



**RHONDDA CYNON TAF**

**RECORD OF DELEGATED OFFICER DECISION**

**SUBJECT:** Response to the Inquiry into the Regeneration of Town Centres by the Enterprise and Business Committee of the National Assembly for Wales

**PURPOSE OF ATTACHED REPORT:**

To consider the Council's response to the inquiry into the Regeneration of Town Centres by the Enterprise and Business Committee of the National Assembly for Wales. In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended Officer decision of the Chief Executive.

**DELEGATED DECISION (Date):**

It is agreed that the response set out in paragraph 4 of the attached report is submitted.

 Chief Officer Signature	Keith Griffiths Print Name	8 <sup>th</sup> September 2011 Date
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The decision is taken in accordance with Section 15 of the Local Government Act, 2000 (Executive Functions) and in the terms set out in Section 5 of Part 3 of the Council's Constitution

*Russell Roberts*

8<sup>th</sup> September 2011

CONSULTEE CABINET MEMBER SIGNATURE

DATE

OFFICER CONSULTEE SIGNATURE

DATE

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**RHONDDA CYNON TAF COUNTY BOROUGH COUNCIL**

**MUNICIPAL YEAR 2011 – 2012  
REPORT TO ACCOMPANY DECISION OF  
CHIEF EXECUTIVE**

**Part 1  
(Non-Confidential)**

**RESPONSE TO THE INQUIRY INTO THE  
REGENERATION OF TOWN CENTRES BY  
THE ENTERPRISE AND BUSINESS  
COMMITTEE OF THE NATIONAL  
ASSEMBLY FOR WALES**

**1. PURPOSE OF THE REPORT**

- 1.1 To agree the Council's response to the inquiry into the Regeneration of Town Centres by the Enterprise and Business Committee of the National Assembly for Wales. In accordance with the Council's Scheme of Delegation, this report has been prepared to accompany the intended Officer decision of the Chief Executive.

**2. RECOMMENDATIONS**

It is recommended that the response set out in paragraph 4 below is sent to the National Assembly for Wales.

**3. BACKGROUND**

- 3.1 The inquiry into the Regeneration of Town Centres by the Enterprise and Business Committee of the National Assembly for Wales has the following terms of reference:-
- 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?
  - How does the Welsh Government use the levers at its disposal to assist in the regeneration of town centres in Wales?
  - 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?
- 3.2 In addition, the Committee has advised that it would be particularly interested in hearing views on the following issues:
- The roles the Welsh Government and local authorities play in the regeneration of town centres.

- The extent to which businesses and communities are engaged with the public sector led town centre regeneration projects or initiatives, and vice versa.
- 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.
- The impact of out-of-town retail sites on nearby town centres .
- 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.
- The importance of sustainable and integrated transport in town centres– including traffic management, parking and access.
- 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.
- The extent to which town centre regeneration initiatives can seek to provide greater employment opportunities for local people.

The Committee has also indicated that it welcomes any recommendations on what measures could be used to evaluate success of initiatives undertaken to regenerate town centres.

3.3 The deadline for comments is Friday 9 September 2011.

#### **4. THE RESPONSE**

### **Rhondda Cynon Taf County Borough Council**

## **Response to the inquiry into the Regeneration of Town Centres by the Enterprise and Business Committee of the National Assembly for Wales**

### **Introduction**

The successful regeneration of key town centres is a priority for Rhondda Cynon Taf County Borough Council. This is highlighted by the inclusion of town centre regeneration as a priority in the current Rhondda Cynon Taf Community Strategy. Economic Regeneration and Transport is one of the five core themes of the Strategy and the delivery of successful town centre regeneration is one of three major ambitions for this part of the Strategy. The delivery of this ambition is supported by the inclusion of town centre regeneration initiatives in Pontypridd, Aberdare and Ferndale as part of the Council's improvement priorities under Wales Programme for Improvement and as part of the Outcome Agreement between the Council and the Welsh Government.

The reason that this priority has been afforded to town centre regeneration is because a prosperous economy in Rhondda Cynon Taf needs town centres to be attractive areas to live, work visit and shop. The physical regeneration of the public realm, key buildings, sites and tourism developments will help to deliver vibrant, prosperous, safe and attractive town centres.

