

Response to the Senedd Public Accounts and Public Administration Committee's Inquiry into Town Centre Regeneration in Wales

Welsh Local Government Association - The Voice of Welsh Councils

We are The Welsh Local Government Association (WLGA); a politically led cross party organisation that seeks to give local government a strong voice at a national level. We represent the interests of local government and promote local democracy in Wales. The 22 councils in Wales are our members and the 3 fire and rescue authorities and 3 national park authorities are associate members.

We believe that the ideas that change people's lives, happen locally

Communities are at their best when they feel connected to their council through local democracy. By championing, facilitating, and achieving these connections, we can build a vibrant local democracy that allows communities to thrive.

Our ultimate goal is to promote, protect, support and develop democratic local government and the interests of councils in Wales.

We'll achieve our vision by:

- Promoting the role and prominence of councillors and council leaders
- Ensuring maximum local discretion in legislation or statutory guidance
- Championing and securing long-term and sustainable funding for councils
- Promoting sector-led improvement
- Encouraging a vibrant local democracy, promoting greater diversity
- Supporting councils to effectively manage their workforce.

Introduction

1. We welcome the Committee's inquiry into town centre regeneration in Wales and the opportunity to provide evidence.
2. Due to their community leadership role, their key role in planning and enforcement and their central role in coordinating, facilitating and mobilising the involvement and participation of key partners, councils are central to delivering successful town centre regeneration across Wales.
3. Councils across Wales are working closely with the Welsh Government Regional Regeneration teams in delivering key funding programmes under the Transforming Towns Programme and Place Making Framework.
4. WLGA is represented on a Ministerial Town Centre Action Group (TCAG) which has been considering how best to support town centre regeneration. A Ministerial Town Centre Delivery Group was set up by the Minister as a task and finish group to provide input and challenge to the findings of a



commissioned report “*Small Towns, Big Issues*” by Foundational Economy Research in June 2021 and the Auditor General for Wales’s report, “*Regenerating Town Centres in Wales*”, published in September 2021. Although a local government officer sat on the Delivery Group there was no wider involvement of councils or the WLGA.

5. Welsh Government officials have met with a network of council regeneration officers co-ordinated by the WLGA to discuss the Delivery Group’s work. WLGA has asked that councils have a formal opportunity to comment on and input to the work of the Group before its draft Position Statement, setting out the challenges facing town centres and proposed actions to address them, is finalised and published.
6. It is important to note the many dimensions to the role of councils in town centre regeneration (supported by other services as outlined in para. 15 below) including, variously:
 - coordinating, facilitating and mobilising the involvement and participation of key partners in the third and private sectors, including Registered Social Landlords
 - Co-ordinating Local Economic Regeneration Partnerships that work on a wider range of complementary economic measures
 - Organising Town Centre Management Groups with local trade bodies and other stakeholders
 - Contributing to Business Improvement Districts where they have been introduced
 - Place-making – including a wide range of environmental, community safety, traffic control and active travel interventions to make town centres inviting and attractive places
 - Delivering grant funded regeneration schemes, for example under Welsh Government’s Transforming Towns programme and, looking ahead, the Community and Places theme of the UK Government’s Shared Prosperity Fund.



