



Centre for Local
Economic Strategies

rapid research



Market Towns:

How are they responding to the recession, and what future support is required?

Rapid Research 15

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1 Introduction

'The most positive aspect is that the local stakeholders - town council, community partnership, health providers, traders, and tourism outlets, who do not always see eye to eye, all pull together in times of crisis such as these to look for the best way forward and go for it.' (Survey response, March 2009)

Background

Britain is currently in the grips of a recession, with an increase in levels of unemployment, business insolvency rates and repossessions. The current economic recession is having an impact on all localities within Britain, ranging from large cities to small rural villages although to date, it's the large cities that have made the headlines. This research, undertaken by the Centre for Local Economic Strategies and Action for Market Towns (funded by the Commission for Rural Communities) aimed to explore what the implications of the recession are for our market towns (population of 40,000 or less) in terms of issues such as commuting patterns, employment, retail offer, footfall counts and housing prices. Crucially, we wanted to find out how market towns were responding to the recession and their views on future support.

Economic development policy during the last decade has focused very clearly on the strengthening of UK cities, a strategy based on the assumption that growth in our core cities will ultimately trickle down to smaller towns and settlements and provide support to rural economies at the same time. Many rural market towns have become repositories for housing to support urban centres and service centres for tourism and leisure. However, although economic growth has historically been focused on core cities, as the Taylor Review 2008¹ identified, there is a need to ensure that policy also provides opportunities for market towns to be economically sustainable centres in their own right.

¹ See Communities and Local Government (2008), *Living Working Countryside: The Taylor Review of Rural Economy and Affordable Housing* (CLG: London) accessed at:

The increased uncertainty about the direction in which the economy has headed calls for further reflection on how the current policy environment provides for the needs of rural economies and how they can use the current structures and mechanisms, for example, Multi Area Agreements, economic assessment and the proposed Economic Prosperity Boards, to respond creatively to the impacts of economic change.

About the research

This research, undertaken by CLES and amt-i, (the consultancy division of Action for Market Towns), is part of a longer term research project being undertaken by CLES and AMT (and supported by the Commission for Rural Communities) with the aim of better understanding the economic resilience of market towns considering how the public, social and commercial economies operate and interact with each other. Specifically, the research aims to do the following:

- uncover evidence of impacts of recession on market towns in order to better understand their vulnerability to national and global economic pressure;
- understand the extent to which economic development activity has enabled market towns to become more resilient;
- explore alternative strategies for managing economic change in UK market towns and types of national policies that will help towns to become resilient to economic change in the future.

The results of this research are based on the results of an online survey circulated to market towns in March/April 2009. The internet-based survey, which forms the basis of this Rapid Research, will lead on to a longitudinal study exploring the impact of recession and responses within a sample of up to ten market towns across England and Wales. The survey was emailed out as a hyperlink to around 250 AMT members, who were asked to provide comment as a representative of their town and yielded a response rate of around 30%.

2 How are market towns responding to the recession?

The research detected a number of important impacts on towns including rising unemployment, reduction in land and houses prices and increase in business vulnerability. The main impacts are summarised in Appendix 1. Beyond exploring the impact of the recession on market towns, we were particularly keen to find out how market towns are responding to the recession. Findings from the survey suggest that the towns are actively trying to counteract the current economic downturn, with 63% stating that they were taking action. In terms of the types of action taken, the development of town centre initiatives (68%) and increased community partnership activity (66%) were the most popular, and just under half (49%) of the towns surveyed had accessed increased local authority support. The activities being undertaken are largely reactive to the position that towns find themselves in with the emphasis on support for retail and the look and feel of the town centre as a direct result of rising numbers of vacant premises on the high street. From the qualitative information gleaned from the survey, the following themes of activities to counteract the current economic climate were identified, with each theme illustrated by select qualitative findings from the survey.

2.1 Supporting independent retailers

The need to support local, independent retailers was identified by a number of the survey's respondents as both a means of supporting local business and also to develop the character and appeal of market towns. With the loss of a number of larger employers, such as Woolworths, supporting independent retailers was perceived as important to keeping high streets 'alive'. A number of the survey respondents noted that they were considering introducing a loyalty card scheme that would incentivise people to shop locally. Other marketing techniques to promote independent retailers included a new town centre leaflet and working with the local newspaper to develop campaigns to shop locally and increase the town's footfall.

- *'A new town centre leaflet developed to encourage people to shop locally'*
- *'Local newspaper has launched shop local campaign supported by all the independent stores.'*

2.2 Developing and strengthening networks

It was encouraging to see from the survey that a number of market towns have been quick to develop initiatives and partnerships in an attempt to counteract the recession. This included the formation of partnerships such as economic development task groups. Other groups have been formed that involve business, public and private sector organisations and individuals. In terms of support for local business, initiatives raised by the respondents included a 'New Business Networking Club' which provides a network for representatives from SMEs and those that work from home. Strengthening partnerships with local bodies such as the Chamber of Trade was also cited as a way of bolstering towns to cope in the recession. Reflecting that market towns are often in rural areas, one respondent noted that they had established a farmers' network. From the quantitative material gleaned from our survey, we found that 85% of the respondents stated that their town was working with local community / town partnerships, whilst 81% of respondents were working with business organisations.

