DOES INVESTMENT IN THE BUILT FABRIC OF HISTORIC TOWNS DRIVE ECONOMIC RECOVERY?

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Abstract. In the late 1990s the UK's Heritage Lottery Fund (HLF) recognized that many historic towns in Britain were experiencing economic distress. A program was designed to support the refurbishing of buildings in these towns in what became known as "conservation-led regeneration." The Townscape Heritage Initiative (THI) has since assisted almost 200 places and expended £175 million. At the outset the HLF decided to set up a comprehensive evaluation program to determine whether and how the THI accomplished its goals of not only economic but also social regeneration. A team of researchers from Oxford Brookes University in the UK and the University of Waterloo in Canada was tasked with following the THI over a ten year period. Base line studies of 16 representative THI sites were conducted in 1999-2000. The same places were then examined in 2005-06 and finally in 2010-11. Four major indicators and sixteen sub indicators were used and hundreds of pieces of information collected at each time interval. The results are now available. Not surprisingly the results of the program were uneven. Some places experienced positive changes, others places were at least prevented from getting worse while there were some cases where economic and social decline continued. The research team is now in a position to be able to indicate what worked and what did not, and to offer an explanation for this with respect to the relationship between heritage investment and a range of 'soft' and 'hard' outcomes.

1. Context of this Study

In December 1998 the Heritage Lottery Fund (HLF) initiated a programme called the Townscape Heritage Initiative (THI). It was the HLF's first venture into regeneration funding. The programme took an explicitly conservation-led approach and was designed to help areas that had both heritage merit and a real social and economic need for public investment (Heritage Lottery Fund 2002). In 1999 the HLF selected Oxford Brookes University (OBU) to undertake a long-term evaluation of the THI. The OBU team has been led by Dr. Alan Reeve of the Joint Centre for Urban Design and from the beginning included Prof. Robert Shipley, Director of the Heritage Resources Centre at the University of Waterloo in Canada.

At least 175 towns and cities across the UK have benefited from over £170m of HLF investment through the THI programme over the past ten years, and HLF's funding has levered more than double that amount from other sources. For the last 12 years the researchers have followed the progress of the THI programme, beginning with a detailed baseline data-recording exercise of 16 selected case studies (see Figure 1). The field research has just been completed in the last few months and a full picture of what has changed in the case study areas is emerging as the data is analysed.

This report summarizes some of the initial findings from the research into the impact of the Townscape Heritage Initiative (THI). It sets out the rationale for the research, the background to the study, and its overall aims in relation to the THI programme. It also presents the key reflections and recommendations drawn from the analysis to date.
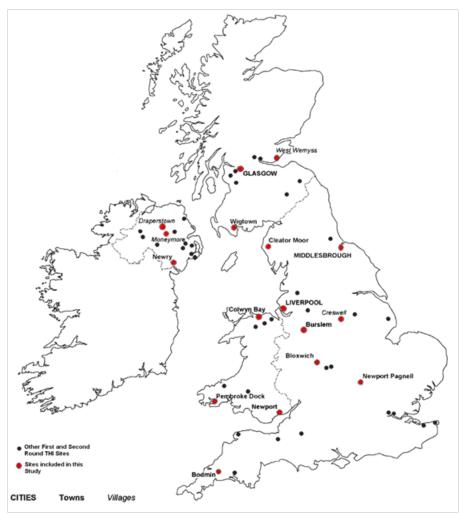
Figure 1. THI Sample Sites

2. Rationale for the Townscape Heritage Initiative

The decline of many historic town centres in the United Kingdom has been the unfortunate result of economic and social forces as varied as the places themselves. Resource depletion, which sees the demise of traditional local enterprises such as mining or fishing, is one example; de-industrialisation and the loss of long-established manufacturing firms are other common causes. There are other reasons for decline, but the results often follow a similar scenario: the customer base for shops diminishes, offices close, businesses either fail or cannot afford to maintain their premises, property values fall, vandalism and crime increase, and the town begins to lose confidence and vitality. Experience in many places, however, has shown that the buildings and other structures in these towns and city centres can revitalise their economies, if they are saved and restored (Otsuka

& Reeve, 2007)). Pride in the heritage of towns can be both a result of revitalisation and a motivator for it – but civic pride and confidence are almost always enhanced by physical improvements.

3. Approach

The THI programme was intended to address problems of "disrepair, erosion of quality and under use of structures in areas where historic buildings predominate" (Heritage Lottery Fund 2002). It enabled partnerships of local authorities, regional development agencies, European Regional Development Fund, English Partnerships through gap funding and public realm funding, The Welsh Assembly and so on to preserve and enhance the distinctive character of historic areas.

