

**National Assembly for Wales**  
Enterprise and Business Committee

Regeneration of town centres

January 2012



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**National Assembly for Wales**  
Enterprise and Business Committee

Regeneration of town centres

January 2012



## Enterprise and Business Committee

The Committee was established on 22 June 2011 with a remit to examine legislation and hold the Welsh Government to account by scrutinising its expenditure, administration and policy, encompassing economic development; transport and infrastructure; employment; higher education and skills; and research and development, including technology and science.

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Monmouth



**Byron Davies**  
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Welsh Labour  
Clwyd South



**Joyce Watson**  
Welsh Labour  
Mid and West Wales



**Leanne Wood**  
Plaid Cymru  
South Wales Central

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## The Committee's Recommendations

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The Committee's recommendations to the Welsh Government are listed below in the order that they appear in this Report. Please refer to the relevant pages of the report to see the supporting evidence and conclusions.

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

**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)

## Introduction

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1. Vital, vibrant town centres are at the heart of sustainable communities, and they are core to a healthy and prosperous Welsh economy.
2. Yet throughout Wales, there are examples of “weak and vulnerable high streets, blighted by empty premises and poor shopping environments”.<sup>1</sup> Vacant premises in Welsh town centres stand at 11.5 per cent, which is above the UK average of 11.1 per cent, although footfall has countered the UK trend and is up by 1.8% compared with a year ago.<sup>2</sup>
3. The reasons for decline relate partly to the current economic downturn and associated reduction in consumer spending, but there are also long-term, structural issues at work. During this inquiry into the regeneration of town centres,<sup>3</sup> the Enterprise and Business Committee heard that:

“The problems facing our towns in Wales are universal. These are partly caused by changes in consumer behaviour, from internet shopping to challenges from out-of-town stores.”<sup>4</sup>

Indeed, the Centre for Regeneration Excellence in Wales (CREW)<sup>5</sup> argued that Wales was possibly *more* vulnerable than other parts of the UK, because of its lower economic base.<sup>6</sup>

4. If town centres are to regenerate, the solution requires a sophisticated, integrated and sustainable approach – “regulation, persuasion, conversion”<sup>7</sup> - where there is strong leadership from the national to the local level, and where all policy, planning and financial levers are strategically coordinated and streamlined to encourage sustainable and diverse growth, as well as provide quality, value and choice for consumers.

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<sup>1</sup> Welsh Government written evidence paragraph 1.2

<sup>2</sup> British Retail Consortium figures for November 2011. Written evidence from Vale of Glamorgan Council revealed that vacant floor space within Barry town centre peaked at 26.7 per cent in 2006

<sup>3</sup> The inquiry’s terms of reference are included as Annex A

<sup>4</sup> Record of Proceedings paragraph 11, 28 September 2011, Enterprise and Business Committee

<sup>5</sup> CREW was established in October 2008 by the then Minister for Regeneration

<sup>6</sup> CREW written evidence paragraph 3

<sup>7</sup> Record of Proceedings paragraph 58, 28 September 2011, Enterprise and Business Committee

5. We heard that there should be an “extended menu” for town centres so that they not only provide retail opportunities, but a diverse mix of uses, including healthcare, culture, leisure, learning, working, living and flexible public spaces.<sup>8</sup> The disposable income of the local population is also a critical factor in defining a town centre’s vitality and viability.<sup>9</sup>

6. Crucially, Government needs to create the right conditions to stimulate and direct investment in town centres, while local partnerships need to deliver on the ground. Town centre regeneration therefore requires close collaboration between the public, private and voluntary sectors, although the best vehicle for achieving those partnerships can vary from place to place.

7. Arguably more challenging than all that, however, is how to influence people’s hearts and minds - their lifestyles, shopping habits and travel choices - so that town centres can continue to thrive in the long term.

8. We wish to thank all the many organisations and individuals who contributed to our inquiry. We particularly welcome the submissions relating to specific town centres, such as Cardiff, Swansea, Newport and Wrexham, to collections of towns within the counties of Bridgend, Caerphilly, Flintshire, Rhondda Cynon Taf and Vale of Glamorgan, to smaller town centres such as Aberdare and Narberth.

9. We are also grateful to the Narberth Chamber of Trade for facilitating the Committee’s fact finding visit to the town<sup>10</sup> to hear at first hand the views and concerns of local business people, and to find out more about the successful regeneration of the town centre over the last few decades. We were very struck by the passion and commitment among that community, and despite the considerable challenges the town still faces, we hope that their good experiences can be replicated elsewhere in Wales.

10. In this report, we have drawn upon all the written and oral evidence presented to us to highlight a number of challenges facing Wales’s town centres, and made 21 recommendations for addressing

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<sup>8</sup> Record of Proceedings paragraph 11, 28 September 2011, Enterprise and Business Committee

<sup>9</sup> Record of Proceedings paragraph 69, 28 September 2011, Enterprise and Business Committee

<sup>10</sup> A note of the Committee’s visit is included as Annex B

them. Twelve of those recommendations (1, 2, 4, 5, 6, 7, 9, 11, 12, 13, 16 and 17) require concerted Government action, so we urge the Minister to respond positively to our suggestions. We are under no illusions that regeneration of town centres will happen overnight. Nevertheless, we trust that the Welsh Government will act upon our findings and that its regeneration policies will benefit as a result.

## The Challenges

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### Out-of-town retailing

11. The Welsh Local Government Association told us that:

“There is no doubt that the development of out-of-town retail sites over the last few years has had a detrimental effect on many town centres across Wales.”<sup>11</sup>

12. The Association of Town Centre Management<sup>12</sup> agreed, but added that “not all out-of-town development is necessarily negative.” The paper from Boots stated that the “playing field” between the high street and alternative retail formats should be “balanced” but “at present in many policy areas this is not the case.”<sup>13</sup>

13. The Welsh Government has indirect control over proposals for new out-of-town retail developments through national planning policy<sup>14</sup> that sets the context for Local Development Plans. Planning Policy Wales states that local planning authorities should apply a “sequential” test to new retail proposals so that first preference should be for town centre locations, then edge of centre, before out of centre sites, which have to be accessible by a choice of means of transport.

14. The Welsh Government also has the power to “call in” a planning application that raises planning issues of more than local importance, including those that are not in line with national planning policy or that could have wide effects or that may give rise to substantial controversy beyond the immediate locality. Currently, a local planning authority must automatically refer an application for the provision of gross shopping floor space of more than 20,000 square metres to the Welsh Ministers if it is minded to approve it. The Welsh Government has consulted on removing this requirement.<sup>15</sup>

15. While Welsh Government planning policy may seek to protect town centres on paper, this is not always how policy is perceived or

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<sup>11</sup> WLGA written evidence paragraph 37

<sup>12</sup> The ATCM is a not-for-profit membership organisation that promotes the vitality and viability of town and city centres

<sup>13</sup> Boots written evidence paragraph 3

<sup>14</sup> Planning Policy Wales supplemented by Technical Advice Note 4, Planning for Retailing and Town Centres

<sup>15</sup> Welsh Government Consultation Document, Review of Directions Requiring Planning Applications to be Referred to the Welsh Ministers, March 2011

realised in practice. The Design Commission for Wales stated that local planning authority guidance and policy “could be better aligned, adopted, implemented and adhered to.”<sup>16</sup>

16. The Welsh Government’s own evidence stated that “out-of-centre destinations, with free parking, have gained at the expense of town centres,”<sup>17</sup> although the Government has not itself undertaken any specific assessment of the impact of out-of-town retail developments on town centres.<sup>18</sup> Sustrans Cymru, the sustainable transport charity, told us that in relation to out-of-town retail development:

“Let us not make it any worse. Let us apply Welsh planning guidance, which states that it should be the last resort, which, at the moment, is not really being observed in practice.”<sup>19</sup>

17. The Centre for Regeneration Excellence in Wales (CREW) told us that there were “weaknesses” in planning law – that there were few options for local authorities to refuse planning permission for out-of-town stores; and that councils could not afford to take on supermarkets because of punitive legal costs.<sup>20</sup> We also heard from Caerphilly County Borough Council that where development sites in or adjacent to town centres are not suitable, local planning authorities have found it difficult to resist out-of-town proposals that are backed up by well-resourced private sector consultants specialising in retail appeals. We later heard from the Welsh Government that one in three appeals against local planning authority decisions were likely to be successful.<sup>21</sup>

18. To help counter this trend, Caerphilly CBC has been proactive and identified town centre retail sites in its development plans and then actively assembled those sites, often with support from the Welsh Government. In that way, large new food stores have been built within

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<sup>16</sup> Design Commission for Wales written evidence

<sup>17</sup> Welsh Government written evidence paragraph 2.1

<sup>18</sup> Letter to the Chair from the Minister of Housing, Regeneration and Heritage, dated 17 October 2011

<sup>19</sup> Record of Proceedings paragraph 28, 2 November 2011, Enterprise and Business Committee

<sup>20</sup> Record of Proceedings paragraph 44, 28 September 2011, Enterprise and Business Committee

<sup>21</sup> Record of Proceedings paragraph 53, 24 November 2011, Enterprise and Business Committee

easy walking distance of the town centres of Caerphilly, Blackwood, Ystrad Mynach and now Bargoed.<sup>22</sup>

19. We heard a very different view of out-of-town developments from the British Retail Consortium, who stated that:

“Consumers must come first: some retailers have proposed placing additional burdens on out of town and other retailing (eg imposing out of town car parking charges/additional taxation/levies etc) to ‘level the playing field’ for in town retailing. We have been very clear that this is entirely the wrong approach – the key must be to ‘level up’, taking constructive steps to address the challenges facing the High Street not penalising successful retailers in other locations/channels.”<sup>23</sup>

