



Rhondda Cynon Taf Town Centre Regeneration Evaluation

Aberdare - Interim Report

May 2013



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1 INTRODUCTION

Regeneration of the town centres of Aberdare, Pontypridd and Ferndale are key priorities for Rhondda Cynon Taf County Borough Council (RCT) in supporting the wider corporate objective for the “Regeneration of our Communities” (RCT Community Strategy 2010). A programme of investment from the European Regional Development Fund (ERDF) and the Welsh Government (WG) has been approved to help transform public spaces in each town centre and upgrade the public realm and townscape features to help strengthen the commercial core and town centre distinctiveness.

AECOM Ltd in association with Robert Chapman & Company were appointed in February 2011 to work with RCT to evaluate the effectiveness of the proposed regeneration activity and to advise on the vitality and viability of each town centre. The analysis will provide valuable evidence in assessing the impact of local investment in physical infrastructure and townscape and assist stakeholders in determining how to undertake future regeneration activity most efficiently.

The full evaluation process involves three key stages and is being run over four years as the regeneration work is completed as follows:

- | | | |
|-------------------------------|---|-----------------|
| ✓ Stage 1 Baseline Studies | - | 2011 (Complete) |
| ✓ Stage 2 Interim Evaluations | - | 2012/13 |
| ✓ Stage 3 Final Evaluations | - | 2014/15 |

This report is the **Interim Evaluation for Aberdare**. A separate report has also been prepared for Pontypridd and a Final Evaluation Report has been prepared for Ferndale which has been brought forward due to the earlier completion of the town centre improvements. The report documents the current conditions in the town centre and evaluates progress in relation to programme aims and objectives. The reports also detail the mid-term conditions in respect of town centre performance, health, vibrancy and vitality with particular reference to commercial market conditions as the national economy emerges out of recession. Further evaluation analysis is provided through a comparison of the town against baseline conditions and comparator town performances.

Regeneration activity in Aberdare has three distinct dimensions: **public realm enhancement**, **Townscape Enhancement Programme (TEP)** and **Townscape Heritage Initiative (THI)**.

Public Realm enhancements were planned to regenerate the areas of:

- Library Square and the Western Entrance to Canon Street
- Commercial Street, Eastern Canon Street and Victoria Square
- Victoria Square/Caradog Square
- Cycle route

The **Townscape Heritage Initiative (THI)** and the **Townscape Enhancement Programme** provide financial support to restore historic features and quality finishes to significant town centre buildings and deliver improvements to the fabric of properties and the townscape within the commercial core of Aberdare.

PART ONE

Project Progress

2 ORIGINAL PROJECT AIMS & OBJECTIVES

The public realm enhancements for Aberdare are designed to:

- Celebrate the uniqueness of Aberdare.
- Enhance the setting of the regionally significant historic townscape.
- Contribute towards making Aberdare a more attractive town so that local residents and visitors will be drawn to it.
- Achieve a better balance between the needs of pedestrians and vehicles.
- Demonstrate the short and long term benefits of using indigenous materials with low embodied energy (and in keeping with Aberdare's status as a Low Carbon Town).
- Ensure that the town is easy and safe to navigate for people of all abilities.

The priority areas identified for investment are:

Library Square and the Western Entrance to Canon Street Public Realm Enhancement – The public realm is being redesigned, through the use of resurfacing and removal of visual clutter, to create a high quality public space. It is hoped this will reduce traffic and anti-social behaviour, thus increasing footfall in the area.

Interim Progress

Progress at Library Square and the western entrance to Canon Street is on schedule:

- The Square has been re-paved and street furniture has been enhanced.
- Canon Street has been completely regenerated, which includes new pavements, road surfacing and enhanced streetscape.

Commercial Street, Eastern Canon Street and Victoria Square Public Realm Enhancements – Greenmoor rustic Yorkstone will be used in conjunction with planting and the redesign of public seating to increase the aesthetic appeal of the area. The new paving scheme aims to reduce traffic and give pedestrians priority.

Interim Progress

Progress at Commercial Street, eastern Canon Street and Victoria Square is on schedule:

- Regeneration at Victoria Square has been completed and includes enhanced street furniture and new paving along the road and footways.
- Commercial Street is broadly complete although there are still patches of tarmac where tree planting will take place.
- At the time of the AECOM site visit Canon Street had been completed in its entirety.

Victoria Square / Caradog Square Public Realm Enhancements – It is proposed to improve paving materials, landscaping and enhance public seating to enhance the visual appearance and increase public use.

Interim Progress

Progress at Victoria Square through to Caradog Square is on schedule:

- The street linking Victoria Square to Caradog Square has been completed, which includes repaving both the footway and the road.
- Caradog Square was still undergoing significant regeneration works at the time of the AECOM site visit.

Cycle Route – the cycle route will be implicit throughout the town centre public realm improvements, linking the railway station and Cynon Trail westward to the Dare Valley Country Park.

Interim Progress

During the AECOM site visit progress in developing the cycle route throughout the town was not observed.

The **Townscape Heritage Initiative (THI)** will provide financial support to restore historic features and quality finishes to significant town centre buildings within the Aberdare Conservation Area. The **Townscape Enhancement Programme** will work alongside the THI to deliver improvements to the fabric of properties and the townscape within the commercial core of Aberdare.

Interim Progress:

Allocation of the Townscape Enhancement Programme has now been completed, whilst funding through the Townscape Heritage Initiative continues. To date 251.8 sq m of premises have been Created or Refurbished through the Townscape Enhancement Programme and the Townscape Heritage Initiative. A further three projects approved for funding include St David's, Market Tavern and Tantrwm.




3 PROGRESS AGAINST AIMS & OBJECTIVES


This section of the report evaluates regeneration progress against the actual achievements of the project. Progress against key aims and objectives has been assessed through site visits, document reviews and validation of project files.

PHYSICAL DEVELOPMENTS

Priority sites identified for regeneration and progress at the date of the site visit on September 3rd 2012 are presented in the table below. Through site visits undertaken by AECOM the progress of physical developments has been documented through photographic evidence and site observations.

Figure 1: Progress of Physical Developments

Priority Site	Site Visit Observations	Photographic Evidence
Library Square and the Western Entrance to Cannon Street	<p>At the date of the site visit all regeneration activities planned for the western entrance to Cannon Street had been completed.</p> <p>As is evidenced in the photo, the regeneration of Library Square has progressed substantially but is still on-going.</p>	
Commercial Street, Eastern Canon Street and Victoria Square	<p>All regeneration activities along Commercial Street (with the exception of street furniture) and at Victoria Square have been completed. At the eastern end of Cannon Street, at the junction with Whitcombe Street, some paving is still being completed.</p>	
Victoria Square/Caradog Square	<p>The stretch of road leading from Victoria Square to Caradog Square has been enhanced in line with the Business Case.</p> <p>Significant regeneration is still being completed around Caradog Square and heading west along High Street.</p>	

Cycle Route	No progress has been observed regarding the development and integration of the cycle route into the town centre.	
Townscape Enhancement Initiative/ Townscape Heritage Initiative	A number of shops in Aberdare have received funding for refurbishment and to enhance the frontage of their retail unit.	

INTERIM OUTPUTS

The table below presents a summary of progress towards targets as at September 2012. Evidence of progress is provided in the text which follows the table. As at September 2012 the regeneration of Aberdare was on schedule.

Table 1: ERDF and Additional Output Programme Targets and Progress at September 2012

Indicator	Business Case Regeneration Targets	Interim Progress (September 2012)		
ERDF				
Land Developed	1.545ha	1.221ha		
Physical Improvement Schemes	1	0%		
Premises Created or Refurbished	3,750 m ² (17 premises)	251.8 m ² (3 premises)		
Enterprises Accommodated	18	3 (17%)		
Jobs Accommodated	42	12.6*		
Gross Jobs Created	32	2.66 (9%)		
	Additional Outputs			
	Baseline	Original Target	New 2015 Target	Interim Progress (September 2012)
Reduction in Vacant Properties	11.82% <i>(Source RCT Survey 2009)</i>	9%	Below 12%	6.7%
Increase in Footfall	21,297 (2 nd Week in March 2011) <i>(Source: Experian Footfall)</i>	+2% increase above the RCT trend	Maintain average weekly footfall above 20,000	20,427 (for first 40 weeks of 2012)
Reduction in Commercial Yield Rates	8.75% <i>(Source: Business Case, November 2010 – Confirmed by Robert Chapman Associates)</i>	8%	8.75%	9.0-10.0%
Improvement in Public Perception of Town Centre	21% believe the Town Centre to be ‘Poor’ <i>(AECOM Shopper Survey, March 2011)</i>	50% improvement	11% believe the Town Centre to be ‘Poor’ <i>(AECOM Shopper Survey, March 2011)</i>	Not Measured in Mid-Term Evaluation
Increase in Zone A Rental Rates	£20-£30 per square foot <i>(Source: Business Case, November 2010 – confirmed by Robert Chapman Associates)</i>	£30-£40 per square foot	£20-£30 per square foot	C£20 per square foot
Reduction in Car Journeys to Aberdare (and Increase in Sustainable Transport)	51% <i>(Source: AECOM Shopper Survey, March 2011)</i>	-2%	49% of town centre visitors arrive by car	Not Measured in Mid-Term Evaluation

Source: Aberdare Business Case, November 2010; AECOM analysis 2012

*Note: WEFO approved methodology has changed since the original target was set – see text below

Land Developed

At scheme complete the regeneration of Aberdare is anticipated to cover an area of 1.545ha.