- *'Town Council and Community Area Partnership have formed an Economic Development Task Group with the local Chamber of Trade. This has sponsored a shopping and retail survey...with a view to identifying both resident and visitor needs as a prelude to developing loyalty and promotional schemes'*

Case Study: Towcester

Towcester is a town which is coping with the current economic downturn due to a holistic approach with both internal and external partners. Towcester Partnership's wide ranging approach has involved accessing funding, increased community partnership activity, developing regeneration schemes, increasing business and local authority support and the development of town centre initiatives. Particular projects include;

- a new WEB portal development to help businesses and regular training;
- newsletters;
- late night shopping;
- opening longer hours at the weekend;
- new tourist brochures.

To ensure the sustainability of the town centre, Towcester partnership is working in conjunction with business organisations, voluntary organisations, national organisations, NEL the local economic development agency, the local district council and charities. A Master Plan document is also being used to drive growth and coordination.

2.3 Working with local employers

A number of survey respondents also noted that in response to the recession they were working closely with major local employers to support any new redundancies, for example, organising jobs fairs and providing help for staff made redundant.

- *'We have worked with the District to organise a jobs fair and to support one company losing 174 jobs'*

2.4 Making physical improvements to the town

One of the most commonly occurring themes amongst the responses was that of making physical improvements to the town. This ranged from relatively small scale measures, such as putting up hanging baskets and flower boxes, to larger scale improvements such as plans to pedestrianise the town centres. The aim of this activity was to increase towns' appeal to visitors and also perhaps to boost morale amongst residents. A number of respondents stated that town centre plans and projects were underway for public realm improvements, such as developing town squares and improving the

main shopping areas. Relocating markets to locations where they would more visible to pedestrians and passing traffic was also suggested as a way of increasing footfall.

- *'The local authority is looking to implement public realm improvements to attract people back into the town centre'*

2.5 Developing community arts

Community arts initiatives were also valued amongst the respondents as a way in which towns' appearance can be improved whilst also enhancing the general ambiance of town centres. Responses included a funded arts project to improve yards and public walk ways and *'pavement heritage street art'*. A number of respondents to the survey commented that they were hoping to fill empty shop units with art to maintain the appearance of the high street. This was described as the *'Dursley effect'*, following the successful scheme of this kind in Dursley, Gloucestershire, which received national press coverage.

- *'We hope [allowing artists to display their work in empty shops] will encourage visitors to the town and as a result encourage new businesses to take up units in the town centre increasing the diversity and variety of retail outlets from which to shop'*

2.6 Developing the town centre's 'character'

Complementing the physical improvements were responses in terms of developing town centres' character and atmosphere. For example, one respondent suggested that the traditional Market Place area in their town *'should be developed into a piazza style environment with cafés, wine bars, and restaurants...spilling onto the square to create a vibrant daytime family and visitor experience and a controlled evening economy'*. It was felt that developing the town centre's character would increase the number of visitors and shoppers, and also attract independent retailers.

- *'Recognition that there is a need to create character and atmosphere in the town centre, not least to attract independent traders and shops that create a pleasing and friendly browsing atmosphere'*

2.7 Investing in marketing, tourism, and events

A number of the respondents to the survey noted that increasing marketing to promote the town to visitors had been one way in which they were responding to the recession. Planning events, including food and drink events, carnivals, and community events, was seen as a way of encouraging people into town centres. Heritage events, such as marking landmark historical anniversaries, were also suggested by one respondent as a way of drawing visitors the towns. Others noted that their town was investing in tourism, for example one town had received funding to appoint a Tourism Development Officer with a view to *'make the town a more attractive and welcoming destination'*. Working to improve transport links to towns was also suggested as a way of encouraging visitors and counteracting the downturn.

- *'Various tourism agencies have identified that more UK residents are taking short-breaks and 'staycations' and we are maximising the publicity about what we can offer in terms of spectacular scenery and unique heritage to visitors'*
- *'Focused on projects to encourage visitors into the Summer.'*
- *'Enhanced events programme for the Spring and Summer.'*
- *'The town is looking at ways to promote the town and make empty premises look more attractive.'*
- *'Loyalty scheme, festival, youth schemes and generally to promote a can do attitude and that the town is on the up.'*
- *'Developing sustainable transport links.'*

Case Study: Beverley

Beverley, a medieval town based in East Yorkshire, is using its location and tourism related advantages to counteract the recession. Beverley Renaissance Partnership is developing a large celebration event to mark the 600th anniversary of the building of the Beverley North Bar. The programme of events spans two weeks and will include a live music stage in the town, medieval plays, concerts, lectures and a medieval banquet at Beverley Minster. Innovatively, an advertising campaign that will be promoted throughout Yorkshire & The Humber and on P&O Ferries to maximise on visitor numbers has been planned. It is envisaged that the event will bring the local community and visitors into the town centre to give a much needed economic boost to the high street. Other planned activities include Beverley Renaissance Partnership and The Beverley & District Chamber of Trade filling the shop frontages of vacant properties with creative artwork. The Partnership also hopes to conduct a Community Street Audit. Working with East Riding of Yorkshire Council and other agencies, the project will aim to make the town more attractive place to be.

3 What are the barriers to counteracting the current downturn?

As explored above, from the Market Towns we surveyed there are clearly a number of plans and responses that have been developed with the aim of counteracting the downturn. However, we were also keen to uncover the barriers that market towns were facing to respond to the recession. The main themes identified in our research are detailed below, once again illustrated with select qualitative findings from the survey.

