

Enterprise and Business Committee

Inquiry into Town Centre Regeneration

Evidence from Stan Edwards MBA FRICS



National Assembly for Wales Inquiry into the regeneration of town centres

Submission by Stan Edwards MBA FRICS, sole Director of Evocati Limited a consultancy specialising in regeneration compulsory purchase orders (particularly retail and town centres) and their strategic concept, site assembly, promotion and project management.

VIEWS WERE REQUIRED ON THE FOLLOWING ISSUES:

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

This question attempts to address the Terms of Reference:

How does the Welsh Government use the levers at its disposal to assist in the regeneration of town centres in Wales?

1.1 Welsh Government

Since the departure of the WDA and the systematic restructuring and removal of that function in the Assembly the Welsh Government no longer has the resources or capabilities of playing an operational part in regeneration of town centres. The Welsh government plays a part in:

- Policy formulation
- Dealing with submitted local plans
- Applications for and distribution of funding
- Funding and control of the Urban Regeneration Company, Newport Unlimited

- e. Planning Appeals
- f. Where compulsory purchase powers are used Welsh Assembly Ministers confirm or otherwise their Inspectors findings following completion of the CPO process.

The need for review

The greatest impediment to meaningful regeneration is found in the Assembly's own planning policy in respect of retail (PPW Chapter 10) which fails to provide a useful way of promoting regeneration in the context of protecting the livelihood of those small traders in existing town centres which give them a sense of place and well-being. In fact where a stable network of well-being is found as is desired to be retained in established centres then it is counter sustainable to allow works or change of use which deliberately destabilises an existing centre merely for commercial or other reasons.

1.2 Local Authorities

Local authorities provide local policy making in line with national policy deriving operational programs and finally regeneration projects. The local authorities are also the planning authorities and who are given a statutory power to promote compulsory purchase orders mainly, for regeneration purposes, under the Town & Country Planning Act 1990 Section 226 (as amended by the Planning and Compulsory Purchase Act 2004).

The Local Authorities have a duty to protect the public interest. However this is overridden on occasions by the Authority itself

The local authority as representative of the community interest and the local authority as protector of its corporate interest.

This causes conflict.

Example 1 - Shirley Solihull

The 'new heart for Shirley' scheme in Solihull is just one such case. Here an edge-of-town-centre superstore application was refused planning permission following which an application for an in-town superstore by the same operator in partnership with a developer was granted permission. This new proposal had the partnership support of Solihull Council which actively endorsed the application and agreed to promote a CPO to achieve a retail-led mixed-use scheme. Solihull's own land was included in the new scheme. No assessment was made on the impact of bringing the superstore closer to the town centre or the loss of part of a public park to achieve it.

This decision points up the distinction to be made between the local authority as representative of the community interest and the local authority as protector of its corporate interest. The latter raises concerns about the LA's obligation to manage its assets efficiently versus its obligation to achieve certain social objectives.

Example 2 – Newport, South Wales – Local Authority not to be trusted to follow its own policy

In 2002 Newport City Council supported by the Urban Regeneration Company, Newport Unlimited, began promoting a CPO to redevelop part of

the city centre in an area abutting the traditional core prime shopping area of Commercial Street. In 2005 Modus Corovest Newport Ltd. (Modus) was chosen the preferred developer. The Statement of Reasons in the CPO rehearsed elements of the planning background that the scheme:

- **followed Tan 4 to “support a positive approach to growth and promote, not just protect established centres.”**
- **followed UDP 1996-2011 Policy SP18 “...that retail proposals in or adjoining the city centre ... will be permitted where they enhance the retail function of that centre.”**
- **was to respond to the Central Area Master Plan which inter alia requires the “Revitalisation of the city centre and the addition of retail opportunities to complement Commercial Street”**

This meant that the John Frost Square CPO scheme should complement Commercial Street and not substitute it. It should have the effect of reinforcement but not replacement nor displacement where an attempt is made to re-establish the retail core in another location in the centre, even plundering the Commercial Street of some national stores to bolster the scheme. If displacement was the strategy it should be transparently assessed by exposing it to public scrutiny.

