

# Enterprise and Business Committee

## Inquiry into Town Centre Regeneration

### Evidence from Andrew Shufflebotham

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Andrew Shufflebotham

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

Both the WG and local authorities are key to regenerating town centres. Regeneration on a large scale is outside the scope of individuals and independent retailers or national chains. If the public sector doesn't catalyse regeneration it won't happen. The WG's resources and local authorities expertise in sourcing and drawing down funding, including and matching European funding, is essential to the regeneration process.

**Recommend:** maintain supportive initiatives

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

Communities and businesses are best able to interact where there are effective partnerships. The most effective being where town centre management initiatives are in place and which follow the guidelines and best practice championed by the Association of Town Centre Management, where town centre managers and their associated structures act as conduits for sharing information and discussing views. However, it should be recognised that both independent retailer proprietors and multiple retail managers have demands on their time that can stand in the way of full partnership participation and support for town centre management initiatives, with a belief that time spent attending stakeholder meetings can be more profitably spent on the shop floor.

Outside town centre management teams, but within other local authority departments there is often a lack of understanding of the needs of a town centre as an entity, or the needs of its varied stakeholders, including the general public and varied sorts of town centre business. It has only recently been realised how important an economic driver town centres are, and how sensitive they have become to out of town competition.

**Recommend:** Support and funding for town centre management initiatives

- 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.

In my opinion the most important element of the town centre that the WG should use its power of influence in order to increase the competitiveness of town centres against other centres is to recommend a correction of business rates to the Valuation Office. A correction of business rates in town centres that recognises the material change of circumstances [reduced footfall] affecting trade

would encourage retailers to remain trading and for new or incoming businesses to take on vacant properties. It is essential to realise that retailers, both independent and national need a commercial proposition before they decide to set up in any town. A retailer will have a business plan with a number of variables, the three most important are: wages [cannot be altered, minimum wage legislation] energy charges [cannot be materially altered], rent and rates.

Rates can be influenced by the WG.

**Recommend:** Influence rates to reflect material change of circumstances.

In general, in smaller town centres, there is no large scale demand for “city living” as these towns do not possess vibrant, onsite leisure/night time economy offers that attract typically young single or young couples to town centre accommodation. Convenient overnight parking close to town centre accommodation is also deterring factor when considering “town living”.

Service providers still find benefits of location in town centres. Accountants, solicitors and estate agents benefit from good transport links for their local clients and tend to locate in specific edge of town areas with banks remaining in town centre cores. This adds a certain level of sustainability for a town centre.

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

The footfall of town centres has been seriously reduced by out of town retail sites, this has materially affected the profitability and viability of retail businesses and has come about at a rate that has taken town centre stakeholders by surprise. Planning Policy Statement 6 [PPS 6] has been a failure; a case of shutting the door after the horse has bolted. Town centres have seen a serious exodus of traditionally high street retailers who previously comprised the very best town centre anchors, have now become out of town trade park anchors. This has created a two tier retail economy with successful out of town centres that have top sliced the more affluent and mobile shoppers and left depressed traditional town centres, struggling with historically high rents and rates, and more value orientated customers who in turn create a demand for a high propensity of discount stores and charity shops providing a less attractive town centre mix. Saturday trading in town centres has been badly affected with consumers voting with their feet [or cars] and travelling out of town encouraging town centres to close early, on what was previously the most popular town centre trading day.

- 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.

BIDS could be regarded as an innovative financial solution, however, in Wales, there is only one BID – Swansea, and one, possibly, to come - Merthyr. The smaller towns of Wales do not suit the BID requirements where a large proportion of the potential pot would be taken up by management costs

leaving insufficient funds for worthwhile projects. As the majority of Town / City Centre Managers in Wales are in Local Government employment, the emphasis should be on continuing to secure funding for their role within the Local Government structure.

**Recommend:** Mechanism to fund town centre management initiatives.

Financial support from the Regeneration Investment Fund for Wales is provided in the form of loans and investment capital that needs to be repaid within an agreed timescale. It is not a success in the current economic down turn. Certainly, retail businesses do not have the confidence in an economic upturn to take on loans, however attractive, without some tangible evidence of the future improvement of high street fortunes.

Major regeneration projects involving WG/ European Structural funding however is seen to be the domain of the public sector and is welcomed by the private sector if it is seen to be properly applied.

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

The importance of an integrated and sustainable transport system cannot be underestimated with regular and efficient public transport complimenting walking cycling an efficient taxi operation and car use. However, parking is regarded by the general public and business as the single most important factor that influences town centre trade, this may or may not actually be true, however, the subject can regularly hi-jack meetings and dominate stakeholder's conversations. LA's should recognise its importance and rethink parking policies to encourage and enable free short town centre visits and free parking for Saturday shopping. This policy, if adopted in town centres would, answer criticism and encourage increased footfall.

**Recommend:** Influencing Welsh LA's to offer across the board "Free Saturday" car parking

- 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 above factors are very important in providing the right environment for trade and can, and are addressed through town centre regeneration schemes and town centre management initiatives, however, it is the mix of shops and leisure offer and availability of parking that will affect a shoppers decision to visit or not.

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

Regeneration initiatives can create an environment that attracts more businesses to an area, however, the defining factor for a business to open, or to stay open, is the opportunity to be commercially successful, the profit motive. That is the level of profitability considered to be reasonable having taken into consideration the financial risks of trading. Commercial success leads to increased employment opportunities. Commercial success depends upon acceptable overheads highlighting the importance of the level of business rates.

The Committee would also welcome any recommendations on what measures could be used to evaluate success of initiatives undertaken to regenerate town centres.

**Recommend :** The simple and most effective Key Performance Indicator for a town centre is one footfall counter installed at the centre of a town. All other indicators will only confirm data collected by a centrally located counter. The WG should fund this piece of kit!

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