Issues identified to be considered by the Committee

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

7. Achieving the Welsh Government's ambitions for town centre regeneration requires an enabling national planning policy to unlock development. It also requires less prescriptive and less micro-management of policy levers and funding streams and more proportionate arrangements to enable councils to deliver activities and interventions that cut across different policy departments and service areas.
8. An integrated approach across different Welsh Government departments and funding streams is vital to ensure better alignment of the various policy and funding streams. The plethora of separate, and sometimes competing, policy initiatives and funding streams, each with their own set of criteria, assessment, administration and management arrangements, can make it very challenging for councils to deliver real change on the ground.
9. A good example of this is the current confusion regarding, on the one hand, the Welsh Government's Planning Division policy on Place Plans (encouraging community engagement in the planning process) and, on the other, its Regeneration Division's proposals regarding Place Making Plans, as a prerequisite to unlock funding from their Transforming Towns programme. WLGA has asked Welsh Government to clarify and confirm their expectations of councils in relation to both their proposed Place Plans and Place Making Plans to avoid confusion and duplication and enable the release of this year's allocations, so delivery can start.
10. Another example relates to the current position regarding TAN15, the Technical Advice Note on development, flooding and coastal erosion. TAN 15 was updated and issued alongside a new Flood Map for Planning. The latter builds on the Flood Risk Assessment Wales map which includes allowances for climate change. Councils raised concerns about the new TAN and flood map because of their implications for development in many town centres across Wales. Clearly, it is important that development is not permitted in areas that are expected to be at risk of flooding in the years ahead. However, as currently drafted, the wording of the TAN is seen as unnecessarily restrictive. WLGA welcomed the decision of the Climate Change Minister to suspend implementation until 1st June 2023 to allow time for further dialogue. The Planning Officers' Society Wales (POSW) has written to Welsh Government officials highlighting a number of areas where it is felt certain development could be permitted in an acceptable and safe way. Given that any changes to the TAN will be subject to consultation it is important that



agreement on any rewording is reached soon.

11. It is also worth noting that whilst retail strategy falls within the remit of the Minister for Economy, town centre regeneration sits within the Climate Change Ministry. That is not in itself an issue, but it does point to the need for there to be close working and co-ordination across departments.
12. Less national control and direction and more support and flexibility for councils to deliver real improvement in their town centres would assist in achieving the overall policy aims of achieving thriving, prosperous and resilient town centres. Additional revenue funding for councils is proposed by Welsh Government to help councils build capacity to meet national policy aspirations. This is welcome and will be vitally important but needs to be combined with streamlined funding streams and flexibility for councils to move funding between different funding streams and financial years.
13. Whilst there seems to be a general acceptance of the Welsh Government's Town Centre First policy there has been some concern that it tends to favour large scale urban settlements thus not recognising the key role of smaller market towns in rural council areas. Flexibility is needed (e.g. in terms of funding, delivery expectations) as development in town centres tends to be more complex and expensive (e.g. if there are land ownership issues, conservation area restrictions). It is also important to recognise that some public sector activities will be more appropriate and better suited to town centre locations than others.

Creating and sustaining local coalitions of change

14. Councils across Wales have a key role in coordinating, facilitating and mobilising the involvement and participation of key partners across the third and private sectors locally, including RSLs, via Local Economic Regeneration Partnerships and Town Centre Partnerships and Management Groups.
15. As well as being the local planning authority, councils are the local transport authority. The latter role includes highway management and maintenance, street lighting, active travel, car parking provision (alongside private car parks in some places), consideration of Electric Vehicle charging provision and support for local bus services. Councils have an input to community safety partnerships which have an important role in terms of making town centres safe places to visit. Councils are also responsible for street cleansing and provision of/collections from litter bins. Street furniture (seating, signage etc) and green infrastructure is provided and maintained by councils along with public conveniences (although provision has been reduced due to budgetary



pressures and community councils have taken on responsibility in some places). There are regulatory and enforcement roles too such as food hygiene inspections and oversight and enforcement relating to street traders, 'A' board obstructions, some parking offences and safe event management. In addition, councils themselves often deliver face to face services in town centres (e.g. libraries; advice centres/one stop shops, municipal theatres and other entertainment and leisure venues).

16. In each of the above roles, councils work with a wide range of relevant partner organisations (e.g. as and where appropriate these can include: local private sector and trade bodies; Design Commission for Wales; NRW; Transport for Wales; bus and taxi operators; police; town and community councils; Food Standards Agency; voluntary sector organisations including arts and cultural bodies and repair / circular economy focused organisations) . Local members are embedded in their communities and are well-placed to pick up on and respond to community concerns and aspirations.

