

Enterprise and Business Committee Inquiry into the Regeneration of Town Centres:

**A submission led by the Centre for Regeneration
Excellence Wales**



CENTRE FOR
REGENERATION
EXCELLENCE WALES

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RHAGORIAETH
ADFYWIO

Contact:

Andrew Dakin
Deputy Chief Executive Officer
Centre for Regeneration Excellence Wales
Ynysfach Engine House
Ynysfach Rd
Merthyr Tydfil
CF48 1AG
T: 01685389153
M: 07876 757774
Andrew.dakin@regenwales.org
www.regenwales.org.uk

Acknowledgements

The submission of this response is founded on a programme of collaborative work over the last year which has examined the current challenge of regenerating the small towns of Wales. This represents one of the major regeneration issues in the revitalisation of the Welsh economy. CREW has been able to host discussions and events which have promoted debate and sharing of knowledge including a seminar in partnership with WISERD on the 7th April, 2011 and at CREW's conference Regenerating Rural Wales: Policy and Practice on the 7th July. CREW is grateful for the contributions of Jon Fox, Head of Built Environment at Capita Symonds and James Brown of Powell Dobson Urbanists for providing their expertise to both those events. This dialogue has continued during the preparation of this submission along with discussion with the Regeneration Skills Collective Wales which is also making its own submission to the Inquiry. CREW is in the process of establishing a 'study group' to examine the subject of small towns in Wales and is grateful to all those who have expressed their interest in participation.



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1. Background.

The Enterprise and Business Committee is to be commended in respect of its inquiry's area of interest and its timing as it provides a Welsh parallel to the Mary Portas report for the UK government on the rejuvenation of high streets which is due for completion later this autumn.

There is currently a perceived crisis with regard to the future of the high street. Headlines provided in the national newspapers over the last two years, together with the recent publication of statistical data evidences this crisis. For example, The Guardian has suggested:

- 'My town (Machynlleth) is menaced by a superstore. So why are we not free to fight it off?' (11.8.2009)
- 'The British high Street: RIP' (22.1.2011)
- 'Austerity engulfs the high street. Thorntons joins growing list of casualties in a week of retail misery that could cost 10,000 jobs' (29.6.2011).

There are multiple reasons for this crisis in the high street, and indeed the crisis is also extending to the out of town retail sector.

There is in the first instance a short term crisis caused by the recession and public sector austerity measures and the associated reduction in consumer consumption. However, there is also both a medium and long term more "structural" crisis looming related to:

- The competition which shopping via the internet produces.
- The need for increased local resilience in the face of continued future change such as anticipated fuel shortages and (and potentially the very increased cost of fuel) by 2016. Hence how people are going to access retail and service facilities is going to become a much bigger issue in the future, as even internet shopping will be challenged by increased costs of distribution.

CREW identified this current and impending crisis in 2010. Its response was to raise the level of awareness via public debate. CREW's recent seminar series with WISERD included a debate on the future of small town in Wales, and also the topic was covered at the recent CREW rural regeneration conference held in Mid Wales. As a result of the very considerable interest in the subject (and particularly from regeneration practitioners) expressed at the WISERD and CREW series, CREW agreed to set up a 'study group' which will bring key stakeholders together in order to further discuss the salient issues and to propose solutions designed to stimulate public debate, and hopefully to facilitate specific action by both the public and private sectors. The study group is to be set up along similar lines to the 'Town Centres and Local High Streets Learning Network' established by the Scottish Centre for Regeneration in 2009. CREW welcomes this opportunity to provide comment to the subject enquiry in advance of the first meeting of the study group which is due to be arranged in the next few weeks.

1.1. Why regenerate town centres?

In the post war period in the UK, 'stand alone' retail schemes were widely promoted by the public sector to facilitate regeneration in declining urban centres. However, from the early 1990's a more comprehensive approach was taken to regeneration based on the emerging concept of the 24 hour town and city. In a booming economy, it seemed possible to create major retail led developments in almost any town or city centre, linked to ready availability of finance for developers and shoppers

alike. Although many of these major developments were hailed as a success many practitioners questioned the real regeneration benefit. With hindsight it is easier to see that the success of the economy masked the impact on the resilience of smaller independent retailers and fundamentally changed the nature of many of our cities by privatising what was previously public space.

