

## **Welsh Government response to the Enterprise and Business Committee report on the regeneration of town centres.**

### **General Introduction**

We welcome this report and the opportunity to discuss this very important issue. As I said in my earlier evidence to the Committee, these are challenging times for our town centres and it is important to have a full debate on how we tackle the numerous issues facing high streets the length and breadth of Wales.

We would like to thank the Enterprise and Business Committee for their hard work in collecting the evidence and presenting the findings in a positive and well balanced way. Thanks also to the numerous individuals and organisations that have provided evidence over recent months.

The recommendations contained in the report fit closely with our current policy direction and we are pleased to be able to accept the majority of them. Some require further consideration and consultation with our partners but we support the general thrust of the Committee's recommendations. It is good to see that we share a common understanding of the issues and challenges, and unity of view on how we should tackle them. This is important in taking forward our vision for town centre regeneration across Wales.

Last month, I announced in Plenary my intention to review our approaches to regeneration. I am committed to our support to the seven Regeneration Areas which are providing valuable support to numerous town centres in communities across Wales. I believe the timing now is right to reflect on what works well and learn from these recent activities. Early in 2013 my intention is to set out my investment priorities for the rest of this Assembly term. Town centre regeneration will certainly form a key part of that future investment and we will be well informed and in a strong position to start new programmes as our current commitments reach their conclusions.

Our detailed responses to the Report's individual recommendations are set out below.

**Recommendation 1 - We recommend that as part of its revision of national planning policy on economic issues, the Welsh Government should ensure that Planning Policy Wales fully protects town centres from the potential impacts of out-of-town retail developments, and that the Government should also take steps to improve the implementation of national and local planning policy on the ground. (Page 14)**

### **Response: Accept**

The proposed revised policy (Chapter 7 of Planning Policy Wales consultation ended on 5<sup>th</sup> March 2012) will require local planning authorities to adopt a more holistic approach to economic development and recognise that most land uses have some economic impact. Local authorities will be expected to consider the likely impacts of all development and adopt a "whole-economy" approach rather than look at proposals in isolation. In addition, the revised policy identifies that local authorities should seek to concentrate development that attracts large numbers of people, including retail and offices, in city, town and village centres.

With regards to improving implementation of policy on the ground the Welsh Government will take this forward when implementing the future research on the effects that past retail development has had on the quality of town centres.

The Welsh Government works proactively and advises local authorities on the production of their Local Development Plans to ensure that they take account of national policy. When the Welsh Government releases any new planning guidance or policy it facilitates training and dissemination events for local authorities to ensure it is understood and can be effectively implemented on the ground.

Financial implications: Within existing budgets.

**Recommendation 2 - We recommend that the Welsh Government should guide local authorities towards making better use of their contractual agreements with out-of-town retailers to further protect the vitality of town centres. (Page 15)**

**Response: Accept**

Regulations already make provision for contractual obligations to out-of-town developments and it is for local authorities to discuss and negotiate with developers and out-of-town retailers on such matters and protect the vitality of their town centres, as appropriate. As part of our review of regeneration, the Welsh Government will consider how we develop guidance for our partners to protect the vitality of town centres.

Financial implications: Within existing budgets.

**Recommendation 3 - We believe that examples of good practice in promoting town centres should be disseminated more widely, and recommend that the Centre for Regeneration Excellence in Wales should develop its role in this area, including educating and encouraging professionals in the sector. (Page 15)**

**Response: Accept**

This is an area where the Welsh Government will be looking to develop as part of our review of regeneration. We understand that CREW will shortly be launching a 'Small Towns: Policy and Practice Network' which is aimed at raising awareness of best practice in town centre regeneration and educating professionals in the sector. We will be working closely with CREW to support their activities.

Financial implications: Within existing budgets.

**Recommendation 4 - We recommend that the Welsh Government should commission more research on the effects that supermarkets can have on the quality of town centres in order to better inform and improve the impact analysis of proposed developments within the planning control system, and that local retail impact assessments should be obligatory for all supermarket proposals. (Page 17)**

**Response: Accept**

We will commission research which will study the impact that new retail development has had on town centres in Wales. This will build upon the existing guidance about when retail impact assessments should be prepared, as we would expect that any change to current guidance should be based upon robust evidence which will be provided through the research.

