

Enterprise and Business Committee

Meeting Venue:
Committee Room 3 – Senedd

Meeting date:
29 April 2015

Meeting time:
09.15

Cynulliad
Cenedlaethol
Cymru

National
Assembly for
Wales



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Agenda

1 Introductions, apologies and substitutions

2 Regeneration of town centres – follow-up scrutiny (09.30–10.30)

(Pages 1 – 43)

Lesley Griffiths, The Minister for Communities and Tackling Poverty

Kath Palmer, Deputy Director, Homes and Places

Steffan Roberts, Regeneration Manager, Homes and Places

Neil Hemington, Head of Planning, Planning Directorate

Attached Documents:

Research Brief

EBC(4)–11–15 (p.1) Minister for Communities and Tackling Poverty

EBC(4)–11–15 (p.2) Minister for Communities and Tackling Poverty – Update on
Committee recommendations

Break (10.30–10.40)

3 Regeneration of town centres (10.40–11.25) (Pages 44 – 47)

Andy Godfrey, Chair of the Local Government Policy Advisory Group, British Retail Consortium and Public Policy Manager for Boots

Attached Documents:

EBC(4)-11-15 (p.3) Welsh Retail Consortium Paper

EBC(4)-11-15 (p.4) Report prepared by the British Retail Consortium titled '21st Century High Streets: What next for Britain's town centres?'

4 Regeneration of town centres (11.25–12.25) (Pages 48 – 53)

Russell Greenslade, Chief Executive, Swansea Business Improvement District

Antonia Pompa, Co-ordinator, Merthyr Tydfil Business Improvement District

Ojay McDonald, Policy Manager, Association of Town and City Management

Rhiannon Kingsley, Town Centre Manager, Bridgend County Borough Council

Attached Documents:

EBC(4)-11-15 (p.5) Merthyr Tydfil Business Improvement District

EBC(4)-11-15 (p.6) Swansea Business Improvement District

5 Papers to note

5.1 ATCM Report on Town Centre Parking (Page 54)

Report provided by ATCM on town centre parking

Attached Documents:

EBC(4)-11-15 (p.7) ATCM town centre parking report

De-brief (12.25–12.35)

Agenda Item 2

Document is Restricted

Enterprise and Business Committee

Welsh Government approach to town centre regeneration

Introduction

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

Welsh Government interventions

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

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

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

Vibrant and Viable Places – targeted regeneration investment

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

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

Tackling Poverty fund

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

Business Improvement Districts

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

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

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

Town Centre Partnerships

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

Town Centre Loans Scheme

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

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

'Support Your High Street' Campaign

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

Key principles in supporting regeneration

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

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

Future Opportunities

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

Conclusion

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

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

Lesley Griffiths AM
Minister for Communities and Tackling Poverty

Recommendation	Response	Update April 2015
<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>The revised planning policy on economic development was published in Planning Policy Wales in October 2012. This was followed by the publication of Technical Advice Note (TAN) 23 in February 2014.</p> <p>TAN23 recognises retailing as an economic land use and gives policy advice to local planning authorities regarding weighing the economic benefits of new developments which includes steering development to the most sustainable locations.</p> <p>This advice complements the strong “town centres first” policy already contained in Planning Policy Wales.</p> <p>We will also be introducing secondary legislation this summer which will require planning permission for the installation of a mezzanine floor in retail buildings where the additional floorspace will be greater than 200 sq m. This will mean these developments will be assessed against existing national retail planning policy.</p>

Recommendation	Response	Update April 2015
<p>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)</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>Local Planning Authorities can already place conditions on out of town planning permissions to control the types of goods sold so as to minimise the impact on town centres.</p> <p>We are considering strengthening our advice to local planning authorities on the use of conditions on planning applications in the current review of national retail planning policy.</p>

Recommendation	Response	Update April 2015
<p>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 (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>CREW is the key organisation for the sharing of best practice on Wales; they launched a refreshed Welsh Towns Network in October 2014 and have established a new executive. CREW has supported Local Authorities and their delivery partners in the mobilisation of programmes under the regeneration framework, Vibrant and Viable Places, with its focus on town centres and seaside towns.</p> <p>As well as toolkits and research, they also build the capacity of the profession and community groups by conducting best practice visits (and publishing related case studies), conducting seminars and themed events eg. Meanwhile Uses. More information on the ongoing programme can be found here:</p> <p>http://regenwales.org/events.php</p>

