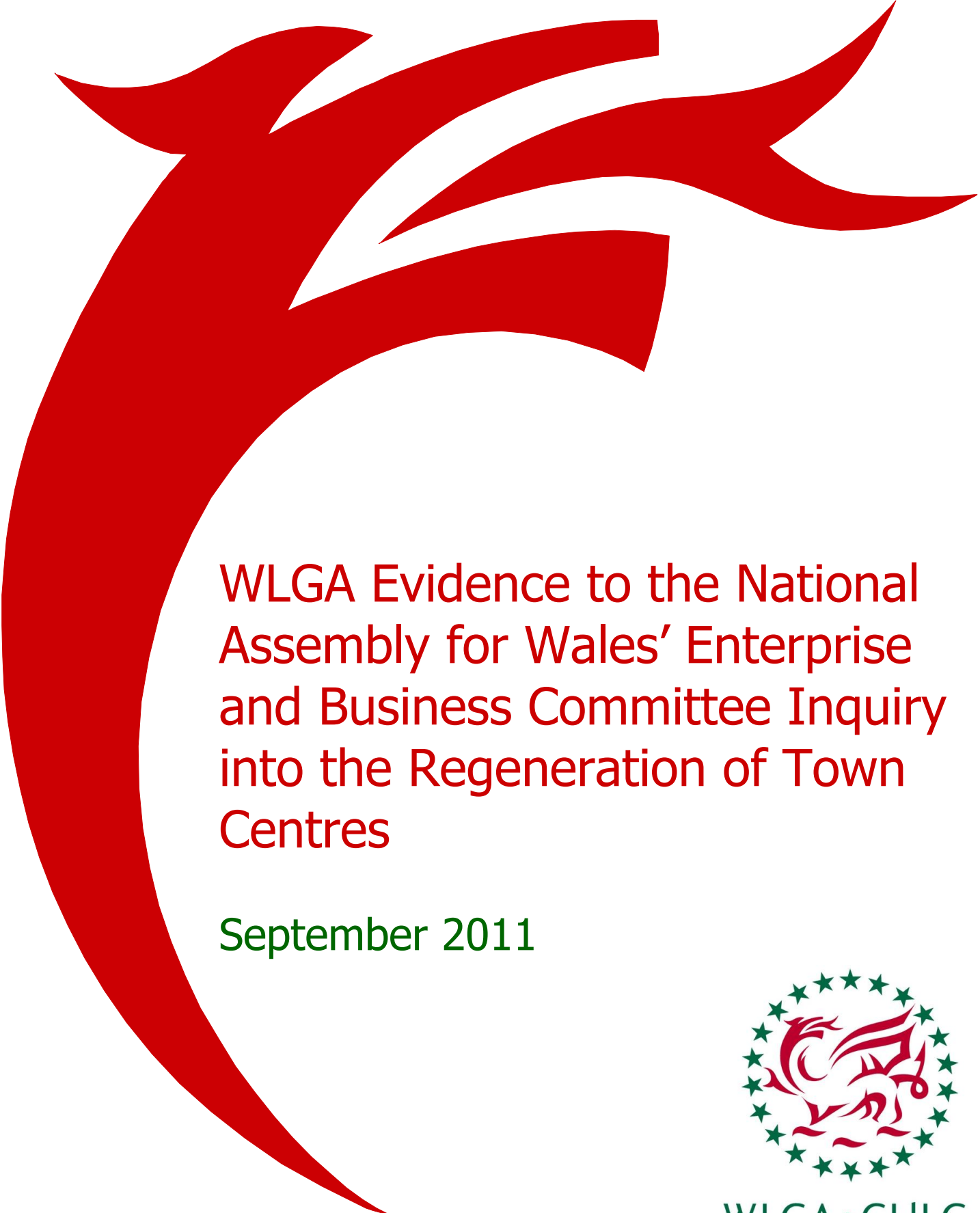


Enterprise and Business Committee

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# WLGA Evidence to the National Assembly for Wales' Enterprise and Business Committee Inquiry into the Regeneration of Town Centres

September 2011



WLGA • CLILC

## **INTRODUCTION**

1. The Welsh Local Government Association (WLGA) represents the 22 local authorities in Wales, and the three national park authorities, the three fire and rescue authorities, and four police authorities are associate members.
2. It seeks to provide representation to local authorities within an emerging policy framework that satisfies the key priorities of our members and delivers a broad range of services that add value to Welsh Local Government and the communities they serve.
3. We very much welcome the invitation to respond to this very timely inquiry into the regeneration of town centres and look forward to the recommendations of the committee.
4. Whilst compiling this response we have endeavoured to take on board the views of our member local authorities as well as aiming to provide a strategic overview on behalf of local government.

