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Discovering the diverse economy of a ‘left-behind’ town

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ABSTRACT

How should we think about the well-being and associated economic development of areas that are not subject to market pressures for growth? What is the economy of a small town outside such demand pressures like? And what should be the role of local planning in such a context? The paper explores these questions through a case study of Shildon, County Durham in England. It explores the diverse economy of the town, including aspects of the Foundational Economy and the central role of civil society, through an analysis of local planning for business premises, new house-building and culture-led regeneration.

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Introduction

Planning seeks to improve places, not just physically but also in terms of the experiences of the local population. This necessarily involves local economic activity, so that planning and local economic development (LED) go hand in hand. But current thinking on how to use planning systems to promote LED is limited, in terms of both how the objectives are framed and the prevailing understanding of what constitutes LED and how economic activity is generated. There is a tendency to focus on larger urban areas, on what are seen as cutting-edge changes in the economy and on promoting higher-value uses in growing locations. This approach has little to offer to many smaller settlements, such as small towns, or to areas where growth pressures are limited or non-existent. Here, a different approach is needed and the paper explores this through a case study of Shildon, County Durham in England, an ex-railway town that has passed through de-industrialisation and is regarded as ‘left behind’. The analysis draws on ideas about the ‘diverse economy’ and the Foundational Economy to consider the role of local planning in such a small town. It analyses existing planning practice in terms of property-led business promotion, the pursuit of social change through housing development and culture-led regeneration, highlighting the potential but also the constraints for achieving LED and community well-being. The analysis, thus, offers insights for planning in the many smaller settlements that are such an important part of urban structures internationally (Mayer & Lazzeroni, 2023). It suggests what can be achieved through a local planning focus while recognising the need for supportive regional and national frameworks. Local planning is

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here defined as local government policy and practices envisioning and managing change in a locality through an emphasis on the physical environment, both built and natural.

A diverse economy approach

The dominant model of local planning for fostering LED sees new urban development as a way of attracting capital to an area, fostering increased local economic activity and thereby generating a virtuous cycle of increased local income levels, consequent greater local spending, inward migration and further rounds of inward investment. Hence, local planning is urged to focus on ways of facilitating development and shaping places to better attract inward investment. The ability of this approach to deliver community benefits through diverting a proportion of development profits to planning gain becomes a further argument for encouraging market-led development, providing that regulatory mechanisms are used effectively (Rydin, 2013).

There is considerable LED theory that lies behind this approach (Pike *et al.*, 2006). Exogenous theory sees inward investment flows as essential to driving local economic growth and thus recommends developing business concentrations and economies of scale. Beel and Jones set out how the dominant economic development narrative focusses on agglomeration economies and the benefits of urban clustering for economic activity and for innovation, particularly knowledge-based innovation (Beel & Jones, 2021). This is seen as fostering a transformation towards a knowledge-based economy (Haskel & Westlake, 2018). It proposes forms of planning that promote the clustering of knowledge and skill-based activities (Glaeser, 2011) and support the infrastructure needed for urban agglomeration (Ward, 2005).

Endogenous theory recommends harnessing local resources for development, including local entrepreneurialism and qualities of place. On its own, this is seen as limiting opportunities for growth and, therefore, the neo-endogenous approach builds on both exogenous and endogenous theories, seeking to maximise the value of local resources and generate broader competitiveness based on those resources (Bosworth *et al.*, 2015). It recommends leveraging the advantages of the locality, including the built and natural environment (Belliggiano *et al.*, 2020). Rather than emphasizing the mobility of capital stock, labour and technology, neo-endogenous theory seeks to take advantage of local networks and agglomeration economies, local institutions and local entrepreneurship working with the grain of the local economy (Pike *et al.*, 2006). It also emphasises the importance of developing human capacity and enhancing quality of life in the area (Reese, 2014). The stress here falls on the use of local resources including place, people and entrepreneurial capacity, including the provision of spaces that can act as a seedbed for entrepreneurial activity, such as start-up incubators as well as local business support services.