20. On 28 November 2011, the Welsh Government opened a consultation on the proposed update to national planning policy on economic issues to ensure it delivers the Government’s aspirations for economic recovery in Wales.<sup>24</sup>

**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.**

21. As Welsh Government officials pointed out, however, planning policy cannot rectify out-of-town developments that predate current policy.<sup>25</sup> Bridgend County Borough Council stated in its written evidence that mezzanine floors added to out-of-town retail units do not require planning permission in Wales, which “probably result[s] in a negative impact on the neighbouring centres.”<sup>26</sup> The Royal Town Planning Institute raised concerns that planning also has limited control over certain uses on any particular site, which means that when a retail unit is classed as A1 under the Use Classes Order, a

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<sup>22</sup> Caerphilly County Borough County written evidence paragraph 4

<sup>23</sup> BRC written evidence

<sup>24</sup> Welsh Government, Revision of Planning Policy Wales Chapter 7 Supporting the Economy, November 2011

<sup>25</sup> Record of Proceedings paragraph 45, 24 November 2011, Enterprise and Business Committee

<sup>26</sup> Bridgend County Borough Council written evidence



range of uses are permitted without requiring further planning permission.<sup>27</sup>

**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.**

22. We heard from the Centre for Regeneration Excellence in Wales (CREW) that towns such as Bridgend have attempted to compete with out-of-town retail centres by providing and marketing a different (“unique”) offer, such as promoting the town centre’s heritage, hosting events such as markets, fairs and festivals, and creating public transport links between the town and out-of-town centres.<sup>28</sup> The Minister for Housing, Regeneration and Heritage believed that the answers were “not necessarily dominated by retail” but in providing quality public spaces.<sup>29</sup> However, the Federation of Small Businesses made the point that:

“Trying to create a Dickensian market town world heritage site-type experience for all towns across Wales will not help. Yes, they have a role and it is important, but they must be sustainable 52 weeks a year.”<sup>30</sup>

**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.**

23. Later sections of this report will cover the issue of car parking in more detail, but several witnesses to this inquiry complained that free car parking at out-of-town developments impacted negatively on town centres. For example, the Federation of Small Businesses stated that “planning allows for large free car parks at out of town sites whilst

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<sup>27</sup> RTPI written evidence

<sup>28</sup> Record of Proceedings paragraphs 34-35 and 143, 28 September 2011, Enterprise and Business Committee

<sup>29</sup> Record of Proceedings paragraph 36, 24 November 2011, Enterprise and Business Committee

<sup>30</sup> Record of Proceedings paragraphs 108-110, 6 October pm 2011, Enterprise and Business Committee

parking [is] being reduced and becoming more expensive inside the town.”<sup>31</sup> Vale of Glamorgan Council suggested that out-of-town shopping centres should be made to charge for parking in order to “help level the playing field.”<sup>32</sup>

24. Sustrans told us that the proposal to counteract free parking in out-of-town retail centres by removing charges for parking in town centres would:

“Perpetuate the cycle of decline. It perpetuates the dominance of the car in the town centre and ignores the fact that a large number of people do not use a car to access the town centre. They would prefer to see a better shopping environment, with wider pavements, pedestrianisation and traffic-calming measures. This is a zero-sum game and money spent on providing free car parking is money not spent on improving the town-centre environment.”<sup>33</sup>

25. An Advice Note prepared by our Legal Services explained that the calculation of business rates in relation to car parking is not as clear cut as some people perceive. There are different types of car parks that can be rateable, and various factors have to be taken into account by valuers. The conclusion was that out-of-town car parks, including privately owned car parks, can be subject to business rates but each car park will be rated on a case-by-case basis.

## **Supermarkets**

26. Academic literature appears to be split on how supermarkets impact on local shops: out-of-town supermarkets are generally felt to lead towards further decline in town centres where they are in direct competition, while some experts argue that well-placed supermarkets (such as on the edge of town or in town) can attract increased footfall in town centres. However, during our visit to Narberth, we heard that local traders were very concerned about the potentially adverse impact of a proposed in-town supermarket on some existing town centre businesses.<sup>34</sup>

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<sup>31</sup> FSB written evidence

<sup>32</sup> Vale of Glamorgan Council written evidence

<sup>33</sup> Record of Proceedings paragraph 32, 2 November 2011, Enterprise and Business Committee

<sup>34</sup> Annex B

27. The Centre for Regeneration Excellence in Wales (CREW) told us that local authorities should be encouraged to think differently about supermarkets, and that “anchor” stores should not necessarily be seen as a local “win”.<sup>35</sup> The Welsh Local Government Association disagreed with this view,<sup>36</sup> but the Design Commission for Wales argued that:

“Much regeneration is led by retail and in many cases by an ‘anchor store’. Too often in Wales this is the sole focus and mixed use possibilities are not properly explored. This is partly a matter of finance, partly the culture of particular government departments, partly a lack of experience on such schemes (at local and national levels, both politically and amongst officers of local planning authorities), and an absence of systematic analysis of possibilities, cost, opportunity and viability.”<sup>37</sup>

28. During our evidence sessions, we were interested to hear that some local authorities have placed planning conditions on supermarkets in order to protect local traders – such as preventing supermarkets from providing an in-store optician or a butcher.<sup>38</sup> Yet we were also told that:

“Work [is] needed at a significantly high level between the food store operators, Governments and local authorities to see whether the way they approach their purchasing could be changed. I do not underestimate the problems of that challenge, but I think that there could be a significant win there.”<sup>39</sup>

**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.**

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<sup>35</sup> Record of Proceedings paragraph 106, 28 September 2011, Enterprise and Business Committee

<sup>36</sup> Record of Proceedings paragraph 157, 28 September 2011, Enterprise and Business Committee

<sup>37</sup> Design Commission for Wales written evidence

<sup>38</sup> Record of Proceedings paragraph 131, 28 September 2011, Enterprise and Business Committee

<sup>39</sup> Record of Proceedings paragraph 75, 28 September 2011, Enterprise and Business Committee

29. Similar criticisms were levelled at local authorities' approaches to out-of-town office development. Although there are good examples around Wales where office developments have been located within town centres, we heard from the Association of Town Centre Management that:

“We have seen office space moving out of town centres, and, in some cases, the local authorities are the culprits. They take 300, 400 or 500 jobs out of the town centre and move them to an out-of-town retail park, and then wonder why their town centres are going down the drain.”<sup>40</sup>

**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.**

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<sup>40</sup> Record of Proceedings paragraph 94, 6 October am 2011, Enterprise and Business Committee

## Solutions

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### A strategy for regeneration

30. Some witnesses, such as the Centre for Regeneration Excellence in Wales (CREW), called for a national ten-year policy and implementation programme for town centre regeneration.<sup>41</sup> The Welsh Local Government Association (WLGA) believed that:

“The need for the Welsh Government to outline an overall framework for economic renewal and regeneration is now greater than ever”.<sup>42</sup>

31. When we questioned the Minister for Housing, Regeneration and Heritage on 22 September 2011, he dismissed the suggestion that an over-arching strategy for regeneration was needed. However, he stated that the Framework for Regeneration Areas, which was published by the previous Welsh Government in October 2010 remained current Government policy. That Framework suggested that “a more coherent and coordinated approach is needed to take forward regeneration-focused activity across the whole of Government.”

32. WLGA referred to the Wales Spatial Plan as having “lost its way”.<sup>43</sup> The Federation of Small Businesses recommended that the Wales Spatial Plan should be revised<sup>44</sup> as did CREW, who recommended that the Plan should be accompanied by an investment framework, an approach that has been successfully implemented in Holland, Germany and Denmark.<sup>45</sup> WLGA also looked to the Welsh Government’s proposed National Infrastructure Plan to provide the framework for planning for the future in a more holistic way and for bringing partners together.<sup>46</sup>

33. The Heritage Lottery Fund told us that:

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<sup>41</sup> CREW written evidence paragraph 3

<sup>42</sup> WLGA written evidence paragraph 21

<sup>43</sup> WLGA, Record of Proceedings paragraph 136, 28 September 2011, Enterprise and Business Committee

<sup>44</sup> FSB written evidence

<sup>45</sup> Record of Proceedings paragraphs 30, 100 and 112, 28 September 2011, Enterprise and Business Committee

<sup>46</sup> Record of Proceedings paragraphs 136 and 180, 28 September 2011, Enterprise and Business Committee

“In order to be successful, a Townscape Heritage Initiative scheme needs to form part of a wider regeneration programme, working alongside other agencies and, most importantly, the community, with a clear vision and clear leadership. That is the most fundamental piece of information that comes out of our research. Therefore, we think that the Welsh Government - we are already working closely with it - has a pivotal role in ensuring that all of the agencies are lined up and delivering complementary strategies, with a clear vision and with clear leadership.”<sup>47</sup>

34. We agree with many witnesses that the Welsh Government needs to develop the vision and the framework in which town centres can produce action plans.

35. Written evidence from the Association of Town Centre Management called for the Welsh Government to improve the coordination of policy-making across Departments and Ministerial portfolios to “ensure the lip service paid by the Government can be realised at the local level.” The paper from Boots stated that there was “a clear need for all the Welsh Government to think and act holistically as policy support for town centres cannot be viewed in isolation.”<sup>48</sup> Boots also claimed that there was:

“A limited understanding by the Welsh Government about how retail works in Wales and this is partly due to the current lack of any meaningful mechanism facilitating dialogue between government and the retail sector.”<sup>49</sup>

Boots cited examples of where the governments in London and in Scotland were working with stakeholders in promoting town and city centre regeneration.

