



# **Cynulliad Cenedlaethol Cymru The National Assembly for Wales**

## **Y Pwyllgor Menter a Busnes The Enterprise and Business Committee**

**Dydd Mercher, 2 Tachwedd 2011  
Wednesday, 2 November 2011**

### **Cynnwys Contents**

Ymddiheuriadau, Cyflwyniad a Dirprwyon  
Apologies, Introductions and Substitutions

Ymchwiliad i Adfywio Canol Trefi: Sesiwn Dystiolaeth  
Inquiry into Regeneration of Town Centres: Evidence Session

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Cofnodir y trafodion hyn yn yr iaith y llefarwyd hwy ynddi yn y pwyllgor. Yn ogystal,  
cynhwysir cyfieithiad Saesneg o gyfraniadau yn y Gymraeg.

These proceedings are reported in the language in which they were spoken in the committee.  
In addition, an English translation of Welsh speeches is included.

**Aelodau'r pwyllgor yn bresennol****Committee members in attendance**

|                  |                                                                                    |
|------------------|------------------------------------------------------------------------------------|
| Byron Davies     | Ceidwadwyr Cymreig<br>Welsh Conservatives                                          |
| Keith Davies     | Llafur<br>Labour                                                                   |
| Julie James      | Llafur<br>Labour                                                                   |
| Alun Ffred Jones | Plaid Cymru<br>The Party of Wales                                                  |
| Eluned Parrott   | Democratiaid Rhyddfrydol Cymru<br>Welsh Liberal Democrats                          |
| Nick Ramsay      | Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor)<br>Welsh Conservatives (Committee Chair) |
| David Rees       | Llafur<br>Labour                                                                   |
| Kenneth Skates   | Llafur<br>Labour                                                                   |
| Joyce Watson     | Llafur<br>Labour                                                                   |
| Leanne Wood      | Plaid Cymru<br>The Party of Wales                                                  |

**Eraill yn bresennol****Others in attendance**

|                    |                                                                                                                                  |
|--------------------|----------------------------------------------------------------------------------------------------------------------------------|
| Clive Campbell     | Cadeirydd Grŵp Polisi Cynghairair Trafnidiaeth De-ddwyrain<br>Cymru<br>Chair of South East Wales Transport Alliance Policy Group |
| Carole-Anne Davies | Comisiwn Dylunio Cymru<br>Design Commission Wales                                                                                |
| Alan Francis       | Comisiwn Dylunio Cymru<br>Design Commission Wales                                                                                |
| Ian Morrison       | Cronfa Dreftadaeth y Loteri Cymru<br>Heritage Lottery Fund Wales                                                                 |
| Jennifer Stewart   | Cronfa Dreftadaeth y Loteri Cymru<br>Heritage Lottery Fund Wales                                                                 |
| Liz Thorne         | Ymgynghorydd Polisi, Sustrans Cymru<br>Policy Adviser, Sustrans Cymru                                                            |
| Lee Waters         | Cyfarwyddwr, Sustrans Cymru<br>Director, Sustrans Cymru                                                                          |

**Swyddogion Cynulliad Cenedlaethol Cymru yn bresennol****National Assembly for Wales officials in attendance**

|                  |                                        |
|------------------|----------------------------------------|
| Andrew Minnis    | Gwasanaeth Ymchwil<br>Research Service |
| Siân Phipps      | Clerc<br>Clerk                         |
| Meriel Singleton | Dirprwy Glerc<br>Deputy Clerk          |

*Dechreuodd y cyfarfod am 9.29 a.m.**The meeting began at 9.29 a.m.*

## **Ymddiheuriadau, Cyflwyniad a Dirprwyon Apologies, Introductions and Substitutions**

[1] **Nick Ramsay:** I welcome Members, witnesses and members of the public to today's meeting of the Enterprise and Business Committee. The meeting will be held bilingually, and headphones can be used to access simultaneous translation from Welsh to English on channel 1, or amplification on channel 0. The meeting is being broadcast, and a transcript of the proceedings will be published.

[2] I remind people to turn off their mobile phones and other electronic equipment. I also remind Members and witnesses that there is no need to touch the microphones: all being well, they should operate automatically. In the event of a fire alarm, please follow the directions from the ushers. We have no apologies or substitutions today.

9.30 a.m.

## **Ymchwiliad i Adfywio Canol Trefi: Sesiwn Dystiolaeth Inquiry into Regeneration of Town Centres: Evidence Session**

[3] **Nick Ramsay:** Today, we are continuing our inquiry into the regeneration of town centres. I welcome Lee Waters, director of Sustrans Cymru, to the meeting, as well as Liz Thorne, policy adviser at Sustrans Cymru, and Clive Campbell, who chairs the South East Wales Transport Alliance Policy Group.

[4] Thank you all for attending today and for providing your written evidence, which we have read with interest. Before we move on to our questions, would you like the opportunity to make a two-minute introduction?

[5] **Mr Waters:** Yes, Chair, I would like to speak briefly. Thank you for giving us the opportunity to give evidence. I do not want to repeat what was in our written evidence, but I would like to frame the evidence in a wider context. You will know that the quality of town centres has far-reaching consequences and implications, not least for health. In 2008, the National Institute for Health and Clinical Excellence produced a study on the built environment and physical activity. As it does in assessing the use of drugs, NICE takes a very robust and rigorous approach to any statement that it makes and to the evidence that it cites. In this context, NICE projected that obesity would affect around 60 per cent of us by 2050, at a cost of £50 billion. It found that, in order to promote physical activity and tackle obesity, the quality of the built environment and town centres was crucial. Critically, NICE said that the walkability and cyclability of a town centre was very important. It said that the highest priority elements of the physical environment should be the active modes, namely walking and cycling, and that car use should be actively discouraged. It said that road space should be reallocated, and that road space should be set aside for wider pavements, bus lanes and cycle lanes. It said that vehicle access should be restricted, and it recommended road-user charging, traffic-calming measures and safe routes to schools, hospitals and stations. That is a health perspective, which may not usually be considered when talking about town centres, and there is robust evidence of the health impact of placing too great an emphasis on car accessibility.

[6] In addition, some research was done by a man called Roger Levett on the vicious circles that can arise when there is too much emphasis on car access. He talked about 'car dependence' being a self-perpetuating vicious circle. He talked about feedback loops, which worsen our dependence on cars. He pointed out that more car journeys lead to greater congestion, which in turn leads to hostile road environments, which in turn discourages people from walking or cycling and makes it more difficult for them to do so. That leads to people becoming less fit, which in turn leads to more car journeys, and so the loop continues.

From a regeneration point of view, there is lots of evidence to show that a car-dominated urban centre has a negative impact on retail vitality, property development and health.

[7] Finally, I would like to mention the impact it has in terms of social exclusion. A quarter of all households do not have access to a car. In some deprived areas, such as Merthyr and Blaenau Gwent, 36 per cent of people do not have access to a car. As evidence from Age UK points out, older people in particular have less access to a car. So, an approach to town-centre regeneration that places too great an emphasis on car access and parking disadvantages groups that are already socially excluded and compounds their marginalisation.

[8] **Nick Ramsay:** Thank you for those opening remarks. Byron Davies has a couple of questions.

[9] **Byron Davies:** We have spoken before in some depth about some of the issues that you have mentioned. In the paper that you submitted you say that:

[10] ‘Pedestrian and cycle-friendly environments have been shown as the core around which economic growth, public health, sustainability and overall quality of life are built.’

[11] These are interesting remarks; in some ways, they are challenging. However, my question to you is this: is this practicable? Also, what are the key features of a sustainable and integrated town-centre transport network, and what role does your organisation play in developing such an approach in Wales?

[12] **Mr Waters:** Your question has a number of parts, and I will be asking my colleague Liz Thorne to jump in. You ask whether this is practicable. The answer is that it already happens. There are many examples, especially on the continent, of vibrant town centres where walking and cycling is the norm and where the majority walk and cycle. These are vibrant retail spaces, so it is absolutely the case that this is practicable. There are also plenty of examples of this in this country. It is no accident that Cardiff, for example, is spending £9 million to £10 million on pedestrianizing its main shopping areas, because that offers a more pleasant shopping environment. There is already evidence to show that footfall has increased because of that intervention.