In the current economy many physical regeneration projects are currently stalling due to restrictions on the availability of both public and private sector finance. Hence questions are now being asked as to why one would undertake the regeneration of towns and cities via the 'conventional wisdom' previously employed. In short, questions are being asked about the long term sustainability of the conventional high street. Certainly in the short term, and with the majority of people having access to a motor car, and with potential access to the internet, shopping in the high street, as we have known it in the past, is considered by many commentators as suggested above to be in crisis. However, CREW fundamentally believes that vibrant town centres are a core requirement of a revitalised Welsh economy.

1.2. UK and Wales. Relevant policy history.

From the John Gummer years in the mid 1990s, central government endorsement for the regeneration of town centres gathered pace. The Labour government's Urban Renaissance report of 1999 promoted competitive and prosperous towns and cities with an aspiration to achieve a good quality of life; the Urban White Paper of 2000 affirmed the importance of stemming urban decline and facilitating an urban renaissance in towns and cities; and the ODPM Report, 'State of the English Cities' (2006) re-affirmed the need to pursue an urban agenda. In Wales, there has been an explicit acknowledgement by Welsh Government of the need to pursue economic development via for example, the Economic Renewal plan of 2010, and prior to that the 'One Wales' policy of 2007. However, no explicit intention has been confirmed in respect of pursuing town centre economic development and regeneration apart from within the Regeneration Areas. Conversely the WLGA (2009) representing all the 22 local authorities in Wales have confirmed their all-Wales commitment to sustainable regeneration and specifically town centre regeneration.

1.3. Why has there been a recent decline in town centres in the UK?

- Too much retail space exists to service the current size of the UK economy.
- Growth of internet trading.
- General dispersal of population and employment from town centres, which has been a social and economic trend in both private and public property markets within the UK over the last 40 years.
- De-industrialisation associated with economic globalisation.
- The recent closure of some big name national multiples which has diminished confidence levels from both a retail supply and demand perspective (The Guardian, 22.1. 2011, The Guardian, 1.4.2011, and The Guardian, 29.6.2011).
- Lack of an understanding within the public sector as to the importance of sustainable transport to facilitate connectivity between communities and their centres and mutually reinforcing retail centres (including between 'in town' and 'out of town' facilities).
- Lack of resilience in the independent retail sector

1.4. Characteristics and experience of the recent decline in the UK?

- Vacant shops in town centres (NB an average of 11% across the UK in May 2011-see British Retail Consortium in Planning, 26.8.2011. But in some locations the figure is 15% and up to 36% in archetypical secondary towns- Local Data Centre in The Guardian, 8. 9. 2011).
- Shuttered and boarded-up shops.
- Poorly maintained/derelict property.
- Too many charity shops (NB not in itself bad, but an in-balance of retail uses can occasion decline within a discrete location) and too much quasi retail use e.g. amusement arcades, betting shops etc, can prevent an all important visual continuity in 'browsing' which can result in a poor shopping experience.
- Poor quality public realm and poorly maintained public realm.
- Lack of a relationship between national food stores and local producers/suppliers is characteristic of decline (NB this past strong relationship generated the characteristic 'market towns' of the past). Conversely a strong two- way relationship has the potential to generate local loyalty in purchasing goods and services (The Guardian, 11.8.2009 and Urban Pollinators, February 2011) and to facilitate economic and environmental efficiency (The Guardian, 4.9.2010).
- Homogenisation of identity (the Clone town affect- The Independent, 10.10 2007) occasioned by the power and dominance of the multiples has resulted in a loss of many town's individual character, and their associated appeal to local shoppers and visitors. Continuing 'churn' and lack of occupational stability in the high street, particularly over the last three years. For examples, Planning, 28. 1. 2011:

Bookmakers up by 5%
Estate Agents down by 9%
Job Agency down by 13%
Building Society down by 28%

And by way of further examples in the three years up to March 2011 (Planning, 3.6.2011):

'Pound shops' up by 11%
Charity shops up by 9%
Pawnbrokers up by 44%
Specialist food shops up by 10% (NB since March 2011-no earlier figures available).

