

Enterprise and Business Committee

Welsh Government approach to town centre regeneration

Introduction

1. Our regeneration framework, Vibrant and Viable Places, recognises town centres are the heartbeat of our communities. They are where people meet, where people shop and where people work. We recognise the important role our town centres play in our society and the Welsh Government is committed to ensure our town and city centres across Wales have a sustainable future.
2. Town centres are dynamic environments and we recognise they have, and continue to face, significant challenges. Factors such as competition from out-of-town developments and internet shopping all impact on our town centres. The consequences of these factors are evident in many town centres: weak and vulnerable high streets, blighted by empty premises and poor shopping environments.
3. The Welsh Government welcomed the Committee's inquiry into town centre regeneration and its report in 2012. The Committee's focus reflected the Government's commitment to support our town and city centres and we were pleased to support the Committee's recommendations.
4. The Committee's report and recommendations have been instrumental in supporting the Welsh Government's policies and programmes as they have evolved over recent years. I have pleasure in providing the Committee with a brief update of our progress and achievements against these 21 recommendations at Appendix 1.

Welsh Government interventions

5. The Welsh Government has a range of policies and programmes, ranging in scope and scale, in directly supporting town centre regeneration.
6. Our regeneration framework, Vibrant and Viable Places, launched in March 2013, places town centres at the heart of our regeneration efforts, along with support for coastal communities and Communities First clusters.
7. One of the fundamental principles in Vibrant and Viable Places is the need for our town centres to diversify. Our town centres cannot depend on retail alone as they look to the future. We need to encourage our towns to evolve into destinations for living, for working and for leisure. They need to encourage a more diverse range of services, such as health and education, for example, and to ensure community facilities are to be delivered from within town centres. They need to explore the inherent tourism potential or a vibrant night-time economy to increase footfall and

support a more diverse local economy. There is an opportunity for more people to live in our town centres, turning them into vibrant communities, and to regenerate empty sites and buildings into residential accommodation to address the housing shortage common across the country.

8. Our towns need to discover their unique selling points and develop a reason for people to visit. They need to set themselves apart from their competitors – perhaps through great experiences, special advice and expertise and high quality customer service – something which cannot always be experienced from shopping online. Although our towns are facing similar issues, we believe each town centre has its unique issues and, therefore, will require bespoke solutions. These will be delivered by local people, the people who know and understand their communities better than anyone else.
9. Town centre regeneration will help tackle poverty. As town centres increase visitor and shopper footfall, a virtuous circle of economic growth can develop, creating new job and training opportunities. The evolution of town centres can provide new opportunities to provide affordable good quality housing, for example as flats above retail premises. As noted above, town centres can also provide the best location for community services, for example health centres, childcare businesses, or Citizen's Advice Bureaux.
10. We have developed a range of tools and interventions these local partnerships can use to respond to their particular challenges and to support their regeneration efforts.

Vibrant and Viable Places – targeted regeneration investment

11. Local Authorities will share more than £100 million for regeneration schemes from 2014 to 2017. The fund will be invested in town centres, coastal communities and Communities First areas.
12. The main aims of the regeneration investment are to revitalise and promote the sustainable development of town centres, coastal communities and Communities First clusters by making the most of their green infrastructure, heritage and historic character. Our investment will build sustainable and vibrant communities are more prosperous, better educated and healthier. We are tackling poverty by creating jobs, encouraging skills development and helping people into work. We are encouraging wider investment in housing by delivering strategic, regionally important projects of significant scale.
13. Our Local Authority partners are forecasting the programme will create more than 2,000 jobs, support 3,000 people into work, lever in £124 million in additional investment, deliver 1,000 additional affordable housing units and more than 2,300 market housing units.

14. In Swansea, for example, Vibrant and Viable Places funding is being used for major improvements in the High Street area, leveraging in private sector investment. The High Street projects will deliver social housing, commercial and retail floor space, business incubation units, and public space thus bringing new life to a run-down retail area. They will also create jobs and training opportunities for the unemployed.
15. In Holyhead, we will support an integrated package of town centre improvements which will make the town a more attractive place to visit or run a business. This will include a proposed second phase Townscape Heritage Initiative looking at building improvements and improved accessibility into the main town centre streets.