In 2007/8 Modus/Newport CC activities (signed-up M&S, Boots, River Island –Commercial Street occupiers) were published. It was subsequent to CPO confirmation by Welsh Ministers (March 2007). Modus failed as Newport’s partner because of financial difficulties. The problem with the CPO was not that the purpose had changed since Modus had departed but that Modus / Newport had seemingly undermined national and local policy in 2007/8 (a departure). Newport CC have now sought a new developer based in its stated intention to do so, but still the impact on Commercial Street remains unresolved. A detailed planning application will come forward but the impact on Commercial Street is a significant factor.

Whatever happens with the scheme, how can adherence to the stated plans and policies be ensured so that the Council’s activities with its new developer do not constitute a departure from them? If the new development takes shops from or even does not 'complement' Commercial Street it is a departure from stated policy and plans.

Summary

The main argument from this is that there is a deficiency in ways in which core town centre traders can be protected even from their own local authorities. Additionally political expediency to fill a retail hole without a full assessment is a prime enemy of a sustainable socio/economic solution.

1.3 Urban Regeneration Company (URC)

Only one of its type operates in Wales, Newport Unlimited with the Board including representatives from the Assembly and Newport City Council. Originally it included representatives from the WDA. It has played a facilitating role and one which directs public finances but its role in pursuing the

redevelopment of part of the city centre alongside Newport City Council must be read in conjunction with the example in 1.2 above and in the responses to questions 5, 7 and 8.

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

This question attempts to address the Terms of Reference:

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?

It must be remembered that clusters of businesses or retailers and other activities are also communities. What must be considered is the complete spectrum of stakeholders.

COMMUNITY ENGAGEMENT

The problem here is paternalistic tokenism. Many in the public eye desire to be remembered and demonstrate that they are leaving some icon for society, particularly a town centre scheme, and in doing this may distort the true need for the community and society. Political expediency is unhelpful.

Having said that community engagement / involvement has to be at different levels. The greatest degree of influence by the community is at the policy stage where there is the greatest opportunity for flexibility. If there is evidence an audit trail of community engagement / involvement from the policy through to delivery it will derive the greatest satisfaction all round.

Too many retail regeneration schemes are promoted by political or commercial pressure to create yet another 'iconic' development irrespective of collateral impact. The arguments of positive economic 'spill-over' effect are made without truly assessing the public interest. There is a distinct lack of investigation, consultation and community engagement regarding matching the political / commercial aspirations for an 'iconic' scheme with the day to day struggles of those smaller existing traders that may be affected by the development. The benefit of indigenous traders is immense; indeed, someone once said that 90% of the profit created by local independent retailers stays in the community, while 90% of the profit from new developments / superstores leaves the area.

BUSINESS

Businesses have different concerns mainly to do with the ongoing viability. As long as there is stability in the business environment where they can trade and provide a service then problems seldom arise. Where there are distortions to that environment even to non-associated uses it creates an impact through change itself.

MECHANISMS

The mechanisms for engagement / involvement of all the 'communities' is often 'directed' so that only a regurgitated summary is eventually provided to the decision makers.

3. 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.

One point that is overlooked is an assessment as to what is being attempted by regeneration of a town centre.

The feature of retail demand that is avoided is that of the impact of alternatives and whether retail projects are substitutes or complements. Nearly every planning scheme will stress that the new development is complementary or at worst neutral. However, many stores in the new scheme will compete with those in the traditional High Street and so the question has to be asked for CPOs as to whether they are:

- Complements
- Substitutes
- Neutral

This then begs the question as to what is being attempted. Is it:

- Reinforcement
- Replacement
- Displacement
- Assisted Contraction

of the city core?

Reinforcement

If the intention is **reinforcement** then, with a pre-let situation, it should be easily capable to demonstrate from the outset, how the new shops will complement the well-being of the town. Actually any complementary mix of uses including residential and business will assist in reinforcement.

Replacement

If **replacement**, it is because the core has failed to such an extent that any existing traders within the scheme can be decanted and accommodated. However, replacement of retail may not be sustainable if the accessibility factors cannot be provided. This is where other uses such as commercial and affordable housing will be the regenerative answer.

Displacement

The greatest problem is created by **displacement** where an attempt is made to re-establish the retail core in another location in the centre, even plundering the existing High Street of some national stores to bolster the scheme. If displacement is to take place it should be transparently assessed by exposing it to public scrutiny.

Assisted contraction and consolidation

Here the objective is to recognise, assess and accept that contraction is taking place and how the state can assist.

