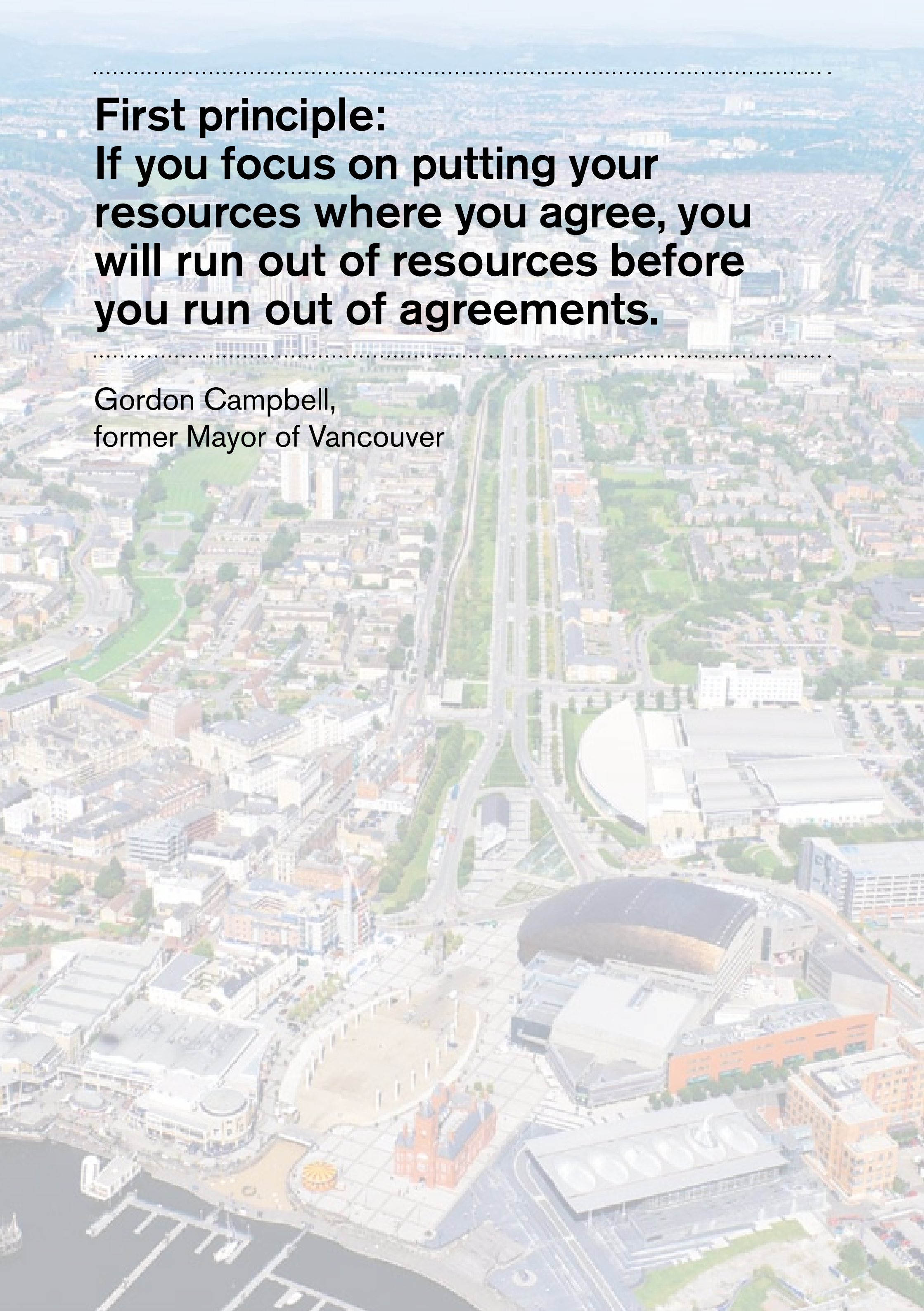
Forging a new connection

Cardiff and the Valleys

edited by Stevie Upton



First principle:
If you focus on putting your resources where you agree, you will run out of resources before you run out of agreements.

Gordon Campbell,
former Mayor of Vancouver

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Foreword

Councillor Rodney Berman
Leader of Cardiff Council

These are turbulent economic times. The economy of south Wales has changed radically over the last two decades, and it is difficult to predict how the next 20 years will play out. However, one thing I can say with certainty is that south-east Wales needs to work as a cohesive, connected region to avoid being left behind. I believe we need, as a region, to define a shared approach which will help us compete for investment, jobs and talent, with the aim of creating a more prosperous south Wales.

This region, or city region, already exists, and has done for years. I am referring to the real economic and social geography of the region – the geography of people's lives.

Each day 80,000 people travel into Cardiff from across south Wales, for work, for shopping and for leisure. Yet we do not have an approach which reflects this city region reality. Some good collaborative work is taking place: in education; in traffic management; in waste, to name but a few examples. Local authorities are proving in areas of service delivery that regional collaboration works. But in the area of development – economic development, planning, housing and transport – we do not have an approach which sufficiently reflects the city region reality. Instead, as the recent report by Roger Tym and Partners on strategic planning in the Cardiff city region clearly demonstrated, local authorities in Wales are each producing their local development plans at different times, in isolation from each other, without an effective strategic planning framework sitting above. This is hampering the economic development of the region, and it needs to change.

It cannot be denied that Cardiff will have a big role to play in a city region approach for south-east Wales. As one of the UK's most competitive cities we must all recognise the capital as an economic opportunity for the region and for Wales. However, a city region approach is not a 'city' approach by stealth. It is about recognising the mutually dependent relationship that we share and agreeing a functional economic plan that will take us all forward, together. It is about making mature decisions, as a region, about what should best go where. Fundamentally, it is about coming together to form a region which can compete in the global economy. Unless we do this, we will fall further behind. If we get it right, it will be to the benefit of all citizens of south-east Wales.

Any new approach cannot be done in name only. Warm words alone will not be enough. We will need an approach and governance structure which will allow difficult decisions to be taken, not just on economic development, but on housing, development and transport – in short, on strategic planning in south-east Wales.

There is also no need to reinvent the wheel. Scotland has been pursuing a city region approach with some success over recent years. In this publication there are examples from Manchester, Stuttgart and Vancouver – cities which have all followed a city region approach. All of the models are different, reflecting each region's local characteristics, but they all have one thing in common – they have at their heart a clear recognition that it is possible to deliver more through working together than through working in isolation or, worse, competition.

In these turbulent economic times Wales needs to do all that it can to bring in new investment and new jobs. Ultimately, this has to be about developing a prosperous south Wales and recognising the urgent need to develop a more joined-up approach to the strategic planning of the region as a whole. For years, Wales' economic performance has lagged behind other parts of the UK. This gap will widen, unless we change course, and do so quickly.

I am grateful to the Institute of Welsh Affairs for bringing together leading thinkers in this area, first in the 'Getting Ahead Together' conference in November last year, and now in this vital publication. We have now an opportunity to develop a new approach which can deliver for the whole region and for Wales. We must take it.

Introduction

The challenge of building an inclusive city region in south-east Wales is as great as the potential rewards for success. In an era of public sector funding cuts, coordinated public procurement could serve the twin goals of regional economic development and social justice. Likewise, collaboration on transport and housing policy could address pressing environmental concerns whilst simultaneously easing the serious deprivation apparent in communities across the region. But economic inequalities, fragmented governance arrangements and cultural resistance to closer coordination all militate against making this opportunity a reality.

It is to this challenge that the IWA's November 2011 conference "Getting Ahead Together: connecting Cardiff and the Valleys"– which followed a debate held in Pontypridd in 2009 on the theme "Cardiff and the Valleys: one place or two?" – addressed itself.

The size of the challenge was made abundantly clear in an opening presentation by Professor Kevin Morgan of Cardiff University: south-east Wales has 1.5 million people living within ten local authorities, which between them include two main cities and three distinct zones – the coastal belt, the mid-Valleys and the heads of the Valleys areas. All this in a region which, as Mark Barry explains in Chapter 5, is among the least economically competitive in the UK.

As Professor Morgan highlighted, economic growth will always be uneven but, with good connectivity, it can also be inclusive. Yet south-east Wales, he argued, is way off the pace. Drawing attention to the Tym Report's criticism of the South East Wales Strategic Planning Group's operating arrangements[1], under which "consensus was everything, and the lowest common denominator (in favour of the least precise, most 'flexible', least contentious options) tended to be the only means of achieving it", he emphasised how the challenge to be overcome goes to the very heart of Welsh political culture. That culture is ill-equipped to deal with constructive challenge, misconstruing it as disloyalty, and hence seeks consensus, however weak.

He concluded that, too often, partnership – mistaken for an end in its own right – is pursued to the extent that sight is lost of the transformational outcomes to which it should be a means. If we are to make progress, moving beyond the current risk aversity and poverty of ambition that he identifies in the region, we must learn the lessons of more developed city regions worldwide.

Three of those city regions were discussed in some detail on the day, two of which – Stuttgart and Manchester – receive similar attention here, in Chapters 1 and 2. Lessons

[1] Roger Tym and Partners (2011) *Strategic Planning for the Cardiff City Region*, Agenda Item 3 of the Cardiff County Council Executive Business Meeting, 3 November 2011, para. 3.26.

from the third, Vancouver, were delivered to the conference by former Mayor Gordon Campbell, a true evangelist for the city region concept, and are quoted between the sections of this book. It is a striking feature of all three regions that they have achieved significant consensus in regions far larger than our own.

The Stuttgart region, for instance, has created a 90 member Regional Assembly to represent over 2.6 million inhabitants in 179 municipalities. In the Vancouver city region, regional planning and service delivery is undertaken on behalf of the 2.1 million inhabitants by Metro Vancouver, whose 37 Board members are drawn from among the elected representatives of the region's 22 municipalities, one electoral area and one treaty First Nation. Under Gordon Campbell's leadership, the region also instituted meetings of all elected representatives in a 'Council of Councils'. Lesson number one is that joint working can be done.

Achieving consensus is possible, but it is by no means straightforward. When Gordon Campbell talked about the opportunity for collaboration between the local authorities of south-east Wales, the disbelief in the room was audible. It was a sign, perhaps, of past failures in that regard, but it must not be allowed to be a portent of future attitudes. What, then, can our region learn from others about the first steps towards creating a successful city region?

First and foremost, we must not become immediately mired in trying to define notional boundaries for the city region, or in creating the institutions that might eventually govern many of its functions. Two main structuring elements of a functioning city region – distribution of resources and location of decision-making powers – are likely flashpoints, particularly where resources are scarce and a zero sum mentality is in effect. From Manchester to Vancouver the message is clear: the majority will always favour the status quo, and upsetting this will tend to raise opposition and prevent progress.

Instead, the focus should be on fostering strong leadership with a clear, shared vision for the region. This need not take the form of an all-encompassing city region strategy – and indeed too early an attempt to create such a thing could all too readily descend into disagreement. It is a process that can begin with just a few shared goals. The experience of Vancouver, a city region with a similar wealth disparity to that in south-east Wales, was that the region benefited from the richer districts listening to what poorer districts wanted, not telling them what they would be getting. Ultimately, however, action will speak louder than words. There will be no better motivator for further engagement than early evidence of success. In the same vein, efforts to move authorities away from the prevalent zero sum mentality, in which one authority's gain is seen as another's loss, are likely to benefit from ensuring that, in the first instance, all local authorities have something to gain.

This is not to deny a role for appropriate institutions and statutory powers at the regional level. The creation of Stuttgart's Regional Assembly and Vancouver's 'Council of Councils' (with, in the German case, an associated transfer of previously locally held statutory decision-making powers) has been instrumental in these regions' ability to forge region-wide policies. Closer to home, the existence of a statutory city region planning tier in Scotland was highlighted at the conference as a means of fostering a culture of working across authority boundaries.

Rather it is to say that such structures should not, indeed cannot, be at the forefront of the city region debate. As Chapter 2 explains, the hitherto robust partnerships operating in Manchester are the product of an evolutionary process lasting more than two decades. As collaboration grows, so specific opportunities to develop institutional capacity are likely to become more apparent.

If a city region strategy for south-east Wales is to be built on areas of consensus, what are the policy areas most likely to generate agreement? Three topics received repeated attention from speakers and delegates: connectivity, housing and the environment. Each has the potential to coalesce opinion in the region.

There was much discussion at the conference of the critical importance of good connectivity to city regions in general and to south-east Wales in particular. For the latter, this means developing better transport infrastructure both within the region and with the rest of the UK and beyond. There is consensus that commuting flows in the region, current and predicted, cannot be accommodated by our roads, and that alternatives must therefore be sought. In Chapter 5 Mark Barry addresses the possibility of creating a south Wales metro whilst, in Chapter 6, Lee Waters considers the need for "smarter", more sustainable travel.

As the region's population continues to grow, not only will pressure on its transport infrastructure undoubtedly increase, but it is widely accepted that Cardiff will not be able to accommodate all of the associated growth in demand for housing. For growth in the region to be sustainable, the interconnectedness of transport and housing policy will need to be good. In the Stuttgart region this has been successfully achieved. Housing development is concentrated along its light rail network, with the result that nearly 60% of the population now lives within 600 metres of a railway station.

Although, as John Punter sets out in Chapter 3, disagreement about the number and type of new houses required in Cardiff has led to severe delays in submission of the city's Local Development Plan, there have been past successes in agreeing housing apportionment across the region (as discussed by Roger Tanner). Thus not only must there be agreement, but we know there can be.

Nick Bennett's discussion of the housing challenge facing south-east Wales emphasises the additional socio-economic issue of ongoing poverty and financial exclusion among many of the region's inhabitants. This challenge presents an opportunity which relates to the third area of potential agreement, the environment.

There are two elements to a focus on the environment around which shared policy could be developed. The first is the potential for green innovation and job creation. The Welsh Government's ARBED programme provides an indicator of what could be achieved in this area. ARBED invests in domestic energy efficiency measures in some of Wales' most deprived communities, simultaneously addressing climate change and fuel poverty concerns. In doing so it carries the potential to foster local employment and strengthen local supply chains. The second element is the regeneration opportunity associated with the alternative lifestyle offered outside the major urban centres. What possibilities, for instance, are offered by the development of a Valleys Regional Park (Chapter 4)? The scenic and cultural assets of the region are a key strength, their promotion a reason for developing a shared vision and shared action.

This publication ends with a chapter which looks at the city region from a marketing perspective. It argues that the city region is as much about the Brecon Beacons, the Vale of Glamorgan coastline and Newport as it is about Cardiff. Together, the strengths contributed by each of these places add up to a brand with the potential to compete in an international marketplace. Alone, they fail to compete. There is an important point implicit here. This is an interdependent relationship; Cardiff is as reliant on its hinterland as the reverse. To argue that a city region approach is about prospering Cardiff alone is to undervalue the attributes of the rest of the region and to underestimate the value that can be added by combining them. This is not a zero sum game.

Disagreements will, of course, be inevitable, and the challenge of ensuring that any growth is inclusive will, as even the Manchester 'miracle' case demonstrates, be ever-present. Nevertheless, more of the same is not an option. We can therefore do no better than to begin by listening to what people want from a city region partnership, identifying *and focusing on* the common ground and, as Gordon Campbell exhorted us to do, "putting our resources where we agree".

Stevie Upton
Institute of Welsh Affairs

Section 1:
Learning from advanced city regions

The issue is to change from telling people what we want to listening to what they want. If you cannot find a way to give back you will fall by the wayside. If you don’t remember you are working together you will lose sight of the opportunities you have.

As Mayor of Vancouver I was in charge of a rich district. I tried to show I cared about what all the others were doing. There is always a lot of resistance to regional initiatives, so instead of telling you what we want you to do I said tell me what you want us to do.

Gordon Campbell,
former Mayor of Vancouver

Chapter 1

Stuttgart Region – the German pioneer

Thomas Kiwitt

Role of German municipalities and Länder

Stuttgart Region is located in south-western Germany, in the centre of Baden Württemberg, the third largest of Germany's sixteen Länder. Although its area comprises only 10% of the Land, one quarter of the population lives within the region and 30% of the GDP is produced here. In administrative terms, the more than 2.6 million inhabitants, several important facilities and an economic power that equals smaller EU countries are all well distributed over 179 municipalities.

In Germany one cannot explain the idea of regional governance without referring to the strong, constitutional guaranteed home rule of the municipalities. Municipalities are allowed (and obliged) to regulate and organize important services for their citizens: these include the provision of social services (such as kindergartens) and technical services (such as water supply), land use planning and economic promotion. In the south-western part of Germany, the position of the Mayors is especially strong. They are directly elected, and act as CEO of the local administration and leader of the local council. This, reinforced by long-standing tradition, makes the local level very important. Subsidiarity, the idea of organizing affairs on the lowest administrative level possible, has proved popular among political decision makers.

Above the local level, counties are responsible for, among other things, public transport and waste disposal. According to the German model of Federalism, the Land is relatively independent – responsible for education, public media, and so on. In the Land of Baden-Württemberg there is no competence for comprehensive spatial planning on a county level. Moreover, the Land offers only broad guidelines for further development. In this standard model, the regional tier is responsible only for planning issues, not their realization. Furthermore, it is politically weak, with little money and little influence.