3.1 Lack of resources available

Unsurprisingly, a lack of financial and human resource was frequently cited as a barrier preventing market towns from counteracting the current downturn. The current economic climate has meant that there is less money available to fund developments, whilst budget controls have become much tighter. Bureaucracy within the funding process was also cited as a barrier to market towns reacting to the recession. It was noted that whilst market towns may have the ideas or enthusiasm to counteract the recession, this was inhibited by a lack of funding. Moreover, one respondent highlighted how cost-cutting exercises within local authorities had led to the loss of Economic Officer posts, which meant there was less capacity to work with towns to develop initiatives. In addition to public sector funding constraints, our survey highlighted that the recession has made private sector funding difficult to access, particularly in relation to securing the buy-in of private sector investors.

- *'Lack of venture capitalists and a shortage of grant funding to carry projects forward'*
- *'Accessing funding for local tourism marketing and promotion has been an uphill struggle'*
- *'Lack of budget for any town centre initiatives'*
- *'Money! Many ideas have cost attached'*
- *'The statutory authorities have set low precepts which means less money for improvement'*
- *'Local district Economic Officer posts are being cut as part of cost-cutting exercise'*

3.2 Attitudinal barriers

In addition to the more tangible barriers, such as financial constraints, a number of the survey respondents suggested that there are significant attitudinal barriers that need to be overcome if market towns are to reach a position from which to counteract the negative impacts of recession, it was suggested that there is cynicism as to the extent to which towns can do anything to make a difference, whilst others noted a lack of vision amongst local authorities to instigate activity. Others suggested that local authorities had not been responsive enough to the economic challenges. It was also suggested that, in some instances, local businesses were 'sticking their heads in the sand' in terms of responding to the recession, and were not always willing to work in partnership to develop town centres. Landlords and agents were picked out for particular criticism and accused of a lack of interest in participating in projects and initiatives and a lack of commitment to the vitality of the town. A lack of flexibility amongst landlords was also identified as an attitudinal barrier, for example showing unwillingness to consider short-term lets.

- *'Lack of 'vision' to influence owners, landlords and local authority planners to work together and help develop the town centre'*
- *'The town council...resent any new initiatives'*
- *'Lack of commitment from landlords, many of whom are London-based pension funds who have no interest in the vitality of the town'*
- *'Negativity of the traders to work in partnership to improve town centres'*
- *'Access to agents for empty properties – unwilling to consider short-term lets to bring activity onto shop windows'*
- *'Slowness / inertia / subjectiveness of local authority decision making'*
- *'There is a kind of apathy or head in sand approach by some of our businesses which is worrying and difficult to counteract'*
- *'Perceptions from some people that we should resist new developments e.g. town square, during economic downturn'*

3.3 Governance issues

A number of the survey respondents suggested that there are a number of barriers related to local governance that were inhibiting market towns from counteracting the recession. This was particularly noted in areas that have experienced local authority restructuring. Some felt that local authorities were showing a lack of awareness of how to respond to the particular challenges being faced by market towns.

- *'The political lacuna created by going unitary has not been helpful, so there has been minimal support from county level'*
- *'In-built bureaucracy and lack of effective risk management'*
- *'An inability of the Borough Council to understand the needs of a small market town'*
- *'Lack of help from our District Council – which has fortunately disappeared [due to restructuring]'*
- *'The three-tier structure of local government in Somerset just doesn't allow for strong town leadership'*

3.4 Lack of central government direction

In addition to concerns regarding governance at the local level, concerns were also raised about the level of support being offered to market towns by central government, particularly in terms of funding. There was also a feeling amongst some respondents that central government ought to be instigating stronger leadership to guide market towns through these economically uncertain times. Towns felt that the priorities of policy did not reflect the needs of smaller market town settlements and that much more emphasis needed to be given over to considering the role that rural centres play in the shape of future economies.

- *'Government initiatives are too slow and focus on large voluntary organisations. We really do not get a look in'*
- *'...lack of funding from central government'*
- *'Government needs to empower town councils, working with Market Towns Partnerships, to give the strong leadership towns need to get anything decent done'*

3.5 Inherent rural issues and lack of understanding around challenges facing market towns

The final barrier identified in our survey related to the inherent challenges and issues that face market towns, many of which are situated in rural locations. For example, respondents highlighted that even before the onset of the recession, market towns were already experiencing relatively high levels of unemployment, caused in part by issues that often characterise rural areas, such as poor transport links. It was also suggested that there was a lack of awareness about the particular challenges facing market towns, and that they are often deemed less of a priority than supporting areas that have more severe levels of deprivation.

- *'We sadly cannot change the huge problems of rurality'*
- *'Very little employment in the area before the crisis with no prospect of improving the situation due to its isolation from the road network'*
- *'Because we are near two fairly deprived areas that are genuinely suffering in the recession...we are perceived as doing well and needing no help – this is WRONG and we need help of a different kind'*