As at September 2012 the regeneration of Aberdare had covered an area of 1.221ha, which is 79% of the proposed area the scheme will cover if completed in-line with original design proposals.

Areas of the town that have been regenerated include the:

- The area made up of Market Street, library Area and Canon Street (0.7409ha)
- The area made up of Canon Street, library Square, Commercial Street & Victoria Square (0.4332ha)
- Footway paving at Canon Street and Victoria Square (0.0469ha)

RCT County Borough Council has calculated the area of land regenerated using Planweb, a software tool used to accurately derive spatial areas.

Physical Improvement Scheme

The completion of the total suite of proposed developments in Aberdare constitutes 1 physical improvement scheme. Consequently this target measure and output can only be achieved at the completion of the whole scheme. To note, 79% of land has been regenerated so far, and so it is reasonable to suggest that the public realm scheme only has 21% still to be completed. However the building grants programme is on-going, and consequently this target measure and output can only be achieved at the completion of the whole scheme.

Premises Created or Refurbished

At project completion 2,125 sq m of existing floorspace is proposed to be refurbished across 17 units. In addition to this a further 1,625 sq m of additional floorspace is proposed to be created across the 17 units. In total, therefore, 3,750 sq m of floorspace is proposed to be 'created or refurbished', which averages at 125 sq m refurbished and 95.6 sq m additional space per unit.

As at September 2012, three premises had been included in the project, which cumulatively totalled 251.8 sq m 'created or refurbished'. Proportionally this represents just 6.7% of the total target floorspace and 17.6% of the unit target (of refurbished 17 units). This would suggest that over 90% of floorspace is yet to be delivered and over 80% of units are still to be addressed.

Through achieving this output it was hoped that private sector investment could be leveraged to the sum of £120,000. Due to the success in progress towards this target it is likely that £296,791 of private sector investment will be leveraged by programme end.

Enterprise Accommodation

18 enterprises are proposed to be accommodated within the newly created or refurbished premises.

Jobs Accommodated

The original Business Case estimated the number of jobs likely to be accommodated on the basis of c2.3 jobs per enterprise. With the proposal to accommodate 18 new enterprises, the original target assumed 42 new jobs could be accommodated. On project approval, however, an alternative approach was agreed with WEFO based on typical employment densities for retail floor space assuming 1 job to 20 sq m; although the original target calculation has not been revised.

WEFO provide the following definition for *Jobs Accommodated* indicator:

'Number of jobs accommodated within the sites and premises referred to in the indicators "Premises Created or Refurbished".'

Accommodated: The maximum number potentially located at any one time. This is not the number accommodated over the life of the premises.'

The WEFO indicator definition does not provide any guidance as to whether the employment density multiplier should be applied to gross or net floorspace. However, Homes and Community Agency 'Employment Density Guidance 2010' suggests that for the retail sector an employment density multiplier of 19 sq m should be applied to the **net** internal area. For retail, the useable employment floorspace (or net internal area) is usually assumed to be 80% of total floorspace (or gross internal area). The 20% of floorspace that is deducted from gross floorspace to make net floorspace accounts for toilets, hallways, kitchens and other space that will not accommodate employment.

To properly evaluate progress, the estimate of the "achieved" outcome should be compared against the "target" on a **consistent** basis. Whilst WEFO have not formally revised the original target we set out below the implications of the revised methodology.

If the revised employment density indicator is applied to the total 3,750 sq m gross floorspace, then the regeneration proposals should, in theory, accommodate up to 187.5 new jobs; rather than the current "target" of 42.

However, if applied to the net floorspace ($3,750 \times 80\% = 3,000$) then at 1:20 sq m, the regeneration proposals could accommodate around 150 new jobs; rather than the current "target" of 42.

As at September 2012, 251.8 sq m of gross internal floorspace has been created of refurbished this means that either:

- 12.6 jobs have been accommodated ($251.8 \text{ sq m} / 20 \text{ sq m}$); or
- 10.0 jobs have been accommodated ($(251.8 \text{ sq m} \times 80\%) / 20 \text{ sq m}$)

Either approach equates to around 6.7% of the total expected jobs to be accommodated on the consistent basis using the revised methodology.

Gross Jobs Created

At project completion 32 jobs are proposed to have been created within the newly accommodated enterprises. WEFO guidance on how to capture "Gross Jobs Created" is reproduced below:

'A new permanent post, i.e. there is a reasonable belief that the post has no finite life-time: that it is not of fixed duration. The post itself should be counted, not an estimate of the number of people that may occupy the post over time. A seasonal job may also be counted, so long as the job is expected to recur indefinitely...Jobs should be reported as Full Time Equivalents (FTE), based on a 30 hour week.'

As at September 2012 five jobs had been created through the accommodation of enterprises in created or refurbished premises. When converted to FTE the total Gross Jobs Created falls to 2.66 jobs. Each job has been identified and verified through interrogation of each enterprise's payroll.

Reduction in Vacant Properties

The measure of vacant properties has been undertaken by the AECOM evaluation team. As at October 2012, 6.7% of retail units in Aberdare were identified as vacant. This represents a significant improvement on the Baseline scenario which identified 11.28% of retail units as vacant.

Increase in Footfall

Over the first 40 weeks of 2012 average weekly footfall has been 20,427. This is marginally above the target to maintain average weekly footfall above 20,000 and is a positive outcome recognising the significant disruption which continued whilst the works were underway.

Reduction in Commercial Yield Rates

No formal investment sales have been recorded in Aberdare of late and the market outside prime town centres remains very sluggish. Reflecting changes in rental performance and the constraints on funds, commercial market investment yields in Aberdare are estimated to have softened further to around 9-10%.

Increase in Zone A Rental Rates

Whilst there has been considerable reduction in the level of vacant property in Aberdare, the retail market generally continues to be highly variable and uncertain. Rental deals are currently being struck simply to remove the landlord burden of empty property rates and on relatively short-term agreements. National occupiers are also increasingly wary of the number and location of units they continue to operate. Market rents remain under significant pressure, nationally, and are estimated to have reduced further in the last 12 months or so to around £20 Zone A for prime sites in Aberdare.

PART TWO

Current Conditions

4 COMMERICAL PROPERTY MARKET REVIEW

Notwithstanding recent news that technically the UK is no longer in recession, the general property market conditions remain very gloomy with the retail sector continuing to face severe pressure. Receiverships among national retail operators are continuing and all retailers are carefully scrutinising their property and location exposure as leases come up for review. Market rents continue to fall, as the availability of vacant property (and distress sales) continues unabated. Rents are now some 40% adrift of the 2007 peak with very little prospect for immediate improvement.

Whilst there has been some take-up of vacant premises in Aberdare, these have largely come from discount operators and discussions with local agents generally laments the lack of occupier demand. For example, whilst there is interest in one of the units on 3/6 Cardiff Street from a multiple operator, there has only been the single enquiry with no other occupier interest being shown. In terms of market rates, local agents have been rather reticent in revealing actual deals, indicating tough negotiations from quoted rents and incentives being provided to secure occupiers and relieve landlords of their empty property rates liabilities. It is likely, therefore, that Aberdare is now slightly worse than the initial evaluation in 2011. Indeed, one agent suggested that rents had 'dropped by a third'.

With continued constraint on demand and uncertainty over future rental growth, a prime retail investment yield in Aberdare is now estimated to be in the range of 9-10%, assuming a ten year lease with a strong covenant. Again though, the attraction of a decent covenant would necessitate a minimum nine months' rent free period.

Table 2: Retail Unit Rents and Yields, Aberdare 2012

	<u>Zone A – prior to recession</u>	<u>Zone A – 2011</u>	<u>Zone A 2012</u>	<u>Prime yield</u>		
				<u>PR</u>	<u>2011</u>	<u>2012</u>
<u>Aberdare</u>	£20 - £30	£20 - £30	£20+	8-9%		9.00 - 10.00%

Source: Robert Chapman & Company 2012

5 TOWN CENTRE HEALTHCHECK

This section of the report provides an update and comparison of the town centre health check completed in the baseline assessment. There are a variety of indicators which contribute to an overall appreciation of town centre health, vitality and viability the implications of which are set out below.