Retail

It is recognised in Planning Policy Wales that retail has the greatest impact on the vitality and viability of town centres. What PPW (10) fails to recognise is that the vibrancy and vitality of the retail success of a centre is primarily down to the factors of demand. The main factors of demand are income (volume and

distribution), alternatives (substitutes and complements) and consumer preference and it is this last one which enables consumer's choice to leap through holes in policy.

Business rates is a cost factor – it deals with supply. Offices will locate in a centre where costs are low (supply side) Retail does not concern itself so much with business rates as long as the turnover is there through spending power (revenue – demand side)

The mix of uses is constantly changing. In a successful retail centre you may see other uses attracted through agglomeration effects. If retail diminishes and leisure increases then you see more lunchtime and night time activity. If retail and business activity decline then residential use will replace retail whilst consolidation takes place so that the rank order of the town diminishes. In other words its old established primary retail function may have gone for ever and a new district or neighbourhood equilibrium has to take place. In High Street, Swansea the replacement was affordable housing.

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

Attempting to resolve locational retail issues in terms of just two elements, town centres versus out-of – town (OOT), does not serve the interests of proper planning on a number of counts:

1. It fails to address the phenomenon of growth in convenience shopping. To be successful it means combining accessibility and convenience for car-borne shopping wherever it is. Traditional town centres with their many constraints to development could not and cannot accommodate the economies of scale elements that accessibility outside a congested town centre provides. In fact attempting to reestablish a town centre to a historical level of activity only leads to more congestion and decline. It can only occur with unacceptably high social and technical cost.
2. The focus is only on TC versus OOT when there is a whole hierarchy of retail including individual corner-shops, neighbourhood / district centres, radial highway shops (e.g. Caerleon Road, Malpas Road and Chepstow Road, Newport), town and city centres plus out-of-town convenience and retail parks/ factory outlets plus regional shopping centres. All have their part in a intricate network no longer fitting neatly into out-of town versus the centre. They also transcend political boundaries. The two parameters now paramount are convenience versus cost (in a number of forms).
The current policies leave myriads of small traders and their livelihoods unprotected.
3. The two main tests are ineffective and only serve now to attempt to close the stable door when the horse has bolted.

.Sequential Test

This test, supposedly to protect town centres from OOT shopping, seeks to ensure that sites close to town centres are considered first. This has the effect of driving convenience shopping closer to and compete with the existing centre notwithstanding the congestion it would cause. As many towns now have OOT centres, the retail developers use this as an argument to develop closer to the town centre with policy blessing.

‘Needs’ test

The quantitative needs test is a blunt instrument that demonstrates a leakage of spending power from the area which the development would attempt to recapture. What has to be realised is that all that happens with new retail development is a redistribution of spending power. It may be from other centres but dangerously it often means diversion of spending power from those in close proximity. This impacts on the community are social and environmental decline and degeneration invariably follows. Shifting population is also a key factor.

4. Sustainable Community Test

This test is required which would allow development but protect communities in that it assesses the cross impacts of new retail development on the economic, social and environmental well-being of the settlement/s whether they be town, district, village or even around corner shops. The important issues are:

1. Was it assessed?
2. Was it addressed?

This test does not exist but would be a better assessment of retail impact on a whole network of shopping in and around an area.

As this Committee seeks examples of success in regenerating centres they will be found but each should come with a caveat that **what is seldom assessed is the cost to other settlements to achieve it.**

Some examples demonstrate issues:

CWMBRAN

A highly developed successful purpose built town centre with:

- Good accessibility
- Free parking
- Wide hinterland
- Integrated convenience stores
- Retail Park in close proximity to the centre.

Costs

- Seasonal overtrading
- Impact on Newport and Pontypool
- Impact on its own district / neighbourhood centres (now settled at an equilibrium level)

NEWPORT

Newport was traditionally the main town shopping centre of old Monmouthshire and through the growth of its own OOT and competition from Cardiff, Cwmbran and Cribb’s Causeway finds itself contracting at the centre. This means that the city’s retail offer is as wide as its OOT centres.

Newport City Council, in attempting to develop alongside its core may end up by destroying parts of it by default (or design) to achieve this.

