

Economy, Infrastructure and Skills Committee

Regeneration of Town Centres

Welsh Government's Evidence Paper

Introduction

1. Town and city centres are often considered as the beating heart of communities. Strong, vibrant, and resilient town centres engender a sense of pride and a sense of belonging.
2. Town centres are dynamic environments and are continuously influenced by complex combinations of both local and global factors. Over the past decade, town centres in Wales have been impacted by such factors and it has been challenging for towns to develop resilience. With the increase of out-of-town shopping and the accessibility of the internet, retail does not have the prominence it once had. Shopping habits have changed and the role and function of our town centres are now unrecognisable compared to what they once were.
3. The need for our town centres to evolve and diversify to meet these challenges has never been greater. It is important for town centres to adapt and change.
4. Town centres can no longer simply be places to shop. Town centres need to become places where people come to learn, to access public services, to support active lifestyles, to live, and to relax. Every town cannot develop such a clear identity as, Hay-on-Wye or Narberth, but places should consider themselves as broader destinations and build on their unique selling points.
5. A fundamental principle in our interventions is to equip communities with the tools and support to make this happen. It is about enabling the development of flexible, tailor-made and well-targeted mix of interventions which will greatly improve the long-term resilience and competitiveness of such places.
6. Regeneration must be delivered in partnership and, as we embark on new approaches to regeneration, there is a need to ensure that the way local authorities, and wider stakeholders, take forward initiatives to support our town centres is relevant and purposeful. Our interventions, now and in the future, must also reflect best practice emerging across Wales and further afield.

Understanding the evolving challenges facing town centres

7. It is important to understand the challenges, the opportunities and the support required to assist our communities evolve, grow and prosper.
8. Our support for town centre regeneration mirrors the commitment to joined-up working and doing things differently set out in *Prosperity for All*, the new national strategy. We recognise that our involvement in supporting successful town centres requires a commitment from across Government to include the join-up of

areas activity across government including planning policies, accessibility and car parking, active travel, heritage, housing, and business support.

9. It also recognises the need to work with wider organisations and draw upon expertise from stakeholders such as the Welsh Retail Consortium and the Association of Town and City Management. Welsh Government has responded positively to calls from the retail sector to engage with them in a more structured way when developing and implementing policy and a lead official for the sector has been in place since last year.
10. Over the summer, a series of roundtable events, facilitated by Carnegie Trust UK and the Welsh Council for Voluntary Action, were held with stakeholders from across Wales. Carnegie presented findings from its international research '*Turnaround Towns*' with the intention of stimulating a debate. Carnegie is in the process of finalising its report, due shortly, with recommendations for stakeholders in Wales, including Welsh Government. It would be appropriate for this Committee to consider this report as part of its evidence.
11. Welsh Government has already responded positively to one of the Carnegie report's recommendations. Having robust data is a fundamental requirement for supporting regeneration, both in understanding the needs of places in advance of implementing regeneration strategies and to monitor the impact of any interventions. Funding support has been approved to develop an 'Understanding Welsh Places' web-based data tool and work on this is expected to start shortly.
12. It is also relevant to reflect on the engagement that has recently taken place in the valleys as much of the focus was around the future of valleys town centres. The communities were clearly expressing the value they place on successful, thriving town centres. The Valleys Taskforce recently published the '*Our Valleys, Our Future*' strategy which identified three key priority areas, namely good quality jobs and the skills to do them, better public services, and the local community.
13. The need to re-focus town centres features prominently and, as a result of the engagement that has taken place across the Valleys, a number of actions are currently being taken forward. We will be supporting initiatives which promote a mixture of housing, retail, business and green spaces through the recently launched Targeted Regeneration Investment programme. The Taskforce has also engaged with the Institute of Place Management, who were invited to present their research regarding regeneration and community development and share town centre based initiatives being piloted across the UK.

Welsh Government's recent regeneration activities

14. We can point to a number of examples of effective town centre regeneration in recent years.
15. The *Vibrant and Viable Places* capital programme provided over £124 million of investment in 18 areas between 2014 and 2017. The aim of the programme was to revitalise town centres, coastal communities and Communities First clusters.