RETAIL RANKINGS

At the time of the baseline study Aberdare Town Centre was ranked 34th out of 105 retail centres in Wales (Javelin Venuescore 2010). Between 2007 and 2010 Aberdare had fallen down the retail rankings by five places from 29 to 34. This is based on the national UK-wide retail rankings where Aberdare was ranked 747th out of 2,106 UK centres in 2010.

The latest available town centre retail rankings data is for the year 2011 (Javelin Venuescore, 2011). Aberdare is now ranked 36th out of 127 retail centres in Wales, which represents a fall of a further two rankings in the year between 2010 and 2011. However, compared against UK retail centres Aberdare is ranked 681st which is a significant improvement on its ranking in 2010.

The national retail rankings are a useful litmus test of the relative retail offer of different centres. However, they tend to be rather less relevant to smaller (lower-order) centres such as Aberdare as they are strongly influenced by the size of the retail floorspace offer and presence of national multiples and major destination anchor stores. The 2011 Rankings also now include major destination foodstores where they are integral to the defined town centre area, with the major operators being scored more highly.

In recent years, there has been a lot of jostling for position among the top 50-100 national retail centres as big town and city centre retail expansions schemes have come through to completion. These will tend to push the lower order centres down the national rankings even if their local performance and attractiveness has been unaffected in their local markets.

Going forward, the priority for the Aberdare town centre is very much the same as it was in the Baseline assessment. Aberdare may not see further significant strides up the UK retail rankings of shopping centres but it needs to consolidate its performance in the local (Valleys) and regional (Wales) context. It will be especially important to ensure the local retail offer across Aberdare is relevant and becomes more attractive to existing and new residents under the strategic growth plans in order to reduce current “leakage” of retail expenditure from the local area and reduce the need to travel further afield.

Table 3: Retail Rankings – UK and Wales

Town	UK Rank	Wales Rank	Wales Rank 2010	Wales Rank Change
Cardiff	10	1	1	0
Swansea	75	2	2	0
Wrexham	105	3	3	0
Newport (Gwent)	165	4	4	0
Carmarthen	199	5	8	3
Cardiff (Roath)	222	6	9	3
Llandudno	226	7	6	-1
Cwmbran	231	8	5	-3
Rhyl	231	9	7	-2
Bangor	282	10	13	3
Merthyr Tydfil	288	11	15	4
Bridgend	300	12	10	-2
Llanelli (Trostre)	317	13	23	10
Neath	317	13	11	-2
Llanelli	343	15	14	-1
Haverfordwest	361	16	15	-1
Bridgend (Bridgend Designer Outlet)	365	17	12	-5
Barry	396	18	19	1
Aberystwyth	442	19	18	-1
Abergavenny	456	20	17	-3
Port Talbot	485	21	21	0
Pontypridd	500	22	20	-2
Monmouth	527	23	24	1
Caerphilly	559	24	26	2
Swansea (Fforestfach)	559	24	22	-2
Newtown	572	26	40	14
Colwyn Bay	583	27	24	-3
Ebbw Vale	583	27	30	3
Swansea (Morriston)	583	27	33	6
Chester (Broughton S P)	592	30	n/a	n/a
Cardiff (Canton)	608	31	27	-4
Cardiff (Cardiff Bay R P)	615	32	27	-5
Llantrisant (Talbot Green)	615	32	44	12
Caernarfon, Centre	649	34	29	-5
Newport (Gwent) (Newport R P)	649	34	30	-4
Aberdare	681	36	34	-2
Bridgend (Bridgend R P)	737	37	41	4
Ammanford	760	38	44	6
Mold	760	38	33	-5

Source: AECOM using Javelin Venuescore National Retail Rankings 2011

RETAIL UNIT MIX

Data on retail unit uses in 2012 were assessed through AECOM site visits and compared against the baseline assessment from the 2009 Goad Survey as shown in the table below. From site visits it is estimated that just over 37% of outlets in Aberdare are occupied by comparison (non-food) retailers, which is a slight reduction from nearer 40% in 2009 and remains below the national average level of comparison retail shops in town centres. The level of Convenience retailing in Aberdare has also reduced from nearly 8% in 2009 to under 6% in 2012; considerably lower than the national average of nearly 9%. The poor in-town food offer is most likely the result of both Tesco and Asda located just out of town.

Table 4: Town Centre Retail Units

	Aberdare				National	National
	2009*		2012**		2009	2012
	Units	% Units	Units	% Units	% Units	% Units
Comparison	66	39.5	64	37.2	41.9	41.4
Convenience	13	7.8	10	5.8	9.4	8.8
Retail Service Hairdressers & Travel Agents	25	15.0	32	18.6	10.4	9.8
Leisure Service Bars & Cafes	23	13.8	36	20.9	15.7	15.9
Business Service Banks/Estate Agents	15	9.0	18	10.5	8.6	8.5
Vacancies	23	13.8	12	7.0	12.8	13.6
Miscellaneous	2	1.2	0	0	1.2	2.3
TOTALS	167	100	172	100	100	100

*Experian Goad Town Centre Survey 2009, **AECOM site visit 2012 and

† Experian Goad Town Centre Survey 2012

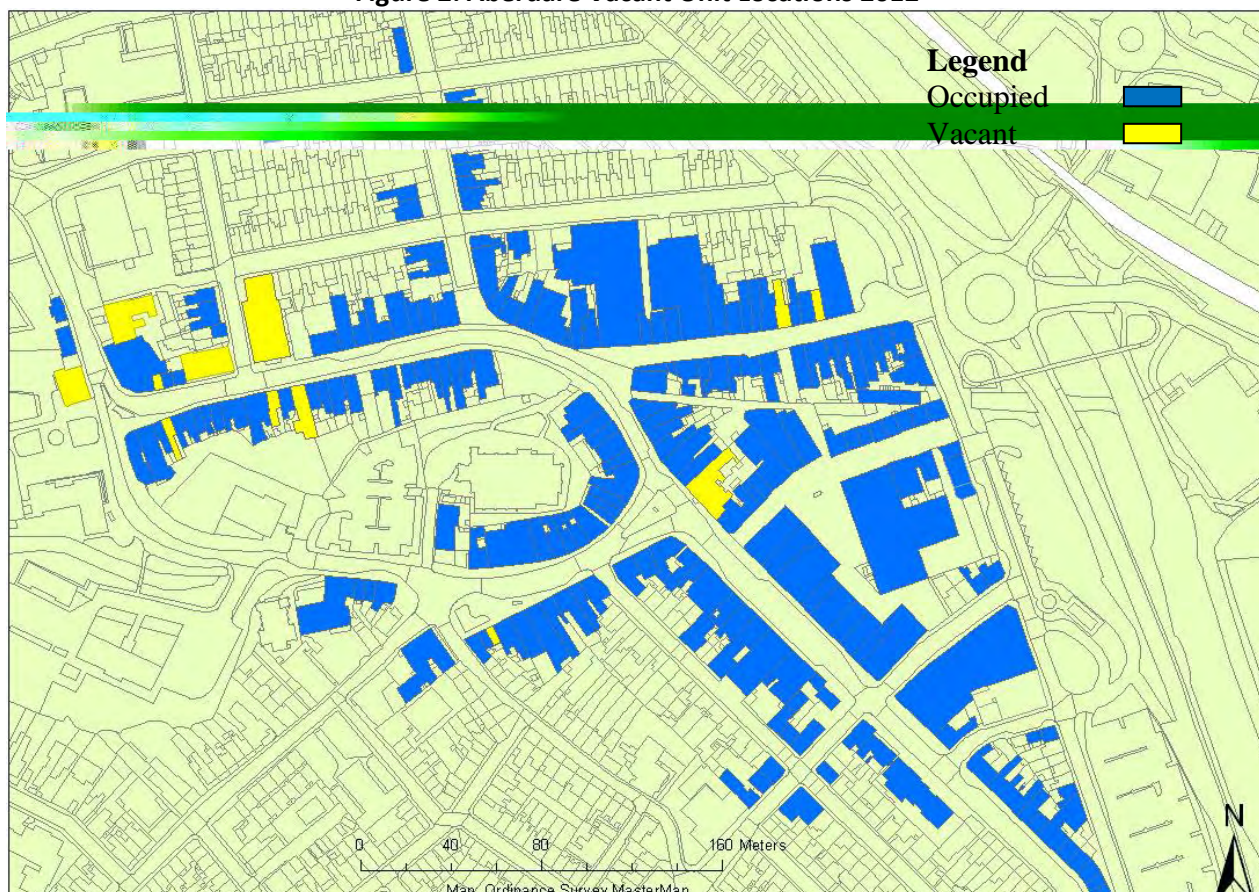
The general trend in Aberdare appears to be broadly positive. Whilst Comparison and Convenience retail in the town has declined, Aberdare has not seen the number of vacant units rise. Instead the town has changed its retail offer and adapted to the changing needs of consumers and the vacancy rate in the town is over 5.5% points below the national average. The town centre is now much more service focused than it was in 2009 and there are a much higher proportion of Retail and Leisure Service provisions than at the national level.