Newport has various modes of transport to maintain it at a ‘town centre’ base level:

- Pedestrian from an adjoining residential areas

- Bus service
- Taxis
- Car (noting the accessibility constraints push car uses to OOT and other centres.

PONTYPRIDD

A similar plight to Newport in that it was once the prime town shopping centre for the Taff and upper valleys.

It fails and contracts due to:

- Highway constrains and access
- River and Ynys Angharad Park
- Adjoining residential area
- Railway line

Also:

- Competition from Talbot Green – comparison goods
- Competition from Cardiff – easily accessed by train
- OOT retail (Tesco) and other retail parks
- The A470 easily carries trade away from Pontypridd

A new Sainsbury's is being constructed but as this is close to the inner ring road it may only be a destination store.

BLACKWOOD

Accepts its position as a major mid valley hub with a town centre and retail park/s.

CAERPHILLY

A quite successful town centre in the Rhymney Valley. The centre was repositioned by the 1990s Land Authority for Wales, Castle Court scheme and allowed Cardiff Road to become transitional.

This had to take place because Cardiff Road was too constrained by residential property to be the subject of a major development.

Caerphilly was the first town in the UK to have a hypermarket (now Asda) near the edge of the centre. It has easily accommodated that and retail parks to retain vitality.

Street furniture / art and an information centre have been used to good effect.

The Castle Court development demonstrated how important was the 'roof-scape' when viewed from the adjoining castle.

CRIBB'S CAUSEWAY

A major sub-regional OOT dedicated shopping mall across the bridge impacting a wide area including S E Wales. Characterised by convenience, accessibility and free parking, those attracted to this centre are willing to even trade-off bridge-toll and fuel against shopping in Cardiff / Culverhouse Cross and Newport.

CARDIFF

Cardiff, as a city has many facets:

The city centre

This has high critical mass and succeeds in high order comparison goods and vitality in leisure services. St David's 2 was important to prevent a future Cribb's Causeway type development in close proximity therefore reinforcing the centre was important. It is not without its problems and high on the list is parking not withstanding park & ride. P & R is not that popular for large scale Christmas shopping hence the Cribb's Causeway effect.

OOT

It is surrounded by a number of successful OOT retail parks. The greatest impact of which is felt in towns like Barry. They also impact on District Centres such as the Malfa Centre at Llanederyn

Example – Malfa Centre

This was a 1970s district centre with a tower block of flats. It originally had more than 20 shops but suffers from appearance and visible access. It now has only three shops left and pose a serious problem.

The prime causes for its demise were:

- Changing patterns of retail demand since the 1970s particularly meaning that most district / neighbourhood centres have contracted in size.
- The proximity of large convenience stores particularly ASDA at nearby Cardiff Gate which runs its own shopping bus service from the district to the store.

SWANSEA

The second major city in Wales with less critical mass than Cardiff but still a focus for South West Wales. Large-scale redevelopment of the city centre may not be appropriate. Targeted regeneration projects such as High Street is probably the right way to go. Revisiting the reason for Castle Quays failing to materialise is important here.

Swansea also has successful retail parks and edge of centre convenience stores as most settlements characterising growth in convenience shopping. The moving of the football stadium to the present 'Liberty' site was probably good for sports / leisure access but the spin-off to the centre is questionable. Cardiff City's new ground exhibits similar characteristics to the Liberty Stadium. The Millennium Stadium in Cardiff has the reputation for and capitalises on the positive spin-off from close proximity to the city centre.

BRIDGEND

Bridgend is severely constrained by the river and topography. The centre is ringed by convenience stores with a retail park half a mile away on the edge of centre.

OOT. Sainsbury's operates very successfully alongside BAA McArthur-Glenn factory outlet centre which has a wide catchment. Further development in this vicinity is however constrained by the highway capacity of Junction 36 M4.

Factory Outlets

It is recalled that there were a number of objections from Swansea, Cardiff and Bridgend / valley traders. The argument was that they sold goods with characteristics not found in other centres.

EBBW VALE

A severely contracted town centre with convenience retail store/s at the edge. The former Festival Park site has positive characteristics and although the Factory Outlet provision is quite successful any spin-off to aid the town centre is questionable.

BARRY

Once a major shopping centre now relegated to a town district centre. It suffers from its linear nature as does the valley towns and Newport. The centre is ringed by edge of centre and edge of town superstores which cater for most daily population needs. Like Newport it has a close indigenous population and the town centre operates at a core town centre level to provide many of the basic daily needs.