The long-term evaluation of the impacts of the THI

programme has been undertaken through following a sample of 16 schemes funded under in the first two years of the programme. In essence, HLF posed four questions

for the research to be applied to each case study:

First, has the THI scheme improved the area's appearance?
● Second, has the THI scheme contributed to the community's sustainability through encouraging community involvement and access - that is, has it enhanced quality of life?
● Third, has the THI scheme facilitated investment in the area?
● And finally, has the THI scheme created greater social and business confidence?

These four themes, appearance, quality of life, investment, and confidence, formed the core of Oxford Brookes' investigation. The themes are, obviously, very broad and encompass physical, economic and social dimensions. HLF's aim was for the THI programme to have a positive influence on all of these themes, in all places benefiting from its investment, through the careful expenditure of funds.

The aim of the research was to capture the degree to which the programme as a whole was successful in its intentions and to undertake to determine the reasons for success or lack of success.

Oxford Brookes' research was not designed to monitor expenditure on specific properties, measure the precise return on investment or to arrive at some sort of formula to predict likely outputs in terms of jobs or square meterage of floor space brought back into use for a given sum invested. Nor was it intended to compare one THI scheme with another. The aim was to measure change and progress with respect to HLF's goals in each location.

The research approach employed four methods for gathering information and data: 1) household questionnaires, 2) interviews, 3) townscape surveys and 4) secondary data sources. Information collected in each of these ways was then used to inform a set of four key indicators each of which has four sub-indicators for a total of 16 (see Figure 2). No one indicator depends on only one source of information or one measure and the resulting "triangulation" gives strength to the conclusions that are drawn relating to the four themes that grow from HLF's original research.

INDICATORS
Indicators of Townscape Improvements
Streetscape Quality
Public Space Management
Private Space and Façade Management
Heritage Interpretation
Indicators of Quality of Life Enhancement
Employment and Income
Education and Personal Aspirations
Sense of Community and Social Inclusion
Security, Crime and Order
Indicators of Economic Regeneration
Land Use Changes
Retail Usage and Demand
Capital Values and Yields
Pedestrian Usage and Traffic Flow
Indicators of Image & Confidence Building
Media Coverage and Perceptions
Attitudes of Citizens & Community Leaders
Visitation and Sustainability
Business Vitality and Investment

Figure 2. List of Indicators

The approach that was chosen to synthesize and analyse the results of the research is referred to as the balanced scorecard (Kaplan & Norton, 1996). Using the scorecard involves rendering all information including economic measures, attitudinal changes, physical changes in the streetscapes and statistical data, into numerical values. These values can then be compared giving equal weight to both the elements that are traditionally easier to quantify and the aspects that are often disregarded because they are difficult to measure (see TABLE 1).

4. Findings

There is not time here to elaborate on the details of individual projects. All we can do is stand back from the case study work as a whole and begin to generalize on the basis of our research, about what seems to work where with respect to the ambitions of the THI programme indicated above. The following discussion explores this issue in terms of what we have called predictors of success, or failure as the case may be.

How well a THI performs in terms of our first theme, its townscape and conservation outcomes, appears to depend on a number of factors. Principally, these include local knowledge, experience and understanding of conservation and townscape quality; the existing and intrinsic heritage and townscape quality of the THI area and degree of heritage value; the local capacity to deliver heritage and townscape quality through investment in the physical fabric; and the appropriateness of the scale of the project. The research shows that where these factors have been taken into account the conservation and townscape benefits are clear – as in the cases of the Merchant City, Glasgow, West Wemyss , a small hamlet near Edinburgh; , and the Rope Walks project in Liverpool (see Figure 3). Perhaps where they have been less well understood, or the factors necessary to deliver positive conservation and townscape outcomes have simply not been present, the outcomes have been less successful – for example Cleator Moor, on the edge of the English Lake District, and Newry, in Northern Ireland. Pembroke Dock in Southwest Wales was perhaps an example of a THI too ambitious in its scale.

Figure 3. One of the views of the Liverpool Rope Walks area demonstrates the dramatic change that has taken place in some THI projects. The same view is pictures in 2000 (top), 2005 (centre) and 2010 (bottom).

Figure 4. Views of a street in Colwyn Bay show that little has changed in a decade except the replacement of the glass awnings. Such slight improvements, however, lead to a measurable increase in local pride and confidence. The pictures were taken in 2000 (top), 2005 (centre) and 2010 (bottom).