16. In Swansea, funding was used for major improvements in the High Street area, working alongside private sector investment. Projects on the High Street delivered new social housing, commercial and retail floor space, business incubation units, and improved public space bringing new life to a run-down area. They also created much needed jobs and training opportunities in Swansea. In Holyhead, we have supported an integrated package of town centre improvements which will make the town a more attractive place to manage a business. This has included a Townscape Heritage Initiative programme to enhance the heritage of key buildings and improve accessibility in the town centre.
17. The *Vibrant and Viable Places* programme across Wales, has to date delivered 1,851 jobs, supported 7,767 people into work, and built 914 affordable and 961 market homes. For the Welsh Government investment, £320 million has been levered in from private and public sector partners. Some activity continues to be delivered and these outputs and outcomes are anticipated to increase over the next 12 months as projects draw to a conclusion.
18. There has been significant progress with regard to *Business Improvement Districts* (BIDs) in Wales. BIDs were subject to some focus by the Committee in 2012, which paved the way for Welsh Government further exploring the opportunities to support the regeneration agenda. We subsequently launched a funding programme and, as a result, eight BIDs have been established with Welsh Government support taking the total number to twelve in Wales. Collectively, the eight areas funded via the programme will generate around £1 million private investment per annum over a 5-year period. In Neath, for example, there has been focus on activities such as creating a better experience for residents and visitors, promoting a stronger identity for the town, and supporting the growth of existing businesses.
19. Welsh Government supported a *Town Centre Partnerships* programme between 2014 and 2017. We provided 20 towns across Wales with funding support of up to £50,000 to act as a catalyst for establishing partnerships, developing bespoke action plans, and delivering project activity. The 3-year programme concluded in March 2017 with total support of £847,000 awarded and it is pleasing to see many of these partnerships continue to lead events and activities in their areas, with some looking to grow further. The partnership in Aberdare used the funding to work with businesses in the town to create a clean, safe and accessible town centre and also to tackle empty premises by encouraging the development of new pop-up shops. The partnership in Aberdare explored the feasibility of a town centre App and supported a small number of events.
20. We are currently supporting a *Town Centre Loans Scheme* with £20 million worth of funding currently being invested across 17 local authorities. The funding is a loan to local authorities for 15 years and, during this time, councils invest and recycle the funding on regeneration projects which aim to bring empty buildings and derelict sites back into use. Cardiff Council, for example, was awarded funding to support the £3.5 million conversion of the Tramshed in Grangetown. This project has transformed large, empty premises into a multi-arts performance and conference centre, cinema, and live-work residential units. The project also

created a digital media incubator unit with café. The loan allowed the gap in funding to be met and the resulting development has created or safeguarded 250 jobs and assisted in establishing 25 enterprises. The allocation has been repaid in full and the Council is now exploring other opportunities to reinvest the funding.

21. *Building for the Future* is a £150 million EU-funded regeneration programme which will operate until 2023. The programme aims to assist in the regeneration of town centres and the surrounding areas by tackling derelict, under-utilised land or buildings. The aim is to acquire, refurbish or re-develop unused buildings and land and work with partners to ensure sustainable end uses are in place in order to create jobs and growth and contribute to the tackling poverty agenda. The programme is targeted at town and city centres and operates across West Wales and the Valleys. Early projects, which have received provisional approval, include the Plaza Cinema in Port Talbot as a training and community hub and the redevelopment of Holyhead Market Hall building.
22. Last month, we announced a new *Targeted Regeneration Investment* programme for the period 2018-21 and published guidance for local authorities on how to apply, along with partner organisations, for up to £100 million of capital investment which we are making available to promote the economic regeneration of our communities and serve the aims of wider sustainable development.
23. Targeted regeneration investment has a crucial part to play in driving prosperity and building resilient communities in all parts of Wales, rather than simply in those areas that offer the best commercial returns. There are particular challenges around tackling inequality and developing well-connected and sustainable communities in areas which are economically disadvantaged or blighted by earlier heavy industries.
24. In line with the aims set out in *Prosperity for All*, the intention is that local authorities and regional partnerships should harness these funds to complement and reinforce the other investments we are making to widen prosperity. We are committed to developing joined-up solutions and projects submitted for regeneration funding will need to be integrated with Local Well-being Plans, the work being pursued under the City Deals, our investment in the Metros, proposals from the Valleys Taskforce and preparations for Wylfa Newydd.
25. We are also keen that this new capital investment should support other programmes seeking to build more resilient communities, including our employability and skills programmes. Projects need to emerge from real engagement with communities and we will be looking at the economic development partnerships now emerging all over Wales to determine which will achieve the greatest impact.
26. The success of the programme will be dependent in part on building strong regional partnerships able to identify and deliver these priorities for investment. But these partnerships must not operate in isolation. Our aim must be to ensure that the process of identifying regeneration priorities is informed by as comprehensive as possible an understanding of the other sources of funding

available. Our challenge to our partners is to be ambitious and innovative in developing new opportunities to drive regeneration and spread prosperity. We need to ensure that our resources are focused on a limited number of investment proposals with a strong and clear economic basis for regeneration and that the creation of employment opportunities and enhancement of skills and employability are at the heart of proposals and targeted where support is most needed.

27. We need to encourage our delivery partners not to think of town centres as a policy area that is separate and distinct from others. Our towns and cities can act as the platform to deliver important physical change, but also, crucially, can simultaneously support and deliver other Welsh Government strategic priorities. For example, housing-led regeneration in towns and cities supports our 20,000 affordable homes target but also tackle vacant properties and generates much-needed footfall which galvanizes other services. Likewise, affordable childcare, public services and health and well-being provision in the right location can promote many positive benefits for town centres.