We believe that in Rhondda Cynon Taf that we have a good understanding of what needs to be done to achieve successful town centre regeneration which is being reinforced by our current involvement in the delivery of significant projects in our area. In this way the timing of the inquiry is helpful to better understand the importance of town centre regeneration to local economies and to develop and learn from successful examples of project delivery.

The following information broadly follows the issues that the inquiry wishes to address from the perspective of the Council's views on town centre regeneration.

### **The Role of Local Government and the Welsh Government**

Both Local Government and the Welsh Government have important roles to play in the regeneration of town centres. Both tiers of government should recognise what their primary roles should be and ensure that these are discharged as effectively as possible so that maximum value and impact can be achieved. Fundamentally the role of both tiers of Government is to facilitate town centre regeneration by creating the right physical and financial environment which will act as a catalyst to stimulate business investment and improve market conditions. It is then a question of recognising which elements of the market are most beneficial to support to achieve economically sustainable towns.

The Welsh Government should take a clear lead for setting a policy framework that recognises the role of strong town centres in prosperous local economies and to help to prescribe what actions should be taken to support towns to reach their potential. There have been instances where the importance of town centre regeneration has been missed or underplayed in the Welsh policy context in recent times which makes it more difficult to take positive practical action. An example of this is in the Economic Renewal: A New Direction where the opportunity to emphasise the importance of town centre regeneration was missed.

The Welsh Government should also recognise that where town centre regeneration is most needed is in areas where there is an element of market failure and where the provision of gap funding can make a significant difference in bringing forward development and regeneration opportunities that would otherwise stagnate. The provision of Targeted Match Funding ( TMF ) and Strategic Renewal Area ( SRA ) funding in this way has enabled some high quality regeneration schemes to be delivered recently. The application of a version of the Treasury Five Case Model to prove the cost benefit of such schemes has been helpful in setting the rationale for support and to better set targets and measure the impact of successful delivery. It is important that sources of gap funding such as TMF and SRA continue to be available.

The interface between the roles of the Welsh and Local Government needs to work well. Local Government should recognise where town centre regeneration has the opportunity to deliver the best results and use the policy

and funding framework to prioritise and lead delivery. There should be a clearly defined plan for the regeneration of any town centre location which has been planned and developed with the appropriate input of the relevant local stakeholders and in particular businesses and community members. It is important to note that there should not be a single solution to how this happens as each location has its own unique characteristics and will benefit from a distinct approach to achieve a regeneration plan which best suits local circumstances. In this way Local Government will fulfil its community leadership role.

Local Government should also use the approach outlined above to achieve high quality sustainable regeneration through the provision of good design and appropriate materials wherever possible. This should lead to long lasting solutions with affordable maintenance plans. There is an obvious tension here given the current financial constraints faced by local authorities but both the Welsh Government and local authorities should strive to find creative solutions to this issue.

Local Government should also ensure that the best environment to encourage private sector support is put in place. This should include the focussed use of the planning system to facilitate the most appropriate development within a clear local framework. In Rhondda Cynon Taf we have a newly adopted Local Development Plan which recognises the importance of successful town centres and their regeneration in the future of the area. There is specific supplementary planning guidance which sets out the principles of appropriate design for development in town centres. When working with developers and businesses in bringing forward development proposals a team approach is taken by officers from appropriate service areas to ensure the best service is offered. For example this approach is being put into practise as part of the Aberdare Townscape Heritage Initiative (THI) as part of the wider regeneration of Aberdare town centre. Here the unique heritage characteristics of Aberdare are being enhanced as part of a property led regeneration solution that will also lead to direct employment opportunities.

There is benefit in the Welsh Government and local authorities working together on a regional basis to develop an understanding the role that town centres play over a wider area. In doing this a shared view of where regeneration interventions should be focussed and developing a shared approach and good practise can provide greater efficiency and effectiveness. A good example of this where collaboration is producing positive results is the South East Wales valleys where the six local authorities – Rhondda Cynon Taf, Caerphilly, Blaenau Gwent, Bridgend, Merthyr Tydfil and Torfaen have worked effectively together with officials from WEFO, Heads of the Valleys Programme and the then Department of Economy and Transport over the last four years. This has produced a regional framework - The Valleys Town Centre Renaissance from which a series of town centre regeneration packages has been developed. This has given a broad rationale across the area for support from the EU Convergence Programme which is now being delivered including in Rhondda Cynon Taf – Pontypridd, Aberdare and Ferndale town centres.

