



Department for

**Social
Development**

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Peter McCallion
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Room 412
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Dear Mr McCallion

TOWN CENTRE REGENERATION REPORT

Please find attached at Appendix A the responses from the Department in respect of the recommendations made by the Committee in the report. I look forward to discussing this further with the committee on the 25th February.

Yours sincerely

Henry Johnston

Department for Social Development

Response to

The Social Development Committee's Inquiry into Town Centre Regeneration (2009)

- 1. The Committee strongly recommends that an overarching strategic framework for town centre regeneration be developed and put in place before the transfer of responsibilities under the Reform of Public Administration. The Committee further recommends that the Department should also develop proposals either for improved cross-departmental co-operation or alternative governance arrangements for town centre regeneration.***

The Department is currently preparing a strategy and policy framework for urban regeneration and community development in Northern Ireland. The Committee is scheduled to be briefed on the framework in March 2010.

The Department's statutory regeneration authority derives from: Part VII of the Planning (NI) Order 1991 (as amended by the Planning (Amendment) (Northern Ireland) Order 2003, Article 31), which provides the legislative basis for comprehensive development schemes, land acquisition and disposal of land, and the extinguishment of public rights of way; and the Social Need (NI) Order 1986 which provides the statutory basis for granting financial assistance to projects in areas of special social need and undertaking environmental improvement schemes.

To support these powers, the Department currently has a number of policies and guides which set out the policy and strategy framework for the work it undertakes. These include *Vital and Viable: A Good Practice Guide for breathing new life into cities and towns* (2007), *Belfast City Centre Regeneration Policy Statement* (2003), *People and Place: Public Realm Strategy for Belfast City Centre* (2005), *Strategy for Belfast Regeneration Office* (2002), and *Urban Design Strategy: the Heart of the City: Derry/Londonderry* (2003).

Although DSD has some powers under the Planning (NI) Order 1991, the Department of the Environment (DoE) has lead responsibility for the review of Planning Policy Statement 5. The Department for Social Development continues to take an active role in contributing to this review. However, any amendment to existing responsibilities or governance arrangements in respect of planning policy is for DoE to take forward.

- 2. *The Committee recommends that the Department delegate control of town centre regeneration programmes to the enlarged councils and appropriately constituted town centre partnership bodies. To ensure effective and co-ordinated delivery of town centre regeneration, the Committee further recommends that ring-fenced financial support be secured and that the Assembly consider the provision of an appropriate level of advisory support and liaison for councils.***

Delegating control of town centre regeneration programmes to the enlarged councils and appropriately constituted town centre partnership bodies: The delegation of town centre regeneration to the enlarged councils is a key element of the RPA implementation programme for DSD. The involvement of appropriately constituted town centre partnership bodies in this process would be a matter for individual councils to consider, post-transfer of functions.

Ring-fenced financial support [to] be secured: The Department wholly accepts the continuing need to adequately fund town centre regeneration activity, balanced against other existing priorities and the increasing pressure on public funds. It is envisaged that grant funding will be provided by DSD for this work but that Councils will have discretion on how it is spent to address local priorities.

The Assembly to consider the provision of an appropriate level of advisory support and liaison for councils: This is a matter for the Assembly to consider (as per paragraph 54 on page 11 of the Committee's report). DSD is discussing the need for such support with Councils through the RPA structures.

3. *The Committee recommends that the Department reconstitutes its town centre regeneration policies in the form of a hierarchy of interlinked plans – from regional development strategies through to masterplans and operational plans.*

It is the Department's intention that a 'hierarchy' of this kind will develop when the strategy and policy framework for urban regeneration is introduced and operational responsibility for regeneration transfers to the new local authorities under RPA.

At regional level, the strategy and policy framework will set the overall policy direction for urban regeneration. This will assist the Department with setting the criteria for when and how it will intervene and provide a basis for any guidance issued to local authorities on regeneration matters.

At local level, masterplans will be in place for many town centres. The masterplans which the Department has recently completed and those which are currently being prepared will remain valid guides for the regeneration of those towns until around 2020. After that, we anticipate that they will be refreshed by the new local authorities. We also anticipate that in the future, the preparation of masterplans will be integrated into the Community Planning process in the post-RPA context.

To ensure that masterplans result in actual regeneration, careful thought needs to be given to implementation while they are being developed. In the terms of reference for any masterplan commission, the Department requires the consultants to provide detailed implementation plans as part of the assignment. The Department agrees that annual operational plans would be an appropriate method to put these into effect.

4. *The Committee recommends that the Department imaginatively reviews the content of masterplans so as to include, as appropriate, strategic regeneration initiatives including the development of local rivers and shared spaces as social amenities.*

Each town is different. Each faces its own particular set of issues and has its own set of opportunities and assets upon which it can capitalise. The masterplan for each town

must represent a tailored response to that town's individual circumstances and the Department would be reluctant to pursue the application of common themes in all towns.