VACANCY RATES

The AECOM site visit (Table 4 above) identified some 12 vacant units in 2012 which is almost 50% fewer than identified in 2009. The vacancy rate of just 7% in 2012 shows further improvement on the 10.5% vacancy rate recorded by AECOM in May 2011 at the time of the Baseline Report and is now significantly below the national average rate of 13.6%.

Figure 2 overleaf highlights the distribution of the vacant units in 2012. This shows the core of the town centre along Commercial Street and Cardiff Street to be relatively robust with very few apparent vacancies. A small cluster of vacant units can be seen halfway along Canon Street heading west towards high Street. The map overleaf illustrates the location of vacancy rates in the town centre in 2012. The units coloured in yellow are vacant whilst the remaining units were occupied as at the time of the survey.

Figure 2: Aberdare Vacant Unit Locations 2012



Source: AECOM Evaluation Team – Town Centre Retail Survey 2012

TRADER MIX

Independent traders comprised some 63.9% of all occupied shop units in Aberdare according to the Experian Goad 2009 survey. Conversely, multiple retailers (a retailer that is part of a network of nine or more stores) occupied 36.1% of occupied outlets but 54.9% of occupied floorspace.

The prevalence of multiple retailers in Aberdare declined significantly in 2010 and accounted for just 25.1% of total occupied retail units. Conversely, the proportion of independent retail units increased in 2010 to 74.8%. This was when vacancy rates in the town were at their highest, largely a result of changes by national retailers. Site visits for this interim evaluation in 2012, however, suggest a slight increase in the number of multiple retailers comprising nearly 28% of the total town centre units.

Table 5: Aberdare Independent & Multiple Retailers 2009 and 2012

	2009		2010		2012	
	Independent	Multiple Retailer	Independent	Multiple Retailer	Independent	Multiple Retailer
Units	92	52	134	45	124	48
% of Occupied Units	63.9%	36.1%	74.8%	25.1%	72.1%	27.9%

Source: Experian Goad 2009; AECOM Site Visits 2010 and 2012

The uplift in the proportion of national retailers is a sign that Aberdare has some underlying retail strengths and once again presents a positive investment proposition. Walking around Aberdare it is clear that independent cafes are also thriving and that there are a range of new retailers.

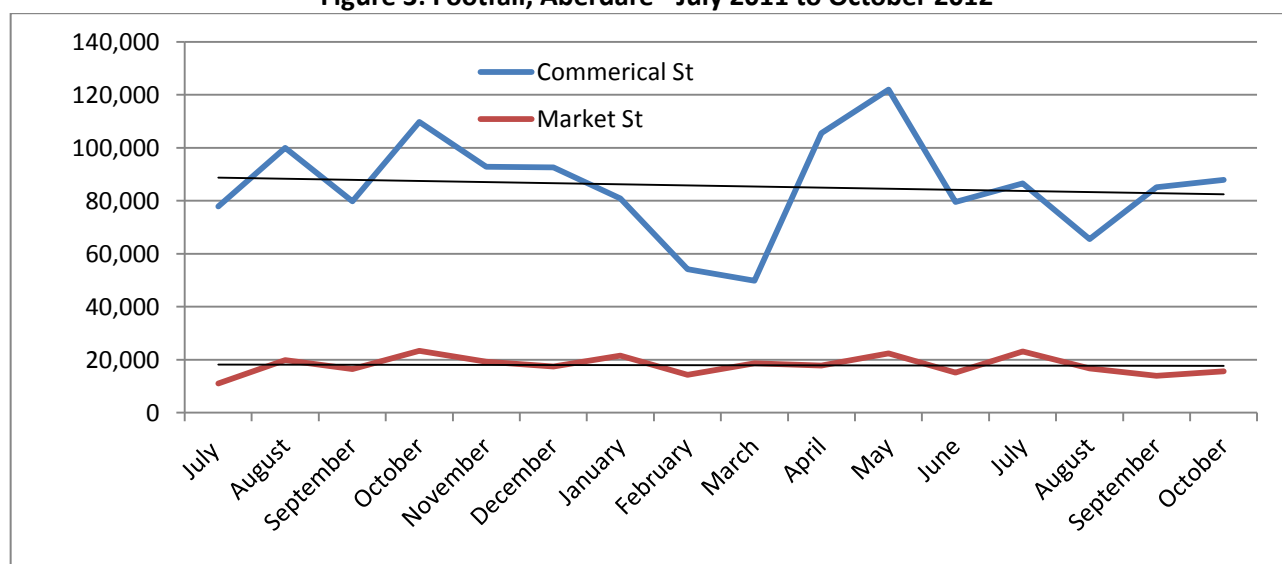
PEDESTRIAN FOOTFALL

Nationally, footfall trends have been following a general downward trend. So far in 2012 the only month to show a positive year on year change in footfall was August possibly as a result of the Olympics “feel good” factor. The month of July 2012 recorded a 15.6% decline in footfall when compared to the same period one year earlier.

Footfall data in Aberdare has been collected by Experian Footfall Monitor at two locations in Aberdare: Market Street and Commercial Street. The data has been provided to AECOM by RCT. The graph below presents footfall trends in Aberdare between the periods of July 2011 and October 2012. Over the period there has clearly been a sustained decline in footfall although this has been interrupted by significant peaks and troughs.

It should be noted that whilst the graph below is indicative of the overall footfall trend, in early 2012 Experian did report some problems with the footfall counters. It is likely that issues with the counters are the main cause for the low footfall levels in February and March.

Figure 3: Footfall, Aberdare - July 2011 to October 2012



Source: Experian Footfall Monitor

The trend in Aberdare is of a relatively gentle decline in footfall rates. Over the 16 month period illustrated above the monthly footfall count at Commercial St declined from an average of 90,000 to an average of 80,000. Similarly the average monthly footfall count at Market Street declined from 19,000 to 18,000. It is likely that the recession and slow economic recovery have had a negative impact on town centre retail. In addition, the internet's ever increasing market share of retail sales is adding to the decline in footfall.

HEALTHCHECK CONCLUSIONS

Overall, the healthcheck analysis presents a picture of Aberdare as a reasonably healthy town centre although it is still vulnerable to wider economic uncertainty the town centre has gone some way to restructuring its retail offer. The shopping mix in the town centre appears to be relatively well balanced, albeit under-represented in terms of comparator and convenience retail, which is expected given the size and function of the town as a local service centre. Despite these positives, average monthly footfall declined in the 16 months to October 2012.

6 COMPARATIVE CENTRES

The 2010 Baseline Report positioned Aberdare alongside a number of comparable town centres in the region. Changes in the performance of these town centres relative to Aberdare are set out below together with further comparisons drawn from parallel research undertaken by members of the team into the town centres across the Welsh Government's designated Regeneration Areas.

RETAIL RANKING

The table below shows the changes in retail rankings between 2010 and 2011. Aberdare has dropped two places in the Wales Ranking to 36th place despite improving its UK national ranking from 747 to 681.

This appears to be in contrast to Merthyr Tydfil, Pontypool and Ammanford, which have all improved their Welsh ranking performance by 4, 5 and 8 places respectively jumping further up the national retail rankings. These towns are likely to have benefitted from the inclusion of major food-stores within their town centre footprint in the 2011 Javelin Venuescores, recognising the important destination draw of such facilities. Furthermore, Carmarthen has moved up to 5th place in Wales, replacing Cwmbran following the major town centre re-development.

Table 6: Comparator Towns Retail Rank 2010 and 2011

Town Centre	Retail Ranking Wales 2010	Retail Ranking Wales 2011	Retail Ranking UK 2010	Retail Ranking UK 2011
Cwmbran	5	8	210	231
Carmarthen	8	5	251	199
Bridgend	10	12	298	300
Llanelli	14	15	354	343
Merthyr Tydfil	15	11	373	288
Pontypridd	20	22	447	500
Aberdare	34	36	747	681
Ammanford	44	38	868	760
Pontypool	53	48	1,139	984

Source: AECOM using Javelin Venuescore National Retail Rankings

TOWN CENTRE MIX OF USES

The table below shows the mix of town centre uses in Aberdare compared with UK and the average for the towns across the Regeneration Areas in Wales together with individual town centre comparisons. It should be note that Aberdare is included within the Heads of the Valleys Regeneration Area but not Pontypridd which is shown separately as well for comparison.

As previously highlighted for Aberdare, town centres across the Regeneration Areas in Wales also appear to present a much broader mix of uses compared to the UK national average.

