



Report of the Cabinet Member for Investment, Regeneration and Tourism

Development and Regeneration Scrutiny Panel
20th March 2023

Regenerating Town Centres in Wales: Audit Wales Report

Purpose:	To update the Scrutiny Panel on the Council's response to the Audit Wales report 'Regenerating Town Centres in Wales'.
Content:	An update on: 1. Audit Wales report: Regenerating Town Centres in Wales
Councillors are being asked to:	Consider the information provided and give views
Lead Councillor:	Councillor Robert Francis-Davies, Cabinet Member for Investment, Regeneration and Tourism
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1. Background

- 1.1 In September 2021, Audit Wales published a report on the regeneration of town centres in Wales. Over 2.5m people in Wales live in a town or city, concluding that they remain at the heart of Welsh life, and places that people value and love. However, dramatic shifts over time in the types of uses that draw people into towns and cities are continuing to change the face of these places, and the uses that spaces and buildings within them are put to.
- 1.2 The audit wanted to highlight good practice and identify opportunities to improve the approach to regenerating town centres in Wales. The report is titled [Regenerating Town Centres in Wales](#).

1.3 The findings of the report are a positive reflection on the three missions of our recently adopted 'South West Wales Regional Economic Delivery Plan', which recognises the interdependent role of the cities, towns and villages of south west Wales as places where businesses from micro-scale upwards are the backbone of the economy which itself benefits from the experience that this network of places and their communities provide.

2. Audit Wales: Key findings

2.1 The Audit Wales report reflects on a period of change over 70 years which has changed dramatically the way that town centres are used by people, and how local authorities and communities have responded, and considerations for future development if town centres are to remain a focal point of our cities and towns in future.

2.2 The Audit Identified the following key messages:

- Town Centres remain at the heart of Welsh life as places people value and love
- Addressing the challenges faced by town centres requires brave and ambitious leadership to enact change
- Over 75 years town centres are the places most affected by the rapid evolution of lifestyles and technological changes
- Legacy impact of post-World War II planning decisions
- Impact of out-of-town service centres (not just retail)
- Positive response of Welsh and local government during the COVID-19 pandemic in supporting town centres
- Local authorities are the key public bodies to help regenerate town centres but often lack the capacity and skills to deliver sustainable regeneration.
- Powers that can help stimulate town centre regeneration are not used effectively or consistently
- Town centre first policy is not yet fully embedded – lack of definition of policies and instruments proposed to help address the challenges faced by town centres
- Post Covid challenges are similar to the regeneration of 1945 post-war Britain. Local authorities are well placed to lead in their areas but need to be clear on the purpose of their town centres and engagement of public sector partners, third sector, town and community councils, communities and businesses in decisions.
- Local authorities will have to become increasingly more interventionist to address town centre challenges.

2.3 The findings are a generic assessment across Wales. Swansea performs strongly on many of the areas highlighted above, using the many levers and options to good effect under strong and ambitious political leadership.

2.4 Each area will be addressed in turn:

Town Centres remain at the heart of Welsh life as places people value and love
Swansea is more than just Swansea, and even within the relatively small geographical area of the county, people can identify a range of significant town centres and places alongside the City Centre itself, including Gorseinon, Mumbles, Gowerton, Sketty, Pontarddulais, Clydach, Morriston and Killay. Each of these places has a significant high street including a range of typical uses. Each has developed on the back of growth of a local industry or trade, some on the back of the industrial revolution and coal and metal industries, with others dating back to coastal and farming legacies dating back hundreds of years. Family businesses continue to feature strongly, and social media history pages are testimony to the love people have for their places, their people, spaces and buildings. Each town in our county features recognisable landmarks, and 'expectation'. Each has also been impacted by the changes, for example in changes from rail to road, cross roads, feature buildings lost to road widening, changes in retail practice, workforce changes and major changes in shopping habits.