Challenges in the Stuttgart Region

In the Stuttgart Region, certain factors have prompted a change to this model. Once clearly defined settlements have – at least in the core area of the Stuttgart Region – grown together into an urban agglomeration that has little regard to administrative boundaries. What does this situation mean for the provision of infrastructure, or the protection of open spaces – an issue relevant for climate and flood protection? Can these important tasks be organized in each jurisdiction, especially having in mind that one third of the towns have fewer than 10,000 inhabitants and therefore only limited administrative capacities? Who is in charge of the necessary coordination? Is a bilateral cooperation between neighboring towns sufficient?

A further issue is that 75% of the population does not work in their town of residence. They also cross local boundaries for many other activities, including education, health care, shopping and recreation. This proves that daily life is not limited to one town: people do live regionally. How can this "supra-municipal" level of activities be organized? Who decides if consensus among municipalities cannot be achieved?

Some of the companies calling Stuttgart Region their home are global players, with a worldwide system of suppliers, serving markets all over the world. Several of them even have their roots, or at least a long standing tradition, here. However, they are subject to global competition and are independent enough to leave as soon as they find better conditions elsewhere. Who takes care of their needs? How can living conditions and an overall quality sufficient to attract the – already hard to find – well trained labor force be achieved?

Development of regional mechanisms

These urgent questions, plus the impression of economic crisis in the early 1990s, led to the strengthening of the regional level in Stuttgart. Driven by the chamber of commerce and different stakeholders from civil society, and supported by the Land (then governed by a "great coalition" with a vast majority), the "Verband Region Stuttgart" was established as an autonomous public organization to improve competitiveness and efficiency.

Responsibility for several aspects of spatial planning, the implementation and operation of public transport, economic development and marketing has been elevated to a supra-municipal, regional level. These competences (and the necessary budget) clearly need adequate political control. A clear statement was given in that direction too: the decision-making body of this institution is, by public law, the "Regionalversammlung" (Regional Assembly). Its approximately 90 members are directly elected, representing the different objectives set up by the political parties. Legitimation is therefore equal to that in the political assemblies of the cities or counties.

Thus the region has become an important level, actively used for the implementation of political strategies. The Assembly meets four times a year, to debate and decide about issues of fundamental significance, such as budget. Three committees are concerned with economic development, planning and transportation. The annual budget comprises approximately €295 million (2010), of which €275 million is spent on public transport. About €8 million is invested in economic development, and €9 million is reserved for personnel expenditure, administration/IT and planning. All expenditure not related to public transport is covered by levies from the municipalities, annually approximately €5.5o per capita.

About 50 employees work in the administration. However, the exercise of functions is carried out also via third parties with direct interest in the Verband. An independent, limited company, in which the Verband holds a 51% stake, is responsible for economic development. Minor co-ownership shares are held in the tourism marketing agency (32%) and the regional public transport tariff network (20%). Non-profit social initiatives, like the regional networks for civil society, culture, sports and youth, also gain support from the Verband.

Work of the Regional Assembly

The main activities of the Verband are regional planning, infrastructure and promotion of economic development. Some examples of recent projects and challenges are presented below.

The most important planning document is the "**Regionalplan**", an integrated, comprehensive plan that sets up the mandatory framework for local land use planning. This plan is binding as regards the further development of commercial, housing or retail areas and the protection of open spaces. The plan is approved by the Regional Assembly but all municipalities, stakeholders and the public can participate in the process.

Moreover towns and cities are supported in all related questions of spatial development. This support comprises legal and procedural aspects, and also the provision of best practice, pilot projects, databases and other relevant information on climate, vulnerability, ecological quality. As many of the municipalities have limited administrative capabilities, this support – free of charge – is appreciated at the local level.

Development has been oriented on the principle of sustainability, paying regard to economic, ecological and social matters equally: sufficient spaces for all activities have been designated within an integrated regional concept. Efficient transportation and the protection of open space are at the top of the agenda. As a majority in the

Regional Assembly can approve the best locations for specific demands on a regional basis, a more efficient pattern of land use can be provided.

For commercial purposes, for example, approximately 1,000 ha (2,500 acres) have been dedicated in areas with direct access to highways or railways. Housing development has been concentrated along the light railway network. Almost 60% of the population live within a 600 metre radius of a station, and so have easy access to a reliable, comfortable mode of transport that links the hinterland with the jobs and commodities of the core area. Also, the installation of wind turbines (150 m / 450 ft. high) in an already densely populated area is successfully regulated at the regional level.

Despite the dynamic economic situation, the per capita use of open spaces for development is significantly smaller than the average in Baden-Württemberg. Unlike most other regions in Germany the Verband Region Stuttgart is responsible for planning **and** implementation of infrastructure. Most important is the construction and operation of the regional railway network. But other important facilities (e.g. the trade fair and convention centre) have also gained financial support.

During the last 15 years, the **regional railway network** has been constantly enlarged. New major projects have been started with the development of the Stuttgart main station, and the connection of the airport and trade fair. Also service and operating hours have been constantly improved, making the system one of Germany's most reliable. Used by more than 350,000 passengers per day, the S-Bahn (light railway) is the backbone of regional development and also serves suburban and even rural areas.

Like any other infrastructure, open spaces as "**green infrastructure**" have to be developed actively. The plan is to create a regional landscape park to improve the overall quality of the region as a place to live. Two elements are used to implement this model:

- In conjunction with the local stakeholders, specific "master plans" have been set up for several landscape units (e.g. valleys, agricultural areas). These plans deliver a broad spectrum of concrete suggestions on how to improve access and the value of open spaces.

- To make these ideas come to life, their implementation is co-funded annually with €1.5 million. In addition to that, regional development initiatives and projects co-funded by the EU or third parties are used to enhance that model. All in all about €5 million is invested each year for a significant improvement of open spaces.

Marketing and the promotion of **economic development** – normally carried out by towns and cities – are also provided on a regional level. With 179 municipalities represented, this means that the portfolio of real estate and tourist destinations is much more attractive and visible in an international market. Operating capacities are also increased as a result. A team of approximately 50 employees allows substantial measures to promote Stuttgart Region as a successful business location.

These activities include international trade show presentations, the operation of an EU-relations office in Brussels and advanced services for companies in the region (e.g. cluster management, funding and support of R&D activities). Fostering local industries is important to keep them in place: new jobs are most often created by companies already in situ.

All of the aforementioned aspects are more or less technical – they do not affect people directly. This is why most inhabitants will declare their town of residence – not the region – to be their home (unless they are on vacations far away). Nevertheless, the region is well presented in civil society: several institutions (e.g. the chamber of commerce and the churches) have defined their area of operation along the region's boundaries, and the media, especially newspapers and radio stations, have a corresponding focus. The region might not have found its way into the hearts of the people, but it has at least made it into their heads.

The Verband has been established to improve the competitiveness of the region as a location for investment and living. The model has proved to be suitable under past conditions, but one improvement is strongly demanded by the Regional Assembly: the provision of an independent financial source, like a fixed share of an existing tax, instead of the levy.

Nevertheless, in administrative terms, Stuttgart Region is well prepared for future challenges like demographic development, globalization and climate change. It represents one approach to organizing co-operation above the level of the municipality – a co-operation that is an important precondition for sustainable development.

Chapter 2
Manchester's Bust Regime?
Alan Harding, Michael Harloe and James Rees

Business as usual?

Critical analysis of the political economy of Manchester, including key pieces in this journal[2] (Peck and Tickell, 1995; Quilley, 2000), has tended towards resolute scepticism about the city's 'renaissance' even as it has increasingly been celebrated by national and international policy communities and lay commentators. In one sense, the doubters' judgements proved premature. Manchester and the broader city-region within which it sits experienced a remarkable economic turnaround in the 20 years leading up to the current crisis, at least by UK standards beyond the dominant 'London super-region'. Despite shedding 186,000 manufacturing jobs between 1981 and 2006—more than half of the residual manufacturing base of the world's 'First Industrial City' (Hall, 1998) and its hinterland—the Manchester city-region experienced a net gain of 187,000 jobs in the same period (an 11.3% increase), with particularly strong growth in the central employment core of the conurbation in financial and business services, ICT sectors, creative and media industries, life sciences, and public provision of health and education services (MIER, 2009a).

Many of the arguments commonly made at the turn of the century, to the effect that the economic transformation of the Manchester city-region remained partial, geographically and socially (e.g. Peck and Ward, 2002), nonetheless remain valid. The 'Manchester miracle' indisputably helped produce a 'two-speed Manchester' in at least two senses. On the one hand, there is a contrast between the north and south of the city-region, based on differential experiences of economic restructuring. On the other, there are marked differences, based on variations in educational attainments and skills and access to labour and housing markets, between the life chances and experiences of residents in the city-region's more desirable inner and outer suburbs, who have benefited most from structural economic change, and those, disproportionately concentrated in the inner metropolitan area's poorer quality residential areas, who have gained least (MIER, 2009b).

If questions remain about how 'complete' and equitable the economic transformation of the Manchester city-region was during 15 years of unprecedented national economic growth, though, there has been a measure of agreement, between

[2] The International Journal of Urban and Regional Research, in which this paper first appeared.

critics and city 'boosters' alike (*cf.* e.g. Peck and Ward, 2002 and King, 2006) that the city — and, increasingly, the wider city-region — has been characterized by the sort of 'structured coherence' that David Harvey (1989: 139–55) identified as being important to place based economic innovation and growth. The recession and its after-effects present a stern test of Manchester's carefully nurtured city-regional 'regime'. One key question is whether the dramatic unwinding of a national economic boom that all major political parties now accept was narrowly based and unsustainable has destroyed the preconditions upon which city-regional renaissance, however partial and uneven, was built. A second, equally important, question is whether the fall-out that will result from UK government attempts to manage the financial crisis and secure the basis for a sustainable future economic upturn is likely to result in the continuation, collapse or recalibration of the particular forms of 'structured coherence' that were built up in and for Greater Manchester primarily during a long period of economic growth.

At the time of writing, there is too much uncertainty to provide definitive answers to these questions, but the remainder of this essay presents some provisional judgements on the basis of analysis of the recent past and educated guesses about the medium-term future. This is attempted in three further sections. The following section provides a summary of 'the Manchester miracle' which, we argue, is linked substantially to the evolution, coherence and influence of Manchester governance arrangements and styles. The subsequent section briefly examines the impact of the economic downturn thus far, and the challenges that are likely to emerge through the second phase of the crisis as the UK's new coalition government attempts to address the structural deficit in public finances to which it has given rise. The latter part of the essay speculates, on the basis of what is known about the policy agenda of the new government, upon potential futures for uniquely Mancunian forms of city-regional governance.

The Manchester miracle

At one level, Manchester's pre-crisis renaissance can be seen as fortunate in three key respects. First, despite the city's industrial decline over the course of the twentieth century — initially in a relative, but ultimately in an absolute, sense — it retained a concentration of key assets that underpinned its longstanding role as the most important service centre in the north of England (during its industrial heyday, Manchester was home to the Cotton Exchange as well as cotton mills). Particularly crucial to the pre-crash recovery were the city's municipally owned international airport, the high level of connectivity it derives from its nodal status within key public and private transport infrastructure routes, and the dense concentration of both public and private services in the city. Second, these residual advantages grew in importance as the longest recorded period of consistent economic growth in UK history, along with the strong metropolitan locational preferences of key knowledge-based sectors (Rees and Harding, 2010), encouraged unprecedented private service sector expansion. Third, sustained national economic growth enabled much increased investment in public services, especially during the early years of the current century, which was especially favourable to cities like Manchester that serve key high-level regional public service functions in health, education and public administration.

These three factors were important in sustaining a level of wealth creation and employment growth in Manchester and the broader city-region that bore comparison, during the boom years, with that experienced in London and the southeast of the country. In the 25 years that preceded the onset of the current economic crisis, continued decline in manufacturing within the city-region, in which employment more than halved, was more than offset by growth in private, white-collar service employment, which doubled in size, significant expansion in public sector employment (up by a third) and job growth of more than 20% in transport and communications, distribution, hotels and restaurants (MIER, 2009a). Manchester became increasingly attractive to inward investment — in the growing knowledge-based service sectors, in the retailing and leisure services that serve a growing cadre of affluent workers, in the office and residential property markets, as well as in a growing market for culture and tourism.

By 2008, the highest-grade office space in Manchester's urban core was the most expensive outside London, and office rents were growing faster than anywhere in the UK except London's Canary Wharf. New house-building in Manchester towards the end of the boom years was faster than in any other major English city, and 50% higher than the national level (Parkinson, 2009: 27). After decades of decline and stagnation, the core city's population began to grow once more from 2000, especially in a revitalized urban core, and was expected to continue rising, driven in the short term by strong national and international immigration, and in the longer term by the increased birth rates to which this younger migrant population was predicted to give rise.

Manchester's growing international reputation as a city that successfully overcame the legacy of its industrial past, as reflected in its rise within various city ranking exercises (see e.g. Cushman and Wakefield, 2008), was clearly built on real substance. The Manchester miracle, however was achieved with comparatively modest levels of productivity growth (MIER, 2009a). This was partly due to the city-region's sectoral composition, and partly to the fact that it lacks the highest level ‘command and control’ elements of the key sectors it contains. However, it also reflects the uneven way in which the benefits of the boom years were distributed within the city and the city-region, geographically and between different social and occupational groups.

On the one hand a stark, if relatively crude, distinction can be made between the southern and northern halves of the city-region (Rees and Harding, 2010). The south contains the commercial centre, higher level public service functions (including three major universities), the airport and the majority of high-status residential areas that have the strongest labour market connections with the job-rich conurbation core. It accounted for all the net employment growth in the city-region over the two and a half decades that preceded the crisis. The north, by contrast, primarily comprises a collection of formerly independent townships that have increasingly been bound into the conurbation physically, but on the whole are less well-connected economically and continue to struggle with the transition from a relatively low-value manufacturing economy to one dominated by higher value knowledge-based industries and the personal and consumer services that provide for their workforces. Here, decline in manufacturing was barely balanced by growth in lower status public and private services.

On the other hand, many Manchester residents derived only limited benefits from the economic boom that took shape around them. The rapid proliferation of new speculative city-centre apartments notwithstanding, the comparative unattractiveness of much of the city’s public and private rented housing stock meant that many of the fruits of economic success were (and are) consumed in outlying suburban areas. By contrast, much of the northern and eastern part of Manchester, along with other inner areas of the conurbation and the poorer quality residential areas of peripheral townships, continued to be characterized by high levels of deprivation and a concentration of household characteristics — poor physical and mental health, worklessness, low aspirations and poor educational attainment — on which even 15 years of economic growth and urban renaissance had only a modest impact (MIER, 2009b). Both of these socio-economic fault lines, within the city-region and the city itself, have influenced degrees of resilience to recession.

A benign economic climate from the early 1990s onwards clearly provided a supportive context for Greater Manchester’s uneven renaissance, both directly (in improving the prospects for private investment and business profitability) and indirectly (in enlarging the scope for public sector capital and revenue spending). It would be a mistake, however, to conclude that the pattern of pre-crisis economic development outlined above was entirely driven by generalized market factors. In fact, as Manchester's strong economic performance relative to other provincial UK cities suggests, it owed much to more localized factors, and particularly the way in which the city was able to deploy limited municipal physical and human assets to good economic and coalition-building advantages.

A slow but steady revolution in the processes and orientations of urban and urban regional governance, which began in advance of the last economic upturn, produced significant political and economic effects. The political and executive leadership of Manchester City Council — which has remained remarkably stable for 25 years — moved from a position in the mid-1980s of entrenched opposition to national government strategy that bordered on illegality and insurrection, to one whereby the city-region has developed a clearly articulated framework for the governance of economic development, transport, housing and planning (Rees and Harding, 2010) and an extended 'family' of Greater Manchester institutions to support its realization. This in turn helped position Manchester in the vanguard of an incipient movement towards devolved city-regional governance arrangements and vertically integrated activity on economic development and related issues between national and local government. Underlying this symbolic transformation was the city's consistent success in drawing discretionary public funding and private investment into a huge range of infrastructural, physical development and regeneration schemes which helped improve Manchester's 'offer' to consumers, visitors, workers, investors and users across a broad range of fronts including sports, leisure, cultural, commercial, entertainment and retail facilities, visitor attractions, public transport infrastructure, city-centre housing, neighbourhood renewal and the relocation of public services.

The construction of a 'Manchester regime' (for alternative interpretations, contrast Tickell and Peck, 1996 with Harding, 2000) which forged increasingly strong connections vertically to higher levels of government and governance, and horizontally across the local authorities of Greater Manchester and to other public service delivery organizations and city-regional business communities, can be seen as proceeding in four sequential and interrelated stages. The first three are familiar from established academic literatures and require little elaboration. During the first phase, from the mid-1970s to the late 1980s, Greater Manchester, along with the five other largest provincial urban areas in England, had a short-lived, directly elected, strategic metropolitan council (1974–86) for the only time in its history. When 'the mets' were abolished by the second Thatcher government, at the height of a central–local government relations crisis, a degree of continuing cooperation between Greater Manchester's ten constituent districts was established through various joint-service arrangements, loosely coordinated by an overarching body that was to be of growing significance, the Association of Greater Manchester Authorities (AGMA). In the short term, however, the effect of abolition was to fragment metropolitan decision-making and intensify conflict between national government and key Labour-controlled urban councils, including Manchester (Boddy and Fudge, 1984; Gyford, 1985).