Aberdare has a much higher level of Comparison retail units relative to the Regeneration Area towns' average but remains below the UK national average. The Convenience retail offer in Aberdare is one of the lowest of all the Regeneration Area towns and is significantly lower than the national average. Aberdare is particularly strong in Retail (18.6%) and Leisure (20.9%) Services compared to UK and the Regeneration Area towns average as well. Business Services, although above the UK average is less prominent than other Regeneration Area towns in Wales. Aberdare is performing extremely well in respect of low vacancy rates almost half the UK average.

Table 7: Town Centre Mix of Uses

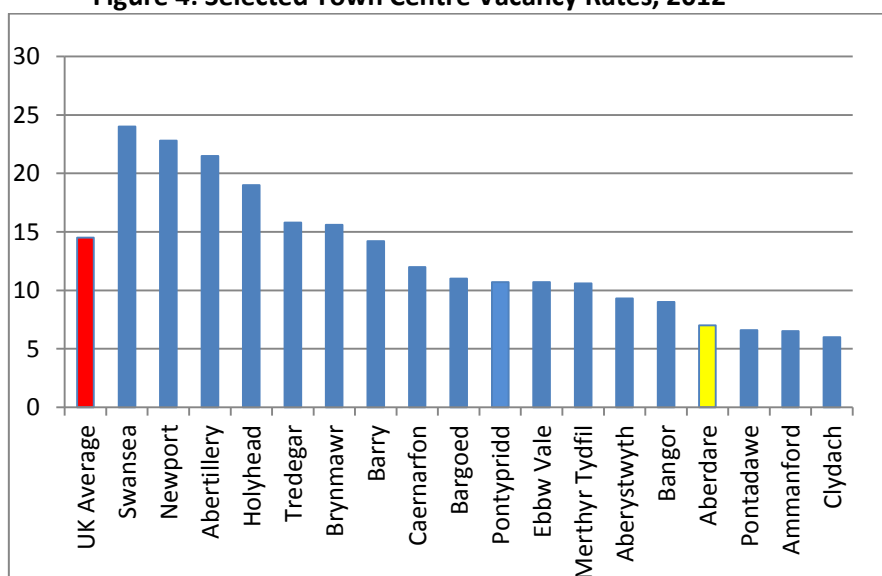
Town/Location	Convenience	Comparison	Retail Serv	Leis Serv	Bus Serv	Vacant
	Shop Units %					
UK Average 2011	8.5%	41.4%	10.9%	15.9%	9.6%	13.7%
RA Towns Average	7.5%	28.7%	16.1%	18.9%	15.7%	13.1%
Aberdare (2012)	5.8%	37.2%	18.6%	20.9%	10.5%	7.0%
Pontypridd (2012)	6.7%	38.8%	14.6%	16.9%	12.4%	10.7%
Newport (2012)	5.4%	28.1%	9.1%	17.0%	17.5%	22.8%
Aberystwyth (2011)	7.2%	28.2%	12.5%	23.1%	19.9%	9.1%
Llanelli (2008)	7.4%	35.9%	14.4%	9.5%	15.1%	17.6%
Merthyr Tydfil (2011)	7.2%	33.6%	13.4%	18.5%	19.5%	7.9%
Tredeggar (2011)	9.5%	26.6%	17.1%	17.1%	12.7%	17.1%
Abertillery (2011)	5.1%	21.7%	13.8%	22.5%	12.3%	24.6%
Ammanford (2012)	8.4%	35.1%	13.6%	19.5%	16.9%	6.5%
Brynmawr (2011)	5.8%	25.8%	17.5%	20.8%	10.0%	20.0%
Bargoed (2012)	6.9%	28.3%	20.7%	17.9%	15.2%	11.0%
Ebbw Vale (2011)	4.7%	34.1%	14.7%	19.4%	15.5%	11.6%
Pontardawe (2012)	9.9%	16.5%	18.7%	22.0%	26.4%	6.3%
Clydach (2012)	9.0%	19.4%	28.4%	25.4%	11.9%	6.0%
Ystradgynlais (2008)	13.7%	33.8%	11.8%	13.8%	17.6%	9.8%

Source: Welsh Government - Evaluation of Current Practice in Relation to Town Centre Regeneration (October 2012) based on PER Consulting Analysis September 2012.

TOWN CENTRE VACANCY RATES

The chart below shows the vacancy rate for Aberdare (October 2012) compared with the latest available figures from towns across the Regeneration Areas and the UK average rate of 14.5% according to latest evidence from The Data Company. The chart shows Aberdare has one of the lowest vacancy rates across the Regeneration Area towns in Wales.

Figure 4: Selected Town Centre Vacancy Rates, 2012



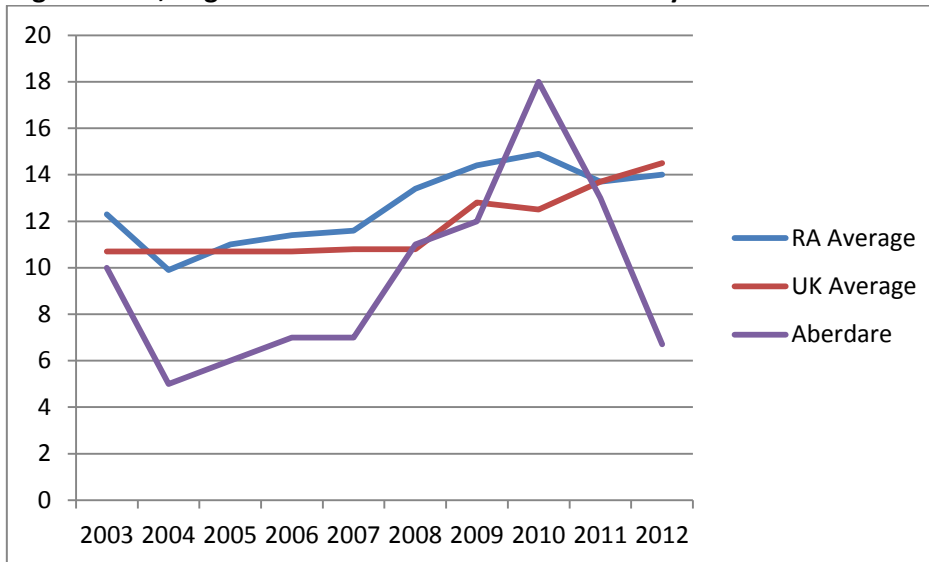
Source: PER Consulting Analysis 2012 from various sources.
UK Average from "The Local Data Company"

VACANCY RATE TRENDS

The chart below illustrates the vacancy rate trend in Aberdare against the average town centre vacancy rates across the Regeneration Areas (where data is available) and the UK from 2003.

Vacancy rates in Aberdare have appeared consistently below the national and Regeneration Area towns' average until the impact of the national recession impacted on the town from 2007. Between 2007 and 2010, vacancy rates in Aberdare increased rapidly to a peak of 18% well above the UK and Regeneration Area towns' average at that time. Since then, however, the position in Aberdare has improved rapidly to pre-recession levels by 2012.

Figure 5: UK, Regeneration Area and Aberdare Vacancy Rates – 2003 to 2012

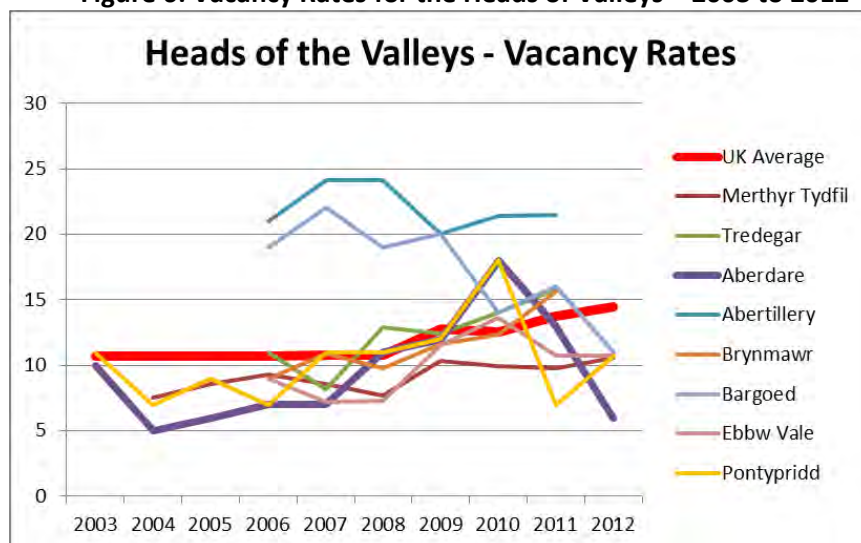


Source: PER Consulting Analysis 2012. UK Average Trends -Experian Goad and The Local Data Company

Heads of the Valleys Towns

The Aberdare vacancy rate trend is shown again in the chart below compared with data other towns in the Heads of the Valleys Regeneration Area, Pontypridd and the UK average. There is a strong cluster of towns performing at or around the national average vacancy rate. Aberdare, however, has tended to perform more strongly than other towns in the Heads of the Valley area and appears to have recovered quickly from the recessionary impacts on town centre vacancies.

