

# Adfywio Canol Trefi yng Nghymru

## Regenerating town centres in Wales

Y Pwyllgor Cyfrifon Cyhoeddus a Gweinyddiaeth Gyhoeddus  
Public Accounts and Public Administration Committee

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\* Saesneg yn unig | English only

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Senedd Cymru

Welsh Parliament

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### **Welsh Governments Public Accounts and Public Administration Committee Response by Carmarthenshire County Council September 2022**

Further to the publication of the Auditor General for Wales's report, Regenerating Town Centres in Wales (September 2021), and the request for written representations to the Welsh Government Public Accounts and Public Administration Committee, please find below Carmarthenshire County Council's (CCC) response to each of the issues that the Committee intend to consider.

#### **National Policy and legislation that is critical to the regeneration of towns to enable them to thrive and survive**

CCC works closely with the Welsh Government's regeneration team and is fully aware and supportive of the Town Centres First Policy. Although Welsh Government funding and support is welcomed, the relative scale of funding for the current needs of our town centres is limited.

Recently Welsh Government have introduced the Transforming Towns programme which has widened the scope of eligible regeneration activities in the town centres. This is fully welcomed by CCC, and Welsh Government Regeneration Officers are very receptive and open to dialogue on activities that may fall outside the guidelines, which again is welcomed.

One of the barriers to regenerating town centres is the cost of bringing back into use empty properties. Often town centre buildings are in a poor state of repair and need significant investment to repurpose them, with costs often being much more than the building's final value. This market failure requires public intervention. With public sector owned town centre property assets, a political decision can be made to invest even though the end product is worth less than what it has cost to regenerate. However, when it is the private sector leading a regeneration project then they most often need to secure grant aid to proceed. One issue that is stifling private sector town centre investment is the Subsidy Control Allowance (Formerly known as State Aid). This limits the public sector to only be able to provide up to 45% grant aid. We have had experiences where the funding gap on projects - i.e. the difference between cost of delivery and end value - to be more than 60%. The intervention gap is likely to widen whilst current inflationary pressures continue to exist. Recipients of Transforming Town funding are required to provide security in terms of the value of the property which is often not sufficient to cover the grant. We have experience of the security requirement acting as a deterrent for investment. It would be beneficial if the committee could explore options to see if the intervention rates could be increased and flexibility could be provided on security requirements to stimulate private sector interest in our town centres.

The recently introduced flexibility from Welsh Government that allows a forward commitment of multi-year funding is a significant step forward and allows local authorities and partners to programme and plan. We do, however, consider that the level of funding available from Welsh Government to regenerate our town centres needs to increase if town centres are going to be truly reinvented and

transformed. This is particularly so if there is an expectation (that we fully support) that projects should include measures to support net zero carbon ambitions, as this will inevitably lead to increased project costs. Current inflationary pressures in the construction market are causing projects to be put on hold or scaled back, in the absence of availability of additional funding support.

Welsh Government has invested time supporting local authorities to develop proposals for bringing back into use vacant and underutilised town centre properties that have a negative impact on our town centres. The loan funding linked to this initiative, along with the training and specialist support that has been provided, has been embraced. It would, however, be beneficial if an element of the funding identified could support with internal LA resource to prioritise enforcement within the town centres. Welsh Government's Town centre planning policy is adopting a more flexible approach to land use in town centres to stimulate investment. We support this approach and have introduced Local Development Orders (LDOs) in our Primary Town Centres of Ammanford, Carmarthen and Llanelli over recent years to try and stimulate further private sector investment into our town centres, reducing vacancies and creating more diverse highstreets with a mix of uses. We are actively encouraging residential use in our town centres to support diversification of uses, such as leisure and public services by bringing peoples closer to this activity.

Our diversification approach is supported by amendments to permitted development rights that were introduced during the Covid pandemic, providing additional flexibility to businesses to explore the feasibility of a high street presence without the need to attain planning consent. The recent consultation on establishing these permitted development rights permanently would align with changes to national planning policy, as set out in Planning Policy Wales and Technical Advice Note 4 - Retail and Commercial Development, which seek to promote vibrant town centres through the addition of other uses which complement retail. Whilst retail should be the predominant use within the primary centres we support and encourage a pragmatic approach that considers economic difficulties and higher vacancy levels to allow non-retail businesses to benefit from a high-street presence, reducing the number of vacant shop units and potentially increasing footfall. We acknowledge that some caution must be exercised to ensure that town centres do not lose their important retail role, however, through careful monitoring, and enabling local planning authorities to revoke any permitted development rights this can be addressed when needed.

We are expecting the publication of the new Technical Advice Note 15 Development, flooding and coastal erosion in June next year following the Ministerial announcement delaying its introduction. We recognise the locational impacts arising from flooding and that some established town centres and settlements are in areas identified as at potential flood risk. This brings inevitable challenges in balancing these impacts against the need for, and benefits arising from regeneration. As many of our town centres seek to adapt to the impact of the pandemic and the changes in the retail sector how we respond needs to be agile and incorporate a mix of uses on both ground and upper floors. This is key if they are to be repurposed and regenerated in a way which ensures they remain competitive and vibrant. We welcome the delay in the draft TAN15 on flooding and the opportunity provided by the Minister for Climate Change to provide additional information. However, the future content of any revised TAN15 will have a significant bearing on the ability to regenerate these areas. In this respect it would be helpful if this could provide clear and pragmatic guidance on the development of town centres which seek to regenerate or reinvigorate town centres through the change of use. The repurposing of existing buildings within our town centres offers opportunities to enhance our town centres and locate facilities in a sustainable location which are already well-served by public transport

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and alongside other complementary facilities. Whilst we would not advocate compromising health and safety within our town centres, we would ask that planning policy takes account of the benefits which changes of use can bring the local communities and economy, and where the flood risk can be alleviated or mitigated that a decision is made on balance taking all matters into consideration. National policy places significant emphasis on creating sustainable places including town centres. This has significant benefits from a placemaking perspective both in making areas more attractive to visitors and residents but also in drawing footfall. This focus on bringing Green and Blue Infrastructure into town centres is welcome as are the increasing grant opportunities. We are mindful that this must be part of a holistic and integrated approach also recognising the relation with repurposing our centres and buildings. In this respect the opportunities to focus on decarbonisation is a welcome one albeit this needs to be evidenced against increasing viability challenges associated with repurposing of existing buildings and areas.

### **Creating and sustaining local coalitions of change**

In Carmarthenshire we have established town forums as governance structures to regenerate our primary towns of Ammanford, Carmarthen and Llanelli. Each group have key stakeholders represented such as Town Councils, local members, Chambers of Trade, BIDS, police, relevant departmental local authority officers, etc. They have been operating for several years and have set aims and objectives and are working to specific plans that have been developed collectively. Each of the groups are working well and have buy in from all partners. The groups are facilitated by the local authority, but we ensure all stakeholders have a clear role in delivering the vision for each of the town plans. The local Authority alone is not able to deliver everything and often acts in a facilitating role. Bringing the interests of all stakeholders together to harness ideas, cement relationships, improve the communication channels and physically deliver and sustain change can sometimes be challenging. Each group comprises complementary skills and leadership qualities to drive forward the regeneration plans.

### **Non- Domestic rates, town centre incentives and taxes**

During COVID-19 WG introduced 100% relief for Non-Domestic Rates (NDR). This has allowed independent traders access to retail units in prime town centre locations that wouldn't previously have been affordable. Currently, there is a 50% reduction in NDR for 2022/23. Many independent traders that have taken properties in prime town centre locations have protected their position by being able to withdraw from their short-term lease arrangements once full business rates liability is reintroduced. Business rates is a common issue that businesses constantly raise along with free town centre parking. The current rating system is outdated with the rates liability not reflecting current market conditions. It is appreciated that the system is under review, but a short-term intervention could be to amend the rating multiplier (the rate in the pound that is multiplied by the rateable value of a property to produce the annual rates bill) to reflect market conditions. Generally, the multiplier increases in line with inflation. A decrease in the multiplier is, however, required to fairly represent current property rental market conditions and encourage further uptake of vacant properties.

### **The availability, management and impact of Welsh and UK Government funding for town centre regeneration**

Funding from Welsh Government through the transforming towns programme is very welcome. It has been the main funding route for town centre regeneration over recent years and has enabled some significant regeneration programmes in Carmarthenshire.

Although Welsh Government have invested in the town centre programme, we believe more capital funding is required to have a greater impact in town centres as the costs involved in town centre regeneration are significant.

The transforming towns programme is being delivered on a regional southwest Wales footprint, with Welsh Government and the four regional local authorities working collaboratively. Governance structures are in place and working effectively. Working with a regional allocation within set financial years can also bring its challenges. In some instances, the region has been limited to the number of projects it has been able to deliver due to initial budget setting. Similarly, the late availability of in year budget, needed to be spent in a short timescale, increases the pressure for delivery on local authorities and does not always make best use of funding. Confirmation of longer-term budgets which can cross financial years would be beneficial to ensure best allocation of funding to maximise outputs arising.

Currently town centre projects are being led by local authorities with all associated risks lying with the local authorities. It may be an option in the future for Welsh Government to consider entering town centre joint ventures with local authorities, particularly where the LA holds property ownership, to share project risks and provide a longer-term commitment to the regeneration of our towns. Such an approach would provide consistency and provide confidence to the private sector that the public sector are working collectively to regenerate our town centres which in our opinion would lead to increased private sector investment. This is our experience with other JV regeneration focused agreements that we have with WG elsewhere in the County.

Recently Carmarthenshire has been successful in securing significant Levelling Up funding from UK Government to regenerate and repurpose the former Debenhams building in Carmarthen town centre. This project is fully aligned to the town centre first principle, bringing a multitude of public sector and university services, providing an alternative offer to attract people into the town centre and drive-up footfall. We have recently submitted a similar proposal for Llanelli town centre for LUF funding. In addition, UK Government Shared Prosperity funding provides opportunities to support town centre regeneration. Ideally it would be helpful if WG funding could also be utilised to add value to these projects, alongside the significant match funding that CCC is providing. This does not appear to be the case currently and is potentially a missed opportunity for Welsh Government, UK Government and CCC to work collectively in aligning policy and resource to regenerate our town centres.

#### **City Deals and Regional Partnerships, and Corporate Joint Committees**

In southwest Wales there is a regional governance structure that has been in existence for many years. The structure is based around the Regional Directors Group, which coordinates all regeneration activity in the southwest. The Regional Directors Group is supported by the Regional Leads Group, which consists of the Heads of Regeneration from across the region and other senior regeneration officers. Both groups are in constant dialogue with Welsh Government's regeneration team and the Swansea Bay City Deal team. The regional directors group also feed into the recently established CJC. This region has recently launched its Regional Economic Development Plan, which was a collaborative regional commission and sets out our regional regeneration objectives. We believe that the current structure is fit for purpose, with the regional directors (4 LA's) acting as the conduit for regeneration activity across the region and ensuring that the current arrangements are not overly complicated.

**N.B. For information links are provided below to our Primary Town Centre Recovery Plans for Ammanford, Carmarthen and Llanelli.**

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<https://democracy.carmarthenshire.gov.wales/documents/s57264/Ammanford%20Recovery%20Masterplan.pdf>

<https://democracy.carmarthenshire.gov.wales/documents/s57265/Carmarthen%20Recovery%20Masterplan.pdf>

<https://democracy.carmarthenshire.gov.wales/documents/s57266/Llanelli%20Recovery%20Masterplan.pdf>

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Evidence from FSB Wales

## Town Centre Regeneration

### Consultation response: Public Accounts and Public Administration Committee September 2022

#### About FSB

FSB Wales is the authoritative voice of businesses in Wales. It campaigns for a better social, political, and economic environment in which to work and do business. With a strong grassroots structure, a Wales Policy Unit and dedicated Welsh staff to deal with Welsh institutions, media and politicians, FSB Wales makes its members' voices heard at the heart of the decision-making process.

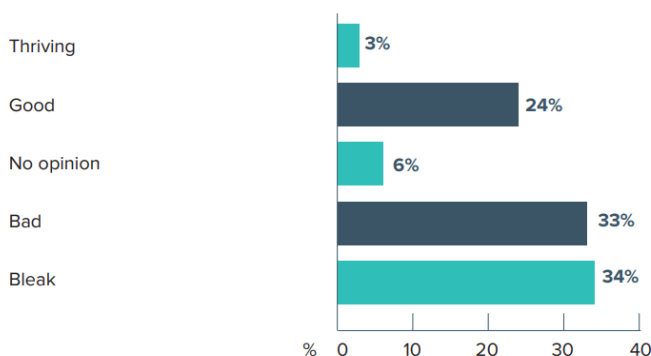
SMEs comprise the vast majority of enterprises in Wales (99.4%) and so policy-making must be rooted in a 'Think Small First' approach. Given the importance of SMEs to town centre regeneration agenda, SMEs must be at the heart of the discussion.

#### Introduction

FSB Wales welcomes the opportunity to submit evidence to the Public Accounts and Public Administration Committee on town centre regeneration – a topic that is critical to many of our members and SMEs across Wales.

Earlier this year, FSB Wales published 'A Vision for Welsh Towns'. Our findings were that Welsh town centres and high streets are a source of demonstrable resilience: despite the odds stacked against them – from out-of-town developments and online retail to demographic changes and, recently, the pandemic – their presence as the heart of communities remains. Crucially, people haven't given up on them, and they are places people feel passionate about and have a strong personal and community connection with. While town centres and high streets remain central to our communities, they unquestionably face huge challenges. Many of the issues are long-standing and well-established. The difficulties facing many of these small businesses have only increased due to the pandemic. In the eyes of many, the outlook for these spaces is 'bleak'. Our public-facing survey results from earlier this year reflected that sentiment.

**TABLE 1: How would you describe your local town centre or high street?**



Town centres and high streets across Wales are diverse, varying significantly by socio-economic makeup, sectoral breakdown and historical or natural qualities, as well as in their individual competitive advantages. A single prescriptive blueprint for success is therefore an impossible challenge. However, our diversity is our strength. Town centres and high streets can be beacons of character and creativity, of civic life and cohesion in a way that is unmatched by out-of-town developments. The place-making and strengthening potential of these spaces presents exciting social, economic and environmental opportunities.

## Pre-COVID challenges

Our research in 2018 highlighted three main types of migration affecting rural areas and small towns:

- The exodus of young adults
- The arrival of retirees
- 'Counter-urbanisation' by pre-retirement groups of 30 and 40-year olds with their children

'The Future of Towns in Wales' report also illustrated the ongoing trend of urbanisation. An increasing proportion of the population are relocating to live in cities from rural towns and villages. This has been coupled with the clustering effect of newer and higher paying industries; media, finance, technology, and others, located in closer vicinity to each other. For smaller towns throughout Wales, this has meant a decline in the economically active population, and a flight of medium and higher salaried jobs. Many towns are witnessing higher levels of unemployment, unskilled and or seasonal work, as jobs and people of working age concentrate in cities.

When combined with the rise of online retail, these forces place town centres in an unenviable position of competing to maintain their central community relevance in twenty-first century Wales. Audit Wales have reported the concerning decline of town centres over recent years, through a loss of services and anchors:

- Between 2012 and 2020, bank and building society branches reduced by nearly 29% and ATMs have fallen by 18% in the last three years
- Post offices have experienced a decline, falling by almost 4% over the last decade
- One in seven shops on high streets in Wales are empty

The size of space required for most high street small businesses rarely equates to the size of an empty property that was previously occupied by a large retailer or bank. It would be encouraging to see owners of large empty properties consider how these units can be repackaged to better attract smaller businesses.

## COVID-19: Impacts and challenges

Cumulatively, the pre-pandemic context for town centres was more than sufficient to make the task of their revival and modernisation an uphill struggle. The experience of the COVID-19 pandemic has served to exacerbate many of those challenges.

As expected, our public engagement highlighted that people typically use their town centres and high streets less and online retail more, a process accelerated by the pandemic.