The constraints are such that spill-over demand for comparison goods is taken up by Cardiff, Culverhouse Cross and the Barry Docks regeneration area

LLANELLI

The town centre is a serious problem but only if it is attempted to replace what has gone forever through the factors of retail growth characterised in other centres. Like other centres in Wales it attempts to finally cope with the loss of important basic industries. Leisure and tourism are important but less substantial employment factors. It too has its convenience superstores and retail parks but the connection to Swansea and its retail outlets provides an additional competitive factor preventing real expansion.

ON-LINE SHOPPING

The impact of on-line shopping on all retail centres is a growing problem.

- 5. 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 terms of reference states,

“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?”

The problem is that many of these funds are wasted in that they are applied in a scatter-gun way without actually understanding the underlying nature and requirements.

In this respect it is first important to define regeneration

Definition Regeneration

Knight Frank in their 2005 Regeneration Research paper provides a succinct useful definition - **“Regeneration is an activity that creates a lasting improvement in the Social, Economic, Environmental or Physical conditions prevalent within a defined area.”**

The reason for regeneration

It is necessary to state from the outset that regeneration of town centres is necessary in that degeneration from a previous state has occurred in the first place. This means attempting to understand why degeneration occurred and whether any amount of funding can reverse the trend. If it cannot then regeneration can only be successful if it works with the market and not attempt futile changes.

There will be times when it may be necessary to recognise and assist in degeneration so that occurs in a socially acceptable way. As soon as possible it will be necessary to assist in regeneration but not necessarily to a use that may have been lost forever.

Example Retail

There will be communities that have shrunk or their spending habits changed so that even the smallest retail store in the community is not viable. Retail is demand not cost orientated so that the only answer would be a heavily subsidised community store in perpetuity which would be uneconomic.

Once the pattern of retail has changed and departed it is very difficult to encourage people to change their spending patterns.

The role of the developer in regeneration

In the immediate post WWII period regeneration schemes / CPOs were funded by the public sector but as funding became an issue so along came the developer / retailer to take the burden from the authority. They brought specialist advisors but who would provide independent advice to the Authorities? Developer partners are perfectly acceptable in CPO terms as the Wolverhampton¹ and Standard Commercial² Supreme Court cases demonstrated; as long as selection compliance is satisfied. The acquiring authority with CPO power is always accountable and, in attempting regeneration schemes with developer partners, should realise that a trade-off takes place where many times the developer attempts to improve its 'edge' and the authority's public interest role possibly compromised and eroded. It always leads to a perception and question as to whether the tail is wagging the dog. If the recession taught nothing else it made us realise the importance of the terms of the development agreements. Make sure who does what and who is accountable?

Example Newport – £2.6m Assembly funding via Newport Unlimited

Consider Newport in Example 2 of Item 1.2

Newport City Council has attempted regeneration of the city centre by promoting a scheme which should, if it follows its policies, complement Commercial Street. As the impact on Commercial Street has not been assessed and based on past evidence the scheme actually plunders Commercial Street possibly producing a negative domino effect on the old centre some sop to the old centre has to be made.

Newport's argument has always been that a star retail attraction will solve its problem. The following is an extract from an open letter to the South Wales Argus which defines Newport's problem.

¹ *R (on the application of Sainsbury's Supermarkets Ltd) (Appellant) v Wolverhampton City Council and another (Respondents)* [2010] UKSC 20

² *Standard Commercial Property Securities Ltd v Glasgow City Council (No 2)* [2006] UKHL 50, 2007 SC (HL) 33,

“Instead of perpetuating denial by trying to re establish or replace what has blatantly chosen to depart, Newport should now consider its role in a new established retail pattern. The convenience grocery and other retail ring Newport like a dough-nut but the centre still has a function albeit more geared to a lower level of activity. The answer for the centre of Newport is not a new development attempting to replace what has already failed but in consciously reinforcing all that is left. The problem with Friars Walk was and will be that there appeared to be no consideration for the economic and social well-being of the peripheral old high street stores. The impacts carried out only really focused on the success of the new development, not really on what happened to the rest. However, ‘wisdom is justified of all her children’.”