[13] Some interesting research has been done by the Commission for Architecture and the Built Environment, which is the English equivalent of Design Commission Wales, which you will be speaking to later. The research shows that £1 invested in improving the design and feel of a town centre can produce returns of £3, through increased rents and property values. There has been further evidence recently from Transport for London showing that proximity to cycle-hire stations, the so-called ‘Boris bikes’, leads to increased property values. There is plenty of evidence of how this can be done internationally, and there is evidence of where it works effectively in this country. The question is around the will to do it. One of the main barriers, as you have already heard from retailers, is that retailers—and, in turn, local councillors and officials responding to them—feel that the best way to deliver a short-term injection into a town centre is to increase accessibility by car. Paradoxically, they have created a situation, which now goes against Welsh transport planning guidance, in which out-of-town shopping centres with free car parking were encouraged. To compete with that, they feel that they need to level down, if you like, and match that free parking provision. It is a spiral of decline. We have seen that out-of-town developments suck the life out-of-town centres. Creating a greater level of car dependency, congestion and pollution in town centres through increased car use is simply worsening the situation. I do not know whether Liz would like to add something to that.

[14] **Ms Thorne:** Countries such as Denmark, Germany and Norway are often cited as models of best practice for cycling and walking. The question as to whether it is practicable to

create these environments is so often asked, and, in the 1970s, those countries faced exactly the same problems that we are facing now. It is only as a result of them taking very bold steps in terms of transport and planning policy that they have managed to turn things around. Some cities are seeing 10 per cent of all journeys been undertaken by bike, and others are seeing levels of up to 30 per cent. Therefore, it is practicable.

[15] **Nick Ramsay:** I believe that Alun Ffred Jones has a supplementary question on this issue.

[16] **Alun Ffred Jones:** Dywedasoeh fod tystiolaeth yn dangos bod creu llefydd i gerdded a seiclo o fewn y trefi hyn yn denu mwy o bobl atynt ac yn cryfhau'r economi leol. A fyddai'n bosibl ichi gyfeirio at unrhyw dystiolaeth sy'n dangos bod y newid hwn wedi digwydd ar y cyfandir, neu'n fwy penodol, yma ym Mhrydain?

**Alun Ffred Jones:** You said that evidence shows that creating spaces in which to walk and cycle in these towns attracts more people to them and bolsters the local economy. Would it be possible for you to cite any evidence showing that this change has happened on the continent, or more specifically, here in Britain?

[17] **Mr Waters:** There is certainly evidence that people who travel to shops on public transport or on foot or by bike visit local shops more often and spend more when they are in those shops. There is evidence from London and Bristol on that. People who tend to access the town centre by car tend to pop in, get one thing and pop out again. Meanwhile, people who travel by more sustainable means tend to stay in the town centre for longer, spend more and have a larger shop.

[18] In terms of international evidence, there is evidence from Austria and America that backs that up. There is also evidence to show that shopkeepers overestimate the number of customers that they receive who have come by car—by something like 100 per cent. They think that more of their customers have come by car than is the case, and they underestimate the number of customers who come by bus and those that come on foot, which are the two most significant groups. As a result of that false perception, they think that the way to stimulate trade—this is true of shopkeepers internationally—is to increase car parking provision, rather than to assist pedestrians and improve the built environment for those people who come by other means.

[19] **Alun Ffred Jones:** A fyddai'n bosibl inni gael unrhyw dystiolaeth sydd ar gael yn y maes hwn? Yn amlwg, os oes tystiolaeth gadarn, mae'n berthnasol iawn i'n hymchwiliad.

**Alun Ffred Jones:** Would it be possible for us to receive any evidence available in this field? Obviously, if there is robust evidence, then it is very relevant to our inquiry.

[20] **Mr Waters:** I would be happy to follow that up with written evidence.

[21] **Nick Ramsay:** Julie James, do you want to come in on this point?

[22] **Julie James:** Yes, I have a question on that point. I hear what you say about planning and the difficulty of moving on from where we are now and so on, and I want to ask your opinion on two things, particularly with regard to the examples on the continent. First, what is your opinion of the perception that the way that most people on the continent shop, particularly for food, is very different from the pattern in Britain? The perception is that we have a tendency to do two-weekly trips to the supermarket, whereas they have a tendency to shop every day. I have no evidence for that, but we have been told that many times. Secondly, what is your view on the fact that the topography of Wales is not particularly amenable to bike travel? For example, in Swansea, you would have to be very fit to be able to cycle into the city centre or, more importantly, back home again, from most places in Swansea. So, there

are some issues around the accessibility of that sort of transport, although I take your point about buses. What do you have to say about those two issues with regard to what you have been telling us about sustainability?

[23] **Mr Waters:** We are not simply talking about bicycling. We are talking about walking, cycling and public transport. In terms of the topography, it has not changed radically in the past couple of hundred years. In the 1980s, the number of out-of-town supermarkets doubled, and that has been the major intervention in this regard. It is not about people's ability to get around, but their habits and where services are placed. We do not have to look back that far to see that most people used to do their shopping very differently. Clearly, we are not going to reinvent the wheel; those out-of-town shopping centres exist and, if we keep with our current model, they put town centres at a competitive disadvantage. The challenge for town centres is how to compete. Do they compete on a like-for-like basis and try to do what supermarkets do, which, I would argue, is unlikely to succeed, or do they try to be different? There is lots of evidence to show that the things that people want from town centres are different from what they want from supermarkets. What attracts people to town centres is a variety of shops, a more pleasant environment and less traffic. In Llanelli, for example, the town centre is being robbed of large amounts of trade because people are driving out of town to the new shopping development at Parc Trostre, which is congested with cars. My mother regularly sits in traffic jams for half an hour trying to get out of Parc Trostre. So, we are displacing the problem.

[24] Creating a better quality environment and competing on different terms can contribute to achieving a viable and vibrant future for town centres. There is a lot of evidence to show that many people shop in town centres and get there sustainably, to a far greater extent than we realise. So, it already exists, and certainly has existed within recent lifetimes, but, because of land-use planning policy over the past generation or so—this does not just apply to supermarkets but to public services and hospitals too—we have placed amenities in fringe locations, which has required people to get a car to access them, which puts people on low incomes at a huge disadvantage. We know, for example, that households in the lowest income quintile—the lowest 20 per cent—spend more than 25 per cent of their income on running a car, because they feel that, in order to access jobs, services and shops, they must have a car. So, as long as we continue to do that, we will compound and entrench that transport poverty, and we will not help small traders in town centres.

[25] **Nick Ramsay:** Clive, do you want to comment on this, before I bring in Leanne Wood and Ken Skates?

[26] **Mr Campbell:** No. I am happy to await my turn.

[27] **Leanne Wood:** I want to follow up on what was just said about the fact that out-of-town shopping centres exist—and many of us would agree with your analysis of the problems that they cause—and that there is a competitive disadvantage for town centres. How can we work with the existing system and integrate transport with the existing out-of-town shopping centres, because we must accept that they exist and that they are here to stay? Can you talk a little bit more about how we can integrate the town centre with the out-of-town shopping centres and perhaps get more people to go to out-of-town shopping centres without using a car?

[28] **Mr Waters:** I would start off with the Florence Nightingale response—let us not make it any worse. Let us apply Welsh planning guidance, which states that it should be the last resort, which, at the moment, is not really being observed in practice.

9.45 a.m.

[29] I would put forward two solutions. One is to create a level playing field. I noticed that the British Retail Consortium, in its written evidence to you, argued for a level playing field, but from a different point of view. Out-of-town shopping centres have tax-free car parking, which places them at a huge advantage. Taxing out-of-town car parking spaces and hypothecating that money to improve public transport is a realistic option, and one that would make a significant difference. There is no rational reason why out-of-town supermarkets, given their already huge competitive advantage over town centres, should have an added tax advantage. It is not just us saying that; it has come up time and again in research reports as a rational response to this problem.

[30] The other solution is travel planning. We are already undertaking a project with the Welsh Government to do travel planning for households, so-called personalised travel planning, and we are adding to that workplace and school travel planning. We should insist that all large developments have their own travel plan, in which they work out how people would get to them and do not simply assume that people will get to them by car. That would also apply to their employees, so there could be incentives or encouragement for people to get to work sustainably in order to fund bus services. To return to the Llanelli example, Parc Trostre was built without pavements or walking and cycling infrastructure. Those had to be retrospectively added at enormous cost and, inevitably, they were not to a great standard, because when you are doing something retrospectively, it will never be as good. I do not know how these things can be done without any consideration being given to how people can access them by foot or by bus—again, there were no bus stops originally. So, the perspective needs to be that we should look at how we make these sites accessible for all, how we allow shopkeepers to gain an equal footing, and how we make them accessible to people who do not have a car.

[31] **Leanne Wood:** You see no other way of doing it apart from going down the route of using taxation, do you? A shopkeeper would say, in response to what you just said, that out-of-town shopping centres provide free parking, and you have to pay to park in town centres, so that is their competitive advantage. You would not be in favour of removing charges for parking within town centres to neutralise that competitive disadvantage, would you?