36. It was significant too that the Welsh Local Government Association stated that “the missing link in most local regeneration partnerships has often been the Welsh Government,” and that “even

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<sup>47</sup> Record of Proceedings paragraph 128, 2 November 2011, Enterprise and Business Committee

<sup>48</sup> Boots written evidence paragraph 2

<sup>49</sup> Boots written evidence paragraph 5

when an official is able to attend they are not always in a position to make any kind of funding commitments or decisions.”<sup>50</sup>

37. The British Retail Consortium told us that “we think that there would be a clear benefit for a single Government department to have explicit ownership of retail and town-centre regeneration issues.”<sup>51</sup> Boots suggested that the Welsh Government should set up a retail forum that would meet twice a year to improve engagement between Government and the retail sector and to share good practice.<sup>52</sup>

38. There are several departments within the Welsh Government that have a stake in town centre regeneration: Business, Enterprise, Technology and Science; Local Government and Communities; People, Places and Corporate Services; Sustainable Futures; and Strategic Planning, Finance and Performance.

39. While the Minister for Housing, Regeneration and Heritage has taken the lead in coordinating a response to our inquiry on town centre regeneration, we would like to see town centres being championed within the Cabinet on a more permanent basis. We were therefore pleased to hear him tell us that he was due to announce “a new system of cross-departmental working”, with a focus on area-based regeneration. The Minister also stated that there needed to be “joint working” with local government,<sup>53</sup> although he gave us no detail on how those new partnerships might look or operate.

**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.**

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<sup>50</sup> WLGA written evidence paragraph 26

<sup>51</sup> Record of Proceedings paragraph 115, 6 October pm 2011, Enterprise and Business Committee

<sup>52</sup> Record of Proceedings paragraph 244, 6 October am 2011, Enterprise and Business Committee

<sup>53</sup> Record of Proceedings paragraphs 8 and 15, 24 November 2011, Enterprise and Business Committee

## Sustainable and integrated transport

40. The paper submitted by Sustrans stated that:

“Pedestrian and cycle-friendly environments have been shown as the core around which economic growth, public health, sustainability and overall quality of life are built. It is therefore crucial that these environments are considered in any long-term development and regeneration plans.”<sup>54</sup>

41. When Sustrans appeared before the Committee, we were told that:

“The quality of town centres has far-reaching consequences and implications, not least for health. In 2008, the National Institute for Health and Clinical Excellence produced a study on the built environment and physical activity.[...]. It found that, in order to promote physical activity and tackle obesity, the quality of the built environment and town centres was crucial. Critically, NICE said that the walkability and cyclability of a town centre was very important. It said that the highest priority elements of the physical environment should be the active modes, namely walking and cycling, and that car use should be actively discouraged. It said that road space should be reallocated, and that road space should be set aside for wider pavements, bus lanes and cycle lanes. It said that vehicle access should be restricted, and it recommended road-user charging, traffic-calming measures and safe routes to schools, hospitals and stations.”<sup>55</sup>

42. In its written evidence, the Royal Town Planning Institute stated that it was:

“Important to provide a range of transport options to support town centres, with a priority in reducing car journeys. Safe and easy access by walking and cycling must also be a priority to promote, as well as the provision of public transport.”<sup>56</sup>

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<sup>54</sup> Sustrans written evidence

<sup>55</sup> Record of Proceedings paragraph 5, 2 November 2011, Enterprise and Business Committee

<sup>56</sup> RTPI written evidence



43. The South East Wales Transport Alliance (Sewta) also argued that:

“The improvement of access by rail, bus, cycling and walking must be made an integral part of any town centre regeneration plan. Not doing so is likely to undermine the regeneration objectives in the long term.”<sup>57</sup>

44. The Centre for Regeneration Excellence in Wales (CREW) highlighted in its written evidence that while it was best practice for sustainable and integrated transport plans to be incorporated into town regeneration strategies, this has not always been achieved, and has even undermined other aspects of regeneration.<sup>58</sup> Sustrans Cymru further stated that:

“In strategic terms the impact of town centre regeneration projects on sustainable transport is rarely considered at an early stage. Where regeneration schemes have been able to make a contribution has often relied on Sustrans being able to influence the plans, but inevitably we cannot be everywhere and there is a limit to the impact a relatively small charity can have.”<sup>59</sup>

45. Sewta recommended that:

“The National Transport Plan should identify city and town centres as a priority for improving interchange, and good quality interchange facilities should be required as a component of regeneration/redevelopment schemes and not as an afterthought.”

Sewta argued that town centres should have interchanges to integrate rail and bus services, as well as permeable links for walking and cycling.<sup>60</sup>

46. When we asked witnesses whether the Welsh transport policy and planning framework, along with the guidance on transport scheme design and construction, provided an effective basis for sustainable, integrated transport in town centres, Sewta told us that:

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<sup>57</sup> Sewta written evidence paragraph 5

<sup>58</sup> CREW written evidence paragraph 4.6

<sup>59</sup> Sustrans written evidence

<sup>60</sup> Sewta written evidence paragraphs 6 and 105

“Each local authority is looking within its own borders, and developing its local development plan, but there is a bit of a mismatch or a gap in how various local authorities link together.”<sup>61</sup>

47. Sewta also raised concerns that Regional Transport Plans were being formulated without an overall vision for the region from the Welsh Government. Sustrans pointed to a lack of guidance in Regional Transport Plans on how, and even whether, national targets for walking and cycling could be achieved or funded.<sup>62</sup>

48. When we questioned the Minister for Housing, Regeneration and Heritage about the lack of integration of transport planning and town centre regeneration, he replied that “you cannot do a proper job of regeneration without considering all of those headings right at the beginning,” and that he had been “proselytising” this view across Wales.<sup>63</sup> We believe a more concrete lead from Government is required.

**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.**

### *Car access and town centre vitality*

49. Car access and parking in town centres is a highly emotive and contentious issue. On the one hand, significant sectors of the population do not have a car. Written evidence from Age Cymru quoted Welsh Government statistics that half of all households without a car consist of individuals over the age of 60 and 66 per cent of single pensioners do not have a car.<sup>64</sup> Rhondda Cynon Taf County

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<sup>61</sup> Record of Proceedings paragraph 100, 2 November 2011, Enterprise and Business Committee

<sup>62</sup> Record of Proceedings paragraphs 101-102, 2 November 2011, Enterprise and Business Committee

<sup>63</sup> Record of Proceedings paragraph 100, 24 November 2011, Enterprise and Business Committee

<sup>64</sup> Age Cymru written evidence

Borough Council's evidence stated that 30 per cent of its households also do not have access to a car.<sup>65</sup>

50. On the other hand, a significant number of witnesses and consultation responses stressed that car access and the availability and cost of parking, were important to the success of a town centre. This was certainly the predominant view of the town centre traders we spoke to in Narberth: they were very concerned that parking restrictions along the high street and new charges in the designated car park were adversely affecting their customers.<sup>66</sup>

51. Written evidence from Swansea Business Improvement District listed a number of achievements on "car parking and transportation" although all of them related to securing free or reduced-rate car parking.

52. In contrast, written evidence from Sustrans argued that common perceptions regarding the importance of car access to town centres were not well founded, and that research from Bristol showed that retailers tended to "overestimate" the importance of car-borne trade in terms of footfall by almost 100 per cent. In the same study, cyclists and car users were found to make four times as many single-shop visits as pedestrians; and four out of five pedestrian shopping trips were found to take in two to five shops, compared with three fifths of car and bicycle trips.<sup>67</sup>

53. Sustrans later told us that:

"Retailers - and, in turn, local councillors and officials responding to them - feel that the best way to deliver a short-term injection into a town centre is to increase accessibility by car. Paradoxically, they have created a situation, which now goes against Welsh transport planning guidance, in which out-of-town shopping centres with free car parking were encouraged. To compete with that, they feel that they need to level down, if you like, and match that free parking provision. It is a spiral of decline."<sup>68</sup>

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<sup>65</sup> Rhondda Cynon Taf County Borough Council written evidence

<sup>66</sup> Annex B

<sup>67</sup> Sustrans written evidence

<sup>68</sup> Record of Proceedings paragraph 13, 2 November 2011, Enterprise and Business Committee

54. Sustrans further argued that the effect of local authorities removing car parking charges in town centres temporarily, for example to encourage more people to shop in the run-up to Christmas, resulted in:

“A significant cost to them in lost income. At the same time, because people are travelling more by car, they are travelling less by bus, which means that bus services become less viable and require greater subsidy from local authorities, or contracts are simply not being let. So, a number of examples were reported earlier this week of councils subsidising car parking spaces and, at the same time, withdrawing bus services.”<sup>69</sup>

As a solution, Sustrans advocated an approach to town centre transport management based on different hierarchies of “permeability” so that people would find it easier to walk, cycle or use public transport but would face more limited access if they used a car.