1.5. The Welsh experience of town centre decline.

The Welsh experience of decline has mirrored what has happened in the wider UK, but in some ways it has been much more pronounced, for example:

- Footfall down 9.2% in Wales.
- Footfall down 1% in the UK.
- Vacancies 13.4% in Wales.
- Vacancies 11.2% in the UK.

(British Retail Consortium-August 2011)

This greater decline may be because many locations within Wales are coming from a much lower base than in other parts of the UK. In Wales many locations have already been struggling for the last

40 years with the cumulative economic, environmental and social effects of de-industrialisation and rural de-population decline. This is why improving urban centres in Wales has been recently described by one leading Welsh commentator, 'as a never ending battle' (Peter Mathias, Insider, 8.4.2011). The existence of this 'battle' suggests considerable social and economic inefficiency. This represents a 'drag' on the functioning of a market economy, with an associated high cost to the 'public purse'.

1.6. What has been done in Wales to respond to the decline?

Over the last 20 years many towns in Wales have benefited from regeneration projects with a particular emphasis on environmental improvement. The approach has been 'patchy'. For example:

- Some towns have won competitions for their physical regeneration work.
- Some towns have been the subject of repeated physical and community regeneration efforts.
- Public sector regeneration finance made available to individual locations has been inconsistent in its scale, spread to thinly across too many projects and over too short a timescale.
- The environmental improvement works that has been undertaken has been of very variable design quality and often simply used as a funding source to capitalise maintenance creating resurfaced town centres rather than redesigned town centres.
- There has been a lack of applied strategy in the regeneration work undertaken and an inability to provide an appropriate regeneration response to the new structural contexts that have been recently emerging
- A lack of agreed key performance indicators to define success, and a lack of enthusiasm for robust measurement of impact of expenditure on physical regeneration

Generally any public sector led town centre regeneration initiatives have continued to be undermined by the countervailing force of new out of town development despite Welsh national planning policy and guidance. There is a lack of flexibility and speed of response to the acknowledged structural challenges facing town centres both in forward planning by central and local government and within the Planning Inspectorate, may be part of the problem.

1.7. Employment issues in Welsh towns

Given the high incidence of people working in the public sector in Wales it is important that local town centres can provide employment in what should be a flourishing and entrepreneurial private sector. And given that towns are 'local' by nature, employment within these locations is significant having regard to reducing personal and corporate commuting cost etc with its wider and adverse environmental effects.

2. Towards a better future

There is a consensus that town centre regeneration is a crucial component of better economic performance in Wales. Revitalisation of town centres is a critical component of regional regeneration, potentially providing economic stimulus for the wider region. Town centres can also offer mechanisms for providing more accessible public services and new models of service delivery which are better placed to reach service users. Vibrant town centres deliver processes of social cohesion and social inclusion.

2.1. Developing an 'extended menu'?

A number of influential commentators have suggested that given the potential changing function in the role town centres perform, it is important for the public sector to 'plan ahead' via the

preparation of a new generation of town centre regeneration strategies. An extended 'menu' will have to be established, which assumes different future town centre land and property uses including health, residential, learning, and leisure facilities. Successful town centres are places people visit for a wide range of reasons beyond the retail function. This 'distinctiveness' can help distinguish our towns from each other and provide the potential visitor with a variety of experiences which in their totality fundamentally support the retail function through increased visitor numbers and improved footfall. The key to making this new menu a reality will be to design and build flexibility in to how physical space can be used in the future. And its design will need to provide space (i.e. land and buildings) which can be easily and cheaply adapted to new uses, which may be likely to change with increasing frequency in the future. So for example, traditional market stalls might provide a retail offer but the same space (either indoors or outside) could be used for car parking, and events. This new flexible approach is likely to require land and buildings which are under the direct control of the public sector, and therefore capable of being made available for uses outside normal parameters of commercial value.