Financial implications: Within existing budgets.

**Recommendation 5 - We recommend that local planning authorities should be encouraged, within their Local Development Plan, to see office and work-place development as a means of increasing footfall within town centres, and that they should assess the possible outcomes of, and alternatives to, out-of-town office development proposals more carefully. (Page 18)**

**Response: Accept**

The proposed changes to Chapter 7 (Supporting the Economy) of Planning Policy Wales identify that local authorities should seek to concentrate development that attracts large numbers of people, including retail and offices, in city, town and village centres. This position is reinforced in Chapter 10 (Retail) of Planning Policy Wales, which identifies established town, district, local, and village centres as being the most appropriate locations for retailing, leisure and other complementary functions. It is for the local planning authority to demonstrate that they have a robust evidence base to support local and site specific strategies and policies contained within their Local Development Plans, which has been developed in conformity with national planning policy.

Financial implications: Within existing budgets.

**Recommendation 6 - We recommend that the Welsh Government should establish dedicated Ministerial leadership for town centres, including setting up a town centre policy forum chaired by the lead Minister, that would bring together officials from different Departments and key representatives from the private, public and voluntary sectors to share good practice and to identify a plan of action and monitoring framework for regenerating Wales's town centres. (Page 21)**

**Response: Accept**

As Minister for Housing, Regeneration and Heritage I have lead ministerial responsibility for town centre regeneration on behalf of the Welsh Government. This work is also supported by a number of external organisations and partnerships, including the National Regeneration Panel and CREW.

My intention is to draw together all those with an interest in town centre regeneration for a policy forum as part of the review of regeneration that I announced on 21 February. I will consider whether there is a need to establish a standing forum of that nature depending on the outcome of the review more generally. Collaboration across Government is essential in this regard along with full engagement with the private, public and voluntary sectors.

Financial implications: Within existing budgets.

**Recommendation 7 - We recommend that the Welsh Government should ensure that the development of integrated and sustainable transport in Welsh town and city centres is a priority in the delivery of the National Transport Plan. Further, the Welsh Government should provide clear guidance to local authorities to ensure that transport integration is a core element of all town centre regeneration and redevelopment plans. (Page 24)**

**Response: Accept**

Sustainable travel is one of the Welsh Government's priorities for transport. The Minister for Local Government and Communities recently prioritised the National Transport Plan in the context of delivering this Government's commitments to tackle poverty, increase well-being and assist economic growth. The continued development of integrated and sustainable transport in Welsh towns is a priority within the NTP, evidenced by the commitment to investment in the Sustainable Travel Centres initiative for at least another 3 years together with continued investment in, and promotion of, smarter choices interventions such as the Personalised Travel Planning initiative launched in Cardiff in September 2011.

Financial implications: Within existing budgets.

**Recommendation 8 - We recommend that the Welsh Government should establish a rigorous performance monitoring framework and commission a detailed, independent evaluation of the Sustainable Travel Centre scheme. This should include assessment of the impact of each scheme on the vitality of the town centres involved, including access for people with disabilities. (Page 28)**

**Response: Accept**

The Welsh Government has a framework commission in place to deliver Personalised Travel Planning across Wales including School Travel Planning and Workplace Travel Planning. The contract was awarded in December 2010 for a four year period. Included within the framework is the requirement to carry out performance monitoring and evaluation. The proposed methodology for performance monitoring and evaluation is being considered by the Steering Group for Sustainable Travel Centres. Once agreed this will be resourced through this existing framework commission.

We are also monitoring the impact of the infrastructure investment.

Financial implications: Within existing budgets.

**Recommendation 9 - We believe that town centre businesses may need to operate more flexible working hours in order to meet changing customer needs. We therefore recommend that the Welsh Government should update its Technical Advice Note on Planning and Retailing to include guidance for local authorities about imposing conditions on retail development regarding more flexible working hours. (Page 29)**

**Response: Accept**

We accept that our town centres are changing, as are shopping and leisure activities and consumer habits, with vacant premises offering potential for residential accommodation, including above shops and other ground floor services.