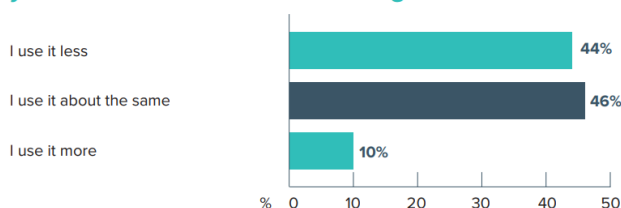
Attempting to push against this process would likely be pointless. However, both offer entirely different experiences. The reality is that both must co-exist and will continue to play a role in our lives on that basis. The question becomes how to adapt the high street and SME retail offer to this new reality and take advantage of the opportunities it does afford.

The implications of such a difficult operating environment for small businesses cannot be overstated. Long-standing and typically successful small businesses have been forced into making difficult decisions. One of the retail businesses interviewed by FSB Wales, which has been in their town centre for nearly 80 years, explained how the dramatic decline in footfall means that redundancies will shortly become inevitable. Many of the challenges will have been exacerbated by the recent experiences through the energy crisis. The business indicated that, prior to the pandemic, they had plans to expand their operations and recruit more members of staff in their town centre premises.

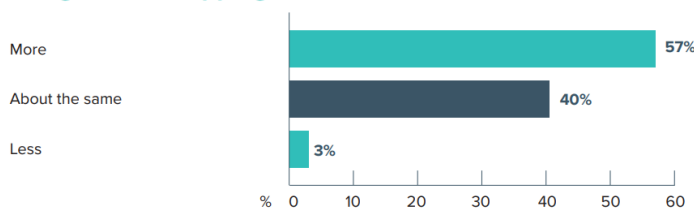
FSB Wales' engagement has also reflected a depressing situation for our town centres. Feedback from our public poll highlighted some concerning sentiments.



**TABLE 2: How has the COVID-19 pandemic affected your use of the town centre or high street?**



**TABLE 3: Has the COVID-19 pandemic resulted in you using online shopping more or less?**



## Current crisis

The town centre regeneration agenda must not exist in a policy vacuum, particularly within the context of the current cost-of-doing-business crisis. Soaring operating costs for businesses holds the potential to exacerbate an already pessimistic outlook for town centres.

Surging operating costs, a high tax burden and struggles to fill vacancies are threatening the futures of tens of thousands of small firms and sole traders across the Wales. While the consumer prices rate of inflation bursting through 10% is eye-watering, producer input prices are up by more than double that figure and this will filter through, pushing up the cost of living even more. The cost of doing business crisis has worsened to the point that confidence is now lower than during last year's disrupted festive trading season.

Decision-makers at all levels should seek to address and alleviate the immediate cost pressures that existing small retail businesses in town centres are enduring. This must include considerations around business rates, parking and direct business support.

## Recent activity and priorities

The Welsh Government has invested around £900 million in regenerating town centres since 2014. Over recent years, the Welsh Government received reports by Audit Wales and Foundational Economy Research to illustrate the precarious state of our town centres and help develop pathways to achieving a vision of "environmentally responsible, spatial development around compact centred towns with active travel and local facilities".

The Welsh Government is also developing activity surrounding a Retail Strategy for Wales, drawing in different actors from across retail and business, including FSB. Additionally, Welsh Government have convened a small Task-and-Finish Group to focus on possible interventions to drive forward significant change. However, this activity sits under the Climate Change Ministerial Portfolio and it is unclear as to where this - and the more business-focussed conversations under the responsibility of the Economy portfolio within Welsh government - join.

Any transformational approach on regeneration needs to be complemented by a positive approach to develop an essential sector within our towns – developing a sustainable retail offering and employment which builds economic development within Welsh communities. It is vital that there is a joined-up and cross-governmental approach to towns, retail and business support that is centred on small businesses. For many, retail is at the heart of town centres and high streets. However, in recent years, there's been a noticeable shift in attitudes of decision-makers on the perceived viability of shops in these spaces. The Welsh Government's commissioned reports seemingly distance themselves from reliance on the sector, particularly against the backdrop of significant competitors in the form of out-of-town retail parks and online shopping alternatives.

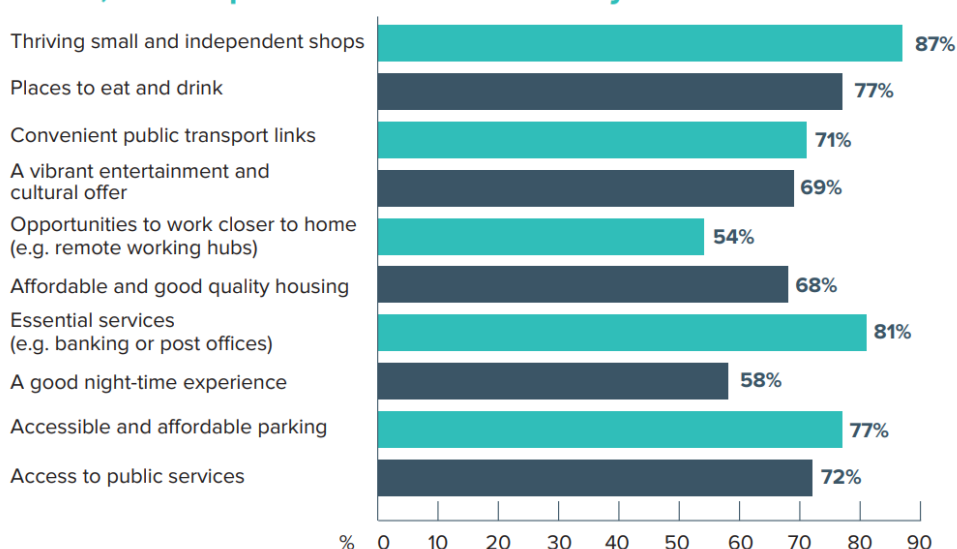
In 2020, the Welsh Government noted "many towns are struggling in the wake of declining retail sales and the way we use town centres has changed. To help breathe new life into town centres, the Welsh Government is today unveiling a new 'Town Centre First' approach, which means locating services and buildings in town centres wherever possible. Utilising this approach, the public sector is also being

encouraged to support towns by locating offices, facilities and services within them in order to drive footfall and create or sustain vibrancy.”

The performance of retail in town centres over recent years has not simply occurred due to an intrinsic and unsurmountable irrelevance. The shift in habits is complex, but in part it has been caused by the emergence of a fast-paced society with tools at its disposal to purchase products quickly and conveniently – from the comfort of their home. While this represents a significant challenge and imbalance, it does not mean that retail – particularly SME retailers - has only a limited role in our town centres. A positive strategy for retail in town centres is an important part in joining the different elements up and must not be an afterthought, or dismissed as irrelevant.

Indeed, while diversification will prove central to recovery efforts, our research strongly suggests that any dismissal of the future of retail in town centres and high streets is inconsistent with public attitudes and expectations. When prompted to rank what they would like to see in their local town centre or high street, ‘thriving small and independent shops’ came out on top – above all other key areas like places to eat and drink, a vibrant night-time economy, options to work closer to home and placement of essential services.

**TABLE 4: Thinking about your local town centre or high street, how important are the below to you?**



The Welsh Government’s Retail Strategy and subsequent activity should account for this continued importance for the sector in town centres, and explore ways for retail to be adapted to towns’ advantage. FSB Wales will continue representing the voice of small businesses through this process.

Crucially, there is no one individual decision-making body that holds all the levers necessary to improve our town centres. Efforts may inevitably be piecemeal, and cumulatively be worth more than the sum of its parts, but recent experiences point to disjointed thinking and lack of a clear vision. For example, the UK Government’s Levelling Up agenda and post-EU funding arrangements, while potentially posing opportunity, also run the risk of confusing the town centre narrative, in absence of meaningful collaborative effort with the Welsh Government and other key stakeholders. Our report, ‘Building Businesses’ (2022) explores some of the tensions and opportunities for UK and Welsh Governments on delivering on this agenda in a way that works for small businesses.

In many ways, the aspiration of the Welsh Government has been to make the right thing to do the easy thing to do. This principle must also be applied to the vision for town centres. Out-of-town developments and online retail represent a threat not because of the experience they offer, but rather the simple conundrum of convenience. Rebalancing these relationships in favour of town centres must appreciate and address this issue. As the report by Audit Wales highlights, the Welsh Government’s ‘town-centre-first’ policy is not yet fully embedded.

It is important that the Welsh Government ensures that policy objectives across all departments which impact on town centres dovetail and are complementary. This also needs a clear overarching economic development strategy and narrative that provides a clear understanding of the aims and how they will be delivered, so that stakeholders – including SMEs – understand what the expectation of government is and of themselves to plan accordingly.

Over recent months, there has been some evidence of improvement in towns accessing schemes such as the Welsh Government’s Transforming Towns funding. In Rhyl, derelict buildings such as Costigan’s public house have been brought back into operation and refurbished, offering start-up space and

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business office space. Other developments, such as the demolition and redevelopment of Queen's Market in Rhyl are ambitious and have the potential to affect the viability of the general town centre, but are stalling due to increased costs and labour issues. It is critical that these projects are seen through to completion and can provide learning for developments elsewhere.

## Coalitions for change

Our engagement with businesses has demonstrated the influence that clear leadership, or lack thereof, can have on the success of town centres. Only 13% of public respondents indicated that they felt that their town centre had been supported well by decision-makers, compared to a substantial 46% who do not.

Nonetheless, there are some positive examples of local leadership that have inspired innovative improvements.

Ymlaen Llanelli – Llanelli's Business Improvement District – was repeatedly highlighted in our public engagement as being determined to build a more vibrant town centre through regularly holding free events, including annual festivals to community street parties and open-air cinemas to help reconnect local people with their town centre and increase footfall. In addition to the events, Ymlaen Llanelli create and invest in initiatives that improve access and enhance the town centre experience, including a number of free parking days, installation of hanging flower baskets and working with Dyfed Powys Police to alleviate some of the issues in the centre. One respondent said:

*"The BID (Business Improvement District) in my area has been instrumental in driving support, help and guidance through a clear multi-agency framework which they lead on and continues to lead on the area and its businesses recovery."*

Treorchy has also been hailed for its strong entrepreneurial culture, with many thriving independent businesses. This success has been attributed – at least partly – to a robust partnership between local authorities, the business community and customers.

Small businesses recognise their own leadership roles in helping achieve improved town centre spaces. The willingness of businesses in Wales to support their town centres has been evidenced through the growing number of Business Improvement Districts in which businesses are freely voting to impose an annual levy on themselves to fund improvements to the centre.

Our recent report made a number of recommendations in this area:

- Local Authorities should act as coordinators in identifying positive examples of Business Improvement Districts, and disseminating these ways of working among existing or prospective BIDs. Analysis should be undertaken to understand how the activity of BIDs can effectively complement Local Authority provision in a way that maximises town centre viability.
- City and Growth Deals must make an active effort to involve, prioritise and consider town centres – and the interconnectedness of these spaces – through their activities to strengthen their regions.
- Revitalising our town centres will require a cross-sector effort. FSB Wales recognises its own role in helping to guide small businesses in town centres to be more collaborative, innovative and sustainable. This will be an area of focus for FSB Wales' engagement in striving to help achieve our vision for Welsh towns. In some instances, public sentiments have passionately and heavily emphasised the role of anti-social behaviour in creating an off-putting environment which ultimately holds the town centre back.
- Local Authorities should coordinate discussions – including with community and business groups, the police and other key stakeholders – to identify trends of anti-social behaviour, and outline a cross-cutting strategy and action plan for prevention, monitoring and enforcement to ensure that people feel safe and welcome in their town centre. Recommendation: Local Authorities should develop robust and effective engagement structures to ensure that the voices of small businesses are heard.

However, clarity and accessibility are particularly desirable objectives within the current context of competing pressures. The complex and, at times, seemingly competing or contradictory narratives and governance structures for business support and decision making serve to exacerbate complexity. Addressing this issue must be a key priority for officials working in this area.

A culture of collaboration must be at the heart of ensuring that our town centres are fit for the twenty-first century. Online retail, and digital dependence, is an undeniable and irreversible presence in twenty-first century Wales. Its consequences for town centres remain challenging, but represent an impetus to innovate and modernise – not to give up on these spaces, or physical retail. A digital eco-system for towns could help reconnect residents and visitors with town centre spaces, including events and small businesses, while helping to develop effective streams of data – valuable to small businesses and Local Authorities to identify vulnerabilities, outline solutions, as well as monitoring progress. While digital technologies can allow businesses to reach new markets, they can also help firms become more innovative, productive and efficient – such as service sector industries using online booking platforms to become more productive.

Our recent report also made a number of recommendations in this area:

- Business Wales should create Digital Towns teams which offer expert, intensive and place-based enterprise support for the independent sector. These teams would be collaborative and include expertise from the public, private and third sectors to improve the digital capabilities of independent traders.
- Local Authorities should commit to developing effective data-collection and monitoring infrastructure, used to inform on the efficacy of innovative interventions by decisionmakers and small businesses themselves.
- Decision-makers should take a 'No Town Left Behind' approach to the digital transformation of town centres.
- The Welsh Government should develop and implement a plan to improve the interaction between town centre businesses and their online presences – to drive e-commerce, footfall and tourism for the area – through a collaborative digital platform which is easily accessible to residents and visitors

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Evidence from Isle of Anglesey County  
Council

## **Ymchwiliad Pwyllgor Cyfrifon a Gweinyddiaeth Gyhoeddus Senedd Cymru i Adfywio Canol Trefi – Gwybodaeth a Sylwadau gan Gyngor Sir Ynys Môn**

Sylwadau yn ymwneud â'r cwestiynau a amlygwyd yn eich llythyr (testun italig tywyll).

**1. Polisi a Deddfwriaeth Genedlaethol sy'n hanfodol i adfywio trefi i'w galluogi nhw i ffynnu a goroesi - penderfynu a yw'r ddeddfwriaeth a liferau polisi Llywodraeth Cymru ar gyfer adfywio yn addas i'r diben ac yn canolbwyntio ar fynd i'r afael â'r problemau sylfaenol sy'n wynebu trefi. Yn benodol, mae'r Pwyllgor am edrych ar bolisi cynllunio a pholisi Canol Trefi yn Gyntaf Llywodraeth Cymru.**

Mae'r modd y mae Llywodraeth Cymru yn gweithredu drwy ganllawiau a pholisiau cynllunio cenedlaethol yn gynyddol ffafriol ac yn amddiffynol tuag at ganol trefi. Mae'r rhain yn rhoi'r hyblygrwydd i Awdurdodau Cynllunio Lleol lunio polisïau manwerthu/canol trefi a chyfyngu ar ddefnyddiau manwerthu/canol trefi yn unol ag amgylchiadau/hyfywedd y canolfannau hynny. Mae dogfen 'Cymru'r Dyfodol' yn cefnogi creu canolfannau aml-swyddogaethol gyda dyletswyddau tu hwnt i'r swyddogaeth manwerthu draddodiadol, a mae lle i edrych ar leoli hybiau gwasanaeth newydd gan y sector cyhoeddus yng nghanol trefi.

Mae'n bwysig cofio nad yw'r rhan fwyaf o ddatblygiadau a newidiadau sy'n digwydd yn y byd go iawn yn cael eu rheoli gan benderfyniadau polisi cynllunio, a dim ond un ymhlith llawer o ddylanwadau ar yr hyn sy'n digwydd mewn gwirionedd yw'r system gynllunio. Dros y degawdau diwethaf gwelwyd newidiadau ym meysydd trafndiaeth, manwerthu, a chwyldro digidol. Mae datblygiadau manwerthu wedi digwydd ar ymyl neu gyrion trefi ar draws Cymru, ac mae twf mawr hefyd wedi bod mewn siopa ar-lein, gyda hwb mawr i hynny yn ystod pandemig Covid. Mae'n ymddangos bod canol trefi mwy twristaidd Môn wedi addasu'n dda, gyda thwf mewn defnyddiau fel bwytaï, llety gwyliau a siopau anrhegion, gydag ychydig iawn o unedau gwag. Mae rhi canol trefi traddodiadol eraill wedi bod yn llai llwyddiannus, gyda thwf diweddar sylweddol yn niferoedd yr unedau gwag.