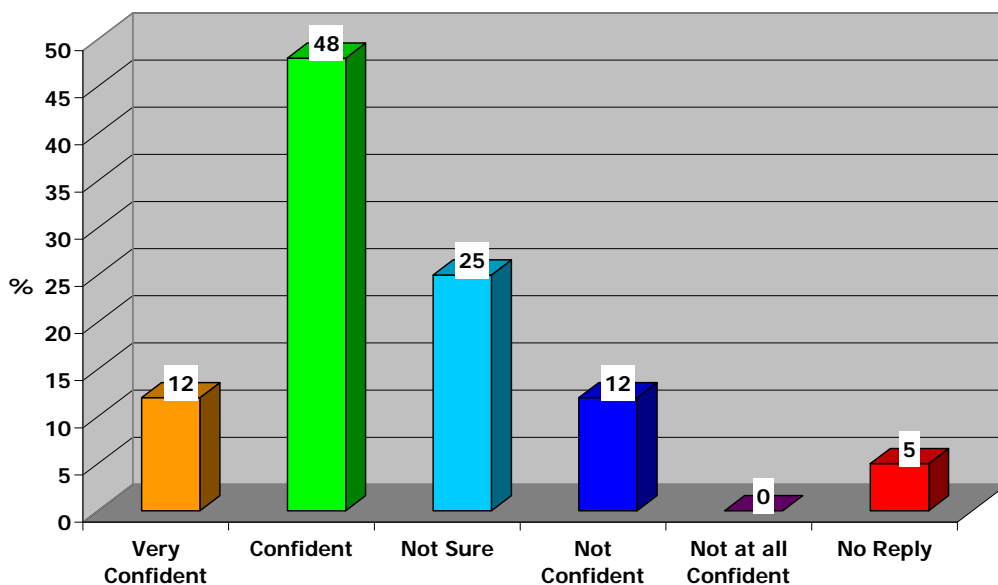
4 Looking to the future: what support do market towns require?

The chart below illustrates that despite the difficulties; the majority of respondents are either 'confident' or 'very confident' about the future of their towns. When asked to expand as to why they felt confident about their towns future representatives commented on the 'organisations' such as local authorities, Chamber of Trade, town council and Community Partnerships who 'work together' to help the town.

Another key theme in regard to confidence was down to the towns 'location.' For example if the town was attractive it was felt that this inherent appeal to visitors and tourists would always provide the locality with a firmer footing in times of economic crisis. Also under the banner of 'location' it was felt that a market town benefitted if it was a 'service centre' for the surrounding hinterland in terms of shops, amenities and transport links. The development and delivery of 'projects' involving regeneration, retail and the community also offered confidence to the towns.

However, whilst confidence in terms of towns' futures was relatively high, we were nevertheless keen to find out what types of support market towns would like to receive over the next twelve months to realise the potential of towns. Once again, the responses to this are explored thematically below.

Confidence in terms of Towns future



4.1 Maintaining and increasing funding

Perhaps unsurprisingly, many of the respondents felt that one of the most important ways in which their towns could be supported over the next twelve months was through maintaining or increasing funding from local authorities. Some respondents noted that due to local authorities' constrained budgets, some initiatives had already been hit by a withdrawal of funding. For example, one respondent stated that their Tourist Visitor Information Centre had been closed down, which was deemed surprising considering that tourism was the market town's main industry. It was also suggested that market towns that have traditionally been perceived as wealthy were struggling to successfully apply for funds and grants despite the fact that they were experiencing an increase in unemployment and business closure. It was felt that whilst in some instances market towns are

weathering the recession better than other areas, small scale funding and / or grants would still be beneficial to ensure the stability of such towns in the future. Funding to support new business start ups was also suggested as a way in which market towns can be supported, particularly in terms of increasing employment opportunities and reviving town centres.

- *'Tourist Visitor Information Centre funding is being ended by our district council, because they can and are short of funds. This is likely to be a significant blow to our main industry - tourism.'*
- *'Funding for projects to generate new businesses/employment'*
- *'Also if a small grant scheme - similar to Leader - could cover market town centres with small grants - ideally administered in same way as Leader or via Business Link - this would encourage micro business and retail start up.'*

4.2 The co-operation of the private sector

A number of respondents suggested that gaining the co-operation of the private sector, particularly landlords and businesses would be necessary in order to ensure market towns' future prosperity. Landlords could help to support the vitality of town centres by reducing rates for new businesses and also by encouraging them to maintain the appearance of their properties in order to ensure the vitality of the high street.

- *'Landlords could co-operate more by reducing rents for new businesses coming in.'*
- *'Some landlords of commercial property seem to be very greedy, while not maintaining their property with the money they make. It would be useful to have at least a voluntary code of practice for all such commercial landlords while financial crisis is being fought'*

4.3 Additional support for businesses: Business rates

Reducing business rates was one of the most frequently cited ways in which market towns could be supported over the next twelve months. 'Freezing' or reducing business rates was deemed as particularly important to support existing independent retailers, and also encourage new businesses into town centres. Other means of supporting local businesses included strengthening the relationship between businesses and town councils, or where they exist, the Chamber of Trade.

- *'Business rates which logically should support this are being used elsewhere by district council and government to fill other financial shortfalls. Local tourist businesses believe that more not less of their high business rates should be spent locally to encourage tourism.'*
- *'business rates freeze for independent retailers/micro business'*
- *'Support from government to help local small businesses survive - i.e. no increase in business rates'*
- *'Incentives for businesses to come to the town such as business rate relief.'*

4.4 The protection of market towns from predatory supermarkets

There was a feeling amongst a number of the survey respondents that more should be done to prevent the negative impact that large supermarkets can have on independent retailers in market towns.

- *'There should be stricter control over the predatory effects of large supermarkets, for instance in the growing practice of providing free bus transport from villages to their superstores, thus further stripping business from local village stores.'*
- *'A stop on further out of town commercial / shopping centres that are killing town centres. A review of the development plans of the larger hypermarkets to avoid current negative impacts on high street traders.'*

4.5 An increase in support to develop infrastructure

A number of respondents commented that a significant factor determining market towns' future success was that of support needed to develop infrastructure, most notably transport links. This is particularly pertinent for market towns that are in rural locations. Other infrastructural support required, as raised by the survey respondents, include drainage and sewage, broadband internet connection, as well as health and social care provision, which may well see an increase in demand in

the recession. Improving car parks and making them cheaper to use was also cited as a way in which market towns could increase numbers of visitors and shoppers.