Recommendation	Response	Update April 2015
<p>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)</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>In June 2013 Planning Division commissioned research consultants Genecon in to the dynamics of retail development in Wales to help inform a future review of retail planning policy and advice. The final report was published in April 2014.</p> <p>The report discusses recent trends in retailing and their potential implications and made 15 recommendations on potential changes to national planning policy.</p> <p>Following the completion of the research the Minister for Natural Resources agreed for officials to begin work on the review of retail planning policy advice, and this work is now underway.</p> <p>A Technical Advisory Group (TAG) has been established in order to inform this work.</p> <p>This will result in a refreshed Chapter 10 of Planning Policy Wales and a replacement draft Technical Advice Note (TAN) 4: Retailing and Town Centres, being published for consultation by Summer 2015.</p>

Recommendation	Response	Update April 2015
<p>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)</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>The revised planning policy on economic development was published in Planning Policy Wales in October 2012. This was followed by the publication of Technical Advice Note (TAN) 23 in February 2014.</p> <p>In addition, the Genecon report highlighted the need for additional guidance on the sequential approach to site selection and development management decision making. This issue is now being considered as part of the review of national retail planning policy.</p>

Recommendation	Response	Update April 2015
<p>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)</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>Town centre leadership is now with me as Minister for Communities and Tackling Poverty.</p> <p>We have formed a Vibrant and Viable Places Ministerial Advisory Group, comprising a range of expertise across the public, private and voluntary sectors and across a range of disciplines pertinent to regeneration. The group is scrutinising our town centre policies and actions and we will publish its final advice in 2016.</p> <p>Officials from different Welsh Government departments meet regularly to consider town centre policy through the Vibrant and Viable Places Policy Board.</p> <p>We have issued a framework for monitoring town centre performance to the Local Authorities receiving Vibrant and Viable Places funding, and the first data collections will take place in April – May this year.</p>

Recommendation	Response	Update April 2015
<p>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)</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>The new draft National Transport Plan was closed to consultation on the 11 March 2015. The Plan focuses on five key priorities and sustainable travel and safety is one of these. Responses received from the consultation are currently being considered and the final Plan will be published in the spring.</p> <p>A similar priority was also stipulated in the Local transport Plan Guidance published by Welsh Government to local authorities.</p>

Recommendation	Response	Update April 2015
<p>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)</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>The 4 year Personalised Travel Planning programme 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.</p>

Recommendation	Response	Update April 2015
<p>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)</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>Local Planning Authorities can already place conditions on out of town planning permissions to control the types of goods sold so as to minimise the impact on town centres.</p> <p>We are considering strengthening our advice to local planning authorities on the use of conditions on planning applications in the current review of national retail planning policy.</p>

Recommendation	Response	Update April 2015
<p>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)</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>Many Vibrant and Viable Places (VVP) projects and Town Centre Loan projects support incentives to town centre landlords to make best use of their properties and contribute better to town centre vibrancy. For example, in Flintshire and in Newport VVP funding will be used to turn rooms above shops into good quality town centre housing and to improve town centre shop frontages.</p>

Recommendation	Response	Update April 2015
<p>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)</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 the greater use of the Design Commission for Wales' Design Review Service for our town centre regeneration activities and will encourage our partners in regeneration to utilise this service.</p>	<p>Cadw published two further 'Understanding Urban Character' reports in March 2015, covering Merthyr Tydfil and Pembroke. Studies completed, not yet published but available as drafts include Hafod and the Lower Swansea valley, and Holyhead. Cadw is also working on a practice guide 'Managing Local Historic Character', to explain why it is important to recognise historic character in conservation, regeneration and planning, and how to respond to it.</p>

Recommendation	Response	Update April 2015
<p>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)</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>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 Local Development Plans.</p> <p>We are considering strengthening our advice to local planning authorities on the use of masterplans and town centre strategies in the current review of national retail planning policy.</p>