This range of theory has supported a variety of LED and associated planning approaches, often in experimental ways. However, there is a body of critique of current practice, either for promoting consumption-led growth rather than building productive capacity (Johannisson, 2007) and for a lack of overall effectiveness. MacKinnon *et al.* have argued that an over-emphasis on agglomeration economies has privileged ‘superstar’ cities and led to less focus on other kinds of places (MacKinnon *et al.*, 2022). A property-led approach has been particularly targeted

for its inefficiency – that there is limited additionality (Gkartzios & Norris, 2011) – and ineffectiveness – with a tendency to take for granted the property market conditions required for this strategy to work so that land remains vacant (Adams *et al.*, 2017). Undesirable outcomes are also found (Dillon & Fanning, 2015), notably gentrification of areas that fails to meet the needs of existing local communities (Norris *et al.*, 2014).

McInvoy concludes that the success of planning oriented towards property-led economic development in attracting inward investment is the exception rather than the rule (McInroy 2018). It is only at all effective in conditions of existing strong market demand and the approach struggles in conditions of low growth and weak market conditions. If it does succeed, it may create pressures for inward migration; replacing a low wage, unskilled labour market with a high wage, highly skilled one is unlikely to benefit existing residents and workers even with local training opportunities (Katz & Nowak, 2017; Morris *et al.*, 2019). Rather, it can result in displacement accentuated by in-migration of new workers/residents and consequent upward pressures on the local housing market. Accessing goods and services can then become problematic for existing residents. Motoyama's quote is pertinent here: 'In practice, LED typically means real-estate-based "development" in pursuit of profits and returns ahead of improvement of wages, skills and the standard of living' (Motoyama, 2020, p. 156).

The broader theoretical critique is that it misconceives 'the economy' of places. Gibson-Graham (2006, 2008) have argued that 'the economy' is conventionally seen as hegemonic, real and non-negotiable, focussed around monetary exchange and investment, a situation they term 'capitalocentrism'. In response, they seek to reimagine economic possibilities through a new economic language, looking for the 'unmapped possibilities that are present in every situation' (2006: xxxvii). Rather than proposing a social economy that is separate to and other than the 'real economy', they suggest the idea of a diverse economy which encompasses the many unpaid and informal forms of economic activity alongside those arising from market exchanges, and also, centrally, considers the interdependencies between different forms of economic activity. On this basis, they attempt to create a new economic language through a series of typologies of transactions, labour and enterprise, which encompass market, non-market and alternative market forms. Importantly, they see a surplus as arising from all forms of economic activity and not just from monetised, market-based activities.

The Foundational Economy model, while developed separately by the Foundational Economy collective, fits well with this diverse economy approach. Its proponents seek to delink the assessment of quality of life from conventional market indicators and instead focus on those aspects that enhance livability, including access to public services, the extent of social capital within the community and local environmental assets. The material, overlooked and providential aspects of the local economy, as they term it, are considered essential to supporting well-being (Froud *et al.*, 2018). Thus, Calafati *et al.* argue that the emphasis on GDP or GVA (Gross Value Added) under-represents the qualities of living in lower GVA locations (Calafati, 2019). Instead, they argue for a focus on liveability which is understood as a combination of income levels, mobility infrastructure, social infrastructure and grounded local services such as libraries and care support (see also Froud *et al.*, 2020). They also try to take account of the balance between income levels and local costs of living, arguing that living in a higher-income, faster

growing area may actually impose costs on residents without offering additional benefits of liveability.

Central to this perspective are the under-valued aspects of the local economy, but also the areas that are located outside of market processes and are largely overlooked in conventional accounts. For example, there is the role of care, within not only households and families but also friendship networks and wider communities. One of the main critiques of the economic measure of GDP is that there are many activities – such as family childcare – which are essential for economic activity but are not counted (Mazzucato, 2018; Pilling, 2018). It is clearly analytically incoherent to suggest that private nurseries add to economic activity, while parental or grandparent childcare does not. Both these actions of care are essential for market-based economic activity to continue. Here, the permeability of the boundary between the local economy and civil society and the importance of the latter to the former becomes clear.