- *'We want sub-regional support from AWM to develop a travel terminus...After 40 years of virtually no strategic investment, we want the new unitary authority to recognise the priority for upgrading the town's infrastructure before there is any further development - drainage/sewage, roads, health and social care infra-structure, plus assistance in attracting in new knowledge and mail order businesses to our town.'*
- *'Funding for improved transport links between the town and the railway station.'*
- *'Assistance from councils to encourage shoppers with lower or zero parking charges. Get the people back in and the shops will do the rest.'*
- *'...we are not helped by poor broadband speeds and coverage in this rural area'*

4.6 Devolving more power to the local level

An interesting theme to emerge from the survey responses was that of the devolution of power, which was deemed necessary for market towns to be able to emerge from the recession. A number of respondents suggested that there needs to be greater devolution of resources from the national and regional level down to the very local level, in order for market towns to address the particular challenges they face. There is the suggestion amongst some of the respondents that any successful response to the recession has to be 'bottom up'.

- *'There should be greater devolution of resources, financial and human, from regional, county, and district down to parish level, to assist in planning and project delivery at the grass-roots. More power to the community to control its own destiny.'*
- *'We want county support in marketing our town and we want progressively devolved control of the public resources invested in this area to start developing our own local solutions and building up our community resilience.'*

4.7 Reforms to governance arrangements

Connected to the theme of devolution is that of governance, with a number of respondents suggesting that local government needs to be encouraged to recognise the importance of market towns and to support market towns. Suggestions included more rigorous inspection of local authorities in terms of their ability to regenerate market towns and also the appointment of town managers. There was also some suggestion that local councillors needed to show greater leadership in supporting market towns rather than blocking schemes.

- *'The new Unitary Council...needs to conduct a review of the running of the town council in terms of distribution of budget. Plus employ a town manager who could actively promote the town. This would encourage the formation of a wider and more inclusive partnership. As it is we have no local elections until 2013 and therefore no leadership which cannot be undermined by entrenched councillors.'*
- *'Rigorous inspection of local authorities to ensure they have necessary skills / leadership and funding to meet town regeneration needs as part of their published corporate gradings'*

4.8 Maintaining support from RDAs and other bodies

A number of respondents surveyed stressed that continuing support from regional development agencies would be important over the coming months. It was also noted that in the uncertain months ahead partnership working between local authorities, business support groups, and regional agencies would all be crucial. It was also noted that the support such bodies offer to market towns is coherent and complementary.

- *'Continued support from Yorkshire Forward and Integreat.'*
- *'Joint efforts from regional agencies, business support groups, county and district councils working in partnership'*
- *'Continued support from higher tier authorities for our town will be essential.'*
- *'LIFE WOULD BE EASIER IF THERE WERE A MORE COHERENT SUPPORT POLICY THAT DID NOT REQUIRE HUNDREDS OF HOURS OF RESEARCH AND FORM FILLING.'*

5 Conclusions

As outlined in this Rapid Research, market towns have felt a number of negative impacts from the recession, including: rising unemployment; decreasing numbers of new businesses; decreasing house prices; and decreasing footfalls. However, there is nevertheless room for optimism. As this Rapid Research has illustrated, many market towns have been quick to respond to the recession, and it is encouraging to see the development of a number of innovative projects, such as community art projects, local shopping schemes, and new initiatives and partnerships. Furthermore, in some respects it appears that whilst some market towns are vulnerable to the recession, for example due to their isolated location and poor infrastructure, our research has, in many instances, uncovered a real sense of innovation and community spirit. Moreover, the inherent characteristics of many market towns – such as historic buildings, location, and attractiveness – may stand them in good stead for the future. However, there is also evidence of the gaps both in what is being undertaken in market towns and in the support required for the future that needs more thought in the coming months and years as the impacts of recession continue to bite.

Reactive nature of responses

To date, the majority of responses identified in the research have tended to be short-term, reactive types of activities to combat the impacts on market towns as they have occurred. More thought will need to be given to understanding what measures need to be taken in the long-term to support the economies of market towns.

Considering other elements of a town's economy

The majority of responses identified in the survey highlight that activities to date have been largely focused on the retail offer of market towns and the look and feel of the town centre. In most cases, this is in direct response to the reduction in footfall and increase in empty shops, which are the most visible signs of a town's economic demise. This work also links to the tourism offer of a town's economy. This is vitally important work, but market towns will also need to consider how they support other sections of the town's economy, where the impacts are 'less visible', for example, small to medium enterprises, lifestyle type businesses and the manufacturing sector, which has been severely hit at a national level.

Role of the public economy

An important aspect of many market towns' economy is the role of the public economy as an employer and procurer of goods and services. In a time of recession, the presence of a public sector organisation in a market town, for example, local council offices, a prison, health service or social care can act to bolster the economy. Market towns should consider working with these public agencies to understand how they procure services to ensure that local SMEs/social enterprise have the opportunity to benefit from public spend.

Governance and engagement

The results of the research also point to a real need at a local level for stronger engagement with the political and decision making process. Many of the comments alluded to a feeling of powerlessness and disengagement with local governance processes and a lack of strong local leadership among local councils. There is potentially an important role for local authority and town councils in spearheading local action to improve a town's economy but this must be an enabling rather than disabling role, which is open to new ideas and approaches to tackling the challenges market towns face.

Potential for the third sector and social enterprise

Few towns mentioned the role that the third sector and social enterprise might be able to play in supporting their town in recession. There is potentially more work that can be done in this area to highlight the potentially constructive role of social enterprise and the third sector in rural areas.