55. The WLGA suggested that changing shopping behaviour has led to increasing car-dependence among shoppers and has reduced the attractiveness of sustainable transport methods:

“Changes in shopping behaviour have resulted in major shopping trips to stock up with a ‘boot full’ of goods for a period of days. This has reduced the attraction of public transport, cycling or walking which are more suited to frequent visits and smaller quantities, which an individual can sensibly carry by hand.”<sup>70</sup>

56. The Royal Town Planning Institute stated that:

“Whilst there should be an overall approach to reduce the amount of car journeys to town centres to reduce congestion and make the centres more attractive, inevitably many will still want, and in some cases need, to travel by car. There therefore needs to be a holistic approach to car parking policy within and adjacent to centres, including policies on tariff setting.”<sup>71</sup>

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<sup>69</sup> Record of Proceedings paragraph 32, 2 November 2011, Enterprise and Business Committee

<sup>70</sup> WLGA written evidence paragraph 48

<sup>71</sup> RTPI written evidence

57. The Association of Town Centre Management recommended that every town should have a car parking strategy so that issues could be considered in the round.<sup>72</sup> Sewta suggested that it was essential to control car parking in town centres along with improved public transport.

58. We understand that parking in town centres is a complex and highly charged issue, but we have found the evidence in this inquiry to be mostly anecdotal. There is a need to grasp the nettle by planning for the much longer-term so that town centres can be resilient in the face of rising fuel prices and energy scarcity. We therefore recognise that there is a need to fully understand the impact of sustainable transport approaches on the vitality of town centres in Wales and to provide an evidence base for future programmes. This conclusion is reflected in our recommendation in relation to Sustainable Travel Centres (below), which includes reference to the impact of town centre vitality as an element of thorough evaluation.

### ***Sustainable Travel Centres***

59. Sustainable Travel Centres use a range of complementary measures and interventions to reduce congestion and pollution and encourage more active lifestyles through modal shifts to sustainable transport. The programme was trialled in Cardiff, and in July 2011, funding of £6 million was announced to fund expansion of the scheme to Aberystwyth, Carmarthen, Haverfordwest, and Mon a Menai, including £1.3 million for a personalised travel planning pilot scheme, which is being implemented by Sustrans.<sup>73</sup>

60. We heard from Sustrans that the Sustainable Travel Centre scheme implemented in Wales did not take account of improvements made to the English scheme following recommendations in the evaluation report.<sup>74</sup>

61. We understand that there has been an average annual growth of 16% in cycle usage across Cardiff City Centre Cordon since the launch of the Sustainable Travel Centre. The Minister for Local Government

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<sup>72</sup> Record of Proceedings paragraph 24, 6 October 2011, Enterprise and Business Committee

<sup>73</sup> Welsh Government Press Release, Green Transport Gets a Boost, 18 July 2011

<sup>74</sup> Record of Proceedings paragraph 90, 2 November 2011, Enterprise and Business Committee

and Communities told us that car commuting had reduced from a peak of 65 per cent before the initiative to 58 per cent in 2010.<sup>75</sup>

62. We welcome these figures, but we believe that monitoring travel patterns is not the same as rigorous evaluation of the scheme, and we are still unclear on what the scheme's targets actually are. Sustrans also believed that Sustainable Travel Centre projects should plan for the longer term – at least four years – rather than expect to achieve results within a couple of years.<sup>76</sup>

**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.**

### **Linking the daytime and night-time economy**

63. Written evidence from the City and County of Swansea stated:

“Whilst the night-time economy is an important part of the City Centre function, it has to be recognised that a poor night-time reputation can deter efficient day time functioning. A narrowly focused night-time offer, concentrated on a drinking culture, can lead to the centre proving unattractive.”<sup>77</sup>

64. The Association of Town Centre Management (ATCM) argued in its written evidence that:

“We cannot underestimate both the potential and potency of the night-time economy which can be a severe drain for Wales or, with the right intervention and management, can be a significant wealth generator.”

The ATCM believed that the right intervention and management should consist of partnerships and strategies to ensure the night-time economy should not solely focus on the 18-24 year-old market, but on

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<sup>75</sup> Record of Proceedings paragraph 97, 20 October 2011, Enterprise and Business Committee

<sup>76</sup> Sustrans written evidence

<sup>77</sup> City and County of Swansea written evidence paragraph 4.5

a better mix of attractions for a broader range of users. We were told that:

“If town centres are to survive and thrive, 9 a.m. to 5 p.m. is no longer enough. The assets have to be sweated.[...]therefore we have to find new ways of using our town centres. Using them in the evening and at night is very important. We have a programme called purple flag.[...]for the evening and night-time economy and we will be awarding another nine purple flags this autumn. To get a purple flag, you have to be very careful about how your town centre is managed at night.”<sup>78</sup>

65. In addition to the Purple Flag initiative, the Association of Town Centre Management told us about “light night”, which was a scheme to showcase town centres, encouraging people who may not normally venture into the centre at night to do so, to see what is on offer.<sup>79</sup> The ATCM also suggested that retailers should be encouraged to talk to their customers about their needs and to tailor their services accordingly, such as setting up collection points in town centres that would be open after normal working hours for goods ordered online, or having 11am to 7pm opening hours instead of the traditional 9 to 5, in order to link the daytime and night-time economies.<sup>80</sup>

66. The Welsh Government’s Technical Advice Note on Planning and Retailing in Town Centres has not been updated since 1996.<sup>81</sup>

**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.**

67. Another factor in linking daytime and night-time economies could be the return of vacant accommodation over shops to residential

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<sup>78</sup> Record of Proceedings paragraph 59, 6 October am 2011, Enterprise and Business Committee

<sup>79</sup> Record of Proceedings paragraph 64, 6 October am 2011, Enterprise and Business Committee

<sup>80</sup> Record of Proceedings paragraphs 70-71, 6 October am 2011, Enterprise and Business Committee

<sup>81</sup> Welsh Government, Technical Advice Note (TAN) 4: Retailing and Town Centres (1996)

use. Written evidence from the Regeneration Skills Collective Wales stated that increasing housing provision could bring “life to areas on a permanent basis”, such as providing living accommodation above commercial premises or locating housing for the elderly close to town or district centres.<sup>82</sup>

68. However, we were told by the Design Commission for Wales that:

“Mixed use is difficult to achieve in individual buildings in historic town centres. Often, retail investors and developers do not like the idea of having residential properties above them, because residents attract rights; they can stifle future development and the selling on of a building. As a result, our town centres often end up with shops on the ground floor and empty floors above.”<sup>83</sup>

The Commission believed that the answer lay in:

“A master plan - if I can use that term, although I do not particularly like it - together, with a shared vision for the town centre; that is what the planning system needs to do. It is about inspiration on behalf of the Welsh Government, and that inspiration comes through exemplars. Where are the best places? How can you inspire people in those neighbourhoods to bring those good design qualities forward?”<sup>84</sup>

**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.**

### **Importance of good design**

69. The Design Commission for Wales told us that good design was:

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<sup>82</sup> RSCW written evidence paragraph 4.2

<sup>83</sup> Record of Proceedings paragraph 139, 2 November 2011, Enterprise and Business Committee

<sup>84</sup> Record of Proceedings paragraph 139, 2 November 2011, Enterprise and Business Committee



“A process of problem-solving, analysis and testing, and it is a route to innovation. Our experience and evidence also shows that good design is a huge advantage to good business.”<sup>85</sup>

70. In its written evidence the Design Commission for Wales referred to studies that have demonstrated that good architecture and urban design have had real economic impact, and that good design can add up to 20 per cent in rental and capital value as well as speed up lettings and sales.

71. Yet the Heritage Lottery Fund, Wales registered concerns about the loss of identity of town centres:

“Of significant concern is the erosion of the unique character of towns, both through the loss of independent retailers, the loss of a mixed economy, the loss of historic detail (such as shop fronts, canopies, traditional paving etc), and the decline of traditional building skills.”<sup>86</sup>

The Fund wanted to see a focus on the re-use of historic buildings rather than new development, such as the re-use of vacant upper floors for housing and the transfer of redundant local authority buildings to voluntary and community organisations.

72. The Welsh Government’s written evidence provided information on the “characterisation studies” undertaken by Cadw, the Government’s historic environment service. These studies “highlight the distinctiveness of a particular place and what makes it special.”<sup>87</sup> The Minister for Housing, Regeneration and Heritage later told us that he was very supportive of the characterisation study approach and that he was asking the Centre for Regeneration Excellence in Wales to take a lead in partnership with Cadw and the Design Commission for Wales in producing “bespoke solutions” for communities.<sup>88</sup> We welcome the Minister’s approach and support his plans to extend Cadw’s characterisation studies more widely across Wales.

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<sup>85</sup> Record of Proceedings paragraph 112, 2 November 2011, Enterprise and Business Committee

<sup>86</sup> Heritage Lottery Fund, Wales written evidence paragraph 5.1.1

<sup>87</sup> Letter from the Minister for Housing, Regeneration and Heritage to the Chair, dated 7 November 2011

<sup>88</sup> Record of Proceedings paragraph 121, 24 November 2011, Enterprise and Business Committee

73. Several witnesses mentioned the look, feel or functionality of town centres as important factors in attracting or repelling people – from quality streetscapes and public art, to accessibility for older<sup>89</sup> and disabled people,<sup>90</sup> to issues such as safety, security, cleanliness and the provision of public toilets and baby-changing facilities.<sup>91</sup> The importance of open spaces that can be used for festivals, fairs and other town centre attractions was also emphasised.