Research has shown that SMEs in particular value aspects of local civil society. Looking at Portland, Oregon, Thomsen and King found that SMEs valued relatively high pay for entry level workers, safe workplaces, healthcare benefits and retirement benefits but also support for stable housing, children's services, employees' non-work activities, use of local products and services and voluntary work (Thomsen & King, 2009). Xiao et al. argue that SMEs can have strong place-attachment, with social norms beyond profit, and that their success and even survival depend on non-market relationships in the locality, not just on the contractual links with other firms (Xiao *et al.*, 2022). Meanwhile, Ha et al. provide a long list of the benefits of social networks to local economic development (Hyunsang *et al.*, 2016). Karlsson and Rouchy found that quite different forms of social capital operated in Sweden and France, where local economic development was concerned (Karlsson & Rouchy, 2015). Similarly, Atterton's work undertaken in Scottish towns emphasizes that the nature of networks is of fundamental importance in determining their effectiveness in promoting LED (Atterton, 2007). Westlund et al., looking at start-ups in Sweden, found that local entrepreneurial social capital, as represented by local norms, values, networks and other 'space-bound' assets, was strongly positively correlated with start-ups and how they function (Westlund *et al.*, 2011).

But the importance of civil society does not just relate to activities undertaken by private firms, that is supporting their production activities, but also concerns how goods and services are accessed by local residents. Beyond purchase in the market, such access can be provided by rights granted by the public sector, reciprocal exchange between people and organisations, and gifting. Public policy, both national and local, is important here but so also is the operation of social capital supporting reciprocal exchange and gifting. These may be seen as a way of maintaining the local community, as a way of giving back support that was received earlier, or of demonstrating a sense of community through a trust in the belief that people will support each other. These non-marketised means of accessing goods and services can be particularly important in low growth areas, which typically have low skills and low wage economies (Major & Machin, 2018).

Thus, the key to rethinking planning for LED is to look beyond the incentives to market actors provided by agglomeration economies, provision of premises and enhanced qualities of place to consider more broadly how an area works through the interactions between the private sector and civil society and how this underpins a much

broader conception of the economy and of economic activity. This is particularly important when considering smaller settlements that do not readily fit within the agglomeration economies framework or areas with low market demand pressures. In practice, these two contexts can often combine, as with the small town of Shildon, perceived as ‘left-behind’ by contemporary economic circumstances. The paper now turns to an analysis of planning for LED in Shildon, looking at the insights that can result from a diverse economy perspective. The focus is local planning, looking at the possibilities for action at the scale of the town; as will be seen, a broader strategic approach can leave such small settlements unconsidered in favour of pursuing agglomeration elsewhere.

The case study: Shildon, County Durham

Shildon is a town of about 10,000 people in the former borough of Sedgefield, now within the Durham County Council municipal area in northeast England. It is one of the number of small dispersed settlements in the county that had their origins in the earliest days of the industrial revolution. As such, Shildon is both a distinct urban area, albeit it is a small one and part of a network of urban areas of different sizes that together make up the urban structure of the county.

Shildon presents itself as the birthplace of the steam railway and was effectively a railway town until the closure of Shildon Wagon Works in 1982–4 with the loss of 2,600 jobs. Always a fragile economy since the decline of coal mining, the closure of the railway works was a major economic and social blow to the town but not the only one. While employment at the railway works was overwhelmingly male, the fake fur company Astraka employed many women in the town until its closure in 1988 (Lloyd, 2021). Shildon is, thus, a classic example of de-industrialisation on a small scale. It qualifies as a place that is not growing and not itself attracting new private investment. The current local planning response is threefold: providing business premises, encouraging in-migration, and leveraging the expansion of the local railway museum, Locomotion. Each will be discussed in turn, in the light of the above conceptual framing.

The research underpinning the discussion involved document analysis, web-searches, semi-structured interviews and site visits. Interviews (including repeat interviews) with four key local actors in local government and the local community were undertaken. Newspaper archives were trawled used Nexis and data collated from online business directories. Current local municipality plans and reports were studied and web-sites for local initiatives, local government and key local businesses were examined. The research was undertaken, largely under pandemic conditions, during 2020–22.

Property-led business promotion

An orthodox role of planning is to facilitate new development that businesses – both local and inward-migrating businesses – will need, that is the provision and improvement of sites and premises, operating alongside selected subsidies and business advice/mentoring, etc. In 1990, Roberts et al. studied the area and detailed this as a positive response to the loss of employment in the town after the closure of the railway works. The Shildon Action Group was set up in 1983 and an Interim Action Plan published the year after.

