between them to ensure that they are all linked together by flows of people and vehicles to "...create a clear geographic focus on the town centre, the promenade, beach, Eirias Park, and the housing renewal area."(ibid, p11).

As our interviews revealed a number of senior officers from different departments in the council (Head of Leisure Services, Head of Environmental Services and the Head of Regeneration Services) and the Bay Life Initiative, with the support of the Welsh Government regional office, worked together to enable the development of the various initiatives identified above and to provide a context that facilitated their integration into a coherent framework. This clearly represents a positive example of cross-departmental and innovative thinking and working (going outside the silo) as well as an example of positive multi-level governance coordination. It is worth briefly discussing two of the major initiatives to illustrate this: the work on the seafront/Promenade and the location of the Welsh Rugby Academy in Eirias Park.

In the case of the seafront/Promenade the work here successfully combined ERDF and Welsh Government funding. The ERDF provided £2.3m and Welsh Government £2.7m for phase one of the coastal defence project; in addition to the funds made available for the coastal defence works the ERDF Physical Regeneration in North Wales project made an additional £3m available for the enhancement of the promenade in the area through environmental improvements. This unique combination of funds was accompanied by the drawing up and implementation of an innovative integrated solution to the provision of new sea defences that also allowed for the creation of a new beach, environmental improvements to the Promenade and the setting up of a Watersports centre. The latter builds on a pre-existing use of the sea by a jet-ski 'community' and links to the idea of creating new forms of tourism for the town. To achieve this required cooperation between a number of different organisations (e.g. the council, EU, Welsh Government, Bay Life initiative) and the capacity to bring together different funding sources focussed on an integrated project. Given what it has achieved to date this must be considered a considerable success. Moreover, as noted above the Masterplan seeks to ensure that it is part of a wider integrated strategy to develop the town.

Eirias Park is a 50 acre park owned by Conwy Council that in addition to the Welsh Ruby Academy also contains the Colwyn Leisure Centre, a sports stadium with grandstand and floodlit synthetic hockey/football playing area. It also is able to host concerts (in the sports stadium) and a range of other social/public events in the indoor sports centre which was purposely designed for multi-functional uses. These facilities have been conceived as interlinked and available for both sportspeople and the public. The intention being to create a 'sports village' around the Academy and stadium to create a "multi-access health, leisure and fitness facility for both the town and visitors." (ibid, p22). Once again the investment has been conceived as part of a wider strategy to support the town's development.

In total the project cost £6.5 million, with the ERDF providing £3.8m and other funds coming from the Welsh Assembly Government Targeted Match Fund. Additional funds were also secured from the Welsh Assembly Government Strategic Regeneration Area fund, Conwy County Borough Council and the Welsh Rugby Union.

The development of Eirias Park and its associated facilities once again illustrates the cross-boundary/cross-department approach that has been adopted. The Masterplan places a strong emphasis on ensuring that developments in the park link to the rest of the town. Rather than simply hoping for 'accidental spill-overs' into the local economy from the staging of a variety of sporting and leisure events there has been a pro-active strategy of

seeking to create these links. It is also another good example of combining funds from a variety of different sources and of multi-level governance in operation. Moreover, in order to secure the Rugby Academy, which is a cornerstone of the park development, the local council provided a 'package of support' provision for the elite young rugby players living there in terms of education and training courses at local schools and colleges.

As was made clear in our interviews both of the initiatives we have briefly outlined above were seen as key drivers for the overall development of the town, with the Masterplan integrating them into a wider strategic framework.

Colwyn Bay has a Town Council with 24 members (two of which are Conwy councillors) and like all such councils has limited powers. It has an annual precept (income) of £382,000 per year engages in care of cemeteries, allotments, etc, as well as employing a Town Centre manager. The town centre manager works closely with local retailers and the Chamber of Trade, with an increased emphasis on marketing to attract new investment to the town. The manager also works closely with the Conwy Council Regeneration Team in the town. Relations with Conwy Council were described as good and cooperative. But there is very limited scope for the Town Council to engage in independent action.

### *Conclusions*

As we have seen Colwyn Bay, rather like Tredegar, has undergone a long-term process of decline in its local economic base. However, in this case it is related to the decline of the tourist industry. Also like Tredegar it is losing people of working age and has an ageing population, although unlike Tredegar the aging population is related to in-migration of people of retirement age. While Colwyn Bay has pockets of deprivation it is nothing like as extensive and deeply entrenched as in Tredegar. Interviews also indicated that it had a significant affluent middle-class population, although it was suggested that this group do not spend their money in the town, clearly capturing the 'spend' of this group is important to the future development of the town's retail offer.