The £2.6m funding was on the back of a Newport Unlimited (Assembly) funded review of the Master Plan investigating the retail aspects of the traditional centre and how it can be improved but the remit to the consultants was **NOT** to consider the impact of the proposed John Frost Square (Friars Walk) scheme on the traditional centre. This means that the funding was based on an incomplete strategic view. Whether John Frost Square scheme is successful or not the £2.6 million may be absolutely necessary either way but whether it will achieve its stated purposes is another matter. The Assembly may wish to satisfy itself regarding the rationale behind the funding request and press for an external evaluation of the outcomes.

The use of funding sources

Most funding sources attach constraints and the certainty of returns / outcomes lie at the root. This means that invariably regeneration is delivered through a finite window of:

- Amount of finance
- Assembly of site.
- Time factors
- Authority governance.

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

Planning Policy Wales fails to embrace reality. As the prime use in towns is retail and retail customers exercise choice then it is foolish to work towards diminishing the use of the motor car when current acceptance of the motor car and catering for it provides a great deal of success in convenience and convenience/comparison shopping. Retail engineering by the state only works in a ‘command economy’ whereas demand and convenient access allows consumers to shop where they wish. Having said that it is useful to look at Cwmbran, a purpose-built sub-regional shopping centre. Here, not only does it have significant accessibility features and ample free parking but a bus service to the districts plus a highly developed taxi service used by many senior residents. There is also pedestrian access from the adjoining estates. The resultant intricate demand factors means that not only is it a town centre but one of the most successful shopping centres in the UK let alone Wales. Its catchment and hinterland is more than 10 miles. Transport and access therefore has to be a layered approach

7. 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 question as to the purpose has to be asked from the outset and from this the expected outcomes

Tourism

This depends on the attraction of the centre and whether tourism aligns with other activities. The attraction of tourists may have a limited regenerative effect. It may have a congestion cost without much being returned into the economy.

If it is a destination for a day out people are unlikely to do their weekly shopping at the same time. The reverse is true. It is reasonable to ask how many people combine shopping and tourism activities on a regular basis.

However it has been known for people to travel from Pontypridd to Caerphilly to shop merely because of the environment. This may be good for Caerphilly and not so good for Pontypridd.

Tourism is perhaps more employment oriented than of any retail significance except of course if the retail is the tourist attraction as is McArthur-Glen at Bridgend that picks up on Irish tourists.

Signage, public art, street furniture,

These may appear good for local politicians but mostly the affect is cosmetic. It will help to make both an ailing and successful centres look good but have very little regenerative impact. The question has to be a more in-depth analysis of requests and whether they stand-up to scrutiny? If these features brighten the lives of people having to live in run-down areas then so much the good but the question of a regenerative impact requires further study.

Clone town centres

Casual observation will show that much of the signage, public art, street furniture and lighting are identical in a number of towns provoking the question as to the way such provisions diminish a town's individuality and character.

Marketing

Too often with promotional posters they stay up long past their sell-by date. If some posters are placed to cover up some degeneration horror then if outdated they become part of the problem. The posters on the wall opposite the railway station at Newport are supposed to entice visitors to come to Newport. As of 6th September 2011 ivy has covered parts of quite a few. Many times clear evidence pierces the rhetoric.

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

Trade diversion and job transfer are serious socio / economic factors. Below is an extract from a report in respect of Newport City.

A '**Retail Study and Capacity Assessment**' was carried out for the City Council and urban regeneration company Newport Unlimited by Colliers International (formerly Colliers CRE) in 2010. Newport City Council's summary (unsigned) of

the study does not seem to address the impact on Commercial Street directly, only that –

“17 With regard to the claimed **job creation benefits** of further retail development, the report notes:

“Where there is no quantitative need for additional retail development as indicated by the proceeding capacity analysis, it is likely that granting consent for material amounts of new retail floorspace **will divert sales from existing retailers within the City** and therefore **could potentially impact negatively on existing centres. Trade diversion** is particularly likely to occur where the City is already retaining a large share of generated expenditure (e.g. for convenience goods) and there is only limited (or no) scope to increase turnover by clawing back spend leaking to competitor centres/stores outside the City. The granting of consent for a new store(s) under these circumstances is therefore **unlikely to generate significant new net additional retail employment**, but rather **redistribute existing jobs around the City**, with **job losses occurring elsewhere dependent on the scale and pattern of the new store’s trade diversion.**” (para 8.42)”