17. There are no other bodies with such well-developed and extensive networks of contacts and access to community views to help inform approaches to town centre regeneration. Although many councils have seen their resources depleted and capacity reduced over the last decade, they remain central to the well-being of these centres of community life and activity. Funding from the UK Government's Shared Prosperity Fund may facilitate an increase in capacity to deliver town centre improvement, as could additional revenue support for regeneration teams currently proposed by Welsh Government.

Non-domestic rates, town centre incentives and taxes

18. During the pandemic, the strong connection between councils and local companies (including many town centre-based businesses) was highlighted. Financial support from Welsh Government was routed via councils to be delivered in an effective way, keeping many businesses afloat that otherwise would have failed. The ability to respond quickly and flexibly was crucial and demonstrated once again that councils are well connected at the local level to co-ordinate and administer financial support to business. They are able to use local knowledge of companies to ensure any support made available is well-used. These were important lessons from the pandemic that should inform future initiatives aimed at financial support for business.

19. Non-domestic rates paid by town centre shops are redistributed to councils as one of the vital sources of income that enable councils to deliver the services they do in town centres. Whilst rates will always tend to be seen as a burden by small businesses, it is important to remember that the public services provided by councils are available to all. The 'free rider' effect means that a



full range of town centre support services would not be provided were it left to market forces and voluntary contributions (although bodies such as BIDs have shown that they can successfully supplement the work of councils).

20. Furthermore, some of the smallest businesses are exempt from business rates and others can qualify for various forms of relief. Subject to resources, councils can also grant hardship relief to businesses if they believe it is in the interests of the local community to do so.

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

21. Councils have a key role in delivering both Welsh and UK Government funding programmes for town centre regeneration.
22. Councils are a key partner in delivering the Welsh Government's Placemaking Grant as part of the Transforming Towns Programme. Whilst this grant offers councils a broad and flexible package of support aimed at revitalising their town centres, it is a prescriptive programme that requires detailed planning, administration and reporting e.g. it requires the development of a Place Making Plan to unlock funding. Whilst such plans may well help to ensure alignment of funding streams behind strategic objectives in a co-ordinated way, any existing plans may have to be reconfigured to comply with funding requirements. A pragmatic approach is therefore required.
23. With £100 million allocated over a three-year period across the whole of Wales from 2022-2025, this programme will only be able to do so much and will not be able to address all the challenges facing town centres across Wales.
24. Councils are now a key delivery partner in new UK Government funding programmes, such as the capital Levelling Up Fund (LUF), the (mostly revenue) Community Renewal Fund and the Shared Prosperity Fund (SPF). Whilst the first two were competitive funding programmes the SPF is an allocation-based programme, with funding allocations announced for each council area within the 4 economic regions of Wales. Councils are currently waiting for the approval of Regional Investment Plans they have submitted to UK Government to unlock their allocations, expected in October.
25. Councils have a much more direct role and more flexibility in the design, management and delivery of interventions to be funded via these UK Government funding programmes. There will be opportunities to fund a number of projects to improve town centres locally, in particular via the LUF and the Communities and Place Investment Priority of the SPF.



26. It will be important that councils are able to co-finance and match some of their funding from both Governments to maximise investments and impact, ensure added value and avoid duplication. Councils are well placed to broker such outcomes as they are a trusted and well-respected partner of both Governments and are able to mobilise and facilitate the necessary buy-in of all local partners and stakeholders in achieving real change on the ground.

City Deals and Regional Partnerships, and Corporate Joint Committees

27. Town Centre Regeneration is by its nature a very local area of intervention thus best designed, delivered and managed at the local level, but within a strategic framework that minimises duplication and negative competition between centres. That overall strategic planning and prioritisation is already being done at a regional level across Wales with councils working together in the 4 economic regions as part of regional economic frameworks and delivery plans.

28. Further collaboration is expected between councils in each region on some economic development and regeneration aspects as part of the emerging agendas of the Corporate Joint Committees, particularly in relation to the economic wellbeing area of activity. Further thought, consideration and exploration is required to work out which areas of economic wellbeing are best retained locally and which would be best undertaken regionally, reflecting and complementing the different approaches already embedded in each region in relation to collaboration.