Based on our interviews it became apparent that Conwy Council had recognised that the town was potentially in danger of what might be described as entering a self re-enforcing 'spiral of decline' (the 'spectre' of West Rhyl seems to have been a motivating factor) and appears to have taken a conscious decision to develop and implement a long-term strategy to reverse this process. Initially this was by promoting/supporting a series of initiatives/projects (outlined above) that were in part developed by itself and in part with other organisations (e.g. Welsh Rugby, Bay Life Initiative) drawing on support from the Welsh Government and the EU. Recognising the need to ensure that these initiatives/projects worked together to create a collective cumulative impact that was greater than the sum of the parts in terms of the town's overall development. Key drivers were identified and supported with funds from a variety of sources. Arriving at this point required key individuals in Conwy Council to begin to work across departmental boundaries, to share thinking/ideas and to develop new cooperative/integrative working practices. The outcome was the Colwyn Bay Masterplan that pulls together all the various initiatives and seeks to create 'real flows' of people (and money) between them.

The developments we have described above also indicated the importance of establishing multi-level governance arrangements to access funding and other forms of support (one officer from the Regional Office of the Welsh Government described their role as 'helping join up the dots'). In this particular instance the different funding streams accessed from the EU (ERDF) and Welsh Government have been used to provide an innovative integrated package of actions with regard to the construction of the sea-defences, beach improvement,

the Promenade and associated environment improvements (such as the new watersports centre). A similar approach was adopted in Eirias Park and the developments there. Moreover, the Masterplan has sought to ensure that not only are these (spatially adjacent) developments linked but also that they are linked to the rest of the town centre and developments taking place there.

Despite the current recession to date a considerable amount has been achieved in terms of physical development/regeneration. But as our interviews revealed all concerned are well aware that there is still a long way to go in terms of regenerating the town centre and providing the sort of retail offer that would appeal to the town's middle class and visitors. The same applies to attracting new forms of tourism (of short stay nature) and ensuring that for instance those from outside the area who attend sporting and leisure events in Eirias Park spend money in the town. To achieve this objective an improved 'tourist offer' (in terms of facilities such as hotels, retail outlets and restaurants) will need to be provided. In many ways the tourist infrastructure is 'lagging behind' the other developments and this will require significant private sector investment.

The last point also highlights to an important issue in Colwyn Bay (and Tredegar) - it is the public sector, in various forms, that has been the leading/driving force. Conwy Council deserves considerable credit for the approach it has taken to Colwyn Bay and its willingness/ability to focus resources on the town. However, this also points to the relative weakness of the private sector in the area (and perhaps more generally in small towns); local businesses in Colwyn Bay (and in Tredegar) appear to be relatively weak and lacking in organisations that can adequately formulate and articulate their interests. It is difficult to identify the reasons for this, perhaps because of the small scale and fragmented nature of the local business sector and/or because many of the businesses are in a precarious position. Clearly the depth and length of the current recession has not helped. Our visit to the town revealed a town centre and adjacent shopping areas which while more buoyant than that in Tredegar did in parts show signs of decline and some areas had a rather tired and dilapidated appearance.

Nevertheless there are many positive signs for the future in terms of the projects/initiatives we have described and the innovative and pro-active approach of the various public sector organisations in the town/county borough, the capacity to develop cross-departmental working and combine funds from different sources in innovative ways to achieve wider goals. These are certainly examples of 'good practice' that other areas could draw upon when seeking to address the problems of small towns.

### **4.2.3 Llandrindod Wells**

#### *Context and Position*

The town of Llandrindod Wells is a small isolated rural towns in the County of Powys. It has a population of just over 5,000 and a workplace population of almost 3,900 but serves a wider hinterland. Its micro region has a population of around 23,700s and a workforce population of around 10,500. Powys County Council was created in 1974 by the merger of three 'historic counties': Montgomeryshire and Radnorshire, most of Breconshire and a small part of Denbighshire and has an area of 5,179 km<sup>2</sup>, it is the largest county in Wales and one of the two most sparsely populated counties in England and Wales. Moreover, 17% of the county is within in the Brecon Beacons National Park which has its own planning authority. According to the Powys LDP (2012a) "Almost two thirds of the population live in a rural location such as a village, hamlet or isolated dwelling." (ibid, p10).

Given its rural nature the county has a long history of agriculture and tourism, and faces problems typical of such a structure. For instance according to the Welsh Index of Multiple Deprivation 2011 (Welsh Government, 2011b, p51) while overall Powys is among the least deprived areas in Wales it is the most deprived in terms of access to services reflecting its rural structure and dispersed population (although given that Llandrindod Wells is an administrative centre and has a large public service sector the situation there may be considerably better than in more rural parts of the county). In terms of work the Powys Rural Development Plan (2009, p2) points out that the county has significant levels of economic activity in agriculture, tourism, manufacturing, retailing and the public sector. However, it also adds that:

*“The adult population has a rather polarised skills base...with relatively high proportions of NVQ Level 4 (graduate or equivalent) qualified adults but equally relatively high proportions of adults with no qualifications. Powys experiences a high rate of self-employment...[which]...has fallen in recent years...Similarly, wage rates and productivity levels have not increased at the same rate as the national equivalent...Powys’ Third Sector delivers a very high level of activity (second highest in Wales) and does so in a large rural area with sparse population.”*

Although as noted in Chapter 3 Llandrindod Wells has a better qualified workforce than the above would suggest, thus it seems to differ somewhat from the rest of Powys in this respect. This difference may be related to its role as an administrative/service centre and the in-migration of population, many of whom may have had relatively successful careers before moving for ‘life-style’ reasons to the town or be well-qualified people/families who choose to live in the town for quality of life reasons (certainly this view was expressed to us during our interviews).

Llandrindod Wells was formerly the administrative centre for the County of Radnorshire and since 1974 has been one of the administrative centres for the County of Powys. It has a history as a spa town dating back to the mid-eighteenth century, although its ‘boom years’ as a spa town date from the coming of the railway in 1868 which made it accessible from the English midlands, North West England and South Wales. However, the decline of tourism associated with the spa-offer began in the inter-war years and has never been reversed. Today the tourist sector (as shown in Chapter 3) is quite small, although it does contain a major hotel (The Metropole) which has become an important conference venue hosting conferences from across Wales and the rest of the UK which will have spill-overs for the rest of the town. It also contains a number of tourist attractions such as the National Cycle Museum.

As an isolated rural small town in a rural county it should benefit from EU funding for agriculture, of particular relevance is Axis 3 which supports ‘Quality of life in Rural Areas and Diversification of the Rural Economy’ and Axis 4 which supports ‘Implementation of the Leader Approach’. Although in interviews this was not mentioned.

There are also a number of community initiatives in the town related to sustainability, such as local sourcing of food in some cafes/restaurants and there is a group which is part of the global Transition Network which aims to support self-organising communities to develop initiatives that foster local resilience and reduce CO2 emissions (see [www.transitionllandrindod.org.uk/joomla](http://www.transitionllandrindod.org.uk/joomla)). This initiative is supported by the Town Council.

#### *Relevant Powys Policies and other initiatives*

In partnership with a number of other organisations Powys County Council has developed a Rural Development Plan (RDP) drawing on the Rural Development Plan for Wales 2007-2013 (Welsh Government, 2008b) which is a joint Welsh and EU programme drawing on the EU CAP. Axis 3 and 4 of the programme are of potential relevance and the strategy based around these two axes has identified 4 strategic objectives (Powys Rural Development Plan, 2009, pp32-44):

- Strategic Objective 1: Enterprising Powys. This aims to creating an enterprising environment capable of supporting and encouraging the growth of new and existing micro and social businesses within Powys.
- Strategic Objective 2: Green Powys. This aims to support environmental actions such as the emerging green economy and other environmental and land based activities at a community and business level.
- Strategic Objective 3: Brand Powys. This aims to develop the county's physical, social and cultural assets to support the development of the tourism, food and creative sectors.
- Strategic Objective 4: Access Powys. This aims to address existing gaps in delivery and access to basic services and develop new, innovative and sustainable ways of delivering these services and supporting communities to develop methods to address their needs.

These are to be addressed in a strategic and integrated manner based on and delivered by a cross-sectoral partnership structure. Although as we noted above in our interviews there was little or no mention of this programme<sup>5</sup> and its contribution to Llandrindod Wells, nor could we find any evidence of a LEADER Local Action Group in or around the town.

Powys is also within the East Wales Regional Competitiveness and Employment Programme Area 2007-2013 and thus qualifies for ESF and ERDF funds, although the funds available are much smaller than those in the West Wales and the Valleys Convergence Programme Area. This is seen to put the county at a disadvantage compared to some adjacent areas that qualify for Convergence funding (see Powys Council, 2011a, p5). Thus the strategy outlined in the Powys Regeneration Strategy (2011a) is to "... 'nurture' what exists..." (ibid, p5). This entails supporting existing businesses in renewable energy generation/green technology, agriculture, tourism and manufacturing; with a particular emphasis on supporting SMEs.

In the Wales Spatial Plan (Welsh Government, 2008a) Llandrindod Wells is identified as a Key Settlement and part of a Primary Settlement Cluster. The Powys LDP (Powys Council, 2012a) and the Powys Unitary Development Plan (Powys Council, 2010) build on these designations and, given its size, the County is split into functional planning areas with a settlement hierarchy and a central growth corridor that includes Llandrindod Wells. In the settlement hierarchy and growth and transport corridor Llandrindod Wells is designated as one of the main locations for housing development, employment, retail and service growth. It is an Area Centre and identified as one four "...main anchors of employment growth and inward investment in Powys" (ibid, p21). Thus for a range of different functions the town serves a population well beyond its boundaries. It is also a designated planning area.