In the second phase of development, from the late 1980s to the mid-1990s, institutional capacity at the metropolitan scale remained fragmented and relatively weak but the potential for increased collaboration grew, largely as a result of Manchester City Council's much-discussed 'entrepreneurial turn' (again, contrast Peck, 1995 and Cochrane et al., 1996 with Harding *et al*., 2004). As a result of a striking political *volte face*, the city leadership began to achieve increasing success in constructing a loose development coalition with national government and nondepartmental public bodies, based on access to competitively allocated and discretionary public investment and joint activity, and with the private sector, based on risk sharing. Many of the development projects that were pursued in this period were entirely Manchester-focused but some — including the expansion and upgrading of the jointly owned airport, the completion of the city's orbital motorway and the development of the UK's first modern metropolitan tram system — involved collaboration with other local authorities across Greater Manchester.

As the inward flow of investment into the city-regional economy and its built environment began to grow with the economic upturn in the mid-1990s onwards, the growing attractiveness of the city to visitors and business provided the platform for a third phase of institutional development (Hebbert and Deas, 2000). Triggered by the dissolution of two Urban Development Corporations in Greater Manchester that had been designated at a time when central–local government relations were at a low ebb, two new metropolitan agencies were established: one (MIDAS) set up to attract and coordinate inward investment (initially covering the three authorities whose boundaries take in areas of the main metropolitan employment centre but later extended across all ten authority areas); the other (Marketing Manchester) created with support from all ten authorities, the airport and the private sector, to continue tourism and visitor promotion work originally linked to Manchester's unsuccessful bid to host the Olympic Games. A tentative government initiative to align nationally supported urban economic development and regeneration initiatives more effectively — 'City Pride' — also produced a joint-authority, albeit Manchester-focused, response (Williams, 1998).

In the most recent phase, from the turn of the century, the financial and executive strength of city-regional institutions grew to a level that was greater than in any other

UK city except London, where metropolitan governance was recreated by selective national legislation in 1999. This phase witnessed a higher level of institutionalization and a more thoroughgoing attempt to develop an overarching strategy for the metropolitan area, in which a more sophisticated understanding of the growing significance of agglomeration to patterns of urban growth and regeneration was central. It ran in parallel with and was increasingly linked to a substantial, if tentative, reorientation of national policy towards spatial development and governance under the Labour governments of 1997–2010. Initially, the Blair administrations adopted a predominantly regional approach, by setting up non-elected Regional Development Agencies (RDAs) in the first instance, but this gave way over time to greater encouragement for the development of sub-regional and city-regional capacity in economic development and related fields.

Even when support for a new regionalism was at its height, it was recognized that RDAs, tasked with producing and coordinating the delivery of regional economic strategies, needed to work with groups of local authorities, organized on sub- and city-regional bases, across very diverse regional territories. This led, in Manchester's case, to the establishment of a further city-regional body, Manchester Enterprises, that became an agent for the delivery of the regional strategy in Greater Manchester and acted as the strategic development body for the metropolis. By the middle of the decade, Manchester was a leading member of the Core Cities group of local authorities covering the larger provincial cities which sought to develop a leadership role in subnational economic development and regeneration. This led in 2005–06 to new City Regional Development and Business plans.

Greater Manchester became progressively more assertive in its attempts to shape national policies. It lobbied intensively to create the conditions (favourable to Manchester) for a national policy that would facilitate institutional development at the city-regional scale and the further devolution of functions and powers. Manchester's political elite had close links with government ministers, and its proven ability to deliver large-scale projects increased its credibility and influence.

Once the government's 'new regionalism' began to run out of steam, following the decisive rejection of an option to create a weak form of elected regional government by the people of northeast England in a 2004 referendum, Manchester moved from responding reactively to national policy initiatives to anticipating and aiming to shape them. In 2007, the year in which government published its revised approach to subnational development, plans were developed to establish seven Greater Manchester wide functional commissions (covering economic development, transport, housing and planning, environment, health, improvement and efficiency, and public protection) and a Business Leadership Council in advance of discussions with government about establishing a 'Multi Area Agreement' (MAA), the principal mechanism through which it was anticipated that key subnational policies and funding would be aligned more effectively. By 2009, in a further step along the road to subnational capacity-building and policy integration, the government announced the establishment of two 'pilot city regions' one of which was Greater Manchester. The city-region's case for designation was strengthened by the results of a high-profile independent economic review (MIER, 2009c) that was commissioned to analyse the economic performance and prospects of the city-region, and whose policy recommendations influenced a further round of institutional reform designed to enhance delivery capacity through the seven joint-authority commissions.

At the heart of Manchester's most recent moves towards more robust and autonomous city-regional governance has been a process of internal capacity development, reform of governance and ongoing negotiation with central government. Taken together it became evident that changes needed to be made in the lead city-regional institution, AGMA, partly in response to continuing reluctance by government to devolve responsibilities to a city-regional-level body with only weak powers and authority. In 2008 a new constitution was agreed which allowed for delegation to the seven functional commissions, and established an executive board comprising the ten local authority political leaders as the primary accountable body for the city-region. This was not a new autonomous local authority, as the boroughs retained their sovereignty, but it was much more than the previous voluntary association.

In the last years of the Labour government, the picture continued to develop and change, with Greater Manchester seeking to obtain real devolution of powers to the city-regional level and, as the quid pro quo, continuing to enhance and make more robust its governance arrangements. Just before the election in 2010, Manchester agreed a series of priority actions with government which involved an enhanced role for the commissions, and further amended the AGMA constitution to enable majority voting on key strategic issues. Finally, there was a proposal to establish a 'combined authority' with control over transport, economic development and regeneration across the ten authorities, which was submitted shortly before the election.

Manchester's experience of recession

By comparison to some of the areas highlighted in other contributions to this debate, Greater Manchester's experience of the financial crisis and its aftermath has thus far been relatively undramatic. The diversified nature of the city-regional economy has meant, for example, that there are no obvious parallels to the sorts of instability that have been transferred to dominant large-scale employers and foreign-owned property companies in Eastern Germany through the difficulties faced by offshore parent companies. Neither has the sudden collapse of the property investment bubble had the same impact as it has in parts of Spain. The rise in local unemployment, whilst severe, is also modest compared to the worst-affected areas of the UK. Indeed, the rise in the unemployed claimant count between mid-2007, which marked the end of the boom period, and mid-2010 shows that the City of Manchester (+157%) has suffered slightly less than the UK average (+166%). Greater Manchester as a whole (+182%), however, has fared substantially worse. This reflects the different ways in which the crisis has affected particular economic sectors.

The unwinding of the city's economic growth period began to become apparent in the second half of 2008. It started, as elsewhere, with the collapse of over-inflated property markets and a rapid decline in construction activity. Going into 2009, however, the second-round effects of the global credit squeeze and falling demand began to be felt, as vulnerable manufacturers and consumer services whose sales were particularly sensitive to consumer demand and confidence began to face problems. The scale and pace of the downturn caught many analysts by surprise. The property consultancy Knight Frank (www.knightfrank/co.uk/commercial/research/romp/), for example, was reporting as late as the end of 2006 that offices rentals were continuing to rise rapidly and that demand was also at one of the highest levels nationally for speculatively built industrial property, especially for distribution facilities. Even in 2008, agents were talking up the continuing success of Manchester's property market. However, the first signs of change quickly became evident. As another leading property agent (Lambert Smith Hampton — www.lsh.co.uk) reported, demand for offices began to fall away in the final quarter of that year and overall were at lower levels than in 2007. They also suggested that few if any of the new schemes in the development pipeline would be started in the immediate future, deals were taking longer to conclude and that firms' expansion plans were being put on hold. Rents were now static and were expected to fall. Data from Knight Frank showed the start of this trend, with a reduction in prime rents of around 11% between the last quarter of 2008 and the first quarter of 2009 and flat for the rest of that year.

Retrenchment in the housing market was more dramatic. In 2008, house prices across Greater Manchester fell by 10%, and this fall was rapidly accelerating as prices fell by 8% in the last quarter alone. But the most rapid collapse was in the highly speculative apartment market, which included a significant proportion of properties that were built for letting and had been purchased by small-scale speculators (often high-income individuals working in Manchester's booming financial and business services economy). Here prices fell in the year by over 15% in the urban core and by up to 25–30% in some of the economically weaker northern parts of the conurbation. Again, much of this fall occurred in the second half of the year and especially in the last quarter. Moreover, there was a precipitate fall in sales volumes in the city-region as a whole during 2008. In this situation, mortgage foreclosures and forced sales soared, and the virtual cessation of lending by financial institutions and/or the imposition of very high deposits throttled such demand as still existed in the market.[3] Prices and sales continued to decline in 2009, and there was no sign of any turnaround in new building. Sales in the core city had by then fallen in excess of 75% from their peak in 2006–07.

Across the city, building sites fell silent as development activity slumped. Many smaller developers disappeared or went into insolvency, while others struggled to finish and sell projects that were too far advanced to curtail. Manchester's property boom had come to a standstill, with very little if any new activity expected for an indefinite future period. The commercial site where activity continued was at Salford Quays, where the BBC is relocating a significant proportion of its currently London-based production capacity in 2011, but elsewhere the picture was bleak. By the end of 2008, the wider consequences of all of this for the city's economy and its prospects were emerging. The local Chamber of Commerce, the largest in the UK with over 5,000 member companies, issued a downbeat survey of its members' view of the future for business in the city, reporting that manufacturing demand and business confidence in this sector had collapsed to the lowest levels since the survey began in 2003. Only a quarter of companies were working at full capacity, cash flow was worsening and staff reductions were beginning to accelerate.

This downturn was new. Up until this point, while indicators of employment and activity in the services sector were already declining, manufacturing had held up relatively well. Clearly the crisis was spreading out across the economy. The report also noted that the economic contraction was especially marked in the construction-related services sector, hardly surprising given what had happened to the property boom. By the end of 2009, there was some improvement in these indicators of business confidence from the record lows that they had reached the year before.[4]

[3] These data are derived from research produced by and for the Manchester Salford Housing Market Renewal Partnership (MSP), and draw on the personal experience of Michael Harloe as chair of MSP (www.manchestersalford.hmr.co.uk).

[4] It should be noted however that this is a self-completing survey by businesses in the Chamber of Commerce, not a representative survey. It is also notable that the number of respondents fell sharply between 2008 and 2009—a case of survival of the fittest and therefore the most optimistic?.

At first, local politicians attempted to explain the local rise in unemployment which became evident during 2008 as the consequence of the continuing decline of the older manufacturing economy, while referring to the still (apparently) dynamic and growing knowledge-based services sectors. Thus, Graham Stringer MP, the leader of Manchester City Council when the city made its 'entrepreneurial' turn in the late 1980s, argued that 'the replacement of traditional industrial jobs in Wigan, Bolton and Rochdale [all in the north of the city-region] and the like has been less successful than it has been in Manchester. Replacing those jobs with jobs in finance, the media and the wider "knowledge economy" has been more sustainable. The economy is stronger in Manchester than elsewhere in the North West but we still have residual pockets of deprivation' (*Manchester Evening News*, 21 October 2008).

To some extent, Stringer's comments proved perceptive in that the annual rate of growth in unemployment up to mid-2009 was indeed lower (at 1.8% in Manchester) than it was in some of the northern boroughs (where increases of up to 2.5% were recorded). Equally, however, the rate of increase in unemployment was marginally lower amongst the more affluent suburban areas in the south of the city-region than they were in the city itself. What these figures appear to demonstrate is that, far from being a recession that would be limited to financial services and the sectors that derived greatest benefit from the 'bubble' economy, it hit the more marginal consumer-facing businesses and vulnerable low-skilled workers hardest. Hence, the southern area of the Manchester city-region that benefited most from the boom years is proving marginally more resilient than the north, but those areas in which people with relatively little labour-market power live, including significant parts of the core city, were also badly hit.

By mid-2010, unemployment was falling somewhat and job vacancies rising. According to the Commission for the New Economy, business prospects were 'tentatively promising'. But despite this, it was noted that 'a high degree of pessimism and uncertainty persists'; the housing market remained extremely depressed with very little new activity, and a similar picture prevailed in office construction.

What emerges from this brief consideration of the evolution of the crisis is that the impacts upon Greater Manchester appear to follow a more general pattern in the global evolution of the economic downturn, whereby a crisis that began in the financial sector and led to severe constraints on investment quickly turned into a crisis of demand, with inevitable effects on global trade in manufactures in particular. Translated into the Greater Manchester context, this meant that the net impact on the private sector was felt immediately within the construction sector but quickly spread to manufacturing and subsequently, in a less acute form, to a variety of consumer services. The principal casualties thus far, therefore, have been the more vulnerable manufacturing industries whose products serve consumer (rather than public sector) markets and the most vulnerable workers in insecure sectors (construction and consumer services). The effect has been to widen the gap that had grown, in the boom period, between the northern and southern parts of Greater Manchester on the one hand, and areas occupied by those with least power in the labour market on the other.

Underlying this modest recovery has, of course, been the continuing level of public expenditure and investment, and the fiscal, monetary and other policies through which the Labour government responded to the economic crisis. Even before it left office, Labour began to cut this expenditure in light of the budget deficit that arose partly from its decision to bail out UK banks and partly from the shortfall in revenue and the hike in welfare costs caused by the recession. Whichever party won the national election in May 2010 had no choice but to deal with the deficit further if the country were to retain its credit rating with the financial markets. Following the accession to power of a Conservative–Liberal Democrat coalition government, a programme to wipe out the structural deficit over five years, funded 80% by spending cuts and 20% by increased taxation, was announced. It was further confirmed, as part of an emergency budget, that the spending review due in October would contain details of spending reductions that would average 25% over four years for all but two 'protected' government departments: Health (the biggest spender) and International Development (a relatively minor one). The rise in public spending and public employment that helped fuel pre-crisis growth is therefore set to go into reverse as a result of the severest austerity programme seen since the end of the second world war.

A bust regime or a regime for the bust?

There is no doubt that a combination of the continued effects of the financial crisis on liquidity and the capacity of firms and households to borrow, plus an impending round of public sector redundancies, will remove two of the key driving forces of the pre-crisis Manchester renaissance. It is also likely to induce pressure for the rationalization of the disparate institutional infrastructure that has been developed at the Greater Manchester scale. Overall, the short- to medium-term fallout from the economic crisis seems likely to threaten many of the preconditions upon which Manchester's diligently crafted brand of inter-governmental, inter-organizational and public–private entrepreneurialism and property-led economic development and regeneration was built during the boom years. There will be no swift return to the cheap credit that underpinned high levels of speculative development and property-based personal wealth acquisition.

Discretionary funding from central government to support the modernization of the urban asset base will be in short supply. The effects of sluggish growth and looming public expenditure cuts are likely to thin out the high-level labour market that helped fuel the city's consumption boom. And there must be a significant danger, in an era of tightly constrained public spending, that the pattern of worklessness that was generated by the UK's 1980s recession (with far-reaching social implications) will recur several decades on. These changes, already evident before the election of a new government in May 2010, have acute and potentially destabilizing implications for Manchester and for the sort of approaches that are adopted to the development of the city and city-region in radically changed circumstances.

The Manchester growth regime described in this essay was essentially grounded in the same ideology adopted by the Labour government from 1997 and lay at the heart of its urban policies—the belief that there was a virtuous circle connecting economic success and social inclusion. As one of us subsequently noted, these connections were at best not proven (Harloe, 2001). More recently, the Manchester Independent Economic Review (MIER, 2009b) highlighted the failure of these policies to link economic growth and social inclusion in a virtuous interaction in the way that local and national political leaders envisaged. Using official small-area data which measures social deprivation, the review showed that while most areas experienced an absolute improvement in conditions over time, the improvement was least marked in the most deprived areas.Work by the Centre for Cities (2009) similarly shows that of the 56 English cities reviewed, Manchester is the most unequal in terms of the gap between its least and most deprived areas.

As we have seen, part of the reason for this polarization is the uneven spatial distribution of housing classes across the city-region. The fact remains, though, that if polarization grew during a sustained period of economic growth when public spending was also growing, the gap in life chances can hardly be expected to shrink during a period in which national economic growth is likely to be low (even assuming it is positive) and public spending (should the coalition government targets be achieved) in steep decline. As noted in the last section, the other key 'fault line' in the pre-crisis economic success story, between the north and south of the city-region, has widened as a result of the downturn.