Enterprise and Business Committee's 2012 report

28. Welsh Government welcomed the Committee's inquiry into town centre regeneration and its report in 2012. The Committee's focus reflected the Government's commitment to support our town and city centres and we were pleased to support the Committee's recommendations.
29. Furthermore, we welcome this renewed focus on town centre regeneration and embrace an opportunity to update the Economy, Infrastructure and Skills Committee on recent progress. Reflecting on the Committee's report and recommendations made in 2012, an update is provided with this paper.

Conclusion

30. The Committee's renewed focus on town centre regeneration at this point is an important opportunity to reflect on various efforts that have been supported across Wales in recent years. As we look to the future it is important to acknowledge various opportunities and challenges.
31. There are continued challenges facing economic regeneration and supporting community well-being in Wales. Many areas suffer from deep-rooted economic and social decline despite concerted efforts over a number of years. The challenges facing our town centres, in some parts of Wales, are often a manifestation of these deep-rooted issues and many places will require sustained support in future.
32. There are some difficult decisions ahead. Increasing financial demands on all parts of Government, a continued period of austerity and the uncertainty of Britain's exit from the European Union will all exacerbate the financial challenges we face. The need to clearly identify regeneration opportunities which can improve the well-being of communities and deliver robust and sustainable solutions will be essential.

33. There are also important opportunities. We will seek to complement wider economic-driven policies, such as City and Growth Deals, and there are further opportunities in complementing important regional priorities, such as the work of the Valleys Taskforce and the development of Wylfa Newydd. Regeneration must play into these wider opportunities and help galvanise efforts to help build and support resilient communities.
34. More generally, there are further opportunities for town centres of the future to embrace innovation and technology, by narrowing the gap between 'online' and 'offline'. This highlights the importance of developing town centres innovatively based on technological advances and creating unique destination experiences.
35. The crucial opportunity we must grasp is the developing willingness and ability to collaborate and work in partnership. Only by harnessing our collective efforts, and the passion that already exists in our communities, will we deliver real change. That will be my main priority as we drive forward this important agenda in Wales.

Rebecca Evans AM
Minister for Housing and Regeneration
November 2017

**Update on the Recommendations made by the Enterprise and Business Committee
in its inquiry into Town Centre Regeneration in 2012**

