



GOVERNANCE AND AUDIT COMMITTEE – 25TH JANUARY 2022

**SUBJECT: AUDIT WALES REPORT – REGENERATING TOWN
CENTRES IN WALES**

**REPORT BY: CORPORATE DIRECTOR FOR ECONOMY AND
ENVIRONMENT**

1. PURPOSE OF REPORT

- 1.1 To present the Governance and Audit Committee with the Audit Wales report “Regenerating Town Centres in Wales” and to inform them of the self-evaluation tool that has been undertaken in respect of Caerphilly CBC’s approach to town centre regeneration.

2. SUMMARY

- 2.1 The Auditor General carried out a review of how Local Authorities are managing and regenerating their town centres between October 2020 and May 2021. A range of methodology was used including document reviews, interviews, focus groups, data analysis, surveys and webinars.
- 2.2 The report concluded that town centres are at the heart of Welsh life and can be vibrant and sustainable places, but addressing the many challenges they face requires brave decisions and ambitious leadership.
- 2.3 Of the six recommendations contained within the report, five are predominantly aimed at Welsh Government and the way in which they work with Local Authorities on town centre regeneration initiatives. However, under recommendation six, each Local Authority is advised to undertake a self-assessment of their current approach to town centre regeneration and a copy of Caerphilly CBC’s can be found at Appendix 1.

3. RECOMMENDATIONS

- 3.1 The Governance and Audit Committee is asked to:
- 3.1.1 Note the contents of the Audit Wales report.
- 3.1.2 Consider and comment upon the content of the self-evaluation tool that has been undertaken on Caerphilly CBC’s approach to town centre regeneration.

4. REASONS FOR THE RECOMMENDATIONS

- 4.1 To ensure that the Governance and Audit Committee is aware of the Audit Wales report and associated self-evaluation tool.

5. THE REPORT

- 5.1 The Auditor General carried out a review of how Local Authorities are managing and regenerating their town centres between October 2020 and May 2021. A range of methodology was used including document reviews, interviews, focus groups, data analysis, surveys and webinars.
- 5.2 The report noted that Wales is a nation of small towns and these towns are where people live, work and play and are historical and cultural centres. Over 2.5 million people in Wales live in towns and cities and they remain at the heart of Welsh life, being places that people value and love.
- 5.3 What a town has and provides is dependent on many different things, including its location, affluence, infrastructure and accessibility. Whilst many towns will have issues in common, no two places are the same and require different solutions and approaches to the challenges it faces.
- 5.4 In the last 75 years, nowhere has seen as much change as the High Street. Once the location of all major activities, town and city centres have undergone rapid change that has been significantly impacted by technological and societal change. Between 1950 and 1980 Local Authorities prioritised regeneration of town centres through the creation of new and greater retail spaces. However since then, the growth of out-of-town retail, the loss of essential services (such as banks and post offices) and the growth of online shopping have contributed to a steady decline in many town centres. The pandemic has added to these problems.
- 5.5 The report finds that overall, Welsh and Local Government have responded well to support town centre businesses during COVID-19. In addition, Welsh Government has directly invested or levered in almost £900 million in the last seven years to regenerate town centres. Despite this funding, town centres still often struggle and the report found that Local Authorities, as the key public bodies in town centre regeneration, often lack the capacity and skills to deliver the sustainable regeneration that is needed. Most notably, powers that can help stimulate town centre regeneration are not utilised effectively nor consistently.
- 5.6 Town centre regeneration is a national priority, but the report found that the Welsh Government's "town centre first" approach is not yet fully embedded. The report notes that National and Local Government need to deliver integrated solutions and make brave decisions going forward that provide honest, strong and dynamic leadership.
- 5.7 Local Authorities are well-placed to prioritise and lead on place planning but need to be clear on the purpose of their town centres and involve public sector partners, the third sector, town and community councils, communities and businesses in decisions.
- 5.8 The report concluded that town centres are at the heart of Welsh life and can be vibrant and sustainable places, but addressing the many challenges they face requires brave decisions and ambitious leadership.

5.9 Six recommendations were made in the report:

1. *“Non-domestic rates have not been reviewed in recent years, and the levels charged do not reflect the current rents being achieved in many town centres. We recommend that the Welsh Government review Non-Domestic Rates to ensure the system better reflects town centre conditions when the payment holiday ends in March 2022.”*
2. *“Many town centre businesses are impacted adversely by charging for car parking, access to public transport and poor transport infrastructure. We recommend that the Welsh Government work with local authorities to review transport challenges facing town centres and agree how best to address these.”*
3. *“The Welsh Government has directly provided and levered in just under £900 million through 13 funding schemes to help regenerate town centres. However, some aspects of the Welsh Government’s management of the funding are considered problematic. To ensure local authorities are able to maximise the impact of funding and tackle the more difficult and longstanding problems that would help transform their town centres, we recommend that the Welsh Government:*
 - i. *Consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum;*
 - ii. *Move away from annual bidding cycles to multi-year allocations; and*
 - iii. *Rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.”*
4. *“The Welsh Government has provided all 22 local authorities with training on how best to use existing enforcement, financial assistance and debt recovery powers, but they are not being consistently nor effectively utilised to support regeneration. We recommend that local authorities take appropriate action, using these existing powers and resources available to achieve the best possible outcome for town centres by:*
 - i. *Using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort;*
 - ii. *Integrating enforcement strategies with wider departmental strategies across housing, environmental health, planning and regeneration teams to make more effective use of existing skills and resources; and*
 - iii. *Ensuring there is capacity and the right expertise to use the full range of powers, working in collaboration with other councils to achieve good outcomes.”*
5. *“The Welsh Government’s ‘Town Centres First’ approach looks to put the health of town centres at the heart of the decisions taken by Welsh Government, local authorities, the wider public sector, businesses and communities. This requires a high degree of integration between cross-cutting policy frameworks and decision making to promote town centres above much else. We recommend that the Welsh Government set out how it plans to deliver this in practice, its expectations of partners and the practical steps it will take to make this ambition a reality.”*
6. *“Town Centres are changing, and local authorities need to be receptive to these changes and plan to manage these shifts. We recommend that local authorities*

use our regeneration tool to self-assess their current approaches to identify where they need to improve their work on town centre regeneration.”