Recommendation	Response	Update April 2015
<p>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)</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.</p> <p>Conformity with national planning policy forms part of the test of soundness of the Local Development Plan, and is assessed by an independent Inspector. In respect of community engagement, the Local Planning Authority is required to produce a Community Involvement Scheme setting out how the authority will involve the community in all stages of LDP preparation and the people or groups who should be involved.</p> <p>We will be looking to strengthen this aspect further as part of our review of regeneration.</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 Local Development Plans.</p> <p>We are considering strengthening our advice to local planning authorities on the use of masterplans and town centre strategies in the current review of national retail planning policy.</p>

Recommendation	Response	Update April 2015
<p>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)</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>We have provided a new £845K regeneration fund to support twenty Town Centre Partnerships across Wales which are encouraging activities which contribute to improved town centre performance. The funding will increase the capacity to provide the leadership for such partnerships.</p> <p>CREW, through our grant funding, facilitates the Welsh Towns Network to develop skills and leadership in this area.</p>
<p>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)</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>Every Local Authority in Wales has the benefit of a named Welsh Government Regeneration Manager. Each is receiving some direct investment for town centre regeneration in grants or loan from us, but the Regeneration Managers have a brief to support Local Authorities in using innovative approaches to support town centres in all areas.</p>

Recommendation	Response	Update April 2015
<p>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)</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>Since the recommendation was made in January 2012, the Business Rates Task and Finish Group and the Business Rates Panel have made a number of recommendations, many of which support the retail sector and town centres through the business rates regime.</p> <p>These measures have included</p> <ul style="list-style-type: none"> • supporting local authorities to use their discretionary business rates powers to offer reliefs (including the Wales Retail Relief Scheme and Open for Business Scheme); • the extension of Small Business Rate Relief; • the capping of Business Rates Bill increases at 2%. <p>More broadly business rates have recently been devolved to Wales and this will provide Wales with the financial and policy flexibility to develop the right regime for Wales.</p>

Recommendation	Response	Update April 2015
<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>See response to Rec. 16 above.</p>
<p><u>Recommendation 18</u> - 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)</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>The Welsh Government was closely involved in the negotiation of the 2014-2020 Structural Funds regulations, championing flexibility, integration and simplification. The final regulations allow for the investment in a range of infrastructure, which could potentially include town centre regeneration actions.</p> <p>The type of action supported in Wales will all depend on the contribution to the specific objectives and results of the programmes. The types of investment are a means to an end, not the end in themselves. This might mean different infrastructure investments could deliver greater impacts.</p>

Recommendation	Response	Update April 2015
<p>Recommendation 19 - 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>We commissioned a report to assess the effectiveness of existing BIDs in Wales and to explore the further progress of BIDs development. The report was completed in June 2013 and is available on our website.</p> <p>The Welsh Government announced funding of £203k in January 2014 to support the development of proposals in Wales.</p> <p>We are currently supporting ten areas: Abergavenny; Aberystwyth; Bridgend; Llanelli; Neath; Pant & Merthyr Industrial Estates; Pontypridd; Caernarfon; Bangor and Colwyn Bay.</p> <p>A successful ballot must be held in each area before a BID can be established and ballots will take place during 2015.</p>

Recommendation	Response	Update April 2015
<p>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)</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 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>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>

Recommendation	Response	Update April 2015
<p>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)</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>We are developing a robust framework to effectively measure our performance in regeneration, in particular the Vibrant and Viable Places programme.</p> <p>We have recently issued to Local Authorities a manual to measure town centre performance in Vibrant and Viable Places areas, building on an established methodology.</p> <p>We are commissioning a process evaluation of Vibrant and Viable Places to understand what has worked well and what there is to learn about the design and implementation of this programme. We expect to publish the evaluation report in the summer.</p>

Agenda Item 3

Document is Restricted

Please see the link below for a report prepared by the British Retail Consortium titled '21st Century High Streets: What next for Britain's town centres?'

http://www.brc.org.uk/downloads/21st_Century_High_Streets_What_next_for_Britains_town_centres.pdf

The report is 36 pages in length.

Agenda Item 4



21 April 2015

Enterprise and Business Committee
National Assembly for Wales

Dear Committee Members,

Ref. Regeneration of town centres

Thank you for the opportunity to attend the meeting of the Enterprise and Business Committee on 29 April 2015.