Figure 6: Vacancy Rates for the Heads of Valleys – 2003 to 2012



Source: PER Consulting Analysis 2012.

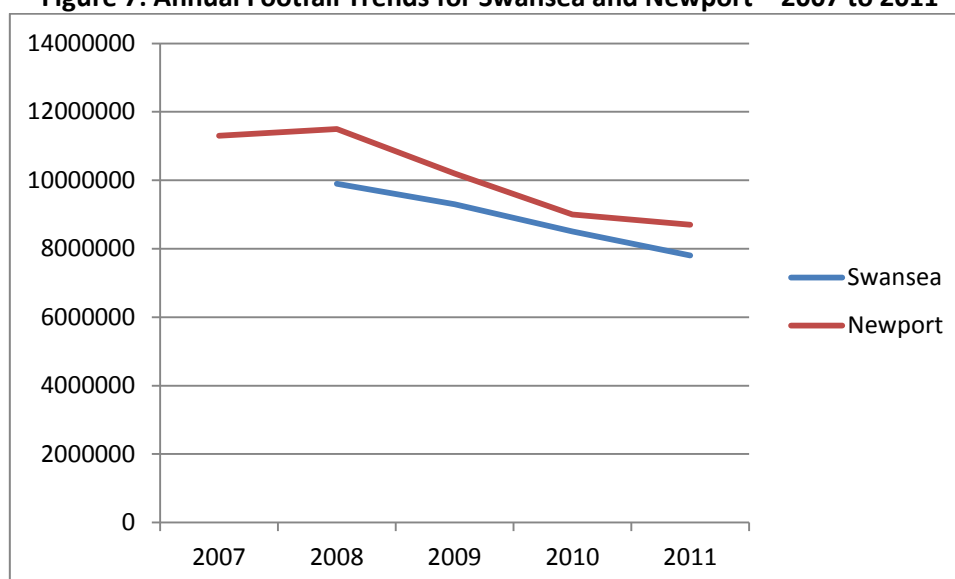
TOWN CENTRE FOOTFALL TRENDS

Annual town centre footfall estimates have been assimilated from weekly data counts captured for subscribing local authorities either by Experian or Springboard using automated counters installed in key locations. Not all town centres are covered by automatic footfall counters and we, therefore, only report on those centres where information exists.

There is inevitably an order of magnitude difference in footfall numbers between the major city centres in the RAs and the more local town centres. Annual footfall in Swansea and Newport for example is currently around 8 million people, compares with around 1 million visitors for Ebbw Vale and Abertillery, 700 - 800,000 people a year in Brynmawr and Aberdare and around 500 -600,000 in Tredegar and Bargoed.

Nationally, footfall counts in towns and cities have typically shown a decline of around 5-6% per annum since 2009. The chart below highlights the trends in footfall for Swansea and Newport, both of which have fallen in line with national trends indicated by Springboard data. Swansea has fallen by 21% from around 10 million visitors per annum in 2008 to 7.8 million visitors in 2011. Newport has declined even further, by 24% from a peak of 11.5 million visitors in 2008 to 8.7 million in 2011; although there have been more recent reports of Newport bucking the trend in week on week comparisons in the first half of 2012 which may be attributed to the increased student presence in the city centre.

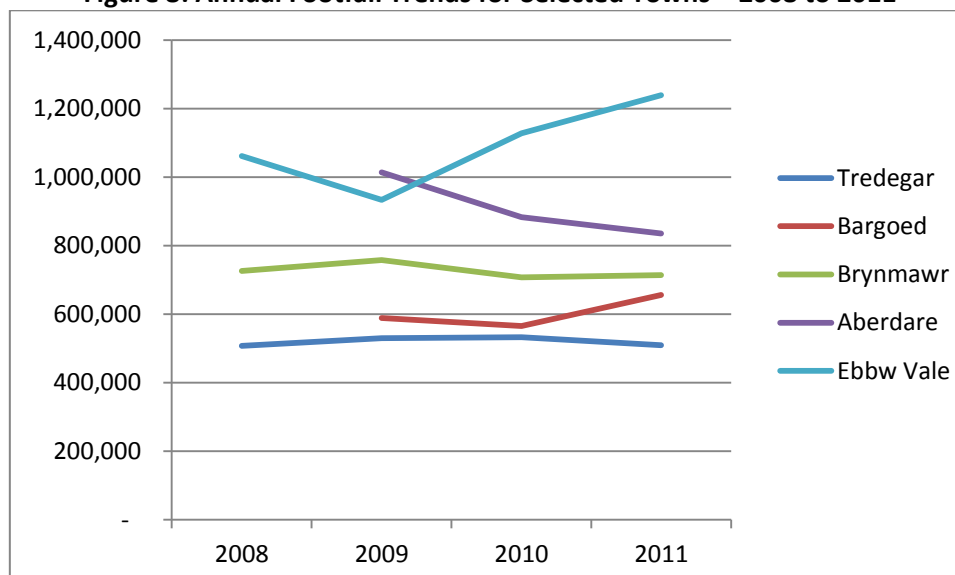
Figure 7: Annual Footfall Trends for Swansea and Newport – 2007 to 2011



Source: PER Consulting Analysis 2012

A more varied picture of footfall trends emerges in the smaller towns in the Heads of the Valley (HoV) RA as shown in the chart below. Ebbw Vale has steadily increased its footfall over the past two or three years. In 2011, Ebbw Vale captured some 1.2 million visitors, up 10% per annum since 2009 which supports the recent improvement in vacancy rates. Bargoed has also shown a recent uplift in footfall, +16% from 2010 with 655,900 visitors in 2011, again reinforcing the improvement in the towns' vacancy rate.

Figure 8: Annual Footfall Trends for Selected Towns – 2008 to 2011



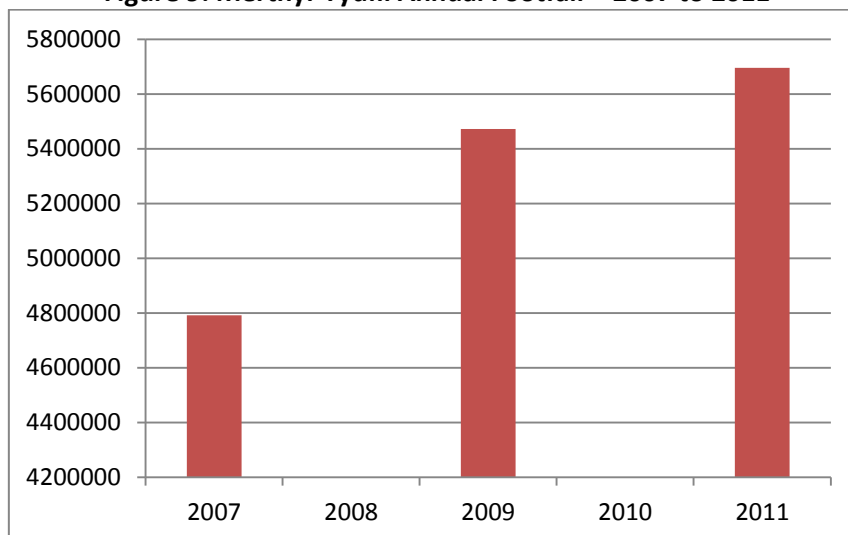
Source: PER Consulting Analysis 2012

By contrast, despite showing improvement in town centre vacancy rate, Aberdare has continued to lose annual footfall numbers, 18% down since 2009 from just over 1 million to 835,000.

Footfall trends in Brynmawr and Tredegar are relatively flat, down only around 5% over the past three years for which data is available.