Yn aml mae gan ganol trefi traddodiadol lawer o adeiladau hanesyddol, ond mae natur llawer o adeiladau hŷn canol trefi yn golygu eu bod yn tueddu i beidio ag apelio at lawer o gadwyni masnachol cenedlaethol. Yn aml mae gan nifer o ganol trefi hanes cyfoethog ac asedau hanesyddol a diwylliannol diddorol y gellir eu defnyddio fel modd o ddenu pobl.

Mae hygyrchedd yn un o'r prif anghenion i ganol trefi ffynnu, gan sicrhau eu bod yn gyfleus ac yn hawdd i'w cyrraedd o weddill y dref a'i gyffiniau / dalgylch. Mae Llywodraeth Cymru yn gweithio gydag awdurdodau lleol sirol ac yn eu cefnogi i wella cyfleusterau trafndiaeth gyhoeddus a chysylltiadau a seilwaith teithio llesol. Erbyn hyn mae gan rai canol trefi lefydd parcio cyhoeddus gormodol, a gallai ardaloedd dros ben gael eu hailddatblygu neu eu hail-bwrpasu ar gyfer defnyddiau eraill sy'n fuddiol i'r cyhoedd. Mae angen mynd i'r afael â materion seilwaith gwyrdd yng nghanol trefi, a cheisio gwella bioamrywiaeth a creu mannau gwyrdd lle mae hynny'n ddiffygiol ar hyn o bryd. Mae Llywodraeth Cymru wedi bod yn cynnig rhywfaint o gyllid i awdurdodau lleol ar gyfer astudiaethau seilwaith gwyrdd a phrosiectau yng nghanol trefi. O ystyried

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cost uchel ynni a natur hŷn llawer o adeiladau canol trefi, mae angen mynd ati yn fwy dygn i hybu effeithlonrwydd ynni a nodau carbon sero-net. Ble mae gan ganol trefi traddodiadol lawer o eiddo gwag dros ardal eang, mae angen ystyried y potensial i atgyfnerthu'r craidd manwerthu/masnachol, megis trwy annog defnyddio llawr gwag llai canolog ar gyfer defnyddiau eraill. Gellid cyflawni hyn drwy ddynodiadau defnydd cynllunio a/neu drwy ddarparu cymhellion ariannol perthnasol.

Mater arall o ran polisi cynllunio yw ei ymatebolrwydd i newidiadau allanol sy'n effeithio ar hyfywedd canolfannau manwerthu. Yn ystod y blynyddoedd diwethaf, mae dirywiad masnachol clir wedi digwydd mewn sawl canolfan fanwerthu a nodwyd a sydd i'w diogelu o fewn y Cynllun Datblygu Lleol (CDLI). Mae'r polisi lleol a gynhwysir yn y CDLI yn seiliedig ar yr ymchwil yn ol pan baratowyd y cynllun a phan na ragwelwyd effeithiau allanol fel sgil effaith y pandemig. Mae angen i system gynllunio allu ymateb i newidiadau allanol,. Fe wnaeth Llywodraeth Cymru gyflwyno newidiadau dosbarth defnydd / dosbarth a ganiateir dros dro yn ystod y pandemig diweddar.

Mae Grant Creu Lleoedd Llywodraeth Cymru bellach yn amodol ar fodolaeth cynlluniau creu lleoedd lleol ac aliniad prosiectau gyda'r rhain, ac yn ddiweddar cyhoeddwyd canllawiau ar gynnwys cynlluniau o'r fath. Croesewir hyn a'r cynnig o rywfaint o gyllid refeniw i helpu paratoi cynlluniau o'r fath, a bwriadwn baratoi rhai dros y misoedd nesaf. Mae gan awdurdodau lleol y gallu i fabwysiadu'r cynlluniau lleoedd hyn fel canllawiau cynllunio atodol. Ar hyn o bryd mae'r broses yn ei babandod ac ychydig iawn o gynlluniau o'r fath sydd eto wedi eu cwblhau a mewn lle ar draws Cymru. Iddynt fod yn ymarferol ddefnyddiol a chael silff-fywyd tymor hir mae'n bwysig bod cynlluniau lleoedd lleol yn weledol ddeniadol, clir a chryno, yn adlewyrchu'r materion/ pryderon / cyfleoedd a godwyd gan bobl a busnesau lleol, ac yn cael eu hadolygu a'u diweddarau'n rheolaidd.

***2. Creu a chynnal clymbleidiau lleol o newid – sut y mae awdurdodau lleol a'u partneriaid lleol, gan gynnwys dinasyddion a defnyddwyr gwasanaethau, yn rheoli ac yn adfywio trefi yng Nghymru; ac ystyried a oes gan awdurdodau lleol a'u partneriaid allweddol y sgiliau cywir, arweinyddiaeth, adnoddau, prynu i mewn a'u gallu i adfywio trefi.***

Mae adfywio a rheoli canol tref effeithiol yn gofyn am gydweithrediad a chydlynu ar draws sefydliadau a sectorau. Mae angen i gynlluniau canol trefi ystyried llawer o wahanol faterion a chwaraewyr, ac nid ydynt bob amser yn llyfudd hawdd i'w deall na'u rheoli'n effeithiol. Prif rôl y sector cyhoeddus ddylai fod i hwyluso'r sector preifat i ffynnu. Mae'r nifer o drefi a sefyllfaoedd gwahanol yn gofyn am amrywiadau mewn dulliau gweithredu, a does dim 'un maint yn gweddu i bawb'.

Nododd adolygiad diweddar Archwilio Cymru restr hir o'r camau yr oeddent o'r farn y dylai awdurdodau lleol fod yn eu cyflawni. Mae llawer o bwysau cystadleuol ar awdurdodau lleol, ac efallai na fydd modd cyflawni'r holl gamau a restrir yn llawn. Roedd adolygiad Archwilio Cymru yn ymwneud ag adfywio canol trefi a nid oedd yn ymestyn i gynnwys rheolaeth canol trefi. Mae o leiaf un blaid wleidyddol (Plaid Cymru) wedi cynnig y dylai rheoli canol trefi fod yn un o swyddogaethau statudol awdurdodau lleol.

O ran capasiti, mae gan Gyngor Sir Ynys Môn un swyddog adfywio penodol ar gyfer y sir, ac mae ei staff adfywio eraill yn cael eu hariannu'n allanol ar brosiectau dros dro penodol, ran fwyaf ar brosiectau sy'n gysylltiedig â threftadaeth yn ardal Caergybi. Nid oes swyddogion adfywio canol tref penodol na rheolwyr canol trefi, ond mae swyddogion ar draws gwahanol wasanaethau yn yr awdurdod yn ymgymryd â rolau ledled y sir sy'n cyfrannu at les canol trefi. Gyda pump canol tref yn y sir, mae'n anochel bod lefel y gwaith adfywio canol trefi neu weithgaredd rheoli canol trefi rhagweithiol y gellir ei wneud gan y cyngor sir yn gyfyngedig, ac yn cael ei effeithio gan flaenoriaethau ehangach.

Wrth ymateb i faterion capasiti staff adfywio awdurdodau lleol, mae Llywodraeth Cymru'n caniatáu i ddyfarniadau grantiau prosiect cyfalaf gynnwys ffi rheoli prosiectau, ond yn amlwg mae hyn wedi'i gyfyngu o ran cwmipas ac amserlen. Mae LIC hefyd wedi bod yn dyfarnu rhywfaint o gyllid refeniw tymor byr ar gyfer astudiaethau canol tref yn ddiweddar. Mae cynnig cyllid aml-flwyddyn tuag at y gost o gyflogi staff adfywio canol trefi / rheoli canol trefi yn opsiwn y dylid ei ystyried.

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Mae Cynghorau Tref hefyd yn awdurdodau lleol etholedig gyda llawer o bwerau dewisol a'r gallu i godi cyllid o bresept yn ogystal â sicrhau benthyca cyhoeddus. Yn rhesymegol, dylai Cynghorau Tref fod mewn sefyllfa dda i delio â llawer o faterion adfywio canol tref lleol a rheolaeth canol tref ar gyfer eu trefi, gyda chynghorau sir yn gweithredu mewn rôl gefnogol gan gynnwys mynediad at grantiau, ac arwain ar brosiectau mwy a swyddogaethau a wneir orau ar lefel sirol. Roedd gan y cynghorau dosbarth trefol cyn 1974 lawer mwy o swyddogaethau a staff na'r cynghorau tref presennol.

Mae rhai enghreifftiau o brosiectau adfywio cyngor tref da, megis adnewyddiad Cyngor Tref Caerdybi o Sinema'r Empire gyda chyfleuster chwarae dan do, gyda chymorth gan yr awdurdod lleol a LIC. Cyngor Tref Caerdybi hefyd oedd yn arwain grŵp consortiwm cais LUF Caerdybi yn ddiweddar. Dylai'r Pwyllgor ystyried y potensial ar gyfer datblygu rôl cynghorau tref fel cyrff arweiniol lleol gweithredol ar gyfer rheoli a gwella canol trefi lleol.

Mae gan yr heddlu hefyd ran bwysig i'w chwarae wrth reoli canol trefi. Mae trosedd ac anhrefn ac ymddygiad gwrthgymdeithasol yn faterion pwysig yng nghanol rhai trefi. Weithiau mae tuedd i weld grwpiau o bobl ifanc yn eu harddegau yng nghanol trefi fel problem, a dylid ystyried eu hanghenion yn llawn fel rhan o gynlluniau a mentrau canol trefi perthnasol.

***3. Cyfraddau annomestig, cymhellion a threthi canol trefi - mae trethi annomestig yn cael eu gweld fel baich ar fusnesau bach, ond maent hefyd yn cynhyrchu £1 biliwn ar gyfer gwasanaethau cyhoeddus yng Nghymru ac yn hanfodol i iechyd ariannol llywodraeth leol. Dangosodd y pandemig bod awdurdodau lleol sy'n gweithio'n hyblyg wrth ddatblygu cymhellion yn hanfodol i helpu busnesau canol y dref i oroesi. Gallai beth sydd i'w ddysgu o'r pandemig siapia ymatebion wrth symud ymlaen.***

I lawer o adeiladau yng nghanol trefi llai (siopau) mae'r trethdalwyr busnes yn cael eithriad busnes bach ac yn talu dim trethi os oes gan yr adeilad RV o £6,000 neu lai neu dalu rhai o'r trethi nes bod RV yr adeilad yn cyrraedd £12,000. Yn ystod Covid (2020/21 a 2021/22) fe gynyddodd hyn i uchafswm o £110,000 yn y sectorau adwerthu, hamdden neu letygarwch er mwyn cael eithriad ardrethi busnes, a roedd hyn yn help mawr i gadw'r busnesau hyn i fynd.

O ran y polisi trethu busnes parhaus, dau beth nad yw'n helpu canol trefi ar hyn o bryd yw:-

Tafarndai, Gwestai ayyb. Mae'r math yma o fusnes yn rhan bwysig o ganol trefi, ond oherwydd bod yr RV dros £12,000 i'r rhan fwyaf o'r rhain mae'n rhaid iddyn nhw dalu'r cyfraddau yn llawn a ddim yn cael unrhyw gymorth. Mae llawer o achosion wedi bod lle mae'r bragdy'n rhoi tenant i mewn, ond dydyn nhw ddim yn gallu talu ac yn gadael gyda dyledion ac mae'r tenant nesaf yn dod i mewn ac yn gwneud yr un peth. Mae angen help ar y math yma o fusnes neu bydd mwy ohonynt yn cau dros y flwyddyn nesaf ac mae hyn yn achosi dirywiad mewn canol trefi.

Eithriad Eiddo Gwag. Dim ond am 3 mis y mae'r eithriad yn para ac yna mae'r cyfraddau'n daladwy yn llawn - nid yw'n bosibl rhoi eithriad busnes bach ar eiddo gwag. Mae yna lawer o achosion lle mae'r landlord yn llenwi'r eiddo gydag unrhyw ddefnydd er mwyn osgoi gorfod talu'r trethi. Siop elusen yw hon fel arfer, oherwydd gall yr elusen hawlio eithriad elusennol gorfodol a dewisol ac felly talu dim trethi. Mae'r landlord yna'n hapus am eu bod nhw'n osgoi talu'r trethi a'u bod yn cael rhent - ond dydi cael tref yn llawn siopau elusen ddim yn helpu canol trefi chwaith. Byddai'n ddefnyddiol pe gallai fod eithriad llawn (ar gyfer eiddo gyda RV dros £6,000) os yw'r busnes yn un newydd.

Byddai'n bosibl bod ychydig yn fwy creadigol gyda'r trethi busnes e.e. mae cyfraddau pawb yn seiliedig ar lluosydd RV x, ond mae'r lluosydd presennol yr un ffigur i bawb. Byddai lluosydd uwch yn bosibl ar gyfer parc manwerthu y tu allan i'r dref / eiddo archfarchnadoedd a lluosydd llai ar gyfer busnesau canol trefi dynodedig. Byddai modd gwneud hyn a lleihau'r baich treth ar fusnesau canol trefi heb leihau faint o arian sy'n cael ei gynhyrchu fel cyfanswm.

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Mae cost cynnyddol ynni yn golygu y gallai rhai busnesau canol trefi ei chael hi'n anodd i oroesi, ac mae'n ddigon posib y bydd angen i Lywodraethau y DU a Chymru ystyried mesurau cymorth brys tebyg i'r rhai a ddarparwyd yn ystod pandemig Covid.

**4. Argaeledd, rheolaeth ac effaith cyllid Cymru a Llywodraeth y DU ar gyfer adfywio canol y dref - asesu pa mor dda mae arian yn cael ei ddefnyddio i adfywio canol trefi, ac a yw hyn yn cynrychioli gwerth am arian.**

Mae pwysau ariannol yn golygu bod adfywio canol trefi ar Ynys Môn yn dibynnu'n fawr ar gyllid allanol, yn bennaf gan Lywodraeth Cymru, gyda'r NLHF yn cyd-gyllido rhai cynlluniau. Mae'r ddibyniaeth hon yn ymwneud â staffio adfywio, cynllunio prosiectau a gweithredu prosiectau.

Mae cyllid blynyddol yn unig yn achosi anawsterau, ac mae'r symudiad gan LC i ddarparu cyllid aml-flwyddyn yn cael ei groesawu. Mae trefniadau cyllid adfywio LIC yn newid dros amser, weithiau yn targedu llai o drefi mwy, gan ddarparu weithiau i drefi llai elwa hefyd. Ar Ynys Môn mae hyn yn golygu bod Caergybi bron bob tro yn gymwys i gael cyllid, ond weithiau dydy'r trefi eraill ddim, sydd weithiau wedi arwain at ddrwgdeimlad. Mae gan Gymru nifer fawr o drefi bach ac mae nifer o'r trefi llai yma yn amlwg angen eu hadfywio. Mae'r trefniant newydd o gael cyllideb 'strategol' i gefnogi prosiectau adfywio trefol pwysig mewn trefi allweddol penodol, a chyllideb 'creu lleoedd' mwy hyblyg efo dirprwyaeth rhanbarthol hyd at £250k y prosiect (y gellir ei ddefnyddio mewn unrhyw dref lle mae'n ymddangos bod achos prosiect cyfiawn) yn ateb ymarferol da.

Mae cyllid Llywodraeth y DU hefyd bellach yn gallu cefnogi canol trefi. Mae rhai prosiectau bach yn cael eu hariannu gyda chyllid refeniw CRF yn ystod 2022, a'r gobaith yw gweld cynlluniai canol tref yn defnyddio arian SPF yn 2023-25. Mae cais cyfalaf LUF mawr wedi'i wneud yn ddiweddar i ariannu pecyn o brosiectau yng nghanol tref Caergybi yn ystod 2023-25 gyda disgwyl penderfyniad mewn rhai misoedd.