It is clear from the research that, in places where social deprivation is extreme (e.g. Middlesbrough, Burslem, Newport [Gwent] and Newry) the THI impact on measures of social deprivation is minimal. In cases where social deprivation appears to be less severe (e.g. Newport Pagnell, Colwyn Bay, West Wemyss, and the Merchant City in Glasgow) the impacts are greater (see Figure 4). In terms of social or community cohesion, the evidence is far less clear about links between community and demographic characteristics and the effectiveness of the THI. Specific predictors of success under the theme of social cohesion/quality of life seem to be:

● Certain demographic characteristics within the catchment area of a project – particularly the permanence or impermanence of local populations
● Social capital – defined by such things as the presence of community groups, of bottom-up partnerships, of a balance of ages, family types and so on. This clearly does not apply in schemes which are commercially focused
● High levels of crime and social disorder are, as with the economic context, a clear predictor of failure
● The historical and political context: a history of community and religious conflict will also create serious challenges to a project if it aims at improving community or social cohesion

At the heart of any successful regeneration project is the need for it to deliver economic benefits and to be economically sustainable and that was the third theme of this research. In the case of the THI where there is a stricter measure of success – meeting the gap between cost and value – this is even more the case. The key factors that influence this, and that might form the basis for developing discrete characteristics or elements of a THI capable of predicting success, include:

● The local economic context over time
● The housing market
● The precise gap between cost and value with regard to specific buildings
● Future economic prospects
● Special conditions or initiatives that can act in their own right as attractors of investment and spend
● Employment/wage trends within the catchment of the THI

The fourth theme of this research was community confidence. We found that this factor was directly related to some of the points already outlined above:

● Future economic prospects
● Employment/wage trends within the catchment of the THI
● Social capital – defined by such things as the presence of community groups, of bottom-up partnerships, of a balance of ages, family types and so on

The second theme is related broadly to the aim of the THI to enhance quality of life. The benefits of any regeneration programme must include improvements with respect to social indicators such as employment, community cohesion, crime reduction, and income improvement. The research suggests that it is possible to hypothesise a link between certain social factors – particularly related to social deprivation – and the success of a THI in having a positive influence.

Finally, we also identified a number of wider regeneration predictors from the research that do not fit easily into any of the original four themes, and do not constitute a group of issues in their own right, but which may form a critical part of any assessment framework. These include: regeneration experience and confidence; administrative and managerial competence; and levels of local commitment to regeneration and place.

4.1. REGENERATION EXPERIENCE AND CONFIDENCE

This is a key predictor of success. Those schemes that have been most successful seem to be in areas where there exists previous regeneration experience, particularly linked to heritage; where there is a strong network of informed agencies and actors engaged over a period in regeneration; and where there is a clear understanding of regeneration potential as demonstrated through a coherent and wider 'vision' for regeneration, and indeed heritage based place identity: the Merchant City, Liverpool Rope Walks, Newport Pagnell and West Wemyss provide clear evidence of this. Of course, it may be the case that in areas of extreme neglect and deprivation the presence of earlier regeneration may not have produced any particular benefit.

4.2. ADMINISTRATIVE AND MANAGERIAL COMPETENCE/ COMMITMENT

A further predictor of success is, clearly, the degree of administrative and managerial efficiency and competency within individual THIs. This, as the research indicates, can be measured with respect to the characteristics of individual staff, their training, knowledge of conservation and regeneration; competence at accessing necessary skills and information. It can also be seen as a function of the 'embededness' of the THI in other systems and operational structures – for example the relationship of the THI to the local authority. Whilst this is difficult to quantify, it is clear that where there is a strong relationship (all other things being equal) a scheme will be delivered efficiently: as in Bodmin, Wigtown, Scotland's 'Book-town' or the Merchant City. Further research will establish the predictive characteristics of such a relationship. A connected facet of managerial competence is the enthusiasm and commitment of all staff to a THI and its values – partly determined by the clarity of roles, and the managerial proximity of staff to decision making, as well as levels of remuneration.

5. Summary

In summary, our analysis of the results from research over a dozen years suggests that a number of key variables have an influence on the effectiveness of THI projects, and by inference of any project where heritage conservation

might be the basis for economic and other forms of regeneration. These can be separated into intrinsic and extrinsic variables. The intrinsic variables are those that are dependent on the scheme itself. In essence, success depends on some fairly obvious issues that the research has confirmed, including scale of investment; experience of partners involved; skills and commitment of key actors; and focus on quality of conservation work, as well as time. The extrinsic variables are those that are independent of the scheme, and relate usually to its local and/or regional context. They include the given economic context; the presence of appropriate conservation expectations; and the links between the project and the wider regeneration strategy working in an area.

