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Y Grŵp Newid Hinsawdd a Materion Gwledig  
Climate Change and Rural Affairs Group



Llywodraeth Cymru  
Welsh Government

Mark Isherwood MS  
Chair,  
Public Accounts and Public Administration Committee  
Welsh Parliament  
Cardiff Bay  
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15 June 2023

Dear Chair,

Thank you for your letter of 23 May 2023, following our attendance at the evidence session of the Public Accounts and Public Administration Committee meeting on 18 May 2023. I am writing to respond with the additional information you requested.

### **Whether, over recent years, the Welsh Government's funding for town centre regeneration has been sufficiently streamlined and focused on the right issues.**

Prior to the Transforming Towns programme, a range of different funding streams existed which in many ways had the same outputs and objectives. It encouraged stakeholders to target specific funding rather than focussing on broader place regeneration. We have now streamlined our regeneration funding via the Transforming Towns programme as well as made three-year funding allocations to local authorities allowing them to plan more strategically.

Transforming Towns is a coordinated, but flexible, package of support. How it is utilised is driven by local authorities, with Welsh Government oversight. All projects and interventions supported by the Programme must be underpinned by or contribute to a placemaking plan. As a minimum, placemaking plans will set out the current conditions of a town, generate and build community interest and participation, create a new and common vision for the town's future and develop a clear and solid set of recommendations and implementation strategy.

Local authorities support individual towns by identifying the mix of interventions which best suits their specific issues, characteristics, local strengths, culture and heritage, including:

- Support for local delivery partners to develop placemaking plans to enable the development of projects, linked to other interventions in that place.



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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

- ✓ Taking enforcement action on empty properties.
- ✓ Loan and grant funding to bring vacant and underutilised commercial buildings back into use.
- ✓ Grant funding for green infrastructure and biodiversity projects.
- ✓ Grant funding for smaller scale 'place-making' interventions.
- ✓ Loan and grant funding for new build projects.

**Whether the UK Government's 'Levelling Up' and 'Shared Prosperity' funds are aligned with the actions set out in your Town Centres position statement.**

There have been practical challenges with aligning our town centre regeneration activities with UK funding schemes that are out-with our own investment governance structures. The UK Government's Levelling Up and Shared Prosperity funds are not exclusively town centres related, but through Regional Investment Plans, local authorities across Wales have recognised the potential for strong alignment between both of these funds and our Transforming Towns agenda. This potential alignment could in turn support actions in the position statement as a number are underpinned by the transforming towns programme.

**What opportunities and possible risks are presented by local authorities being able to secure UK government funding for town centre regeneration through the Levelling Up and Shared Prosperity Funds.**

In October 2022, the Minister for Economy and the Minister for Finance and Local Government set out the Welsh Government's position on match funding when dealing with projects being supported by UK funds such as Levelling Up and Shared Prosperity Fund.

The letter set out that if there is a compelling case, Welsh Government match funding could be considered for projects, provided the project met the framework of core principles and subject to the approval of all relevant Ministers.

Opportunities for town centres will exist if Shared Prosperity or Levelling Up fund investment is aligned with Welsh Government regeneration policies.

The maximum intervention rate for Transforming Towns Development Funding (revenue and capital) is 70%. There is therefore a requirement for Local Authorities to contribute a minimum of 30% towards regeneration projects. A focus on town centres and restoring a sense of community is one of the missions set out in the UK Governments Levelling Up Bill. Local authorities are therefore exploring opportunities to use match funding secured through the Shared Prosperity Fund as their 30% contribution to Transforming Towns projects.

We cannot directly influence the decisions that are made with UK Government funding, rather we have been working closely with local authorities to ensure that placemaking plans are in place that can underpin investment regardless of funding stream. Of course, there is a risk when processes are not aligned that significant strain is put on staff and capacity in the preparation of Levelling Up Fund bids.

The delivery of successful projects is also likely to be challenging given timescales, resources, and inflationary pressures. For example, Levelling Up Fund projects are expected to close in December 2024 with funding having to be completed by 31 March 2025 (barring exceptional circumstances). This could present risks to strategic projects where longer-term funding could bring more enduring value and legacy.