Tackling Poverty fund

16. The Vibrant and Viable Places Tackling Poverty Fund is helping to regenerate some of the poorest areas in Wales. The £7 million fund has been ring fenced for town centre related projects to tackle poverty in areas in the top 10% of the Welsh Index for Multiple Deprivation. The funding is being focused in deprived areas in Wales: Tredegar, Rhymney, Grangetown, Llanelli, Rhyl, Caernarfon and Barry.
17. Carmarthenshire County Council is receiving £1 million under the Tackling Poverty Fund for regeneration projects in Llanelli. Welsh Government funds will be supported by public and private investment. The Opportunity Street project aims to tackle poverty by bringing back redundant buildings in the town centre into economic use. It will transform vacant properties into a mix of affordable commercial and residential space. Empty properties will be refurbished and a vacant site developed to provide affordable one and two bedroom homes in the town centre. There will also be affordable commercial space which will be made available to new and young businesses with 'easy in' and 'easy out' terms, creating opportunity for entrepreneurship and employment. It is envisaged a number of services currently address poverty within the Town, will be encouraged to be brought together under one roof to provide a more coordinated, accessible and comprehensive service for those in poverty. A broad range of support will be on offer including skills development and employment support. Both the new and refurbished properties will be delivered to the Welsh Government's Welsh Housing Quality Standard and environmental efficiency standards.

Business Improvement Districts

18. BIDs are a way of generating a sustainable source of finance within a clearly defined geographical area, such as a town centre. Businesses agree to pay a levy which is then used to fund improvements in the area. They provide an additional source of finance used exclusively for the benefit of an area, supporting activities such as promotion, access, events, town centre management, street wardens and safer/cleaner towns. Many fund, or enhance, discretionary activities which may be under threat or are

not provided at all by public services. They are managed and paid for by the private sector through a compulsory levy. Businesses within a designated area determine the issues and decide how their money will be spent.

19. Before they can be formally established, the stakeholders within a proposed area must vote in favour. The interests of both large and small are protected through a voting system which requires a majority in the numerical votes cast and the rateable value of votes cast. A BID can last for no more than five years and will either be dissolved at the end of its term or will seek a new mandate. They are often, although not exclusively, a partnership between the local business community and the local authority. In addition to raising finance, they provide an effective mechanism for the private sector to work together and develop a proactive partnership with the public sector. For this reason they can play an important role in wider regeneration activity.
20. There are currently around 200 established BIDs in the UK. There are currently three in Wales – in Swansea and Merthyr Tydfil and most recently in Newport which was established at ballot last year.
21. In its report the Committee recommended an independent report should be commissioned to assess the effectiveness of the Swansea BID and to inform further development in Wales. The report, along with research from across the UK, has informed the programme by which the Welsh Government is currently supporting BIDs in Wales.
22. The Welsh Government announced funding of £203k in January 2014 to support the development of proposals in Wales. We are currently supporting ten areas: Abergavenny; Aberystwyth; Bridgend; Llanelli; Neath; Pant & Merthyr Industrial Estates; Pontypridd; Caernarfon; Bangor and Colwyn Bay.
23. The funding is being used by the prospective areas to appoint consultants to support the development of the BID. The consultants are providing guidance, advice and support to give each proposal the best possible chance for success.
24. A successful ballot must be held in each area before a BID can be established and ballots will take place during 2015.
25. A BIDs Wales Network has been established to enable open dialogue and information sharing on the issues affecting the successful implementation of BIDs in Wales. This is an important forum for the development of expertise in Wales and provides an opportunity for each area to learn from experiences in neighbouring areas.

Town Centre Partnerships

26. The Welsh Government is supporting the development of TCPs in Wales. The purpose of the funding programme primarily is to act as the catalyst for the formation of Partnerships focussed on addressing local concerns and the creation of Action Plans for each settlement area.
27. These Action Plans are supporting activities which contribute to increasing the vibrancy of town centres by increasing footfall, reducing the impact of vacant properties within town centres, supporting town centre businesses and services to establish, grow and prosper, and supporting the diversification of town centres by promoting alternative uses such as residential and leisure. We are also looking for these partnerships to explore new and innovative approaches to address the challenges facing town centres with the intention of disseminating best practice to other locations across Wales.
28. We are providing funding support to develop smaller, effective and specific interventions and can have a lasting impact within those communities but fit within a wider vision and plan for the settlement. Each project has identified clear, measurable targets and outcomes with proposed dates for achievement.
29. An important first step in the journey, when looking to support the regeneration of our town centres, is to enable a discussion between local stakeholders and agree appropriate measures to address the challenges. It is hoped TCPs will bring together these local stakeholders to work towards common goals, to maintain a viable, attractive, prosperous and safe town centre for local people.
30. In Aberdare, the Partnership is developing an events programme to encourage more people to visit the town, they are developing a mobile phone app to promote events and activities in the town and they are looking to tackle empty properties by supporting the establishment of pop-up shops. In Maesteg, they are looking at developing masterclasses for local traders in developing customer service and in Prestatyn they are uploading films on social media to promote their town to a wider audience.