## **Funding Solutions for Town Centre Regeneration**

The availability of public sector finance to support the delivery of town centre regeneration is likely to be constrained for the foreseeable future so it will become more important to focus what finance is available in a way that ensures that it produces the best possible impact.

This needs to recognise that focus will normally be in areas where there is an element of market failure and that public sector intervention will be real opportunities to stimulate further investment.

Public sector investment will need to work harder in future so it will be important that sources of funding work more effectively together to result in a greater critical mass and impact than if they were applied separately or at different times.

In Aberdare town centre we are currently delivering a regeneration programme that is using a financial package with multiple sources of funding that will give greater impact together and importantly have been able to achieve leverage against one another as matching sources of finance. These sources comprise Rhondda Cynon Taf Council's own resources, Convergence Programme - ERDF, TMF, Heritage Lottery Fund – THI, Heads of the Valleys, Cadw and private sector funding.

Similarly other sources of funding need to be explored and applied to town centre regeneration. These include sources of funding not necessarily directly associated with town centres. In Pontypridd we are currently delivering elements of a regeneration plan centred on a business case which is based on a package of Convergence ERDF, TMF the Council's own resources and private sector funding to deliver significant core improvements to the town centre. It is the intention that this will lever significant other investment to deliver additional elements of the plan. This is already producing significant results with a range of investment from the private sector, Convergence ERDF, Welsh Government Transport Grant, Heritage Lottery Fund and other National Lottery sources. This will result in a broader range of investment than that normally related to town centre regeneration and is planned to achieve a broader more sustainable impact.

The following are comments on specific sources of funding for town centre regeneration:

- EU Structural Funds – These currently underpin the majority of publicly funded town centre regeneration programmes from the Convergence and Competitiveness Programmes. It is important that the role of the Structural Funds in supporting town centre regeneration is recognised in the preparation for the next round of Programmes. Without this it will be extremely difficult to bring forward a significant package of regeneration projects.

- TMF – This has been an extremely useful source of gap funding that has enabled the impact of Structural Fund projects to be maximised and in some cases to go ahead at all. It is important that the Welsh Government continues to recognise the leverage potential of TMF.
- Private Sector Investment – This is fundamentally important to the development of self sustaining town centres in the future that will not be dependent on large public sector based investment. It is important that private sector investment works closely alongside other currently available sources to achieve this.
- Local Authority Funding – It is important that where local authorities are leading on the delivery of town centre regeneration packages that they are able to make an appropriate contribution to that package. This can often be at the vital development stage of the project or in terms of a maintenance programme after completion. It would be helpful if these costs were better recognised in the whole lifetime costs of the central capital investment of a regeneration scheme.
- Regeneration Investment Fund for Wales ( RIFW ) – This kind of innovative funding solution must play a part in town centre regeneration. RIFW does seem to be an overly complicated and clumsy way of supporting investment for this kind of project. Its design seems to be more bound up in the constraints of the JESSICA initiative rather than being applied to the delivery of investment in Welsh town centres. Any further financial instrument/engineering type models must be simpler in their design, construction and their delivery. They should concentrate on the end product more than financial modelling techniques. They should also recognise the market in which they operate in Wales which will predominantly be in Valley or rural areas rather than large urban conurbations to which such instruments usually apply.
- Business Improvement Districts ( BIDS ) – The principle of BIDS as a way of developing sustainable town centres with the direct involvement of the business sector is sound. But its application in the current economic climate will be difficult particularly outside the largest centres. It would be helpful if more work could be done to see how BIDS can be applied to the large number of medium sized town centres in Wales.

### **Project Management, Measurement of Impact and Evaluation**

There is an increasingly competitive environment for financial resources for investment from both the public and private sectors. If town centre regeneration is to be a successfully delivered priority in Wales then we must have a robust framework for the design, development and delivery of projects and initiatives within a well defined project management approach. This requires a more systematic approach for measuring the cost benefit of



proposals including a much clearer way of setting targets, measuring impact and evaluating performance.

All organisations involved in delivering town centre regeneration in Wales have been generally poor at this and although this has been recognised and some improvements made, more needs to be done.