The Sedgefield and Shildon Development Agency (SSDA) was then established in 1984, developing close links with local business. The national agency, England Estates, built new industrial floorspace and a business support centre was set up to provide training, including in IT. European funding resulted in the creation of a National Programme of Community Interest in 1985 covering a wider area and aiming to provide serviced industrial land and new or refurbished industrial floorspace; this programme ran until 1989.

Bryden and Scott describe the provision of space for industrial activity in Shildon as ‘the leading edge of the practice of LED’ in the 1980s (Bryden & Scott, 1990, p. 145), although the European-funded programme actually under-spent on factory building. It has been claimed that the SSDA had helped nearly 150 projects in its early years, including 80 start-ups, and that 12 companies were established in the old wagon works (Duffy, 1986). However, there is also evidence that the firms that remained or set up in Shildon were not offering a large number of jobs, and that the jobs were often non-unionised and only just above minimum wage (Duffy, 1986). By the 1990s, it was being reported that about 70 businesses were operating in and around the historic wagon works, significantly increasing the number of firms in Shildon from only 6–7 companies (The Northern Echo, 1997) and that these businesses were increasingly diverse. Yet, Pike and Tomaney note that while the number of SMEs in the area had grown, employment in SMEs had fallen (Pike & Tomaney, 1999).

Pike and Tomaney also address the spatiality of economic linkages in the 1990s looking at the borough of Sedgefield, which included Shildon at the time. They query the strategy of fostering a ‘manufacturing borough’ and of focusing on local and/or traditional industries as the route to reviving the economic fortunes of the area. They point to the extent to which the economy was subject to decisions made by transnational corporations (TNCs), resulting in the loss of branches of international firms in 1980s, inward investment from Asia in late 1980s–early 1990s, and then more branch closures in 1990s. They detail the continuing reliance on a ‘handful’ of TNCs for about a third of all employment in the borough rendering the local economy vulnerable to external decision-making.

By 2004, SSDA was claiming it had helped 1,100 firms create 13,000 jobs across its area, but these were not necessarily in Shildon itself. Perhaps significantly, the SSDA had moved its offices from Shildon to Newton Aycliffe in 1994 (This is the North East, 2004). The 2013 Shildon Regeneration Framework identified the majority of businesses as employing less than 15 people with only 4% employing more than 100 (2013, S. 4.2). The present policies of the Durham County Council (2020) continue to protect business/industrial land and to allocate new sites. Similarly, in the Shildon Regeneration Framework (Rydin, 2013) space for employment opportunities remains a key priority, explicitly positioning Shildon as a low rent business prospect, with smaller, more flexible premises. At the same time, Business Durham – the county’s economic development arm – owns and markets spaces on a number of industrial parks towards the south of the town. An examination of online business directories combined with site visits confirmed the effectiveness of these parks in providing premises, largely for SMEs. Almost 100 firms are registered on these parks; at least a further 78 can be located in premises elsewhere in the town. However, adding in the retail units (see below), this is still only about a third of the national average in per capita terms.

As the 2013 Regeneration Framework for the town recognizes (S. 6.11), using the offer of land and premises to attract inward investment puts localities in competition with each other for the limited pool of interest. An interviewee (Ref H) described Shildon as near to everywhere but not close to anywhere. It faces competition from other settlements on many fronts, settlements which have a more distinctive offer or are better connected (Ref J). Thus, spatial competition with other nearby settlements has led to an oversupply of business and industrial space in Shildon. In particular, Newton Aycliffe which is only 2 miles away has one of the largest industrial parks in the Northeast. Interestingly, Pike and Tomaney note that SMEs and indigenous firms were already critical of this approach in the 1990s (Pike & Tomaney, 1999).

The County Council (Ref J) recognizes that Shildon is now an economy dominated by SMEs and micro businesses. The County Council prefers to see Shildon in the context of the wider local economy where they are promoting business clustering elsewhere to underpin connectivity between firms; more businesses in a small settlement like Shildon would not necessarily contribute to this aim. A key example of this is the opening of a train manufacture and assembly plant by Hitachi in the latter 2010s on the Merchant Park in Newton Aycliffe. The 2020 County Durham Plan saw this as 'having the potential to act as a catalyst for further growth and investment within the sector and bring wider benefits to Newton Aycliffe and County Durham as a whole' (S.4.35). Benefits to Shildon residents and businesses would arise from residents in the town being able to gain employment in such new plants and then spending at least part of their income in the town. It is not clear that either has happened.