Recommendation	Welsh Government Response 2012
<p>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)</p>	<p>Accept</p> <p>The proposed revised policy (Chapter 7 of Planning Policy Wales consultation ended on 5th March 2012) will require local planning authorities to adopt a more holistic approach to economic development and recognise that most land uses have some economic impact. Local authorities will be expected to consider the likely impacts of all development and adopt a “whole-economy” approach rather than look at proposals in isolation. In addition, the revised policy identifies that local authorities should seek to concentrate development that attracts large numbers of people, including retail and offices, in city, town and village centres.</p>
<p>Update November 2017</p>	
<p>Revised planning policy on economic development was published in Chapter 7 of Planning Policy Wales (PPW) in October 2012. This was followed by the publication of Technical Advice Note (TAN) 23 Economic Development in February 2014.</p> <p>PPW Chapter 7 and TAN 23 recognise retailing as an economic land use and gives policy advice to local planning authorities regarding weighing the economic benefits of new developments, and steering development to the most sustainable locations. This advice complements the strong “town centres first” policy contained in PPW Chapter 10 Retail and Commercial Development which was revised, together with TAN 4 Retail and Commercial Planning, in November 2016. ‘Town centres first’ supports a sequential approach to the location of retail development and other complementary uses, where sites in retail and commercial centres should be considered first.</p> <p>PPW is now in the process of further revision to ensure it reflects the Well Being and Future Generations Act 2015, and will be consulted on in spring 2018.</p> <p>Secondary legislation came in to force on the 22 June 2015 (via amendments to the Town and Country Planning (Development Management Procedure) (Wales) order which means planning permission is required for the installation of a mezzanine floor in retail buildings where the additional floor space will be greater than 200 sq m. This now means that such developments will be assessed against existing national retail planning policy.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 2</u> - 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)</p>	<p>Accept</p> <p>Regulations already make provision for contractual obligations to out-of-town developments and it is for local authorities to discuss and negotiate with developers and out-of-town retailers on such matters and protect the vitality of their town centres, as appropriate.</p> <p>As part of our review of regeneration, the Welsh Government will consider how we develop guidance for our partners to protect the vitality of town centres.</p>
<p>Update November 2017</p>	
<p>Local Planning Authorities can already place conditions on out of town planning permissions to minimise impact on town centres. In October 2014 the Welsh Government published Circular 016/2014 Use of Planning Conditions for Development Management. This provides model conditions covering a number of different circumstances including retail related development. Planning conditions must relate to the application site and not be outside the control of the applicant.</p> <p>Revised versions of Planning Policy Wales (PPW) Chapter 10 Retail and Commercial Development and Technical Advice Note (TAN) 4 Retailing and Commercial Development (November 2016), together strengthen national planning policy and advice on retail planning. They include amendments reinforcing advice about use of conditions on retail planning applications.</p> <p>PPW also sets out how planning obligations should be used in relation to new development. Planning obligations are agreements to overcome issues, which may prevent planning permission from being granted. Contributions from developers may be used to offset negative consequences of development, to help meet local needs or to secure benefits which make development more sustainable.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 3</u> - 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 (CREW) should develop its role in this area, including educating and encouraging professionals in the sector. (Page 15)</p>	<p>Accept</p> <p>This is an area where the Welsh Government will be looking to develop as part of our review of regeneration. We understand that CREW will shortly be launching a 'Small Towns: Policy and Practice Network' which is aimed at raising awareness of best practice in town centre regeneration and educating professionals in the sector. We will be working closely with CREW to support their activities.</p>
<p>Update November 2017</p>	
<p>CREW continues to be an important organisation for the sharing of best practice in Wales. CREW has supported local authorities and their delivery partners in the mobilisation of regeneration programmes across Wales. As well as toolkits and research, they also build the capacity of the profession and community groups by conducting best practice visits, publishing related case studies, hosting seminars and conferences.</p> <p>More recently, over the summer of 2017, Welsh Government has worked closely with Carnegie UK Trust in disseminating best practice across Wales. Following their international research, Turnaround Towns, workshops were held to debate the future of town centres in Wales. Case Studies were presented from across the world that highlighted critical factors associated with successful places.</p> <p>Welsh Government considers it important to work with, and draw upon expertise from, wider stakeholders such as the Welsh Retail Consortium and the Association of Town and City Management. We also worked alongside the Institute of Place Management as part of our work with the Valleys Taskforce.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 4</u> - 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)</p>	<p>Accept</p> <p>We will commission research which will study the impact that new retail development has had on town centres in Wales. This will build upon the existing guidance about when retail impact assessments should be prepared, as we would expect that any change to current guidance should be based upon robust evidence which will be provided through the research.</p>
<p>Update November 2017</p>	
<p>Welsh Government commissioned research consultants Genecon to examine retail development issues in Wales and to consider whether national planning policy was fit for purpose. The final report was published in April 2014 and made 15 recommendations on potential changes to national planning policy.</p> <p>The research has informed revisions to Planning Policy Wales (PPW) Chapter 10 Retail and Commercial Development and Technical Advice Note (TAN) 4 Retail and Commercial Development, which together expand and strengthen national planning policy and advice on retail planning. Retail developments proposed outside a designated retail and commercial centre are subject to a needs test and where they are of 2500sq m or more an impact assessment.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 5</u> - 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)</p>	<p>Accept</p> <p>The proposed changes to Chapter 7 (Supporting the Economy) of Planning Policy Wales identify that local authorities should seek to concentrate development that attracts large numbers of people, including retail and offices, in city, town and village centres. This position is reinforced in Chapter 10 (Retail) of Planning Policy Wales, which identifies established town, district, local, and village centres as being the most appropriate locations for retailing, leisure and other complementary functions. It is for the local planning authority to demonstrate that they have a robust evidence base to support local and site specific strategies and policies contained within their Local Development Plans, which has been developed in conformity with national planning policy.</p>
<p>Update November 2017</p>	
<p>The revised planning policy on economic development was published in Planning Policy Wales (PPW) in October 2012. This was followed by the publication of Technical Advice Note (TAN) 23 in February 2014.</p> <p>The revised PPW Chapter 10 and TAN 4 (see above) include additional guidance on the sequential approach to site selection for retail and other uses complementary to a retail and commercial centre. The sequential approach supports the ‘town centres first’ principle which seeks to direct retail and commercial development to town centres.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 6</u> - 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 third sectors to share good practice and to identify a plan of action and monitoring framework for regenerating Wales's town centres. (Page 21)</p>	<p>Accept</p> <p>As Minister for Housing, Regeneration and Heritage I have lead ministerial responsibility for town centre regeneration on behalf of the Welsh Government. This work is also supported by a number of external organisations and partnerships, including the National Regeneration Panel and CREW.</p>
<p>Update November 2017</p>	
<p>Leadership for town centre regeneration is within my portfolio as Minister for Housing and Regeneration and I recognise the important role in coordinating activity across various Government portfolios.</p> <p>Alongside the announcement for the new Targeted Regeneration Investment programme I will be establishing a Regeneration Programme Board to provide oversight to regeneration across Wales, along with a National Regeneration Investment Panel to provide scrutiny to investment proposals. Both these partnerships with have an all-Wales overview of regeneration and will have wide representation from the public, private and third sectors.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 7</u> - 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)</p>	<p>Accept</p> <p>Sustainable travel is one of the Welsh Government’s priorities for transport. The Minister for Local Government and Communities recently prioritised the National Transport Plan in the context of delivering this Government’s commitments to tackle poverty, increase well-being and assist economic growth. The continued development of integrated and sustainable transport in Welsh towns is a priority within the NTP, evidenced by the commitment to investment in the Sustainable Travel Centres initiative for at least another 3 years together with continued investment in, and promotion of, smarter choices interventions such as the Personalised Travel Planning initiative launched in Cardiff in September 2011.</p>
<p>Update November 2017</p>	
<p>The National Transport Finance Plan was published on the 16 July 2015. The Delivery Schedule contained in the Plan contains a number of schemes that will contribute to developing an integrated and sustainable transport system in Welsh town and city centres.</p> <p>The Metro project in South East Wales is focused on improving integration between walking, cycling and public transport. Station improvements including better access for wheelchair users, introduction of park and ride facilities, and improvements to bus services will support the development of a sustainable transport system in the region.</p> <p>A similar approach to improve integration between modes and make sustainable transport more attractive to users will be taken forward in other parts of Wales.</p> <p>A similar priority was stipulated in the Local Transport Plan Guidance for local authorities published by the Welsh Government.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 8</u> - 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)</p>	<p>Accept</p> <p>The Welsh Government has a framework commission in place to deliver Personalised Travel Planning across Wales including School Travel Planning and Workplace Travel Planning. The contract was awarded in December 2010 for a four year period. Included within the framework is the requirement to carry out performance monitoring and evaluation. The proposed methodology for performance monitoring and evaluation is being considered by the Steering Group for Sustainable Travel Centres. Once agreed this will be resourced through this existing framework commission.</p> <p>We are also monitoring the impact of the infrastructure investment.</p>
<p>Update November 2017</p>	
<p>The 4-year Personalised Travel Planning programme was completed in December 2014. An evaluation report on the projects undertaken in Cardiff, Pontypridd, Caerphilly and Mon a Menai has been submitted to the Welsh Government. The report is currently under consideration and will inform the development of a transport model for the Metro area.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 9</u> - 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)</p>	<p>Accept</p> <p>We accept that our town centres are changing, as are shopping and leisure activities and consumer habits, with vacant premises offering potential for residential accommodation, including above shops and other ground floor services.</p> <p>Conditions cannot be introduced retrospectively to apply to the opening hours' conditions on existing developments. However, as part of the wider Planning Application Improvement Programme, work is ongoing to review Welsh guidance on the use of conditions with planning permissions; this will be subject to public consultation in due course. In considering whether a particular condition is necessary, planning authorities should ask themselves whether permission would have been refused if that condition were not imposed. Other factors which local planning authorities must include a consideration of whether a proposed condition is relevant to planning, is enforceable, and reasonable in all other respects.</p> <p>The need to update Technical Advice Note 4 will be considered in light of the research referred to in response to Recommendations 1 and 4.</p>
<p>Update November 2017</p>	
<p>In October 2014 the Welsh Government published Circular 016/2014 Use of Planning Conditions for Development Management. This provides model conditions covering a number of circumstances including the wording required to specify 'hours of operation' related to a planning application.</p> <p>The revised Technical Advice Note 4 also provides advice complementary to Circular 016/2014 on conditions relating to retail development, including change of use, types of product sold, number and size of units, time of deliveries and local amenity.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 10</u> - 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)</p>	<p>Accept</p> <p>We are already supporting projects and programmes, such as the Housing Renewal Area, that can act as catalysts to bring empty properties back into use and make a valuable contribution to the vitality of a town centre. We are working with partners to address issues around empty properties and will further explore opportunities in this area.</p>
<p>Update November 2017</p>	
<p>Welsh Government supports a variety of initiatives to assist in bringing vacant properties back into use.</p> <p>The Town Centre Loans scheme supports projects that offers vacant land and premises a viable future. We are running schemes in 18 local authorities across Wales and provide loan funding to local authorities to either utilise themselves or to provide assistance to third parties to redevelop key buildings. The scheme drives private sector investment and enables landlords and property developers to access funding and repay it over a 5-year period. The funding provided to local authorities can be recycled a number of times over a 15-year period. This programme has had an excellent take up and there is £20m of investment in the system at present, and with the recyclable element will provide £66m of investment over the next 15 years.</p> <p>This activity is complementary to the work already undertaken under Vibrant and Viable Places and will also assist in innovative funding models for the new recently launched Targeted Regeneration Investment programme due to commence April 2018. Under the VVP programme the funding has been used in a number of ways, for example:</p> <ul style="list-style-type: none"> • Homes above Shops – taking empty retail units on the first and second floors and creating places to live for local people and keeping communities together; • Affordable Housing Units for vulnerable people – developing old buildings to create safe and practical residential spaces in the town centres for elderly or disabled people, keeping them in town centres and close to public services; • Innovative Housing Models – development of work/live units to cater to a changing market and allowing younger people to access residential units that meet their needs; and • Creation of Community Spaces/Hubs to enable people to not only access services but also learn, work and have fun in these adaptable facilities. 	