[32] **Mr Waters:** The difficulty with that is that it perpetuates the cycle of decline. It perpetuates the dominance of the car in the town centre and ignores the fact that a large number of people do not use a car to access the town centre. They would prefer to see a better shopping environment, with wider pavements, pedestrianisation and traffic-calming measures. This is a zero-sum game and money spent on providing free car parking is money not spent on improving the town-centre environment. That is a real barrier. We have seen a report this week about more and more councils offering free car parking in the run-up to Christmas to try to encourage people to shop. That is at a significant cost to them in lost income. At the same time, because people are travelling more by car, they are travelling less by bus, which means that bus services become less viable and require greater subsidy from local authorities, or contracts are simply not being let. So, a number of examples were reported earlier this week of councils subsidising car parking spaces and, at the same time, withdrawing bus services. So, in terms of the cycle of decline, they are increasing people's car dependency and suddenly withdrawing a service to people on lower incomes—it does not exclusively apply to people on lower incomes, but it does apply to them and to older people—and creating a less pleasant shopping environment, therefore making it less attractive to go to the town centre. People go to a town centre because it is different.

[33] **Nick Ramsay:** Do you want to come back on your original point, Byron?

[34] **Byron Davies:** Yes. In fact, this leads on the next question, which pulls together some of the issues that have been mentioned. They are issues of practicability, in a way. The problems in Wales are the rurality issues and our ageing population, are they not? To pick up

on what Julie James said, do we really expect people to get on bikes and cycle into towns? Are these not key obstacles to the implementation of a sustainable, integrated transport system?

[35] **Mr Waters:** With the greatest respect, I have not mentioned anyone bicycling into town.

[36] **Byron Davies:** No, but I have. I am just asking for your views.

[37] **Mr Waters:** We know that most car journeys are short, local journeys: 20 per cent of car journeys are under a mile, half of all car journeys are under three miles, and 60 per cent of car journeys are under five miles. The everyday journeys of most people are short, local journeys. In respect of a number of those journeys, walking, cycling and public transport would be viable options. You mentioned rural areas and this being less viable there, but, even in rural areas, a large number of people live within close range of market towns. At the moment, the road environment is hostile to people who are walking or cycling, and public transport provision is poor and patchy. So, people feel that using the car is the only viable option.

[38] I would argue that if we are serious about making sustainable development a central organising principle of the Welsh Government—it was, I understand, in the economic strategy of the last Government and is in that of the current Government, and is part of the legislative programme of the current Government—it has to mean something. It means challenging the way that we do things now and looking at how we can do them differently. We did a report recently with the Campaign for the Protection of Rural Wales and the Campaign for National Parks, where we looked at rural transport and viable alternatives. We cited three examples of things that could be done. One was car clubs, with the community pooling together to own a car, which is happening now in Cardiff. We also cited demand-responsive transport, such as the Bwcabus scheme in Cardigan, and a whole raft of community transport schemes across Wales that are operating on a micro level. In addition, we cited the provision of traffic-free paths into town centres, which are common on the continent, and there are a number of examples that we have provided in partnership with local authorities across Wales through the national cycle network.

[39] **Nick Ramsay:** You are inspiring a whole host of supplementary questions.

[40] **Mr Waters:** I am feeling guilty, Chair, that Clive is not getting to say very much.

[41] **Nick Ramsay:** That is a good point, and I will bring Clive in shortly. I believe that Joyce would like to ask a supplementary question, and perhaps Clive would like to chip in on the answer.

[42] **Joyce Watson:** Maybe he will. Mr Waters, you said that we do not have to go back very far to realise that people used to do things differently, and I agree. You talked about people in the bottom quartile in terms of income. Have you considered the changes in people's lifestyles and the fact that more people now have to work? In the period that you were talking about, there were more single-income families, so there was more time for the mother or father—whoever was at home—to do the shopping in the way that you described. Time is a critical factor in the way that people organise their lives. Have you factored that into these models?

[43] **Mr Waters:** Absolutely. With regard to walking and cycling in particular, there was some very interesting research done recently by a consortium of universities that looked at the barriers to people walking and cycling more, and busier lives and more complicated journey patterns were among the issues raised. It is a fact, but it is also an issue of perception.

Research in the English sustainable travel towns showed that the two principal barriers to people travelling more sustainably were a lack of information about existing alternatives and a false perception about journey times. People typically thought that a journey from A to B by car was twice as quick as it actually was, and that a journey by bus was twice as long as it actually was. The truth is that we are out of the habit of using public transport and of walking and cycling and, because we are out of the habit, we think that it is less attractive and convenient than it is. The challenge is to try to reverse those habits.

[44] Again, this is what the personalised travel planning project that the Welsh Government is funding is about. The project will start in Cardiff. Next year, it will move out to Caerphilly, Barry and Pontypridd before moving out to north and west Wales. It is about giving people targeted, tailored information about their own journey choices, to show them what existing alternatives are in place. Most people, for example, do not know the bus times relevant to the bus stop closest to their house. One of the things that this project provides is personalised bus timetables. Where this has been applied across England and internationally, the evidence shows that, once you give people information and encourage them to make little changes in their daily journeys, they realise that it is more convenient than they thought.

[45] Clearly, that does not apply to every journey, but if each household replaced one car journey a week with a more sustainable alternative, it would reduce car use by 10 per cent. In Cardiff, we are expecting to see a fall of between 10 and 14 per cent in car use, which is not insignificant, bearing in mind that this is just information; it is not infrastructure. When it is allied with infrastructure, the results are stronger, but simply by giving people targeted information about their daily choices and journey patterns you can encourage them to make small changes. Just like recycling, people start off by doing a little bit, and once they get into the dynamic of behaviour change—

[46] **Nick Ramsay:** Recycling is a whole other inquiry; we do not want to go too far into that at this moment. Clive, would you like to come in on this? We have a couple of questions specifically for you afterwards, but do you want to comment on this before I bring in Ken Skates?

[47] **Mr Campbell:** Sure. Thank you, Chair. Just to support what Lee said on some general issues, namely sustainability, equality and the quality of the environment, in terms of sustainability, clearly we need to get a balance between sustainable travel patterns—public transport, walking and cycling—and private travel. We are not ignorant of the fact that the majority of journeys are by car and are likely to remain so, and of the pressures of modern day living, in terms of time commitments and people having to travel further for work these days. However, it is about trying to get the balance right and providing attractive, convenient, high-quality alternatives to get people to work, to education, to shopping, leisure facilities and so on.

[48] There is an environmental issue in terms of climate change and trying to reduce carbon emissions, but, even if we all had clean cars, there is still a congestion issue. It is not sustainable to have more and more trips by car. It will clog up our city and town centres, and that, I would argue, is not sustainable. So, if for no other reason than to create a better environment, as well as all the health issues, we need to have a better balance between private travel and more sustainable means of travel.

[49] In terms of equality, you raised an issue about it not being realistic for the older generation to get on a bike to go into town, but, typically, our situation changes throughout our lives. You may have been used to driving for most of your life, but there may come a time when you are not able to drive for health reasons, say. I am sure that you have heard of elderly couples where one partner does all the driving and the other does not drive. If the partner who does not drive is suddenly widowed, what are their options? There need to be

alternatives for them. Not everyone has access to a car. Lee gave some figures on car ownership. There needs to be provision for those without access to a car.

[50] **Nick Ramsay:** Ken Skates, did you have a supplementary question?

[51] **Kenneth Skates:** Yes, if that is okay, Chair. I get the feeling that the situation is a bit more complicated. We often talk about out-of-town developments versus town centres, but there a lot of towns in Europe, particularly those involved in the Cittaslow scheme, that have edge-of-town developments linked into the town centres, which may be pedestrianized. Is the value of having edge-of-town rather than out-of-town developments often overlooked? Given people's current lifestyles, they will continue to access supermarkets until and unless the cost of fuel is prohibitive and they are forced into town centres.

[52] **Mr Campbell:** Well, it does count against the sustainability argument. We do have edge-of-town developments, but we are also seeing more and more town and city centre development, with smaller types of stores meeting the local offer, and more and more people living in towns and city centres where parking provision is limited. Again, it comes back to providing a suitable balance. With the out-of-town developments, it is about the purpose of that trip. If it is solely food shopping, then it is hard to change that pattern at the moment, but there also needs to be, from an economic point of view, a balance between the larger retail provision and more local provision. Many of our town centres are thriving on independent traders. It is not just about the large operators who can afford to buy up the land or set up multiple retail outlets on the edge of towns. We also need to support our local, small independent retailers and ensure that there is a rich local provision that is attractive to local neighbourhoods. This will encourage more local trips and will allow towns to thrive.

10.00 a.m.

[53] **Kenneth Skates:** Is it possible to have examples of such towns where there are no large stores?

[54] **Mr Campbell:** I would not say that there are examples where there are no large stores, but I will say that there is a high percentage of smaller independent traders in my authority of Caerphilly. Blackwood and Caerphilly are good examples where there is a significant smaller independent retail offer.