The unemployment rate in the Shildon area is above the national average but still relatively low. However, this has to be seen in the context of low participation in employment by Shildon residents; 17% are retired and 9% are long-term sick or disabled; over 35% of households have one person in these categories. In addition, some 4% are long-term unemployed or have never worked source. As of the 2011 Census, over 35% of the population in the parish of Shildon aged over 16 years had no formal qualifications. This speaks to problems of deprivation and the prevalence of a low wage economy in the town. The Index of Multiple Deprivation for 2019 covers Shildon in four sub-areas. One is in the 30% most deprived areas in the country, two in the 20% most deprived areas and one in the 10% most deprived areas. Thirty percent of the population live in socially rented housing and 39% had no car available to the household (Durham County Council, 2013, S. 5.4). Low wages are matched by relatively low house prices, but this is reportedly recently attracting more economically marginal residents with private landlords buying property for tenants reliant on social benefits.

Thus, the policy of providing business premises together with business support has increased the number of SMEs in the town and wider area and county-level policy is supporting business development on a broader scale. However, it is uncertain that this is increasing labour market participation and incomes in Shildon, which still experiences considerable deprivation.

Social change through housing development

Local planning documentation identifies another problem arising from the proximity of Shildon to several other places, notably that it generates travel to shops in

other centres. The lack of a distinctive offer from Shildon town centre is blamed for this inability to compete with other retail centres. Certainly, the kinds of retail outlet in the town are limited; amongst the 97 retail units, there are 'bespoke' shops such as butchers and cobblers but no major supermarket, for example. There are plenty of nail bars, tattoo parlours and take-aways. The 2018 County Durham Town Centre Survey puts the split of the high street at : 44% retail (A1), 5% professional services (A2), 7% hospitality (A3 and A4) and 9% hot food takeaways (Durham Insight, 2018).

The 2013 Shildon Regeneration Framework saw one 'solution' to this 'problem' as building more housing to attract households with above-average incomes and a greater ability to spend in the town, in effect a gentrification policy (S.6.12); it assumed continued significant out-commuting based on the strategy of employment creation at a wider scale. As a result, there has been new housebuilding on two main locations, both on the edge of the town (indeed, one beyond the edge). It is questionable whether such a housing-led approach would build local wealth within Shildon; new residents taking advantage of the relatively cheaper housing are likely to work elsewhere and still spend the majority of their money outside the town, given the limited consumer offer within the town. In the 2020 County Durham Plan, Shildon falls within the south Durham area and no further additional housing allocations are planned. Business is assumed to be best located in larger towns, with Shildon performing a local top-up role and most residents going elsewhere for their main weekly and comparison shopping. In particular, Shildon is seen as complimentary to Bishop Auckland.

However, it could be argued that Shildon's retail offer is meeting important local needs. The County Plan cites a vacancy rate in terms of units of 14.4%, just above county average but below nearby Bishop Auckland; vacant floorspace was just over 10%, less than half of that at Bishop Auckland. The 2016 Masterplan Update suggests a vacancy rate of 8.3% for 2016, that is only 8 units in total. Thus, while the high street may be a low-value offering, there are relatively few vacancies. Shildon need not be seen through the lens of a monetised focus in which higher wages, higher house prices and higher retail sales are positive indicators. Rather, its specific character as a low wage, low house price and even low employment location with a reasonably abundant SME sector could be recognised. This puts a value on aspects that have a low monetised price or cost, such as the highly affordable housing but also on the non-monetised flows within the town that support provisioning and enable access to goods and services. Here, the social capital of the town has a key role and is central to its LED. One interviewee (Ref H) summarised Shildon as having problems but 'at its heart it's got an unbelievable community spirit' and it is 'wealthy in other ways'.

The town shows evidence of strong social capital building interactions between residents and meeting social needs. In 1995, plans were drawn up for the first youth/community centre for 30 years (The Northern Echo, 1995) followed by setting up a youth council in 2009 (The Northern Echo, 2009). The Shildon Town Council has become a more significant local body since Sedgfield Borough Council was dissolved in 2009 and was described as 'brilliant' and 'one of the best I have worked with' by an interviewee (Ref H). The Town Council has a civic hall and is responsible for cemeteries and burials, parks and green spaces and allotments, including the main park, Hackworth Park. It meets twice a year but fosters community events throughout

the year including projects such as a health and well-being garden, a 'fridge for all', food banks, a credit union, support for young people not in employment, education or training, and park improvements. It also coordinates SCYPAN which brings together providers of youth services. It was particularly active during the COVID-19 pandemic.