All masterplans include a mix of short, medium and long-term initiatives ranging in size from small scale projects to large-scale comprehensive development proposals which are usually based around key assets of the town.

Examples of the development of local rivers as social amenities would include work undertaken by the Department in: Belfast, Antrim, Ballymena, Coleraine, Lisburn and Omagh. In respect of shared space, a wide range of initiatives have been undertaken, such as: the work of Ilex Urban Regeneration Company in Derry/Londonderry on the Fort George, Ebrington, St Columb's Park and footbridge projects, work in Newtownards, Coleraine and Newcastle.

5. *The Committee recommends that the Department considers the development of a Town Centre Regeneration Fund – similar to that in use in Scotland – as a means of assisting key stakeholders to make lasting practical improvements to town centres and as a way of transparently addressing perceived geographical bias.*

The Town Centre Regeneration Fund in Scotland deals with large towns but excludes schemes in city centres. The merits of such a fund are being examined as part of work in relation to RPA funding.

It should be noted that the Fund as implemented in Scotland was awarded on a competitive basis and therefore, while it offers a standardisation of the assessment process, it may not necessarily achieve an even geographical coverage based on population and footfall. Any competitive fund will have winners and losers, and may indirectly reward those centres with stronger local partnerships (and stronger funding bids), rather than those that are still building capacity and perhaps in greater need of assistance.

This is reflected in the priority that the Fund gave to bids which can quickly deliver and draw down funding in a single financial year: this would be a significant challenge for

many capital projects. The Fund was heavily over-subscribed but the short implementation period meant that many of the successful projects were those that already had some degree of preparation or funding in place, and therefore put forward a strong application. An assessment based on objective need may have been, in practice, more difficult to deliver.

In addition, the Scottish Fund does not provide maintenance costs, and therefore the sustainability of the projects in the medium to long term needs to be taken into account. There is perhaps a case to be made that a strategic, longer-term approach may achieve more effective use of £60 million funding for town centres than a short injection for new capital projects. By way of comparison, the information provided to the Committee in February 2008 set out DSD's completed schemes, to a total value of over £64 million, plus current and projected schemes planned to a value of £22 million and £47 million respectively. Investment by DSD in individual schemes ranged from £20,000 to £32 million for the largest programme. The Scottish Town Centre Regeneration Fund has committed investment in individual projects ranging from £100,000 to £2.7 million.

The Department's proposals for the transfer of funding to the new local authorities to accompany the transfer of functions has two elements. The first is an element of funding which will be transferred directly to the new local authorities to use as they consider appropriate. The second is a central fund which will be held by the Department for allocation to large-scale regeneration projects in response to bids from local authorities. Full details of how this fund will operate will be worked up as the preparations for the transfer of functions under RPA progress.

6. *The Committee strongly recommends that prior to the transfer of responsibilities under the Reform of Public Administration, the Department publishes the details of and implements its monitoring and evaluation structure including Key Performance Indicators. The Committee further recommends that, in future, town centre regeneration interventions by the Department should be prefaced and followed by a review of relevant Key Performance Indicators.*

Work is currently underway with our colleagues in the Northern Ireland Statistics and Research Agency (NISRA) to establish a monitoring and evaluation structure that will allow us to develop measurement and evaluation indicators. It is anticipated that this will be in place in preparation for the transfer of functions in 2011. A data analysis and consideration of the use of Performance Indicators and Outcome Agreements is planned as part of the work on developing the new overarching framework.

7. *The Committee recommends that the Department develop town centre regeneration KPIs which include a balanced range of indicators relating to: economic activity; community cohesion; poverty; disadvantage and disability access.*

The ongoing work with NISRA will allow us to establish appropriate measurement and evaluation KPIs that will accommodate a range of themes, some of which will link to our Neighbourhood Renewal work. However, careful consideration will need to be given to which themes it is useful to measure within town and city centres.

In respect of economic activity, there is a demonstrable value to collection of this data. The Department currently has a commercial license for town centre data collected by Experian. This gives information on footfall, vacancy rates and other key commercial indicators. Some social issues are more difficult to measure on a statistical basis which would be comparable between towns. For example, any assessment of community cohesion would have to depend largely on qualitative analysis. There is undoubtedly a value to monitoring the neutrality of town and city centre space, and assessing how welcoming these central districts are to locals and visitors alike, including for interest groups such as people with disabilities.

Care needs to be exercised when devising poverty and disadvantage indicators for town centres. Most town and city centres have small residential populations and the standard indicators of disadvantage would be unreliable based on these small sample sizes. Reference to the population of the whole town might give more reliable data but would present two other problems. First, acute problems in some deprived communities in a town could be masked by the relative affluence of the population overall. Standard indicators would not give a clear picture of the key issue in such cases which is the

connection between a town centre and its deprived neighbourhood. Second, all town centres serve catchment areas which are much larger than the towns. These catchment areas are difficult to define precisely and overlap to a significant degree.