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<sup>5</sup> Although an organisation called 'Chance to Create' that aims to support the establishment and development of innovative businesses in the creative sector in Powys developed out of a project funded by this programme and is based in Llandrindod Wells. This seems to be typical of organisations/projects funded by this programme in the sense that the focus seems to be Powys- wide rather than on places.

Despite the fact that it is a key settlement and the relatively high levels of in-migration noted in Chapter 3 the town suffers from a number of problems. For instance in terms of retail it is noted:

*“Llandrindod Wells currently has a relatively weak retail function, especially for comparison goods shopping. This appears to be a function of the lack of population in the locality and the lack of critical mass, rather than strong competition from nearby towns. The range and choice of comparison shopping is poor. Residents often travel long distances to undertake their comparison shopping in larger centres such as Hereford, Newtown and Shrewsbury. This high level of leakage to distant destinations could be reduced in the future, particularly for lower order and day to day shopping needs.” (Powys Council, 2011b, p27).*

To some extent this situation has improved with the opening of two new supermarkets (most notably a Tesco supermarket) but there is still room for further improvement.

To a certain extent the town is in ‘retail competition’ with another Area Centre - Builth Wells. The two towns are only 15 minutes apart by car and are in the same settlement cluster (identified in the Wales Spatial Plan) and functional planning area (Powys Council, 2012a). Thus “A heartland hub was also identified around Builth Wells and Llandrindod Wells recognising that these two towns have the opportunity to function together. (Powys Council, 2012b, p82). However, there is no indication of how the two towns could develop complimentary, rather than competing, forms of retail provision by each specialising in certain forms of retail provision that build on their existing strengths. Indeed, there is no notion of Powys towns more generally operating in a networked manner that would allow them to develop complementary functions/roles and avoid unnecessary competition<sup>6</sup>.

While the LDP creates the overarching spatial and development framework for Powys the Powys Regeneration Strategy (Powys Council, 2011a) seeks to develop key ideas in a more concrete manner. The overall vision underlying the Regeneration Strategy is that:

*“Regeneration in Powys will nurture and promote the County’s assets and strengths as the means to addressing its weaknesses, by establishing a robust and sustainable economy that is based upon vibrant communities, and which enhances and protects the physical, social and cultural environment of Powys.” (Powys Council, 2011a p2).*

The key themes/priorities of the strategy are:

Harnessing Community Strengths:

- Council Assets as a Regeneration Catalyst:
- Regeneration led Procurement:
- Information Communication Technology as a catalyst to regeneration:
- Harnessing Powys’ natural assets:
- Promoting Powys:
- Supporting Powys’ Economy:
- Empowering Council officers

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<sup>6</sup> One of the reasons for this may be because of historic rivalries between towns that makes cooperation difficult.

- Facilitating the renaissance and resilience of Powys' town and village centres
- Housing Improvement as a regeneration strategy
- Maximise the Regenerative Impacts of Education and Training Expenditure (see *ibid*, chapter 5 for more detail on these themes)

However, there is also an explicit acknowledgement that the strategy will be implemented in a climate of austerity that requires the council to make significant cuts in expenditure and that the strategy "...will be as much about 'change management' and managing people's expectations as it will be about policy and budgets." (*ibid*, p2).

This 'warning' may well have important implications for Llandrindod Wells given its heavy dependence on public sector employment (see Chapter 3) as the national Coalition Government's policy of reducing public expenditure begins to bite even more in the coming years it is likely that the public sector in the town will shrink further (nor can one rule out further rounds of reductions in public expenditure). Much will depend on how the Welsh Government, the National Assembly of Wales and Powys Council decides to implement these cuts.

In 2006 the Welsh Development Agency (now defunct) in collaboration with Powys Council and the local community (through the Llandrindod Wells Spa Town Trust, which includes members of the Town Council) produced a 'Llandrindod Wells Regeneration Plan' (2006) which set out to develop the towns' traditional strengths:

*"...as the regional centre for central Powys and aims to build on the town's:*

- *Historic role as a premier spa town;*
- *Role as an important tourist hub for the town and its rural hinterland;*
- *Role as a major retail and service centre;*
- *Current administrative function as the County Town of Powys;*
- *Light industrial centre; " (ibid, p3)*

The above were seen as the drivers for future regeneration of the town and five key themes were identified:

- 1 - Restoring a Unique Environment
- 2 - Improving Accessibility
- 3 - Strengthening the Tourism Economy
- 4 - Supporting Business Development
- 5 - Responding to Community Needs

To address these themes it was decided to build on initiatives already in the pipeline as well as developing new ones. For instance for some time it had been recognised that the streetscape of the town, particularly the town centre and the associated Conservation Area, had declined and an initiative to improve this was necessary. Funding from a range of sources was used to achieve. In 2004-2009 a Townscape Heritage Initiative was developed in the town with funding from a range of sources including the Heritage Lottery Fund and Powys Council, this was used to repair and restore the town centre's buildings and reinstate lost architectural features. This was also linked to supporting the

development/strengthening of the town's tourist offer and supporting local businesses and the town's retail offer.