In the current round of Convergence Programme supported town centre regeneration projects particularly where TMF has been used for gap funding there has been a more rigorous assessment of cost benefit using a version of the Treasury Five Case Model.

This is a step in the right direction but the application needs significant refinement to be able to better reflect the kind of projects associated with this kind of regeneration and to be able to recognise and measure the range of benefits which can accrue. The current EU Convergence and Competitiveness Programmes currently have quite poor formal indicators for measuring progress and success based on square metres of land improved and numbers of initiatives taken which does not begin to capture the real picture.

In Rhondda Cynon Taf we are currently delivering three major town centre regeneration schemes in Pontypridd, Aberdare and Ferndale. As an integral part of this we are developing a pioneering evaluation framework which will be used as a tool to develop a range of appropriate indicators to set targets, measure progress and evaluate performance. This is using a range of approaches to gather data from primary, secondary and survey sources and is involving a range of community and business based stakeholders in its development.

An evaluation framework has been developed and initial baseline reports prepared for the three town centres. These will now be evaluated against the delivery of the schemes to ensure that the approach is fit for purpose.

Other local authorities in the South East Wales Valleys are following this approach so that a consistent methodology for measuring the performance of town centre regeneration projects can develop.

### **Town Centre Employment Opportunities and Use Mixes**

The delivery of town centre regeneration must lead to a more economically sustainable future for the areas involved by acting as a catalyst to stimulate appropriate private sector investment. To achieve this, a clear understanding of the role each centre will play in order to take advantage of opportunities is important. This will rarely be based on retail offer alone but a much more diverse mix of uses that will attract people to work, visit, shop and live in a town centre during the day and night time. This mix will need to be carefully developed and will be unique to each centre for it to be successful. If this approach works then there should not need to be direct competition between town centres and out of town retail centres as each would be catering for distinct markets and customer requirements.

The optimum business mix will need to include independent local traders as well as national multiple retailers. Independent local traders can help to develop niche markets and encourage local supply chain development which will help to generate a more sustainable local economic base and distinct sense of place. This is another area where local authorities and the Welsh Government should develop an approach to support and stimulate this sector.

In Rhondda Cynon Taf the regeneration of our town centres is a priority because it offers a real opportunity to create the best environment to increase levels of investment and employment, attract more visitors and shoppers and to be a focus for community events and activities. To make this approach successful it is important to generate activity which will develop the most positive image related to a particular town. There is a need to recognise the importance of efficient transport infrastructure to ensure that town centres can cater for as wide a catchment area as possible. This will help to provide economic opportunities to the most deprived communities. 30% of households in Rhondda Cynon Taf do not have access to a car so that the provision of good bus and train based public transport is important.

In Rhondda Cynon Taf, Pontypridd has great potential to attract visitors from a wide catchment area. In order to maximise this opportunity a series of high profile regular events have been developed in the town supported by an increasingly recognised branding for the town.

Ponty's Big Weekend has become a successful annual music festival where a mix of high profile national acts and local talent perform over the weekend programme. Alongside this is the Big Welsh Bite food festival which takes place over another weekend in order to attract a wide range of visitors but to also showcase local produce and local businesses involved in the production and manufacture of food and drink. This is supported by a strong brand for the town based on 'Love Ponty' which also has it's own website. The involvement of Pontypridd Rugby Football Club in this branding and image development has also taken place with the rugby clubs reputation as an iconic valleys centre for the sport.

Town centre regeneration should also be a focus for employment growth and to generate employment opportunities for local people. Successful regeneration is well placed to do this as it can generate employment across a broad range of sectors including private, public and third sector based services, retail, leisure, tourism and the creative industries. Another advantage is that these employment opportunities can be available across the day and night time economies. As part of the business case for the current Pontypridd town Centre regeneration scheme an analysis has been undertaken to look at current employment levels in the town and the travel to work patterns of employees.

The analysis shows that 80% of people employed in current jobs either live in Pontypridd or travel to work from surrounding communities in Rhondda

Cynon Taf. It goes on to estimate that 30% of new job growth in the town will be taken by people living in those most deprived areas in Rhondda Cynon Taf which are eligible for the Communities First Programme. This suggests that generating employment growth in local town centres is an effective way of providing job opportunities for local people.