There appears to be every chance that these two challenges to the cohesion of the city-region will intensify as a result of planned policy change. On the one hand, the coalition government's intention to introduce greater stringency in welfare entitlements, to reduce the inflators applied to welfare benefits, to cap housing welfare payments, to rationalize programmes that aim to equip people with the confidence and skills to enter the labour market, and to encourage the voluntary delivery of these and other nonstatutory services are likely to depress the living standards of the poorest households still further. On the other hand, pursuit of the coalition's 'localism' agenda, and especially the intentions (1) to allow local authorities to retain at least some of the benefit of new commercial and residential development, (2) to abolish any form of strategic, cross-district strategic planning, and (3), paradoxically, to promise to freeze the money that authorities can raise from local property taxes at current levels for 1–2 years, are likely to lead to any new development being concentrated in those areas that are most attractive and least problematic to the market.

In this context, it will be difficult to sustain the vision implicit within the development of city-regional governing arrangements — that better integration and closer collaboration would help reduce internal city-regional disparities over the long term. In other ways, though, the coalition government's policy agenda is clearly supportive of inter-local authority collaboration and autonomy. The government's decision to abolish the regional agencies that were established or strengthened by its predecessor and to encourage the formation of new Local Enterprise Partnerships for 'natural economic areas' is, or could easily be made, consistent with the combined authority proposal that AGMA has already agreed to. Similarly, the suggestion that key infrastructure projects will in future be designated on the basis of the development potential they can release is consistent with the arguments that the AGMA authorities have made, for example with respect to public transport improvements.

The challenge for Manchester is therefore to refashion its development regime, and the vertical and horizontal elite linkages that sustained it, for the hard times to come. In one sense, Manchester retains distinct advantages in facing this challenge. The sheer scale of its achievements during the boom years mean that the city has increasingly been seen as a natural ally by national governments of different political colours in the delivery of mutually beneficial strands of their policy agenda. If the change of government does result, in practice, not in a return to fragmented localism but to a further commitment to decentralization and the development of cross-local authority capacity, Manchester is better placed than any other provincial city-region to adjust to change in the politico-administrative environment.

Whether it is similarly well-placed to manage the future development of the city and city-region in ways that are socially, environmentally and politically sustainable in an era of low growth and low investment, however, is a very different question.

The portents here are less promising, but there may be specific opportunities that are less related to issues of economic balance and social cohesion, and more to 'showstopping' issues such as climate change mitigation, public service reform and the co-production of services with voluntary and private sector partners. Further progress on such issues will require fresh thinking and engagement with a range of stakeholders that have not previously been central to the Manchester development coalition. If the evidence of the 1980s recession provides a guide, however, failure to build a place-shaping regime for the bust will result in the sort of fragmentation and dissensus that will ultimately serve no-one's interests.

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Section 2:
The planning dilemmas of south-east Wales

**We can do anything we want,
not everything we want.**

Gordon Campbell,
former Mayor of Vancouver

Chapter 3

A perspective on Cardiff

John Punter

Introduction

Cardiff is the key to the planning dilemmas of south-east Wales. Unlike all the other local authorities in the region it has failed to set out its strategy for urban development in an adopted development plan, both in the Unitary Development Plans that were required 1996-2006 or in the new style Local Development Plans that replaced them. Caerphilly, Rhondda Cynon Taff and Merthyr have all had their new Local Development Plans approved recently. Brecon Beacons National Park, Bridgend, Monmouthshire, Torfaen and Blaenau Gwent are all submitting their plans for approval during the winter of 2011-12, while Vale of Glamorgan and Newport will deposit draft plans for comment this autumn. Cardiff, for their part, have not even completed the first stage of this post 2006 plan making process, repeating their failures in 2003 when their long delayed plan was aborted because of the difficulty of incorporating new EU directives on environmental regulation within it. Now it will be at least October 2015 before any plan will be approved and the future pattern of development of the capital city resolved. In what is supposed to be a plan-led planning system Cardiff will simply not have produced a statutory plan for nearly twenty years.

In February 2010 an Independent Planning Inspector appointed to review the City's new Local Development Plan expressed the view that the Council's Deposit Local Development Plan was likely to be declared unsound because it failed to ensure an adequate supply of housing and employment land (Planning Inspectorate, 2010). The Council's own planning officers had warned Councillors that this was likely to happen, but the Council chose to continue to pursue their strategy of concentrating virtually all new development on brownfield land south of the city centre and in the Bay, even though this would largely exclude the development of family housing. While the planners continued to work on the plan and consult the public through 2010-2011, on the very eve of the "Getting Ahead Together" conference the Council announced that they would not be finalising their new Preferred Strategy until the summer of 2012 (Cardiff Council, 2011b). Opposition members were quick to note that this was to avoid resolving where new development would go in suburban Cardiff until after the May 2012 elections.

These events were significant in themselves, the culmination of 14 years of political indecision and an abdication of local strategic planning. But they were accompanied by a consultants' report entitled *Strategic Planning for the Cardiff City Region* which the City Council had commissioned 'with the objective of initiating discussions with their fellow south-east Wales local authorities and the Welsh (Assembly) Government on the effectiveness of the present arrangements for strategic planning for the Cardiff city region' (Cardiff County Council, 2011c). This is a generally excellent report with important recommendations for strategic planning at the city region scale. But from the perspective of the strategic planning of Cardiff over the last two decades the report is a very effective smokescreen for Cardiff Council's repeated failures to meet its plan making obligations, and an attempt to place the blame on the national spatial planning system at large and the Welsh Government in particular. Even more disingenuously, leaders of Cardiff Council have seized on the evidence in the report of adjacent authorities' 'over-designation of housing and employment land in their new development plans' as reasons for not completing their plan when Cardiff itself was proposing to under-designate both!

The reality of the last 15 years of Cardiff's planning is that it has been forcing young and less affluent families to live out beyond the city's boundaries by steadily withdrawing greenfield development sites from potential plans. Meanwhile the development of small apartments has been encouraged at very high densities on the edge of the city centre and in the Bay in order to bolster the regeneration of the central city. This policy was nowhere stated though it was implicit in the 2009 Deposit Plan (Cardiff County Council, 2009). It has contributed significantly to the high flows of car commuting into the city (currently estimated at 80,000 daily) which constitute another major planning problem for the city, and of course the region.

The failure of Cardiff's development plans 2003 and 2009

Cardiff's own strategic planning failures began in the 1990s when very ambitious plans for central area growth were hatched and a 'boosterist' economic strategy began to take hold. A Development Plan was approved in 1996 after six years of deliberation over a draft, but it was vague about the nature of growth around the retail core and ultimately flexible about the future of 'business, industry and warehousing areas' on the northern edges of the old docks. While neighbourhood renewal and improvement of the city centre proceeded steadily, a wish-list of major development projects dominated the political agenda beginning with the Millennium Stadium, the International Sports Village, other new sports stadia delivered alongside the transformation of the heart of Cardiff Bay by the government funded Development Corporation. By 2007 the *Competitive Capital* economic strategy (Cardiff Council, 2007) was talking of the transition from a 'First Division City' (2007) to a 'UK

Premiership City' (by 2012) and an 'Internationally Competitive City' (by 2020) with another long list of projects of which the St David's Two Shopping Centre opening in 2009 was the most important. The boom in high density apartments driven by buy-to-let and buy-to-leave speculation provided an opportunity to intensify development around the core and in the Bay and created the illusion that the City could meet both its regeneration ambitions and its housing needs without disturbing the affluent suburbanites in the north of the city (as long as it ignored the demand for new family housing in the city (Punter, 2010)).

The 2001 draft of the Unitary Development Plan had shown 4,000 dwellings allocated between Lisvane and Pontprennau in the north east of the city and 1,000 new homes to the north of Fairwater (to be developed post 2011). This strategic plan recognised the inevitability of new suburban growth on greenfield sites to accommodate the new rates of household formation in the city, and it suggested the reopening of the railway from the existing Cityline at Fairwater out to Creigiau and on to Llantrisant to service it. It was also looking at linking Radyr and Coryton with a short rail line to connect with a park and ride facility at Junction 32 of the M4. By 2003 the Deposit version of the plan had removed the Fairwater extension plans and the rail proposals but retained the extensive Lisvane-Pontprennau scheme, but the plan foundered on new requirements to meet European Union environmental regulations and another six years elapsed during which local opposition hardened against any new suburban development on greenfield land (Harris, 2006: 87-92).

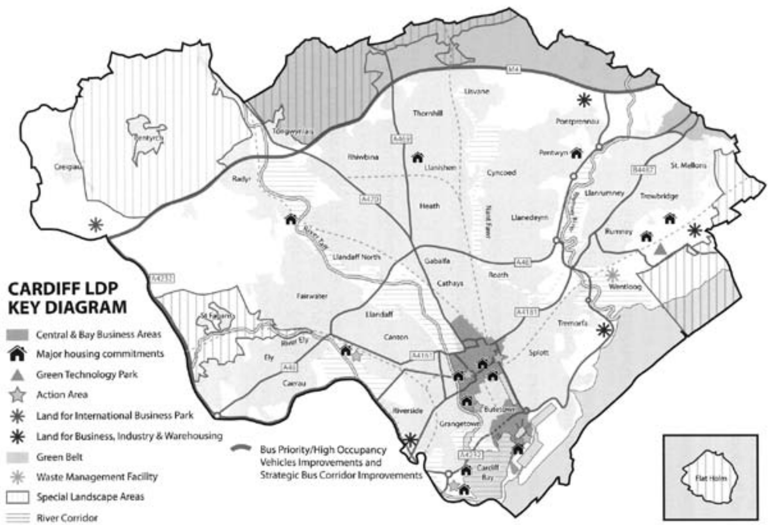
So when the 2009 Deposit Plan emerged all of these potentially positive investments in new communities and new rail infrastructure had disappeared to be replaced by a pattern of highly concentrated housing development on four sites on the southern edge of the city centre and three in the Bay. There were five suburban brownfield locations identified but these had been largely built out by the time of publication leaving only the ill-fated Ely Bridge (WAG sponsored) sustainable neighbourhood as a potential source of new family homes. The Council had rejected their planners' suggestions for a more 'balanced' supply of housing and the potential greenfield sites around Creigiau, Pontprennau, and Fairwater were now shown as 'white land', neither allocated for development nor protected from the same except by any stated constraints or designations. To the north of the M4 virtually all the land was designated as a statutory green belt or as a protected Special Landscape Area except on the western border north of the M4 where there was the key proposal for a Wales International Business Park at Junction 33. The latter was a Wales Spatial Plan idea and had the backing of both WAG and the City, but its 6,500 car parking spaces, and its failure to acknowledge the potential Fairwater-Creigiau rail line, suggested another major generator of car commuting.

So it was that in February 2010 the Planning Inspector's report warned the Council that

> ...the evidence does not support the contention that the brownfield only strategy will deliver the number of houses and the amount of employment land required. Nor will it deliver family or affordable homes or the range or type of employment land and premises required...
> (Planning Inspectorate, 2010).

It went on to argue that 87 per cent of the current supply of housing was small apartments while some 50 per cent should be family housing to meet local needs. It also noted that while the plan aimed to provide 10 per cent of its housing as affordable at least 16 per cent was needed, especially given that there were 9,756 households (mainly families) on social housing waiting lists. The failure of apartment projects in the boom years to sustain the level of provision of affordable housing during the 1980s and the 1990s emphasised the Inspectors' concerns. The Inspector also criticised the absence of a plan led approach to public transport and noted that three of the four major industrial sites were very constrained by flood risks.

Key Diagram



The public meeting where this report was aired revealed a startling ignorance among all Councillors about how the planning process operated and the critical importance of recognising demographic, economic and developmental realities in any plan for the city. The plan was subsequently abandoned and the search for a viable strategy began again. The Council's suggestion that the City might try to persuade adjacent local authorities to accommodate much of the required family housing was particularly outrageous since these authorities had been doing so for more than a decade. In fact the South-East Wales Spatial Planning Group had reached agreement on the number of households each local authority would accommodate: only Cardiff was failing to produce a viable plan to accommodate this growth.

The growth of 'Cardiff's suburbs' in the adjacent local authorities

Much of the new residential development in the east of the Vale of Glamorgan, and in the south of both Rhondda Cynon Taff and Caerphilly can be attributed directly to the lack of provision for family housing within Cardiff since the 1990s. In these three local authorities the percentages of working residents commuting to Cardiff were 32, 16 and 15 percent in 2001 and the percentages will have grown sharply since then (Cardiff Council, 2011c: 98). A glance at the pattern of suburban development outside the city's boundaries between 1998 and 2010, and the allocations of housing in the adjacent Local Development Plans, reveals large scale residential development at a radius of 8-12 miles from Cardiff city centre. In Rhondda Cynon Taff a major area of new suburban development between Llanharan and Church Village has now emerged with a new by-pass, significant out of town retailing and now a proposal for a major new retail 'town centre'. A transit line is mooted to link these settlements to the main Cardiff-Bridgend line at Pontyclun. Some 3,000 more homes are planned here up to 2021 (Rhondda Cynon Taff Council, 2011).

In Caerphilly 3,127 homes are planned, and a further 1,673 dwellings are planned in the Ystrad Mynach/Blackwood/Newbridge area. Some of these will be within a local bus ride of a rail station to allow a public transport commute. The reopened Ebbw Vale-Cardiff line has improved public transport accessibility in the Ebbw valley but here new housing designations are much smaller (Caerphilly County Borough Council, 2010). In the Heads of the Valleys the length of the rail commute (more or less an hour from Treherbert, Aberdare, Merthyr and Rhymney) are major discouragements to the use of public transport for commuting, but there are still significant allocations of land for housing that the Tym Report suggests are too generous for the limited demand (Cardiff County Council, 2011c: 55-71). Nonetheless, whatever happens as regards new housing in Cardiff itself, many people who work in the city will continue to locate in the Valleys to take advantage of lower house prices, family/community connections and countryside living. However, any sane planning strategy should be seeking to reduce the amount of car commuting and encouraging the use of public transport.

New problems with higher population projections and their implications

The problem for any local authority that fails to develop a plan quickly is that it will be overtaken by new population forecasts. So it was with the Cardiff Local Plan when WAG issued new population forecasts in 2010 for all local authorities based on the 2008 mid year population forecasts of the Office of National Statistics. This suggested that whereas the 2006 figures the City was working with (also WAG/ONS supplied) forecasted a population of 379,000 by 2026, the 2008 based estimates suggested a figure of 428,000. This could be translated into a need for 54,000 dwellings over the period 2006-26 as opposed to the now abandoned LDP's 27,442 dwellings 2006-21. The new estimates would have required 2,700 dwellings per annum, a 50 per cent increase over the original plan's estimates. The City have challenged these new figures and their consultants have argued convincingly that they are unreliable given the recent changes in economic conditions. They have suggested that more reliable estimates of additional population would be between 34,000 and 43,000 which translates as an annual dwelling need between 1,680 and 2,261 per annum (edgeanalytics, 2011: iii-iv).

Whatever the final agreed figures they will emphasise the need to accommodate high rates of housing production similar to those achieved between 2005 and 2008, but with a much better balanced supply of dwelling sizes. They also emphasise the need to offer a longer term development programme which can accommodate the necessary mix of tenures, affordabilities and house types and provide the necessary social, commercial, environmental and transport infrastructure to ensure that development meets both WAG requirements as regards energy efficiency, and the City's own carbon-lite agenda.

The irrefutable case for greenfield land release in Cardiff: the obvious sites
The case for greenfield releases in the Cardiff region seems irrefutable despite widespread resident opposition to such development and to sustained political arguments (repeated at the conference) that the city has no more space for development. The 2009 and 2011 exercises to establish candidate sites for residential (and employment) sites has revealed strong developer interest (and substantial public opposition) in those locations identified in the 2001-3 Unitary Development Plan as might be expected (Cardiff County Council, 2001).

Between Lisvane and Pontprennau a consortium of developers has proposed a complete scheme linking the two suburbs and the developed areas to the south. It preserves the two man-made Lisvane/Llanishen reservoirs and provides generous green corridors to protect and access the Nant Glandulas stream and its major tributaries, and to reduce noise transference from the M4. It includes conventional high streets, significant employment land and a new secondary school, but what it lacks is obvious fast bus routes to the rail stations at Thornhill/Lisvane and Llanishen. Large sites in the green belt to the north of the M4 and to the east of Pontprennau where there is high quality agricultural land and an attractive river valley should be rejected.

The second major site is Waterhall bordering the St Fagans green belt, Fairwater, Danescourt and Radyr. This is a site for a projected 3,500 homes, ideally the first phase of a major urban extension out to Creigau and on to Llantrisant. It has the potential of a rapid transit link (perhaps initially guided bus and later light/heavy rail) from the City Centre/Bay to all the expanded settlements between Church Village and Talbot Green. The plans show out-dated suburban neighbourhoods located off free-standing distributor roads, but they also reveal the areas of biodiversity and ecological value which need to be protected and linked as part of a green open space network (Nathaniel Lichfield & Partners, 2009).