**Whether those areas most in need of town centre regeneration in Wales are well-placed to develop investment proposals and bids to ensure they benefit from UK government funding.**

The support we are providing is offered to all 22 local authorities across Wales. Local authorities determine which areas require regeneration investment and this is underpinned by placemaking plans. The plans and their respective governance structures, bring together policy objectives in a collaborative way, working across authorities and government to maximise investment from different funding streams and programmes that are “place specific”.

Delivery of a placemaking plan is overseen by a robust governance structure with representation from within each Authority, Welsh Government and other key partners. This approach and working closely with local authority partners and other key stakeholders, can turn plans into delivery across Wales and support local authorities to make strong investment cases from multiple sources. We are already enabling local authorities to share and use best practice in delivering placemaking plans with specialist support from the Design Commission for Wales. In doing so, we are ensuring projects supported by the Welsh Government, as well as other sources of investment, contribute to the long-term sustainability of towns and the communities who rely on them.

**What positive impact have Corporate Joint Committees had to date in respect of enabling and encouraging the regeneration of towns.**

From 30 June 2022 CJsCs came under duties to prepare Strategic Development Plans and Regional Transport Plans.

The preparation of Strategic Development Plans (SDPs) by CJsCs will enable a more consistent, cost effective and efficient approach to planning. SDPs will deliver more effective planning outcomes for communities by ensuring key issues, development and associated infrastructure is planned for in an integrated and comprehensive way across a wider geographical area.

As set out in the Town Centres Position Statement, we are currently finalising guidance to support CJsCs in the preparation of plans which presents an opportunity to ensure that Regional Transport Plans consider wider place making plans and the Town Centre First policy.

**Whether the requirement to work regionally through Corporate Joint Committees, City Deals and Regional partnerships will help the regeneration of towns across Wales given the resource challenges facing local authorities, who have insufficient capacity.**

It is expected that the introduction of CJsCs will continue to develop the joint working across local authorities which may help to overcome some of the resource challenges being faced.

The four Welsh City and Growth Deals reflect the existing drive to work closely with the regional delivery partners to deliver transformational investment across Wales to deliver sustainable skilled jobs and communities and towns across Wales. The City and Growth Deals have introduced a culture of working across traditional Local Authority boundaries with some officers leading on projects outside their designated Local Authority area.

By way of example, the Mid Wales Growth Deal forms a component part of a wider strategy for the region, where Regional Economic Frameworks, co-designed with key Local Authority partners outline a shared vision for the Mid Wales economy. They can ensure greater alignment and integration of activity where our approach to economic well-being is grounded on the principle that places matter.

The Mid Wales Growth Deal Portfolio has been designed to complement and add value to the range of existing initiatives in place in the region. It makes specific reference in its Strategic Case to the Welsh Government's Town Centre First Policy to ensure that town centres should be the first consideration for all decisions on the location of workplaces and services.

Regional partners recognise the importance of the evolving role and function of the region's market and coastal towns – The Growing Mid Wales Partnerships Vision for Growing Mid Wales and Strategic Economic Plan highlights the importance of 'place', where its towns are intrinsically linked to the region's wealth of outstanding natural assets, key sectors such as tourism and wider foundational economy, as well as the regions rich heritage, culture, and Welsh language attributes.

### **What overall lessons the Welsh Government could learn from approaches in other parts of the UK or beyond.**

Town centres face complex challenges which are sometimes unique to specific places. There is no single solution to those issues.

In establishing the Ministerial Town Centre Action Group (MTCAG) we secured membership from people and organisations outside of Wales, including Phil Prentice, Chief Officer of Scotland's Towns Partnership and Peter Williams, Director of The Means, a UK wide placemaking consultancy. This helped provide a different perspective to the challenges, issues and potential solutions. We heard about the experiences in Scotland which informed the groups thinking.

Placemaking plans (used across the UK) are now embedded in our Transforming Towns Programme and indeed inform a range of investments. Learning and best practice from across sectors is an on-going activity for the delivery of the actions in the Town Centres Position Statement.

You have also asked for the following additional information, which we committed to providing during the meeting.