Addressing the challenges faced by town centres requires brave and ambitious leadership to enact change

Swansea is experiencing the most significant and exciting programme of regeneration in the post-war period. Strong leadership and decision making is ensuring that a wide programme of regeneration is underway, from large scale City Deal investments such as the Arena and 71/72 The Kingsway, through medium scale projects tackling listed buildings at risk including the Palace Theatre and Albert Hall, down to individual financial support for the smallest businesses to improve their building facades in all corners of the county.

Over 75 years town centres are the places most affected by the rapid evolution of lifestyles and technological changes

Swansea was one of the unfortunate places alongside others where the densely-built up mixed use town centre was largely obliterated in the World War 2 Blitz. Pre-war Swansea was perhaps the epitome of what we would now aspire to as a 'mixed use regeneration' exemplar of living, working and leisure, with densely packed housing, retail and leisure uses crammed into a patchwork of buildings established over centuries. Part of High Street, Wind Street and the Maritime quarter show glimpses of that Swansea, which evolved around the needs of the people living in it. Now the pace of technological changes moves faster than the bricks and mortar can keep up with, so regeneration tools are needing to be deployed both keeping pace with changing demands, but also trying to look ahead to future end uses. As City living in particular is returning at scale, it is already impacting the way part of the City Centre and the wider town centres in the county are being used by their communities.

Legacy impact of post-World War II planning decisions

Many parts of the town centre as were almost a 'clean slate' following the devastation of the war period. There was an ambition to look to the future,

creating large open corridors and attempting to build at a large scale, but using the limited resources available, and taking advantage of advances in building technology at the same time. Many of these structures are still with us and are now in the process of finding new uses, using the regeneration tools available to help them form part of the next phase of the evolution of the place. 'Zoning' for retail at a large scale is criticised in the Audit Wales report as creating unsustainable levels of retail. Even in the smaller town centre high streets, small terraced houses, e.g. Woodfield Street were being converted into shops even in the 1960s onwards. So it should not be seen as a negative that some of these premises find their way back to residential uses, but more of a case of finding the right balance of sustainable uses.

Impact of out-of-town service centres (not just retail)

Out of town services of all kinds – primarily retail, but also health, education, offices and other essential services locating on large out of town development sites inevitably draw people away from town centres. These sites are usually very large and dispersed requiring individual parking areas as distances between premises are too far to walk. Smaller scale retail can barely succeed in these locations due to limited footfall other than moving from car to front door of premises. Footfall is a key metric for the success of a town centre, but arguably the more 'multi-use' facilities whether out of town or in a city centre, the less likely a person is to leave a particular building to go elsewhere by foot to eat, drink, shop or attend a leisure or cultural premises. Retail is often seen as the primary culprit, but any large scale facility that could have chosen a location in closer proximity to a town centre is equally removing footfall and vibrancy from town centre locations. Similarly, whilst hubs are a welcome move for repurposing some premises, the mix of services within them must be carefully considered as to the potential beneficial surrounding businesses and services they will be supporting outside of their 'own four walls'.

Positive response of Welsh and local government during the COVID-19 pandemic in supporting town centres

Swansea Council worked quickly with Welsh Government to create ways in which town centres could be supported to help them survive the several lockdown periods. The ability to utilise the WG Transforming Towns grant funding for a Premises Outdoor Adaptation Grant was one example to enable businesses facing indoor restrictions to be able to offer outdoor seating.

Local authorities are the key public bodies to help regenerate town centres but often lack the capacity and skills to deliver sustainable regeneration.

Regeneration of town centres is a partnership effort, and the key to success is ensuring that communication channels are open across all levels of government, across internal departments within government and a regular dialogue is maintained across key sectors including public, third and private sectors. Particularly at times where resources across the sectors are scarce,

pulling together to achieve regeneration is more important than ever. Each sector brings its own talents and skills to the table, and the ability to achieve different forms of funding and investment, which means that pulling together achieves greater results. Procurement frameworks are a fundamental part of this, as swift access to the right expertise is critical to regeneration projects of all scales. Continuous dialogue between partners across all sectors, understanding what is being brought to the table and the needs to be met speeds up decision making, reduces ambiguity and enables complex projects to be realised more quickly. A 'can-do' approach and attitude is also fundamental.