The Town Council is contributing to the Foundational Economy, understood as meeting providential needs. In this task, it is joined by numerous civil society organisations, such as the churches. Shildon Alive! provides food banks and community meals and a shop that sells food waste from supermarkets at low prices. But the Town Council is limited by ownership of land and assets, its reliance on key personnel, particularly a few active councillors, and a specific remit. They do have local knowledge and can support a sense of local identity. A key interviewee for the Town Council emphasised that they were good at fostering partnerships and working with others. For example, they organised a mini miners gala during the pandemic, as well as 'Shildonbury' and 'Brass in the Park'.

Yet, the existing social capital is not strongly integrated into the business activities. LED actions are handled by Durham County and seen as distinct from the activities of grassroots groups. Durham County Council does adopt an Area Action Partnership (AAP) approach, with 14 AAPs across the county; Shildon falls within the Bishop Auckland and Shildon AAP where a small team works with elected members, representatives from business, social housing and the voluntary sector and the wider public. Each AAP has a board but also a broader forum, used for consultation. Until the Covid pandemic, the AAP would consult annually on priorities; these would be addressed through projects funded by a county council budget; as an interviewee said, 'it's all about local action' (Ref H). The Shildon AAP has consistently identified three priorities: children and young people, community safety, and employment and jobs; the main activities have been focused on the first two.

The Masterplan Update 2016 provided a list of the projects promoted by AAP at that time: Guerrilla Gardening; Coundon Gateway, a road safety project; From Plot to Plate; Brusselton Incline restoration; Salvation Army kitchen appliances; Eldon Bank road safety; IT upgrade and support for community newspaper; Jubilee Fields Community Centre heating upgrade; Shildon footpath improvements; and Shildon Station artwork. Thirty-eight projects were approved for 2015/16, with over £300k grants awarded attracting almost £400k match funding. By 2020/21, 90 projects were approved, but funding was lower at £280k, with almost £200k match funding. Not surprisingly, much of this latest funding was Covid-related. Attempts by the council to provide business support advice on marketing often have to piggy-back on more immediate concerns such as security of premises. An example is the provision of grants to improve the security of retail units. Here, the AAP worked with the Enterprise Agency and the Police, offering advice and installation of security features, but at the same time involving a business advisor to talk about marketing and business support.

There are, therefore, activities within civil society in Shildon that support the providential aspects of the Foundational Economy but there remains limited integration with market-based local economic activities; social capital tends to focus on meeting social

needs rather than addressing business dynamics directly. The final aspect of culture-led regeneration tells a potentially different story.

Culture-led regeneration

Shildon has been described as a location where, to quote a past local authority chief executive: ‘We have not a hope in hell of becoming a tourist area or a Silicon Valley and very little chance of attracting a Nissan-type project’ (Duffy, 1986). Recently, the potential for attracting tourists has been re-examined, since Shildon benefited from the opening of a major museum in the town in 2004. ‘Locomotion’ houses part of the national railway collection and is now part of the national Science Museum Group. It has incorporated renovation of historic railway buildings on its site and in 2020 was slated as the new home for the world’s first iron railway bridge, the Gaunless Bridge, designed by George Stephenson. This is part of an expansion plan, called Vision 2025, which will almost double the visitor space. 2025 is the anniversary of the Stockton Railway, and there is cross-local authority working to capitalize on this. There will be a new building, and older buildings will be renovated, with better interpretation of the site and 40 more locomotives going on display in addition to the bridge.