The Big Heart of Merthyr Tydfil was the second Business Improvement District (BID) to achieve a successful ballot in Wales following on from Swansea. A third, Newport, is now in place and several more are moving towards ballots this summer. There are now over 200 BIDs operating across the UK.

In advance of the meeting, please find below some general observations on the areas identified in your invitation.

The Welsh Government's approach to regeneration, including town centre regeneration

Merthyr Tydfil has undoubtedly benefited from the consistency of support the town centre has received from Welsh Government over a number of years. The major schemes, largely generated by the council, have had support not only in terms of funding but also in terms of ministerial backing. This consistency of support has enabled incremental improvements to the town centre in line with the town centre masterplan; the town centre public realm improvements to the High Street (2008/09), the two new public squares - Llys Janice Rowlands (2013) and Penderyn Square (2014) - the Castle Multi-Storey car park (2013) and the River Taff Central Link road system (2014). The remaining substantial piece of this jigsaw would be the delivery of a new bus station which, if it goes ahead, will provide greatly enhanced public transport facilities in the heart of the town centre, improved linkages to the railway station and a more integrated approach to public transport provision.

Wider projects such as the A465 dualling have also contributed to the provision of better access to the town from the wider region and beyond, and the importance of this given Merthyr Tydfil's prime location should not be downplayed.

Merthyr Tydfil has also benefited from Welsh Government's approach to supporting town centre management. This has been the backdrop to a vibrant multi-agency town centre

partnership where commitment from the public sector has undoubtedly made it easier to engage meaningfully with the private sector. The role of town centre manager is an important one, pulling together many different strands of activity, both strategic and operational, to make the town a better place to do business. Looking forward to a more sustainable model for supporting businesses in the town centre and enabling them to have a strong voice, I would be supportive of Welsh Government's commitment to developing further BIDs as well as the programme to support the delivery of effective town centre partnerships in areas not receiving BID development funding. That said, the BID model is currently the one delivering reasonable levels of revenue funding which can actually 'make a difference'.

Implementation of the Welsh Government's 'Vibrant and Viable Places' regeneration framework

The Big Heart of Merthyr Tydfil recognises this as a sensible plan and approach to create more vibrancy within town centres by creating more town dwellers and more potential business users. In the case of Merthyr Tydfil, utilising derelict buildings and sites to increase households should result in improved sales for local businesses providing that those households decide to 'shop local' in the town. It is, however, likely that the expansion of Cyfarthfa retail park will attract a large percentage of the additional spend.

Whilst the decision to stimulate the delivery of more housing in or on the edge of the town centre is welcome, the decisions taken to move public sector facilities out of the town over the last few years have undoubtedly had a negative impact on town centre footfall and vibrancy. For example, moving the Hollies Health Centre out of town has had a considerable effect. The need to visit the town centre for medical services was a major driver of footfall, benefitting pharmacies, shops and cafes, and the removal of this driver has had a dramatic negative effect. If you add to this the decision to move the Police Station to the edge of the town plus the relocation of a substantial number of council staff out of the town centre to Pentrebach, footfall and potential spend have been greatly reduced as a result of public sector policy (see recommendation 5 of the report on Regeneration of town centres).

In Merthyr Tydfil, there are two specific projects within Vibrant and Viable Places which have the potential to boost the business health of the town centre. The first delivering retail grants for start up businesses and for existing business development is a valuable tool not just in securing the long term sustainability of those businesses in receipt of the grant but also as a way in to providing more structured business support and advice where this would prove beneficial. The second which supports meanwhile use targets one of the key problems encountered in many town centres, that of vacant units. If this proves successful in triggering the development of new viable businesses in the town centre as is anticipated this can only be a good thing. The amount of time required to deliver these projects should not, however, be underestimated and this is where having a proactive town centre manager with expertise and local knowledge is essential.