This site, part of a much larger estate of the Earl of Plymouth who owns at least 80 per cent of the undeveloped 'white land' out to the M4, offers the potential for an exemplar sustainable urban extension to complement the attractive mature suburbs built on the eastern side of the River Taff. The principles of such a sustainable urban extension are well-established and are based on walkable neighbourhood centres that have a mix of denser housing and commercial and community uses, and significant employment space   linked by rapid transit to other neighbourhood centres and on to the city centre. A mix of housing will meet the needs of different types of households and income levels, and will have high levels of energy efficiency and access to renewable energy and allotments/community farms. Such neighbourhoods will have good access by bicycle and on foot to a network of green routes and open spaces. The latter should incorporate a range of landscape and biodiversity characteristics and natural drainage systems to encourage ecological health and public amenity.

Such urban extensions should be planned through a series of 'Enquiry by Design' workshops so that future residents and neighbouring communities can participate in the exercise and help shape their design. The Design Commission ran a participatory workshop on delivering sustainable neighbourhoods for senior officers at the Council in March of 2011 focused specifically on developing an 'inspiring and widely shared spatial vision for the future of the city' that could be enshrined in the LDP. It identified the need for better leadership, internal and external partnerships and better delivery mechanisms to take advantage of new opportunities like the Community Infrastructure Levy and Tax Increment Financing to ensure high quality infrastructure. It is the prospect of a large scale urban extension north-westwards towards Creigiau, served by a new regional public transit facility, that offers the best prospect of a development that can provide a new link to the Valleys, improving their accessibility while respecting the key environmental and landscape qualities of the city as a whole.

Cardiff must produce its own plans for balanced growth before it can lecture other local authorities on the city region

Cardiff has done the city region a service by commissioning the report on *Strategic Planning for the Cardiff City Region* which emphasises a range of possible improvements to current strategic planning practices, most notably a common evidence base and a firm infrastructure plan. But unless Cardiff develops a more balanced housing strategy that seeks to meet the needs of a much wider cross section of families, and in low carbon communities, then it will not be able to lead by example. It will not be able to point the way for future sustainable urban development for the region at large, as would be expected of any capital city.

Market conditions in Cardiff will be the most favourable in Wales for positive collaborations between private and social housebuilders and for the provision of low energy homes and high quality infrastructure. The city has stated its commitment to a 'carbon-lite' future for its citizens. Now it must lead by example by reducing its ecological footprint and developing new, well-designed sustainable urban extensions as well as much better designed and more liveable high density neighbourhoods in the central city and the Bay. The challenge is formidable given decades of denial of family housing needs, well-organised local opposition and a deep economic recession especially in housebuilding. But such times also provide the opportunity for more considered long term planning, and an opportunity to bring landowners, housebuilders and social housing providers into direct discussions with politicians, planners and citizens.

The ongoing debate is not just about environmental quality. It is about inter-generational equity and the need to create places for future generations to live in neighbourhoods accessible to city services. A recent report in the Observer newspaper noted that Cardiff was the city with the smallest proportion of first time buyers in the UK (17%), and this situation will seriously hinder both economic growth and community development if it is allowed to continue. It is certainly not the recipe for the sustainable, prosperous, inclusive city that recognises human potential that is promised in the Council's community strategy (Cardiff County Council, 2011a).

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Chapter 4
A Valleys perspective
Roger Tanner

Introduction
The official title of my slot at the IWA's "Getting Ahead Together" conference in November 2011 was "Solving the Planning Dilemmas of South-East Wales – The Valleys Perspective". 'Solving' the region's problems is a bit too much to ask of one or even two persons I think, but I attempted to **address** the planning dilemmas. As a Cardiffian working in the Valleys I offered *a* perspective on the region from the Valleys, but of course it is only one of many.

The main thrust of my argument is that, while I strongly support the idea of Cardiff as a powerful economic driver in the region, a more balanced view needs to be taken of south-east Wales as a whole, both in terms of the region's problems and its strengths. In particular the Valleys need to be seen as a potential asset to the region rather than just a 'dilemma'.

To this end I shall look at the following 'dilemmas' or issues and consider what the Valleys could contribute to the region's needs in respect of:

- Jobs
- Housing
- Quality of Life

I will also briefly touch on transport – a key issue but one dealt with in much more depth by others in this publication.

What sort of city-region is south-east Wales?
First, I think we need to question the underlying assumption that south-east Wales is a city region at all in the sense of a functional economic unit.

The conventional idea of a city region has the city at the heart of it, providing high level urban facilities such as universities, main hospitals, the headquarters of large national or even international companies and sometimes important government offices as well. Most of all it provides a concentration of relatively highly paid job opportunities for residents of a wider area then the city itself. In return, in a mutually beneficial relationship, outlying settlements provide attractive living spaces linked to the city by commuter routes that enable the city to attract the highly qualified and dynamic individuals that its economy needs but who want to live in a semi-rural environment.

The problem is, south-east Wales is quite unlike this 'ideal' model of a city-region in several key respects:

1. There are of course, *two* cities in south-east Wales, not one, and also a large number of other large urban centres. Beyond Newport there is also Bristol, which provides employment for large numbers of commuters from the southern half of Gwent. (A **Cities** Region perhaps?)

2. It's not just that there are two cities: there are a very large number of other urban centres in south-east Wales that play a prominent role in the region. If city regions are defined by functional relationships between employment centres and commuter flows then, according to 2001 data, we are faced with five Travel To Work Areas (TTWAs) in south-east Wales, plus part of a sixth. The Cardiff TTWA, though the largest, covers a relatively small part of the region.

3. At the core of the city region concept is commuter flows. Poorer workers have a lower propensity to commute than well-off employees with highly paid jobs in the city. In the classic model this imbalance is overcome to some degree through the less well off living in inner city areas a short commute or even walk from city centre jobs. In south-east Wales, however, the poorest people live in the Heads of the Valleys – furthest from the cities and therefore faced with the most expensive and longest commutes. No matter how good the transport links this will always limit the ability of Cardiff and Newport to address the employment needs of the Upper Valleys.

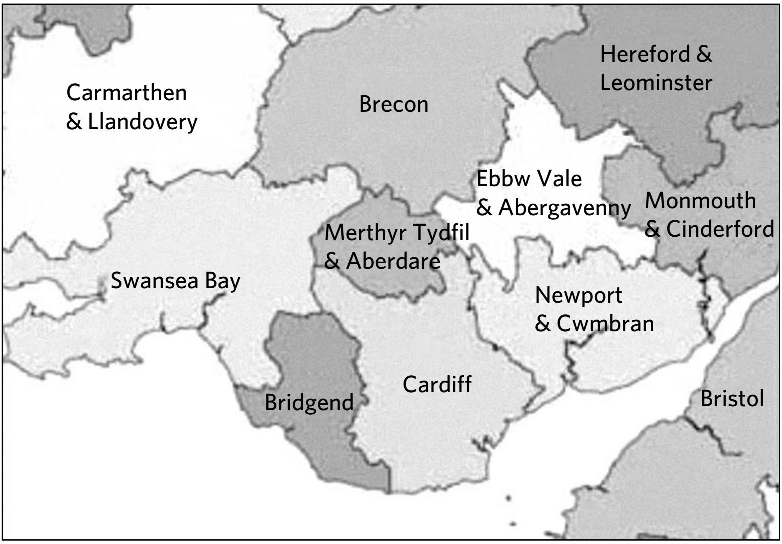
4. The transport links are, moreover, not good. Although significant improvements have been made in the rail network centred on Cardiff in recent years, traffic congestion in the city is a real and worsening constraint. Transportation links between the other key centres in the region are of variable quality and capacity.

5. Finally – and fundamentally – more than three-quarters of the population live outside the city. In this respect the region dominates the city not the other way around.

Jobs and commuting in south-east Wales

Let's look at the key commuting issue in more detail, starting with Travel To Work Areas (TTWAs) – defined as zones where residential and work place coincide for at least 66% and usually 75% of the working population.

TTWAs are getting larger and fewer in number. In 1991 there were nine TTWAs in south-east Wales. In 2001 the number of TTWAs had reduced to five and a half (the half being part of Monmouth and Cinderford TTWA) and the Cardiff TTWA had expanded to include substantial chunks of RCT and Caerphilly and even the southernmost tip of Merthyr Tydfil County Borough. A trend is therefore discernable but south-east Wales in 2001 was still far from being a single TTWA.



A fresh TTWA map relating to commuting patterns in 2011 is awaited but more up to date commuting information for Wales does exist in the form of 2009-based data (Statistical Bulletin SB 107/2010) which implies that Cardiff's TTWA will not have expanded much further in the intervening decade. In particular it demonstrates that the Heads of the Valleys area has relatively weak employment links to Cardiff, and for that matter Newport.

Workplace of Blaenau Gwent workforce 2009

Cardiff	1,100	4.3%
Newport	1,500	5.9%
Monmouthshire	2,700	10.7%
Other Valleys	4,200	16.6%
Other	2,500	9.9%
Blaenau Gwent	13,300	52.6%

Only 4.3% of Blaenau Gwent's workforce work in Cardiff and not many more (5.9%) in Newport. Blaenau Gwent is far more dependent on employment opportunities in Monmouthshire and other Valley authority areas (27%) than the coastal cities.

Workplace of Merthyr Tydfil workforce 2009

Cardiff	2,400	11.1%
RCT	1,800	8.3%
Caerphilly	1,100	5.1%
Carmarthenshire	700	3.2%
Other	1,600	7.4%
Merthyr Tydfil	14,100	65.0%

Merthyr Tydfil is largely self-sufficient in commuting terms, with 65% of its working population resident in that small county borough. (11% work in Cardiff.)

The Heads of the Valleys area is therefore much more dependent on jobs within the area and in adjacent local authority areas than it is on Cardiff and Newport. The cities are important, even here, for higher paid employment but overall the commuting data indicates that the interdependencies in south-east Wales are complex and is further evidence of a functionally polycentric region. It also indicates the importance of transport links across the Valleys as well as links to the coastal cities.

Jobs growth in the Boom Years 2001-2008

The popular view of the relationship between the sub-regions of south-east Wales is perhaps still stuck in the history of the late 20th Century. This was a time of remorseless decline in the coal and steel industries in the Valleys that contrasted vividly with the new manufacturing centres springing up along the M4 motorway corridor on the coastal belt.

In the 21st Century we have only experienced one decade but quite different trends emerged in the 'Noughties'. For one, as the service sector, including higher education, rapidly expanded, Cardiff's ability to create jobs was truly astonishing, with a net gain of nearly 23,000 jobs between 2001 and 2008[5]. What was perhaps even more surprising though was that the net gain of jobs in the Valleys during this period (8,400) was substantially greater than the net gain of 5,100 in the M4 corridor outside Cardiff (crudely defined as Monmouthshire, Newport, the Vale and Bridgend). For while the great manufacturing plants in the M4 corridor like LG, Sony and Bosch fell victim to more competitive Far Eastern and Eastern European locations, in the Valleys, slowly but surely, a new economy was emerging of small and medium sized enterprises encouragingly not dependent on any one particular sector.

Retailing – 'We don't all shop at St David's 2'

What this begins to hint at is that south-east Wales is a bit more complicated than the classic city-region described earlier. If there is doubt over the trend to increased dependence by the Valleys on the coastal cities for employment then there is even firmer evidence to suggest that such a trend does not always apply to shopping behaviour.

Caerphilly County Borough Council and its predecessors have been carrying out extensive surveys of shopping behaviour at roughly three year intervals since 1994, the latest being in 2010. Comparison of where people mainly shopped for comparison goods (clothes, shoes, TV sets etc) in 1994 and 2010 throws up some interesting findings. In the Upper Rhymney Valley (Bargoed, Rhymney) the proportion mainly shopping in Cardiff *decreased* in this period from 34% to 21%. In the Mid Rhymney Valley it decreased even more dramatically from 54% to 32% and in the Caerphilly Basin from 63% to 44%. The beneficiaries of this trend were the stronger local centres – Merthyr Tydfil in the north, Blackwood in the mid-Valleys and Caerphilly itself in the south.

By contrast, Cardiff's share of comparison shoppers in the Eastern half of Caerphilly County Borough increased in this period but at the expense of Newport, perhaps partly as a result of the new train service in the Ebbw Valley that runs to Cardiff but not (yet) to Newport. Newport's decline as a shopping centre has been precipitate, with only 39% of people living in the Risca area shopping there in 2010 compared to

[5] SEWEF 2011 Employment Land Assessment prepared by Harmers Ltd; table 6.1 p.22 drawn from StatsWales data

73% in 1994. As with the Rhymney Valley, strong local centres have also benefitted, with Cwmbran and Blackwood in particular muscling in on Newport's catchment area.

What seems to have happened is that, as a result of relatively modest enhancements of the shopping offer in some of the larger centres in the Valleys (Merthyr, Blackwood, Caerphilly and Cwmbran) households on a tight budget can fulfil their basic needs for clothing and other comparison goods locally. If it's designer clothes you want (and can afford) though, then Cardiff city centre is the place to go. There is no point, however, in an expensive journey down to Cardiff to buy a cheap pair of jeans if you can get them in your local centre. Significantly, centres that have not benefitted from new retail developments over recent decades, such as Pontypridd and Ebbw Vale and in particular Newport, have continued to lose market share.

What this shows, apart from the danger of writing off the Valleys' contribution to the region's economy and quality of life, is the effect that investment in new retailing and transport infrastructure can have on the relationships between communities in the region.

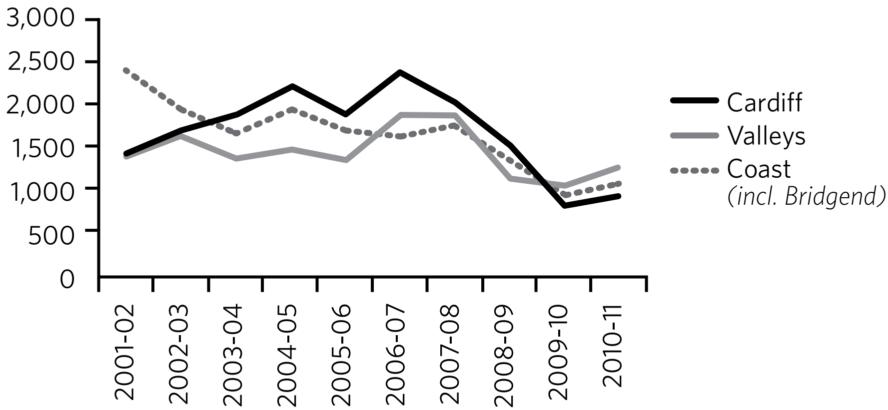
How can we get all those houses in Cardiff?

Currently perhaps the most prominent debate driving the city-region agenda is "How is Cardiff going to accommodate a 42% increase in population by 2033?" At first sight this is indeed a challenge. Cardiff Council's consultations on strategic options for its Local Development Plan would seem to indicate that even if every 'candidate site' put forward for housing development were developed there still would not be enough land to meet the projected demand. This has prompted a call for the rest of the region to take some of the projected growth.

At a basic level the call is a sound one. Cardiff's connections with the rest of south-east Wales demand that its LDP be considered in the context of the region as a whole. Unfortunately Welsh planning law does not allow for such a sensible approach and the Wales Spatial Plan as currently written does not measure up to the task.

At a detailed level the call is a false alarm. The ten local planning authorities in south-east Wales remarkably managed to obtain agreement amongst themselves over the apportionment of new housing provision across the region, but this was compromised almost immediately by the publication of population and household projections for individual local authority areas based on projections of the 2001-2006 period. The 2006-based projections suggested Cardiff's population would be 360,000 in 15 years' time – rapid growth from the current 330,000 but nevertheless the same proportion of the region's population (23%) as now. Only two years later, however, 2008-based projections were published showing a massive projected rise in Cardiff's population to 410,000, while the rest of the region would have fewer people than previously thought. The difference between the two projections, only two years apart, should tell you something about their reliability, but the fact that the 2008-based figures were a projection of a trend (2003-2008) that coincided with a never-to-be-repeated speculative apartment building boom in Cardiff conclusively demonstrates that they are not to be relied upon for planning future developments.

Housing completions in south-east Wales 2001-2008



A glance at housing completions over the past decade shows that the 2003-2008 period on which the latest projections were based was untypical even of that 'boom and bust' decade. In fact in recent years more houses have been built in the Valleys than have been built in Cardiff.

Looking at a more reliable long term (15 year) trend suggests that Cardiff will absorb around 28% of the region's population growth – more than its current proportion of 23% but nowhere near the 39% share that the 2008 projections suggest. The rest of the region could and should accommodate around 70-75% of the growth in population but it will not be on the scale of recent projections.

A more pressing and basic fact, however, is that while Cardiff currently contains 23% of the region's population it provides 32% of the region's jobs. Whilst this still means that two out of every three jobs are located elsewhere in the region, it definitely points to the need for regional planning to make sense of the jobs/housing/transport challenge facing the region. In particular the all important Cardiff Central Business District needs to be connected to the rest of the region by a fast and efficient public transport network.

What can the Valleys bring to the table?

Although the brief set for me was to discuss the 'dilemmas' facing the region, I much prefer to highlight the region's strengths and opportunities. Nowhere is this more needed than in consideration of the Valleys, where media coverage tends to highlight the negatives and ignore the positives.

As long as the Valleys in which nearly half of the region's population live are seen as an economic ball and chain on the south-east Wales economy, the region as a whole will never achieve the economic success it craves.