MY COMMENT

- The Summary extract of the Study is selective and does not mention Commercial Street or any specific area. Any possible trade diversion from Commercial Street into John Frost Square (Friars Walk)’ for example, should be specifically addressed in the light of the existing Central Area Master Plan as referred to in the CPO Statement of Reasons.
- If ‘trade diversion’ generates ‘job transfer’ in respect of John Frost Square scheme and Commercial Street then the structural employment issues (job losses and job gains - where and how many?) require serious attention. In jobs terms the net gain seems to be nil.
- Trade diversion and job transfer as an employment argument has the hidden social problem of deliberately destroying an existing social fabric.

Any scheme should therefore not take, at face value, the promise of new jobs when this may mean job losses from stable communities.

RECOMMENDATIONS

Recommendations on what measures could be used to evaluate success of initiatives undertaken to regenerate town centres.

Any evaluation should be in line with **SMART objectives**. SMART stands for **Specific, Measurable, Achievable, Realistic and Time**

The success of the initiatives undertaken to regenerate town centres depends to a great degree on the quality of the assessment of the initiative as proposed in the first place.

Many initiatives are based on subjective factors to placate local politicians to show that 'something is being done.'

Much depends upon the vitality of the centre and what the stated objectives were in the first place and how they were evaluated. In other words what are you measuring against? Has the initiative produced sustainable economic, social and environmental outcomes on behalf of the target community?

The nature of the initiative is important and the credibility as to what was being attempted. Evaluation of a marginally futile cosmetic initiative is wasteful on both counts.

So, evaluation may be quantitative and qualitative and reflect the contribution to the public interest (benefit or good). The definition of Public Interest is helpful.

“The 'public interest' refers to considerations affecting the good order and functioning of community and governmental affairs, for the well-being of citizens. In general, a public interest consideration is one which is common to all members of the community (or a substantial segment of them), and for their benefit”³.

The evaluation of the initiative is therefore in terms of the changes and sustainable outcomes in terms of well-being (Economic, Social and Environmental -ESE) of the

³ OFFICE OF THE INFORMATION COMMISSIONER (QLD) Information Sheet - Public Interest Balancing Tests in the Freedom of Information Act Issue Date: 5 February 2003

community assessed by them, as recipients and participants, and by the promoters of the initiative.

Such assessments include:

- Is the status of the centre - growing static or declining?
- If it is not growing what is/was the target for stability?
- If it is growing what is the target for stability (i.e. when would diminishing returns set-in)?
- Was the initiative to:
 - Reinforce the centre
 - Replace the centre
 - Displace the centre
 - Contract and consolidate – stabilise at an acceptable lower level of activity?
- Occupancy rates Retail, Commercial, Residential
- Retail and other business / residential rent levels.
- Changes in capital values and returns on investment.
- Turnover and churn of occupiers
- Assessment of changes in spendable income.
- Changes in employment in terms of quality, type and social impact.
- Degree of trade diversion and job transfer and cross impacts,
- Demographic impact
- Changes in car ownership /usage
- Changes in the demand for public transport.
- Rate of change of taxi use.
- Changes in ‘feel good factor’ FGF (subjective - by survey)
- Attraction of complementary uses
- Assessment of the number and location of substitute centres (competitors) and changes in them using similar criteria as the subject centre.
- The benefits or disbenefits of cross-impact of the ESE well-being factors.
- The level of unintended consequences through an inadequate initial assessment in the promotion of the initiative

NOTE If compulsory purchase is involved in town centre regeneration it has its own stringent guidelines and Statues to follow. Accompanying the Order would be a Statement of Reasons which should encapsulate all the issues and arguments, probably including much of the above depending upon the circumstances. This flows from the Council’s reports and documents. If any initiative involves compulsory purchase then ‘a compelling case in the public interest’ has to be demonstrated and a justification of the use of CPO powers. Objections to the CPO may lead to lead to a public inquiry plus legal challenge, often relating to human rights, if CPO processes are not followed.

This is by no means exhaustive and to a large extent the evaluation depends on:

1. The nature of the initiative
2. The original objective and evaluation
3. The level of evaluation of the outcome
4. Who evaluates it?
5. The alignment with SMART objectives of the initiative.

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