## **Responses to the Terms of Reference**

### **(1) What approaches have been followed to successfully deliver and finance the regeneration of town centres in Wales? Are there lessons to be learned from elsewhere?**

5. Approaches to town centre regeneration have evolved over recent years and become more holistic and sophisticated. In the past, the approach tended to focus on physical and environmental works directly linked to the economic and commercial operation of the towns involved. In most cases these interventions were largely dependent on central government grant schemes. These grants (primarily capital) may have been supplemented by limited local authority resources, with the goal of attracting/unlocking private sector investment.
6. Typically, in line with local planning provisions, this generated activities such as:
  - Grants for commercial improvement
  - Key buildings improvement
  - Site assembly and utilities co-ordination

- Facilitation of new retail/commercial development
- Transport enhancements
- Car park provision

7. This approach was shaped by the terms and conditions of the government grants available. Over time in Wales there has been a succession of different programmes/funding regimes, each with its own requirements to access grant support. On a Wales wide basis over the last thirty years we have seen the Urban Programme, the Strategic Development Scheme (SDS) and Capital Challenge, delegation of SDS funds to local authorities through 'formula allocations', Physical Regeneration Fund, Targeted Match Funding, the Strategic Capital Investment Fund, Strategic Regeneration Areas<sup>1</sup> and the (loans based) Regeneration Investment Fund for Wales. Each has been supplemented by European programme funding in another series of programmes, again each with its own eligibility criteria. In addition, there have also been the Urban Development Corporation in Cardiff and Joint Venture approaches for certain town centres involving the former Welsh Development Agency.
8. The level of evaluation of these different approaches has often been limited and new programmes have been introduced before there has really been time to understand the impact of the previous ones. Moreover, in light of the funding regimes in place at any one time, schemes have often had to be put together at pace with little consideration of lifetime costs and maintenance requirements.
9. Studies of regeneration initiatives that *have* been undertaken (in particular evaluations of the Urban Programme, the Neighbourhood Renewal Programme in England and of Development Corporations) have highlighted the importance of a 'rounded' and sustainable approach. This means identifying the important contribution *from* other activities (especially social and community based) that can and need to be made to achieve successful, sustainable regeneration. Equally, town centre regeneration can make a contribution *to* other strategic objectives and it is important to identify and maximise these benefits through inclusive, forward planning. Local plans need to be consistent with wider area plans and form part of a long term programme to improve community resilience in the face of economic, environmental and social trends.

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<sup>1</sup> There are 7 Regeneration Areas in the Welsh Government's regeneration area programme as follows, all of which were created at different times and with different funding timescales: Heads of the Valleys, Môn a Menai; Western Valleys, North Wales Coast; Swansea; Barry and Aberystwyth.

10. Over and above any physical works, then, an appropriate mix of the following (customised to local circumstances) is increasingly seen as fundamental to a sound, sustainable approach to regeneration:
- Community safety issues (including CCTV)
  - Events development and promotion – at a community level and to attract new visitors/tourists
  - Marketing of the local 'offer'
  - Town centre management and support for local traders
  - Quality public spaces with good information and signposting, public art works etc
  - A coherent national, regional and local spatial planning framework that steers the component parts of regeneration to the right places, with supplementary planning guidance for specific schemes
  - Integrated public transport, pedestrianisation and other provision for active transport (cycling and walking) and personalised travel planning to encourage use of alternatives to the car
  - Heritage and conservation and tourism opportunities
  - Use of locally sourced materials and labour both in construction and as part of the retail offer (e.g. farmers' markets, local arts and crafts)
  - Development and support of local service and supply chains
  - Community engagement mechanisms
  - Involvement of schools and young people
  - Access and disability issues (physical access, bilingual signage and interpretation etc)
  - Flood alleviation measures etc
11. For the above to work effectively an appropriate package of finance needs to be assembled. This has resulted in more innovative approaches that attempt to synchronise multiple funding streams. As well as the 'mainstream' regeneration funding this could therefore involve:
- European funding – Convergence; Competitiveness, Rural Development Fund
  - Big Lottery funding, including People and Places
  - Heritage lottery
  - Arts Council
  - Community safety budgets
  - Transport funds
  - Communities First
  - Business support grants
  - Funds for flood prevention schemes

- Housing Renewal Area environmental funds
- Sustainable procurement policies and use of local benefits clauses.