This development is notable for being closely linked with the heritage and identity of the town. As the Head of Locomotion has been quoted: ‘Bringing [Gaunless Bridge] to Locomotion will return it to the route of the Stockton & Darlington Railway, give a focal point to the redevelopment of the museum and restore a great source of local pride and identity to the community in which the museum sits’ (Cassidy, 2020). The aim is to increase but also spread visitor numbers so that they are not concentrated on a limited number of steam days. It has also been suggested that there is scope for Locomotion’s expansion to support business development elsewhere in the town. The fact that about 90 local companies trade with the museum opens up the possibility of developing the local supply chains around this key anchor institution, an institution that has a wider-than-profit perspective but – in the local context – relevant purchasing power. There are also proposals to provide some local business space within the Locomotion site, although the space is limited and has to fit with the museum brand. Suggestions include a bike hire hub for visiting trails on local disused railway lines, a holiday rental in a historic building and a pop-up café.

The potential of this development has been highlighted in the 2020 County Durham Plan (p. 82): ‘With further investment at Locomotion, this can act as a catalyst for increasing visitor numbers and increasing spend within Shildon and its town centre which in turn could lead to further investment.’ This frames the expansion of Locomotion firmly within the dominant market-oriented and monetised approach to LED. However, it remains questionable how significantly these expansion plans will impact on the market economy of the town. The development at the Locomotion site will be small in scale, and the museum has limited potential to act as an anchor institution compared with, say, a hospital, local authority or higher education institution. But crucially, there are physical barriers to the footfall into Locomotion benefitting the wider town. Currently, about 200,000 visitors come to Locomotion every year. Few visitors go to or spend money in the town centre, although over 40,000 visitors do stay

overnight in the wider region. The town centre lies about 10–15 min walk uphill from the railway station, separated by largely residential areas and a substantial park. One interviewee described the main road route to the High Street as the ‘back end’ of the town.

There have been a number of place-making activities in the town centre, largely associated with the Millennium and involving archways denoting the main high street and the creation of small public spaces adjoining this area. The Masterplan Update 2016 refers to £100k spent on improvements to town centre, removing heavy canopies in the town square, replacing seating, renewing paving and introducing planting. However, while improving the quality of the area for local residents, these have been insufficient to draw people up from Locomotion. The overflow of surplus from the Locomotion expansion to the wider town is, therefore, likely to be constrained. Indeed, one interviewee (Ref H) queried the whole culture-led regeneration approach: ‘Do we really want tourists in the pit heartland?’; they suggested it would be better for the county if they went to existing tourist areas elsewhere. As with the business development strategy, the county council see Locomotion in the context of cultural assets across Durham.

However, the Locomotion museum itself is developing a form of community engagement that will bring its economic activities into synergy with the social capital that already exists within the town, potentially reinforcing each other. There are plans for an intensive period of community consultation to ensure that people’s local histories are incorporated into the overarching narrative of railway history that will be presented through interpretation efforts at the museum. The current links with the Shildon Railway Institute are being expanded by appointing community champions and establishing a range of activities that will link the museum’s business, with local history and identity and community action. And the physical development at the site is being carefully designed to provide facilities, such as play spaces, for local residents as well as visitors. In all these ways, the expansion of Locomotion may build social capital alongside market-based economic activity, both leveraging the history and culture of the town.

Conclusions: the implications for local planning

The analysis of Shildon has highlighted the limitations of local planning strategies based on property-led business attraction and gentrification through housebuilding. It has been suggested that a business-development approach oriented towards regional clusters of economic activity may leave smaller settlements such as Shildon largely unconsidered and un-empowered in determining their own quality of life. The culture-led regeneration associated with the expansion of Locomotion may bring some limited market-based LED through spillovers into the local area, and there is scope for leveraging the purchasing power of a local (small) anchor institution. But significantly it may build synergies between local social capital creation and the museum’s core business. More generally, the analysis suggests the value of looking at Shildon’s LED in a different and more positive way, one that is more in tune with the ideas of the diverse economy and the Foundational Economy. Shildon remains a low wage economy dominated by SMEs, with low house prices and a substantial non-working population. But it is also a town with a strong identity and significant social capital, elements that can be leveraged in order to develop quality of life for residents.

