



The Rt Hon Angela Rayner MP
Secretary of State for Housing,
Communities and Local Government

Please ask for
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Our ref

Dan Green
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DG/E1/TCRegenSOSLetter

Date 2 October 2026

Dear Secretary of State,

A national solution to unlock town-centre regeneration

We are writing as Leader and Deputy Leader of Rugby Borough Council to propose a policy change that could unlock regeneration in Rugby and towns across England.

Councils have the ambition, planning powers and strategies to reshape town centres, but often cannot take the strategic property risk needed to deliver them.

Rugby is a good example.

We have agreed a ten-year delivery plan for Rugby town centre and an adopted development brief for Rugby Central, its largest catalytic site. Our plans include homes, health and community facilities, skills, employment, independent businesses, culture, leisure and improved public spaces.

We have explored acquisition, a joint venture, High Street Rental Auctions and compulsory purchase. However, the private owner and council have very different views of the site's value. For the owner, holding it may be commercially rational; for the town, prolonged vacancy carries a wider cost.

A National Town Centre Investment Guarantee

We ask Government to consider a **National Town Centre Investment Guarantee Scheme**, initially as a pilot involving a small number of councils.

Where a council can demonstrate through an independently assessed business case that acquiring a strategic asset would deliver greater **long-term public value** than leaving it in its current use, Government would provide a contingent guarantee against defined, unforeseen losses or costs.

This would not be a blank cheque. Councils would still need to demonstrate affordability, prudence, sustainability, sound governance and a compelling case for intervention. They would set measurable outcomes, undertake independent appraisal and risk assessment, identify review points and remain accountable for delivery.

The assessment should consider the **whole value to the place over five, ten or fifteen years**, rather than focusing only on the immediate financial position of an individual property.

For Rugby Central, benefits could include:

- new homes and council housing;
- health and care provision;
- employment and skills;
- increased footfall and business-rate income;
- reduced vacancy and improved property values;
- cultural and community facilities;
- improved public health;
- private investment; and
- a more resilient town centre.

Strengthening Best Value

The Prudential Framework rightly requires investment and borrowing to be prudent, affordable and sustainable. However, it does not always accommodate **place-making investment**.

The cost of intervention is immediate and measurable. The cost of doing nothing is dispersed, cumulative and often becomes clear only when regeneration is more difficult and expensive.

We ask Government to clarify that, where independently evidenced, **long-term economic, social, housing, health and environmental outcomes can form part of a council's Best Value assessment when considering strategic regeneration acquisitions.**

This would require councils to define, quantify and report the outcomes they are seeking.

Rugby is ready to act

Rugby has adopted High Street Rental Auction powers, established a cross-party town-centre working group, agreed a Rugby Central development brief and produced a ten-year delivery plan. We are pursuing health provision, skills and training, a cultural quarter and new homes.

Alongside these plans, we have recently agreed the Rugby Town Centre Public Realm Masterplan, which sets out how the public spaces linking the town centre will be transformed to support regeneration. This builds on the framework set out in our 2022 Town Centre Regeneration Strategy and will feed directly into our Delivery Plan, creating a pipeline of public realm schemes alongside the physical regeneration projects, including Rugby Central, described above

Our MP, John Slinger, has supported our proposals, including the cultural quarter around Brotherhood House, secured DWP investment for a Youth Hub and championed Rugby's use of High Street Rental Auctions. Ministers and officials have also visited Rugby to discuss our plans.

Local Government Reorganisation

This proposal is made against the backdrop of Local Government Reorganisation (LGR) in Warwickshire. On Monday 7th September 2026, Government announced that the previous decision regarding LGR in Warwickshire would be reviewed.

The assumption remains that Rugby Borough Council will exist for a limited period and that LGR will progress within Warwickshire. We see this not as a reason to delay, but as a reason to act now, for three reasons:

- Rugby Central and the wider town-centre delivery plan should not stall during transition to the new unitary council. A National Town Centre Investment Guarantee agreed with Government now would give continuity of purpose across the change, rather than leaving a live regeneration priority to be picked up cold by a new authority still establishing itself.
- A pilot in Rugby, run and evaluated over the next 24 months, would generate evidence and lessons before vesting day, so that the incoming unitary authority inherits a tested mechanism and a track record, rather than a proposal still on the drawing board.
- Government's devolution and reorganisation agenda is explicit that new unitary councils should be more strategic and better able to take on place-shaping responsibilities. Establishing the Guarantee and the Best Value clarification now would mean the new unitary authority starts with both stronger tools and a working example of how to use them.

We recognise Government has not yet published a timetable for the LGR review and is not yet consulting on the detailed timetable for any further devolution of functions to the new Warwickshire unitary councils. We would welcome the Guarantee and Best Value proposals being considered alongside that wider timetable, and the review of LGR in Warwickshire, so that town-centre regeneration capability is built into the new councils from the outset.

The Labour and Liberal Democrat coalition in Rugby is not waiting for handouts. We are using the powers and resources available to us and working constructively with Government.

But the existing framework limits what councils can responsibly do.

An opportunity to change the model

We believe devolution should give local leaders the ability to shape places around local needs: bringing homes into town centres, integrating services, supporting skills and employment, and creating conditions for businesses to thrive.

We are asking for **a mechanism that allows councils to take properly governed, long-term regeneration risks without putting essential services at unacceptable financial risk.**

A National Town Centre Investment Guarantee could provide that mechanism, allowing councils to use reserves, borrowing or grant funding while providing a national backstop against defined unforeseen costs or losses.

Government would not underwrite poor decisions. It would support **properly assessed strategic interventions where the national interest in regeneration justifies sharing the risk.**

We would welcome a meeting with you and officials to explore:

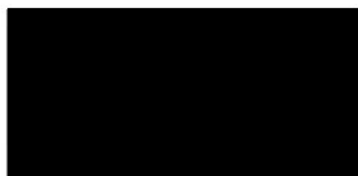
1. **Using the current Best Value consultation** to recognise long-term place-making outcomes;
2. **Developing a National Town Centre Investment Guarantee Scheme**; and
3. **Considering Rugby as a potential pilot location**, subject to appropriate governance and appraisal.

This could give councils the capacity to act while retaining safeguards for taxpayers.

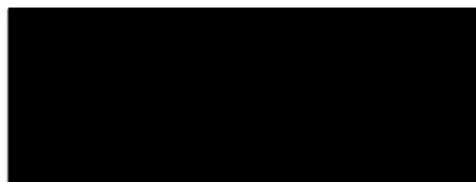
If devolution is to mean more than transferring responsibility, councils need the capacity to shape the places they lead.

We would welcome the opportunity to discuss how Rugby and other towns could help demonstrate this approach.

Yours sincerely,



Councillor Louise Robinson
Leader of Rugby Borough Council



Councillor Jerry Roodhouse
Deputy Leader of Rugby Borough Council