The research has also led to a better understanding of those things that need to be present if investment in the heritage in the style of the THI is likely to be beneficial. We have termed these 'predictive factors'. As a research team we have proposed that a framework based on this understanding might be developed to predict likely outcomes if not outputs; but it could equally be used to assess the risk that a scheme will not deliver significant improvements. The key risk factors would be assessed against the set of critical conditions defined in the framework. The risk clearly increases the worse a place is performing as measured against these. This hypothesis could be tested both against our own work and a broader set of examples.

To conclude we return to the question in our title: does investment in the built fabric of historic towns drive economic recovery? The answer is yes, it can but only if certain conditions are present. In fact investment in heritage fabric can have very positive economic returns (see TABLE 1). Where the required conditions are not present then it would probably be better to address those issues first.

Indicators	Glasgow 2000	Glasgow 2010	% Change	Bloxwich 2000	Bloxwich 2010	% Change	Newry 2000	Newry 2010	% Change	Pembroke Dock 2000	Pembroke Dock 2010	% Change	Middlesbrough 2000	Middlesbrough 2010	% Change
Townscape Improvements															
Streetscape Quality	53.5	61.5	8.0	53.5	63.5	10.0	53.0	62.5	9.5	72.5	73.5	1.0	52.0	60.0	8.0
Public Space Management	55.2	70.8	15.6	52.2	63.5	11.4	58.4	61.9	3.5	58.5	66.3	7.8	65.1	65.6	0.5
Private Space and Façade	39.9	61.0	21.1	52.5	55.5	3.0	42.5	61.5	19.0	63	68.0	5.0	50.5	60.0	9.5
Heritage Interpretation	60.8	67.1	6.3	59.9	61.6	1.7	54.0	64.5	10.5	57.5	68.7	11.2	56.7	71.0	14.3
Quality of Life Enhancement															
Employment and Income	53.3	64.0	10.7	57.3	56.6	-0.7	59.3	66.7	7.4	48.6	54.7	6.1	54.3	46.5	-7.8
Education & Personal Aspirations	65.0	64.0	-1.0	59.1	53.8	-5.3	70.4	45.2	-25.2	57.8	63.9	6.1	59.3	67.2	7.9
Community and Social Inclusion	63.4	63.1	-0.3	55.3	55.5	0.3	60.4	67.3	6.9	54.6	51.7	-2.9	59.7	58.3	-1.4
Security, Crime and Order	53.7	56.6	2.9	40.4	49.0	8.7	46.3	49.0	2.7	57.5	52.9	-4.6	37.4	45.3	7.9
Economic Regeneration															
Land Use Changes	47.0	64.0	17.0	48.0	58.0	10.0	42.0	54.0	12.0	51.3	59.0	7.7	44.0	30.0	-14.0
Retail Usage and Demand	53.2	70.0	16.8	47.0	55.4	8.4	72.5	72.7	0.2	41	45.8	4.8	63.4	57.3	-6.1
Capital Values and Yields	67.7	64.9	-2.8	68.9	67.1	-1.8	78.4	78.2	-0.2	80	75.7	-4.3	49.4	55.8	6.4
Pedestrian Usage and Traffic	65.1	67.1	2.0	55.3	60.5	5.2	62.1	64.2	2.1	75.5	72.3	-3.2	61.2	65.9	4.7
Image & Confidence Building															
Media Coverage and Perceptions	53.6	64.0	10.4	44.9	53.1	8.2	60.2	57.1	-3.2	55.5	54.0	-1.5	55.7	56.1	0.4
Attitudes of Citizens & Leaders	60.6	68.7	8.1	43.8	54.6	10.9	62.0	62.4	0.4	58.2	54.6	-3.6	48.9	54.1	5.2
Visitation and Sustainability	63.3	61.7	-1.6	54.5	54.8	0.3	57.7	57.2	-0.5	57.5	50.1	-7.4	51.3	51.9	0.6
Business Vitality and Investment	64.8	62.4	-2.4	67.3	65.3	-2.0	66.7	71.4	4.7	62.2	69.1	6.9	60.1	62.7	2.7
TOTAL BALANCED SCORES	**58.2**	**64.4**	**6.2**	**53.7**	**58.0**	**4.3**	**59.1**	**62.2**	**3.1**	**59.4**	**61.3**	**1.9**	**54.3**	**53.1**	**-1.2**

TABLE 1. Balanced Scorecard results from 5 of the 16 sample THI sites shows that significant gains have been made in the total scores in some places over a decade while others have either not improved or have lost ground. All have improved townscape scores but a look at the percentage change for quality of life, economic and confidence scores for Middlesbrough and Pembroke Dock show some decline.

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