Powers that can help stimulate town centre regeneration are not used effectively or consistently

A suite of support measures are available to enable regeneration in Wales and we draw on all of these to ensure funding opportunities are maximised:

WG Transforming Towns is a series of interventions of both grant and loan to support regeneration activities in the City and District town centres. Projects outside of town centres are not supported. The package of support is very well leveraged in Swansea.

Placemaking grants

- max £250k for smaller scale public realm and small buildings (public, private and community)
- Places invested in need a 'Place Plan'

Strategic projects

- Aimed at larger projects with a viability gap, upwards of £2.5m grant but subject to viability gap
- usually commercial/community/market rent gap
- Example projects – former BHS, Morganstone development Princess Way, Hacer Biophilic Building former Woolworths
- Public sector grant can go up to 70% but usually considerably lower
- Private sector intervention rates usually 45% or less against proven viability gap – new subsidy control regime impacts this
- Strong pipeline of demand from private sector

Town Centre Loan Fund

- 0% interest loan over 5-7 years
- Targeted at under-utilised, derelict sites or premises
- Commercial or market rent schemes
- Usually up to £1m per project aimed at private sector
- Available for SME developers (could perhaps work as partnership)
- Very popular in Swansea as bridging for acquisition and development of larger private sector projects – Swansea is one of the largest users of this programme in Wales.
- Strong pipeline of demand from private sector

Enforcement Action Plan

- WG consultancy support available to advise
- Loan fund to support enforcement actions
- Action plan updated and maintained on key properties

Council Economic Recovery Fund has enabled investment in property facades and related works to improve appearance of commercial properties across the county.

UKG Levelling Up Fund: A bid incorporating Hafod Copperworks, Strand and Swansea Museum was approved in January 2023. A further Round 3 is expected in 2023, and a bid for the City Centre will be submitted to this round.

Town centre first policy is not yet fully embedded – lack of definition of policies and instruments proposed to help address the challenges faced by town centres

Place Plans are emerging as a key means of ensuring that ‘place making’ is front and centre in decisions on regeneration investments. These have to be living documents, long enough to capture the action plan necessary to enable regeneration to take place, but short enough to remain adaptable and easy to update as plans evolve to include results of ongoing engagement and dialogue.

Post Covid challenges are similar to the regeneration of 1945 post-war Britain. Local authorities are well placed to lead in their areas but need to be clear on the purpose of their town centres and engagement of public sector partners, third sector, town and community councils, communities and businesses in decisions.

Town centres are at a critical stage with key businesses and services having been severely impacted by the Covid-pandemic and the ripple impacts of the war in Ukraine, both affecting global supply chains, and cost of energy. The Council works closely with key public, private and voluntary sector partners through our Regeneration Swansea partnership to guide the regeneration agenda in Swansea, and deliver the Welsh Government Transforming Towns programme, with the partnership acting as the local project board for this.

Local authorities will have to become increasingly more interventionist to address town centre challenges.

A range of options to engage on problem properties and zones exists, with negotiated routes enabling leverage of wider funds than public sector alone. The range of tools outlined above is working, and some of that work requires direct intervention for large scale impact – examples might include Kingsway public realm and 71/72 The Kingsway, and Swansea Central (Arena) as examples. Other regeneration players including Coastal Housing, Pobl and

private developers are an essential part of the picture, and working collaboratively is vital to ensuring quality schemes come forward and link into the wider strategic vision for places.

3. Conclusions

- 3.1 We have a robust and inclusive approach to regenerating our town centres working closely with key public, private and voluntary sector partners including local developers and we utilise the full range of tools and funding opportunities to deliver an ambitious regeneration programme.

4. Financial Implications

- 4.1 There are no financial implications associated with this report.

5. Legal Implications

- 5.1 There are no legal implications associated with this report.

Background papers: None

Appendices: None