It is important to value all aspects of the diverse economy of Shildon, that is all its productive activities and all the means of access to goods and services by local residents. There is a range of SMEs which should be acknowledged for their economic work despite low market valuations. The culture-led regeneration surrounding the expansion of Locomotion is valuable not just for the local employment and procurement that it may generate, but also for how it may foster local social capital through community engagement and building local identity, as well as the access to facilities it may provide. This remains valuable despite the likely limited commercial impact of the expanded museum on the town centre. And the role of local grassroots organisations, supported by county council funding and capacity-building through the AAP programme, must also be acknowledged in creating social ‘wealth’ in the town, a form of surplus for the community. This is value generated by the diverse economy that goes beyond exchange value (Sheikh & Bhaduri, 2020) and that indeed sees a fuzzy boundary between the public, private and non-profit sectors (Doherty *et al.*, 2014). It recognises that innovation is not just a matter of technology, capital investment and financial returns, but can encompass all forms of circulation of novelty and, thus, is compatible with ‘secular stagnation’ or the absence of conventional growth (de Saille *et al.*, 2020).

A new focus for local planning emerges, one that extends beyond property-led approaches, managing new development for place-making and enabling new residential development for higher income groups. It suggests that local planning should be about combining change to the built environment, with leveraging the existing built environment assets, providing support to the local SME business sector, and building capacity within the local civil society. There is a range of literature that suggests how physical change to localities can support the development of social capital (in a USA context, see Katz & Nowak, 2017; Fallows & Fallows, 2018). This involves working with the ‘old bones’ of existing places and leveraging authenticity, but it is also about using libraries and sports facilities, local educational institutions and maker-spaces, and creating local business support through concierge services and shared workplaces. A vibrant locavore food movement, with associated community gardening, and public art can also feature, as can other relationships of care with regard to local communities and the local environment. In this way, social capital, the physical environment and commercial aspects of LED can be inter-connected through a renewed planning focus.

This is not a task that local planning can undertake on its own. A supportive national and regional policy framework is needed, not least to support public services in the area. Ensuring adequate public services to underpin access to goods and services remains essential. But it does suggest a specific role for local planning, one that recognises both the need for connections beyond the locality, particularly for business activity, but also the very specific needs of the local population, providing relevant services and goods in a variety of ways and supporting the diversity of the provision of and access to such services and goods. The importance of local history can be a positive factor, both in terms of the physical form of the local built environment (whose assets can be leveraged for commercial and non-commercial benefit) and in the foundations of local social capital within the community. In particular, it emphasises the role of planning in shaping places, not for commercial attraction but rather to support the materialisation of social capital (Hanna *et al.*, 2009).

There is, of course, a financial dimension to this. Smaller businesses and local civil society organisations face many challenges, including the costs of premises (both rent and local taxes on premises). Local planning for a diverse economy requires funding streams to support local businesses and local NGOs and local or regional sources of finance may be relevant here (Manley & Whyman, 2021). The argument is that such sources are more committed to the local area and thus more ‘sticky’ and patient in terms of waiting for returns. A return to a form of 5% philanthropy can be envisaged, accepting lower returns over the longer term. It also involves recognising that civil society has a role to play in ensuring such returns on investment and this may involve new ownership models being promoted and funded. It may be that local land and investment trusts could be effective ways of promoting change (particularly where repurposing empty property is involved) alongside various social enterprises such as cooperatives. A wider research agenda is implied here.

This places local planning more firmly within the realm of urban everyday politics (Beveridge & Koch, 2018). Beveridge and Koch point to the need to resist established ways of urbanism and instead look to how everyday life can be reshaped. This can encompass changing urban space, using or appropriating urban space or resources for everyday needs and establishing alternative urban systems of the everyday. Such practices are spatially emergent, entwined in the rhythms of the ‘everyday’ and ‘everyday’ in the immediacy of the aims. They also have a cultural role to play within local communities, and this can connect with building more social capital in the locality. By paying more attention to the existing everyday patterns of the market-place and civil society within a locality, there is scope for leveraging the interconnections in ways that support people’s lives and livelihoods, without envisaging transformation through inward investment which may never materialise or have significant downsides and without resorting to gentrification and presenting it as a solution rather than the problem it may be for local people.

Three specific lessons for local planning arise. First, do not judge the economic development of a locality solely by the commercial valuation of land uses and activities and by aggregate metrics such as GDP and GVA. Second, consider the relevance of local activities in relation to the needs and everyday lives of the local community, prioritising those which enable them to access goods and services that they regularly make use of. Third, consider the monetised, commercial activities providing goods and services in the local area but also the non-market, non-monetised means that are embedded in civil society and work to develop the support for both.

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