Recommendation	Welsh Government Response 2012
<p><u>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)</u></p>	<p>Accept</p> <p>We see Characterisation Studies as an important tool in developing an appreciation of the history and character of a place and Characterisation will be an integral part of future regeneration schemes. Cadw will continue to deliver Characterisation Studies for selected towns, and will offer advice and guidance to ensure that future development is informed by an understanding of historic character.</p> <p>We will encourage greater use of the Design Commission for Wales' Design Review Service for our town centre regeneration activities and will encourage our partners in regeneration to utilise this service.</p>
<p>Update November 2017</p>	
<p>Cadw has published a total of thirteen 'Understanding Urban Character' reports for a range of towns across Wales. It has also published best-practice guidance on managing historic character. Cadw works closely with local authorities across Wales to protect and promote the contribution that the historic environment makes to quality of place, and by targeted activity in Gwynedd, has helped to facilitate a successful programme of heritage-led regeneration in Caernarfon, as a pilot for similar engagement elsewhere.</p> <p>Local authorities and development partners were encouraged to seek guidance from the Design Commission for Wales as part of the grant award condition under Vibrant and Viable Places regeneration framework. We can point to a number of examples where this has had a positive impact on design in relation to regeneration activity.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 12</u> - 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)</p>	<p>Accept</p> <p>The Welsh Government considers that the proposed changes to Chapter 7 of Planning Policy Wales will address this recommendation. It requires local authorities to establish an evidence base of the economic characteristics of their areas, and to develop appropriate development plan policies based upon informed assumptions about possible changes, having regard to national economic policies. The guidance in Chapter 8 (Transport) and Chapter 10 (Retailing and Town Centres) of Planning Policy Wales provides a hierarchy to inform decisions on the location of new development and clearly identifies the importance of securing sustainable transport.</p>
<p>Update November 2017</p>	
<p>The Genecon report highlights the importance of Local Development Plans (LDP) setting out a clear vision, strategy and/or Masterplan for their town centres. This is reflected in the revised Planning Policy Wales (PPW) and Technical Advice Notice (TAN) 4, which provide policy guidance and advice on the development of retail hierarchies, strategies, masterplans and place plans in an LDP.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 13</u> - 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)</p>	<p>Accept in principle</p> <p>We accept the thrust of the Committee’s recommendation. This is a matter for local authorities to take forward through the evidence base and community involvement scheme required to ensure the progress of sound Local Development Plans (LDPs).</p> <p>Conformity with national planning policy forms part of the test of soundness of the LDP and is assessed by an independent Inspector. In respect of community engagement, the Local Planning Authority is required to produce a Community Involvement Scheme setting out how the authority will involve the community in all stages of LDP preparation and the people or groups who should be involved.</p> <p>We will be looking to strengthen this aspect further as part of our review of regeneration.</p>
<p>Update November 2017</p>	
<p>The Genecon report highlights the importance of town centres having a clear vision, strategy or Masterplan in place to guide and formulate policy development in LDPs. This recommendation is addressed in the revised Planning Policy Wales (PPW) and Technical Advice Notice 4, which provide policy guidance and advice on the development of retail hierarchies, strategies, master-plans and place plans in an LDP.</p> <p>PPW indicates Local Planning Authorities should consult the private sector and local communities when developing their retail strategies and plans.</p>	