The current issues faced by town centres in Wales

Without doubt the biggest issue that businesses face is business rates. The rates level was last assessed in buoyant times, when rental levels and business profits were both at their peak. The recession, low confidence amongst investors and retailers plus the more limited spending power of shoppers have all dramatically hit businesses both in and out of town centres. The decision to delay the review of business rates until 2017 was particularly

harmful. In Merthyr Tydfil, many new occupiers in the retail sector are only temporary traders, effectively keeping the lights on for landlords but only paying business rates. Where permanent leases are being achieved, they are frequently for short periods and at rental levels reduced by a third when compared to historic leases. Many potential occupiers have originally agreed a soft deal on rents, only to walk away when realising what the business rates would cost.

Car parking costs continue to be a problem when attracting shoppers to town centres. The convenience of free parking on retail parks continues to deter shoppers from town centres and even retailers can see the benefit of free or low cost parking to their businesses when considering where they should locate. Budget reductions imposed on councils would appear, in some cases, to have led to increased car parking charges. Parking has ceased to be seen as an essential facility for attracting business users and visitors to their towns, and instead has become a cash cow for feeding reduced budgets.

High vacancy rates are undoubtedly a serious issue for many Welsh town centres and have a considerable impact on the vibrancy and vitality of a town centre. In the BID area in Merthyr Tydfil the vacancy rate is currently 12.1%, which would be well below average in the Valleys area. In spite of this, public perception remains that there are a lot of empty shops and that new businesses tend to be discount, betting or mobile phone shops. An increase in interest in vacant units is however evident over the last few months and, the issues raised in the above paragraph about business rates notwithstanding, I would anticipate that the vacancy rate may fall slightly over the coming months. In terms of the diversity of businesses in the town centre, and the scope for more individual and interesting independent retail and food businesses, it is a particular strength of the meanwhile use project within Vibrant and Viable Places that these types of potential businesses can be approached and supported where they might not otherwise get off the ground.

The use of Business Improvement Districts in Wales and the support offered by the Welsh Government in their development

The Big Heart of Merthyr Tydfil is halfway through its 5 year mandate. The financial support provided by Welsh Government in the development process prior to ballot undoubtedly gave the then steering group for the BID, supported by the council, the confidence to take the project forward. This would not have taken place without that financial commitment. Welsh Government's current BIDS in Development programme has been essential in supporting the further 9 BIDS now coming forward. I am of the view that a model such as the BID Loan Fund in England would not be successful in Wales, particularly when looking at relatively small town centres in UK terms, and that continued Welsh Government support will probably be required if further BIDs are to be encouraged. A further financial constraint in the future development of BIDs is the huge pressure on council budgets and if additional BIDs are to be supported, there may be a need to look at how best to deal with costs such as the ballot process and levy collection as well as initial cash flow issues if a yes vote is achieved.

In the case of Merthyr Tydfil, the subsequent financial assistance afforded the BID up to March 2016 has been very important in making the BID viable in its first 5 years. The Big Heart of Merthyr Tydfil is a relatively small BID in financial terms with a BID levy income of around £120 000 per annum. This is currently augmented by further grants from the council and Welsh Government. The long-term sustainability of the BID, should the board of

directors decide to seek a second term at ballot, is a serious issue and alternative sources of external funding and a possible expansion of the BID area will need to be considered. The smaller town centres currently seeking BID status may also be facing similar issues.

A further issue is the potential impact of changes to business rates levels in 2017, or indeed the impact of reform of the business rates system if that is what happens. The financial viability of BIDs will need to be considered as part of this process.

In terms of the use of BIDs as a way forward in supporting good trading conditions in town centres, the benefits are already well rehearsed: providing local businesses with a collective voice, better utilising the knowledge, expertise and ideas of the business community, providing a commercial perspective to the management of town centres, delivering leadership and direction and, of course, making available targeted investment over a 5 year period to 'make a difference'. The challenge for BIDs is to deliver a relevant, inspiring and dynamic service so that BID members view their BID levy not as an additional taxation but as an investment in their business and their town.

I trust that these observations prove helpful and very much welcome the opportunity to discuss these and other issues in more detail at your meeting.

Yours faithfully,



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BID Co-ordinator

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Agenda Item 5.1

Please see the link below for a report provided by ATCM on town centre parking:

https://www.atcm.org/programmes/thought_leadership_research/carparkingwhatworks_

The report is 56 pages in length.