So what do the Valleys have to offer at the south-east Wales table of delights? I have already alluded to the slow but steady growth of a more diverse economic base in the Valleys themselves but the fact is, with 43% of the population, the Valleys only provide just over a third of the region's jobs (that's still more than Cardiff, mind). The Valleys can, however, provide the region with something different – a USP (Unique Selling Point in tourism jargon) in the form of the emerging Valleys Regional Park.

The Valleys Regional Park is not a park in the conventional sense of a large publicly owned recreational site. Nor is it an area of beautiful but privately owned countryside like the Brecon Beacons and other National Parks. It is a hybrid of the two, covering the whole area of the south Wales coalfield. Its recreational assets include over 150,000 acres of common land open to all, dozens of publically owned country parks, many of them on former colliery sites, hundreds of sites of historical or archaeological interest and, linking all these assets together, hundreds of miles of ridgeway footpaths and an emerging network of cyclepaths along former colliery railway routes.

Currently, a £17 million investment programme, supported by European structural funds, is being invested in the Valleys Regional Park to bring about this massive recreational resource. It is complemented by a £50 million investment programme in a dozen of the Valleys' most important town centres in the 'Valleys Renaissance' programme. Whatever else the current EU Convergence Programme may or may not achieve, the visual improvements to the Valleys – urban and rural – will be plain to see.

What are the opportunities?

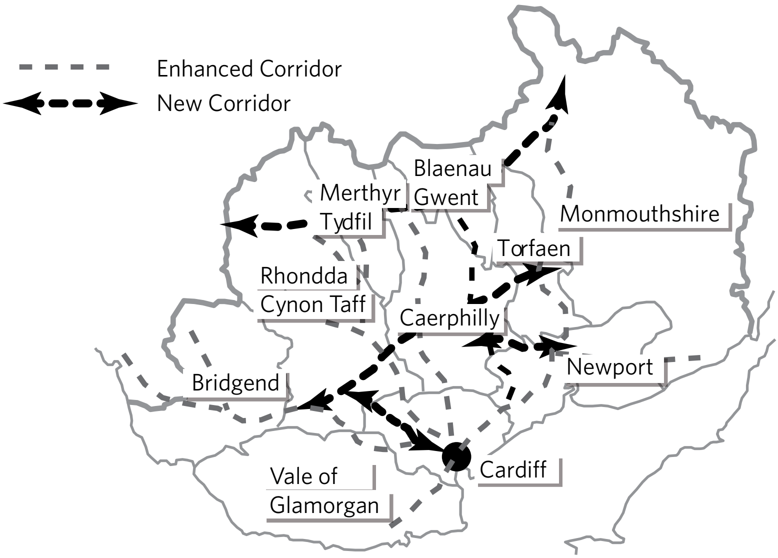
Rather than dwell on the dilemmas facing parts of the region then, let us take a more positive and 'whole region' perspective with an eye to future opportunities that may present themselves:

- A population of 1.4 million indicates the potential for a strong urban economic engine to drive the Welsh economy; the challenge is to make the region a functional economic entity, not just a geographical expression.

- The fact that this population is dispersed between many centres rather than concentrated in a single large city is, I would argue, an advantage rather then disadvantage. The mechanism for converting the area into a powerful functional economy is a comprehensive transportation system. This will require the provision of new or enhanced transport routes – a very expensive and disruptive project in a densely built up area (Crossrail in London is going to cost over £200 million per mile) but much less so where areas of open countryside lie between the destination points. It also makes for a better urban/rural environmental balance with big potential lifestyle pay offs.

- A particular opportunity opening up for the area where over 50% of the region's population live is the next round of European Union structural funds. There are indications that next time around funding for strategic infrastructure may be in the mix BUT ONLY IF YOU HAVE A PLAN. A regional strategic framework should therefore be top of our 'To Do' list.

What we need is a plan to bring out the best in the constituent parts of what I would describe as a 'Regional City'. Mark Barry's metro plan is a good starting point but it needs to be developed into a comprehensive framework to guide the region's development over the next couple of decades. To me that must mean planning for growth along sustainable transport corridors. This could be the basis of a broad regional framework so that Local Development Plans can focus on allocating sustainable development sites for employment, housing and key urban facilities along these corridors.



The area will probably have to be marketed as a 'City Region' simply because that is such a well established and popular concept, but it should be *planned* as a Regional City with many interconnected centres.

Despite the current gloomy economic environment let's look positively at a future for the region in which **all** of the component parts of the region can have a positive part to play:

- Cardiff – 'jobs factory' in the CBD and high profile national and regional facilities.
- Newport/Cwmbran, Bridgend, Merthyr, Abergavenny – job creating hubs of the region's other Travel to Work Areas.
- The glorious sandy beaches of the Vale of Glamorgan and Bridgend coast.
- The Valleys Regional Park – accessible countryside with urban facilities not far away.
- Attractive rural commuter villages in Monmouthshire and the Vale joined by an increasing number of villages and market towns in the Valleys with rapid transport links to key centres in the region.

City. Sand. Scenery. It almost sounds like California! (Alright – with less sunshine perhaps, but also fewer earthquakes). All in all a great place to live, work and play then.

The region's future economic success will not depend on Enterprise Zones or 'International' business parks, or any of the other fashionable economic fixes that regularly pop up everywhere, but in its inherent unique strengths and potential to provide a high quality of life. This is a region with a great future if all its component parts can be linked together in a sustainable plan to maximise their potential.

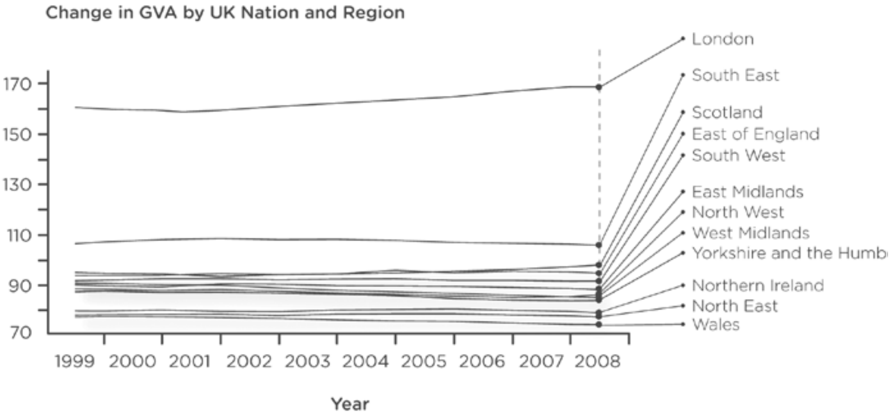
- The views contained in Roger Tanner's article are entirely his own and not necessarily those of his employers, Caerphilly County Borough Council.

Section 3:
Policy opportunities and challenges

Mindset is very important. You need to think about the next 20 years, not the last 20 years.

Gordon Campbell,
former Mayor of Vancouver

Chapter 5
A south Wales metro
Mark Barry



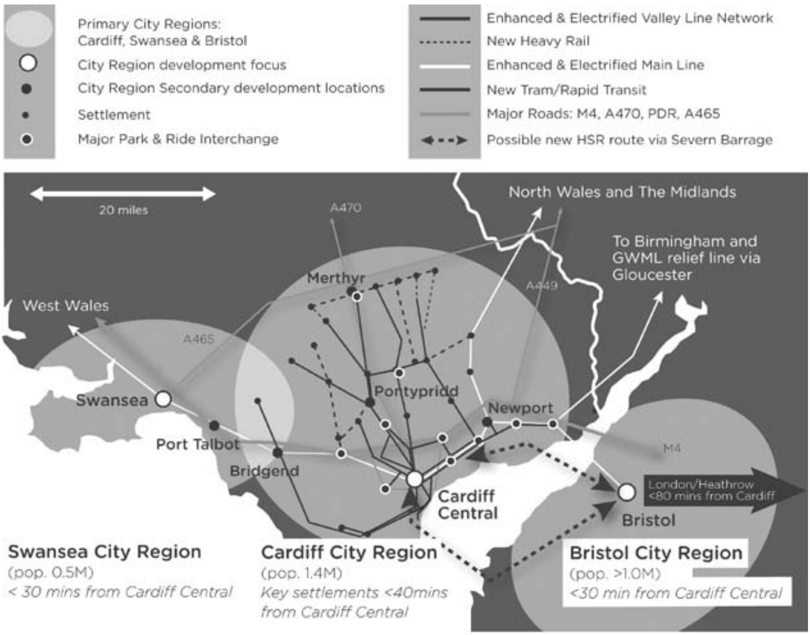
Context
In any discussion of what transport, regeneration and political structures, we may need in future, the priority consideration must be the economy. In south-east Wales this is an urgent matter, as Wales' economic performance, over many years, has fallen behind every other country and region of the UK so that today it has:

- Lowest GVA per capita – especially in the Central Valleys which in 2008 was 58.4% of the UK average (ONS, 2009; WG, 2011)
- Lowest level of value generating business activities – R&D, exporting, corporate HQ (Huggins and Thompson 2010)
- Lowest levels of mergers & acquisitions activity – venture capital investment, listed companies, start-ups (BPEVCA, 2008)

The position for the Cardiff City Region as a whole (GVA/head 81.45% of the UK average in 2008) reflects a long-term decline in the region since the demise of the coal industry. This is in marked contrast to the City of Cardiff itself, which has GVA/head above the UK average (108% of UK average in 2008).

From a business perspective transport connectivity is crucial to economic performance – especially inter- and intra-regional public transport. For example, recent statements from Admiral Insurance (one of Wales' leading private sector companies) as regards public transport provide a stark warning:

- Admiral would not locate in Cardiff today with a travel time to London of more than 2 hours.
- Improved connectivity to Heathrow may be needed to maintain Cardiff HQ beyond 2020.
- As a Valleys employer, the provision of an effective Cardiff City Region public transit system is essential for the long-term success of its business.



Professor Michael Parkinson and Jay Karecha, of the European Institute for Urban Affairs explored Cardiff's relative connectivity in their 2006 report, *Cardiff – A Competitive European City?* This benchmarked Cardiff against other leading cities in the UK and Europe and considered the factors impinging on future competitiveness.

The report rated Cardiff 34 out of the 51 in terms of connectivity by rail and road, just above the EU average. This position is not commensurate with what is expected of a competitive international capital. The same report also concluded that Cardiff has even poorer accessibility by air, ranked 47 out of 51 EU cities in the recent EU Urban Audit. This position was also reflected in a recent Cushman and Wakefield Report (2008), in which Cardiff was ranked 12th of major UK cities in terms of ease of access to markets, 12th in terms of transport links to other cities and 10th in relation to international transport links.

It is clear that part of the solution to Wales' economic problems will include a major investment in transport connectivity. In fact, better transport could provide the catalyst for a long-term economic regeneration of the entire Cardiff City Region. It clearly is good news for Cardiff and Wales therefore, that the Great Western Main Line (GWML) electrification programme will extend to Cardiff and hopefully, in due course, to Swansea. However, perhaps more importantly, the Welsh Government, Department for Transport (DfT) and Network Rail are currently working together on a business case for Valley Lines Electrification (VLE). It is expected that the business case will justify electrification of the entire Valleys network, including routes to Ebbw Vale, Maesteg and the Vale of Glamorgan line and not just the Cardiff Valley routes to Merthyr, Rhymney, Aberdare, Treherbert and Barry Island, as Philip Hammond suggested in his statement to the Commons in March 2011.

Whatever the scope, the electrification of the valley lines will deliver immediate benefits. New and/or cascaded electric rolling stock are less costly to run and maintain, reducing operational costs by as much as 20%; the electrified network will provide faster, higher capacity and more frequent services thereby improving access across the region to employment opportunities in Cardiff. Electric rolling stock will also reduce the CO2 emissions associated with the current inefficient and life-expired diesel fleet. With a fair wind, this new network could be operating by 2018/19.

More importantly, the investment in VLE must be used as a catalyst for a more ambitious regional Metro that connects all the major settlements in the region with a high capacity, affordable, "turn up and go" urban metro.

The South Wales Metro – "SWM"

Using the electrified heavy rail network as a backbone, the SWM can be delivered incrementally through, for example:

- Heavy rail extensions to Ebbw Vale Town and services direct to Newport as well as Cardiff

- A valley circle line, created by reinstating the link between Ystrad Mynach and Quakers Yard using 5 km of an existing freight line and 3km of new line on/near an old alignment. This would link two of the region's major valleys and population centres with rail for the first time since Beeching. It would allow a circle service linking Cardiff Central, Pontypridd, Ystrad Mynach and Caerphilly, changing the dynamic of the region for the better.

- A spur directly into Cardiff Airport which could significantly extend the airport's natural catchment area, enabling direct services from places like

Swindon, Bath, Taunton, Bristol Temple Meads, Gloucester, etc., so helping it play a more prominent role in the economic regeneration of the wider region.

- Segregated, rapid bus and/or tram routes, similar to the new Cambridge guided busway perhaps; for example, linking Newbridge, Ystrad Mynach, Pontypridd and Llantrisant/Miskin. It is important that the Metro provides linkages across the Valleys and not just to Cardiff, to create a truly joined up city region – this is a weakness of the current valley rail network. Other routes should link Blackwood, Tredegar, Maerdy, etc. to the network.

- A tram/tram-train route between Chepstow/Severn Tunnel Junction and Cardiff Central with stops at Llanwern, Newport, Coedkernew, St Mellons, Rumney, Splott, etc. This would help connect a corridor currently poorly served by public transport and help to take some pressure off the M4. This scheme, though, would require the electrification of GWML relief lines as well as the main intercity lines between Severn Tunnel Junction and Cardiff.

- A line from Cardiff, via Creigiau, to Rhondda Cynon Taf. Such extensions will be essential to provide a commuting infrastructure to support any distribution of Cardiff's housing demand to neighbouring authorities whilst, at the same time, helping to resolve some of the city's LDP issues.

- New stations to serve centres of population, employment sites and public services currently poorly served by public transport. For example on the Rhymney line to serve Heath Hospital (at Wedal Rd/Roath Park), another stop on the Merthyr Line to serve Treforest Industrial Estate (Upper Boat).

- The use of tram-train on the city line with, in the longer term, on-street running in Cardiff City centre and down to Cardiff Bay (to help resolve the long standing connectivity issues between Cardiff City centre and the Bay) and perhaps, also in the longer term, a link between Coryton and Radyr to complete a "city circle".

- Fully integrated transport hubs where local bus services can seamlessly interface with rail/tram services as well as with local pedestrians and cyclists.

- High quality customer/passenger information and ticketing systems.

More importantly, the SWM can provide a catalyst for a major regeneration of the entire city region and help address its economic challenges, especially the high levels of economic inactivity in some of the upper Valleys and the low level of GVA per capita, which for the region as a whole is only approximately 81% of the UK average (ONS, 2009; Welsh Government, 2011).

This, though, will require partnership and collaboration across the region to address a number of strategic issues. In the first instance, planning needs to be undertaken on a region wide basis, especially housing which should be more evenly distributed across the region, instead of concentrating a projected population increase of over 100,000 to 2032 in the City of Cardiff itself [6]. Whilst this will lead to higher commuting, it does mean that money earned in Cardiff can be spent in the retail and service sector in those communities benefitting from better connection to the employment opportunities in the city of Cardiff itself. Critics of this approach should be mindful of the fact that currently a third of the region's 600,000 workforce work in Cardiff (Welsh Government, 2011) and that between 2001 and 2008 more than 60% of all new jobs created in the wider SE Wales region were created in Cardiff [7]. The proportion is even more for higher paid jobs. This has resulted in nearly 80,000 people commuting into Cardiff every day from neighbouring authorities, 20,000 from RCT alone.

Even after adjusting for difference in population, the net inward rail commuting into Manchester is about 50% more than in Cardiff, suggesting that as the city and region develop the levels of commuting will continue to increase (Network Rail, 2011). There are also striking similarities between south-east Wales and Greater Manchester. The core cities are both about 20% of the overall population – Cardiff is 340,000 of 1.4 million and Manchester 500,000 of 2.6 million[8] – and both regions are, to a large extent, polycentric with multiple centres supporting the core city (cf. Pontypridd and Merthyr with Bury and Altrincham). However, Manchester's economic development was assisted by its regional public transport system – heavy rail, tram and bus. After the demise of the GMC in the 1980s the development of this network was championed by the Greater Manchester Passenger Transport Authority – something lacking in south-east Wales.

Despite the preeminent role of Cardiff, we have to acknowledge the polycentric nature of the region and especially the role of towns in the mid Valleys in providing

[6] ONS/Welsh Government 2008-based population projections to 2033.

[7] Stats Wales/SEWEF 2011 Employment Land Assessment prepared by Harmers Ltd.

[8] ONS/Welsh Government 2010 Mid-Year Estimates.

employment to all the upper valley communities. It is important therefore, to see their role reflected in a strategic regional economic plan that provides for improved public transport links to all valley communities and especially cross-valley links, which will help increase the catchment area of these locations. Whilst we all respect the history of all the communities across the region, we must acknowledge that it is a small place - only 20 miles from Merthyr to Cardiff. By working together, for the benefit of the entire region, then all 1.4 million of us stand to benefit rather than being divided by geography, political history and local authority boundaries.