74. In its written evidence, The Prince’s Trust for the Built Environment added a “gratuitous footnote on the subject of beauty” and commented that “the failure to make places that people love has been perhaps the most conspicuous failure of both government and the property and construction industry for a century.”<sup>92</sup>

75. Regarding the design of public spaces in town centres The Prince’s Trust for the Built Environment stated that:

“The design of public spaces including street furniture, signage and lighting etc [should] be part of a harmonious whole. What we have in abundance may be described as clutter. Town centres are not regenerated by planting faux-Victorian signposts, litter bins and benches among traffic lights and their attendant control boxes, traffic signs and galvanised metal pedestrian barriers.”<sup>93</sup>

76. We heard that the Design Commission for Wales offers a Design Review Service through which it acts as a non-statutory consultee on development proposals. Its comments can be treated as material considerations in the planning process by local planning authorities, other stakeholders and the Welsh Government, and they are recognised as authoritative by the Planning Inspectorate of England and Wales. In 2010, the Design Review Service scrutinised £1.8 billion of development in Wales. The Commission has at times been:

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<sup>89</sup> Age Cymru written evidence

<sup>90</sup> Diverse Cymru written evidence paragraph 8; The Guide Dogs for the Blind Association written evidence paragraph 5

<sup>91</sup> Record of Proceedings paragraph 81, 6 October am 2011, Enterprise and Business Committee

<sup>92</sup> The Prince’s Trust for the Built Environment written evidence

<sup>93</sup> The Prince’s Trust for the Built Environment written evidence paragraph 6

“Presented with retail led schemes of inappropriate scale and unacceptable poor quality. In the long term these are damaging and they simply set up future problems.”<sup>94</sup>

The Commission later told us that the proportion of development proposals it scrutinised was:

“A very small proportion. The issue for us is to be able to influence on a larger scale, and to do that we need stronger referral, I suppose, from Welsh Government departments. They could use us better, and we are very happy to be used.”<sup>95</sup>

**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.**

### **Role of local authorities**

77. Town centre management is not a statutory function, although our report has already revealed the key role local authorities play in promoting town centre regeneration, such as through the statutory planning system.

78. The British Retail Consortium believed that town centre management should not be a statutory function;<sup>96</sup> the Association of Town Centre Management also argued that:

“If [town centre management] becomes a statutory role through local government, it becomes a local government post in the public sector, so it becomes more difficult to engage with the private sector.”<sup>97</sup>

79. The Minister for Housing, Regeneration and Heritage also needed to be convinced about the argument for town centre

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<sup>94</sup> Design Commission for Wales written evidence

<sup>95</sup> Record of Proceedings paragraph 205, 2 November 2011, Enterprise and Business Committee

<sup>96</sup> Record of Proceedings paragraph 148, 6 October pm 2011, Enterprise and Business Committee

<sup>97</sup> Record of Proceedings paragraph 46, 6 October am 2011, Enterprise and Business Committee

management to be a statutory function, although he did perhaps see it as a “condition of funding.”<sup>98</sup>

80. The Association of Town Centre Management argued that towns in Wales should have in place strategic plans for growth. Members were told that:

“The issue is whether you can get a satisfactory interaction between the planning departments and the property departments and try to get this rather more holistic view, which sees the town in the broadest sense and says that, although we may not make so much money out of our property assets, if we look at the wider economic development benefits, we can do that.[...]there is a possibility of local authorities taking five-year leases of premiums and making accommodation available at discounted rents to local traders as a way of really trying to encourage local people to trade, particularly in the early years, when it is quite difficult to build a new business.”<sup>99</sup>

81. The WLGA told us that one of the key roles for local authorities was to create an attractive environment for business investment through the development of local town centre plans within the context of the Local Development Plan (LDP).<sup>100</sup> The LDP was crucial for taking a strategic view of town centres across a whole county – identifying different roles for different centres, and recognising any hierarchy between them.<sup>101</sup> The WLGA went as far to say that there was evidence to suggest a possible link between the existence of an up-to-date LDP and economic growth. The Minister for Housing, Regeneration and Heritage also believed that LDPs were “absolutely critical” and that “without a Local Development Plan, communities suffer.”<sup>102</sup>

82. The Planning and Compulsory Purchase Act 2004 introduced a statutory requirement for each local planning authority to produce a Local Development Plan. Once adopted, LDPs replace all existing development plans and are used as the basis for deciding on planning

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<sup>98</sup> Record of Proceedings paragraph 17, 24 November 2011, Enterprise and Business Committee

<sup>99</sup> Record of Proceedings paragraph 77, 28 September 2011, Enterprise and Business Committee

<sup>100</sup> WLGA written evidence paragraph 28

<sup>101</sup> Record of Proceedings paragraph 156, 28 September 2011, Enterprise and Business Committee

<sup>102</sup> Record of Proceedings paragraphs 40 and 19, 24 November 2011, Enterprise and Business Committee

applications. Yet the Welsh Government has confirmed that only five out of the 25 local planning authorities in Wales have adopted LDPs so far, and that Ceredigion has no kind of development plan at all.<sup>103</sup>

83. The Design Commission for Wales told us that:

“We face some difficult issues with land ownership in town centres. Investment houses and developers often hold large tracts of town centres. Often, on a short-term basis, they are looking for quick returns for their investors. Those two things do not marry up well with a long-term future strategy and vision for our town centres. The crucial part of planning is pulling together local champions and the town centre in a vision for that area.”<sup>104</sup>

84. According to the Welsh Government website, most Local Development Plans have passed their consultation phase and reached the ‘deposit’ stage; the next stage will be examination by the Planning Inspectorate. We would not wish to delay the process any further, but we believe that the LDP is a crucial lever for promoting town centre regeneration in a strategic and coordinated way.

**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.**

### **Local partnerships and engagement**

85. A consistent message from the evidence to this inquiry was that effective town centre management requires partnership between the public and private sectors – representatives of local traders, local residents, local council, police and other stakeholders with an interest

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<sup>103</sup> Letter to the Chair from the Minister for Housing, Regeneration and Heritage, dated 17 October 2011

<sup>104</sup> Record of Proceedings paragraph 138, 2 November 2011, Enterprise and Business Committee

- and for all to contribute to a town centre action plan.<sup>105</sup> Yet written evidence from the Centre for Regeneration Excellence in Wales (CREW) suggested that the extent to which local businesses and communities have been engaged in town centre regeneration has varied widely in Wales over the last 20 years.<sup>106</sup>

86. Written evidence from the urban regeneration consultancy, The Means, stated that:

“There is no consistency in policy across Wales and no research. In some places there is a functioning infrastructure built on Civic Societies, or Development Trusts, or Chambers of Commerce or Town Centre Partnerships but this is no guarantee of effective communication or liaison between the sectors. Their presence and performance varies from place to place.”<sup>107</sup>

87. WLGA argued that local authorities were well placed to facilitate town centre regeneration as a “fair broker” in bringing together a range of partners from the public, private and voluntary sectors and developing a clear plan of action to address issues such as sustainable transport and the night-time economy. Local authorities also had multiple roles in terms of environmental health, street cleansing, transport and links with community safety.<sup>108</sup> In addition WLGA wanted to see social media being used as a way of communicating better between partners, local traders in particular.<sup>109</sup>

88. On the other hand, the Federation of Small Businesses stated that some of their members felt that local authorities were not doing enough to meet the needs of businesses.<sup>110</sup> The British Retail Consortium stated that town centres “must be proactively managed and private sector led,” and that “partnerships in Wales tend to be dominated by the public sector and fail to effectively leverage the appropriate financing or business engagement required to deliver the tangible results.” BRC therefore recommended that the Assembly

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<sup>105</sup> See WLCA, Record of Proceedings paragraph 160, 28 September 2011, Enterprise and Business Committee

<sup>106</sup> CREW written evidence paragraph 4.2

<sup>107</sup> The Means written evidence

<sup>108</sup> Record of Proceedings paragraph 168, 28 September 2011, Enterprise and Business Committee

<sup>109</sup> Record of Proceedings paragraph 234, 28 September 2011, Enterprise and Business Committee

<sup>110</sup> FSB written evidence

should focus on encouraging effective private sector partnerships, either independently or through Business Improvement Districts.”<sup>111</sup>

**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.**

89. The Association of Town Centre Management told us that town centre managers were the “critical bridge between the public and private sectors” and that:

“Initiatives should be developed locally, depending on local needs - local solutions for local problems. That is not a cop-out. Typically, town centre management is a mechanism for co-ordinating action across the town.”<sup>112</sup>

90. Caerphilly County Borough Council’s written evidence stated that while town centre managers in the more prosperous areas of England could be supported by the local business community, this was:

“Rarely the case in Wales...and almost all Welsh town centre managers (usually responsible for several towns each) are funded by local authorities. Often, due to financial pressures, this vital service is not provided at all.”<sup>113</sup>

91. The Federation of Small Businesses told us that “we need to get over the cultural barrier between the private and public sectors in Wales.”<sup>114</sup> The Association of Town Centre Management told us that as part of a town centre strategy there should be:

“A programme for someone to go out to engage directly with small businesses and understand their needs and their future needs.”<sup>115</sup>

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<sup>111</sup> BRC written evidence

<sup>112</sup> Record of Proceedings paragraphs 5-6, 6 October am 2011, Enterprise and Business Committee

<sup>113</sup> Caerphilly CBC written evidence paragraph 7

<sup>114</sup> Record of Proceedings paragraph 66, 6 October pm 2011, Enterprise and Business Committee

<sup>115</sup> Record of Proceedings paragraph 44, 6 October am 2011, Enterprise and Business Committee

92. Written evidence from Wrexham County Borough Council referred to its Town Centre Forum that meets monthly and which is led by the Town Centre Manager and chaired by members of the business community, and the publication of a Town Centre newsletter.<sup>116</sup>