Most schemes in which the Department is involved make estimates of the number of jobs created for example the anticipation in 2007 that Victoria Square would create 3000+ jobs in the retail and leisure sectors; and the regeneration of the Carrickfergus Maritime Area, creating 442 jobs (page 229 of the report). However, it is not always straightforward to conclude that this job creation has led to (a) a reduction in poverty by impacting upon the social security benefit claimant count, or (b) that all jobs are filled by those in need or local to the area.

- 8. *The Committee recommends that the Department set out a menu of town centre regeneration interventions designed to actively address inequality and exclusion and to be delivered by a range of agencies working in concert.***

DSD policies already have a social inclusion dimension, and strategies and schemes normally have a social inclusion or outreach element. For example, the masterplans produced for towns and cities across Northern Ireland consider, among other things, how town centres can be better linked to the communities which surround them and how they can be made more accessible and welcoming for all sections of the community. Social inclusion objectives have been included in all of the development briefs issued by the Department in recent years.

In relation to the creation of a menu of possible interventions, this will be completed as part of the creation of a policy framework prior to the transfer of functions in 2011.

- 9. *The Committee recommends that the Department provide long term core funding for town centre management partnerships. The Committee further recommends that the Department work with the enlarged councils to develop efficient cost-effective town centre management structures which may provide support for a number of towns in a council area.***

Long-term core funding for town centre management partnerships should be a matter for individual local council structures post-2011. Councils will need to consider the value for money of this against other budget pressures.

Effective town centre management was highlighted as a critical success factor in the Department's 2007 *Vital and Viable* publication. The Department does not have a preferred form or structure for town centre management, as there is no clear evidence that any one arrangement works better than others. There are examples of excellent practice both where the function is delivered by a district council and where it is delivered by a separate company. There are also examples of an effective arrangement which focus on a single town centre and where a number of towns are served by the same organisation.

In view of this, the Department would not seek to impose one type of arrangement for all towns: the form of management in each town centre is a matter best left for local decision. Operational budgets will move to Councils in 2011 and it will then be a matter for the relevant Council.

- 10. *The Committee recommends that prior to the transfer of responsibilities under the Reform of Public Administration, the Department should bring forward legislation for the introduction of statutory Business Improvement Districts (BIDs) or similar town centre management bodies. The Committee further recommends that town centre management bodies should be tasked with providing a combination of strategic vision and practical support to town centre stakeholders including shop front and evening economy promotions.***

The Department fully supports the concept of statutory BIDs. DSD continues to work with the key stakeholders, the Department of the Environment (DoE) and the Department of Finance and Personnel, to lay the groundwork for the progression of statutory BIDs as part of DoE's local government legislation.

It should be noted that there is no impediment to the development of *voluntary* BIDs in town and city centres across Northern Ireland. The statutory element offers the power of

compulsion to collect the BID levy from all businesses within the BID area. A new compulsory charge on businesses may not be a popular or practical measure in the current economic climate and may therefore not achieve the required local mandate.

Shop front and evening economy promotions are issues for determination at local council level.

- 11. *The Committee recommends that in line with draft PPS5 a simple and transparent test be applied to proposed out of town shopping centres based primarily on the economic impact on existing retailers but that less stringent conditions should be applied to edge-of-town or town centre developments.***

The Department supports the application of a rigorous sequential test to the consideration of planning applications for retail developments. However, the development and publication of a revised PPS 5 on Retailing Town Centres and Commercial Leisure Developments is the responsibility of DOE rather than DSD. Also, under the current administrative arrangements, DOE's Planning Service would be responsible for applying any tests on retail proposals. After RPA, the responsibility will pass to the new local authorities.

- 12. *The Committee recommends that the Department (with other departments) clarifies the role and responsibilities in relation to the provision of car parking capacity and the control of car parking charges. The Committee further recommends that car parking capacity and related charges be developed in sympathy with town centre and/or edge-of-town regeneration activities.***

At present, responsibility for the provision of public car parks and decisions on charging regimes are the responsibility of the Department for Regional Development's Roads Service. The level of parking to be provided in private developments is determined through the planning process by reference to PPS 3 (Access, Movement and Parking).

After RPA, responsibility for both parking and planning will transfer to the new local authorities. Decisions on the amount of parking to be provided and tariff regimes will therefore be taken locally in consultation with DRD's Road Service.

- 13. *The Committee recommends that the Department (with other departments) clarify roles and responsibilities in relation to pedestrianisation and that any plans for further (or partial) pedestrianisation of town centres be carefully reviewed in terms of the impact on all stakeholders including the visually impaired.***

While this is an area of interest for the Department, the pedestrianisation of town and city centres is primarily a matter for DRD's consideration.

