

## National Assembly for Wales Enterprise & Business Committee Town Centre Regeneration

Submission by:  
Keith Thomas BSc MRTPI MRICS  
Senior Director  
AECOM Ltd  
4<sup>th</sup> Floor Churchill House  
Churchill Way  
Cardiff CF10 2HH

Tel: 07595 106408

E: [keith.thomas@aecom.com](mailto:keith.thomas@aecom.com)

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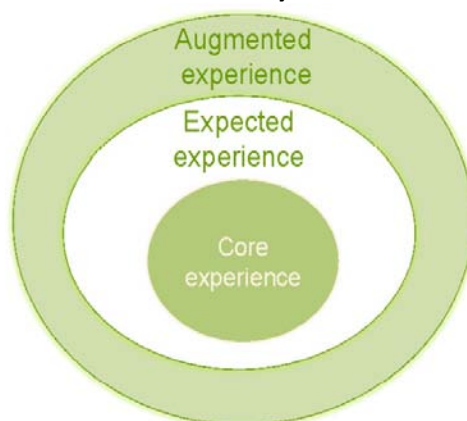
### Understanding the Role of Town Centres

In my experience, town centres must perform a variety of functions and most consumers face enormous choice in shopping and leisure destinations, often visiting a number of different centres for different reasons. The decision people make in choosing a preferred centre to visit is complex, based on a number of considerations including:

- The quality and convenience of the centre itself
- The perceived strength of an anchor trader or other attraction
- The volume, variety and quality of retail, service and leisure operators
- The availability of community facilities and/or civic functions (e.g. library, council office)
- Accessibility to the centre by public and private transport
- The availability, ease and convenience of car parking
- Pedestrian movement and compactness
- The shopping environment generally
- The potential for linked trips for essential food shopping as well as proximity to work

To be successful, town centres have to provide a competitive edge. All centres need to have a **core offer** – a mix of shops and services that users want. However, if this is all they provide then the choice to use the centre will primarily be based on convenience and accessibility.

#### Illustrative hierarchy of retail offer



Beyond this, there is an increasingly discerning and “**expected offer**” – like cleanliness, security, mix and range of shops and services and the level of customer service. These features help centres compete against other equally convenient locations and can also increase length of consumer stay and frequency of visits.

Finally in an increasingly competitive environment, the wider “**augmented offer**” or *experiential* aspect of the centre should not be ignored. For small local centres the experience users may seek out may be one of feeling part of the community – where opportunities to meet and socialise may be important including convenient places to sit. For destination centres the experience may be a good day out, novelty or excitement. This can be created from the quality and variety of unique clusters of shops or combined leisure experiences.

Very often it is the “*perception*” of a centre as much as the “*reality*” of a centre which will influence peoples decisions, making it vitally important to promote changes that have occurred in a town in order to inform people of the improvements and help change their perceptions of the place when physical regeneration initiatives have been undertaken.

Indeed, we often find that physical regeneration alone will rarely change performance substantially unless it is also backed up by operational and management changes to help promote the centres’ new identity, co-ordinate promotional activity and fully engage local businesses and shopkeepers to enhance service standards and customer care.

## **Measuring Town Centre Performance**

Traditional “performance” tools tend to focus far too much on the “commercial” performance of town centres without any real understanding of the wider working of the property market. As we emerge slowly out of recession, there are probably only a handful of truly “commercial” town centres in Wales where their future will be largely determined by an effective property market. Many town centre regeneration proposals routinely expect to see increase in commercial rents as a “success” whereas rising rents can have the opposite effect of displacing local independent traders who actually give the underlying character to a place and more effectively “retain” the spending power within local communities.

Too much emphasis is also given to national retail rankings. In my experience whilst these can be a useful “litmus test” of the relative retail offer of different centres, they tend to be rather less relevant to smaller (lower-order) centres across much of Wales as they are strongly influenced by the size of the retail floorspace offer and presence of national multiples and major destination anchor stores. Prior to the recession there was a lot of jostling for position among the top 50-100 national retail centres as big retail expansions schemes have come through to completion. These tend to push the lower order centres down the national rankings even if their local performance and attractiveness has been unaffected in their local markets.

Successful Town Centres must be more than just retail provision and a wider performance measurement is required. For them to work effectively as the beating heart of a community they must also be the main focus of employment, leisure and support services. Whilst land-use planning policies have for decades sought to defend “town centre first” approach, in practice the implementation and delivery has been ineffectual when pressed. This must be strengthened in the future.

## **Supporting Town Centres**

Local Authorities and the Welsh Government can do much more to help town centres simply by reflecting more on their own operations and activities. Far too many LA's have themselves moved jobs "out-of-town" with no consideration of the local economic impact on their town centres. More rigour is needed to capture the full implications of local investment and "disinvestment" decisions.

Transport planning, too, is often disengaged from the direct impact on town centre performance, focusing mainly on congestion and safety issues. A more holistic approach is needed to fully test the consequence of actions on accessibility and town centre performance. Whilst improvements to public transport are important these should be not be at the total exclusion of the private car which remains the major (and sometimes only realistic option) for people to access some town centres. Failure to address access and private car parking in town centres simply plays to the strength of competing out of centre retail parks which have no such constraint.

## **Funding Town Centre Regeneration**

A far more flexible approach is needed to properly fund and support town centre regeneration which goes beyond the "state-aid" constraint and can properly support local independent businesses. Current funding programmes are probably doing little more than "papering over the cracks" in our town centres. Whilst the European Convergence Programme extols the virtues of investment in "Place Making", applicants still face the straight jacket of demonstrating hard direct outputs rather than recognising the indirect and longer terms benefits of "place-making". Resulting investment programmes are, therefore, small scale and lacking in ambition.

## **Evaluating Regeneration Performance**

I am currently leading a number of evaluation exercises into the performance of regeneration proposals in Wales and elsewhere. One of the fundamental challenges in the process is to ensure the aims, objectives and expectations from the regeneration are realistic and appropriate in the first place. This means more care is needed in determining the regeneration priorities and local needs rather than simply determining "what can be funded".

In Wales, (unlike England and Scotland) there is a fundamental missing link in moving from "policy" (to support town centres), through "strategy" to determine the local challenges and on into "funding applications". That is the Green Book Economic Appraisal and Business Case – which fully tests the options and outcomes from proposed action and investment. This provides a more rigours basis for evaluation further down the line.

Furthermore, the evaluation of town centre regeneration must also be properly resourced if it is to get beyond simple "tick-box" approach and truly get under the skin of direct and indirect benefits and outcomes of town centre regeneration.

Better monitoring of key town centre indicators such as pedestrian footfall, vacancy rates and the mix of town centre uses will ensure the evaluation efforts are focussed on the more intangible results of regeneration activity.