### **A note summarising the key groups that the Welsh Government is working with on town centre regeneration, including regional groups and sub-groups.**

The Ministerial Town Centre Action Group (MTCAG) was set up in June 2020 and combined experience from across private, public and community-led sectors to support the delivery of positive changes for Wales's town and city centres and to tackle the issues they faced during the Coronavirus pandemic. The Deputy Minister for Housing and Local Government established and used the MTCAG to implement a cross Wales response to the very real economic, social and physical challenges faced by town centres as a result of Covid-19. The MTCAG is composed of a broad range of external stakeholder as well as Welsh Government officials from across a range of Ministerial portfolios and town centre policy interests.

In addition to the Ministerial Town Centre Action Group, four regional sub groups were established to drive through the MTCAG priorities in the regions and feedback. These Regional Town Centre Action Groups had a broad membership comprised of all influencers and regional actors capable of effecting local and regional change in our town centre environments.

In September 2021 the MTCAG was refocussed to play a key role in and oversee the Welsh Government's implementation of the recommendations made in the Audit Wales report: Regenerating Town Centres and the independent FERL report: Small Towns, Big Issues. The MTCAG systematically reviewed the findings of the FERL report in order to test them and, under the auspices of the MTCAG, the Deputy Minister for Climate Change (DMCC) established three Task & Finish Groups to support the MTCAG by undertaking "deep dive" work on the recommendations and to report back. The three groups' focus was as follows:

- ✓ Financial incentives for town centres and disincentives for out of town.
- ✓ Funding streamlining and simplification.
- ✓ Planning and community engagement.

The groups work fed back into the MTCAG by January 2022 and in February 2022 the DMCC established a smaller, more focussed Ministerial Town Centre Delivery Group (MTCDG) to take forward the task and finish groups work and explore further the issues and barriers set out in the reports and consider practical responses. The MTCDG membership was made up of a number of regeneration professionals and worked through the issues leading to the development of the Town Centres Position Statement.

How we take forward the actions in the Position Statement through appropriate governance is critical. We will set up task and finish groups to oversee the development and delivery of the actions, grouped in themes. These groups will include officials from relevant Ministerial departments as well as key external stakeholders. We will also repurpose the Ministerial Town Centre Action Group to monitor and oversee progress which will report to Ministers as required.

**A note, from the transport team, on the Welsh Government's transport strategy, in the context of town centre regeneration, with an indication of timescales and applicable KPIs relating to the targets set in this area.**

Llwybr Newydd, our transport strategy, strongly recognises the links between town centre regeneration and transport. Many of the strategies priorities involve land use planning considerations such as:

- ✓ to locate new public services such as education, health and leisure facilities close to where people live, and to existing public transport routes, adopting a Town Centre First approach.
- ✓ to build new workplaces and homes close to public transport and design new developments to be walk- and cycle-friendly from the outset.
- ✓ to ensure a joined-up approach to infrastructure investment decisions across Welsh Government and in regional planning.
- ✓ to maximise the use of land close to transport hubs including railway stations and ports, as sites for investment and growth.

We aim to use the forthcoming Regional Transport Plans and the geographically-aligned Strategic Development Plans as a platform for increasing co-working between transport and land use planning teams within Local Government, Welsh Government and Transport for Wales. Regional Transport Plans will commence development now and be ready for implementation in 2025.

We are also working to appoint an independent Place Based Advisory Group to review linkages between transport and land use planning and make recommendations on how ways of working can be improved to benefit areas such as town centre regeneration.

The KPI monitoring framework for the Wales Transport Strategy is set out here: [HYPERLINK](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Ftw.wales%2Fprojects%2Fmonitoring-and-evaluation%2Fwales-transport-strategy&data=05%7C01%7CRhidian.Jones%40gov.wales%7Ce40b442f38654e15765608db67f5a1c8%7Ca2cc36c592804ae78887d06dab89216b%7C0%7C0%7C638218076891100643%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikl1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=jpWrdktlhEICPYbrTiklanS1vH%2BKdEWRb7NpVIPnXs0%3D&reserved=0) "Wales Transport Strategy Monitoring | Transport for Wales (tw.wales). The framework has been designed to track progress against achieving the above priorities which link strongly to town centre regeneration. Specific metrics that will be tracked annually include % of people satisfied with their ability to access services in their local area, and average travel time to education, health and leisure services.