[55] **Mr Waters:** I will touch on the important point that you made about the issue of rising fuel costs. I am sure that this inquiry will want to take a longer-term view, and there is clear evidence that fuel costs are going to continue to rise in an age of energy scarcity. We need to be building a transport system that is resilient to climate change and what is commonly called peak oil. Compounding a dependence on car use runs counter to the futureproofing that we need to be doing. People rush to encourage others to use their cars more by putting shopping centres in locations where one needs a car. In an age when petrol is double the price that it is now, the maths will change and will place town centres at a greater advantage. That needs to be borne in mind as we plan policy to tackle future challenges.

[56] **Keith Davies:** Mae Lee wedi sôn am Llanelli sawl gwaith y bore yma. Mewn un ffordd, mae Llanelli yn unigryw, ond pan yr wyf yn edrych ar ganol tref Llanelli, mae archfarchnad yno yn barod. Y tu allan i'r dref, yn Nhrostre, mae dros 30 o siopau, siŵr o fod, a dwy archfarchnad. Os ydynt yn cymharu'r ddau le, nid yw pobl yn mynd i fynd i ganol y dre. Yr wyf yn gwybod bod y **Keith Davies:** Lee has mentioned Llanelli several times this morning. In one way, Llanelli is unique, but there is a supermarket in the centre of Llanelli already. Outside the town, in Trostre, there are over 30 shops, probably, and two supermarkets. If they compare the two places, people are not going to go to the town centre. I know that the county council, from this week on, is going to

cyngor sir, o'r wythnos hon ymlaen, yn mynd i adael i bobl barcio yng nghanol y dref am ddim. Fodd bynnag, yn y pen draw, maent yn dweud, 'Gadewch inni gymharu'r dref â llefydd fel y Bontfaen, Llandeilo ac Arberth', ond mae'r bobl sy'n mynd i'r trefi hynny yn bobl ariannog sydd â cheir. Nid wyf yn gwybod beth yw'r ateb ar gyfer canol tref Llanelli. Ni allwn roi'r siopau unigryw hyn yno, oherwydd nid oes gan y bobl yr arian i wario ynddynt; byddent wedyn yn mynd allan i Drostre. Os ydych yn sôn am system integredig yng nghanol y dref, oherwydd dyna le mae'r orsaf fysiau, bob tro yr wyf yn mynd i'r archfarchnad sydd yng nghanol y dref—

allow people to park in the centre of town for free. However, in the end, they say, 'Let us compare the town with places like Cowbridge, Llandeilo and Narberth', but the people who go to those towns are affluent and have cars. I do not know what the solution is for the centre of Llanelli. We cannot locate these unique shops there, because people do not have the money to spend in them; they would then go out to Trostre. If you are talking about an integrated system in the town centre, because that is where the bus station is located, every time I go to the supermarket in the town centre—

[57] **Nick Ramsay:** I remind witnesses that they do not have to answer specific questions about the constituency of Llanelli. It would help if witnesses could keep their comments quite general in response to Keith, otherwise we will end up talking about all the different situations across Wales.

[58] **Keith Davies:** Mae gorsaf fysiau yng nghanol tref Llanelli. Bob tro yr wyf yn ymweld â'r archfarchnad, mae'r bobl sydd heb geir yn defnyddio tacsis. Beth yw'r ateb i adfywio canol tref pan mae'r siopau mawr y tu allan i'r dref? Beth allwch chi ei roi yng nghanol tref i gael pobl yn ôl ynddi?

**Keith Davies:** The bus station is in the centre of Llanelli. Every time I visit the supermarket, the people who do not have cars use taxis. What is the answer to regenerating a town centre when the large shops are on the outskirts? What can you put in the centre of a town to attract people back to it?

[59] **Mr Waters:** In fairness, I provoked the Member by mentioning Llanelli a couple of times. It is only fair that he responded in kind.

[60] **Nick Ramsay:** Members of the committee should know better than to be provoked. *[Laughter]*.

[61] **Mr Waters:** It is a difficult situation, and you would not choose to start from here. Placing a shopping centre like that in an edge-of-town location, where you capture the traffic as it comes in, provide free parking and shopping space that is not available in town—Marks and Spencer is a classic example of a retailer that has relocated from the town centre to out of town—is proof that these policies have damaging consequences. As you say, Llanelli has, like a number of towns, the ingredients to make it a more attractive shopping centre. The bus and train stations are nearby in the town centre, and the town has a pedestrianized environment. Encouragement can be given. There is a question of whether you use the tax system to put the out-of-town centres in the same competitive position by taxing car parking spaces and using that money to subsidise incentives to shop in town centres. There are also what are referred to as 'soft' measures—the behavioural changes, the incentives and the travel planning to encourage people to travel more sustainably.

[62] We are doing this project in Cardiff, but it would be very interesting to do it in Llanelli to get people to work in partnership with local retailers and public transport operators to give them an incentive to come into the town centre. For example, in Cardiff, we are offering householders who do not already travel by bus a free bus ticket for a week so that they can give it a try. Again, the evidence is that once people start to do it, they realise that it is not as bad as they thought it was and is more convenient than they thought it was, and then

they do it more and more. It is the same point that I was making about recycling. The behaviour-change dynamic is the same; once you start doing it, you do more of it. In this particular case study, all is not lost, although damaging things have clearly been done and it is no accident that the town centre is now struggling.

[63] Again, I have family members who think that it is great that we have an out-of-town shopping centre and lament the fact that the town centre is struggling, but do not make the connection between the two. However, there is a very clear connection between the two. Again, the decision of Carmarthenshire County Council to subsidise car parking in the town centre at, I believe, the cost of £222,000 this year at the same time as they have withdrawn bus services to save £70,000 in nearby Pembrey just compounds this problem. However, there are things that can be done, and we are doing them in other towns. I would be very keen to do them in Llanelli.

[64] **Nick Ramsay:** Clive, do you want to comment on that?

[65] **Mr Campbell:** Yes. I just want to say in response to the question that, really, the answer is more of an economic one than a transport one. Transport is a key facilitator, but it is not the reason why people make their trips. From a transport provision point of view, we want to ensure that, where people are going, they have a good alternative and that it is accessible and convenient, but that is not the reason why people make the trip. It is about what the retail offer is, and that is not my bag, I am afraid. Outside of our daily lives, our professional lives, we all make trips to go shopping or whatever, but ask yourselves this question: what influences our choices? Largely, it is the retail offer. Some places are destination stores—the IKEAs and John Lewises of this world. However, being practical, it is about the retail offer. Where town centres thrive, it is about having a good offer. That does not have to mean that there are big stores. It just has to be high quality. Cowbridge was mentioned. It is not full of big stores, it is just the type of offer it has. Yes, perhaps it is for the higher earners, but even in the Valley towns, where there is not a high proportion of high earners, we still have thriving towns because of the quality or type of offer there is for the local community.

[66] **Julie James:** I just want to take you back to something you said about retailers' perceptions of how their customers arrive and so on. We all have experiences—I certainly have—of retailers lobbying us very hard to force the council to reduce car-parking fees and to stop prosecuting everyone who parks outside their shops and so on. Where are those statistics coming from? They are very clear perceptions that, the more difficult it is to arrive by car, the fewer people will shop there. I would be very interested in conducting some sort of study of whether that is the case. I have to say that I have taken it at face value. They say that the footfall has dropped as a result of various things in a particular town centre, all of which are connected with cars—without exception actually. So, I am very interested in how you might go about such a project.

[67] Sorry, this is a very compound question, so I apologise on a number of fronts. Secondly, and sort of unrelated, in Swansea—and I apologise to everyone for localising it—a very successful bus system has been introduced that is hugely unpopular with the retailers in the city centre because it is perceived as having reduced footfall even further. Although it is very successful in the sense that it is always full, it is perceived as taking people through the town centre as opposed to into it. I would be very interested in any sort of research we could do on how people used to arrive, arrive now and might arrive in future. We do not have any access to that information.

[68] **Ms Thorne:** On car parking, you are absolutely right; about 80 per cent of the written submissions to the committee talked about the importance of car parking for retail vitality. However, the scientific research that is out there—a lot of the written submissions used anecdotal evidence and did not reference any scientific research—shows that retailers

overestimate car-borne trade by 100 per cent. That is based on Sustrans research, but it is also backed up by considerable research undertaken by Transport for London in 2004, 2009 and 2011, which consistently shows that the highest proportion of shoppers come by bus, foot, train, tube and bike. Studies in New York showed again that retailers overestimated the proportion of shoppers coming by car. The transport department of the city of San Francisco also conducted a similar study. They are obviously very different situations worldwide, but the studies that have been undertaken on a consistently scientific basis demonstrate that car parking is not the answer, because the vast majority of shoppers and the shoppers that spend the most amount of money are walking, cycling and coming by public transport. Therefore, those are the customers that you need to provide facilities for.