Another objective was to develop a Business Forum in the town. This was considered important as the business community lacked a chamber of trade and there was no business organisation to represent the interests of retail, tourism, and other businesses in the town and thus no one to articulate their concerns and needs. A Business Forum was set up and later a Chambers of Trade and Tourism was also created, although the relationship between the two organisations is unclear.

While a number of other initiatives related to the objectives outlined above were developed under the umbrella of the Regeneration Plan the current status of the Plan is unclear and during our interviews no mention was made of it.

More recently, in 2012, as noted above (in 4.2) the Welsh Government Minister for Economy, Science and Transport Edwina Hart launched the 'Local Growth Zones' (LGZs) initiative and Powys Council responded positively to this initiative suggesting that LGZs might be established in four areas of the county within the central growth corridor identified in the LDP (Powys Council, 2012). Llandrindod Wells was identified as one possible location (that would also include the towns of Rhayader and Builth Wells). A Task and Finish Group<sup>7</sup> (TFG) was set up to consider this idea and also asked to develop additional ideas to specifically support the economic development of the three towns within the proposed LGZs: Newtown, Llandrindod Wells and Brecon. Specifically in terms of the three towns the TFG recommended that Llandrindod Wells build on its role as a conference centre and as a heritage tourism centre (for the other two towns recommendations were made that built on their strengths, see Powys Task and Finish Group, 2012, p5).

The TFG considered that LGZs represented a viable alternative to Enterprise Zones for Powys and made a number of recommendations for the zones that included:

- improving infrastructure (including improving connectivity such as high-speed broadband, a better mobile phone network, road improvements and public transport)
- simplifying the planning system to help businesses
- giving priority to the use of public funds to support employment and growth in the zones
- better education and training
- better marketing of the region as a business location
- better and simplified business support (especially for micro-businesses)
- developing the tourist offer

In addition, as noted above, it made recommendations for each of the three towns to build on their existing strengths. The recommendations here are very much in line with thinking on how to support town centres (although the idea of setting up Business Improvement Districts was rejected, *ibid*, p27). This included the provision of start-up funding for a business-led forum in each of the town centres who could each employ a 'development champion' "...who would facilitate businesses to come together to develop and implement an innovative action plan for their town centre..." (*ibid*, p27) and work with Powys Council and Welsh Government. In terms of Llandrindod Wells the 'development champion' would

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<sup>7</sup> The TFG was made up of seven individuals drawn from the local and regional business community, one of whom was a member of Powys County Council.



focus on developing its role as an event and conference centre and the heritage tourism offer. The group also recommended the provision of further funding for improvements to the town's streetscape and shop fronts<sup>8</sup>.

A LGZ based on Llandrindod Wells will be set up as the relevant minister (Edwina Hart, Minister for Economy, Science and Transport) in the Welsh Government agreed to the setting up of pilot business-led project to develop an action plan to address the economic sustainability of the town (see Welsh Government, 2012d, p21). A small group of local business people has been meeting to develop the action plan which is expected to report sometime in the summer of 2013. However, what remains somewhat unclear, and unclear in both the TFG report and the Welsh Government response, is exactly how a LGZ would be delivered. Our interviews suggested that the TFG had largely worked at 'arms length' from Powys Council and there was some uncertainty over how, if at all, the council would be involved in the delivery of a LGZ. The Welsh Government Response states:

*"The project will be led by local businesses, who will work together to develop an action plan to address the economic sustainability of the town. Support will be made available from Welsh Government to facilitate this work, which will also explore the possibility of developing a Business Improvement District in the town." (ibid, p21)*

It may be that a specifically constituted partnership, led by the local business community, will be set up to deliver the LGZ but as yet what type of organization will deliver the action plan is uncertain as are the powers and resources it would have available to it. Equally uncertain is how it will work with Powys Council and other public sector bodies. Powys Council has stated its willingness to "...working collaboratively in relation to the implementation of local growth zones in Powys." (Powys Council, 2013, p2). This is likely to be important given that Powys Council and other public sector organisations are responsible for a range of services that will be crucial to the success of the LGZ and it will necessary to develop a working relationship that allows the delivery of those services to be 'packaged' in an integrated manner and focused on a particular space – the Llandrindod Wells LGZ. The Powys Regeneration Strategy (Powys Council, 2011a, p2) has already indicated that in an era of austerity it will have to reduce expenditure and 'manage expectations' and look at new ways of delivering services. Perhaps the Llandrindod Wells LGZ can provide a model for delivery, only time will tell.