- 5.10 Five of the six recommendations are predominantly aimed at Welsh Government and require liaison with Local Authorities over the issues raised. However, Members are asked to note the following points:
- 5.10.1 Recommendation 2 – Members will be aware that car parking charges are currently suspended in all Council-owned pay & display car parks and a task & finish group is currently meeting to consider parking tariffs further.
- 5.10.2 Recommendation 3 – Officers in Regeneration & Planning regularly meet with our Welsh Government regeneration colleagues to update on projects and funding. Past requests for flexibilities in funding arrangements have been accommodated wherever possible. Welsh Government is in the process of transitioning all grants that have a town centre focus to the “Transforming Towns” programme. This will not only simplify & streamline available grants, but also provide consistency of grant conditions and reporting procedures. It will also enable multi-year funding allocations.
- 5.10.3 Recommendation 4 – Officers have compiled an Empty Property Action plan that was submitted to Welsh Government in the autumn of 2021. Part of this plan focuses on long-term empty town centre properties and Officers and Members received training from WG on the various enforcement options that can be taken. An internal working group consisting of Officers from several departments will monitor enforcement action and aim to achieve the best strategic and operational outcome for each property. An Empty Property team is also being established within Caerphilly Homes to focus on this work programme.
- 5.10.4 Recommendation 5 – Members will be aware that Housing & Regeneration Scrutiny and Cabinet recently endorsed a revision to the Council’s Town Centre Management Group meetings that aims to widen and increase engagement with town centre businesses and stakeholders. A key objective of these groups is ensuring stakeholder engagement in regeneration projects, plans and activities.
- 5.10.5 Welsh Government’s regeneration department now has a “town centre first” focus and Council Officers regularly meet with them to discuss existing and potential projects and agree priorities in the short, medium and longer term. Officers in Regeneration & Planning are currently formulating Place Plans, which will be implemented by multi-agency steering groups that will include Welsh Government and other stakeholders and partner organisations.
- 5.10.5 Recommendation 6 – Officers have completed the self-assessment tool in respect of Caerphilly CBC’s approach to town centre regeneration and a copy can be found at Appendix 1.

Conclusion

- 5.11 The Audit Wales report makes a wide-ranging set of recommendations on the future of town centre regeneration and sustainability. Officers will work with colleagues in Welsh Government over the implementation of the recommendations and ensuring that the Council’s town centre regeneration plans, policies and projects are in-keeping with the findings and recommendations contained within the report.

6. ASSUMPTIONS

6.1 No assumptions are made in respect of this report.

7. LINKS TO RELEVANT COUNCIL POLICIES

7.1 The content of the report links with *A Foundation for Success (Regeneration Strategy 2018-2023)* objectives in relation to “Supporting Business”:

- SB3: Creating an environment that nurtures business – The importance of town centres and the businesses that wish to operate within them is recognised, as well as the need to accommodate the needs of those businesses;
- SQL4: Maximise the tourism potential of the County Borough to become an established tourism destination – Ongoing town centre and environmental improvements, along with improvements to accommodation and the night-time economy are key aspects of this priority and engagement with relevant businesses is key;
- SQL7: Refocus on town centres to serve the needs of residents and businesses – the vitality and viability of town centres should be enhanced by working in partnership with the business community in order to attract new investment and sustain confidence.

8. SUMMARY OF INTEGRATED IMPACT ASSESSMENT

8.1 This report is for information purposes only, so the Council’s Integrated Impact Assessment process does not need to be applied.

10. FINANCIAL IMPLICATIONS

10.1 There are no direct financial implications arising from this report.

11. PERSONNEL IMPLICATIONS

11.1 There are no direct financial implications arising from this report.

12. CONSULTATIONS

12.1 The draft report has been circulated to the consultees listed below and all comments incorporated into this version of the report.

13. STATUTORY POWER

13.1 Local Government Acts 1972 and 2003.

Author: Steve Wilcox, Principal Officer – Town Centres & Business Support,
wilcosj@caerphilly.gov.uk

Consultees: Mark S. Williams, Corporate Director Economy and the Environment
Dave Street, Corporate Director Social Services & Housing
Rhian Kyte, Head of Regeneration and Planning

Stephen Harris, Head of Financial Services and Section 151 Officer
Robert Tranter, Head of Legal Services & Monitoring Officer
Liz Lucas, Head of Customer and Digital Services
Allan Dallimore, Regeneration Service Manager
Anwen Cullinane, Senior Policy Officer - Equalities, Welsh Language and Consultation
Lynne Donovan, Head of People Services
Jane Roberts-Waite, Strategic Coordination Manager
Cllr Eluned Stenner, Cabinet Member for Performance, Economy and Enterprise
Cllr. Margaret Sargent – Chair of Governance and Audit Committee
Cllr Ridgewell and Cllr Mike Adams - Housing and Regeneration Scrutiny Committee Chair and Vice Chair

Background Papers:

Audit Wales Report “Regenerating Town Centres in Wales” (September 2021) - <https://www.audit.wales/publication/regenerating-town-centres-wales>

Appendices:

Appendix 1 Caerphilly CBC self-evaluation tool on town centre regeneration