

## AUDIT AND GOVERNANCE COMMITTEE

<b>Date of Meeting</b>	Wednesday 17 November 2021
<b>Report Subject</b>	Audit Wales review of Town Centre Regeneration
<b>Cabinet Member</b>	Cabinet Member for Economic Development
<b>Report Author</b>	Chief Officer (Planning, Environment and Economy)
<b>Type of Report</b>	Operational

### EXECUTIVE SUMMARY

Audit Wales published a review of town centre regeneration in September 2021. The report sets out recommendations for all levels of government to respond to. In accordance with the Council protocol, the formal responses are to run through the Committee system before being submitted to Audit Wales.

### RECOMMENDATIONS

1	That the Audit Wales recommendations to the Council are noted and the proposed response to Audit Wales is approved.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE AUDIT WALES REVIEW OF TOWN CENTRE REGENERATION</b>
1.01	Audit Wales published a review of town centre regeneration in September 2021 ( <a href="#">link</a> ). It summarises the pressures and trends facing town centres in Wales and actions undertaken so far by the public sector to respond. The report includes recommendations for all levels of Government. Audit Wales have asked local authorities to review the recommendations relevant to them and to provide a formal response.

The report sets out six recommendations, three of which it asks local government to respond to. The response to each recommendation is set out below.

R1 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 that the system better reflects town centre conditions when the payments holiday ends in March 2022.

R2 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.

R3 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:

- consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum;
- move away from annual bidding cycles to multi-year allocations; and
- rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.

R4 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:

- using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort;
- 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
- 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.

R5 The Welsh Government's 'Town Centres First' approach looks to put the health of town centres at the heart of the decisions taken by the 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 sets 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.

	<p>R6 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.</p> <p>The Council's proposed formal response follows.</p>
1.02	<p>R1 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 that the system better reflects town centre conditions when the payments holiday ends in March 2022.</p> <p>Although the Council has not been asked to respond on this recommendation business rates are a frequent area for concern raised by businesses in town centres and the review process has been highlighted as needing action by Welsh Government.</p>
1.03	<p>R2 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.</p> <p>The proposed response is:</p> <p>Parking has been free in Flintshire County Council operated car parks since March 2020 to support the local economy during the response to the pandemic. The normal charges remained suspended to help local businesses as they came out of lockdown last summer until recently.</p> <p>Now that the country is at Alert Level 0, and following the reopening of all town centre businesses and hospitality venues, parking charges were reintroduced from 1st October. As both Governments promote economic recovery and are bringing to a close national emergency funds on which public bodies have relied, councils can no longer continue to offset a resumption to some "normality".</p> <p>Charging for designated public car parks is adopted Council policy. The rationale for the original policy covers easing potential congestion and ensuring fair access to parking spaces in the short-stay car parks through a local traffic control system that includes charging. Our charges remain very competitive and we will consider options of special seasonal arrangements e.g. pre-Christmas. We are also open to working in partnership with Town Councils on local options where they are workable.</p> <p>In Flintshire, we have been instrumental over the last four years in leading on North Wales Metro projects and promoting Active Travel across the County with successful bids made to the Welsh Government each year to deliver transport schemes across the county. We have our own county-wide Integrated Transport Strategy for Flintshire, which forms a key element of the North East Wales Metro proposals which are supported and promoted by Welsh Government (WG). We recognise that, in order to</p>

	<p>provide a long term sustainable transport solution, it is essential that all modes of transport are successfully integrated, whilst maintaining and promoting at its heart, a sustainable, affordable and environmentally friendly public transport service, with links to all of Flintshire and the wider region.</p> <p>Active travel and sustainable travel options is a priority for us in the Council Plan and we will be looking to provide opportunities for increasing levels of walking and cycling, and enable access to other alternative and sustainable methods of travel. Additionally, ensuring effective transport connectivity and that the network facilitates and supports recovery and growth is a priority in the Council Plan.</p>
1.04	<p>R3 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:</p> <ul style="list-style-type: none"> <li>• consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum;</li> <li>• move away from annual bidding cycles to multi-year allocations; and</li> <li>• rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.</li> </ul> <p>Although the Council has not been asked to respond on this recommendation the current system of funding for regeneration is in need of review. Annual bidding cycles considerably reduce the ability of the Council to plan long term regeneration work programmes and the delivery of capital projects within the structure of inflexible financial years hampers delivery and increases costs. In the absence of longer term revenue funding from Welsh Government local government capacity to develop and deliver regeneration projects is limited and forms a significant constraint to progress.</p>
1.05	<p>R4 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:</p> <ul style="list-style-type: none"> <li>• using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort;</li> <li>• 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</li> <li>• 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.</li> </ul>

	<p>The proposed response is:</p> <p>The Council already uses a range of regulatory powers to tackle empty and problem properties. However, use of these powers can be extremely time consuming and can ultimately place considerable financial burdens on the Council which cannot always be recouped. The Welsh Government support is therefore welcomed.</p> <p>This approach is featured within the Council’s agreed strategic approach to town centre regeneration adopted in March 2020 and included in the current Council Plan.</p> <p>Following the training provided by Welsh Government earlier in the year, the Council has developed a panel of officers from the different regulatory and regeneration services to ensure that:</p> <ul style="list-style-type: none"> <li>• a shared list of vacant or problem properties is maintained and reviewed regularly;</li> <li>• action by the Council is co-ordinated effectively across the different teams;</li> <li>• owners of properties are offered effective support and encouragement before enforcement action is commenced; and</li> <li>• limited resources are managed through the careful prioritisation of enforcement action based on the length of time properties have been vacant and the scale of problems they are causing to neighbours and communities.</li> </ul>
1.06	<p>R5 The Welsh Government’s ‘Town Centres First’ approach looks to put the health of town centres at the heart of the decisions taken by the 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 sets 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.</p> <p>Although the Council has not been asked to respond on this recommendation the further clarity recommended by Audit Wales would be welcomed. The principle of “Town Centres First” is fully supported by the Council but a clear delivery plan and resources are needed to underpin the policy.</p>
1.07	<p>R6 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.</p> <p>The proposed response is:</p> <p>The Council has undertaken the self-assessment recommended by Audit Wales and has identified a number of areas for further development. Some of these are already in hand but not yet fully realised. Extra staff capacity to deliver these has been agreed by Cabinet and recruitment is underway. Particular areas for further development include:</p>

	<ul style="list-style-type: none"> <li>• Further work is required to engage stakeholders in the individual towns and translate the County level strategic approach into local delivery plans.</li> <li>• Continue work on data gathering for town centres to improve Council, partner and business decision-making.</li> </ul> <p>A copy of the self-assessment is included at appendix 1.</p> <p>The overall strategic approach to town centre regeneration will be reviewed to take account of these findings.</p>
1.08	<p>The reporting timetable for the response to Audit Wales, in line with the Council's protocol, is:</p> <ul style="list-style-type: none"> <li>• Environment and Economy Overview &amp; Scrutiny Committee 9 November 2021</li> <li>• Cabinet 16 November 2021</li> <li>• Audit and Governance Committee 17 November 2021</li> </ul>

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None arising from this report.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	None.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Council self-assessment – Appendix 1

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	Audit Wales report

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Niall Waller (Enterprise and Regeneration Manager)</p> <p><b>Telephone:</b> 01352 702137</p> <p><b>E-mail:</b> <a href="mailto:niall.waller@flintshire.gov.uk">niall.waller@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
	<p>These are provided corporately on the Infonet (<a href="#">link</a>) and maintained by the Executive Office</p>
	None.