Finally it is interesting to note that the Welsh Government response suggests a Business Improvement District be set up in the town, something which the TFG Report explicitly rejected (see Powys Task and Finish Group, 2012, p27). How the pilot group has reacted to this proposal is unclear.

Llandrindod Wells has an active and energetic Town Council, a good indication of this is that in 2012 it carried out a resident survey with over 2000 forms being hand delivered and collected by hand, eliciting a very respectable 18% response rate. The issue mentioned most frequently as a priority was the re-opening of the Lakeside restaurant in the town which is controlled by Powys Council. The second most frequently mentioned issue was attracting employment/new businesses to the town.

In our interviews with Town Councillors they made it clear this was part of a strategy to re-engage with local people and identify what they want. It is clear from the survey that

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<sup>8</sup> Among its recommendations on this was considering a Townscape Heritage Initiative, although as noted earlier one had already been carried out in 2004-2009. Whether the new proposal is additional to the previous one is unclear.

respondents want the Town Council to have a greater say in how things are done and local assets managed/used. For instance they would like to be able to exercise more control and influence over issues that impact on the town and its economy. An example of this was that they lack the authority to engage in grass cutting around the town which is regarded as important for a tourist town. Grass cutting is a responsibility of Powys Council and it has reduced the number of times a year it carries out this task which means that parts of the town used by tourists often appear unkempt.

This attitude was perhaps most noticeable with regard to three issues: 1) the re-opening of the Lakeside restaurant in the town which is regarded as an important asset for both residents and visitors to the towns. It is controlled by Powys Council and the Town Council felt Powys had been slow to re-open the restaurant to the detriment of the town. 2) the provision of a skate park in the town which Powys had promised to provide but had continually failed to deliver; 3) when a new Tesco's store opened in the town part of the planning permission was a Section 106 agreement<sup>9</sup> whereby £50,000 was provided by the company to be spent on projects that would benefit the town. However, the Town Council argues this money has not been used because of Powys' lack of impetus and there is a real danger that the money will have to be returned to the company.

Overall, unlike in Tredegar and Colwyn Bay, the Town Council feels that Powys Council does not have a clear focus on the town, that its actions are fragmented and bureaucratic and that it is slow to act. For the Town Council Powys is seen as an obstacle to the town's development. Although it should also be pointed out that the Town Council has not been involved in the group responsible for developing the Local Growth Zone. All of which is perhaps indicative of the marginal position Town Councils occupy in the governance of their towns.

### *Conclusions*

Llandrindod Wells is a town that has undergone major changes over the last few decades and is likely to face serious challenges in the future as cuts in public expenditure further threaten its employment base and role as an important service provider for the area. It is a key settlement in the Powys growth corridor and an area centre for employment, public service delivery and retail. Powys council has instigated a number of initiatives related to the town over the last decade and some such as the Townscape Heritage Initiative have brought about clear improvements in the town. What is less clear is whether these have added up to a consistent and sustained approach to the town and its challenges. Clearly the Town Council does not believe so as they are highly critical of Powys Council. However, to be fair to Powys it has sought to address the towns' issues (for instance through the now defunct Llandrindod Wells Regeneration Plan) while also dealing with the needs of a large and widely dispersed rural county.

Many of the initiatives that exist under the banner of the EU and the Welsh Government have largely been aspatial in nature without a specific concentration on towns. Thus while Llandrindod Wells may have benefited indirectly from some of these there has not been a clear focus on the town and its future development. Powys Council has sought to address the position of the town in its LDP (and through the now obsolete Llandrindod Wells Regeneration Plan), but in a period of increasing resource restraint it is unlikely to be able to

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<sup>9</sup> A section 106 agreement is based on the Town and Country Planning Act 1990 (amended) that allows for a development proposal that would not be acceptable to go forward by dealing with site specific mitigation of the impact of a development and can include the provision of infrastructure/facilities of funding.

provide any additional resources to support the town, indeed it is highly likely that the level of public resources flowing into the town will be further reduced in the coming years with potentially serious implications for its employment base and knock on effects on the local economy.

The LGZ is clearly the 'great hope' for the future of Llandrindod Wells and the Welsh Government, or at least the relevant Minister, appears to have invested some political capital in the development of this concept as a way of addressing the problems of rural areas and their economy. A successful LGZ could go some way to replacing the likely fall in public sector employment in the town and generating new businesses that will employ local people and support the development of the local economy. However, this is unlikely to happen overnight and it may be some years before it is possible to assess the success (or otherwise) of the LGZ.