Recommendation	Welsh Government Response 2012
<p><u>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)</u></p>	<p>Accept</p> <p>The success of town centre regeneration schemes are often attributed to the dedication and enthusiasm of local individuals with strong leadership qualities. We will explore how best to support local leadership as part of our consideration of options for future investment.</p>
<p>Update November 2017</p>	
<p>Harnessing the passion, enthusiasm and dedication of local champions is a fundamental principle across all our regeneration activities. Regeneration cannot be undertaken in isolation and we are looking to work with a range of stakeholders and key individuals in this regard. We can point to two programmes in recent years that have sought to empower local champions to take the lead in supporting regeneration.</p> <p>Through the Town Centre Partnerships programme we have provided funding of £845k to support twenty partnerships across Wales, with each receiving up to £50k. The aim of the programme was to act as the catalyst to bring organisations together to develop a bespoke Action Plan for their town, deliver projects and activities and enhance leadership capacity. The fund is aimed at supporting activities that generate footfall, tackle empty sites and premises and support businesses to grow and prosper. .</p> <p>The Business Improvement Districts (BIDs) programme provided £248k of funding to 10 areas for the exploration of a BID to be commissioned and take those feasible areas through to ballot. Of those 10 areas, 8 were successful at ballot, which takes the total number of BIDs in Wales to 12. BIDs play a significant role in regenerating areas by providing businesses with a collective single voice, supporting economic growth and empowering and strengthening communities. BIDs tend to have strategic objectives in relation to managing local high streets and town centres and a proven track record of driving real change in declining areas. Ensuring a strong leadership group is a critical success factor in successfully establishing a BID.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 15</u> - 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)</p>	<p>Accept</p> <p>We accept this recommendation, although we do need to manage expectations in terms of the levels of investment available, and any relevant requirements, for example, the return required.</p>
<p>Update November 2017</p>	
<p>Every local authority in Wales has the benefit of a Welsh Government Regeneration Manager. Every local authority is in receipt of some direct investment for town centre regeneration in grants or loans. The Regeneration Managers have a remit to support local authorities in using innovative approaches to support town centres in all areas.</p>	