12. In addition, borrowing and loans are increasingly being considered as well as grants. Importantly too, the need for revenue funding to support regeneration projects (e.g. especially in relation to support for community engagement) is much better understood. However, it remains the case that funding for regeneration (e.g. in the Regeneration Areas) is often too heavily capital based.
13. A major problem faced in attempting to adopt an holistic approach is that the different funding sources invariably target different geographic areas and therefore an area may be eligible for some but not all of the above (e.g. there are 44 areas designated as 'deprived' under Priority 5 theme 1, physical regeneration, of the ERDF Convergence Programme for West Wales and the Valleys which do not completely align with Welsh Government designated 'Regeneration Areas' or the communities included in the Communities First Programme; there are 18 local authority areas supported under the European funded Rural Development Plan for Wales). Moreover, each of the funding sources has its own priorities, administration, management and funding structures. Whilst this is inevitable to some extent, the situation could be improved by having a clearer national framework for regeneration and greater coherence in the funding that is available.
14. We are currently awaiting further details of the soon to be established *Single Capital Infrastructure Fund*, to be set up by the Welsh Government following a commitment in the Labour Party Manifesto for the National Assembly elections in May. We would welcome a discussion with the Welsh Government on their proposals for this Fund as soon as possible, to ensure that it builds on learning from previous approaches. Furthermore, in light of the 41% cut in the Welsh Government's capital budgets over the next three years there is an urgent need to consider alternative funding models and solutions. It is vital that local government is involved in the formative stages of the development of new policies and funding schemes and not presented with a 'consultation' at the end of a process where the scope for change is limited.

## Lessons to be learned from elsewhere

15. It is not always possible or sensible to transfer models from elsewhere. They need to be appropriate to the Welsh context and economic circumstances. Some of the approaches in England depend on opportunities for private sector developers to make large scale, profitable investments which simply do not exist in the same way in many parts of Wales beyond the largest commercial centres.
16. For example, there are Local Asset Backed Vehicles, where the public sector and private sector join forces within a particular area in a joint venture. The public sector puts in physical assets and the private sector brings in capital. However, these are legally very complex and costly to implement. This is likely to place them beyond the resources of most Welsh local authorities. There may be options for local authorities to work collaboratively with the Welsh government and other interested parties to investigate the establishment of LABVs on a regional basis, though.
17. An innovative funding model being developed in England and Scotland is the **Accelerated Development Zone**, based on **Tax Increment Financing (TIF)**. TIF allows local authorities to retain some of the growth in business rates revenue generated by developments in a specific geographic area which have been unlocked by initial infrastructure investment. The initial capital funding can be provided by increased prudential borrowing by the local authority. The Scottish Government's infrastructure investment body, *Scottish Futures Trust (SFT)* has already approved three pilot TIF projects and plans to approve a further three pilots by the end of this financial year. Among the current submissions for approval is a plan centred on a city centre regeneration scheme by Aberdeen City Council and a submission by Falkirk Council to use TIF to kick start developments at various sites in their area.
18. As above, there are concerns that this approach works best in areas where there is greatest market potential. However, WLGA would welcome a dialogue between the Welsh Government, local government and other partners on the best way to take forward this issue in Wales.
19. In Scotland, a town centre regeneration (capital) fund of £60m was made available from 2009/10. Although the funding scheme has ceased, it is of interest to identify good practice and learning from the projects undertaken. A Town Centre and Local High Streets learning network was established by the Scottish Government, developed by the Scottish Centre for regeneration.