Amlgodd ein arolwg diweddar o ddefnyddiau canol trefi bod nifer fawr o unedau masnachol gwag yn rhai o'n trefi llai llewyrchus, a nodwyd hefyd nifer o eiddo adefiliedig. Mae cefnogaeth i fusnesau canol trefi newydd a rhai sy'n bodoli eisoes yn amlwg yn bwysig, gan gynnwys gwybodaeth a chyngor, a chynlluniau cymorth ariannol addas gan gynnwys grantiau a benthyciadau ar gyfer datblygu busnes a buddsoddi mewn eiddo. Mae darpariaeth Llywodraeth Cymru o fenthyciadau ailgylchadwy i awdurdodau lleol er mwyn eu cynnig i berchnogion eiddo yn ffordd dda iawn o wella gwerth cyhoeddus am arian, ond bydd angen cyllid grant ar rai cynlluniau o hyd er mwyn eu gwneud yn hyfyw.

Mae gan broses Gorfodi Canol Trefi ran bwysig i'w chwarae hefyd, ac roedd digwyddiadau hyfforddiant gorfodi diweddar Llywodraeth Cymru ar gyfer awdurdodau lleol yn dda iawn - rydym bellach wedi paratoi Cynllun Gweithredu Gorfodi sy'n nodi deuddeg eiddo blaenoriaeth, ond mae ein capasiti staff yn cyfyngu ar pa mor gyflym y gallwn weithredu'r rhain.

Mae gan ddefnyddiau a buddsoddiadau tai / preswyl rôl allweddol i'w chwarae wrth adfywio canol trefi. Gyda cefnogaeth gan LIC, mae sawl enghraifft dda erbyn hyn o weithio ar y cyd rhwng swyddogion adfywio a thai i fynd i'r afael ag ailddatblygu safleoedd ac adeiladau trefol problemus, gyda chronfeydd adfywio weithiau'n cael eu defnyddio fel ychwanegiad i gonfeydd tai. Nid yw'r defnydd o rai ardaloedd yng nghanol trefi gan y sector cyhoeddus ar gyfer rhai mathau o dai cymdeithasol neu lety dros dro bob amser yn cael ei groesawu gan randdeiliaid lleol oherwydd effeithiau negyddol canfyddedig. Mae'r trefi gwyliau twristiaeth mwyaf poblogaidd wedi gweld llawer o fuddsoddi eiddo fel ail gartrefi neu lety gwyliau, gyda pobl leol yn gynyddol yn methu gallu prynu neu rentu cartrefi preifat, a problemau eraill sy'n gysylltiedig a 'gor-dwristiaeth'.

**5. Bargeinion Dinesig a Phartneriaethau Rhanbarthol, a Chyd-Bwyllgorau Corfforaethol – oes mwy y gellir ei wneud yn y gofod datblygu economaidd rhanbarthol i helpu i adfywio trefi yng Nghymru neu fyddai gwneud y trefniadau hyn yn rhedeg y risg o wneud pethau'n fwy cymhleth nag sydd angen.**



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Mae natur adfywio canol trefi yn golygu bod angen i'r rhan helaeth o'r gwaith gweithredu sydd ei angen ddigwydd yn lleol, ond mae rhai agweddau ohono sydd angen cynllunio a chydlynu rhanbarthol a chenedlaethol.

Mae Grŵp Swyddogion Adfywio Rhanbarthol Gogledd Cymru (RROG) wedi cyfarfod bob mis ers 2018.

Mae'n cynnwys prif swyddogion adfywio'r chwe awdurdod sir lleol a rheolwyr adfywio Llywodraeth Cymru ar gyfer y rhanbarth. Mae'r grŵp hwn yn goruchwyllo'r broses o gynllunio, dyfarnu a gwariant y dyraniad blynyddol o tua £8m o'r gyllideb adfywio flynyddol gan LIC i Ogledd Cymru, a pharatoi ac adolygu cynllun adfywio rhanbarthol. Mae hefyd yn mynd i'r afael â materion a chyfleoedd, a datblygu arferion da, ac mae'n fecanwaith effeithiol ar gyfer adolygu a gwella'r rhyngwyneb cyflenwi / ariannu / polisi yn barhaus. Mae'r grŵp yn darparu trefniadau cydweithredu rhanbarthol ymarferol ac effeithiol, gyda mewnbwn politicaidd pan fo angen.

Mae'n ymddangos bod y RROG yn fodel da ar gyfer cyflawni cydweithrediad rhanbarthol effeithiol ar gost isel, a byddai unrhyw newid sylweddol iddo (megis dod ag adfywio trefol dan CJC) yn peryglu niweidio'r trefniant gweithredol hwn a chreu biwrocratiaeth a chost ychwanegol di-angen.

Mae gan ein partneriaeth economaidd rhanbarthol ffocws ar faterion eraill, ac mae wedi bod yn hapus i'r RROG arwain ar faterion adfywio canol trefi. Gan bod rhai swyddogion yn mynychu'r ddau gellir gwneud unrhyw gysylltiadau angenrheidiol. Mae'r bartneriaeth economaidd rhanbarthol bellach yn arwain ar gynllun buddsoddi rhanbarthol Y DU ar gyfer cyllid SPF a materion cyllido newydd eraill Llywodraeth y DU. Oherwydd bod adfywio canol y dref yn flaenoriaeth i nifer o'r cynlluniau LlyDU newydd, mae'r RROG wedi cytuno i gynnal trafodaeth gyda'r bartneriaeth economaidd ar y ffordd orau o gydweithio ar hyn.

## **Welsh Parliament Public Accounts & Public Administration Committee Inquiry into Town Centre Regeneration – Information and Comments by the Isle of Anglesey County Council**

**Date: 12<sup>th</sup> September 2022**

Comments are based on the Issues in your letter (bold italic text)

***1) National Policy and Legislation that is critical to the regeneration of towns to enable them to thrive and survive – determining whether the legislation and Welsh Government's policy levers for regeneration are fit for purpose and focus on addressing the underlying problems facing towns. In particular, the Committee wishes to look at planning policy and the Welsh Government's Town Centres First policy.***

The Welsh Government's approach through national planning guidance and policies in relation to urban regeneration is increasingly favourable and protective towards town centres. These give Local Planning Authorities the flexibility to formulate retail/town centre policies and limit retail/town centre uses in accordance with the circumstances/viability of those centres. The approach included in 'Future Wales' for the creation of multifunctional centres with duties beyond the traditional retail function is welcomed, and there is scope to locate new public sector service hubs in town centres.

It is important to remember that most developments and changes taking place in the real world are not controlled by planning policy decisions, and the planning system is only one among many influences on what actually happens. Recent decades have seen changes in transport, retailing, and a digital revolution. Many edge or out-of-town retail developments have taken place across Wales, and there has also been a large growth in online shopping, boosted during the Covid pandemic. The more touristic Anglesey town centres appear to have adapted well, with a growth in uses such as restaurants, holiday accommodation

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and gift shops, with very few vacant premises. Our other traditional town centres have fared less well, with a significant recent growth in vacancy numbers.

Traditional town centres often have many historic buildings, but the nature of many older town centre buildings means they tend not to appeal to many national commercial chains. Many town centres also often have a rich history and interesting historic and cultural assets that can be used as attractors of footfall.

Accessibility is a key requirement for town centres to thrive, ensuring that they are convenient and easy to access from the rest of the town and its hinterland / catchment area. The Welsh Government works with and supports county local authorities to improve public transport facilities and active travel links and infrastructure. Some town centres now have excess public car parking space, and surplus areas could potentially be redeveloped or repurposed for other publicly beneficial uses. There is a need to address green infrastructure issues in town centres, and seek to improve biodiversity and green space provision where currently deficient, and the Welsh Government has been offering some funding for local authority green infrastructure studies and projects in town centres. Given the high cost of energy and older nature of many town centre premises, there is a need to pro-actively pursue energy efficiency and zero net carbon aims.

Where traditional town centres have many vacant premises over a wide area, there is a need to consider the potential to consolidate the retail/commercial core, such as by encouraging the use of less central empty floorspace for other uses. This could be achieved via planning use designations and/or by providing relevant financial incentives. Another issue from a planning policy perspective is its responsiveness to external changes affecting the viability of retail centres. In recent years, a clear commercial decline has taken place in several existing retail centres identified and protected within the Local Development Plan (LDP). The local policy approach included in the LDP is based on the research carried out when the Plan was prepared and when external impacts such as the side effects of the pandemic were not predicted. Planning systems need to be able to respond to external changes, and the Welsh Government did introduce temporary permitted development / use class changes during the recent pandemic.

The Welsh Government's Place Making Grant regeneration funding is now conditional on the existence of local place making plans and the alignment of projects with these, and guidance on the content of such plans has recently been issued. This and the offer of some revenue funding to help prepare such plans is welcomed, and we intend to prepare such plans over the next few months. Local authorities have the ability to adopt these place plans as supplementary planning guidance. The process is currently in its infancy and few such plans are actually in place across Wales. For them to be practically useful and have a long-term shelf-life it is important that local place plans are visually attractive, clear and succinct, reflect the issues/ concerns / opportunities raised by local people and businesses, and are regularly reviewed and updated.

***2) Creating and sustaining local coalitions of change – how local authorities and their local partners, including citizens and service users, are managing and regenerating towns in Wales and considering whether local authorities and their key partners have the right skills, leadership, resources, buy-in and capacity to regenerate towns.***

Effective town centre regeneration and management requires effective co-operation and co-ordination across organisations and sectors. Town centre policy needs to consider many different issues and players, and they are not always easy places to understand or manage effectively. The public sector's primary role should be to facilitate the private sector to thrive. The many different towns and situations require variations in approach, and there is no 'one size fits all'.

The recent Audit Wales review identified a long list of actions they considered that local authorities should be undertaking. There are many competing pressures on local authorities, and fully achieving all the listed actions may not be possible. The Audit Wales review related to town centre regeneration and did not

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extend to town centre management. At least one political party (Plaid Cymru) has proposed that town centre management should be a statutory function of local authorities.

In terms of capacity, Anglesey CC currently has one core-funded specific regeneration officer for the county, and its other regeneration staff are externally funded on specific temporary projects, mostly on heritage-related projects in the Holyhead area. There are no specific town centre regeneration officers or town centre managers, but officers across various services in the authority do undertake county-wide roles that contribute to the well-being of town centres. With five town centres in the county, the extent of proactive town centre regeneration or town centre management activity that can be undertaken by the county council is inevitably limited, and impacted by wider priorities.

Responding to local authority regeneration staff capacity issues, the Welsh Government does allow capital project grant awards to include a project management fee, but this is obviously limited in scope and timescale. WG has also recently been awarding some short-term revenue funding for town centre studies. Offering multi-year co-funding towards the cost of employing local town centre regeneration / town centre management staff is an option that should be considered. Town Councils are also elected local authorities with many discretionary powers and the ability to raise funding from a precept as well as secure public borrowing. Town Councils should logically be well placed deal with many local town centre regeneration and town centre management matters for their towns, with county councils acting in a supportive role including access to grants, and generally leading only on larger projects and functions best undertaken on a county-level. The pre-1974 urban district councils had far more functions and staff than the current town councils.

There are some examples of good town council regeneration projects, such as Holyhead Town Council's refurbishment and reopening of the closed Empire Cinema with an indoor play facility, with support from local authority and WG regeneration officers. Holyhead Town Council also led the recent Holyhead LUF bid consortium group. The potential for developing the role of town councils as active local lead bodies for managing and improving local town centres should be considered by the Committee.

The police also have an important role to play in managing town centres. Crime and disorder and anti-social behaviour are issues in some town centres. There is sometimes a tendency to see groups of teenagers in town centres as a problem, and their needs should be fully considered as part of relevant town centre plans and initiatives.

***3) Non-domestic rates, town centre incentives and taxes – non-domestic rates are seen as a burden on small businesses, but they also generate £1 billion for public services in Wales and are vital to the financial health of local government. The pandemic showed that local authorities working flexibly in developing incentives was critical to helping town centre businesses survive. What is there to be learned from the pandemic that can shape responses going forward.***

For many buildings in smaller town centres (shops) the business ratepayers receive a small business exemption and pay no taxes if the building has an RV of £6,000 or less or pay some of the taxes until the building's RV reaches £12,000. During Covid (2020/21 & 2021/22) this increased to a maximum of £110,000 in the retail, leisure or hospitality sectors to receive a business rates exemption and this greatly helped keep these businesses going.

In terms of the ongoing business rating policy, two things that don't help town centres at present are:- Public Houses, Hotels etc. This type of business is an important part of town centres, but because the RV is over £12,000 for most of these they have to pay the rates in full and don't receive any help. There have been many cases where the brewery puts a tenant in, but they can't pay and leave with debts and the next tenant comes in and does the same. This kind of business needs help or more of more will close over the next year and this is causing town centre decline.

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Empty Property Exemption. The exemption only lasts for 3 months and then the rates are payable in full – it is not possible to put a small business exemption on an empty property. There are many cases where the landlord fills the property with any use to avoid having to pay the rates. This is usually a charity shop, because the charity can claim a mandatory and discretionary charitable exemption and thus pay no rates. The landlord is then happy because they avoid paying the rates and they receive rent - but having a town full of charity shops doesn't help town centres either. It would be helpful if there could be a full exemption (for a property with an RV over £6,000) if the business is new. It would be possible to be a little bit more creative with the business rates e.g. everyone's rates are based on an RV x multiplier, but the multiplier is the same figure for everyone. A higher multiplier would be possible for out-of-town retail park / supermarket properties and a smaller multiplier for designated town centre businesses. It would be possible to do this and reduce the tax burden on town centre businesses without reducing the amount of money that is generated overall.

The rapidly rising cost of energy means some town centre businesses may struggle to survive, and the UK and Welsh Governments may well need to consider emergency support measures similar to those delivered during the Covid pandemic.

***4) The availability, management and impact of Welsh and UK Government funding for town centre regeneration – assessing how well money is being used to regenerate town centres, and whether this represents value for money.***

Financial pressures mean that town centre regeneration on Anglesey relies heavily on external funding, mainly from the Welsh Government, with NLHF co-funding for some schemes. This reliance relates to regeneration staffing, project planning and project delivery.

Annual-only funding causes difficulties, and the move by the WG to provide multi-year funding is welcomed. WG regeneration funding arrangements change over time, sometimes targeting fewer larger towns, sometimes providing for smaller towns to benefit as well. On Anglesey this means that Holyhead almost always qualifies for funding, but the other towns sometimes do not, which has sometimes led to resentment. Wales has a large number of small towns and many of these smaller towns clearly need regeneration. The new arrangement of having a 'strategic' budget to support important urban regeneration projects in specific key towns, and a more flexible and regionally delegated 'place making' budget capped at £250k per project that can be used in any town where there is a justifiable project case appears to be a good practical solution.

UK Government funding is also now being utilised or applied for to support Anglesey's town centres. Some small projects are being funded with CRF revenue funding during 2022, and it is hoped to see town centre initiatives using SPF revenue / capital funding in 2023-25. A large LUF capital bid has recently been made to fund a package of projects in Holyhead town centre during 2023-25 with a decision expected in the Autumn.

Our recent town centre uses survey highlighted a significant issue of commercial vacancy in some of our less prosperous towns, and noted a number of dilapidated properties. Support for new and existing town centre businesses is therefore clearly important, including information and advice, and suitable financial support schemes including grants and loans for business development and property investment. The Welsh Government's provision of recyclable loans to local authorities to offer to property owners is a very good way to improve public value for money, but some schemes will still need grant funding to make them viable.

Town Centre Enforcement also has an important role to play, and the Welsh Government's recent enforcement training events for local authorities was very good, and we have now prepared an Enforcement Action Plan which identifies twelve priority properties, but staff capacity limits how rapidly we can progress these.

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Housing / residential uses and investments have a key role to play in town centre regeneration, and often encouraged / supported by WG, there are now several good examples of joint working between regeneration and housing officers to tackle the redevelopment of problematic urban sites and buildings, with regeneration funds sometimes used as a top-up for housing funds. The use of some town centre areas by the public sector for certain types of social housing or temporary accommodation is not always welcome by local stakeholders due to perceived negative impacts. The most popular tourist resort towns have seen much non-local property investment as second homes or holiday accommodation, with local people increasingly outpriced in terms of being able to buy or rent private homes, and other issues of 'over-tourism'.