As a pilot the Llandrindod Wells LGZ might be expected to get preferential political and resource treatment that will aid its development. However, we have not seen the action plan, nor are there any clear indications of how it will actually be delivered. As we have noted the concept and action plan appear to have largely been developed by a small group of local business people with the local authority (and Town Council and local community) kept at arms-length. If this continues there are likely to be serious questions raised about the governance of this project (most notably in relation to accountability and transparency), particularly if public funds are assigned to it. Clearly this is likely to be a 'learning experience' for those responsible for developing and delivering the LGZ but also for Powys Council and the Welsh Government, and thus it is not unreasonable to expect that it will be subject to considerable scrutiny. Much will depend on how the LGZ engages with Powys Council, other relevant public sector service providers, the Town Council and the local community in the town more generally.

## **5: Conclusions**

It is important to bear in mind that given the great diversity of small towns in Wales (and more generally across the UK and Europe) it is not possible to claim that the ones focussed on in this case study are 'typical'. For instance small towns and their Town Councils in Wales (and the UK more generally) lack the administrative status and associated powers and resources that might be found elsewhere in Europe (e.g. in France); to a large extent they are reliant upon the actions of the local authority administrative district in which they are located. Much depends on how the relevant local authority (and the national government) views their situation and role.

Nevertheless we would argue that our small towns do exhibit many of the problems, challenges and dilemmas that face small towns across Europe – not least how to thrive and prosper in a rapidly changing world during a period of austerity and reductions in public sector expenditure. It is possible to identify some 'ways forward' from our case studies that might be of more general relevance. What is clear is that in all of our small towns, to varying degrees, they are reliant upon the public sector to support their continued development. A great deal depends upon the attitude of the national government and relevant local authority towards small towns and the policies/initiatives that they deploy. However, it is clear that the Welsh Government, despite its recognition of the significance of small towns in Wales, has not developed an 'overarching' policy towards them, what exists are a range of initiatives (from EU and national programmes) that the relevant local authorities can draw upon and combine in 'policy packages' that are more or less appropriate to each small town. In this sense the local authority can be either the key driving

force in terms of policy towards these towns or a 'brake' on their development depending upon how they approach/frame the issue and deploy/focus various policy instruments on small towns.

Nor should we forget that many mainstream services are crucial to the survival of small towns, particularly those that are administrative and/or service centres. For instance in the case of Colwyn Bay and Llandrindod Wells over 50% of their employment is in the public sector. However, these two towns exhibit somewhat different possibilities for their future development.

In Colwyn Bay the local authority of Conwy has chosen to focus on the town and developed a series of innovative actions, working with other bodies (such as the Welsh Government, the EU and Welsh Rugby) to provide a framework for the town's future development. Much of this has been down to key individuals in these organisations working together across their own internal organisational boundaries and with support from the Welsh Government as well as drawing creatively on a range of funding sources (including the EU). Those involved recognised the need to pull all these various initiatives together into a coherent and strategic approach. Thus the Colwyn Bay Masterplan was developed and seeks to assemble all of these individual, and potentially fragmented, actions together into a strategic and integrated framework to guide the development of the town. Much of this is designed to support the development of the private sector and it is possible that in the future it will play a more central role, but for the moment this process is largely public sector led.

In Llandrindod Wells while the public sector has been central to the town's development to date it is the private sector, in the shape of a small group of local business people, who have been handed responsibility for developing the LGZ. They appear to have significant support within the Welsh Government but are working largely at arms-length from the local authority. What is perhaps interesting is that the 'drivers of local development' and the issues they have highlighted as needing to be addressed are very similar to those identified by Powys Council. The difference appears to lie in an unstated belief that the private sector will be able to drive the process forward more efficiently and effectively than the local council (which is seen as inflexible, bureaucratic and unresponsive). This is by no means a new idea and certainly in the UK can be traced back to the early 1980s, the outcomes of developments during this period were (and still are) strongly contested. The big problem is that Llandrindod Wells LGZ is still an idea under development and we will have to wait and see how the action plan proposes to implement the concept and the nature of the associated delivery organisation. What is clear is that when it comes to implementing the action plan a considerable degree of support will be required from the public sector and combining these together into a coherent package for Llandrindod Wells will be a challenge.

In Tredegar the town has suffered from a process of long term industrial decline and an associated 'culture' of low educational attainment/qualifications and entrepreneurship. The town has been designated as a secondary centre in the Heads of the Valleys area with the primary focus being on the development of the primary settlement - Ebbw Vale. To date most of the significant developments in the area (e.g. The Works) have focussed on Ebbw Vale, although Tredegar has benefited from a number of Welsh Government initiatives such as Communities First and Enterprise Zones as well as funding from the West Wales and the Valleys Convergence Programme (both ERDF and ESF). What has perhaps been lacking in Tredegar is the sort of strategic focus Conwy Council has adopted for Colwyn Bay. In part this is undoubtedly related to the latter's more important position/functions in the Conwy coastal strip, but also by a desire on the part of Conwy Council to prevent further deterioration in the town's position. In the case of Tredegar it is one among a large number of deprived communities in one of Wales' most deprived local authorities. Thus Blaenau Gwent Council faces a heavy demand on its limited resources. The great hope for the future