**(2) How does the Welsh Government use the levers at its disposal to assist in the regeneration of town centres in Wales?**

20. The levers the Welsh Government has to assist in the regeneration of town centres cut across a number of different departments<sup>2</sup>. WLGA welcomed the proposed general direction of travel in the Welsh Government's *Economic Renewal Policy*, announced last year, regarding the need for a whole government approach to economic renewal and regeneration. In light of the way regeneration has now been split between at least 7 Ministers there is an urgent need for this to be realised with effective cross-departmental joined-up thinking and action.
21. As a result, the need for the Welsh Government to outline an overall framework for economic renewal and regeneration is now greater than ever. This should explain how all the different economic renewal and regeneration strategies fit together and complement each other so that their programmes and funding streams are better aligned and in order to maximise their impact.
22. The Welsh Government has many different levers at its disposal to assist in the regeneration of town centres, from policies and actions around procurement, skills and planning. What is needed is to ensure that the regeneration benefits and effects of its decisions around these policy areas are maximised. For example, its procurement policies and guidelines should make it as easy as possible to encourage the use of social clauses to encourage local sourcing of services and labour. Its current consideration of planning for sustainable economic renewal should make it easier for local authorities to improve planning for economic renewal.
23. One of the key levers not currently available to the Welsh Government is the ability to borrow money. We would support the Welsh Government in seeking its own borrowing powers. Combined with the borrowing powers of local authorities, there would be a significant opportunity to invest in capital infrastructure projects, including town centre regeneration developments, as cuts to capital budgets start to take effect.

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<sup>2</sup> It is important to recognise too, the point made above that the levers work in both directions, with social and environmental returns on investment as well as economic. Efforts directed at successful, well managed town centres can help to address and prevent problems of social exclusion and environmental damage. This may be through attracting private sector investment, supporting small local businesses, providing an outlet for locally produced goods, creating job and training opportunities, reducing congestion and pollution, reducing flood risk, using 'urban greening' schemes to provide natural cooling, wind breaks etc. They can, therefore, reduce the need for use of other, remedial levers and their associated expenditure so that the investment in town centres helps to 'pay for itself'.

**(3) How are the interests and activities of communities, businesses, local authorities and Welsh Ministers identified and coordinated when developing and implementing town centre regeneration projects?**

24. Most local authorities facilitate and support Regeneration Partnerships within their areas which bring together representatives from the public, community, voluntary and private sector to discuss and develop ideas and initiatives. Most of them have developed Local Regeneration Strategies with specific actions and initiatives, such as town centre regeneration projects, forming part of their strategies.
25. In terms of specific town centre regeneration projects most will have a Steering Group of all the key stakeholders to oversee and help drive the delivery of the project. Council newsletters, town and community councils, residents' and tenants' associations and (where relevant) Communities First Partnerships can all help in ensuring a two way flow of information with local residents. Similarly, chambers of commerce/trade and the Federation of Small Businesses can help in maintaining dialogue with local businesses.
26. Since the demise of the Welsh Development Agency and the loss of decision making and funding at the regional level within the previous Welsh Government Department for the Economy and Transport (and the centralisation of economic development and regeneration policy and funding decisions in Cardiff) the missing link in most local regeneration partnerships has often been the Welsh Government. Even when an official is able to attend they are not always in a position to make any kind of funding commitments or decisions.

## **Responses to the specific issues**

**(1) The roles the Welsh Government and local authorities play in the regeneration of town centres**

27. The key roles for **Welsh Government** are (or should be) as follows:
- providing an overall national policy and strategic framework that recognises town centres' role in regeneration, provides clarity in relation to planning and acknowledges the different range of issues facing urban and rural areas
  - developing a supportive (and innovative) funding framework at the national level to help finance schemes (including gap and 'pump prime' funding)



- streamlined programmes with common administrative and management systems (e.g. the management of all relevant future EU funding programmes should be incorporated into one division; it should be possible to make a single application for funding that covers European funding and match funding from the Targeted Match Funding pot)
- acting as a facilitator and enabler of regeneration through the legal and financial measures (e.g. business rate relief) over which it has influence and through the provision of expertise and advice.