In addition these new regeneration strategies will need to build in flexibility with regard to how access can be provided in the short, medium and long term for people wishing to enjoy a full range of retail and other consumption services beyond via the internet. In other words via 'personal encounter', which is an imperative of social efficiency and inclusion.

3. Conclusions and recommendations:

If Welsh Government is serious in its aspirations to maintain wealth creation and social efficiency in Wales it will need to respond to the serious and impending further decline in its town centres. Wales is not immune from the national problems of decline indicated above and indeed it is possibly even more vulnerable to the effects of these crisis conditions than many other parts of the UK, given its low economic base. Hence, a Welsh national policy and implementation programme to arrest the on-going decline of town centres is urgently required, involving a judicious combination of financial investment and stronger planning control in respect of out of town retail and commercial development.

This national town centre investment programme would need to be negotiated with the EU to ensure that it can be financially supported in Wales via both 'Competitive and Convergence' area funding. Ideally it should have a proposed 10 year life and with the following approach and focus:

- Be undertaken via linked regeneration strategies at regional, town and district/neighbourhood levels and within the context of a new Wales national Spatial Plan and investment framework and with a particular reference to public transport provision. It should follow completion of an evaluation with regard to what has worked and what hasn't worked in the past in Wales (and in the wider UK) in respect of town centre regeneration. It should also identify targeted locations to be based on criterion of both need and opportunity.
- With an emphasis on increasing employment ,both short and long term, in town centres and reducing worklessness in the surrounding areas
- With an emphasis on increasing independent entrepreneurial retailing skills, and improving town centre management.
- Via building on existing regeneration partnership arrangements between central government, local government and local Chambers of Trade.
- With the direction of 'housing grant' from central government to RSL's specifically to 'above shop' opportunities, and to facilitate the 'shrinking back' of vacant and over expanded retail cores, using new social housing, and particularly 'live work' units.

- With the introduction of new ‘gap funding’ measures to facilitate much needed private sector investment in retail and commercial schemes.
- With new land assembly powers being available to speed up compulsory land acquisition, and particularly so as to be able to assemble town centre retail redevelopment schemes.
- With a property leasehold initiative, whereby local government can support and financially subsidize local and niche traders.
- With an emphasis on developing local purchasing networks and particularly food chains.
- With an emphasis on all building and public realm improvement work being undertaken to a consistent high design quality and with an intention to create identity and ‘sense of place’.
- With an emphasis on ‘green energy’ measures.
- With bespoke PR and marketing campaigns designed to promote town centres in the broadest sense.

Time and space does not permit a more detailed articulation with regard to the above. However CREW will be developing the specific proposals in more detail via the study group it is establishing, as indicated above. Once developed in detail, these proposals will be made publicly available in order to stimulate a much needed and wider debate within Wales.

4. Specific responses to the Inquiry Questions

4.1. The roles the Welsh Government and local authorities play in the regeneration of town centres

Regeneration has three ‘foundation stones’ i.e. partnership, strategy, and sustainability (Parkinson, 1996). There has been a history over the last 20 years in Wales of central government and local government working well together in both formal and informal partnerships to deliver the regeneration of town centres. Given the need for an even more efficient use of scarce public sector financial resources in the future, there will be a particular need for parties to play to their strengths e.g. financial, managerial etc, if ‘more for less’ is to be achieved. For example, central government with regard to policy advice and strategy preparation, and local government with regard to local project delivery capacity. In this regard a new ‘separation of labour’ is required, to ensure that there is no duplication of effort. This is essential on the grounds of economic efficiency.

4.2. The extent to which businesses and communities are engaged with the public sector led town centre regeneration projects or initiatives, and vice versa.

The extent to which local business and social communities have been engaged with in the delivery of town centre regeneration has varied widely within Wales over the last 20 years. Some engagement has been via ‘action planning’ (Waites,1996) and Princes Foundation ‘enquiry by design’ style of processes, involving half day and one day formal consultation exercises. Other engagement has been of a much limited nature, and in some cases there has been none at all. The proposal above to develop a new generation of town centre regeneration strategies operating at linked spatial scales will need democratic endorsement via full engagement with local business and social communities and their representative body’s e.g. local community organisations, business clubs, and chambers of trade etc.

