

## CABINET

<b>Date of Meeting</b>	Tuesday, 20 <sup>th</sup> April 2021
<b>Report Subject</b>	Town Centre Regeneration – Property Intervention
<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**

Town centres face escalating economic challenges and the current patterns of property ownership hamper attempts to help them to adapt. This report acts as the first stage in a process of developing an ambitious but deliverable programme of interventions to support the reinvention and regeneration of town centres in Flintshire.

### **RECOMMENDATIONS**

1	That the role of the Council in regenerating town centres through property-focussed interventions is discussed and agreed.
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## **REPORT DETAILS**

<b>1.00</b>	<b>TOWN CENTRE REGENERATION</b>
1.01	<p>There are a number of challenges facing all small towns in the UK:</p> <ul style="list-style-type: none"> <li>• Changing customer behaviour, which has accelerated during the Covid pandemic, has dramatically reduced expenditure through high street shops. It is not expected that this will return fully to pre-Covid levels leaving towns with more shops than they can sustain.</li> <li>• Many units are owned remotely by national or international property, finance companies or speculative investors with little interest in their effective management and no stake beyond their investment in the success of the town centre.</li> <li>• Smaller, more marginal shopping centres are struggling to remain viable with a major collapse of property values and considerable difficulties in attracting tenants.</li> <li>• Although there is a relatively low proportion of vacant retail units in Flintshire town centres there is considerable underused space above the ground floor and weak business resilience is believed to mask the true picture which manifests in gradually declining building condition and lack of investment.</li> <li>• There are a small number of longer-term vacant properties in towns which can have a blighting effect on their locality.</li> <li>• Land banking of property in and around town centres by regional and local property developers contributes to the detrimental effect on local amenity.</li> </ul>
1.02	<p>Cabinet approved a refreshed strategic approach to town centres in March 2020 which included a commitment to intervene in town centre property issues. A number of interventions are already underway and it is proposed that this approach is accelerated and the ambition of the Council increased in line with the scale of the challenges facing town centres.</p>
1.03	<p>The intention of the programme is to:</p> <ul style="list-style-type: none"> <li>• reduce the number of long-term empty properties in town centres;</li> <li>• reduce the overall quantum of retail provision in town centres by repurposing units on the fringes;</li> <li>• find more sustainable uses for retail units and increase community enterprises on the High Streets;</li> <li>• plan to repurpose less viable shopping centres;</li> <li>• develop starter units for new retail enterprises in town centres;</li> <li>• encourage private sector investment in town centre properties; and</li> <li>• co-ordinate and support other FCC portfolio interventions to maximise the regenerative effects of investment and resource.</li> </ul>
1.04	<p>The projects within the programme are proposed to include:</p> <ol style="list-style-type: none"> <li>1. Provide a one-to-one support service to businesses with investment proposals for High Street properties (underway).</li> <li>2. Offer business loans to incentivise investment in High Street properties (underway, WG funded).</li> <li>3. Offer business grants to incentivise investment in High Street properties (starts 1 April 2021, WG funded but limited scale).</li> </ol>