28. Key roles for **local authorities** include (or could include):

- creating an attractive environment for business investment through the development of local town centre plans within the context of the Local Development Plan. Having an up to date development plan brings clarity to investors about the future shape and scope of town centres which facilitates greater investment. Indeed, there is evidence to suggest a link between economic growth and the existence of an up to date plan<sup>3</sup>. The WLGA will continue to work with local planning authorities to ensure there is full plan coverage across Wales at the earliest date
- ensuring plans are coherent and complementary across local authorities in the wider region and in line with national plans (e.g. Wales Spatial Plan or, preferably, a new National Infrastructure Plan)
- community leadership and co-ordination of inputs of local partners, forging an holistic approach that incorporates the issues listed on page 4 (above) and brings together a wide range of service inputs from local government<sup>4</sup> and partners
- insisting on good quality design for specific schemes

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<sup>3</sup> Recent research commissioned by the Welsh Government by Roger Tym & Partners looking into the relationship between economic growth and planning included the following key recommendations:

- The need to refresh economic development national planning policy supported by a new technical advice note
- The provision of a central economic information resource to inform the evidence base for LDPs and development management decisions
- Closer working between planning and economic development functions at the local level, with economic development teams playing a greater role in LDP preparation and providing advice on planning applications for economic uses
- The need for businesses to do more to identify and promote the economic value of development through both LDP and development management processes
- The requirement for a new strategic planning arrangement at above local planning authority level.

The WLGA supports these ambitions and looks forward to working with the Welsh Government on these matters.

<sup>4</sup> e.g. planning, transport, community development, procurement, education and training, environmental services, care services, ICT, legal and financial expertise

- ensuring ongoing oversight of the town centres through town centre management and by having maintenance regimes in place
- using borrowing powers to lever in additional resource from the private sector (an area worthy of further exploration)

29. Welsh Government and local authorities need to recognise each other's roles and respective contributions and local authorities need to be treated as equal partners in the development and delivery of interventions.

### **Local Authorities working with the Welsh Government to deliver successful town centre regeneration projects**

30. There is no doubt that in order to maximise the opportunities for regenerating our town centres all key partners need to be involved. Over recent years this has worked on a regional and sub-regional basis in some instances. For example, within the ERDF Convergence Programme for West Wales and the Valleys the four local authorities in North West Wales worked with their then regional Department for the Economy and Transport (DET) colleagues on developing and delivering a package of physical regeneration projects. Similarly, the six local authorities in the South East Valleys worked with their regional DET colleagues in developing and delivering a series of town centre regeneration packages. On a sub-regional level local authorities are key players in the development and delivery of projects within the *7 Regeneration Areas* with the Welsh Government providing a facilitating and supporting role.

31. Such joint working between local authorities and the Welsh Government on a regional and sub-regional level is beneficial as it can lead to a shared understanding and view of where regeneration interventions should be focused and develop shared approaches to good practice and evaluation and can provide greater efficiency and effectiveness. Further, by working within a wider area all local authorities can benefit from utilising the wider expertise available to them.

32. In the current financial climate, and in the context of the Simpson review and increased regional collaboration there is no doubt that there will be further joint working between local authorities and the Welsh Government on a regional and sub-regional level. What is urgently needed, however, as referred to above, is clarity from the Welsh Government regarding how their economic renewal and regeneration programmes and funding streams complement each other so that the rules of

engagement for key partners such as local authorities are clear.

**(2) The extent to which businesses and communities are engaged with the public sector led town centre regeneration projects or initiatives, and vice versa**

33. Most local authorities facilitate and support local Regeneration Partnerships that bring together representatives from public, business, voluntary and community sectors to discuss and develop initiatives. Most of them have developed local regeneration strategies with specific actions and initiatives including their town centre regeneration projects.
34. Many town centres will have a local authority employed Town Centre manager and a management committee or steering group on which local stakeholders (e.g. local chamber of commerce/trade, retail representatives, residents' associations, town and community councils) are represented.
35. The extent of engagement tends to vary from place to place and over time. However, the holistic approach to town centre regeneration outlined above requires active engagement with local stakeholders to ensure that plans and practices are sustainable. Increasingly, as electronic means of communication and use of social media become more important, there is a need to develop and maintain dialogue with business and community interests through such channels.

**(3) The factors affecting the mix of residential, commercial and retail premises found in town centres – for example, the impact of business rates policy; footfall patterns and issues surrounding the night-time and daytime economies within town centres.**

36. The factors affecting the mix of residential, commercial and retail premises will vary in each unique location. However, the following general influences will have an impact in all areas:
  - **population change and demographic trends** – e.g. a declining catchment population; changes in demand for goods and services arising from the growth of single person households and an ageing population; changing ethnic composition
  - **local planning policies** - which set out acceptable land uses in different parts of a settlement