**The quantifiable criteria you will be considering, to monitor and evaluate the progress being made as a result of the Welsh Government's initiatives and strategies on town centre regeneration. The Committee notes that the Auditor General's report, Regenerating Town Centres in Wales, was accompanied by a comprehensive, publicly available, data tool, which provides a series of relevant data points and indices for measuring performance in this area.**

The previous regeneration funding programme, Vibrant and Viable Places was e-places-targeted-regeneration-investment-process-evaluation" [evaluated](#) in 2015, which helped informed the current Transforming Towns programme, in particular its focus on investment being prioritised for town and city centres. Evaluation of the Building for the Future regeneration programme designed to redevelop unused buildings and land within, or aligned to, town and city centres began in December 2018 . [HYPERLINK](https://eur01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.gov.wales%2Fevaluation-building-future-mid-term-report&data=05%7C01%7CRhidian.Jones%40gov.wales%7C824f46947b584c56637108db681e9839%7Ca2cc36c592804ae78887d06dab89216b%7C0%7C0%7C638218252819651289%7CUnknown%7CTWFpbGZsb3d8eyJWljojMC4wLjAwMDAiLCJQIjoiV2luMzliLCJBTiI6Ikl1haWwiLCJXVCi6Mn0%3D%7C3000%7C%7C%7C&sdata=x7e40Ms9spYrvWfixs%2Bhngiik747TyObPn2iK%2BoEx7s%3D&reserved=0) "Evaluation of Building for the Future: mid-term report | GOV.WALES" was published in June 2021. Final evaluation is due to be completed in September this year on completion of the programme.

The Transforming Towns 'SMART Towns' programme supports the use of digital technologies and data to help businesses make data-driven, evidence-based decisions to boost sales and profits, reduce costs and accelerate growth. Over the last year the Programme has engaged with 67 towns and has produced 24 case studies to ensure learning is shared. Following a full re-procurement exercise, Menter Mon will continue to deliver the next phase of the Smart Towns Programme across Wales between April 2023 and March 2025. The Programme is required to contribute to any broader evaluation of the Transforming Towns Programme, which will consider overall impacts on town centres

through metrics such as footfall, dwell time, empty properties, use classes (e.g. charity shops), instances of crime and/or anti-social behaviour, prevalence of green space and numbers of events. The Smart Towns Programme will also align to the new Business Wales delivery contract, which includes digital support to businesses, and will feed into future evaluations of that contract.

Scheme or project level monitoring is already carried out within the Transforming Town Programme. By way of example, the delivery of a new library and leisure centre in Neath town centre is already demonstrating impact, with Leisure Centre membership figures increasing from 1000 to 2300 following the opening of the new facility. In addition, figures for the Library from 1 February to 29 April this year show 34007 visits - an increase of 137% on same period last year; 23477 books borrowed – an increase of 93% on same period last year; and over 3000 attendees at events since 1 February – an increase of 300% on same period last year.

Empty buildings in town centres are an obvious metric to consider. As part of our Programme for Government we are committed to “support the development of a register of empty buildings and help small businesses move into vacant shops.” During 2023-24, we will be conducting an evaluation of our property enforcement support and the impact it has had. The outcome of that evaluation will inform future approaches.

We will be conducting a full evaluation of the Transforming Towns programme including the effectiveness of placemaking plans. Whilst the exact remit has not yet been set, we will ensure that it is informed by the Auditor General’s data tool and other relevant studies, including the learning from previous evaluations on individual elements of the programme. We will need to carefully consider the impact Covid has had on towns and cities in Wales when carrying out a full evaluation of the Transforming Towns Programme.

I trust this information is of value to you and the Committee in this area of work. Please let me know if you would like any clarification or additional information.

Yours sincerely

A handwritten signature in black ink, appearing to read 'Tracey Burke'.

**Tracey Burke**  
Director General, Climate Change and Rural Affairs Group