4.3. The factors affecting the mix of residential, commercial and retail premises found in town centres, e.g. the impact of business rates policy; footfall patterns and issues surrounding the night time and daytime economies within town centres.

The generic affect of 'dispersal' in the UK has been to reduce the quantity of mixed uses available which otherwise might conglomerate in town centres. Enhanced planning control has the potential to control this dispersal and encourage retail, residential, leisure and commercial uses back in to town centres. There is also an issue of how individual uses might be spatially arranged and connected in a town centre so as to be mutually reinforcing and to promote a town's vitality and viability. Best regeneration practice if known and applied can achieve this. However both 'regulation and persuasion' (e.g. via business rate policies, financial inducement, planning control etc) will be required by the public sector to deliver this required new approach having regard to both townscape design and land and property use.

4.4. The impact of out of town retail sites on nearby town centres.

The generic experience across the UK is that out town retailing has had a detrimental effect on town centres. The position is no different in Wales, and in some cases it has been worse, given the desperation that has sometimes existed within the public sector to secure, 'any new development of any description in any location'. The public sector's imperative in Wales to support the private sector's development proposals (via the grant of planning consents) is well understood. However, the grant of out of town development consents frequently undermines town centre regeneration which is being financially supported by the public sector. A new central and local government 'planning and regeneration regime' is required, which effectively balances off competing priorities as to where development should be spatially supported and endorsed. A new Wales spatial plan could assist with regard to providing a rationale for providing a better 'balancing' of these competing priorities.

4.5. The use of funding sources and innovative financial solutions to contribute to town centre regeneration – including the Regeneration Investment Fund for Wales; the use of Business Improvement Districts; structural funds; Welsh Government, local authority and private sector investment.

Public sector funding needs to be employed to contribute to town centre regeneration, via available mainstream funding and via bespoke short term funding programmes e.g. via BIDS and utilising RIFW etc. However as suggested above, it is vital that a new national investment programme is developed which draws all potential public sector funding streams together and which has at least a ten year life. Without this commitment it is unlikely that the private sector will have the confidence to gear up to take advantage of the commercial opportunities that will arise and provide the much needed private investment that is required.

4.6. The importance of sustainable and integrated transport in town centres– including traffic management, parking and access.

Best practice in the development of town centre regeneration strategies requires that sustainable and integrated transport plans will be incorporated. Unfortunately in some locations in Wales this has not been done, and hence other aspects of the regeneration strategies that have been delivered have been undermined by this key requirement, and as a result public sector funding has been wasted. To achieve this all important requirement in the future will need a greater cooperation between 'delivery professionals' e.g. town planners, urban designers and highway engineers etc. Fundamental to this required greater cooperation will be 'understanding and education' which organisations such as the RSCW and CREW are seeking to promote and achieve.

4.7. The potential impact of marketing and image on the regeneration of town centres – such as tourism, signage, public art, street furniture, lighting and safety concerns.

Marketing, branding and image making is a fundamental aspect of the regeneration of town centres. However, the quality in the design of what has been created in Wales with regard to lighting, signage, street furniture etc has been sometimes inconsistent with regard to both the brand proposed, the audience it was intended to serve ,and with regard to its sustainability .The new generation of town centre regeneration strategies proposed above needs to be developed having regard to a required new long term sustainable vision for appropriate local, regional and national ‘brands’, and then all the ‘downstream’ detailed design decisions need to reflect this. Consistency of approach from the ‘macro to the micro’, and from ‘vision’ to ‘at the coal face project delivery’ is vital. ‘Implementation gaps’ with regard to both design and delivery must be avoided.

4.8. The extent to which town centre regeneration initiatives can seek to provide greater employment opportunities for local people.

As indicated above it is vital that local town centres provide local jobs. And as proposed above a new national investment programme should have this requirement as one of its principal aims.