DSD takes the view that pedestrianisation should only be implemented where the case for it is clearly proven and well-worked through. It would normally be delivered in conjunction with another initiative or scheme, for example, as part of public realm improvements or in association with a major development scheme. The Department follows DRD's advice, as the sole road authority in Northern Ireland, on ensuring that any changes are appropriate to the needs of all users, including the visually impaired.

In relation to Shared Surface schemes, there are presently no schemes of this nature in development in Northern Ireland. We await the outcome of the Department for Transport's (DfT) research into the use of such schemes before determining our position. DRD is, however, represented at Project Board level on this research.

- 14. *The Committee recommends that the Department ensures that masterplans identify all derelict and vacant lots required for development to support town centre regeneration, and, that the Department reviews its practices and publishes its record in respect of the vesting of derelict buildings and vacant lots throughout Northern Ireland.***

One of the key tasks which consultants are asked to undertake in any masterplan assignment is an analysis of land use and the urban form in the town centre. This identifies vacant and derelict sites. The proposals developed by the consultants take

account of this analysis and indicate how the vacant and derelict sites may be brought back into productive use. The response depends on the extent of the dereliction or vacancy. Large areas might be best tackled by comprehensive development schemes; individual sites would be more appropriate for targeted financial assistance.

DSD is empowered to vest under the Planning (NI) Order 1991 and the Development Services Act (NI) 1948. However, the Department relies on Part 7 of the Planning (NI) Order 1991 which relates to the 'proper planning of an area'. These powers may be used where the Department requires land in connection with a development scheme and where the proposed development is in the public interest. The power to make vesting orders is only applicable to land that is covered under the Department's existing development schemes, full details of which are publicly available, for example on the Department's website. In respect of developments that fall outside the Department's existing schemes, DSD cannot make vesting orders for the purpose of facilitating private developments.

Vesting powers have proved vital in assembling sites to allow regeneration. However, contested vesting is a serious matter and should be very much a final recourse. The Department's powers are not used unless the Department is fully satisfied that their use is necessary in order to allow a regeneration scheme to proceed. Therefore, while the power to vest land can be a very effective tool in tackling dereliction and vacancy, figures on the number of cases in which vesting powers have been used would not provide a reliable guide on the effectiveness of the Department's actions.

15. *The Committee recommends that the Department ensure that town centre regeneration strategies include access to decent affordable housing through the imaginative use of brown field mixed developments.*

The Department's strategies and masterplans currently require the creation of mixed use developments, and this will continue. The good practice guide *Vital and Viable*, published by DSD in 2007, set out four key priorities for the successful regeneration of cities and towns: sustainability; design; retailing; and variety of use (including town centre living).

The development briefs for town centre sites which have been issued by the Department in recent years have required mixed-use schemes incorporating significant residential elements. This approach has secured substantial residential components in a number of mixed-use comprehensive development schemes.

Town centre living schemes such as Living Over The Shop (LOTS) has helped to provide some additional accommodation in town centres. However, the nature of the initiative means that its success is dependent on take-up by private sector property owners, and the number of units which can be developed in any one town centre tends to be modest.

16. *The Committee recommends that the Department develop and implement good practice guidelines in respect of consultations relating to town centre regeneration.*

The Department fully appreciates the value of genuine and meaningful consultation with key stakeholders, including public, private and voluntary sector partners, and the wider public. The Office of the First Minister and deputy First Minister (OFMdfM) provides good practice guidance on impact assessment and consultation for government departments, which is adhered to by DSD in the development and amendment of policies. All town and city centre masterplans are made available locally, advertised and published for consultation, and the interests of key stakeholders, such as those representing Section 75 groups, are taken into account via equality screening and, where appropriate, impact assessment. We have also facilitated public events and displayed development plans to consult prior to the planning application stage. This provides an additional opportunity for those with an interest in the schemes to provide comment.

The Department also recognises that an effective and representative Town Centre Partnership is a key factor in ensuring meaningful engagement and consultation. By its nature, town centre regeneration is an issue on which the local community will have a range of strongly-held opinions and will wish to convey these effectively to the Department as part of the public consultation process.

- 17. *The Committee recommends that councils be given enhanced powers in relation to the management of utility companies' planned maintenance and infrastructure construction work so as to minimise disruption to the economic life of town centres.***

The Department would welcome enhanced powers being given to the Councils, which would enable them to effectively control planned maintenance and infrastructure works, by utility companies. This will be particularly important when the regeneration powers transfer to Councils in 2011 under the Review of Public Administration (RPA).

Substantial disruption and damage can be caused by utility companies in areas where public realm schemes have been completed. This is an issue we would wish to address, although it is not one that the Department can take forward alone.

Enhanced powers to compel utility companies to reinstate the public realm to its original state would be highly recommended.