93. The Design Commission for Wales stated that town centre regeneration had been successful in places such as Aberdare and Narberth because of “the tenacity of individuals with vision and energy.” The vibrancy of centres such as Ruthin and Cardigan was also attributed to “an individual/community champion rather than an initiative.”<sup>117</sup> It was clear from our visit to Narberth how important it was to have strong, effective individuals that can bring a local community together in working for a shared goal.<sup>118</sup>

94. The Heritage Lottery Fund, Wales stressed the importance of “clear and effective leadership – both in terms of political support and the day-to-day management” in regeneration schemes.<sup>119</sup> The Prince’s Foundation for the Built Environment emphasised the importance of “the collective will and cohesion of small communities in the successful realisation of a vision, whether it be that of a small active group or a wider community.”<sup>120</sup>

**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.**

### **Innovative funding models**

95. The Committee was told that the “conventional” funding model for large-scale city centre and town centre redevelopment was based on retailers taking 25-year leases with five-yearly upward rent reviews, whose income stream was bought by pension funds and insurance companies. That situation has changed, however, as retailers no longer take those risks: investment is therefore much harder to place

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<sup>116</sup> Wrexham County Borough Council written evidence

<sup>117</sup> Design Commission for Wales written evidence

<sup>118</sup> Annex B

<sup>119</sup> Heritage Lottery Fund, Wales paragraph 6.6

<sup>120</sup> The Prince’s Foundation for the Built Environment written evidence



in the market as developers are not able to find purchasers to buy out the assets after they have developed them.<sup>121</sup>

96. Caerphilly County Borough Council raised concerns that direct funding to developers from the Urban Investment or Urban Regeneration Grants had ceased when the Welsh Development Agency was merged into the Welsh Government. The local authority also believed that inconsistency and change in Government financial support for town centres had made long-term regeneration planning “practically impossible”.<sup>122</sup>

97. The Heritage Lottery Fund, Wales noted that reductions in budgets were likely to make it more difficult for local authorities to develop and bring forward for consideration new heritage-based regeneration projects in future. The organisation stated that “a radical rethinking is underway among all those involved in physical-led regeneration.”<sup>123</sup>

98. WLGA highlighted the problem of different funding sources for regeneration tending to target different geographic areas, with different (possibly contradicting) priorities, administration, management and structures. It therefore argued for “a clearer national framework for regeneration and greater coherence in the funding that is available”.<sup>124</sup> Pembrokeshire County Council also argued that “funding sources for the regeneration of town centres should be streamlined and simplified.”<sup>125</sup>

99. The Welsh Government’s written evidence recognised that there will be regeneration projects where the availability of loans or guarantees will not be sufficient for the private sector to invest and that in those situations grants or other interventions will be required to “plug the gaps”.<sup>126</sup> However, in the scrutiny session we held with the Minister for Housing, Regeneration and Heritage officials clarified that

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<sup>121</sup> Record of Proceedings paragraph 79, 28 September 2011, Enterprise and Business Committee

<sup>122</sup> Caerphilly CBC written evidence paragraph 5

<sup>123</sup> Heritage Lottery Fund written evidence paragraph 7.5

<sup>124</sup> WLGA written evidence paragraph 13

<sup>125</sup> Pembrokeshire County Council written evidence

<sup>126</sup> Welsh Government written evidence Appendix 1

the “gap funding” available from the Welsh Government would only be allocated to the Strategic Regeneration Areas.<sup>127</sup>

**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.**

### ***Business Rates Relief***

100. Many people who contributed to this inquiry raised concerns about business rates, and the impact on small businesses in particular. In December 2009 the Narberth Chamber of Trade submitted a petition to the National Assembly for Wales’s Petitions Committee which called on the Welsh Government to conduct an impact assessment on how businesses in the town would be affected by the changes in rateable values.<sup>128</sup> When we visited the town, we heard that some businesses had seen business rates rises of over 200 per cent, although it was apparent that there was some confusion among the local business community about how the business rates system worked and what influence Welsh Ministers were able to bear.<sup>129</sup>

101. The legal position concerning business rates (non-domestic rates) is complex and the primary legislative framework for funding local government in Wales is common to England and Wales under the Local Government Finance Act 1988 (‘the 1988 Act’).

102. Welsh Ministers have some executive powers in relation to business rates, including the ability to set the national non-domestic multiplier (which is a key factor in the calculation of rates bills) annually under the 1988 Act. More significantly, Welsh Ministers have executive powers for the provision of rates relief for small businesses in Wales. This relief is applied to rates bills by local authorities and funded by the Welsh Government for those business premises that are eligible. For example, properties occupied by a registered charity or community amateur sports club and used for charitable purposes automatically qualify for mandatory Welsh Government-funded business rates relief of 80 per cent.

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<sup>127</sup> Record of Proceedings paragraph 74, 24 November 2011, Enterprise and Business Committee

<sup>128</sup> Petition P-03-271 Business Rates in Narberth

<sup>129</sup> Annex B

103. Local authorities have discretionary powers to increase the amount of relief available to charities and community sports clubs by part or all of the remaining 20 per cent, and 25 per cent of any additional funding is provided by the Welsh Government.<sup>130</sup> Local authorities also have discretion to provide up to 100 per cent rates relief for other non-profit organisations.<sup>131</sup>

104. We were informed by the Association of Town Centre Management that out-of-town developments in some parts of the UK benefit from certain rates exemptions which are not available to town centres, for example, out-of-town car parks are not charged rates as long as they remain free for consumer use.

105. The Vale of Glamorgan Council's written evidence explained the significance of business rates:

“Business rates and employers’ National Insurance Contributions are taxes that, with the exception of a few exemptions, business owners must often pay upfront and regardless of whether or not the business is making a profit. These taxes increase costs and importantly the level of risk for businesses, and as a result act as a significant barrier to entrepreneurialism that is desperately needed to aid the recovery of traditional town centres.”

106. Bridgend County Council argued that the current cost of business rates in primary retail areas was “prohibitive” in encouraging new start-up retail businesses, retail diversity and independent niche retail opportunities. Written evidence submitted by Rhondda Cynon Taf County Borough Council stated that:

“The optimum business mix will need to include independent local traders as well as national multiple retailers. Independent local traders can help to develop niche markets and encourage local supply chain development which will help to generate a more sustainable local economic base and distinct sense of place.”<sup>132</sup>

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<sup>130</sup> Welsh Government, Non-Domestic Rates: Guidance on Rate Relief for Charities and Other Non-Profit Making Organisations

<sup>131</sup> Business Wales, An overview of rate relief schemes

<sup>132</sup> Rhondda Cynon Taf County Borough Council written evidence

107. One argument we heard was that if rates were reduced, businesses - particularly smaller businesses - could be encouraged. The key message from the Federation of Small Businesses, for example, was that it was “better to lower business rates to an affordable level rather than higher rates coupled with lower levels of occupancy within towns.” The FSB suggested that revenue generated from larger out-of-town retailers could be used to subsidise smaller businesses.<sup>133</sup>

108. On the other hand, it was argued that the impact of changes in business rates in one area could be displacing on others. The Centre for Regeneration Excellence in Wales was therefore in favour of a “unified regime” across Wales.<sup>134</sup>

109. The WLGA argued that mandatory grants from the Welsh Government could be topped up with discretionary grants from local authorities, so that business rates could be used to support local businesses.<sup>135</sup> The paper from the Design Commission for Wales referred to mainland Europe where flexible or sliding scales of business rates that are based on the size and scale of the business in question have been used in some areas to assist smaller independent operators and retailers.<sup>136</sup>

110. Written evidence from the Centre for Regeneration Excellence in Wales suggested that an imbalance of retail uses can lead to decline within a particular town centre - for instance if there are too many charity shops and too much “quasi-retail” such as amusement arcades and betting shops.<sup>137</sup>

111. The Federation for Small Businesses told us that:

“We have highlighted the fact that there currently does not seem to be a commitment to look not only at business rate relief but also possibly at a new form of business taxation or business charging that focuses on value for money and helping

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<sup>133</sup> FSB written evidence

<sup>134</sup> Record of Proceedings paragraph 81, 28 September 2011, Enterprise and Business Committee

<sup>135</sup> Record of Proceedings paragraph 221, 28 September 2011, Enterprise and Business Committee

<sup>136</sup> Design Commission for Wales written evidence

<sup>137</sup> CREW written evidence paragraph 1.4

businesses to grow their turnover, rather than on what can be an arbitrary valuation of a building.”<sup>138</sup>

112. We understand that the Northern Ireland Executive is currently consulting on a levy which will apply to the highest value retail properties. The proposed levy is intended to fund an expansion of the small business rates relief and primary legislation will be required to introduce the levy proposed.

113. On 2 November, the Minister for Business, Enterprise, Technology and Science, announced she was setting up an independent panel, under the chairmanship of Professor Brian Morgan, to examine the current business rates policy in Wales and consider whether it meets the needs of Welsh business. We welcome this initiative, and understand the panel will be reporting in February 2012.

114. It occurred to us that business rates for businesses located within town centres could instead be calculated on the basis of profits rather than rateable value. Our legal advice was that such taxes fell within the competence of Westminster, so the National Assembly for Wales has no powers to legislate. However, we were also advised that the Assembly has, prima facie (on first sight), competence to legislate in relation to non-domestic (business) rates generally under Subject 12 (Local Government) of Schedule 7 of the Government of Wales Act 2006, which includes ‘local government finance.’