Challenges for central government

The results also point to a feeling of isolation among market towns that suggest they often feel as if their needs and challenges are undervalued and underplayed by policy makers at a central and regional level. There is a real lack of understanding about the role that market towns play in regional

and local economies and therefore, they tend to be forgotten whilst the majority of policy emphasis is placed on larger urban centres. However, what the results of this work do show is that market towns are feeling the effects of recession in terms of reduced employment, insolvency and footfall; if action is not taken to address the challenges they face, then this may lead to potentially bigger problems in the future.

The future direction of rural policy

The results of the research also highlight the need for rural policy to consider the direction of its policy in the future. It is interesting to note that, when asked about the extent to which they had benefitted from government initiatives in the past, the majority stated that they had been involved in the Market Towns Initiative (MTI) which was borne out of the previous Rural White Paper published back in 2001. This illustrates that these initiatives have remained important and alive for many areas, with organisations rallying to support these structures, despite the fact that central funding for this work has long since ceased. However, it also lays bare the fact that there has been very little in the way of initiatives to support market towns since this last wave of activity following foot and mouth disease and that as the public funding is squeezed further, the remaining funding available through local authorities and RDAs, for market towns is under threat. Current economic development initiatives such as economic assessment, Multi Area Agreements and Economic Prosperity Boards are heavily focused on large urban centres with little consideration of how they might be applied in rural areas. There is the opportunity for market towns to consider how they might be able to adapt these types of mechanisms for their areas in order to develop longer-term economic development initiatives.

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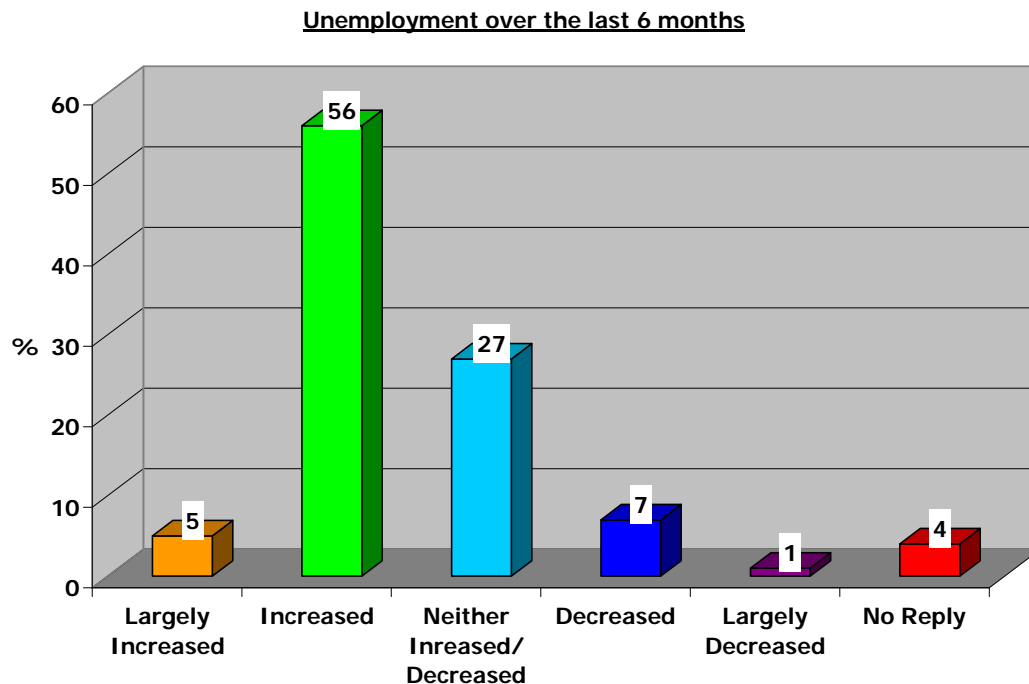
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APPENDIX 1: The impact of the recession on market towns

Rising unemployment levels

As shown in the chart below, 61% of the respondents said that unemployment had either 'increased' or 'largely increased' in their town. This is unsurprising considering recent figures show the total number of people out of work in the UK has risen to 2.2 million. 27% of the respondents said that unemployment had neither increased nor decreased in their town, with 8% of respondents noting that unemployment had actually 'decreased' or 'largely decreased' in their town over the last six months.



Anecdotal evidence to support the perception that unemployment levels had risen included:

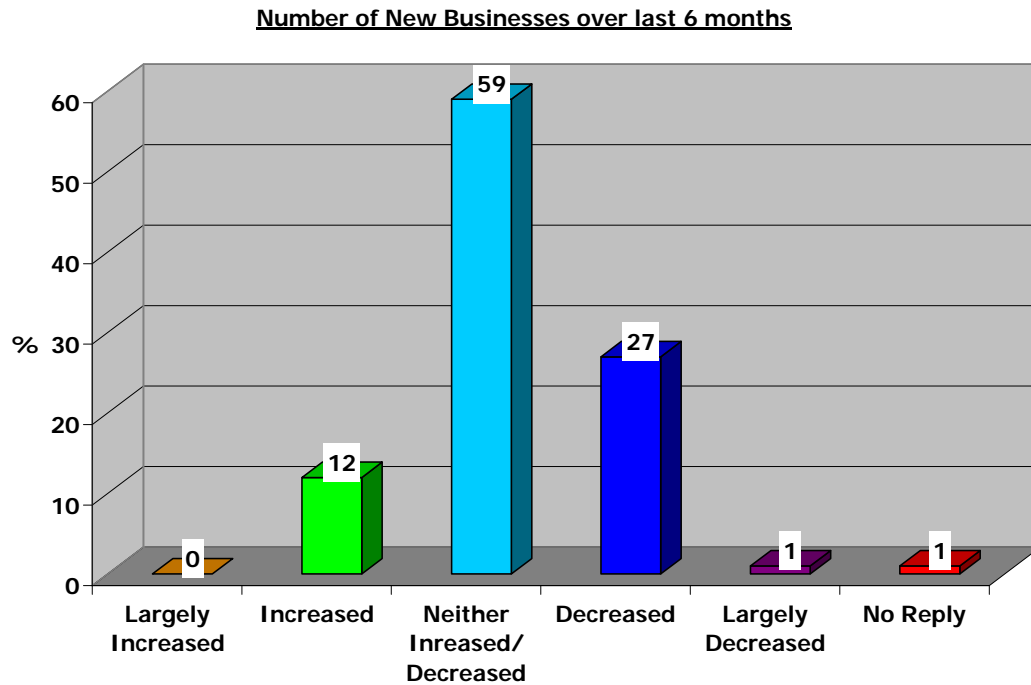
- *'The [increase in the] number of younger men who seem to be around the town during the day'*
- *'A reported increase in the number of applicants for jobs with some known local employers.'*
- *'Local newspaper reports on job losses/gains at local firms.'*

Empirical evidence cited included the following:

- *'Buxton town centre has 8 wards - May 2008 total of JSA claimants for these wards was 277 Feb 09 - same wards = 649 Thus 234% increase.'*
- *'May 2008 JSA claimants = 101 Feb 2009 JSA claimants = 170'*

A reduction in the number of new businesses

Considering media coverage concerning the lack of new businesses starting up during the recession, it was somewhat surprising that the majority (60%) of respondents reported that the numbers in their town had neither increased nor decreased.

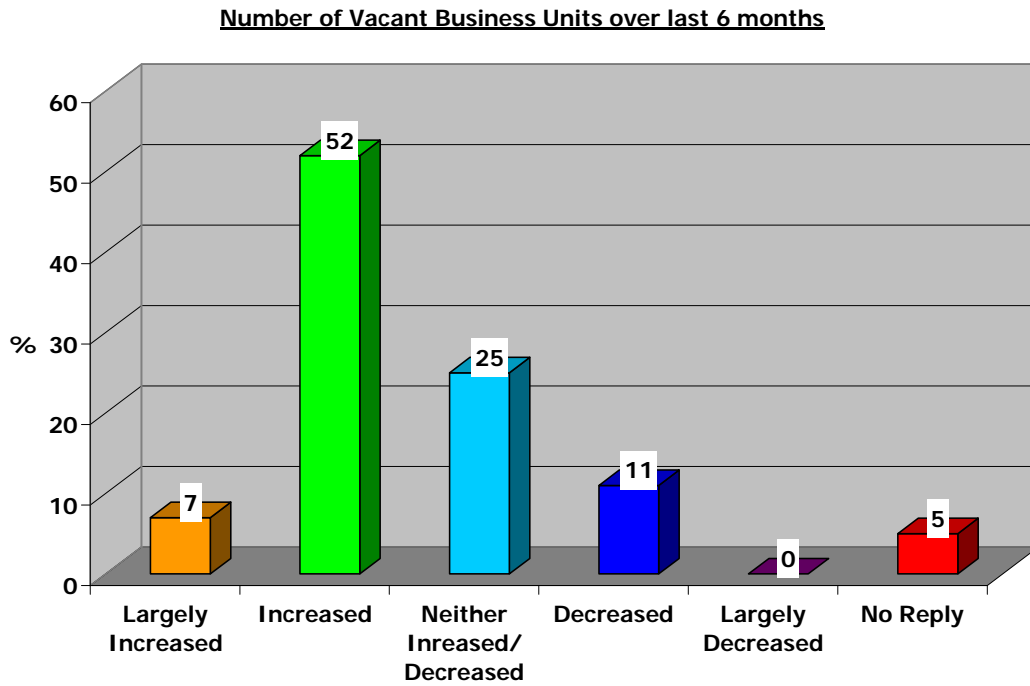


Those respondents who indicated that there had been a decrease (27%) were asked what evidence they had to support the response. One of the main responses concerned 'vacant units.'

- *'We now have four empty shop premises in the town and six of the eleven units in the town's Industrial Park are about to be vacated, with little prospect of filling them in the short-term.'*
- *'We have some shops empty - for longer than usual'*

An increase in vacant business units

The effects of the recession on the number of vacant business units in the market towns we surveyed are highlighted in the chart below. 59% of respondents stated that the number of vacant business units in their town had either 'increased' or 'largely increased'. 25% responded that the number of vacant businesses had 'neither increased nor decreased'; whilst 11% noted that the number had 'decreased'.