It is also clear that better transport does not guarantee a comprehensive utopian economic endgame; other issues such as skills and the quality of the urban environment, especially in those communities across the region that are, and will continue to be, net exporters of commuters need to be addressed. However, overall, better transport widens choice and accessibility and contributes to economic activity. Wales' leading businesses reinforce this message; connectivity matters, especially for their staff whose quality of life and productivity is influenced by their commuting experience.

Public policy and interventions outside transport also need to reflect the reality that the Metro presents. So, the Welsh Government and local authorities should direct the development of major public projects such as hospitals, schools, etc. to locations that are best served and accessed by the Metro network. For example, a New National Galley for Wales could be located in Pontypridd near the station, which is, after all, only about 20 minutes from Cardiff Central and ideally located for all the upper Valleys. Improved access to the upper Valleys may also encourage people further south to take more trips to experience the outdoors and take advantage of investments such as the Valleys Regional Park. Similarly, economic development must be located at places likely to create the most jobs and secure private sector support.

Aside from the South Wales Metro, we also need to ensure that the wider Cardiff City Region is better connected to London and Heathrow. Given that the HS2 high-speed rail network will result in every major city in England being closer to London than Cardiff, it essential that the GWML corridor is upgraded beyond the planned electrification so that journey times of less than 80 minutes to London and 90 minutes to Heathrow are possible from Cardiff Central. In parallel, enhanced connectivity between Cardiff, Bristol and Swansea must be delivered so that the economic potential of the wider Severnside region can be realised.

Clearly capital funds are restricted in the current economic climate but that should not prevent us planning for the long term – and the Metro is a long-term project.

Valley lines electrification can be delivered by 2018 with DfT funding likely to be approximately £300 million. The wider Metro programme will extend this infrastructure across the entire region in the period 2015-2030 with a further cost of perhaps £1.5 billion. This is only £100-150 million per year for 10-15 years. In contrast, the completion of the Heads of the Valleys road by 2020 will cost over £500 million, and the current Welsh Government transport budget is over £500 million per year (even before any additional contribution that may result from the devolution of powers and funding for rail infrastructure). In addition to direct Welsh Government spend, European funding, sensible borrowing, tax increment financing and perhaps road pricing should all be used to deliver the Metro. As a comparator, the £1 billion extension of the Manchester Metro has secured a loan of approximately £500 million from the European Investment Bank, and the councils of West Yorkshire recently announced plans to pool resources to create a £1 billion transport fund. Welsh tax payers will also be compelled to contribute approximately 5%, or £1.6 billion of the estimated £32 billion required to build HS2 in the period 2017-2032. The question for us in south-east Wales is therefore not “How much?”, but “Can we afford not to?”

In terms of Metro planning, a new regional body is needed to scope, develop and deliver a comprehensive regional transit system. This must not just be about engineering, route options and rolling stock. A comprehensive, long-term, commercially focussed transport led regeneration programme is required – not piecemeal incremental transport enhancements. This must all be progressed within the context of a shared and strategic vision for the region – a vision we must all help shape and deliver.

This approach will give the Valleys a new lease of life and help address the low levels of Gross Domestic Household income (GDHI) and economic inactivity. This, after all, is not just about infrastructure; it is about people, their aspirations and the opportunities, services and facilities available to them. The South Wales Metro is a once in a generation opportunity to reverse a long-term decline in the economic fortunes of the region and an opportunity we cannot afford to miss.

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Chapter 6

A green city region

Lee Waters

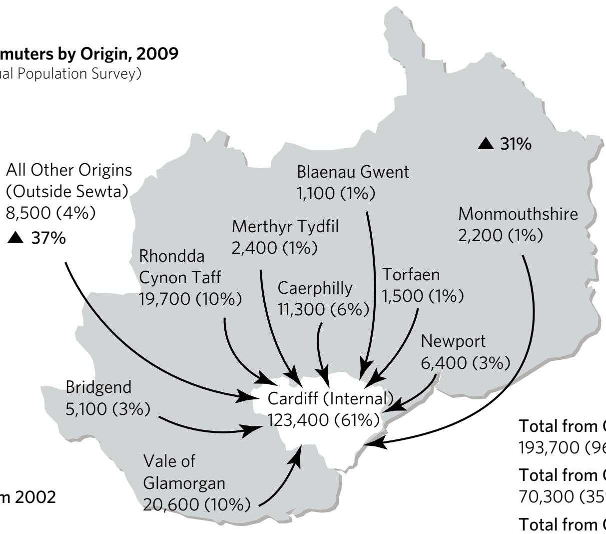
Questioning the mantra of mobility

My first instinct was to insert a question mark into the title "A green city region". For all the discussion there has been around the concept of Cardiff as a city region there has been little, if any, mention of the role of sustainability.

It is disappointing that despite the Welsh Government's commitment to make sustainable development a 'central organising principle' of economic policy, and indeed to legislate to that effect, the concept does not appear anywhere in the terms of reference of the task and finish group established to examine the city region concept.

Transport is just one aspect of creating a green city region, but it's a crucial one. If the Welsh Government is to meet its ongoing commitment to cut greenhouse gas

Cardiff Commuters by Origin, 2009
(Source: Annual Population Survey)



Change from 2002
▲ Increase
▼ Decrease

Total from City Region (incl. Internal)
193,700 (96%)
Total from City Region (excl. Internal)
70,300 (35%)
Total from Outside Cardiff
78,800 (39%)

emissions by 3% every year, it is essential that we address the projected rise in carbon from transport. However, the city region transport debate to date has centred wholly on the issue of 'mobility': the need to shift large amounts of people into and out of Cardiff on a daily basis.

How do we manage 194,000 daily commuters into and around Cardiff from within the city region, along with the 78,000 from outside its boundaries? The answer seems to be the proposed South Wales Metro.

The focus of attention on improvements to public transport is welcome; it is critical that we see a shift of funding away from road building towards low carbon transport, including rail. However, we should be cautious about shifting resources from one large capital-intensive programme to another. Whilst rail has an important role to play there is a danger that it will quickly consume the major share of the transport budget with neither a proportionate impact on carbon emissions (is an electrified railway 'green' if the energy that powers the network is derived from fossil fuels?), nor indeed an overall growth in economic activity.

Instead, within the context of this debate I think we should be questioning the mantra of 'mobility'. Over the last thirty years the number of journeys we make has remained constant; what has changed is the distances we travel. The ongoing emphasis on investing in increased road capacity to reduce journey times has seen the average distance people travel annually increasing by about 60% in the last 30 years. On an individual basis, people living in Wales today are travelling 10% further than they did ten years ago. The report on Wales' Ecological Footprint by the Stockholm Environment Institute (Dawkins et al., 2008) concluded that our 'footprint' is set to continue to rise as a direct result of this trend.

Network Rail's former development manager, Peter Koning, has warned that investment in extra rail capacity will have a similar impact. He pointed to electrification of the East Coast Main Line and Anglia routes to Norwich as examples of investments which have stimulated a rise in total carbon emissions. "Enhanced rail services stimulate demand and growth, which in turn feeds the need for further investment in railway capacity", he said.

That is not to say that there shouldn't be investment in rail electrification, but just that it shouldn't be seen as an illimitable solution. Instead, rather than starting with the assumption that a large capital scheme is the answer, we need to do more to understand the problem.

With some two-thirds of all journeys under five miles, there is significant potential to ease pressure on the road network by encouraging drivers to replace some of their local car journeys with alternatives. The UK Department for Transport estimates that combining investment in sustainable transport (e.g. new bus services, bus priority, cycle links to schools and workplaces) with marketing, information and incentives could cut traffic volumes by 11% over the course of an intensive ten year programme. Significantly, and vital for reducing congestion, urban peak-hour traffic could be reduced by as much as 21%.

Sustainable Travel Centres

It was for this reason that the Welsh Government launched its 'Sustainable Travel Centres' project two years ago, with Cardiff as the centrepiece. The project is delivering an integrated programme of 'hard' infrastructure improvements to modernise the transport system along with 'soft' measures that inform people how to make the most of the new infrastructure through smarter choices. Park and ride, city centre pedestrianisation, cycle network improvements and a new bus station are being delivered alongside 'smarter choices' interventions such as car sharing, car clubs, travel planning grants for businesses, and the UK's largest programme of Personalised Travel Planning.

Personalised Travel Planning works directly with people in their homes, offering free and personalised advice, incentives, and motivation on walking, cycling and using public transport for more of their local, everyday journeys. Over the next year, Sustrans is responsible for delivering this initiative to 60,000 households in Cardiff, promoting sustainable alternatives to the car that already exist. The project will then be rolled out in three of the largest towns in the city region: Barry, Pontypridd and Caerphilly.

The research which underpins this approach shows that people are swayed in their travel choice by a lack of information about alternatives to the car. For example, the study of three large English towns, published by the Department for Transport (Sloman et al., 2010), found that in around half of journeys a viable public transport alternative already existed for a local journey made by car, but people did not know about it.

The research also showed that a further barrier to people leaving their car at home was a severe misperception about relative travel times. For example, in Darlington, Peterborough and Worcester people on average over-estimated travel time by public transport by around two thirds and for cars under-estimated travel time by one fifth. In other words, because of habitual car use and lack of familiarity with public transport, people think jumping in the car, rather than going by bus or bike, is quicker than it actually is.

Increasing awareness and encouraging people to change their habits has the potential to change people's travel behaviour, and the results demonstrate this. Personalised Travel Planning has already been delivered in more than twenty towns and cities in England, Scotland and Northern Ireland, working with more than 250,000 households. Last year Sustrans' projects in Exeter, Lowestoft and Watford helped cut the number of car trips by around 13 per cent across targeted populations, whilst the number of trips on foot, bike and public transport increased by up to 33%, 37% and 33% respectively.

The Cardiff Personalised Travel Planning project will also include elements of workplace and school support, supporting employers and educators to harness the wider benefits of their staff and pupils travelling by sustainable travel modes. These benefits are clearly demonstrated at Cardiff Metropolitan University in Cardiff, where car use amongst staff and students has been successfully cut by promoting public transport, walking and cycling. As a direct result of implementing an ambitious travel plan which encourages greater levels of physical activity, the University has succeeded in reducing the number of days lost to sickness by 32%. Schools, too, have been found to benefit from more pupils walking and cycling to school, reporting reduced absenteeism and better in-class behaviour from those students choosing a more active commute.

Adopting a fresh approach to transport planning not only brings benefits to individual institutions: it also brings benefits to people's health, to families and to the wider community – promoting economic growth, better social integration and improving the environment.

From a green perspective, personal behaviour change towards low carbon forms of transport, including walking and cycling, is critical to the reduction of CO2 emissions. Scottish Government research suggests that "smarter choice" initiatives are just about the most cost-effective measure for reducing climate impacts, with an indicative cost of just £10 per tonne of CO2 abated over the period 2010-2030.

In addition, physically inactive lifestyles can have serious health impacts; modern lifestyles can be highly sedentary, and the NHS in Wales now spends over £1 million each week on treating obesity. But as well as obesity, physical inactivity is also linked to heart disease, cancer, diabetes and strokes, making this one of the leading causes of death in developed countries. Even relatively small increases in physical activity are associated with some protection against chronic diseases and active travel is a way of people embedding physical activity into their daily routines. In financial terms, the health benefits alone of investments in active travel have been shown to produce a typical return for every £1 invested of at least £9.

Embedding change – the city region opportunity

There is clear evidence of the efficacy of measures to promote smarter travel that need to be embedded throughout the Cardiff city region, and the benefits that can be achieved in doing so. But the key to making the initiatives sustained, as well as sustainable, is ensuring that any change achieved is 'locked in'.

The evaluation report into the three English 'Sustainable Travel Towns' found that the failure to embed the decline in car use ran the risk of dissipating the impact of the Smarter Choice Programme, by failing to provide ongoing incentives for residents to continue to use their cars less, or to discourage increases in traffic generated by people living outside the towns travelling in by car more often.

The city region approach offers us the opportunity to embed the progressive initiatives already underway in Cardiff, crucial if we are to maintain long-term sustainable travel behaviour change. To prevent the roads from filling up again with 'induced traffic' there need to be complementary measures to 'lock in' the traffic reduction delivered by the behaviour change programmes, for example bus lanes, wider pavements, cycle lanes and parking charges. If carried out alongside smarter choices measures, the evidence from England is that it is possible to create a supportive political and public opinion environment to implement changes which advantage sustainable transport.

Transport will be a central feature of a successful city region. But, with the right approach, it can also be the central feature of creating a green city region. To achieve this, thought needs to be given to the most effective and efficient ways of reducing emissions from transport in the short term while also paving the way for ongoing further reductions in the future.

Active travel and, more widely, sustainable travel initiatives have the potential to provide crucial support to the future economic development and prosperity of Wales. How best we can harness this potential within the city region concept is the debate we should be having; shifting away from the trend of striving for ever greater levels of mobility, towards a transport agenda that will support the development of a greener, healthier and more prosperous Wales.

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Chapter 7

Housing the region

Nick Bennett

The nature of the challenge

The south Wales city region will be affected by three interconnected socio-economic and demographic issues:

- A supply-side "crisis" in housing
- A demographic time-bomb
- Ongoing poverty and financial exclusion

The crisis in housing supply

The private sector was producing 10,000 housing units per annum in Wales before the credit crunch. This has now been halved. Social housing production has been sustained at an average of 2,000 units per annum for the past 4 years, allowing the sector to meet and exceed the One Wales supply target of 6,500. Sustaining supply in the social sector will be very challenging given cuts to the Social Housing Grant (of more than 50% by 2014). As well as public sector risks, there are also private sector risks to the current system. With banks not keen to refinance, it is imperative that the sector has alternative sources of private finance, which is why we are actively seeking to develop a Welsh Housing Bond.

Wales also needs a robust rent benchmarking system. The current system fails to provide transparency, but any new system needs to consider the impact a sustainable rent system can have on increasing housing supply and regeneration – whilst sustaining a commitment in Wales to social rents and affordability.

Action on empty property also seems like a sensible part of the solution, with 26,000 empty properties and 90,000 on housing waiting lists in Wales. Yet the city region needs to be aware that there has been a mismatch in supply – as John Punter describes in Section 2 of this book, Cardiff has an undersupply of family housing and an oversupply of small apartments.

Housing benefit "reforms" will form a further challenge with new rules on over-occupation and the like. Can the city region provide for genuinely mixed income communities? Furthermore, plans to remove the right for tenants to have rents paid direct to landlords could, according to the Council of Mortgage Lenders, cost an additional 1% for private lending to the sector.

The ageing society

The number of people reaching 100 has increased from 24 in 1917 to 4,000 in 2007, and is forecast to reach 40,000 in 2031. The increased strain on public services in the city region means that we need to find new services for the ageing society. There is a range of services currently provided by the housing sector that takes pressure from NHS services – supporting people for example. Care and Repair Cymru, the older people's housing charity, has a Rapid Response programme that assists in independent living and saves the NHS £7.50 for every £1 invested. We believe that an expansion of these services can help eradicate bed blocking and that through exploitation of new opportunities for mutualism the city region can overcome the challenges of the demographic time bomb.

Housing and regeneration

The table below shows the economic impact of social housing in Wales.

	Direct Impact: HA Sector Output/ Employment	**Indirect Impact:** (Supplier effect + Induced Income effect)	**Total Impact**
Output **£m**	802	739	1,541
Gross Value Added (GVA) **£m**	174	310	484
Employment **Full Time Equivalents (FTEs)**	6,300	11,600	17,900

Source: Welsh Economy Research Unit for Community Housing Cymru.

The transfer of local authority housing stock in 11 of the 22 local authorities in Wales has delivered a “quiet mutual revolution” in Wales. Hundreds of millions of pounds of private investment, under mutual and community control, have been unlocked for the benefit of often the most disadvantaged communities in Wales. Through innovative approaches such as the i2i toolkit (www.whq.org.uk/i2i), local training and employment opportunities will be maximised.

A number of new stock transfer associations together with traditional associations have come together to form Moneyline Cymru – a new service that provides an alternative for financially excluded individuals who would normally only be able to turn to doorstep lenders or loan sharks. Community Housing Cymru calculated that 165,000 people in Wales borrowed from doorstep lenders and 16,000 from loan sharks in the year before the credit crunch. Moneyline was piloted across the city region with great success and we now hope to roll out that service across Wales. Financial exclusion is likely to continue to grow – recent figures suggest lending from loan sharks has doubled in Wales since the credit crunch. Moves by Whitehall to remove direct payments of rents to landlords is an additional worry in this context.

In terms of fighting fuel poverty, the sector has worked with the Welsh Government to deliver the ARBED programme, which aims to reduce climate change, help eradicate fuel poverty and boost economic development and regeneration in Wales. We are delighted that ARBED 2 contains European Regional Development Funds of approximately £35 million – taking advantage of recent changes by the European Commission to allow ERDF to be spent on social housing for the first time ever.