Town Centre Loans Scheme

31. The Welsh Government is supporting a Town Centre Loans Scheme. We tested the concept with a pilot programme in 2014/15 with £5 million of funding shared between the four rural Local Authorities of Powys, Ceredigion, Monmouthshire and Pembrokeshire. In 2015/16 a further £5 million of funding is to be shared between a seven Local Authorities in our Tackling Poverty Fund areas, identified as areas with a high level of deprivation and in need of support.
32. The capital funding will be loaned to Local Authorities across Wales for up to 15 years. During this time, councils can recycle and re-invest the funding in different projects which aim to improve their town centres and bring empty buildings and derelict sites back into use.

33. The loan funding can be used by Local Authorities to develop sites, buy and upgrade properties to be sold on the open market and provide loans to third party organisations such as property owners, housing associations and private landlords.
34. Such improvements will help create jobs and encourage economic growth, increase the number of homes available within town centres and make them a more diverse, vibrant and attractive places to visit.

'Support Your High Street' Campaign

35. The 'Support your High Street' Campaign ran from 20-27 September 2014 throughout Wales and was well received by high streets across Wales. The initial campaign was delivered by Welsh Government at a national level and by Local Authorities at a local level across Wales. The Welsh Government provided a national focus through the creation of a campaign identity as well as national and regional PR to encourage support. 21 Local Authorities participated in the campaign, with some using the campaign to brand events and activities planned and a few developing events and activities to coincide with the campaign. 34 events from 17 separate Local Authorities were held during the campaign week and a total of 186 editorial articles were secured which meant, on average, there were 62 articles each month; The media coverage of the campaign was estimated to have reached 8.4 million people.
36. We will be supporting a further Campaign in 2015.

Key principles in supporting regeneration

37. We believe partnership is critical. Sustainable regeneration can only be delivered through genuine engagement with communities, local authorities and other public sector organisations, the third sector and the private sector.
38. For each of the interventions above we have asked the project leads to establish clear performance measurement from the outset. Each area receiving funding will have clear indicators in place reflecting the particular activities being undertaken. This can be done through the consideration of a number of key performance indicators such as footfall counts, vacancy rates, crime rates, car parking availability, number of VAT registered businesses, perception surveys etc. It is down to each area to determine the indicators in line with local needs and issues and, most importantly, reflecting the proposed programme's activities. All we stress is there a comprehensive Baseline is established from the outset and the methodology for collecting the information is clear and easy to replicate for collection in future years. Monitoring and evaluation has been built in from the inception of all investment programmes.

39. We have strengthened governance to improve delivery. The Ministerial Advisory Group has representation from the public and private sectors - planning, retail, sports, large and small business, citizens advice, health. The overall role of the MAG is to:
- provide strategic leadership as an independent advisory board and challenge Welsh Government on policy development for regeneration as appropriate, including related policies from across Government,
 - Provide a strategic overview of the governance of the programme of Vibrant and Viable Places funding streams;
 - Ensure the Vibrant and Viable Places programme co-ordinates effectively across government and with external partners;
 - Draw in evidence from all areas of Welsh Government and from outside, examining barriers as well as good practice;
 - Ensure the Vibrant and Viable Places programme is effectively evaluated; and
 - influence large scale, transformation change
40. The regeneration of our town centres is a responsibility we share across Government with all Ministerial portfolios contributing to this agenda. We have welcomed the Minister for Economy, Science and Transport's recent statement with regards business rates, for example, and the Minister for Natural Resources' Planning Review.
41. Our efforts in regenerating our town centres are closely intertwined with our Tackling Poverty Action Plan. All of our interventions are built on the cornerstones that they should create employment, support local economic growth and tackle the barriers to employment. We have also made the creation of more and better quality housing an integral part of our town centre regeneration agenda as there are clear opportunities for the 'residentialisation' of our town centres as a response to the particular challenges facing our high streets.

Future Opportunities

42. We will continue to explore opportunities to access additional funding sources to support the regeneration of our town centres, including the next round of European funding. My Officials are currently in discussions with WEFO and are exploring such opportunities.
43. We will continue to monitor and evaluate our activities in town centre regeneration. We will look to develop examples of good practice and positive outcomes in our future work programmes.

Conclusion

44. Town centres play an important role in supporting sustainable communities and the Welsh Government is committed to ensure our town and city centres across Wales are fully supported in their efforts to diversify and to evolve.

45. This paper has highlighted the Welsh Government has a range of interventions whereby we are directly supporting and delivering our town and city centres. These vary in scale and scope but the fundamental principles behind our interventions are they are bespoke and support the solutions as identified by local partnerships.
46. To support these direct interventions the Welsh Government's involvement in town centres is wide-ranging and spreads across all our portfolio areas, involving areas such as structural funds, transport, housing, heritage and tourism.
47. Given the dynamic nature of the challenge we will continue to monitor and evaluate our activities and will continuously strive for improvement.

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