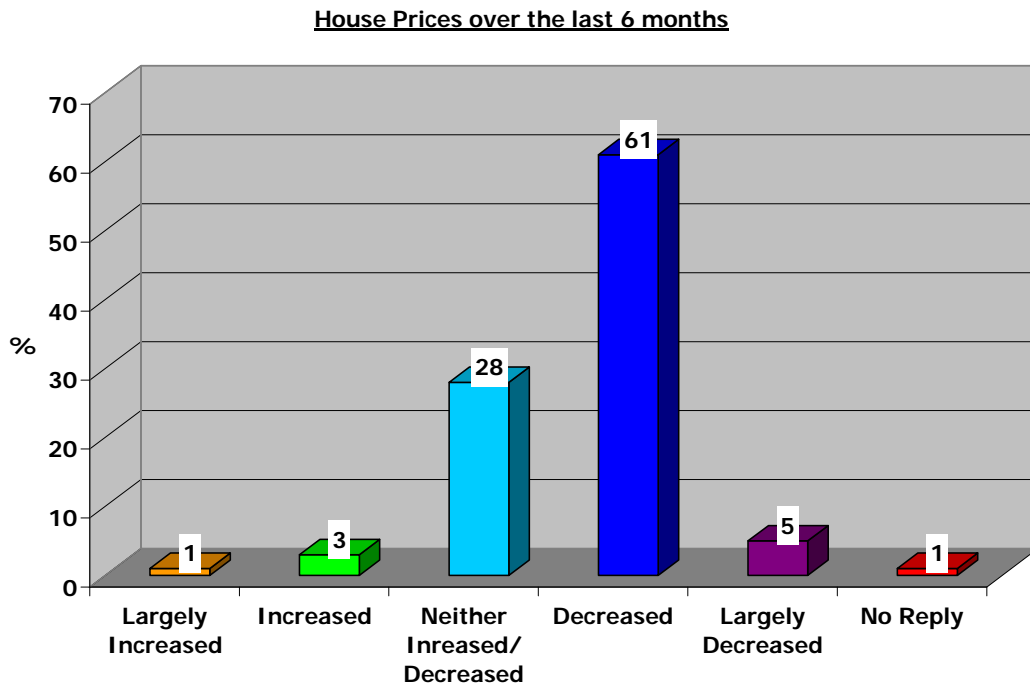


Once again, observational and anecdotal evidence often informed this perception:

- *'Six of the eleven business units in the town's Industrial park are about to be vacated with little prospect of filling them in the short to medium term.'*
- *'Prior to the last 6 months all retail units were in use, now there are at least 6 empty, which returns the situation to what it was ten years ago.'* (sic)

A decrease in house prices

The majority (66%) of towns who responded to the survey recorded that the house prices in their locality had decreased (61% decreased, 5% largely decreased) over the last 6 months.

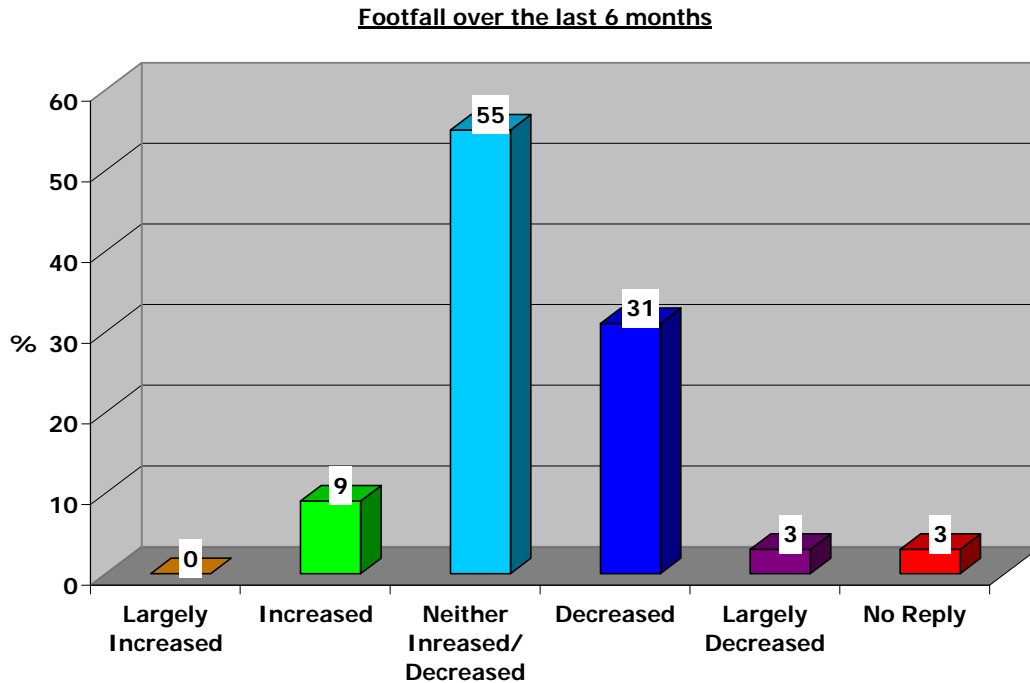


Information to support the perception of decreasing house prices was largely anecdotal in nature and included the following evidence:

- *'Large number of ads in local paper with the words 'new instructions' or 'reduced' written across them.'*
- *'Three estate agents have closed branches in the town.'*
- *'Estate agents report they are failing to achieve the asking price and homes are selling at a discount.'*

Impact on footfall

Interestingly, over half (51%) of the towns indicated that the 'footfall' in their town centre had neither increased nor decreased in the last 6 months. However, 31% of respondents said that footfall had decreased.



A number of respondents cited that they had gleaned this information from formal measuring systems such as surveys, footfall counters, and monitoring exercises. Anecdotal evidence to suggest a decrease in footfall included:

- *'It's a guess. We know that overall trade is down by over 6% according to some who monitor that. There have been other factors not helping, e.g. digging up the High Street for new gas, electricity and other services...all impacted the town.'*
- *'Market traders and shop keepers comment weekly on lack of shoppers and people about.'*