[69] **Nick Ramsay:** Before Lee comments, how relevant are the examples of New York and San Francisco, interesting as they are, to the Welsh context? In thinking back to my experience of those cities, they are quite different to Valleys towns or Swansea, which was the localised example in the original question. Where do you get your evidence that they are relevant to the Welsh context?

[70] **Mr Waters:** We also cite the evidence from Bristol and London; Liz was simply making the point that this is not a British phenomenon. Retailers across the world underestimate the number of people who come to them by sustainable means. The research that I cited earlier about trying to understand why people do not walk and cycle refers to the perception of what is normal. As levels of walking and cycling go down, as they are consistently doing, and as public transport use declines and as money is pulled away from bus services to go towards subsidising car parking, which further disadvantages public transport, travelling by sustainable means becomes a bit odd. It is an eccentric thing to do—it is not what normal people do. That has a further consequence; because it is not seen as something that you or I would do—you and I would jump in a car—therefore what we should do is increase provision for car parking. So, it is all fundamentally linked, and we are declining further.

[71] To draw us back to the health example that I mentioned at the beginning, one of the challenges for this debate is the so-called joined-up thinking that we all search after. There are debates in the Assembly about how we achieve our climate change targets, how we improve public health and how we achieve obesity targets. The front line in all of these debates is here—it is the town centre. In terms of increasing walking and cycling, having a permeable town centre that people can get through to get to other parts of town is crucial. If you create a town centre that is car-dominated and unfriendly for pedestrians and cyclists, or which even bans people from travelling by bikes through it—which happens in some cases—you are making it less convenient and less easy for people to walk and cycle across a town centre. That has knock-on implications.

[72] The retailers are coming to this from a very particular and singular perspective. As we have demonstrated, it is a perspective based on a false perception. It is one in which they believe very strongly, but it has implications for other agendas that they are not concerned with but with which the Assembly should be concerned, because we have policies that want to achieve certain things. What we do in our town centres has a significant impact on achieving them.

[73] **Nick Ramsay:** Lee, you mentioned permeability there, which was one of the buzzwords on my sheet here. David Rees has specific questions about that, and as we have 20 minutes left we will concentrate on that and then move on to solutions, rather than just emphasise the problems we face.

[74] **David Rees:** I will come back to permeability in a second. You have mentioned quite a lot of important things, but Clive succinctly made the point that you must make the town

centre attractive to allow the infrastructure to come in to allow the cars and buses and so on. So, ensuring that people want to go to the town centre is a crucial aspect, and you have already made that point.

10.15 a.m.

[75] I am also going to play devil's advocate: 25 per cent of people may have not cars, which means that 75 per cent have cars. So, we must also look to ensure that we can encourage those 75 per cent to look at other mechanisms. Clearly, there is a financial implication of encouraging investment in public sector transport to allow that to happen. That is also a major issue that we need to look at.

[76] On permeability, I will take Cowbridge as an example, because everyone is talking about it. You drive through Cowbridge, along the main high street, and car use is encouraged in that area. Yet, in larger towns, such as Bridgend—which is not my town—there is an issue of how you get in to the town to walk through it. What evidence do you have that permeability will benefit town centres like Bridgend, and, perhaps, not town centres like Cowbridge?

[77] **Mr Waters:** On your first point, just because people have cars does not mean that they must use them for every journey. That is the key point. There is a false choice between motorists and non-motorists. I am a motorist, but it does not mean that I make every journey in the car. Germany, famously, has a higher level of car ownership than us, but it has lower car use. Everyone does not have to use a car to access everything and for every journey.

[78] Permeability is important. The research talks about hierarchy of permeability, where disabled people and pedestrians are at the top of the hierarchy—they should be able to access everywhere on foot—cyclists and public transport come further down the pecking order, and motorists come last. I refer back to the NICE evidence that there is a direct public health consequence of restricting access by car and promoting active modes, namely walking and cycling. There is a rich evidential base that making town centres fully permeable by people on active mode and vulnerable user groups and less permeable the further down the hierarchy you go, is effective and increases levels of sustainable transport.

[79] **David Rees:** Therefore, do you believe that there are two different types of towns to look at? Towns such as Cowbridge and Narberth are more typically rural towns, so tend to have a high street. Without that high street, you will not get anywhere from one end to the other, effectively.

[80] **Mr Waters:** A study was done by Transport for London in 2011, asking shoppers what they wanted. The answer was that they wanted a better quality pedestrian environment, less traffic, cleaner streets, a better range of shops and wider pavements. So, Cowbridge, for example, where you have people crammed on a pavement, bustling for space, and a busy road, is not a very friendly environment, certainly not for vulnerable user groups such as elderly people or children. You could widen the pavement and reallocate road space, so having a narrower road and bus priority lanes or traffic calming measures. That has happened in St Mary Street, Cardiff, which used to be hideously congested by buses; it now feels very different, and buses have moved to different locations. Even in the sort of high street that you have in mind, things can be done to make them more pleasant for pedestrians to mingle, giving them an advantage over cars. That is what the evidence shows that they want, and it is more likely to increase their use of those environments.

[81] **David Rees:** They are long-term effects. Achieving some of these issues has to be a long-term goal. In the short term, there will be some negative aspects, especially when work is being done, which leads to less encouragement to go into the centre. What can be done to

alleviate some of the short-term negative impacts?

[82] **Mr Waters:** Communication is the key, as is having people buy into the vision of what you are doing. Going back to St Mary Street, Cardiff, there was a great deal of hostility from traders when they were digging up the road and their shops were in a construction zone. The big picture was not sold to the traders as to why they were doing it and what it would look like when completed. It was funded under the sustainable transport centres initiative, although it was not done for those reasons—it was done for retail reasons. Again, there was no broader narrative of the big picture of what they were trying to achieve. All that the traders and the pedestrians could see was disruptive works; they could not see what they would get at the end of it. Now, when you walk down that street, it is a very different environment. The retailers, by and large, think that it is a better quality environment. Clearly, there are other issues that are far from perfect, but you need to have that bigger picture of where you are going—it is the same for any intervention that disadvantages people using cars, because people are used to using their cars and get resentful of any measure that they see as a stick and not a carrot. It needs to be part of a grander narrative to persuade people why you are doing it. Simply penalising people without showing them that there is an alternative or that there is a benefit to them in the medium term is bound to be unpopular.

[83] **Kenneth Skates:** This question is primarily for Clive. How successful has the sustainable travel centre programme been in improving accessibility to Cardiff city centre?

[84] **Mr Campbell:** It is still early days. It is a labour-intensive project, because it is not about the infrastructure—it is about changing hearts and minds. It is an information and awareness campaign. Personalised travel planning means that, person by person, you explain what their travel options are. The benefits will show sometime down the line, as it is still early days for the project. The personalised travel planning project is still being rolled out. The monitoring after its roll-out will show what impact it has had. I am afraid that it is too early to say now. However, it certainly has the potential to achieve a lot. A lot of this is about perceptions. Touching on some previous comments made, there is a perception that driving is going to be easier for most trips. Leading from a lack of awareness of travel options and of what provisions there are with regard to journey times, reliability and frequency, people may think that the easiest thing is to jump into their cars; it is convenient and they know it. If their options are explained to them and they try those options, they could realise that there are more attractive and easier options for particular journeys.

[85] **Kenneth Skates:** Do you think that the vitality of the city centre has been at all affected?

[86] **Mr Campbell:** That comes back to the point that transport is a facilitator, not a means to an end. The purpose of the journey does not necessarily relate to the mode. If there is a good reason for someone to travel, it is about what their options are for that journey. It should not really impact on town centres.

[87] **Eluned Parrott:** This is a question for both of you. Given the variety in our town centres, in terms of location, population size, accessibility and so on, do you believe that the sustainable travel centre model could be rolled out across Wales, or are there particular kinds of towns that would benefit more than others?

[88] **Mr Campbell:** Lee can give you the details. It needs to be focused and targeted. It has to be a viable alternative. If you are promoting public transport, those services have to be there for people to switch to. There also has to be a reasonable proportion of journeys that you can target. To make it cost-effective, it would not be for the Cowbridges of this world; it would be as much about targeting town and city centres in the first instance. When you have achieved the modal switch in town and city centres, you will have something to promote in

other areas.

[89] **Eluned Parrott:** Do you have a model that may be more transferrable to smaller, rural locations?