***5) City Deals and Regional Partnerships, and Corporate Joint Committees – is there more that can be done in the regional economic development space to help regenerate towns in Wales or do these arrangements run the risk of making things more complicated than they need to be.***

The nature of town centre regeneration means that the vast majority of the delivery work involved needs to take place locally, but there are some aspects of it that need regional and national planning and co-ordination.

The North Wales Regional Regeneration Officer Group (RROG) has met monthly since 2018. It includes the lead regeneration officers of the six local county authorities and Welsh government regeneration managers for the region. This group oversees the planning, awarding and expenditure of the circa £8m annual regeneration budget allocation by WG to North Wales, and the preparation and review of a regional regeneration plan. It also addresses common issues and opportunities, shares and develops good practice, and is an effective mechanism for continuous review and improvement of the policy-funding-delivery interface. The group provides practical and effective regional co-operation arrangements, with political input sought when required.

The RROG appears to be a good model for achieving effective regional co-operation at low cost, and any significant change to it (such as bringing urban regeneration under a CJC) would risk harming this working arrangement and the creation of needless extra bureaucracy and cost.

Our regional economic partnership has a focus on other matters and has been happy for the RROG to lead on town centres. As some officers attend both they have been able to make any required linkages. The regional economic partnership is now involved in the UK- SPF regional investment plan and other new UK Government funding matters. Given that town centre regeneration is a priority for many of the new UKG schemes, the RROG has agreed to request a discussion with the economic partnership on the best way to work together on this.

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Senedd Cymru

Y Pwyllgor Cyfrifon Cyhoeddus a  
Gweinyddiaeth Gyhoeddus

Adfywio Canol Trefi

Ymateb gan Un Llais Cymru

Welsh Parliament

Public Accounts and Public Administration  
Committee

Town Centre Regeneration

Evidence from One Voice Wales

## One Voice Wales submission to the Public Accounts and Public Administration Committee inquiry into Town Centre Regeneration September 2022

### 1.0 Introduction

One Voice Wales is recognised by the Welsh Government as the national representative body for community and town councils in Wales. It represents the sector on the Local Government Partnership Council and over 89% of the 732 community and town councils are in membership, with numbers growing year on year. As well as our representative role, we also provide support and advice to councils on an individual basis and have previously launched, with Welsh Government support, a modular training programme for councillors. We believe strongly that community councils are well-placed to develop the economic, social and environmental well-being of the areas they serve and, as such, are active and proactive in debating key issues such as energy policies, environmental issues and strategic planning. Our sector is therefore well placed to contribute to a successful future nation, building community and public services from the bottom up.

One Voice Wales is delighted to contribute to the Public Accounts and Public Administration Committee's inquiry into Town Centre Regeneration. The response has been co-ordinated and written by Mr Lyn Cadwallader, Chief Executive of One Voice Wales. He has represented the Community and Town Council sector on the Ministerial Towns Action Group since June 2020. Our response to the 5 broad areas identified in the Committee's terms of reference:

- **National Policy and legislation that is critical to the regeneration of towns to enable them to thrive and survive** – determining whether the legislation and Welsh Government's policy levers for regeneration are fit for purpose and focus on addressing the underlying problems facing towns. In particular, the Committee wishes to look at planning policy and the Welsh Government's Town Centres First policy.

- **Creating and sustaining local coalitions of change** – how local authorities and their local partners, including citizens and service users, are managing and regenerating towns in Wales and considering whether local authorities and their key partners have the right skills, leadership, resources, buy-in and capacity to regenerate towns.

- **Non-domestic rates, town centre incentives and taxes** – non-domestic rates are seen as a burden on small businesses, but they also generate £1 billion for public services in Wales

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and are vital to the financial health of local government. The pandemic showed that local authorities working flexibly in developing incentives was critical to helping town centre businesses survive. What is there to be learned from the pandemic that can shape responses going forward.

- **The availability, management and impact of Welsh and UK Government funding for town centre regeneration** – assessing how well money is being used to regenerate town centres, and whether this represents value for money.

- **City Deals and Regional Partnerships, and Corporate Joint Committees** – is there more that can be done in the regional economic development space to help regenerate towns in Wales or do these arrangements run the risk of making things more complicated than they need to be.

... are set out below.

## **2.0 Background**

Towns face significant environmental risks on top of the economic and social issues they have been facing for some time, including the recovery from the ongoing impact of the coronavirus pandemic and now the need to respond to the impact of the increase in the cost of living. Recent reports and through One Voice Wales involvement in the Ministerial Towns Action Group have highlighted that the challenges facing town centres is a complex set of issues which have been evolving over a few decades. These include:

### **Economic Challenges**

- Town centre dereliction has become more common and is most obvious in vacant premises and buildings.
- Considerable amount of vacant and unoccupied space in and around town centres are often owned by distant organisations and individuals (and there can be issues in identifying ownership).
- Even where buildings are occupied, much of the revenue or value created from them are not felt locally due to the nature of the ownership and/or occupied use.
- The changing nature of economy/practice through the rise in online activity has comparatively increased the cost structures of operations in town centres.

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- The move away from town centre living to out-of-town developments and the subsequent move of services and commercial activity.
  - Town centres (especially larger ones) are comparatively difficult and more complex and expensive places in which to develop and operate either commercially or non-commercially.
  - Out-of-town operations benefit from operating and development costs cheaper than in town centres, and their ease of operation on purpose-built sites also reduces costs and improves corporate or organisational performance.
  - Lack of diversity and over-reliance on some sectors or uses which in turn has reduced town centre footfall and reasons to visit.
  - Government funding has been short-term and limited in comparison to the scale of the problem.
  - Capital-only led investment often leaves organisations struggling due to the lack of revenue to get going and survive the initial years.

#### Environmental Challenges

- Flood risk is increasing and is expected to increase further. Sea level rises and increased river flows are causing changes to what we know to be areas at risk of flooding. There's no avoiding the fact that many of our town centres are vulnerable to flooding, as they're located along rivers or on the coast. This can mean difficult decisions about whether development and regeneration in town centres the responsible thing is to do.
- Increased risk of flooding will have associated impacts on water quality, as well as an increased chance of local overheating, the urban heat-island effect.
- In the construction or repurposing of buildings, thought needs to be given as to how the environmental impact of the building can be minimised, how the building will be used now and how it could be used in the future, building in flexibility and adaptability from the start.
- Consideration needs to be given to what will happen to buildings once they become redundant, e.g. can the materials be reused, or recycled.



- Important ecological resources, such as trees and green spaces, are increasingly being lost from the urban environment creating a biodiversity crisis in urban areas, with some of the species that used to be widespread becoming increasingly scarce.
- Reliance on the private car has resulted in the movement of many services and activities away from town centres, increasing distance to travel and privileging one mode of private transport.

#### Social Challenges

- A lack of local ownership and limited sense of local community and economy can impact the sense of place and reduce its interdependence and resilience, adversely affecting general social and economic wellbeing.
- Some parts of town centres can be hard for people to access and navigate, may not encourage interaction and are not necessarily pleasant or safe spaces, with a lack of greenspace and other more social settings with streets dominated by traffic.
- Reliance on the private car has resulted in the movement of many services and activities away from town centres, increasing distance to travel and privileging one mode of private transport.
- Perceived lack of compelling reasons to visit which creates a 'disappointment/disillusionment' with some towns and town centres – some people and communities feel their town centre has little to offer them, commercially, socially, environmentally e.g. green space and culturally.
- Lack of engagement with or 'ownership' of the town centre - some people and communities feel a sense of distance from their town centre, the businesses, organisations and spaces it contains.
- Some local communities do not feel part of the decision-making around their towns with changes being “done to them”.
- Town centres are seen by many people and local communities as relational places where, people hang out, meet friends, take in cultural events, engage in voluntary activities, use local services as well as shopping – some people and communities feel that the decisions about their towns are too focused on economic transactions.

### **3.0 Supporting Town Centre Regeneration – a Welsh Places Charter**

As a response to these challenges set out above One Voice Wales would like to bring to the attention of the Public Accounts and Public Administration Committee a piece of collaborative work undertaken during the early part of 2021 and shared with all political parties in advance of the Senedd elections 2021 – a Welsh Places Charter which, if implemented, could support town centre regeneration.

The charter was created by the Welsh Places Influencing Group. One Voice Wales was part of a coalition of organisations, practitioners, and academics passionate about creating a Wales in which people’s social, economic and environmental wellbeing is at the centre of our communities.

In order to achieve this vision, the Charter sets out a number of policy recommendations which we think are critical for the Welsh Government to prioritise.

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The covid-19 pandemic has exposed and accelerated problems that have long been embedded in our communities. Our town centres are struggling in the wake of declining retail sales and lockdown restrictions, and this has a knock-on effect on the environmental, economic, social and cultural well-being of Wales.

It is clear that the way in which we live, and work will not be the same as we move towards recovery, and big questions need to be asked about what we need to do to ensure that our places can not only recover but are thriving and resilient.

We believe that the answers to these questions lie within our communities, and throughout this Charter we set out a vision for a Wales where more economic power is returned to local citizens, and it is the norm for people to have a greater say in how they shape their communities.

When we talk about community, we mean a community of place and the people that live and work in that place. It is important that all communities of place are welcoming for those from diverse backgrounds and with protected characteristics, and that planners and place-based community leaders should focus on creating inclusive environments for all.

In order for Wales' places to build back better from the effects of the pandemic and economic shutdown we need to see power redistributed back to our communities.

Communities should have

- the tools to better understand their area
- the voice to represent their needs to decision makers
- the means to make a change in the places where they live and work.

The pandemic recovery presents an opportunity for us to design communities that work for people and foster health and wellbeing.

Places should:

- be co-designed with and for the needs of all people living and working there
- be well connected and promote opportunities for social interaction
- provide access to jobs, services and facilities for people
- celebrate their culture and identity

We believe that this can create a lasting impact by improving the physical environment and creating sustainable and vibrant town centres that are focused on supporting people's wellbeing.

**Strong Local Democracy**

The pandemic has shown us that crisis response is often best managed at a local level, yet the infrastructure is not currently in place to empower people to play an active role in shaping where they live and work during normal times.

To make this a reality, the Welsh Government should:

1. Introduce a Town and Community Council Development Fund. This would fund development officers to enable the creation of new town and community councils and support existing councils to improve how they contribute to their own local priorities.
  2. Create a grant to support local authorities to introduce deliberative democracy tools such as participatory budgeting and citizens' assemblies, in order to give communities a stronger voice in local democracy.
  3. Introduce a Community Enabling Fund for communities to scope and design project proposals which will help them build back better after the pandemic. This fund would support communities who often don't have the capacity to focus on bid writing and development.
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4. Provide multi-annual funding frameworks for communities that are not tied to electoral cycles, and that commit to both capital and revenue funding. This would alleviate the risk of a 'cliff-edge' for projects when governments change.
5. Treat data as an essential service. Improving the collection and presentation of data at a community level would in turn strengthen the evidence-base for informed local decision making.
6. Commit to decisive measures to promote diversity. Collect and publish diversity data and establish a far-reaching Access to Elected Office Fund to include support for people from diverse backgrounds or with protected characteristics. This should include local government and town and community councils, as called for in [ERS Cymru's - A Manifesto for Democracy](#).
7. Introduce mechanisms for communities to have a greater say in decisions about land use, for example enabling Community Asset Transfers, learning from The Community Empowerment (Scotland) Act 2015.
8. Establish a national programme for plural ownership. The next Welsh government should commit existing and new business development resources to develop and grow cooperatives, community businesses and social enterprises.
9. Support improved community engagement in the planning process by creating a participation framework as a baseline for planners to engage with communities:
  - increasing capacity in local authority planning teams
  - ensure effective mechanisms for digital engagement
  - improving accessibility and availability of information about planning for groups who typically do not engage in the process

## Wellbeing communities

The pandemic has highlighted the challenges for town centres across Wales, many towns are struggling in the wake of declining retail sales, lockdown restrictions, and changes in consumer behaviour. The recovery presents us with an opportunity to evolve our high streets and to support them to become places where people live, work and spend leisure time, as well as shop.

The Welsh Government should:

1. Stop urban sprawl by maintaining a town first approach as called for in [RTPI Cymru's - Plan the Wales we Need](#):
  - Ensure all town centres have a vibrant mix of retail, work, and leisure spaces
  - Continue to move homes into town centres, in a way that doesn't compromise their commercial development and viability. These homes should be high-quality, affordable, and built to the highest zero carbon standards
  - Include a focus on repurposing vacant properties in town centres in order to support community resilience and environmental sustainability.

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The planning system should:

2. Continue to support the placemaking principles outlined in the [PlacemakingWales Charter](#) by:

- Creating towns that put people first by making 20-minute neighbourhoods a central principle in local planning, transport, health and economic policy
- Support initiatives that improve access to green space, and bring green infrastructure and nature into town centres
- Encourage the re-establishment of community facilities into town centres such as libraries, information points and health centres
- Support the Welsh language and our heritage by integrating policy areas and encouraging better collaboration between linguistic and spatial planners. This would enable local planning authorities to take account of the Welsh language in land use decisions
- Prioritise and invest in sustainable transport to high streets by integrating walking and cycling with the wider public transport network, and ensuring it serves all users equitably
  
- Establish an arts and culture programme for towns in Wales which supports local creative practitioners, organisations and communities to work together to develop local cultural strategies.
- Create town centre incubators: Encourage affordable flexible spaces for pop-up uses on a temporary or seasonal basis, or for local seed ideas to be tested

3. Introduce a Future of Welsh Towns Fund. We support the Federation of Small Business Cymru's recommendation to create a [Future of Welsh Towns Fund](#) that would help every town in Wales create a strategy for its future.

4. Support The Rural Vision's call for a "Smart Towns Initiative" to establish a fund to ensure every town in Wales enjoys improved access to digital infrastructure. This initiative should support towns and local businesses to use digital technologies to deliver services and support local businesses.

#### **4.0 Town Partnerships – A Community Planning/Town Centre Regeneration Model for Wales: Developing a framework for sustainable place improvement and governance**

This part of our submission to the Public Accounts and Public Administration Committee explores the opportunity for discussion on a new way of working across and between public sector organisations, the Third Sector, and local businesses for providing a method to translate Welsh Government Policy intentions around improving approaches to collaborative working, sustainable development and local governance into manageable practice at a town centre level and offers a way of collaboration that implements a Future of Welsh Towns Fund. There continues to be an understandable and welcome focus of the importance of 'place' in helping frame Welsh Government Actions to support the development of sustainable communities. All levels of government are challenged with 'doing more for less' to reduce

inequalities in life experience and improving service responsiveness to meet increased user expectations.

Experience of current, previous and pilot programmes such as Communities First, Vibrant Places and Cynefin highlight the vital position of any targeted actions being located within a clear framework of an area wider needs and, importantly, securing the widest network of collaboration in making a difference to local prospects.

The adoption of the Well Being of Future Generations Act with the requirement for the production of Local Well Being Plans and wider Public Service Board membership will further encourage development of holistic, sustainable approach to tackling local needs, better linking the distinct goals for wellbeing set out in the legislation. Bringing the significant impact of the Act to life at a level where it can be seen to be making a difference to people's everyday lives will be vital. Additionally, the Planning Act and Environment Act introduce the potential for new thinking about locality and place in a more integrated way.

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## Locality and Place

Identity with a locality is a really significant driver for delivering or discouraging effective collaboration. Having a shared, identifiable understanding of local needs and feeling able to influence local improvement are vital to engaging collective action to make things better. With the potential for increasing regional structures the need to identify an effective method of harnessing a rational, inclusive method of determining local priorities and giving voice to all parts of civil society becomes self evident.

### A Proposed Approach

We feel that in this time of significant challenge for public service delivery and potential structural change at the regional level there is a need to test potential models of securing more collaborative place governance. Such an approach would seek to bring together community and town council, local third sector organisations, businesses and communities.