	<ol style="list-style-type: none"> <li>4. Use the Council's enforcement powers to bring long term empty properties back into use (ready to start, WG funding available).</li> <li>5. Develop a community ownership model that enables town centre units to be acquired through grant and then vested in a local delivery vehicle to ensure their effective management for the benefit of the town centre and local people. Scoping is currently underway on this to better understand both the commercial property market (in Holywell as a pilot) and learning from similar projects elsewhere. There will be a significant challenge in establishing a new enterprise with a sufficiently skilled board to successfully run the project.</li> <li>6. Select blocks of properties in town centres for repurposing and undertake gradual acquisition over time with end uses to include demolition for alternative uses, including housing or green space. They would, though, require an ongoing management regime for the period between acquisition and redevelopment which could be several years. Units acquired in this way could be rented on a shorter-term basis as starter units or community enterprise work space.</li> <li>7. Create redevelopment plans for the less viable shopping centres with options to include: a) refurbishment and management; b) redevelopment into new uses including housing and contemporary retail spaces; and c) demolition and conversion into green or amenity space. This is a growing area of intervention for local government with 38% of all shopping centre purchases last year being made by local authorities. Welsh Government are eager to take an active role in the process and are offering support.</li> </ol>
1.05	<p>It will be necessary to develop light touch plans for each town centre to show funders how the package of property (and other) interventions fit together into a coherent whole. These will only transition into masterplans where a major site requires detailed consideration to get the maximum regeneration benefit.</p>
1.06	<p>The next steps have been identified as:</p> <ol style="list-style-type: none"> <li>1. Update on towns programmes to E&amp;E OSC in May 2021.</li> <li>2. Complete scoping of community ownership model and, if viable, start project development.</li> <li>3. Start empty property intervention project to tackle long term vacant properties in June 2021 – WG training, development of light touch action plan, targeting early-win properties.</li> <li>4. Identify resources and risks associated with managing town centre properties.</li> <li>5. Identification of target blocks of properties for intervention as part of overarching high level plans for town centres (phased roll out) and prepare acquisition strategy.</li> <li>6. Develop masterplan for first shopping centre and proactively engage other shopping centre owners to scope their position and interest in joint working.</li> <li>7. Engage locally to highlight the direction of travel and help available (PR campaign).</li> </ol>

	<p>8. Engage regionally to understand the contemporary actions being undertaken in other areas and share our own findings.</p> <p>9. Engage internally to promote co-ordination between portfolios to ensure effective use of limited resources.</p> <p>10. Work with colleagues to ensure efficient use of knowledge, experience and skills already within our organization and map the gaps that require external procurement.</p>
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<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	To be determined at subsequent stages.

<b>3.00</b>	<b>IMPACT ASSESSMENT AND RISK MANAGEMENT</b>
3.01	<p>Experience and capacity</p> <p>The Council does not have considerable experience in some of these work streams or much surplus capacity to deliver it which will limit progress. The regeneration team is currently recruiting additional posts which will help with capacity and use will need to be made of consultancy support to bring in both expertise and capacity to move the programme forward and to ensure that risks are effectively managed. Welsh Government are also looking to support the process regionally through sharing learning and expertise. However, the team still has a limiting shortfall of capacity and expertise in town centre property development as well as more junior supporting staff to deliver projects and engage stakeholders.</p> <p>Capital resources</p> <p>The main Welsh Government capital programme for town centres (Transforming Towns) will be available to all Flintshire towns from 1 April 2021 but remains a small fund (£8m pa) that is likely to be oversubscribed. However, Welsh Government are eager to see ambitious plans for property intervention in the town centres and may make further funding available. Where risks can be effectively managed the Council could consider investing its own capital resources through borrowing although it is expected that this would be to support the social outcomes arising rather than in expectation of a significant return on investment. The Council holds £1.5m of repayable WG funding to use for its own property projects in town centres. Further funding is available to support private sector projects. In addition, UK Government are starting to make capital resources available for regeneration which may be a source of future investment.</p> <p>Revenue costs arising from property portfolio</p> <p>Maintaining any form of portfolio of town centre properties will bring revenue pressures in terms of officer time and management costs (rates, maintenance, legal costs etc). It is not possible to quantify these at this</p>

	<p>stage but this will need to be factored into any decisions on the strategic approach in town centres.</p> <p>Political</p> <p>Resources will not allow the Council to do everything everywhere and viable property interventions will not be present in every town. Managing expectations will be key in the process. Interventions that change the form and function of towns may not always be popular locally. Where significant change is proposed then the development of masterplans allow for extensive local consultation and discussion on options.</p>
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<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	None at this stage.

<b>5.00</b>	<b>APPENDICES</b>
5.01	None.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Niall Waller (Enterprise and Regeneration Manager)  <b>Telephone:</b> 01352 702137  <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>
8.01	None.