[90] **Mr Waters:** The sustainable travel centres project in Wales was informed by a project in England. A detailed evaluation study was carried out on the English sustainable travel towns and it pointed to a series of lessons that, to my frustration, we have not followed in applying it to Wales. The Welsh towns are a diverse mix. We are spreading the funding far too thinly. The evidence in England is that you need targets, a coherent package of measures, and a hard, soft and integrated option, and you need to stick at it in the long term. This is not a two-year intervention. This takes time. There needs to be better information and improved infrastructure. So, as Clive said, you need an alternative to promote. I am happy to expand on this but, briefly, the research is there and good things are happening. In Cardiff, in particular, there are encouraging signs that success has been achieved. There is a team in place and a plan for the future; the funding just needs to be put in place.

[91] **Byron Davies:** You have partly answered my question. What you are saying seems to be England-centric. Is that transferable to Wales?

[92] **Mr Waters:** One of the interesting things about transport models is that most local authorities think that their towns are unique. They think that the problems that they face do not apply anywhere else. That is not the case. The evidence across the UK about modal transport shares is remarkably similar. Of course, there are some differences, and transport needs to be tailored but, by and large, the problems faced in towns and cities across the UK are similar. Solutions have been fashioned elsewhere that work. There is no reason to think that they could not work here, if applied properly.

[93] **Byron Davies:** I accept quite a bit of what you say. It might seem a minor point, but a lot of our towns—I am thinking about places such as Llandeilo and Lampeter—have marts, and farmers, traditionally, commute to those marts. That does not transfer exactly from England to Wales, does it not?

[94] **Mr Waters:** I believe that they have marts in England, too.

[95] **Byron Davies:** Perhaps they do not have as many livestock marts as we have in Wales.

[96] **Mr Waters:** The English sustainable travel towns project was for larger towns. Part of the problem that we have is that we have not asked ourselves what we are trying to achieve with this. We are trying to achieve lots of different things. It would be more helpful if we were to step back and ask what we are trying to achieve through this initiative. The English focus was very much on tackling local journeys. A number of the Welsh towns that have been chosen do not lend themselves to that; for example, Carmarthen and Haverfordwest have been chosen as a sustainable travel centre, linking the two of them. It is the same with Môn a Menai in north Wales. That is, clearly, trying to solve a problem that was not solved in the English scheme.

[97] Given the point that I made earlier about 60 per cent of journeys being under 5 miles, trying to release some of those journeys, moving away from the car to sustainable transport options, involves a suite of measures. If we are trying to tackle something different, such as journeys between towns, there is a different set of options again. The evidential base of how effective they are is much weaker. For example, there has been a disproportionate emphasis on park-and-ride, which is extremely expensive and does not tackle congestion in towns, physical activity or carbon emissions—you are simply replacing the last mile of a car journey

with a bus trip. It is an easier thing to do, it does not challenge the status quo and it is popular with local authorities. A lot of money is being spent on park-and-ride schemes. That is greatly in fashion among local authorities.

[98] The problem is that the term ‘sustainable travel town’ is used interchangeably, and the English model is different to the Welsh model. There is evidence that the English one worked, and there are lessons to be drawn from it. It is not possible to say that, yet, for the Welsh model.

[99] **Joyce Watson:** Talking about learning lessons, do you think—and this is for both of you—that the Welsh transport policy and planning framework, along with the guidance on transport scheme design and construction, provide an effective basis for sustainable, integrated transport in town centres?

[100] **Mr Campbell:** I would say that, particularly for the south-east Wales region, there is a gap. It says the right thing, but there is a gap at the regional level—it looks at more of a regional development framework, certainly at land-use planning, and how the main cities of Cardiff and Newport interact with the surrounding authorities. Each local authority is looking within its own borders, and developing its local development plan, but there is a bit of a mismatch or a gap in how various local authorities link together.

10.30 a.m.

[101] Part of SEWTA’s role is to look at regional transport improvements, but, both at a Welsh Government level and at a regional level, there is no clear direction on what the vision is for the region. We did have the Wales spatial plan, but that has somewhat lapsed in recent years. It therefore needs to be refreshed and revisited to give a clearer steer on what the major objectives and vision are for the region. That will then enable and empower the local authority to deliver, because it is hard to deliver outside your own boundary as a local authority. Cardiff, in particular, has tried to grapple with this issue. Cardiff is a major employer, but a considerable proportion of its employees travel from outside of its boundaries from surrounding authorities. So, many of the transport improvements that it wants to achieve, with regard to infrastructure, services, the park-and-ride provision and all sorts of things, lie outside its boundaries.

[102] **Mr Waters:** To focus on the specific area of walking and cycling, which is part of the suite of sustainable transport interventions, there are high-level targets at an all-Wales level contained in the walking and cycling action plan. They are considered by the Welsh Government to be policy interventions, which means that there is no budget and no guidance associated with them, which then means that they are left to local and regional levels to implement. There is no guidance in the regional transport plans on how to do that or that they should do that. To credit SEWTA, it allocates roughly 10 per cent of its budgets for walking and cycling—the only consortium to do so, which is a progressive step—but it has had to do that itself. The Welsh Government has targets but very little means to achieve them.

[103] **Nick Ramsay:** Are there any other comments or questions?

[104] **Mr Campbell:** I have a comment that specifically relates to town and city-centre regeneration with regard to interchange, which was briefly mentioned. In transport terms, making towns and city centres successful is not just about making them accessible and having high-quality facilities and services, but about interchange, which is a key issue for us as a transport consortium. From a land-use planning sense, we need to have that forward vision and early planning to ensure that we have suitable provision so that our towns and city centres are sustainable and that we do not end up, as in Llanelli, with a situation where you are trying to retrospectively refit access for walking, cycling or whatever.

[105] Our town and city centres are the main trip attractors for journeys. The majority of people are travelling into and out of our towns and city centres for work, leisure, shopping, and so on. That naturally means interchanges are in those towns and city centres, and for those interchanges to be successful, they need to be suitably located, integrated with other services—for example having rail stations and bus stations next to each other—and they need to have those permeable links into the town centres for walking and cycling. As well as contributing to the success and the vibrancy of the town or city centre, interchange also has a significant influence on the remainder of the network, because the majority of services will radiate out of those towns and city centres and create links. So, if we do not get that right, it will have an adverse impact on everything else that we are trying to achieve.

[106] **Nick Ramsay:** I thank Clive Campbell, Lee Waters and Liz Thorne for coming to the committee today. You have certainly given us a lot of food for thought and we will be feeding your comments and answers into our inquiry. We will let you know how we progress in due course.

10.36 a.m.

### **Ymchwiliad i Adfywio Canol Trefi: Sesiwn Dystiolaeth** **Inquiry into the Regeneration of Town Centres: Evidence Session**

[107] **Nick Ramsay:** I welcome Jennifer Stewart, Ian Morrison, Carole-Anne Davies and Alan Francis to the committee. Jennifer Stewart is the head of Heritage Lottery Fund Wales; and Ian Morrison is its head of historic environment conservation. Carole-Anne Davies is the chief executive of Design Commission Wales; and Alan Francis is its chair. Thank you for attending the evidence session today. Jennifer Stewart, would you like to make some opening remarks before we go to questions?

[108] **Ms Stewart:** Diolch am y **Ms Stewart:** Thank you for the invitation to gwahoddiad i ddod yma heddiw. come here today.

[109] I would like to make three quick points following on from our submission. The first is that the Heritage Lottery Fund in Wales has invested nearly £30 million in historic town centres, and we have built up a body of experience and evidence on this, and we know that it works. As part of our preparation for this inquiry, we also sent round an informal survey to our 20-odd townscape heritage initiatives in Wales, and those comments have been extremely interesting. What I would suggest is that we do a summary for this inquiry and send that on. The second point is that the other evaluation that we have done of the THI programme shows the power of partnerships. Partnerships are essential to making these THIs work, and they have to be sited within a strategic vision, but also an agreed operational framework. The successes that we have in THIs have a strategic vision and an operating framework. Finally, we would say that success comes from building on existing historic assets and involving communities. Communities have a great love for their historic buildings and a great linkage to them, and bringing in the power of communities early on has also proved a key success factor. Diolch yn fawr.

[110] **Nick Ramsay:** It was remiss of me not to thank you for the paper that you provided to committee. Carole-Anne Davies, would you like to make any opening remarks before we go into questions?

[111] **Ms Davies:** Bore da, good morning, and thank you for your invitation. I am a Welsh learner, but not good enough to practise here, I am afraid, if you will excuse me. To give you a little background, Design Commission Wales is 10 years old next year, and was established

with cross-party, cross-portfolio support in 2002. We have four staff and the rest of our experts are unpaid volunteers; they total 40, and we operate right across Wales. Our role is one of championing and scrutiny, so we are a little bit of a watchdog, and a little bit of a champion. We like to ensure that that balance is in place.