- **societal / behavioural / lifestyle changes** – e.g. changes in shopping patterns; uses of leisure time; fashions
- **market forces**, competition and economic trends – affecting who is prepared and able to pay the most for particular sites and also determining where employment growth (service sector) and decline are taking place
- **technological changes** (e.g. new products and services; increased use of on line shopping and mobile communications)
- **licensing policies** – will influence the number and concentration of certain activities such as pubs and off licences
- availability of **financial incentives** (e.g. business rate relief)
- level of **town centre management activity** – a co-ordinated approach is more likely to deliver results in any attempt to promote a town through marketing, events, promotion of a particular local theme etc.
- **transport costs** – the long term trend of increasing oil prices will influence choices over commuting and shopping patterns and, in time, could lead to revitalisation of town centres if they are the focus of service sector employment growth, potentially leading to greater demand for residential accommodation and increased use of public transport and /or park and ride for shopping trips. It could also lead to a change in the practices of the supermarkets whose 'just-in-time' delivery and low stockholding practices are transport intensive
- linked to the previous point are concerns over **food security** – as demand for food and prices rise globally, the revival of locally produced and marketed food is likely to continue to gather pace. This could have an impact on the retail offer.

#### **(4) The impact of out-of-town retail sites on nearby town centres.**

37. There is no doubt that the development of out-of-town retail sites over the last few years has had a detrimental effect on many town centres across Wales. The greater ease of (free) parking, avoidance of town centre congestion and ability to carry a wide range of products in large stores has made out of town development popular with the general public. Although government policy has sought to protect town centres local authorities working in accordance with the national policy have nevertheless often found it hard to resist pressure for out of town development. There has been a loss of

the 'positive externalities' (outlined on page 4 above) associated with town centres as many have lost their vibrancy and gone into decline.

38. Existing Planning Policy Wales guidance needs to be looked at as part of the refresh currently taking place of economic development national planning policy, to ensure that the policy context helps to deliver appropriate outcomes. Differential business rates between town centres and out of town developments might be one option along with other measures (e.g. in Scotland there has been one suggestion for local authorities to be given powers to charge for car parking at out of town locations, using the proceeds to support town centres). Looking ahead, anticipated increases in the cost of car travel as oil prices rise could provide a market force encouraging a return to town centre shopping.

**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**

39. In light of 41% reduction in the Welsh Government capital budget over next 3 years there is an urgent need to be creative and innovative in maximising alternative financial solutions. The WLGA is encouraging local authorities to consider these options, for example a workshop was held during our annual conference in June this year and these options will be explored further at our Local Authority Regeneration Cabinet Members annual event in November. The WLGA is also involved in work undertaken by the Local Government Association for England and Wales in understanding the potential benefits of local authorities raising capital finance through issuing bonds.
40. The WLGA is also involved in discussions around alternative sources of finance with Welsh Government officials in the Capital Finance and Investment Sub Group of the Consultative Forum on Finance, which sits under the Partnership Council.
41. The ***Regeneration Investment Fund for Wales (RIFW)***, based on the European JESSICA finance model, is yet to make its first investments in Wales. In its current form, without the ability to provide equity funding, this does not seem to be an attractive option for local authorities as it is cheaper for them to borrow money via prudential borrowing. Further, the complexity of the Fund, and its emphasis on large urban development opportunities, is not best suited to the needs and circumstances of

Wales with our smaller urban and rural conurbations. However, this Fund has the potential to provide the necessary gap finance to progress a number of town centre regeneration projects across Wales and every effort should be made to ensure that is realised. That could well involve making the Fund more relevant for the Welsh context and learning the lessons from other small nations and regions which have developed other models.

42. There is currently only one *Business Improvement District* operating in Wales, in Swansea. Our view is that although this model would suit other large cities in Wales, such as Cardiff, it would not suit the majority of smaller town centres. As a result, as mentioned above, we would encourage the development and adoption of other models, such as *Accelerated Development Zones*, based on utilising financial options such as *Tax Increment Financing*, as is currently being progressed in a number of English and Scottish local authority areas.
43. Funding from the current European Structural Funds ERDF Programmes for Wales, via the Physical Regeneration theme in the Convergence Programme and Regeneration for Growth priority in the Competitiveness Programme, has proved vital in progressing a number of public sector led town centre regeneration schemes. The continuation of the ability to use such funding in the future European Structural Fund Programmes for Wales Post 2013 is more important than ever in light of the scale of the reduction in Welsh Government capital budgets over future years.
44. In order to maximise future European Funds for Wales it will also be vital that the Welsh Government continues to provide gap funding resources, such as in a reformed Targeted Match Funding pot, to local authorities.
45. The Welsh Government also needs to streamline and better align all funding streams available for supporting their economic renewal and regeneration strategies in order to maximise their impact. Further, both the Welsh Government and local authorities need to explore how to maximise the regeneration outputs of their wider mainstream funding programmes, such as those in the education, skills, social services, transport and environment areas.
46. Due to the nature of market failure in many of Wales' communities there will still need to be continued public sector intervention, but, there is also an increasing need to lever in resources from the private sector in order to transform our town centres into viable and sustainable places to live, work and enjoy.