One model that has been tested is the 'Whole Place' approach – indeed more recently some town and community councils have identified that undertaking a comprehensive needs assessment and consultation around community needs, using this type of model, might represent a good way to set out their response to the new duty placed on them by the Well Being of Future Generations Act. For example, Penarth Town Council has developed a Place Plan for their area in recent years.

### Collaboration for Connected Places

There is an opportunity to set out the basis for a stronger partnership between community and town councils, the Third Sector and local businesses combining the democratic perspective of elected representatives and the active participation of the voluntary groups and local organisations.

There is a growing opportunity for the Third Sector and local businesses to work collaboratively with Community and Town Councils, particularly in increasing community engagement and delivering the goals of the WFG Act. There are some good examples of the efforts to build local links such as through GAVO, the Gwent CVC, who recently ran a programme to support the transfer of assets to the community which has involved councils in Gwent.

In short there is opportunity to turn the existing community planning system on its head and build from the bottom up as opposed to the top-down policy models which have been dominant. In simple terms it is putting the focus on community led plans designed to meet local needs. This approach would complement the top-down strategic structures by providing a mechanism for harnessing the skills and capacity at the very local level. 10

The former Future Generations Commissioner in coordinating the national conversation on the Wales We Want recognised the feeling of disconnect from decision making, the lack of engagement between the community and the decision-makers - particularly evident in the views of young people. Community leaders who are passionate and ambitious about the success of their communities reported on their successes but also their feelings of frustrations, isolation, and the dangers of burn out due to the challenges of the system. It was response like this which led to the principle of citizen involvement being key in the new Wellbeing of Future Generations Act.

There are local examples that point the way forward. The Llanelli We Want has developed into an important model, led by the Town Council establishing the Llanelli Community Partnership and connecting the various voluntary sector developments across the town. Such initiatives highlight the potential of a joined-up community-led approach that is based on local needs and priorities, connecting the separate funding streams and independent approaches of different organisations to focus on “pride, place and people.”

This is mirrored by the Place Plan led by Llanelli Rural District Council and the community development work of the “big 6” town and community councils across Carmarthenshire; who are now working closely with the County Council in the Wellbeing Assessments and plans required by the Public Service Boards under the WFG Act. It is the perhaps the beginning of a recognition that area town and community councils have a better sense of what is needed.

The role of the democratically accountable body is critical in all these models - there has to be this connection between participative and democratic action. It involves best practice in place planning, with citizen involvement – not easy and needs both hard yards and some degree of expertise – in creating locally owned visions, building on local assets, establishing practical projects and programmes, which leverage the local precept.

This should be the preferred model that should be supported by funders - Big Lottery, Foundations, Business and Government going forward. We need less of the top down national programmes parachuting into local communities on short term contracts and more support for community led projects that can meet local needs for the long term.

This builds on the best practice of local Community and Town Councils where there is:

- Involvement of local people – led through a Community Partnership – in setting a long term vision, identifying local needs and priorities for improving community wellbeing
- To shape the local place plan, which provides the basis for the investment of the precept and focus for volunteer action
- And the platform for funding bids to external bodies such as lottery, foundations, business and other public sector sources

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- With annual reporting back on progress

The importance of building strong local resilient communities was at the heart of the Wales we Want – where there is greater local energy production and consumption; more local food production, and where more money circulates within the local economy with social businesses playing a key role in meeting local needs - enabling economies to be built on local assets, localising supply chains and supporting local entrepreneurship and giving the key role to local communities in respect of natural resources and the importance of local green space.

The opportunity is clear - that One Voice Wales, WCVA, Federation of Small Businesses and a range of sector support providers have a key role to ensure that we can maximise the benefits for our communities, through:

- Putting support for a place-based community planning model approach at the heart of our strategies
- Increasing scale and impact of social action through volunteering – particularly through engaging young people
- Building the capacity and skills of those community development coordinators and community leaders working on the front line
- Ensuring funding streams are better focussed and linked to local priorities
- Post Brexit models Post Community First and are based on best practice of community led development

We know there is not a one size fits all approach but in general, communities succeed when they are in control, as this sense of ownership increases participation, improves prioritisation of local problems, creates community spirit and builds trust and a belief in the delivery vehicle for community change.

What is a Town Partnership Plan?

A Town Partnership Plan will be 'holistic' or comprehensive in scope. They should set out a vision for how a community wants to develop, and identify the action needed to achieve it. They can include everything that is relevant to the people who live and work in the community from employment and playgrounds to the design of new buildings and protection of the local environment and heritage to tourism and youth and older persons support. They can include any social, environmental or economic issues. Importantly it will be upto the community to decide what is important to them.

Town Partnership Plans will have the potential to influence a wide range of organisations and processes which affect the lives of communities. They should complement and help deliver local planning policies and frameworks but they cannot override adopted planning policy. They should influence local housing and land management strategies. They should also contribute to the way local services are managed and delivered.

A Town Partnership Plan will provide a statement of how the community sees itself developing over the next few years. It: 12



- reflects the views of all sections of the community;
- identifies which features and local characteristics people value;
- identifies local problems and opportunities;
- spells out how residents want the community to develop in the future;
- prepares a plan of action to achieve this vision.

Who decides?

The Town Partnership Plan gives everyone a chance to say what they think about the social, economic and environmental issues affecting their community, and how they'd like to see it improved in the future. It is important that the whole community is involved in producing the plan, not just those people who usually come along to community or town council meetings. The vehicle for the commissioning and delivery of the Town Partnership Plan would be via a Community Partnership with representation from the community or town council, third sector and local business plus co-opted individual with specific skills to support the partnerships work.

What's it leading to?

The Town Partnership Plan needs to consider local problems and opportunities as a whole. It makes the links between these issues and sets out a broad vision for the future – where the community or town wants to be in 5 or 10 years time. But achieving this vision will require action. This includes both:

- action which the community or town itself proposes to undertake;
- policies, decisions and action carried out by other bodies which the plan might influence.

What does the plan look like?

There is no standard format for a Town partnership Plan and no prescriptive list of the subjects it should address. It is up to the community to set out its vision, decide which issues it would like to tackle, agree priorities for action and present the information in a way that is interesting and attractive to everyone.

A practical way to present the plan could be in two parts:

- A detailed report explaining how the consultation has been carried out and conclusions drawn. It could take various forms, including photographs, documents, sketches or even a video.
- A succinct Action Plan clearly setting out what needs doing, when, why, by whom and at what cost.

Hasn't this been done before?

Many community or town councils have had experience of producing a community-led action plan such as Penarth Town, Llanelli Town Council and Gwernymynedd 13

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each with their own approach – but not necessarily working collaboratively with the third sector and local business to develop a jointly agreed approach to address local needs. A Community Plan will bring all this together and create a basis for action in future. But as stressed above collaboration will be key - it is important to review and consult the whole community to make sure the issues and actions identified in previous surveys are still relevant, especially if previous action plans were produced many years before.

#### Summary

- Town Partnership Plans will be local, action-based plans which address a range of problems and opportunities affecting local communities.
- They can include social, economic and environmental issues.
- The whole community should be involved in producing the Town Partnership Plan, with the community or town council taking lead responsibility for organising, resourcing and supporting the establishment of local 'Community Partnerships'.
- The Town Partnership Plan must be consistent with related policies set out in the local authority's planning documents and local strategic partnerships ie the Public Service Board Local Wellbeing Plans
- The plan should be based on information provided through survey, research, consultation and community participation.
- A grant to assist with the production of Town Partnership Plans should be made available from Welsh Government. Advice and help with producing the plan and involving the community would be resourced from the community or town council.
- Community Plans should identify actions which can be taken forward by the community or town council, by other individuals and groups within the community, local businesses or by other service providers and statutory bodies via a 'Community Partnership'. These should have a clear focus on Who? What? Why? How? When?

#### **One Voice Wales Town Centre Regeneration inquiry response – further comments**

Policy and solutions fallen short

Town centre regeneration remains a national priority, but the Welsh Government's 'town-centre-first' policy is not yet fully embedded and at the present time has fallen short of addressing the many problems in our town centres. National and local government need to deliver integrated local solutions and make brave decisions going forward.

Skills and Capacity 14

The impact of ten years of austerity and reductions in local government funding has seen depletion in regeneration capacity and skills. Given this reduction in capacity, local authorities need to work more closely with a broad range of partners; the wider public sector, housing associations, the third sector, and Community and Town Councils, especially where their intervention might be of a smaller scale or plays to a specific set of skills and/or responsibilities.

In terms of the specific terms of reference headings:

**National Policy and legislation that is critical to the regeneration of towns to enable them to thrive and survive – *determining whether the legislation and Welsh Government’s policy levers for regeneration are fit for purpose and focus on addressing the underlying problems facing towns. In particular, the Committee wishes to look at planning policy and the Welsh***

Whilst the Audit Wales Report does a good job of reminding policy makers of the dangers of relying on the recent past in terms of vision; its main message is the weak institutional/organisational platforms presently in place to implement policy. In terms of a more holistic view of the variety of policy response needed the Welsh Governments’ own “A Better Wales” does a better job of indicating the paradigm shift needed in terms of vision and the policy implications. Without however addressing specifics of the arrangements/models for policy implementation and the repurposing of town centres. As the Minister says in the Introduction-

“This cannot be done by us working alone. The development industry, local planning authorities, public bodies, the third sector and the Welsh Government, need to work together to achieve this, recognising that change is needed.”

Whilst A Better Wales scopes the areas to address it does not cover technical detail and the need to apply measures in a coordinated way. Some clues to the policy adjustment necessary, involving Planning Input, can be seen in the UK Levelling up Bill e.g. Supplementary Plans, commencement and completion notices and CPO regeneration rationale.

**Creating and sustaining local coalitions of change – *how local authorities and their local partners, including citizens and service users, are managing and regenerating towns in Wales and considering whether local authorities and their key partners have the right skills, leadership, resources, buy-in and capacity to regenerate towns.***

Audit Wales report indicate the series of funding initiatives since 2014. After an initial attempt at partnership working in 2014 a series of alternative funding models were attempted. Effective partnerships may have been sustained in only a few towns in Wales, for example Llanelli. Despite the relative initial failure of a funded partnership model, Audit Wales is very clear about what is required - collaboration among elements of the Local Community working together and the need for Leadership eg Town Partnership model. 15

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Local experience suggests that the pandemic signalled the need for change for effective Place Making ie the potential for Town Partnership models as set out above. It also meant the redirection of staff to administering furlough and other emergency measures. This redeployment underlined the chronic shortage of regeneration\planning staff if the holistic fine grain work anticipated here is to have an chance.

Audit Wales besides pointing to the leadership role of principal Local Authorities, identifies existing platforms through which the wider local community might be engaged. Place Plans and BIDs. The two are not mutually exclusive. One Voice Wales view is that Town Partnership models as set out above provide a vehicle for town centre regeneration.

**The availability, management and impact of Welsh and UK Government funding for town centre regeneration – assessing how well money is being used to regenerate town centres, and whether this represents value for money.**

Wales Audit report highlights the variety and time limited funding streams from 2014.

It follows from the above that funding should respect the variety of local circumstances and that rather than found specific captial schemes or approaches it funds a partnership who determine priorities based on a place making commitment, recognising the pressures identified in the various reports and the need for change.

**City Deals and Regional Partnerships, and Corporate Joint Committees** – is there more that can be done in the regional economic development space to help regenerate towns in Wales or do these arrangements run the risk of making things more complicated than they need to be.

Additional guidance should be issued to the CJC's to ensure that their exiting Committee membership has the expertise to support Town Centre first approaches to regional development. Failing this they use their co-option powers to install that expertise on the Committee. Relying on an expert advisor arrangement would be insufficient although probably also necessary.

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Senedd Cymru

Y Pwyllgor Cyfrifon Cyhoeddus a  
Gweinyddiaeth Gyhoeddus

Adfywio Canol Trefi

Ymateb gan Grŵp Pobl

Welsh Parliament

Public Accounts and Public Administration  
Committee

Town Centre Regeneration

Evidence from Pobl Group

Dear Mr Isherwood MS,

### **Town Centre Regeneration**

We very much welcome the opportunity to contribute to the Inquiry into town centre regeneration in Wales.

We recognise the important role which town and city centres play within our communities and the scale and pace of change by which virtually all of them are being affected.

Our response is based on our extensive experience of town and city regeneration projects which include:-

- Vibrant & Viable Places (VVP) – Pobl delivered over 160 new homes under this programme
- Pillgwenlly Partnership
- Penderi Energy Project
- City & County of Swansea Strategic Sites
- Social Housing Grant funded regeneration projects

The Audit provides an excellent summary of the current situation and how we have arrived at this point and the challenges which affect the delivery of regeneration projects. We will briefly comment on a number of these later in our response.

It feels important to start with some views on what we consider to be the role of towns and cities within our communities.

The audit includes lots of useful information and Exhibit 6 is of particular interest in demonstrating some of the diversity of uses which already exist.

The audit reflects on sentiment from some quarters that there will be quite a significant return to pre-pandemic uses in some locations. We believe that this is very unlikely and that the reduction in retail will continue, and this is something which needs to be accepted and embraced to allow local authorities to embark on a meaningful vision of the future use with local stakeholders. As a significant owner of office space we also see how this use has been hugely impacted by the pandemic. We are keen to hold onto a proportion of our office space as we increasingly seek to promote and encourage the business and wellbeing benefits of collaboration in a physical space. However, we know from robust survey data from our colleagues that there has been a dramatic change which will not reverse to the pre-pandemic approach.

Even though the Audit was only issued in September 2021, circumstances have changed dramatically in the intervening period with the serious impact the massive hikes in energy prices will have on so many of the businesses in our towns and cities and beyond.

Exhibit 6 may surprise many in terms of the extent and proportion of residential use which already exists in so many town centres.

As a housing provider we see the opportunities which the expansion of this use can provide, if approached in the right manner.

Before looking at the expansion of the residential offer in more detail we would also comment on the relatively small proportions of community and leisure uses in the table. We would support and encourage growth in both of these areas. We agree with the policy driver of town-centre first in terms of 'non-digital' public services.

We also feel strongly that the leisure offer should be expanded and a key element here is the quantum and quality of the public realm and particularly green infrastructure and pedestrian and cycling linkages. This activity should focus on maximising the specific characteristics which make many of our towns and cities unique. Examples such as Swansea's desire to reconnect the city centre with the coast. The greening of the Kingsway in Swansea is another good example. On a much smaller scale we were also actively engaged with WG and Caerphilly CBC in regeneration activity in Bargoed which saw buildings demolished to improve legibility to parking and other facilities.

### **Increasing the residential offer:-**

- Current pressures - homelessness, Ukraine – speed of response offered by repurposing existing assets.
- Challenge is avoiding a situation where we have an over-concentration of 'people in need' in our towns and cities (Swansea's city centre living allocation policy is a good example in seeking to provide a balance by giving a degree of priority to people working in the city who are unable to afford market rents).
- The Swansea example also assists with the need to encourage more economically active people to live in our towns and cities.
- Creating more opportunities for families to live in town and city centres.
- Supported living opportunities which promote independence.
- Owner options feel challenging on conversions with complications for leaseholders. Newbuild helps with these options and particularly the use of a robust shared ownership offer which provides protection in terms of overall affordability by controlling service charges. Pobl's shared ownership offer has helped numerous people onto the property ladder, people rightsizing or starting over after a relationship breakdown.
- Major benefit in sustainability terms of re-utilising existing resources but combined with the technical challenge and cost of achieving near net-zero.
- Consider incentives such as 'minimum heat guarantee' as planned in Pillgwenlly. The principle of 'minimum heat guarantee' proposes to include the cost of heating the home to 18°C from 6am to 10pm as part of the rent, and to 16°C overnight from 10pm to 6am. The cost of the energy to achieve this would be met by the landlord, health and/or by wider government but from a residents' perspective the basic level of heating is inclusive within the cost of their housing. The resident then pays for any optional uplifts from that minimum level of heating to whatever levels they wish to heat their home to. This division of "basic heat" from optional uplifts is possible due to more sophisticated metering within the home. This possible though installation of Intelligent Energy System (IES). If applied to city centre residential quarters could this model of affordable city centre living be persuasive for those considering a change in lifestyle or living experience. Notwithstanding the obvious benefit to health, education, and property.
- The flexible and pragmatic approach to standards which WG have set out for consultation under the Transitional Accommodation Capital Programme (TACP) provides a practical way forward.