Recommendation	Welsh Government Response 2012
<p><u>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)</u></p>	<p>Accept</p> <p>The independent panel on Business Rates is aware of the Committee's recommendation and the wider issues relating to the regeneration of town centres. This will be considered as part of its final report which is expected before the end of March. The Welsh Government will consider the Panel's recommendations and will respond to its final report in the summer.</p>
<p>Update November 2017</p>	
<p>In recognition of the non-domestic rates 2017 Revaluation carried out by the Valuation Office Agency, the Cabinet Secretary for Finance and Local Government has implemented a number of measures to support businesses in both the retail sector and those on the high street.</p> <p>These measures include the following.</p> <ul style="list-style-type: none"> • The extension of the temporary Small Business Rates Relief scheme until 31 March 2018. • The planned introduction of a permanent Small Business Rates relief scheme from 1 April 2018. • A fully funded £10 million Transitional Rates Relief scheme introduced from 1 April 2017 which designed to help businesses in receipt of Small Business Rates Relief by phasing increases in liability (where they occurred) over a three-year period at a rate of 25%, 50% and 75%, with the fourth year seeing the full liability being phased in. The scheme was introduced specifically to assist small businesses whose entitlement to small business rates relief was adversely affected as a result of the 2017 revaluation. • A £10 million High Street Rates Relief scheme for 2017-18 to provide specific targeted non-domestic rates relief for properties on high streets, including shops, pubs and restaurants. • Once the Transitional Rates Relief, Small Business Rates Relief, High Street Rates Relief and other mandatory and discretionary reliefs are taken into account, £210m of financial assistance is being provided, benefiting three-quarters of all ratepayers in Wales in 2017-18. • More broadly, ways in which the non-domestic rates system can be improved are being explored, for example administrative changes to improve efficiency and measures to help tackle abuse so that all ratepayers contribute their fair share to the funding of local services. • By making the system more efficient, addressing abuse by those who do not pay and providing more focused relief, we aim to be able to give better targeted support to small businesses from 2018. 	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 17</u> - 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)</p>	<p>Accept</p> <p>The Welsh Government will consider this as part of its proposals for future investment.</p>
<p>Update November 2017</p>	
<p>See response to Rec. 16 above.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 18</u> - We recommend that during negotiations over draft legislative proposals for EU Structural Funds 2014-2020, 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)</p>	<p>Accept in principle</p> <p>Within the current EU Convergence programme a total of 24 town centre regeneration projects have been approved by WEFO totalling around £270 million of investment. The Welsh Government is currently making the case, in discussions with the UK Government and EU institutions, for continuing investment of EU Structural Funds. Town centre regeneration will be considered as part of this process.</p>
<p>Update November 2017</p>	
<p>An application for £38 million EU ESI Funds to part fund 'Building for the Future' has been approved by WEFO. The programme is aligned with our regeneration activities more generally and aims to help acquire and redevelop derelict, disused or partially utilised key town centre buildings. The Welsh Government is providing £16m of Targeted Match Funding for the programme which will run until 2023 throughout West Wales and the Valleys.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 19</u> - We recommend that the Welsh Government should commission a full and transparent assessment of the effectiveness of the Swansea Business Improvement District (BID) and consult with a broad range of stakeholders to inform further BID development in Wales. (Page 47)</p>	<p>Accept</p> <p>The Welsh Government is currently working with partners to consider the effectiveness of BIDs and the potential for them to be utilised elsewhere in Wales. With Heads of the Valleys Regeneration Area funding we are supporting the development of a BID in Merthyr Tydfil which will hold a ballot between its town's businesses this summer. We will be looking to learn the lessons from the Merthyr experience and we will commission a review of BIDs within and beyond Wales, including Swansea. We will also explore the potential for utilising current and future EU Structural Funds to support business competitiveness through the Welsh BID model. Stakeholders should register any related project ideas via the WEFO website.</p>
<p>Update November 2017</p>	
<p>We commissioned a report to assess the effectiveness of existing BIDs in Wales and to explore further BID development, more generally. The report was completed in June 2013 and is available on the Welsh Government's website.</p> <p>A programme to support the establishment of BIDs was launched in 2014. We supported 10 areas in their exploration of considering a BID by enabling a feasibility studies to be commissioned and where viable, progress to ballot. Eight BIDs were successful as part of this process.</p> <p>There are now 12 established BIDs in Wales: Aberystwyth; Bridgend; Llanelli; Neath; Pontypridd; Caernarfon; Bangor; Cardiff; Newport; Swansea; Merthyr Tydfil and Colwyn Bay.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 20</u> - 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)</p>	<p>Accept</p> <p>Visit Wales already takes this approach and the Welsh Government will continue to work with local authorities and other stakeholders to ensure that this activity delivers even greater value in the future. Visit Wales is actively involved in encouraging local businesses and all those involved in an area's tourism offer to work together and collectively promote an area as a tourism destination. There is a dedicated website, www.dmwales.com, to encourage this tourism destination development and help create a complete experience for visitors by drawing together all the tourism assets within an area. Visit Wales also works closely within Regeneration Areas to ensure that tourism plays an important role in town centre regeneration activities.</p>
<p>Update November 2017</p>	
<p>Welsh Government continues to work with the key destination management partnerships around Wales, with each having agreed actions and recommendations within their destination management plans for improving their town centre offer. The tourism sector continues to provide both capital and revenue funding that can be used to improve the town centre offer across Wales.</p> <p>Examples include:</p> <p>Erskine Arms, Conwy – Project is to convert a grade 2 listed pub, which was originally an old Georgian coaching Inn, into a 10 bedroom 5 Star boutique Inn with 60 cover restaurant. £140k support and created 23 FTE jobs. Inn has been open since June.</p> <p>Plas Yn Dre, Bala - Project is to convert a Grade 2 listed 100 cover restaurant in a prominent location on the High Street in Bala into a 4 Star 9 bedroom Inn with 50 cover restaurant , 20 cover lounge and 30 cover bar area. The main works will be to convert the upper 2 floors into the 9 en-suite bedrooms. £72k support and created 7 FTE jobs and safeguard 3 FTE. Inn has been open since April.</p> <p>Ty Castell, Caernarfon – Project is to convert a Grade 2 listed Georgian townhouse, currently a derelict shop, into a high quality 4 Star boutique style Restaurant with Rooms. The upper 3 floors of 'Castle House' will be converted into 5 en-suite bedrooms, the ground floor into a 32 cover restaurant and the basement into a kitchen. £50K support and create 7 FTE jobs.</p> <p>Ty Glyndwr, Caernarfon - Project is to create a high quality 4 Star 30 bed bunkhouse with cafe and bar in Caernarfon 'old town'. The building has 5 storeys with a cellar bar, ground floor cafe and bunkhouse accommodation on the top 3 floors. The cellar will house c30 covers which in the mornings also double as the breakfast room. £25K support and create 7 FTE jobs.</p>	