**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.**

115. There is no doubt that local authorities can also play a key role in this area. For example, we were informed by Swansea Business Improvement District about Rotherham Town Centre’s Business Vitality Scheme which aims to attract new, specialist independent retailers to set up business through financial contributions towards both rental and capital improvement costs. The local authority offers successful applicants 50 per cent towards rental costs in year 1; 25 per cent

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<sup>138</sup> Record of Proceedings paragraph 43, 6 October pm 2011, Enterprise and Business Committee

towards rental costs in year 2; and 75 per cent of fit-out/shop-front improvements or new street/café furniture.<sup>139</sup>

**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.**

### *European funding*

116. While European Union Structural Funds have been used for town centre regeneration projects in Wales, we heard from the WLGA that European funding cannot currently be used to underpin retail development.<sup>140</sup>

117. Advice from our Legal Services confirmed that EU regulations do not specifically prohibit the retail sector from receiving financial support from public sector aid programmes. However, public authorities are keen to avoid displacement of economic activity and for the European Regional Development Fund this is a requirement governing the use of the funds. Support to retail businesses is viewed as generally causing displacement and is therefore normally ineligible for business support.

118. On the use of Structural Funds by the private sector, the Federation for Small Businesses commented that:

“Many business people are choosing proactively to be part of their local communities against, almost, the prevailing wind of the economy and are choosing, often at their own expense, to stay and are rooted and grounded in their communities. So, if they are not being used to deliver the kind of benefits that structural funds should be giving us, then there is probably something wrong.”<sup>141</sup>

119. The Enterprise and Business Committee is currently looking at the draft legislative proposals for European Structural Funds 2014-

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<sup>139</sup> Record of Proceedings paragraph 192, 6 October am 2011, Enterprise and Business Committee

<sup>140</sup> Record of Proceedings paragraph 216, 28 September 2011, Enterprise and Business Committee

<sup>141</sup> Record of Proceedings paragraph 63, 6 October pm 2011, Enterprise and Business Committee

2020, and we shall be reporting our findings in early 2012. Our report will deal with some of the finer detail around the political choices that the Welsh Government will need to make within the thematic concentrations stipulated in the new Regulations.

**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.**

### *Business Improvement Districts*

120. Business Improvement Districts are business-led and business-funded bodies formed to improve a defined commercial area. Wales currently has one Business Improvement District (BID), which was created by businesses in Swansea city centre in 2006 and has recently been extended for a second term until August 2016;<sup>142</sup> another BID is being developed for Merthyr Tydfil, supported by the Heads of the Valleys Regeneration Area programme. This situation contrasts with Scotland where there are 11 established BIDs, 17 in development and some 30 in the pipeline.<sup>143</sup>

121. Swansea BID is a business in its own right and is controlled by a board of directors drawn from stakeholders in the city centre who were nominated by its members and give their experience and time for free. The BID is wholly funded by a 1 per cent levy paid by members based on their rateable value. This money is collected by the local authority on behalf of Swansea BID.

122. We received conflicting views on the potential for greater use of Business Improvement Districts in Wales. The Welsh Government's written evidence stated that "there is increasing evidence that some of the most successful BIDs are being established in smaller town centres," and that the Government was exploring opportunities to introduce BIDs in other areas across Wales.<sup>144</sup>

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<sup>142</sup> City and County of Swansea written evidence paragraph 3.4

<sup>143</sup> Swansea Business Improvement District written evidence

<sup>144</sup> Welsh Government written evidence Appendix 1

123. Written evidence from Wrexham County Borough Council stated that the “overriding” view of a BID from the business community in the town was that:

“They would welcome the ability to manage a proportion of the income from rates payable for themselves (through an appropriate structure and working with Town Centre Management from the Council) but that, this time in particular, this money should be ring-fenced from the current rates payable and not be an additional charge.”<sup>145</sup>

124. The Welsh Local Government Association was also of the view that the BID model was not widely applicable because most town centre businesses in Wales were struggling to pay their basic business rates and persuading small retailers that they needed to pay more tax was “very challenging”. However, WLGA thought it might be worth trying to establish BIDs in areas where there was a well organised local chamber of commerce and a fairly affluent catchment area.<sup>146</sup>

125. Boots UK told us about initiatives in Cornwall and in Scotland where individuals have set up a BID and then handed it over to a manager. In that way, it was possible to build up skills in setting up Business Improvement Districts, which were quite different skills to the management of the BIDs.<sup>147</sup> The Federation of Small Businesses told us that it was “agnostic” about BIDs and that:

“It is leadership with the businesses that is important; we should not lose too much sleep over the mechanism for doing that.”<sup>148</sup>

126. The Association of Town Centre Management’s written evidence suggested that through our inquiry, “Wales has the opportunity to develop a more innovative approach to the creation of BIDs and become part of its evolution,” although it argued that BIDs would not be appropriate for every town centre in Wales. Boots also argued that:

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<sup>145</sup> Wrexham County Borough Council written evidence

<sup>146</sup> Record of Proceedings paragraph 228, 28 September 2011, Enterprise and Business Committee

<sup>147</sup> Record of Proceedings paragraph 251, 6 October am 2011, Enterprise and Business Committee

<sup>148</sup> Record of Proceedings paragraph 59, 6 October pm 2011, Enterprise and Business Committee



“The BID model “of business involvement and commitment to regeneration and sustainability would work well and have widespread benefits.[...]indeed experience suggests BIDs may be more effective in these smaller communities where a sense of local ownership is greater.”<sup>149</sup>

127. The Swansea Business Improvement District told us that in setting up a BID, “the difficulty is talking to the businesses and getting the manpower.[...]It does take time and you need a lot of support for it.”<sup>150</sup> The Federation of Small Businesses also reported some dissatisfaction with the Swansea BID among some of its members.<sup>151</sup> It therefore struck us that there may be differences for sub-zones within a Business Improvement District and differences between BID members, whose needs may need to be addressed more discerningly.

128. We were surprised to hear that the expertise and experiences of Swansea BID had not been drawn on for the proposed BID for Merthyr Tydfil,<sup>152</sup> although we later learned from the Minister that following our evidence session with Swansea BID there had in fact been a “cross-fertilisation in terms of conversations.”<sup>153</sup>

**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.**

## **Marketing and branding**

129. The Committee was told that:

“Marketing, branding and image making is a fundamental aspect of the regeneration of town centres. However, the quality in the design of what has been created in Wales with regard to lighting, signage, street furniture etc has been sometimes inconsistent with regard to both the brand

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<sup>149</sup> Boots written evidence paragraph 6

<sup>150</sup> Record of Proceedings paragraph 118, 6 October am 2011, Enterprise and Business Committee

<sup>151</sup> FSB written evidence

<sup>152</sup> Record of Proceedings paragraph 127, 6 October am 2011, Enterprise and Business Committee

<sup>153</sup> Record of Proceedings paragraph 84, 24 November 2011, Enterprise and Business Committee

proposed, the audience it was intended to serve, and with regard to its sustainability.”<sup>154</sup>

130. Written evidence from The Prince’s Foundation for the Built Environment stressed that it was “the substance not the slogan that is more meaningful in the long term.”<sup>155</sup> The City and County of Swansea also commented that:

“Marketing and promotions cannot disguise weaknesses in the fundamental offer.”<sup>156</sup>

131. We heard from the Swansea Business District that it was able to work in partnership to market the city centre and local businesses on Twitter and Facebook and through the production and distribution of leaflets.<sup>157</sup> Bridgend County Borough Council’s written evidence stated that:

“A strong brand for the town is important and all public and private bodies involved in the town centre should sign up to the one brand.”

132. The British Retail Consortium told us that in terms of marketing and tourism:

“Some of the strongest ideas that we have seen have come through local partnerships, such as loyalty schemes within a given retail location, where a loyalty card gives you discounts within participating businesses, or allows you to accumulate points that you can use for different sorts of activity or expenditure.”<sup>158</sup>

133. We heard from the Design Commission for Wales that the Bro Rhuthun partnership has worked with local businesses to build a website, produce jute bags and launch a town loyalty card. The partnership has identified Ruthin’s historic and contemporary

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<sup>154</sup> CREW written evidence paragraph 4.7

<sup>155</sup> The Prince’s Trust for the Built Environment written evidence paragraph 6

<sup>156</sup> City and County of Swansea written evidence paragraph 8.2

<sup>157</sup> Record of Proceedings paragraph 197, 6 October am 2011, Enterprise and Business Committee

<sup>158</sup> Record of Proceedings paragraph 163, 6 October pm 2011, Enterprise and Business Committee

architecture, its Craft Centre and its high quality food and hotel outlets as key selling points to visitors, retailers and investors.<sup>159</sup>

**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.**

### **Measuring success**

134. We were told that historically there has been a lack of agreed key performance indicators to measure successful town centre regeneration projects, often because funding streams change so often.<sup>160</sup> When we questioned the Minister for Housing, Regeneration and Heritage about the lack of a monitoring and evaluation framework for regeneration projects, he admitted that critics had “a point”, and that he saw a role for the Centre for Regeneration Excellence in Wales in taking forward this work.<sup>161</sup>

135. The Design Commission for Wales recommended “town benchmarking” and argued that where good design and town benchmarking have been employed, tangible benefits have been recorded.<sup>162</sup>

“Town benchmarking is a simple toolkit; I think that it has only 12 indicators. Those indicators range from parking to the number of empty units, and the toolkit allows you a certain time to measure. Once those have been identified and informed a strategy, systematic action can be taken to address those. That is very much a local tool. While we might look at GVA or GDP figures nationally, at a local level a much more simplified process, such as town benchmarking, is really useful to galvanise activity for local authorities and for people who might