The Commission are proposing that up to 20% of programme funding can be spent in this way from 2013 onwards – an opportunity potentially worth up to £200 million in West Wales and the Valleys – presenting the city region with the opportunity to tackle fuel poverty, reduce domestic carbon, and also develop supply chains. This makes the need for successful delivery of ARBED 2 all the more important.

To develop the green economy in the city region we will also need consistency. At the moment we have the Welsh Government and the EU boosting ARBED whilst Whitehall slashes the Feed-in Tariff.

The future

The housing pressures for the future will also be accompanied by new opportunities. We look forward to seeing a Housing Bill which contains new measures for tenure reform and for raising standards in the private rented sector.

The need for innovation could present not-for-profit organisations with a wider social enterprise role. Housing Associations are able to assist with the funding famine – and we are in dialogue with Ministers about transferring revenue into capital during the current funding famine.

Housing Associations have pledged to increase not-for-profit funding by £250 million over the course of the current Assembly and to build at least 1,500 units with no grant. But in order to achieve this we need appropriate regulation, a sustainable rent system and an ongoing partnership with Government.

And as we consider what future governance arrangements could look like in Wales at a local or regional level then we also believe that the need for a strategic cross-boundary housing function is vital.

Chapter 8

The economic opportunity

Richard Thomas

Introduction

The concept of the city region is not new. Over the last five years especially, the city-region concept has become increasingly recognised as a reflection of real economic geography and a key tool in the economic competitiveness agenda.

Acknowledging this fact, I intend to discuss here the reasons why a city region approach can bear fruit from an economic perspective, to categorise the different relationships that can exist between localities within a city region, and to consider what a marketing and branding perspective has to offer for the building of positive relationships.

But what is a city region? A useful definition developed by The Northern Way, the partnership of northern Regional Development Agencies in England, describes it as the "economic footprint" of a city, representing the "interconnection of markets for jobs, housing and the supply of goods or services, rather than the limitations of administrative boundaries".

By the very nature of this definition the spatial extent of any city region will be the area in which most of these flows of people and goods take place – commuting, shopping, house buying, business transactions, leisure pursuits and many other types of activity. I'd argue that in reality, a city region is anyway organic, an area without boundaries, and an area more dependent on people's attitudes and perceptions than anything else.

Taking a city region approach

But a question we must ask ourselves is "are city regions successful from an economic perspective?". And, equally, do we in Cardiff and Wales need to do something different from what we're currently doing? I'll cover the latter first.

Wales' economic performance over recent years has been poor. Whether you look at GVA figures or statistics on the share of the Foreign Direct Investment market, Wales's position, relative to the rest of the UK, has weakened. And from a Cardiff and the Valleys perspective, the GVA figures are misleading. Cardiff's GVA amounts to around 108% of the UK average, whereas in the Valleys the figures are as low as 55%. The problem is these figures don't reflect the fact that many people contributing to

Cardiff's GVA figures actually live in the Valleys and spend most of their money there. In that respect, adopting a city region approach to GVA figures would probably be far more constructive.

So what does a city region approach have to offer in terms of generating prosperity?

- Firstly, higher concentrations of people allow for "thicker" labour markets in which the chances of good matches between employers' needs and workers' skills are increased.
- Secondly, the concentration of activity and the saving of transport costs create bigger markets – or, as some have put it, "the ratio of output to input will rise with density".
- A third main source of agglomeration economies arises from the facilitation of knowledge transmission between individuals and firms in close physical proximity.

A potential consequence of these three factors is a productivity gain. Indeed, it has been suggested that a doubling of employment density will lead to a 6% increase of average labour productivity. However, at the same time, it is well recognized that agglomeration also has its drawbacks. Most obviously, agglomerations lead to congestion, long commuting times and pollution.

So, if a city region approach based on agglomeration is to be effective and we are to see the productivity gains we are looking for, a number of other factors need to be considered through a city region lens, not least of which is transport – as discussed in this section by Mark Barry.

Relationships within the city region

In order for a city region approach to be possible in the first instance, the relationships within the city region need to be right. The "City Relationships" report, published jointly by the Northern Way and the Department for Communities and Local Government in 2009, suggests that a successful city region economy must get the relationship between the core city and surrounding towns to be complementary. It also suggests that unnecessary competition must be avoided, especially where one area has a significant advantage over the other.

The report goes on to describe four types of relationships between towns and the dominant economic centre:

- Firstly, there is the **independent** relationship where a town is fully capable of existing on its own.

- Secondly, there's the **interdependent** relationship where the flow is two way and complementary.

- Thirdly, there is the **dependent** relationship which sees largely one way traffic but in a way that is not necessarily negative from a standard of living or quality of place perspective.

- And finally, there's the **isolated** relationship often illustrated by localities dominated by traditional sectors and often high levels of deprivation.

So, of the four relationships outlined, three of them are mostly positive. The challenge is the fourth – that of the isolated relationship – and how the city region deals with that.

How close are we already to a city region approach in Wales?

The truth is, a city region approach to matters economic is already being adopted in Wales regardless of what the public sector thinks and does. The private sector is living the city region approach on a daily basis and is trying to make it work to its advantage. And people themselves are defining the city region. Already over 70,000 people a day commute into Cardiff city centre to work.

If that suggests a vision of the world focused on sucking people into Cardiff from the Valleys, then that is not the case. It is a much more complex structure. More than 25,000 people commute out of Cardiff to work – that's the best part of 100,000 people moving around the region every day. Similarly, 16,000 people commute into RCT each day. Over 14,000 people commute into Caerphilly. A further 70,000 people travel *out* of those two boroughs. That's another 100,000 to move around every day.

The figures confirm the economic interdependency of the various 'units' in south-east Wales – much more so than other regions in Wales. So what's the problem?

The problem is that economic opportunities in south-east Wales are not being maximised despite the hard work of many to make the area more business friendly. The private sector is frequently being let down in areas such as transport, housing, and skills – all areas that could benefit from a city region approach. As could the provision of services such as arts and cultural venues and retail destinations.

Should we just blame Local Authorities for not working together? I don't think so. There seems to be a genuine desire to collaborate and co-operate. And there is clear evidence that they are doing so. However, with issues such as the Local Development Plan process, there seems to be a need to recalibrate so that these processes help drive forward a city region approach rather than hold it back.

With that in mind, look back to Local Government reorganisation in 1996 when 22 Local Authorities were created – hardly conducive to a strategic approach to economic development. Contrast that to elsewhere, and the examples presented to the "Getting Ahead Together" conference from Stuttgart, Vancouver and Manchester. To that list you could add the Leeds city region, the Sheffield city region and the Glasgow city region.

All of these areas have long since accepted city-regionalism. They have seen it as an opportunity and they have cultivated a city region brand based on the reality of their actions and investments.

The Cardiff city region: a marketing perspective

Recognising this, we must move our own debate on to issues around image, perception and reputation. Has anybody else noticed that England's regions now play second fiddle to England's city regions? So who do we in south-east Wales compete with if, in a brand context, we are no longer competing with the likes of the North West of England, the West Midlands or the South West?

The brands we are competing with now are the core cities in England and their city regions – the likes of Manchester, Liverpool, Leeds, Bristol and Birmingham.

At Cardiff & Co we have been living the city region brand for the last couple of years. And by virtue of being a public-private partnership, we have been able to work with the private sector to convey our messages. And now we're starting to see some interest and engagement from the public sector – but not enough and certainly not fast enough.

We at Cardiff & Co don't speak in terms of Cardiff being a small city. We speak in terms of the Cardiff city region having a compact city centre but a catchment area of 1.4 million people within 20 miles. We speak of the Cardiff city region encompassing the Brecon Beacons, the Vale's beautiful coastline, the industrial heritage of RCT, and the activity-based recreational opportunities afforded by Caerphilly County Borough. We also speak of Newport as a big player within the Cardiff city region, operating in some ways as its own city region within the wider Cardiff city region context. We work on the back of recognising the fact that "Cardiff", the capital for Wales, is the strongest destination brand by far in Wales, not only south-east Wales.

We don't have the €8 million that Stuttgart will spend on marketing this year and we recognise that our budgets are incapable of creating a brand from scratch – as are the budgets of other organisations involved in promoting different parts of Wales. But we can use our budgets to manipulate a brand that already exists. A brand that exists by virtue of Cardiff's pre-eminence in the field of major events and its status as the capital city.

The private sector has seen some sense in this approach. We work with over 220 businesses, each making a financial contribution to the marketing of the Cardiff city region. Some invest tens of thousands of pounds whilst others invest hundreds. These are businesses that see a benefit in aligning themselves with the Cardiff city region brand – a brand that in relative terms has a positive position in the marketplace. Note that I said in relative terms. The fact is that although Cardiff is seen as a success story in Wales – and is often looked at with envy – perceptions of Cardiff further afield vary greatly.

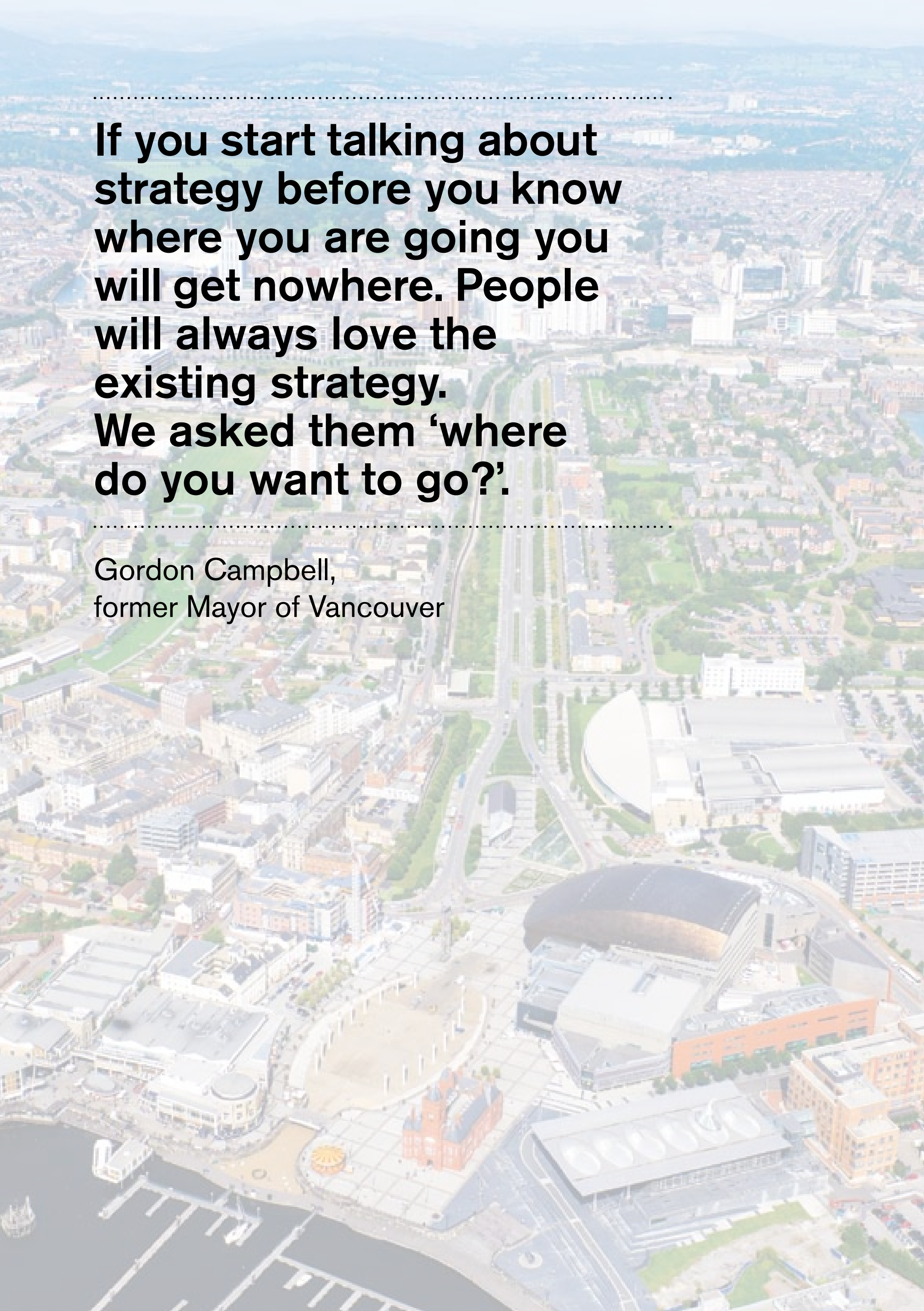
Those who have visited the city recently are almost inevitably hugely impressed – the most recent Cardiff visitor survey found that 99% would recommend it to their friends and relatives. However, ask people who haven't visited the city in the last ten years and the response is likely to be quite different. Misperceptions around heavy industry, peripherality, crime and other annoying inaccuracies are far too frequent.

Imagine yourself a conference organiser based in Amsterdam. Or a potential tourist based in Glasgow. Or the estates director for a FTSE 250 company in London. What Welsh destination brand, if any, is likely to grab your attention?

I believe the Cardiff city region brand, from a purely marketing perspective, is the brand most likely to grab people's attention, be they potential visitors, conference organisers or inward investors. It's the brand that the wider city region could exploit. It's the brand that could open doors.

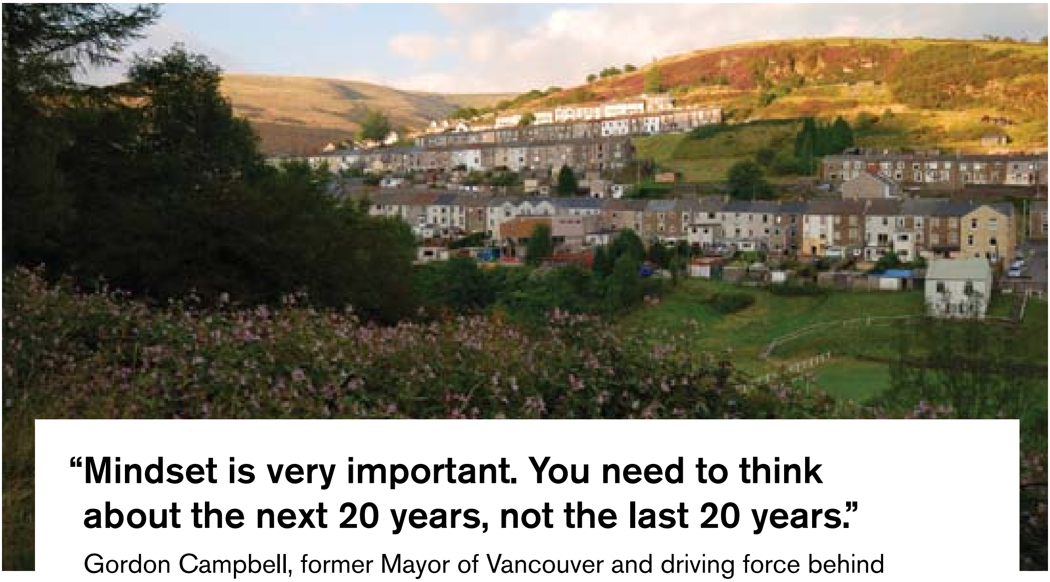
However, for the Cardiff city region to succeed, we need to deliver greater critical mass behind the Cardiff city region brand. We need more advocates. We need more resources. To exploit the real economic opportunity, we need the Cardiff city region to be the attack brand for south-east Wales as a whole. We need to use our greater critical mass and better aligned messages to address the misperceptions out there that don't just affect Cardiff – they affect the wider city region too.

What we need is the courage to seize the opportunity; to embrace the city region approach in the same way as the rest of the UK and the same way the private sector has here; to invest in transport, housing, education and training through a city region lens; to play to our strengths; to step back and consider the importance of perception, brand and reputation. And finally, we need to develop the relationships inside Wales that allow Cardiff to be widely and positively accepted as the "Capital for Wales".



If you start talking about strategy before you know where you are going you will get nowhere. People will always love the existing strategy. We asked them ‘where do you want to go?’.

Gordon Campbell,
former Mayor of Vancouver



"Mindset is very important. You need to think about the next 20 years, not the last 20 years."

Gordon Campbell, former Mayor of Vancouver and driving force behind the development of the Vancouver city region

With 1.5 million inhabitants spread across ten local authority areas, commuting flows in the tens of thousands and significant economic disparities, south-eastern Wales faces a major challenge in building an inclusive city region.

In an era of economic crisis, public sector funding cuts and pressing environmental concerns, more of the same is not an option. We must find new ways of overcoming economic inequalities, fragmented governance arrangements and cultural resistance. If we are successful, city region partnership promises great opportunities and rewards.

In this book, leading academics and practitioners discuss the potential for the leaders of south-eastern Wales to create a consensus around three vital ingredients for success: connectivity, housing and the environment.

Recognising the need to look beyond our own boundaries and learn lessons from more advanced city regions, Forging a New Connection also contains contributions from Thomas Kiwitt, Head of Planning for the Stuttgart city region, from former Mayor of Vancouver Gordon Campbell and, on the Manchester city region, from Professor Alan Harding.

"We can do anything we want, not everything we want."
Gordon Campbell

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