**(6) The importance of sustainable and integrated transport in town centres – including traffic management, parking and access**

47. There is a clear link between dependence on the car for shopping trips and the growth of out of town retail developments. As car ownership has increased, competition for parking spaces in town centres has grown and the introduction of car parking charges in many places has reduced their attraction. The advent of out of town developments offering free parking, usually accessed from major highways avoids the congestion of town centres and has led to a major shift in shopping patterns.
48. Moreover, changes in shopping behaviour have resulted in major shopping trips to stock up with a 'boot full' of goods for a period of days. This has reduced the attraction of public transport, cycling or walking which are more suited to frequent visits and smaller quantities, which an individual can sensibly carry by hand. This limitation on quantities means that even if there are first class, integrated public transport facilities (or park and ride) and good, safe provision for walkers and cyclists to and from town centres, the attraction of car based shopping is likely to continue in the short to medium term. Reinstatement of free or cheaper parking in town centres is an option some councils are trialling and this may provide a temporary boost. Decriminalised parking enforcement is a double-edged issue: whilst it may help to avoid congestion by deterring double parking and to ease parking, by ensuring a turnover of spaces, it can also lead to avoidance of town centres as the risk of incurring a parking fine increases.
49. Looking ahead, increasing petrol prices could result in a reconsideration of lifestyles and commuting patterns. With these could come a change in shopping patterns. On the one hand this could involve increased use of on line shopping but on the other it could also see a revival in small scale, frequent shops – especially if trends in terms of the local production and sale of foodstuffs continue. Indeed, a mixture of the two could prove popular for some non-bulky items with 'click and collect' shopping on line followed up by collection at the town centre at a convenient time.
50. Indeed, mobile communications open up a range of possibilities that could support changes in shopping patterns. For example, developments such as the Traveline Cymru mobile phone application which enables users to call up bus times for the nearest bus stop, empowers potential bus travellers who might otherwise have felt uneasy about having the necessary information to make a trip. Development such as Bwcabus in rural areas, providing a demand responsive, fully accessible bus service

can also support town centres by bringing shoppers to local community hubs. There is speculation that 'car clubs' could grow in popularity in coming years, especially in urban areas. Rather than bearing all the on costs of running a car, joining a car club could provide an attractive, cheaper alternative, using an energy efficient vehicle as and when required. With pick up points concentrated in town centres this could also provide a boost to town centre shopping.

51. The above suggests that there are both ongoing trends and steps that government (central and local) can take to make investment in sustainable transport worthwhile and beneficial to town centres. However, until town centre shopping is made demonstrably easier, cheaper and more pleasant than the out of town experience the demand for 'shopping at sheds' will continue. A concerted and co-ordinated effort on a number of fronts, complemented by heavy promotion and publicity aimed at behaviour change, will be needed as modal shift is otherwise unlikely.

**(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**

52. Local Authorities play a key role in all of the above which are central to creating a unique sense of place where the overall attractiveness and feel of a location increases the confidence required for local economic resilience and for attracting investment and participation.
53. The six local authorities in North Wales submitted proposals to the previous Welsh Government's Department for the Economy and Transport to allocate some of the funding from the newly created *Regional Priority Fund* to enable improvements of the region's town centres through the development and implementation of projects in partnership with the private sector which, according to local circumstances and need would support:
  - market research and promotion
  - small scale public realm improvements
  - minor transport improvements
  - cosmetic improvements to the physical appearance of key buildings
  - the provision of specialist advice to town centre businesses.
54. The six local authorities in North Wales are still waiting to hear from officials in the new Business, Enterprise, Technology and Science (BETS) Department in the Welsh



Government whether their proposal is likely to be awarded any funding from the Regional Priority Fund, decisions of which have been delayed due to the new Minister's imminent statement on the direction of travel for economic renewal policy in Wales, expected during the middle of September when the National Assembly returns from recess. There is concern that this delay, which is also affecting proposals from local authorities in other regions across Wales, will make it extremely challenging to spend any of the funding allocated by the Regional Priority Fund for this financial year.