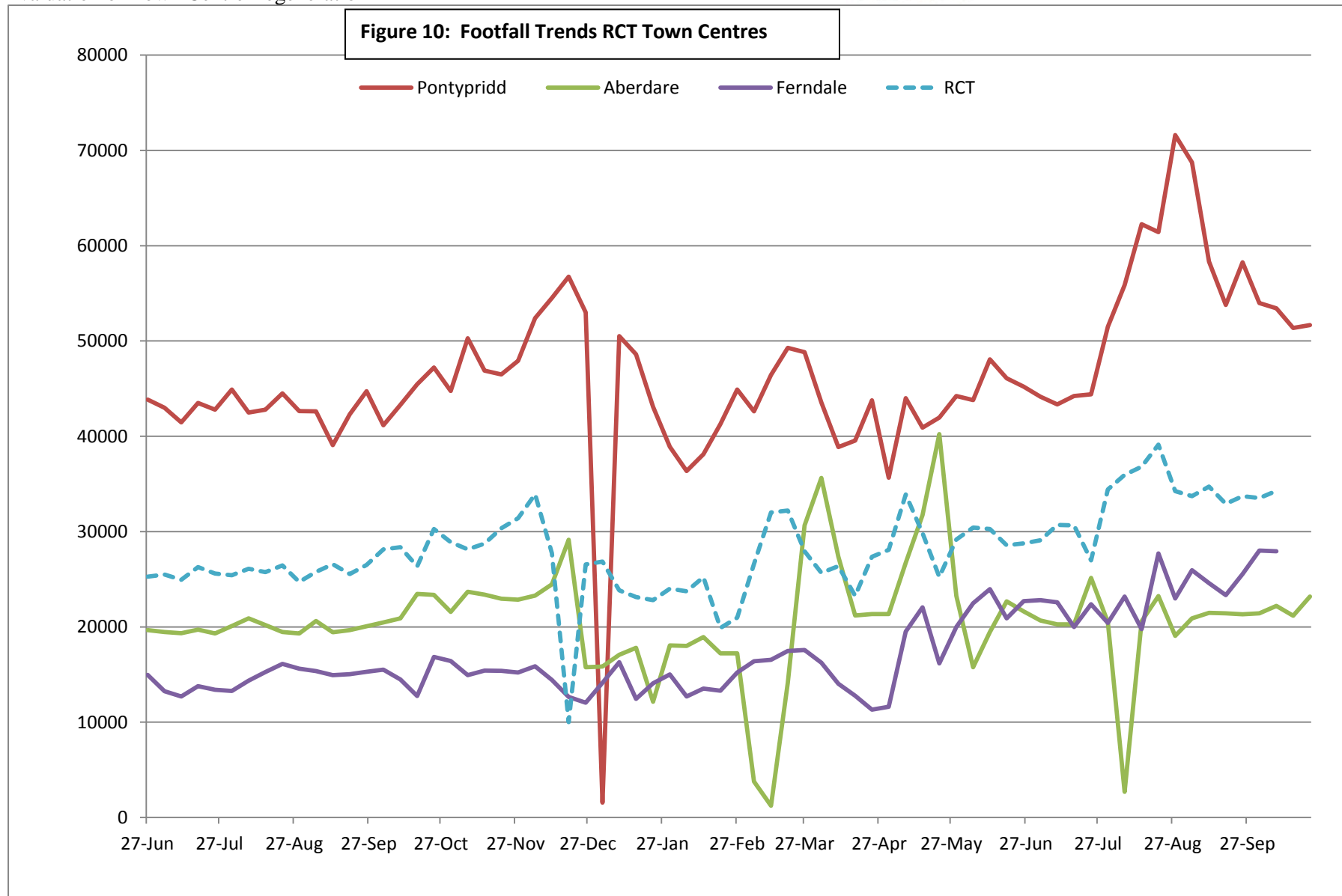
Footfall data for Merthyr Tydfil is shown separately in the chart below as there have been interruptions and changes to the way data is captured and the locations of the footfall counters in the town. Contrary to the experience of other centres, this appears to show an increase in annual footfall in the town centre since 2007 rising from 4.8 million in 2007 to just over 5.6 million in 2011. This may, however, be due to anomalies in the data capture rather than a real underlying increase. A more consistent footfall count will now be possible going forward from 2011.

Figure 9: Merthyr Tydfil Annual Footfall – 2007 to 2011



Source: PER Consulting Analysis 2012

The graph below presents footfall trends between the June 2011 and October 2012 for the three towns of Aberdare, Pontypridd and Ferndale. The dashed blue line labelled RCT presents an average for the three towns in-order to show a general trend for the three towns. There are two clear trends coming out of the data. The first is that all towns have experienced an increase in footfall in recent months, which suggests that the historic downward trend has bottomed out and may be reversing. The second trend is that footfall in each of the three towns has become much more erratic – although some of this will be due to technical difficulties with in-town counting equipment.



PART THREE

Evaluation Issues

7 CRITICAL REFLECTIONS

This report has raised a number of evaluation observations, that both reflect on what has been achieved to date and the current regenerations contribution towards outputs presented in the Business Case (November 2010).

Observations – Project Output & Outcomes

The aims and objectives of the project were clearly defined and scoped in the Business Case (November 2010). In-order to observe progress towards aims and objectives to date, the AECOM evaluation team has undertaken a number of site visits to Aberdare. Clear progress has been made in all areas of the town that had been identified as priorities for regeneration.

Any significant town centre regeneration programme is likely to have a disruptive impact in terms of the need to re-route pedestrians and cars whilst contractors are on-site. How this process is managed is an important part of the regeneration process. Within Aberdare, it was apparent that the reduction and mitigation of disruption has been addressed as best as possible.

Observations – Progress against Aims & Objectives

Good progress has been made across all priority areas. The public realm improvements are almost 80% complete, half way through the original two-year time frame for the project. The public realm improvements are expected to be completed in 2013.

With regard to the ERDF output to complete 1 ‘physical improvement scheme’ the completion of the total suite of proposed developments in Aberdare constitutes 1 physical improvement scheme. Consequently this target measure and output can only be achieved at the completion of the whole scheme.

ERDF output ‘premises created or refurbished’ is currently at 17.6% of the outputs presented in the Business Case (November 2010). The TEP projects are expected to contribute its outputs by the end of 2013, however, the THI programme has been extended to April 2015 and therefore it is considered that the outputs relating to properties will deliver in the latter stages of the project.

A similar concern is levied for the ERDF output ‘Enterprises accommodated’, which so far has only achieved 16.7% of the target and appears to have a significant amount of work to do to facilitate the accommodation of the remaining 83.3% of target enterprises (14 enterprises).

ERDF Output ‘jobs accommodated’ has reached 30% (12.6 jobs) of the business case target (42 jobs). However there is some discrepancy in how this output is measured. The revised WEFO indicator definition does not provide any guidance as to whether the employment density multiplier should be applied to gross or net floorspace and the business case target is based on a different approach.

The final ERDF output is the number ‘gross jobs created’. At the time of this report 15.6% (five jobs) of the target (32 jobs) had been achieved. Each job had been identified through the payroll of each enterprise accommodated. It is not clear as to whether the same enterprises will contribute more jobs towards this ERDF output target or whether additional ‘enterprises accommodated’ will generate the remaining 84% of jobs.

Further to ERDF Outputs RCT has developed a number of Additional Outputs which are expected as a result of the proposed regeneration activities. A number of observations have been made with regard to these outputs. The outputs have been provided below in bold italics and the observations provided next to them:

- **Reduction in Vacant Properties:** The number of vacant properties in Aberdare has declined since the Baseline assessment. There has however, been a need to change the method by which vacancy rates are measured. Vacancy rates in Aberdare are also below the national average, which suggests the town is catering to the demands of local people.
- **Increase Footfall:** Average monthly footfall has declined over the 16 month period since regeneration works began in the town centre. However, comparison of footfall rates over the 10 months of 2012 and the same period of 2010 show an increase in total footfall count.
- **Reduction in Commercial Yield Rates:** Given continued constraint in the national retail property market and the general lack of investor confidence it is considered unlikely that the planned town centre improvements will lead directly to a reduction in commercial yields. Whilst no formal investment sales have been recorded in Aberdare, the continued compression on rental levels and occupier uncertainty is assumed to have led to a softening of investment yields to around 9-10% in 2012 (from 8-9% in 2011).
- **Increase in Zone A Rental Rates:** Whilst there has been movement in occupiers in Pontypridd, the retail market continues to be highly variable and uncertain. Rental deals are currently being struck simply to remove the landlord burden of empty property rates and on relatively short-term agreements. Market rents remain under significant pressure, nationally, and are estimated to have reduced further in the last 12 months or so to around £20 Zone A for prime sites in Aberdare.
- **Improvement in Public Perception of Town Centre:** This aspect of the evaluation has not been updated at the interim evaluation stage.
- **Reduction in Car Journeys to Aberdare:** This aspect of the evaluation has not been updated at the interim evaluation stage.

8 CONCLUSIONS & RECOMMENDATIONS

The tables below reproduce a number of the ERDF and Additional Outputs laid out in the Business Case (November 2010). Additional Outputs have been amended in the table below in order to incorporate a number of new targets or measures in-light of the evaluation observations made above. ERDF Outputs have not been amended, however, as they have been agreed and confirmed by WEFO. The table also presents progress towards both ERDF and Additional Outputs as at September 2012.

GENERAL PROGRESS

Overall, very good progress has been made with implementation of the town centre improvements in line with the original design objectives. Whilst this has created inevitable disruption within the town, trading activity and business performance appears to be coping well. Importantly, pedestrian footfall appears to be rising despite the on-going works and will, hopefully, continue as the benefits of the environmental improvements are realised.