Conditions cannot be introduced retrospectively to apply to the opening hours' conditions on existing developments. However, as part of the wider Planning Application Improvement Programme, work is ongoing to review Welsh guidance on the use of conditions with planning permissions; this will be subject to public consultation in due course. In considering whether a particular condition is necessary, planning authorities should ask themselves whether permission would have been refused if that condition were not imposed. Other factors which local planning authorities must include a consideration of whether a proposed condition is relevant to planning, is enforceable, and reasonable in all other respects.

The need to update Technical Advice Note 4 will be considered in light of the research referred to in response to Recommendations 1 and 4.

Financial implications: Within existing budgets.

**Recommendation 10 - We recommend that the Welsh Government should work with local authorities to develop planned and innovative approaches that incentivise property owners to let their vacant town centre properties for living and working uses that would contribute to the vitality of town centres but would not undermine the properties' long-term value. (Page 30)**

**Response: Accept**

We are already supporting projects and programmes, such as the Housing Renewal Area, that can act as catalysts to bring empty properties back into use and make a valuable contribution to the vitality of a town centre. We are working with partners to address issues around empty properties and will further explore opportunities in this area.

Financial implications: Within existing budgets.

**Recommendation 11 - We recommend that Cadw should continue with its characterisation studies of towns and villages and that they form an integral part of any regeneration scheme. We also recommend that the Welsh Government should make greater use of the Design Review Service and encourage its development partners to do the same. (Page 33)**

**Response: Accept**

We see Characterisation Studies as an important tool in developing an appreciation of the history and character of a place and Characterisation will be an integral part of future regeneration schemes. Cadw will continue to deliver Characterisation Studies for selected towns, and will offer advice and guidance to ensure that future development is informed by an understanding of historic character.

We will encourage the greater use of the Design Commission for Wales' Design Review Service for our town centre regeneration activities and will encourage our partners in regeneration to utilise this service.

Financial implications: Within existing budgets.

**Recommendation 12 - We recommend that the Welsh Government should review national planning policy and guidance for retailing and town centres to ensure that local planning authorities set out a positive vision for all their town centres and high streets in their Local Development Plan, and to provide a strong planning application decision-making framework for ensuring appropriate development can be guided to suitable locations that are highly accessible by sustainable transport. (Page 35)**

**Response: Accept**

The Welsh Government considers that the proposed changes to Chapter 7 of Planning Policy Wales will address this recommendation. It requires local authorities to establish an evidence base of the economic characteristics of their areas, and to develop appropriate development plan policies based upon informed assumptions about possible changes, having regard to national economic policies. The guidance in Chapter 8 (Transport) and Chapter 10 (Retailing and Town Centres) of Planning Policy Wales provides a hierarchy to inform decisions on the location of new development and clearly identifies the importance of securing sustainable transport.

Financial implications: Within existing budgets.

**Recommendation 13 - We recommend that within the framework of the Local Development Plan, each town should have a comprehensive plan in place, developed by a local partnership of key stakeholders and engaging the community, which contains actions for addressing the issues affecting the viability of the town centre. (Page 37)**

**Response: Accept in principle**

We accept the thrust of the Committee's recommendation. This is a matter for local authorities to take forward through the evidence base and community involvement scheme required to ensure the progress of sound Local Development Plans.

Conformity with national planning policy forms part of the test of soundness of the Local Development Plan, and is assessed by an independent Inspector. In respect of community engagement, the Local Planning Authority is required to produce a Community Involvement Scheme setting out how the authority will involve the community in all stages of LDP preparation and the people or groups who should be involved.

We will be looking to strengthen this aspect further as part of our review of regeneration.

Financial implications: Within existing budgets.

**Recommendation 14 - We believe that the key to success in town centre regeneration at a local level is strong, effective leadership. We therefore recommend that the Welsh Government should consider how better to support people who have the necessary skills and the respect of the local community to act as champions for bringing together the different aspects and players in town centre regeneration. (Page 38)**

**Response: Accept**

The success of town centre regeneration schemes are often attributed to the dedication and enthusiasm of local individuals with strong leadership qualities. We will explore how best to support local leadership as part of our consideration of options for future investment.

Financial implications: Within existing budgets.