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- There are also new approaches emerging under TACP which will benefit the regeneration process – these include an acceptance that some funding will facilitate a shorter-term use but with a recognition of further financial support for re-purposing further down the line and/or assistance with risk management on other options if for example disposal is considered the best solution. The latter point could be because of the dynamic way in which use and demand will continue to evolve in our towns and cities.
  - TACP also appears to recognise the importance of revenue funding associated with some of the interim uses where greater support will be required for residents.
  - The audit recognises that lack of evaluation of previous regeneration activity. Pobl can help in this regard by surveying the numerous residents we have helped to live in our towns and cities plus working with stakeholders to gather wider impact data.

We have appended a small number of cases studies to our response and the following help to demonstrate the impact of increasing the residential offer in towns and cities:-

- Central View, Newport
- Orchard House, Swansea
- Biophilic Living, Swansea

During our extensive work on the above projects we encountered first hand many of the practical challenges highlighted in the audit and we would comment in further detail on the following:-

#### **Programme periods & processes**

While the VVP funding was impactful, the short time periods caused particular difficulties with regard to property acquisitions. Vendors were aware of the time periods and too often felt emboldened to hold out for unrealistic values. Their view on values were often not just a commercial position, there were many factors at play. For some they would have paid a price which was higher than achievable in what the current market was at that time, as demand had changed. There was also ineffective use of the levers which could 'encourage' owners to be realistic on price. The audit draws out the lack of enforcement activity in respect of property condition.

In conjunction with a stronger approach to enforcement there does need to be greater clarity on the financial assistance available to help owners consider their options.

We would also encourage the introduction of a property acquisition fund for Registered Social Landlords along the lines of the very successful Welsh Government Land for Housing scheme. There will have been learning from the VVP Programme in terms of processes and in particular the rigidity of the budget allocation process. Costs were often put together in short time periods with limited information. The process really struggled to adapt as projects evolved and costs changed. VFM is essential and that this a big driver in the above approach to property acquisition to allow the money to be spent on the conversion and not overpaying for the property. Also, in the current market we are seeing a volatility in construction prices which would have been extremely difficult to deal with under the processes employed for VVP. Conversion costs are going to be a major factor, not just due to the market but also increasing requirements in respect of aspects such as fire compartmentation and the Renting Homes Act and the Fitness For Human Habitation legislation.

#### **Resources**

This is definitely an issue for local authorities although we have seen really positive examples of joint working across departments to deliver major improvements.

At a practical level there are lots of areas which can be improved, the role of conservation officers is a good example. We absolutely support the preservation of the important heritage

within our towns and cities but the processes we too often experienced during VVP were far too long with a lack of pragmatism or responsiveness to programme pressures. Increased awareness of enforcement powers and in particular the potential use or ability to use CPO is welcomed.

### **Comments on the topics set out in the Inquiry letter**

#### *National Policy and legislation that is critical to the regeneration of towns to enable them to thrive and survive*

The key here is ensuring that the policy agendas are joined up and working towards a 'Placemaking' agenda. For example, if creating more housing in our town and city centres is part of the national plan then we need to ensure that the infrastructure is available to support that. This would include easy access to primary health care, transport links to schools, leisure offers and some retail. This is identified clearly in the Welsh Governments 'Town Centre First' plan, which now needs to be acted on in terms of incentivising local decision making. There is a need for longer term planning around the regeneration priorities by local authorities in a similar way to the requirements around creating a LDP for new housing supply. The plan needs to be specific to enable the targeting and prioritisation of private and public funding.

#### *Creating and sustaining local coalitions of change*

Our experience from two very large regeneration projects, Penderi and in Pillgwenlly, emphasises the importance of developing strong stakeholder relationships with shared, clear vision for the change that will work for that community/area. Stakeholders working proactively together with a 'shared endeavour' mindset with a willingness and determination to invest time, money and resources in making change happen.

Both projects have a Project Board made up of stakeholders from health, public health, police, housing and other agencies. Importantly, both Boards have representation from senior officers and members of the local authorities to ensure the commitment and leadership from the top. The purpose of the Board is to support the development and execution of the vision in partnership with the local community.

Developing the clarity around the vision is critical. A master-planning approach has been taken in both of these examples involving high levels of community consultation and input. The Penderi master plan has been appended for information. The master plan sets the overall vision and direction of travel from which the specific projects and investment proposals can be developed.

Taking a regeneration approach which merely focusses on 'problem buildings' does not deliver a coherent and sustainable regeneration proposition. There has to be a clear strategic plan to regenerate an area, high street or zone.

#### *Non-domestic rates, town centre incentives and taxes*

The use of fiscal measure to incentivise private sector investment is something we would very much support. Incentives which enable business owners to locate and remain sustainable in our high streets such as reductions in non-domestic rates, affordable energy guarantees, tax breaks to encourage investment in housing for letting by companies and individuals have proven highly effective in the past.

#### *The availability, management and impact of Welsh and UK Government funding for town centre regeneration*

Pobl's town and city regeneration activity has been undertaken using VVP and Social Housing Grant. Although some of the VVP processes could have been more streamlined, we believe that it did have a major impact. It allowed us to progress complex, challenging projects which would not have been possible using SHG at that time. The SHG programme is constantly evolving and there are some very experienced members of the WG team who are now very well placed to manage an expansion of regeneration activity. Of course, this would require additional resources and support due to the size of the SHG programme and the extent of the



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housing need and decarbonisation agendas it is seeking to address. The WG SHG team are also well versed in working with local authorities to identify strategic priorities. The future of regeneration funding also needs to build upon the progress which WG are making in more effective integration of housing, health and care funding and the recognition of the vital importance of revenue support in addition to the capital funding of projects. Funding for adequate resources within local authorities to progress the required regeneration activities will also need to be addressed.

Clarity over the quantum of funding to be ringfenced for regeneration over longer periods will support longer terms thinking.

As stated earlier we would also encourage the use of a version of WG's Land for Housing approach, which will support more timely acquisition of properties and land.

*City Deals and Regional Partnerships, and Corporate Joint Committees*

The success and prosperity of our towns and cities has to be a priority for the CJC's. This plays back to the need to ensure that policy and investment decisions are joined up and benefit local areas in a tangible way.

**Some of the strategic shifts and asks that will facilitate progress:**

- **Each local authority should have a 10-year plan, created in partnership, which identifies the regeneration priorities and plans for the authority. Acknowledging not everything can be tackled at once. Some authorities already have this kind of approach e.g. Swansea.**
- **WG to create the expertise to support LAs with their Local Regeneration Plans and the funding options, both public and private. Plus, the specific skills and expertise necessary to follow through with executing the vision. This is set out very clearly in the Audit Report along with the support which may be needed to exercise the enforcement powers which already exist.**
- **The Audit Report provides a comprehensive articulation of the challenges, the opportunities and critical role of LAs with a 4 'I's' approach (Intent, Involve, Inform, Intervene).**

Please let us know if you require any further details on any of the points we have covered in our response.

We wish you well with the inquiry and look forward to receiving further information in due course.

Kind regards

## **Appendices**

Case studies

- Central View, Newport (Appendix 1)
- Orchard House, Swansea (Appendix 2)
- Biophilic Living, Swansea (Appendix 3)

Master planning example

- Penderi Energy Project (Appendix 4)

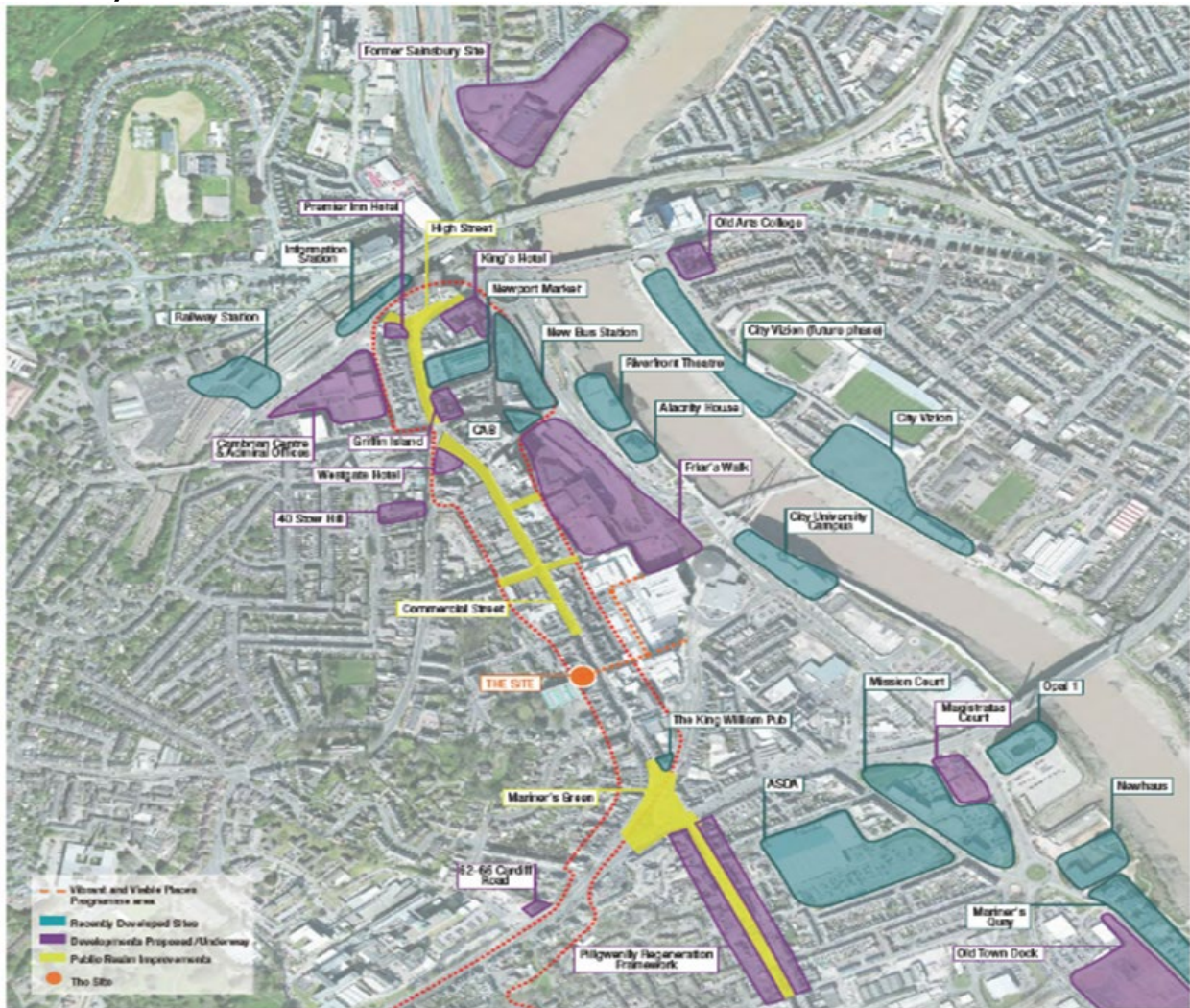
**Appendix 1**  
**Case Study**  
**Central View, Newport**



**The Scheme**

Central View is a newbuild development comprising 38 apartments for older persons in the centre of Newport developed via WG's Vibrant and Viable Places funding programme.

## Site History



The lower end of Commercial Street in Newport is in great need of regeneration and links the current Friars Walk development with the High Street. Newport City centre has undergone considerable transformation and regeneration in recent years and Pobl's proposals for the development of 123-129 were integral to the planned work at the lower end of Commercial Street.

This area of Newport City centre was blighted with anti-social behaviour and drug users activity was very high.



## The Vision

The redevelopment of 123-129 Commercial Street was one of the largest and most complex schemes within WG's Vibrant & Viable Places Regeneration Programme. As NCC and Pobl started on the journey to assemble this transformational development there was an acknowledgement that multiple funding streams would be required in the form of VVP and SHG. VVP alone has had a huge impact on Newport City Centre and 123-129 is seen as the most important of all the schemes which have been developed via this funding stream. Pobl underwent a complicated land assembly of the derelict properties through various avenues, including purchases from private owners through negotiation, auction and a compulsory purchase order which eventually resulted in a negotiated settlement. Pobl realised that there was a real desire for many older people to live in a quality, affordable safe environment close to all the facilities which are now on offer in the heart of Newport. The development is an iconic statement in the heart of Newport providing a mix of 38 one and two bedroom homes. Newport City Council and Pobl were absolutely convinced of the demand for these homes and the transformational impact this development would have on what until recently had been a neglected area of the City.

Pobl's commitment to creating a flagship, landmark building was clearly a major driver regarding the selection of materials, which are of a high quality. The initial capital investment in the external materials were not just aesthetic but they also respond to the whole life cycle costs associated with building.

The development also ties in with the proposed demolition of 68 – 72 Commercial Street, which sits directly opposite and sees the creation of public open space at Emlyn Walk. The roof top garden spaces and green areas that have been incorporated into our scheme and developed by a landscape architect have been designed to dovetail with the proposed public space opposite. Unfortunately, the Emlyn Walk development has still not started demonstrating the need for a comprehensive masterplan for run down areas requiring comprehensive regeneration.

Emlyn Walk – Existing

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### Emlyn Walk – Proposed



The development also includes:-

- Permeable screen to the front elevation, keeps the continuity of the streetscape
- Roof top gardens, internal and external community spaces
- Internal courtyard
- New entrance to Park Square car park
- Small commercial unit to the ground floor
- 19 Parking spaces
- Bike and scooter storage with charging points
- Wheelchair compliant homes

- Communal areas
- Guest suite
- Lift access
- Photovoltaic panels
- Sprinklers



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## **Appendix 2**

### **Case Study**

#### **Orchard House, Swansea**

Orchard House occupies a key location in Swansea City Centre at the eastern end of the Kingsway which has been the focus for considerable investment by Swansea Council as part of the wider regeneration programme in the City Centre. Pobl purchased the building which was in a neglected condition and housed vacant office space on the upper floors and partially occupied retail units to the ground floor.

Pobl converted and refurbished the upper two floors of the existing building into new residential homes, together with building two additional floors of newbuild residential above. The refurbished building provides 52 affordable one and two bed apartments over the four floors. All homes are now all let at social rent, helping to meet the housing demands of the city. Importantly, the Council utilises a city centre living allocation policy which provide a balance of tenants by giving a degree of priority to people working in the city who struggle to afford market rents. The contract included the refurbishment of the externals of the ground and first floors. These floors have now also been refurbished internally by the head leaseholder. The project cost was £8m and was supported by Welsh Government and Swansea Council.





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## **Appendix 3**

### **Case Study**

#### **Biophilic Living Development, Swansea**

The Biophilic Living development is a mixed-use scheme which is being developed by Hacer Developments. The project combines retail, commercial and residential space within the context of an Innovative Housing Programme funded scheme which introduces the concept of Biophilic Living to city centre housing. Pobl will be taking the residential element of the build which will comprise of 50 one, two and three bedroom apartments.

#### **What is Biophilic Living?**

Biophilic living means re-thinking how humans living in an urban environment can keep and improve their relationship with nature. The scheme explores ways of enabling the connection to happen by incorporating nature in space, creating natural analogues, and considering the nature of the spaces provided.

The project is designed following the principles of Biophilic Design aiming to restore people's connection to the natural world, improving environmental, human and economic health.

For the development, this means the incorporation of green spaces to a mixed use development in the centre of Swansea. The residents of Pobl's apartments will have full access to these spaces and the opportunity to become part of the Community Interest Company (CIC) that will be set up to manage them.

#### **Tenure and mix of apartments**

Pobl will be taking the residential element of the build which will comprise of 50 apartments.