[112] Just on design, design is not about the way that places look. It is not purely about aesthetics. It is a process of problem-solving, analysis and testing, and it is a route to innovation. Our experience and evidence also shows that good design is a huge advantage to good business, and I assume that we will talk about that a little later.

[113] The quality of the built environment directly affects the quality of life of the people of Wales, and we are in a unique position, really—we have an overview, and in 2010 alone we scrutinised £1.8 billion-worth of development coming through Wales

[114] **Keith Davies:** Soniwch yn un o'r papurau nad oes digon o esiamplau da yng Nghymru. Beth yw'r prif heriau sy'n wynebu canol trefi? A oes rhai o'r heriau hynny yn benodol i Gymru? **Keith Davies:** You mention in one of your papers that there are not enough good examples in Wales. What are the main challenges facing town centres? Are some of those challenges peculiar to Wales?

[115] **Mr Francis:** We have a series of good examples, actually, as well as plenty of not-so-good examples. We certainly have specific issues that are unique to Wales, particular in our industrial Valleys towns and towns along the northern coastal belt, where you have towns that are interlinked with difficult connections to other areas—other than north-south, thinking of the south Wales Valleys. Those towns have particular issues, and one of the reasons for that is that one of the things that we promote—that we are constantly promoting in the Design Commission for Wales—is intensification. To explain, some of the most successful examples of good town centres are those that have made the best of the assets that they have, rather than seeking to extend their assets by expanding the town centres. It is difficult to create that intensification if you have a connection, such as in the Valleys areas, that runs right from Ebbw Vale to Newport, for instance. We firmly believe that it can be done, but it is difficult. So, we do face unique challenges here.

[116] The market towns in rural mid Wales have different challenges that are perhaps not unique—they are unique towns in themselves, but I can think of similar examples in Europe where those issues are clear. Our industrial Valleys towns and some on the northern coastal belt, such as at Rhyl, face real challenges at the moment. So, yes, they are unique.

[117] We do have good examples. Aberdare and Blaenavon have done well recently, but it is a long process. There are no quick-fix solutions. While Narberth, Ruthin and other market towns have done well, there are also good examples of improvements to town centres in our industrial Valleys areas.

[118] **Nick Ramsay:** Jennifer Stewart, do you want to comment on that before I bring Alun Ffred in.

[119] **Ms Stewart:** No, thanks.

[120] **Alun Ffred Jones:** Mae fy nghwestiwn ar gyfer y comisiwn yn ymwneud â chwestiwn Keith. Soniwch am enghreifftiau prin iawn o ddulliau llwyddiannus o adfywio canol trefi—tair enghraifft sydd, sef Arberth, Aberdâr ac Aberteifi. Beth yw prif nodweddion y **Alun Ffred Jones:** My question is directed at the commission and is related to Keith's question. You mention very few examples of successful means of regenerating town centres—there are three examples, namely Narberth, Aberdare and Cardigan. What are the main features of those plans, and what

cynlluniau hynny, a pha ran oedd gennych part, if any, did you play in them?  
ynddynt, os oedd gennych ran o gwbl?

[121] **Ms Davies:** We did say that the examples were too few, but that does not mean that there were not any. The characteristics of the those three examples as successful places are that they have a good built fabric—they are sound, and they have good high streets. Cardigan in particular has a very good high street. The other thing about Cardigan is that it has worked from the grass roots and has used what money was available to develop its quay, to work on activity on the waterfront and to breathe new life into what was once a much busier vein on the water. Narberth, similarly, has, to differentiate itself, food festivals, good hotels, local food and local produce, and it uses those issues of local distinctiveness. It is often about what is there that you can build on, and not so much about what comes after, as Alun said. It is much easier to develop a new patch, or a great quantum, outside a town centre than it is to work in old fabric, simply because of the way that the development and property industry works. It is not always to do with plans; it is often to do with heritage and, from our perspective, we deal more with new development and regeneration. It is useful to be mindful of the legacy that that might leave. What we build now is the heritage of the future, so it is important to consider those things.

10.45 a.m.

[122] Again, with Ruthin, it is about local activity, but also about design quality. The Ruthin Craft Centre has world-class architecture and very much put Ruthin on the map. It has a great programme and it uses local crafts and culture. Hoteliers differentiate themselves through design, and there is good local food available—the high-street bistro is fabulous. A small number of people on the local town council raising small amounts of money for high-street improvements means that you can get more activity into that small centre; there is a reason to be there and it is pleasant when you are there. Successful areas are about a mix of old and new activities.

[123] **Alun Ffred Jones:** Gan gyfeirio at Gronfa Dreftadaeth y Loteri, yr ydych yn dweud bod manteision i'w cael o gysylltu treftadaeth adeiliedig â chynlluniau adfywio, ond pa dystiolaeth sydd gennych fod hynny'n gweithio? A oes gennych enghreifftiau o hynny?

**Alun Ffred Jones:** Referring to the Heritage Lottery Fund, you say that there are benefits to linking the built heritage with regeneration programmes, but what evidence do you have that that works? Can you give us some examples of that?

[124] **Ms Stewart:** Yes, there are a couple of examples of where the built heritage has provided confidence for regeneration. For example, in our submission, we talk about Penmaenmawr; there are also examples at Cefn Mawr. It takes time—this follows on from what Carole-Anne said—to get local involvement and buy-in. In Cefn Mawr, for example, there is the Dee Valley Development Trust, which you probably know about. It has been able to work with the regeneration. It is based at Ebenezer chapel, which is part of the THI in Cefn Mawr. The chapel is a prominent landmark. The Dee Valley Development Trust has helped, not only by taking over that property, but by being a facilitator in the restoration of other buildings and by providing shorter-term rentals or leases. In an area that is struggling, that is often very important. Businesses are not being hemmed in by long leases and having shorter ones enables them. Using the strength of a defining, well-loved local building is important. That, then, becomes a visual, early success and a place where communities can meet. You then get the local champions. It is that kind of interaction that is necessary. People and businesses can point to these successes, which can then be built on.

[125] **Alun Ffred Jones:** Yr ydych wedi cyfeirio at ddwy enghraifft annisgwyl, sef **Alun Ffred Jones:** You have referred to two unexpected examples, Penmaenmawr—that

Penmaenmawr—mae enghraifft honno yn eich tystiolaeth ysgrifenedig—a Chefn Mawr. Mae'r rhain yn ddau bentref mawr na fydddech, fel arfer, yn eu cysylltu â threftadaeth. Gofynnaf ichi unwaith eto: lle mae'r dystiolaeth bod yr hyn sydd wedi digwydd, ac yn digwydd, yno yn effeithiol? Gofyn am dystiolaeth, yr wyf. A oes rhagor o bobl yn gweithio yno, er enghraifft?

example is in your written evidence—and Cefn Mawr. Those are two large villages that you would not usually associate with heritage. I ask you once again: where is the evidence that what has happened, and is happening, there is effective? I am asking for evidence. Are there more people working there, for example?

[126] **Ms Stewart:** We have provided evidence in our submission of the numbers of vacant premises that have been brought back into use and the number of jobs created. From a survey of all our THIs, we know that 500 new jobs have been created, and, even more importantly, perhaps, 750 jobs have been retained. In the Welsh context, retaining the existing jobs can be particularly important. Also, we have evidence on the number of small businesses. In section 6.4, we give examples of the numbers of small businesses that have started up in Penmaenmawr. It is also part of our THI programme that we get returns from the THI officers during the setup and lifetime of the THI on success. We then carry out a separate evaluation. For example, we have done evaluation through Oxford Brookes University at set times to find out how the programme is doing. It is a kind of lateral or horizontal evaluation of whether the benefits and impacts that were identified when the application was made to us have been realised. THIs can take five or more years in their development, setup and follow-through, and things can change. We know that things have changed a lot in Wales in respect of the economic climate since THIs first started 12 years ago. Therefore, during the lifetime of a project, we monitor its success, and we then evaluate the whole programme afterwards.

[127] **Byron Davies:** My question relates to the role of the Welsh Government. It has been said that the Welsh Government needs to coordinate policymaking better across departments and across ministerial portfolios. The committee has heard from a number of witnesses that national strategies for both regeneration and for town centres are needed in Wales. Do you agree? If so, what would you want the Welsh Government to do?