in Tredegar, and the area more generally, is the proposed development of the Circuit of Wales on a large site close to the town. However, rather like the LGZ in Llandrindod Wells, this is still very much at the proposal stage and although Blaenau Gwent (and Tredegar Town Council) have been very supportive of the project there is no guarantee that it will come to fruition. Even if the project does become a reality much will depend on the ability of the developers and the local authority to ensure that local people benefit from employment in the construction and operating phases and the extent to which this will actually occur remains uncertain. Tredegar itself hopes to benefit from tourism 'spill-overs' associated with the project, but as we pointed out the town currently lacks the infrastructure to take advantage of any tourist potential, much will depend on private sector investment in tourism in the town.

What the above illustrates is that all three towns, through no fault of their own, lack the capacity to drive forward their development and are largely reliant on the actions of others. They also illustrate potentially different 'models' of development. Colwyn Bay is a largely public sector driven approach while both Tredegar and Llandrindod Wells, in different ways, are currently heavily reliant on the public sector but see their future in the hands of private sector development. In the case of Tredegar this is a single 'big bang' project, although the ability of the town, and the area more generally, to benefit from the proposed Circuit of Wales will also depend on public sector investments in education and training (e.g. in The Works in Ebbw Vale). While in Llandrindod Wells it is the proposed LGZ that offers a way forward. At the moment this is largely in the hands of individuals drawn from the local business community, but we suspect that if it is to be a success much will depend on how well it works with the public sector.

One final point needs to be made: our small towns, despite the presence of active and enthusiastic Town Councils, lack the capacity (in terms of powers and resources) to significantly influence their future development and this situation is unlikely to change in the future. This is a reflection of the way in which the country is governed and indicates the continuing importance of national systems of government. In the UK there has been an unwillingness to devolve significant control to the sub-national (i.e. local authority) level, let alone to small towns. If towns had greater powers and access to resources (for instance in terms of planning or local tax raising powers) then they might be able to influence their development to a greater extent. On the other hand it could be argued that this would lead to a highly fragment landscape and could also lead to unhealthy competition between contiguous small towns for investment and population.

## **5.1: General Conclusions and Policy Messages**

Bearing in mind the caveats about the 'specific nature' of Welsh small towns there are a number of more overarching conclusions that we can draw and convey as messages to the different policy communities addressing small towns.

- a. At all levels of governance there is a need to recognise the importance of small towns and for a clear focus on their role(s). Given the variety of small towns it is not possible to prescribe a blanket approach to them, but raising their profile on the policy agenda is important. Too often it appears that small towns are considered as an 'afterthought', if at all, by many policies.
- b. It is important to ensure that there is 'joined-up' thinking, policy and action at the local (authority) level in order to focus attention and create a framework for action. The creation of a small towns' policy committee (or sub-committee)' could help achieve this.

- c. Providing greater powers and resources to small towns (in the Welsh case Town Councils) will enable them to play a more proactive role in addressing their future. Nevertheless, it is important to recognise that is highly unlikely they will be able to autonomously 'map' their own future development. This will inevitably require the development of close working arrangements with the overarching local authority (and other levels of governance) as well as quite often with other proximate small towns. This in turn will require that they develop the capacity to engage in such activities.
- d. At national level (in our case the Welsh Government and Welsh Assembly) there should be a clear focus on small towns. Perhaps a minister with a 'portfolio for small towns' can take overall responsibility to drive the agenda forward and coordinate the activities of different departments. This should be seen as a long term agenda that needs to be sustained in terms of its political and policy importance.
- e. At European level it is even more difficult to identify a clear focus on small towns, while the significance of large urban areas has been increasingly acknowledged in recent years there has not been a corresponding recognition of the role of small towns. Perhaps a specific DG could be given a lead role and a unit created to develop thinking and action (this could build on existing developments within DG Regio). A more formalised recognition would help raise the profile of small towns on the European policy agenda and perhaps create the basis for a more 'joined up' approach.
- f. The above also entails the development of more appropriate forms of multi-level governance in terms of vertical, horizontal and territorial governance at and between the different levels of governance. There are positive examples from our case studies (e.g. Colwyn Bay) of how small towns in association with their local authority, national government and the EU have been able to engage in innovative actions to address their problems based on the combination of different funding streams utilised in a focussed manner to address the problems of their small town.
- g. Such actions require the elaboration of a clear long-term strategy based on a diagnosis of the particular town's problems, identification of its potentials and how to develop them. This in turn requires the creation of a framework to bring together the diverse resources and activities necessary to put them into practice – i.e. a strategy and the capacity to act. As we suggested above it is unlikely that individual small towns will have this capacity so a key role will remain with the relevant local authority. But it is also important to ensure that other local stakeholders (e.g. the private sector, the community) are fully engaged in the process.

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