Recommendation	Welsh Government Response 2012
<p><u>Recommendation 21</u> - 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)</p>	<p>Accept</p> <p>As stated in the introduction to this response, I have announced that we will undertake a review into our current regeneration activities and the seven Regeneration Areas, in particular. The intention is to establish what works well and learn from these recent activities. In terms of our future programmes of investment we will ensure that a framework is developed to effectively measure our performance in regeneration.</p>
<p>Update November 2017</p>	
<p>Welsh Government developed a multi-faceted evaluation framework to measure performance in support of regeneration activity, in particular the Vibrant and Viable Places programme.</p> <p>As part of this evaluation, data was gathered in all areas involved a combination of quantitative and qualitative information, such footfall rates, vacancy rates, property use, business confidence survey and town centre users survey. The data is collected by Beaufort Research, an independent company commissioned by the Welsh Government, with the data collected consistently across all areas. The data collection is being undertaken at three key milestones in all areas: baseline collection April-June 2015; mid-term collection Oct-Nov 2016; and post-programme collection Oct-Nov 2017. A report has been published for 2015 and 2016 and is available on the Welsh Government's website. This work has enabled us to track changes in the performance of these town centres over time and the information will also be a key consideration in informing the end of programme evaluation.</p> <p>The evaluation of Vibrant and Viable Places, along with a thorough investigation and engagement with key stakeholders, has been instrumental in the design and development of the new regeneration programme, Targeted Regeneration Investment. This has resulted in a renewed approach around regional planning and delivery, along with clarity around programme objectives and outputs which will be key for evaluation.</p> <p>To assist with measuring performance in future, Welsh Government is currently in discussions with Carnegie Trust UK to develop a web-based data tool for Welsh cities and towns. Having robust data is a fundamental requirement for supporting regeneration, both in understanding the needs of places in advance of implementing regeneration strategies and to monitor the impact of any interventions. The tool will be developed over the next year.</p>	