**Recommendation 15 - We recommend that the Welsh Government should help local authorities and communities to be proactive in seeking and accessing sources of investment for town centre regeneration projects where public funding is unavailable. (Page 40)**

**Response: Accept**

We accept this recommendation, although we do need to manage expectations in terms of the levels of investment available, and any relevant requirements, for example, the return required.

Financial implications: Within existing budgets.

**Recommendation 16 - We recommend that the Welsh Government's independent panel on business rates should consider changes in legislation and in the application of discretionary powers, with the aim of improving the mix and quality of the retail offer in town centres. (Page 43)**

**Response: Accept**

The independent panel on business rates is aware of the Committee's recommendation and the wider issues relating to the regeneration of town centres. This will be considered as part of its final report which is expected before the end of March. The Welsh Government will consider the Panel's recommendations and will respond to its final report in the summer.

Financial implications: Within existing budgets.

**Recommendation 17 - We recommend that the Welsh Government should consider developing a pilot scheme, within EU competition rules and in partnership with local authorities and property owners, which helps new businesses set up in town centres. (Page 44)**

**Response: Accept**

The Welsh Government will consider this as part of its proposals for future investment.

Financial implications: Within existing budgets.

**Recommendation 18 - We recommend that during negotiations over draft legislative proposals for EU Structural Funds 2014-2010, the Welsh Government should seek to ensure that the new Regulations are sufficiently flexible to enable the Funds to be used to support town centre regeneration activities in the next round. (Page 45)**

**Response: Accept in principle**

Within the current EU Convergence programme a total of 24 town centre regeneration projects have been approved by WEFO totalling around £270 million of investment. The Welsh Government is currently making the case, in discussions with the UK Government and EU institutions, for continuing investment of EU Structural Funds. Town centre regeneration will be considered as part of this process.

Financial implications: Within existing and future EU budgets.

**Recommendation 19 - We recommend that the Welsh Government should commission a full and transparent assessment of the effectiveness of the Swansea Business Improvement District and consult with a broad range of stakeholders to inform further BID development in Wales. (Page 47)**

**Response: Accept**

The Welsh Government is currently working with partners to consider the effectiveness of BIDs and the potential for them to be utilised elsewhere in Wales. With Heads of the Valleys Regeneration Area funding we are supporting the development of a BID in Merthyr Tydfil which will hold a ballot between its town's businesses this summer. We will be looking to learn the lessons from the Merthyr experience and we will commission a review of BIDs within and beyond Wales, including Swansea. We will also explore the potential for utilising current and future EU Structural Funds to support business competitiveness through the Welsh BID model. Stakeholders should register any related project ideas via the WEFO website.

Financial implications: Within existing budgets.

**Recommendation 20 - We recommend that the Welsh Government through Visit Wales should encourage town partnerships to market their unique selling points such as architectural heritage and environmental quality, local produce and local culture, perhaps involving groups of towns within a region so that their different offers can complement each other. This could be part of the town centre plan we recommended above. (Page 49)**

**Response: Accept**

Visit Wales already takes this approach and the Welsh Government will continue to work with local authorities and other stakeholders to ensure that this activity delivers even

greater value in future. Visit Wales is actively involved in encouraging local businesses and all those involved in an area's tourism offer to work together and collectively promote an area as a tourism destination. There is a dedicated website, [www.dmwales.com](http://www.dmwales.com), to encourage this tourism destination development and help create a complete experience for visitors by drawing together all the tourism assets within an area. Visit Wales also works closely within Regeneration Areas to ensure that tourism plays an important role in town centre regeneration activities.

Financial implications: Within existing budgets.

**Recommendation 21 - We believe that the Welsh Government should develop a robust framework for the design, development and delivery of town centre regeneration projects in which objectives and targets can be clearly set; data collected; where outcomes and impacts can be measured; and performance and success evaluated and compared. (Page 50)**

**Response: Accept**

As stated in the introduction to this response, I have announced that we will undertake a review into our current regeneration activities and the seven Regeneration Areas, in particular. The intention is to establish what works well and learn from these recent activities. In terms of our future programmes of investment we will ensure that a framework is developed to effectively measure our performance in regeneration.

Financial implications: Within existing budgets.