MONITORING PERFORMANCE

Rhondda Cynon Taff County Borough Council has maintained good quality records on project delivery and implementation providing clear evidence in support of emerging outputs and outcomes.

TOWN CENTRE ACTIVITY

The town centre improvements are taking place during a time of considerable and continuing commercial market uncertainty; especially in the retail sector. As to be expected, therefore, Aberdare town centre continues to evolve with more emphasis emerging on service activities rather than pure retail focus. This is good for the town in meeting the needs of the local community and providing an alternative offer to other competing centres. Despite the challenges, vacancy rates in Aberdare have improved significantly and are well below the UK and Wales average.

Overall, Aberdare continues to demonstrate a healthy and vibrant town centre which is benefitting from the investment being made to date.

Table 8: ERDF and Additional Outputs

Table 6: ERDF and Additional Outputs				
Indicator	Business Case Regeneration Targets	Interim Progress (September 2012)		
ERDF				
Land Developed	1.545ha	1.221ha		
Physical Improvement Schemes	1	79%		
Premises Created or Refurbished	3,750 m ² (17 premises)	251.8 m ² (3 premises)		
Enterprises Accommodated	18	3		
Jobs Accommodated	42	12.6*		
Gross Jobs Created	32	2.66		
	Additional Outputs			
	Baseline	Original Target	New 2015 Target	Interim Progress (September 2012)
Reduction in Vacant Properties	11.82% <i>(Source RCT Survey 2009)</i>	9%	Below 12%	Significant Progress Down to 6.7%
Increase in Footfall	21,297 (2 nd Week in March 2011) <i>(Source: Experian Footfall)</i>	+2% increase above the RCT trend	Maintain average weekly footfall above 20,000	Good Progress averaging 20,400 to date
Reduction in Commercial Yield Rates	8.75% <i>(Source: Business Case, November 2010 – Confirmed by Robert Chapman Associates)</i>	8%	8.75%	9-10% Poor Progress Effect of National Recession
Improvement in Public Perception of Town Centre	21% believe the Town Centre to be ‘Poor’ <i>(AECOM Shopper Survey, March 2011)</i>	50% improvement	11% believe the Town Centre to be ‘Poor’ <i>(AECOM Shopper Survey, March 2011)</i>	Not Measured in Mid-Term Evaluation
Increase in Zone A Rental Rates	£20-£30 per square foot <i>(Source: Business Case, November 2010 – confirmed by Robert Chapman Associates)</i>	£30-£40 per square foot	£20-£30 per square foot	£20 per square foot Poor Progress Down on Baseline
Reduction in Car Journeys to Aberdare (and Increase in Sustainable Transport)	51% <i>(Source: AECOM Shopper Survey, March 2011)</i>	-2%	49% of town centre visitors arrive by car	Not Measured in Mid-Term Evaluation

Source: AECOM and Aberdare Business Case, November 2010; AECOM Analysis 2012

*Note: WEFO approved methodology has changed since the original target was set – see explanatory text pages 10 & 11

OUTCOMES

Throughout the Business Case (November, 2010) significant attention has been given to the outputs desired from the regeneration projects. There are, however, a number of outcomes resulting from the regeneration activity which are referenced in the Business Case (November, 2010) but not fully captured in the output tables.

Appraisal Process and Procurement Decisions and will also contribute to the long term sustainable impact of the regeneration process. These additional outcomes will also need to be monitored and evaluated in the final stage report as follows.

Table 9: Regeneration Project Outcomes

Outcome	Measure
Private Sector Investment	The amount of money leveraged through Townscape Enhancement programme. In addition to investment in the town resulting from Public Realm improvements. This is likely to be to the sum of £296,791 which is a £176,791 increase on the original target.
Increase Employment of the Economically Inactive	Through creating employment with the new contractor the regeneration activities in Aberdare have created 1 new post.
Maximise Local Supply Chain Links, in Particular with SME's	To be confirmed in Final Business Case following completion of Value Engineering exercise and supply chain procurement.
Improve Safety During Construction	To be confirmed in Final Business Case
Reduce Construction Waste	To be confirmed in Final Business Case
Reduce the Length of the Works Programme	To be evaluated on completion of works against expected programme.
Reduce the Impact of the Works on Traders and the public	To be evaluated through consultation and perception surveys. It should be noted at this stage that a Communication Strategy has been written in-order to keep local people and businesses up informed of progress.

Source: Aberdare Business Case, November 2010 and RCT November 2012.

Appendix 01

Town Centre Regeneration Project Proposal Details

Physical Regeneration of Aberdare Public Realm Proposals Optimum Quality Specification

Legend

- Carriageway Construction - Tarmac
- Pennant Sandstone Paving
- Resurfacing - Tarmac



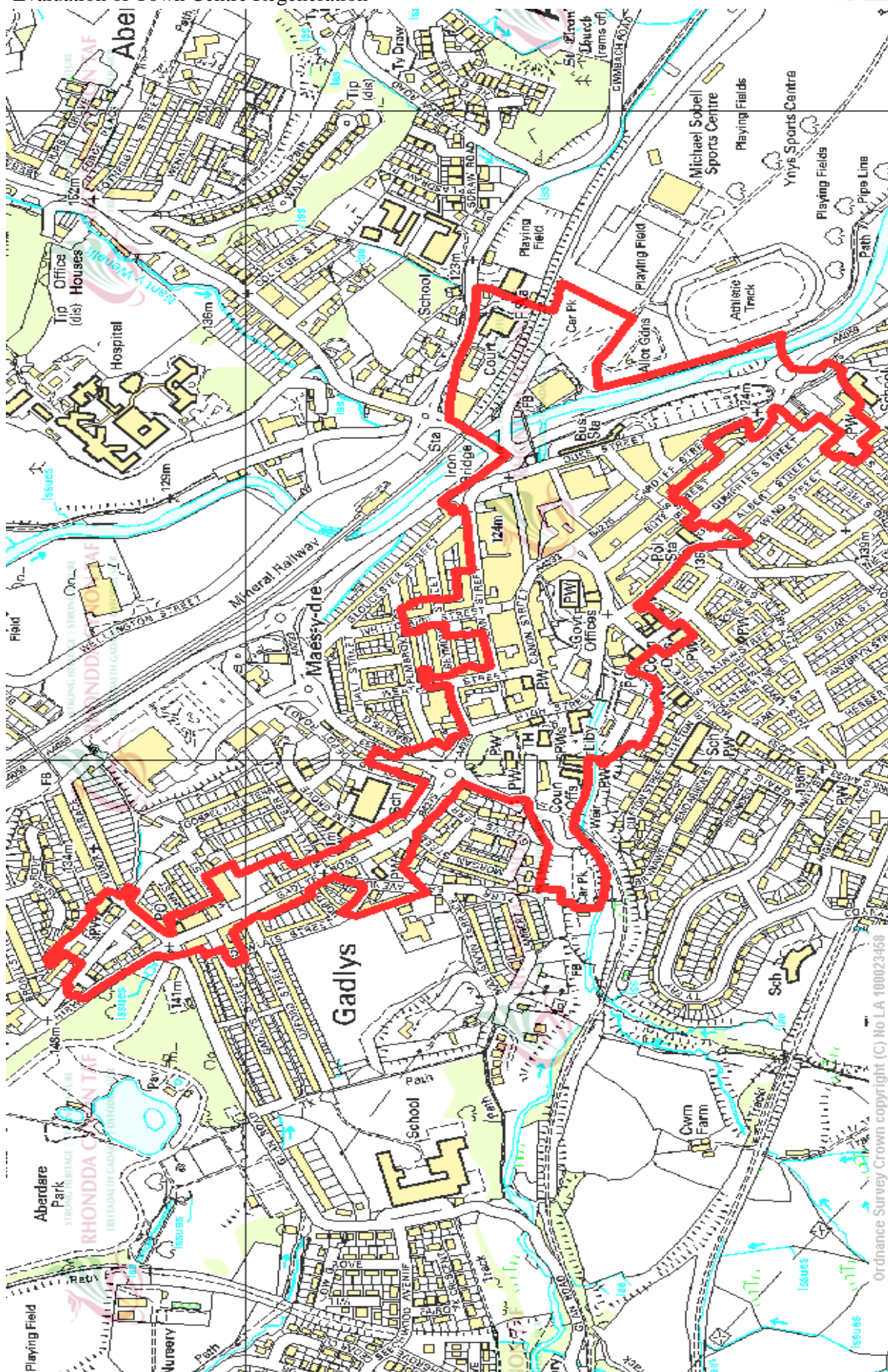
Paving



Pennant
Sandstone

Appendix 02

Aberdare Commercial Improvement Area Map



Aberdare Commercial Improvement Area Boundary



Churchill House, Churchill Way, Cardiff, CF10 4HH
02920 353440 www.aecom.com/designplanning