34 x 1 bed apartments

12 x 2 bed apartments

2 x 2 bed Duplex apartments

2 x 3 bed Duplex apartments

All apartments are very generously sized and have private amenity space, the mix of one, two and three bed homes will make the development an attractive and exciting option for individuals, couples and families.

### **Financial Information**

The cost to Pobl for these 50 homes is £7,229,886.09 and all residents will also benefit from the £4.65M in IHP grant which will fund the elements of biophilic design including a vertical green farm serviced by a soilless aquaponics system, roof top gardens and amenity space, planters for each residential balcony. The funding also covers the costs of the innovative technologies, which are used to store and reuse natural resources where possible, such as a PV system on the roof, heat pumps and battery storage to reduce the running cost for the building users.

### **Build and Programme**

Demolition work started on site in January 2022, piling and foundations are now complete and work to the concrete frame will commence shortly. Project completion is programmed for Spring 2024.



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## Appendix 4

### Penderi Energy

Supported by £3.5m EU funds from the European Regional Development Fund (ERDF) Pobl and Sero Energy are working together to deliver a renewable energy retrofit project. The ambition of the project is to go beyond technology installation and create a sustainable energy community that shares in the generation to enable lower bills for all.

The project supports innovation, from a transition to low carbon economy, through the integration of battery technology harnessing Solar PV generated power from within the community. With the addition of aggregated grid service capability, the scheme will meet the requirements for Smart specialisation. The investment priority for the production and distribution of renewable energy is the core feature through the Solar PV generation.

Market failure to deliver community based effective generation and storage stems from the prohibited cost of battery storage and until now the absence of aggregated grid services.

Working with Sero Energy, who through their energy management capability, will enable the project to become a virtual power station. It is this aspect of the project that is truly innovative and offers the most benefit to residents and the community.

The operation will contribute to the increase in community energy schemes in Wales by retrofitting 644 homes with solar PV and battery storage technology and in doing so will:

- Reduce energy consumption and thus CO2
- Create an aggregated network in the community that will provide equal benefit to the residents irrespective of orientation
- Reduce fuel poverty of households in one of the most deprived wards in Swansea in providing a low fixed monthly electricity bill
- Provide discrete monitoring service for vulnerable residents through energy use patterns
- Provide targeted training and employment opportunities for the community throughout life of the project
- Provide a community benefit fund that shares a proportion of the revenues from demand side response with the community
- Provide opportunity to enhance and strengthen the supply chain in the sector
- Anticipated to be able to demonstrate a degree of scale (e.g. greater than micro-generation and of benefit to entire communities, regions, or urban areas)

Within the wider regeneration ambition for Penderi there is a desire to embed energy efficiency as its unique selling point. Energy efficiency is also central to the wider ambition of **Penderi Regeneration** in which Pobl and Swansea Council are working in collaboration for this reason the operation directly seeks to demonstrate scale that goes beyond one community.

The proposal will support the creation of a scheme from which the community will benefit. It is envisaged that the development and implementation of a low Carbon strategy will be brought about as a result of the operation.

**Table 1 – Result indicator and output indicators**

				Cross Cutting Themes		
	Outcomes	Indicator	Target	Equal Opportunities	Sustainable Development	Tackling Poverty

1	Number of enterprises receiving non-financial support*	(No. )	8	X		
2	Number of enterprises supported to introduce new to the firm products*	(No. )	5			
3	Number of pilot projects completed	(No. )	1	X	X	X
4	Community energy schemes	(No. )	1	X	X	X
5	Number of homes fitted with PV systems	(No. )	437	X	X	X
6	Number of homes with installed battery systems, individual or communal	(No. )	644	X	X	X
7	Number of homes with Smart Meters, new thermostats and smart heating controls	(No. )	644	X	X	X
8	Reduction in imported energy (metered)	%	50		X	
9	Total installed PV Capacity	MW	1.4		X	
10	Total MWh of electricity generated (annual)	MWh	1,1000		X	
11	Total proportion of generated electricity used on site (annual)	%	60		X	
12	CO <sub>2</sub> saved per annum	T	350		X	

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1 3	Number of properties sharing generation as an embedded benefit within the community	(No. )	644	X	X	X
1 4	Tenant satisfaction (Construction Phase)	%	90		X	X
1 5	Tenants satisfaction (Operational Phase)	%	90	X	X	X
1 6	IRR requirements for equity investors (match funder)	%	10			

Working with our successful contractor Everwarm, 140 homes have received and are benefitting from technology installed to date, see <https://www.itv.com/news/wales/2022-08-26/the-community-going-off-grid-to-save-money-as-energy-bills-spiral>

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Senedd Cymru

Y Pwyllgor Cyfrifon Cyhoeddus a  
Gweinyddiaeth Gyhoeddus

Adfywio Canol Trefi

Ymateb gan y Sefydliad Cynllunio Trefol  
Brenhinol

Welsh Parliament

Public Accounts and Public Administration  
Committee

Town Centre Regeneration

Evidence from Royal Town Planning  
Institute

**Dear Sir/Madam,**

**Response to: Town Centre Regeneration Inquiry**

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 27,000 spatial planners. RTPI Cymru represents the RTPI in Wales, with 1,300 members. The Institute seeks to advance the science and art of planning, working for the long-term common good and well-being of current and future generations. The RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

Thank you for the opportunity to respond to the above inquiry. The following response highlights the key planning issues in relation to the matters set out by the Public Accounts and Public Administration Committee in relation to town centre regeneration.

**National Policy and legislation that is critical to the regeneration of towns to enable them to thrive and survive:**

**Determining whether the legislation and Welsh Government's policy levers for regeneration are fit for purpose and focus on addressing the underlying problems facing towns. In particular, the Committee wishes to look at planning policy and the Welsh Government's Town Centres First policy.**

Town centres are vital economic, community and social hubs and are an important national priority for Wales, as set out in Future Wales: The National Plan 2040. Yet, we believe that Welsh Government and local government need to deliver more integrated local solutions to address many of the issues surrounding regeneration of our town centres.

The closure of non-essential businesses, as a result of the pandemic and the subsequent rise in people working from home for a least a portion of the week has had a significant impact on many high streets and town centres.

Several major retailers have gone into administration over the pandemic, while others restructured. However, industry figures during the pandemic show that local shops and independent grocery stores experienced a boost in trade, along with an increase in online grocery sales. Local innovation and adaption to circumstances in some cases offered rural dwellers, in particular, improved local options.

It is important to recognise the spatial distinctiveness of places in developing policy. Future Wales – the National Plan 2040, Strategic Development Plans (SDP) and Local Development Plans (LDP) can together facilitate an integrated approach with other areas of policy, linking decisions on economic development with those on housing, climate change, transport and other infrastructure, providing a spatial framework for investment at different scales across Wales, facilitating joint

working and maximising benefits on the ground. Place Plans can also add value at the local level for those communities which have them.

RTPI Cymru believes it is essential that a town-centre first approach is maintained by taking a holistic, plan-led approach to the strengthening of existing centres, which could be bolstered by the integration of high-quality homes, including affordable homes, a regular and affordable sustainable public transport system and active travel routes, and the repurposing of vacant commercial space for uses which support community resilience and environmental sustainability.

We note that independent research into town centres in Wales found, “the problem is not a narrow one of town centre regeneration after the decline of retail, but a broader one of towns in their car dependent hinterlands.” The research considered three towns (Bangor, Haverfordwest, Bridgend) and found that “despite their differences, all face the same problem that the business models of the main actors shaping our towns threaten to undermine delivery of Welsh Government’s new vision and the good intentions of local authorities”.

[\(Foundational Economy Research \(2021\) Small Towns, Big Issues. June. Small Towns, Big Issues: independent research report \(gov.wales\) pg4.](#)

Active travel provision and a regular, inclusive and affordable sustainable public transport system is a vital part of successful, thriving town centres. Active travel and public transport help deliver a range of benefits including reducing pollution caused by private car usage, reduces the need for large areas for car parking, provide health benefits from being active and reduces congestion with its economic negativity.

The recent resurgence of many district and local centres within urban areas presents an opportunity to increase active travel patterns of our communities in accessing key services closer to home, rather than a predominant focus on the provision of infrastructure and investment in and around centres at the top of retail hierarchies. A balance of investment is needed to be reached to sustainably enable the benefits of ‘shopping local’ to be maximised.

Policy and legislation needs to ensure that local authorities are supported to manage town centres and retail hierarchies in appropriate ways, and recognise that all towns and places are different and will require different approaches and policy. This will present challenges to local authorities and the communities they serve.

### **Resilience to Climate Change and Flood Risk**

Inevitably, amongst the challenges faced by our town and city centres are those of responding and adapting to climate change. The locations of most of these centres are based on decisions that can be traced back through our history. Many have been located on flood plains at river crossing points, or in locations close to the sea, often alongside tidal estuaries. Many of these locations are now ones of growing risk of flooding from rivers and from rising sea levels, as identified by the new Flood Map for Planning. Many are within defended zones where they are dependent on flood defences to manage flood risks.

In this context, proposals for investment and regeneration in these centres will need to be carefully guided by planning policy. At the national level, Future Wales, The National Plan 2040 sets the context for development plans at the regional and local level. It identifies through Policy 1 a number of national and regional growth areas, each of which include city and town centres. It also sets out policies for shaping regeneration (Policy 2) and recognises the importance of public sector leadership (Policy 3). Of particular importance is the Town Centre First policy (Policy 6). However, all of these policies need to be set alongside Policy 8 on flooding, which emphasises: “The Welsh Government has a robust planning policy that directs development away from areas at risk of flooding.” The policy notes that parts of national and regional growth areas face flood risks, and that strategic decisions will be needed on the location of development. The Plan makes it clear that the feasibility and cost of protecting people and property in the short and long term will need to be fully considered in evaluating the case for enhancing existing defences. Close collaboration will be needed between professionals working in planning, regeneration and flood risk management to ensure that investment can be secured to sustain flood defences, where it is economic to do so.

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The recent publication of the updated Technical Advice Note (TAN) 15 on Development, Flooding and Coastal Erosion (due to come into operation on 1<sup>st</sup> June 2023) provides important and more detailed guidance on the types of schemes that will be acceptable, and the requirements that will need to be met. It emphasises that while flood defences can reduce the risk of flooding, they cannot eliminate it. To maintain the viability of those town centres that are subject to flood risk, property owners will need to consider what measures they themselves can take to help to mitigate their risks. These measures can include flood resistance measures, minimising the amount of water that can enter a property, along with resilience measures that enable a property to be quickly brought back into use after a flooding event. Co-ordinated action to raise levels of flood resilience in a town centre can help to build confidence and ensure its sustainability for the future.

**Creating and sustaining local coalitions of change:**

**How local authorities and their local partners, including citizens and service users, are managing and regenerating towns in Wales and considering whether local authorities and their key partners have the right skills, leadership, resources, buy-in and capacity to regenerate towns.**

The Wales Audit Office in their 2021 report on Regenerating Town Centres in Wales, found that “overall, Welsh and local government have responded well to support town-centre businesses during COVID-19. The Welsh Government has also directly invested or levered in almost £900 million in the last seven years to help regenerate town centres. Despite this funding, town centres often struggle. Local authorities are the key public bodies to help regenerate town centres, but they often lack capacity and skills to deliver the sustainable regeneration needed. Powers that can help stimulate town-centre regeneration are not utilised effectively nor consistently” [Regenerating Town Centres in Wales \(audit.wales\) pg7](#)

In terms of the role of planning in this, it is vital that the impact of current resourcing and capacity is properly understood. Under-resourcing is a critical issue for planning in Wales. The Wales Audit Office, in their report on the Effectiveness of Local Planning Authorities in Wales (2019), found: “Despite the new legislation and heightened expectation on the contribution planning can make to delivering the aspirations of the Wellbeing of Future Generations Act, local planning authorities have seen a significant reduction in capacity and struggle to deliver their statutory responsibilities. Our analysis shows that all planning services – policy, development and building control – have, since 2008-09, seen significant cuts in expenditure with budgets having fallen by 50% in real terms, considering inflation. Net expenditure has fallen from £45 million in 2008-09 to £22.8 million in 2017-18. The biggest cut has been to development control budgets where spend has reduced by 59%.

“With less money to fund services, planning officer capacity is stretched and skills are decreasing in key areas of work. The number of trainees entering planning has fallen in recent years which raises concerns over the long-term sustainability of services. Despite these reductions in funding, authorities continue to subsidise services because the charges made by local planning authorities for administering and approving planning applications and building works does not reflect the cost of providing these services.” [The Effectiveness of Local Planning Authorities in Wales \(audit.wales\)](#) These findings were acknowledged by this Committee, in their report on the ‘[Effectiveness of Local Planning Authorities in Wales](#)’ June 2020 pg8.

Responding to a request by the Minister for Climate Change, RTPI Cymru is currently engaging with the planning profession in Wales to better understand the impact of these cuts and the emerging results are showing a service under extreme pressure.

RTPI Cymru believes, a well-resourced, plan-led, positive planning service offers an established and effective process to support a sustainable future for town centres in Wales.



However, the service is under pressure and scrutiny, with specialist resources under particular strain. While the planning system has tools available to support sustainable communities, the best of tools requires adequate resources to deliver the best outcomes and effective service delivery becomes a challenge with reduced resources and capacity.

Given the findings of the [Foundational Economy Research \(2021\) Small Towns, Big Issues research report](#) set out above, RTPI Cymru believes it is vital that all stakeholders work together towards a clear, shared vision for their town centres. There are also opportunities for local authorities to work more closely with a broad range of partners; the wider public sector, housing associations, the third sector and Town and Community Councils, especially where their intervention might be of a small scale or plays to a specific set of skills and / or responsibilities. The Audit Wales report on Town Regeneration [Regenerating Town Centres in Wales](#) identifies existing platforms through which wider local communities might be engaged, recognising Place Plans and Business Improvement Districts in particular (3.20). While we agree, these have played an important role, like other initiatives, they are not appropriate for all communities or situations. As with these and other initiatives, there are risks, such as engagement fatigue, conflicting priorities, or a disproportionate focus on key sectors of the local community etc.

**Non-domestic rates, town centre incentives and taxes:**

**Non-domestic rates are seen as a burden on small businesses, but they also generate £1 billion for public services in Wales and are vital to the financial health of local government. The pandemic showed that local authorities working flexibly in developing incentives was critical to helping town centre businesses survive. What is there to be learned from the pandemic that can shape responses going forward.**

While many of these issues are beyond planning, RTPI Cymru believes that a flexible approach, with geographically targeted incentives to suit the local area can help to renew struggling areas and town centre frontages.

**The availability, management and impact of Welsh and UK Government funding for town centre regeneration:**

**Assessing how well money is being used to regenerate town centres, and whether this represents value for money.**

Wales Audit Report [Regenerating Town Centres in Wales](#) highlights the variety and time limited funding streams from 2014 pg29. Funding and initiatives should respect the variety of local circumstances and support inclusive partnerships who determine priorities based on a place making commitment, recognising the learning from previous and ongoing initiatives. It is essential that any initiatives or funding put in place are designed in conjunction with the development plans for the area, to ensure an integrated approach.

Comprehensive monitoring and evaluation should be part of the funding package and the outcomes of this shared widely to inform future programmes and projects.

**City Deals and Regional Partnerships, and Corporate Joint Committees:**

**Is there more that can be done in the regional economic development space to help regenerate towns in Wales or do these arrangements run the risk of making things more complicated than they need to be.**

Regional spatial planning can positively support the economic performance of Wales through influencing factors that determine productivity, by defining the future role of key settlements and strengthening their interrelationships, by providing enhanced connectivity etc. Bringing forward SDPs at a regional level will enable planning and stakeholders to address the more complex regional spatial issues that cross boundaries and may require different responses across Wales. The SDP is vital to the balanced recovery of Wales and for long-term decision-making. It is important to recognise the spatial distinctiveness of places in developing both regional and local policy.

RTPI Cymru has called for more joined up working between City Deal investment and projects and the planning system, to maximise opportunities and benefits.