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<sup>159</sup> Design Commission for Wales written evidence and Record of Proceedings paragraphs 192-193, 2 November 2011, Enterprise and Business Committee

<sup>160</sup> Record of Proceedings paragraph 194, 28 September 2011, Enterprise and Business Committee

<sup>161</sup> Record of Proceedings paragraph 113, 24 November 2011, Enterprise and Business Committee

<sup>162</sup> Design Commission for Wales written evidence

be trying to influence change. Statistics and performance indicators over time at Government level and local authority level are often very difficult for people to access, understand and use effectively.”<sup>163</sup>

136. The WLGA recommended that the evaluation framework developed by Rhondda Cynon Taf County Borough Council should be shared as good practice for evaluating the success of town centre regeneration initiatives across Wales.<sup>164</sup> The British Retail Consortium suggested that there was a need for effective monitoring of the “health” of town centres.<sup>165</sup> It suggested that the kinds of indicators could include:

“Footfall, vacancy rates, new business openings, business closures, longevity of businesses, retail employment levels and other employment levels within an urban centre. You could use movements in rateable value as a proxy. As a more subjective measure, I would suggest something on the operation of a successful partnership.”<sup>166</sup>

137. Narberth Chamber of Trade also suggested that indicators could include shop vacancies, shops closing, new shops opening, changes from residential to retail/commercial use, bankruptcies, full-time and part-time employment in the town, unemployment and car park usage/revenue.<sup>167</sup>

**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.**

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<sup>163</sup> Record of Proceedings paragraph 167, 2 November 2011, Enterprise and Business Committee

<sup>164</sup> WLGA written evidence page 18

<sup>165</sup> BRC written evidence

<sup>166</sup> Record of Proceedings paragraph 168, 6 October pm 2011, Enterprise and Business Committee

<sup>167</sup> Narberth Chamber of Trade written evidence paragraph 9

## Annex A – Inquiry Terms of Reference

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- What approaches have been followed to successfully deliver and finance the regeneration of town centres in Wales? Are there lessons to be learned from elsewhere?
- How does the Welsh Government use the levers at its disposal to assist in the regeneration of town centres in Wales?
- How are the interests and activities of communities, businesses, local authorities and Welsh Ministers identified and coordinated when developing and implementing town centre regeneration projects?

The Committee issued a call for evidence inviting interested parties to respond to the questions above and to share their views on the following issues:

- The roles the Welsh Government and local authorities play in the regeneration of town centres;
- The extent to which businesses and communities are engaged with public sector-led town centre regeneration projects or initiatives, and vice versa;
- The factors affecting the mix of residential, commercial and retail premises found in town centres - for example, the impact of business rates policy; footfall patterns; and issues surrounding the night-time and daytime economies within town centres;
- The impact of out-of-town retail sites on nearby town centres;
- The use of funding sources and innovative financial solutions to contribute to town centre regeneration – including the Regeneration Investment Fund for Wales; the use of Business Improvement Districts; Structural Funds; Welsh Government, local authority and private sector investment;
- The importance of sustainable and integrated transport in town centres – including traffic management, parking and access;
- The potential impact of marketing and image on the regeneration of town centres – such as tourism, signage, public art, street furniture, lighting and safety concerns;
- The extent to which town centre regeneration initiatives can seek to provide greater employment opportunities for local people;
- What measures could be used to evaluate the success of initiatives undertaken to regenerate town centres.

## **Annex B – Note of Fact Finding Visit to Narberth**

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### **Background**

The Enterprise and Business Committee visited Narberth on 10 November 2011, as part of its inquiry into regeneration of town centres. The Committee met local members of the Chamber of Trade and representatives from Pembrokeshire County Council. While in Narberth, the Committee also visited a number of shops to discuss matters around town centre regeneration with local business people.

The Committee had also agreed to consider the Narberth Chamber of Trade petition as part of this inquiry (see below).

The Committee noted that while Narberth was a positive example of regeneration, it was not necessarily a typical example of a Welsh town and that it was heavily reliant on tourism.

### **Key Issues**

During the Committee's discussions a number of key issues were raised. Many people spoke of the fragile balance between success and failure, and the need for immediate support to make sure local businesses remained viable.

There was a general sense that the current economic climate was having an impact on the town, which made things difficult, but that some of the traders had been able to adjust by diversifying their products.

Given the development of technology and the need for shops to be able to trade online there was a call to ensure that Narberth was served by high speed broadband. The need for better mobile coverage was also recognised because people find out a lot more about places on the go nowadays – which is key to local tourism.

It was felt that community engagement is vital in ensuring successful regeneration – Narberth was considered “dull and run down” in the 1980 Tavistock report, with limited employment and no economic role but since then it has undergone a successful regeneration - which was greatly helped through self-organisation and action by the local community and key individuals.

### ***Transport***

There were a number of concerns about the train station being positioned slightly too far from the town centre and the walk, which was dangerous and unappealing. People felt that there was a limited market for public transport and suggested instead greater investment should be given to addressing the issues around parking availability, car parking charges and traffic flow

through and around the town. There was significant concern about the suggestion of building a bypass around Narberth.

There was support for the idea of a steam train as a visitor attraction, which might help to bring families to the town.

### ***Business Rates***

In 2009, Narberth Chamber of Trade submitted a petition to the National Assembly for Wales concerning how businesses in the town would be affected by the 2010 changes in rateable values. Traders in the town felt they had been victims of their own success – as some had seen rates increases of over 200 per cent.

Businesses asked for greater accountability of where the business rates go – as the substantial increase does not appear to have been reflected in investment locally.

There were many comments about the difficulty in appealing against an increase in business rates – one trader told us that the Valuation Office Agency would not listen despite three estate agents independently giving a significantly lower property value. Another trader had managed to successfully fight his increase and received a reduction twice – but felt that it was a difficult process not understood by everybody. There was a call for a greater amount of support and resources to be made available for people wanting to appeal against the decision.

There was significant displeasure about the fact decisions on business rates were made on a five year basis, as this lack of flexibility does not take into account changes in the economic climate or other variants.

Some innovative approaches had been adopted such as one business which had subdivided its premises into separate lots which then were valued separately.

### ***Carrier Bag Charge***

There was some confusion among traders about the charge for carrier bags, for example how much of the money is subject to VAT; whether packaging for goods sent via the internet was subject to the charge; whether they can make direct donations to a charity or if the money needs to be put through the till and how the policing of the charge would be administered. In addition to the confusion, a number of traders were unhappy with the charge in general as they felt that it reduced their advertising. However many people the Committee spoke to expressed their support for the policy.

## ***Planning***

The need for effective planning was considered important to help address the fragile nature of towns and the fine line between success and failure. There were a number of issues raised around planning, although there seemed to be some confusion about the respective roles of central and local government.

Frustration was expressed about how planning restrictions in a Section 106 agreement can change. For example, it was alleged that the Spar at Bluestone was not initially supposed to be open to the public, but was later opened to the public on Fridays and Mondays – and now it is open to everybody every day.

Great concerns were expressed about the proposal to build a supermarket on the edge of the town centre, as it was felt this could detract from local, independent traders.

It was suggested that the planning system was very much skewed in favour of supporting big business – so there was a need for mechanisms to enable small businesses to establish and develop. Members of the Chamber of Trade wondered why successful local stores with strong reputations such as a butchers or clothes chain could not be used as an anchor store in a regeneration project – or at least be given some support to open in new areas as the major chains are.



## **Witnesses**

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The following witnesses provided oral evidence to the Committee on the dates noted below. Transcripts of all oral evidence sessions can be viewed in full at

<http://www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?Ild=1307>

### **28 September 2011**

Centre for Regeneration Excellence in Wales

Welsh Local Government Association

Caerphilly County Borough Council

### **6 October 2011 - morning**

Association of Town Centre Management

Swansea Business Improvement District

Boots

### **6 October 2011 - afternoon**

Federation of Small Businesses

British Retail Consortium

### **2 November 2011**

Sustrans

South East Wales Transport Alliance

Design Commission for Wales

Heritage Lottery Fund

### **16 November 2011**

Visit to Narberth Chamber of Trade

### **24 November 2011**

Welsh Government, Minister for Housing, Regeneration and Heritage

## List of written evidence

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The following people and organisations provided written evidence to the Committee. All written evidence can be viewed in full at <http://www.senedd.assemblywales.org/mgIssueHistoryHome.aspx?Ild=1522>

### Organisation

Aberdare and District Chamber of Trade and Commerce

AECOM Ltd

Age Cymru

Mike Brain

Bridgend County Borough Council

British Waterways

Simon Brogan

Business in the Community

Cardiff Council's Planning Service

Cardiff and the Vale Parents Federation

Community Pharmacy Wales

Liz Davies

Diverse Cymru

Evocati Limited

Flintshire County Council

Gordon Gibson

Guide Dogs for the Blind Association

The Means

Jan Miller

Mott Macdonald

Narberth Chamber of Trade

Newport City Council

Neyland Pharmacy

David Lloyd Owen

Pembrokeshire County Council  
The Princes Foundation for the Built Environment  
Regeneration Skills Collective Wales  
Rhondda Cynon Taf County Borough Council  
Rockwool Ltd  
Royal Institution of Chartered Surveyors  
Royal Town Planning Institute Cymru  
Andrew Shufflebotham  
City and Council of Swansea  
UK Progressive Magazine  
Vale of Glamorgan Council  
Wales Transport Research Centre, University of Glamorgan  
Wrexham County Borough Council