55. The variety of factors that combine to create a town's image emphasise the need for an holistic approach to regeneration. Furthermore, the need for each town's offer to be complementary (and not in direct competition) to its neighbours is fundamental to long term sustainability. Using (or developing) local features to create a different sense of place can make an important contribution to this.

**(8) The extent to which town centre regeneration initiatives can seek to provide greater employment opportunities for local people.**

56. There are many examples of where town centre regeneration initiatives seek to provide greater employment opportunities for local people, mainly around the inclusion of social, community and sustainability clauses in procurement contracts. The City and County of Swansea, for example, has introduced an initiative to secure social benefits from procurement and regeneration activity under the heading of 'Beyond Bricks and Mortar'. By introducing clauses such as Targeted Recruitment and Training into legal contracts, the aim is to ensure that members of the community, especially young people and those who have been out of employment for some time, are given the opportunities of meaningful training and employment. We are encouraging other local authorities to adopt similar initiatives.
57. Further, we are encouraging and supporting more sustainable and holistic approaches towards town centre regeneration, which, by their integrated nature focus on people and places. As a result most town centre regeneration initiatives developed across Wales now focus on creating employment opportunities for local people, on assisting local people to secure those opportunities as well as the more traditional physical improvements.

## **Recommendations**

### **Measures to evaluate success of initiatives to regenerate town centres**

- 1. We would recommend that the evaluation framework developed by Rhondda Cynon Taf County Borough Council, and followed by other local authorities across the South East Wales Valleys, is shared as good practice in evaluating the success of regeneration town centre initiatives across Wales.**
- 2. This framework will be used in developing a range of indicators, setting targets, measuring progress and evaluating performance. It involves gathering data from primary, secondary and survey sources and working with a range of community and business stakeholders. It can be tailored to the specific needs and circumstances of individual town centre initiatives.**

### **Other recommendations**

- 1. National regeneration objectives should be clearly set out, including a coherent set of geographically targeted areas (looking at areas of opportunity as well as need, and the potential links between them – physical, training and information/ICT). This could usefully inform the development of a National Infrastructure Plan. Regeneration initiatives and funding should then use this as the basis for support and procedures that have to be followed to secure funding should be aligned as far as is possible to avoid the need for multiple applications.**
- 2. Welsh Government and local government officials should be tasked via the Capital Finance and Investment Sub Group of the Consultative Forum on Finance to consider the following key issues:**
  - How best to maximise borrowing powers (both Welsh Government, assuming that they will get these powers soon, and existing local government borrowing powers) for the benefits of sustainable investments in regeneration projects across Wales;**

- the development of the new *Single Capital Infrastructure Fund* for Wales;
  - the potential for a collaborative approach to Local Asset Backed Vehicles
  - engagement with the Scottish Government's Infrastructure Investment Body, *Scottish Futures Trust (SFT)* to develop an understanding of their initiatives and what lessons could be learned in terms of adopting similar initiatives in Wales (for example, their approach to Tax Increment Financing).
3. Physical Regeneration activity and interventions, and the necessary gap funding such as a revised Targeted Match Funding pot, should be retained in the next round of European Funded Programmes for Wales Post 2013.
4. For the next European Funded programming period of 2014–2020, the Welsh Government should incorporate the management of relevant EU funding programmes into one division in order to streamline and integrate the administration and management of the funds. That way, key delivery partners such as local government will only have to deal with a single, more streamlined process, thus improving resource efficiency and effectiveness on the ground and maximising funding potential.

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**For further information please contact:**

Lowri Gwilym and Tim Peppin

[lowri.gwilym@wlga.gov.uk](mailto:lowri.gwilym@wlga.gov.uk) and [tim.peppin@wlga.gov.uk](mailto:tim.peppin@wlga.gov.uk)

Welsh Local Government Association  
Local Government House  
Drake walk  
Cardiff  
CF10 4LG

Tel: 029 2046 8676 and 029 2046 8669