[128] **Mr Morrison:** Perhaps I should say that I work for HLF UK, rather than specifically for HLF Wales, so I have a view across the whole of the UK. Jennifer mentioned the Oxford Brookes University evaluation, and, before I address the specific question that was asked, I think that it is important that I mention something about that evaluation. It is an evaluation of our townscape heritage initiative scheme, and is a longitudinal piece of research. It is the first of its kind that has been undertaken to look at heritage-led regeneration. It is looking at a whole range of mechanisms, in terms of outputs, economic data and social data, such as the confidence of communities. I can supply this committee with a report that summarises the evidence so far. It is an ongoing evaluation programme, and we are about to complete the 10-year evaluation. One key message that comes out from the evaluation is that most successful THI schemes are part of a larger vision for local and regional development. That is the key message: in order to be successful, a Townscape Heritage Initiative scheme needs to form part of a wider regeneration programme, working alongside other agencies and, most importantly, the community, with a clear vision and clear leadership. That is the most fundamental piece of information that comes out of our research. Therefore, we think that the Welsh Government—we are already working closely with it—has a pivotal role in ensuring that all of the agencies are lined up and delivering complementary strategies, with a clear vision and with clear leadership.

[129] **Byron Davies:** Okay. I return, however, to the suggestion that there has been difficulty across the ministerial portfolios. Do you have any experience of that?

[130] **Ms Stewart:** We do not have specific experience of difficulties relating to ourselves.

It is interesting that Huw Lewis's portfolio comprises housing, regeneration and heritage. You can see the kind of synergies that are possible across those fields. We welcome that kind of joined-up thinking, because we think that it will be of real benefit. There had been an issue with earlier THIs, where we might have been putting money into buildings in one street in the town centre, and the housing department might have been in conflict and taking certain measures that would cause confusion in the minds of local people and create problems in the future. I know that Denbigh has been really successful. Different local authority departments were represented on the management board of the THI there. So, planning, regeneration and housing representatives were all there, and they knew about and could understand the conservation-led approach that we have with THIs and they were not working against each other. They had advanced knowledge and they were taking an active part in the decision making. So, that is an example of where, at local authority level, it provides benefits, and, if that kind of approach were followed through with the Welsh Government, that would obviously be of great benefit as well.

[131] **Alun Ffred Jones:** With reference to that, how important has co-operation with Cadw and its characterisation studies been in these schemes?

[132] **Ms Stewart:** It is extremely important for us. Just to explain, this is work that Cadw has been leading on, and I believe that the Welsh Government is the first of the devolved Governments to lead on this specific area. It is about looking at what makes a local area, at towns, urban characterisation and local distinctiveness. That means looking at the history and the historic records, and finding out what made the area important in the past and what lessons we can learn from that and whether that provides strengths to build on in the future. It is incredibly important work and ties in with and provides a common document for our THIs. It provides a common document that everyone can refer to, and it has really helped.

[133] The new thing that I was going to mention is that we have recently funded the Civic Trust for Wales to carry out similar work on urban characterisation in a number of market towns in Wales—in Abergavenny and Machynlleth, for example. Communities will be given toolkits so that they can find out what makes their local area special. I think that it will be really important and we will be looking at how it can be rolled out in other historic town centres. There will be a lot for us to learn.

[134] **Nick Ramsay:** I am very hard on Members when they come up with local examples, but you can mention Abergavenny—the Chair will indulge you there. [*Laughter.*] Julie James has a further question.

[135] **Julie James:** Moving on to remarks that you have made about the planning policies in place, you say that the planning system is viewed negatively and that opportunities are not realised, and I would concur with that. Can you expand a little on the suggestions you make about aligning consents procedures, the importance given to heritage and regeneration projects of that sort in local developments, and how the local development plan process is fitting into that, just to start the discussion about the planning function and its relation to this?

[136] **Ms Davies:** The two previous questions are related, coming back to what the Welsh Government can do and the policies and strategies. In our experience, there is more clarity than one would think; policy is expressed fairly straightforwardly and a lot of it is online and is easily updated. However, it is not just a national thing; it is also a local thing, so there is an issue about local delivery in terms of local authorities' joined-up thinking and capacity and skills and resource, which are all converging on all sorts of elements of local delivery, whether it be planning or economic development, as well as some of the issues that Alan touched on, in terms of intensification being difficult. In that context, I would also like to raise some of the evidence base on design quality and urban design quality and the built fabric. There is evidence that more than suggests that it can increase rental and sales by up to

20 per cent. It speeds up lettings. Good quality urban design is an attractor for businesses and for people who want to take up units and set up in town centres. If there is one thing that we could do, it is to take that seriously and get behind it. It is also a skilled career path, so it has multiple benefits.

11.00 a.m.

[137] In terms of the planning debate, in our experience, in new build, planning can be important, but planning does not have a great deal to do with many of the challenges that we have in our town centres and Valleys towns; you are dealing with what is there, and the balance between what has happened on the edge of town and what can or cannot happen in the centre. Then again, there is a local mix between the economic development strategy and planning policy, and that has been highlighted recently in the Tym report, commissioned by the Welsh Government.

[138] **Mr Francis:** I would strengthen those comments by saying that the crucial part of planning is providing the vision. We face some difficult issues with land ownership in town centres. Investment houses and developers often hold large tracts of town centres. Often, on a short-term basis, they are looking for quick returns for their investors. Those two things do not marry up well with a long-term future strategy and vision for our town centres. The crucial part of planning is pulling together local champions and the town centre in a vision for that area.

[139] Delivery is difficult; we know what creates good design in town centres, and we know that mixed use is a crucial part of it. However, mixed use is difficult to achieve in individual buildings in historic town centres. Often, retail investors and developers do not like the idea of having residential properties above them, because residents attract rights; they can stifle future development and the selling on of a building. As a result, our town centres often end up with shops on the ground floor and empty floors above. However, we know that good design is about mixed use and bringing people in to live in our town centres. It would be nice to think that there was leverage through the planning system, whether that is through the different means of tenure for residential properties in town centres that Jennifer just mentioned, which would alleviate some of those issues. It is about bringing a master plan—if I can use that term, although I do not particularly like it—together, with a shared vision for the town centre; that is what the planning system needs to do. It is about inspiration on behalf of the Welsh Government, and that inspiration comes through exemplars. Where are the best places? How can you inspire people in those neighbourhoods to bring those good design qualities forward?

[140] **Nick Ramsay:** How do you decide on the criteria for local champions? Do they come to you? How do you decide who they will be?

[141] **Mr Francis:** I think that local areas probably know who their champions are. I do not know the answer to that question, in all honesty.

[142] **Nick Ramsay:** In my experience, some people have different champions to others. That is the point that I was making.

[143] **Mr Francis:** I agree. Some champions have different skills to others and are very different people from others. However, you need a champion—or several champions—to bring the vision to fruition.

[144] **Julie James:** I hear what you say about the vision and so on, and I think that we can all sign up to that. However, in my experience there are specific issues with local planning arrangements. Is there anything that the Government can do with regard to such things as

changes of use classes or specific issues of that kind that might assist with mixed-use development? You may know that we are planning a planning Bill.

[145] **Mr Francis:** We have been wondering—although we at Design Commission Wales are not expert planners—whether the use class orders might be more flexible in town centres. Why do you need planning consent to change use from A1 from A3? I am not suggesting that it should be a given; I am saying that perhaps that approach needs to be tested. We do not want lap-dancing clubs everywhere, so there needs to be control. We are, however, wondering whether there could be more flexibility in the use class orders that we have.

[146] **Ms Davies:** We have considered whether the number of classes might be reduced. You might look at a range of uses within each class that includes or excludes certain things. The other issue is ownership and getting local planning authorities to play a role in facilitating a discussion between owners. It can often be in the interests of a landlord or owner to sit there with an empty unit, which means that the security shutter is down and there is a dead high street. There is no incentive to do otherwise. Alan has already talked about the residential issues. We need to find a way whereby the formal policies, strategies and regulatory functions can enable something more fruitful.

[147] **Julie James:** On empty properties, am I right in assuming that you would be in favour of a carrot-and-stick approach to not keeping properties empty?

[148] **Ms Davies:** It depends what is in the mix. Ian probably has experience of that.

[149] **Mr Morrison:** Yes. I was just going to come on to that point, actually. It is a more contentious issue, but enforcement is a very important subject that needs to be considered in the debate. One of the things that we found from our survey of our THI officers—the practitioners who are delivering the projects on the ground across Wales—was that one of the greatest obstacles they face is absentee landlords who are letting their properties remain vacant and fall into disrepair. Of course, once that begins, it is the start of the cycle of decline. If one building is boarded up and starts to fall apart, it erodes confidence in the surrounding buildings and spreads like a virus. So, it is really important that planning deals with those issues right at the beginning, before that cycle of decline begins.

[150] **David Rees:** Going back to Design Commission Wales and the quality of design, which you have mentioned quite a bit in your paper, you talk about bolstering civic pride, supporting access to goods, energy and carbon efficiency and so on. Those are some of the outcomes and consequences of good design. However, what we did not get to hear—although you have mentioned it a bit this morning—is what you deem to be good design. Can you expand on that, because it is an important question?

[151] **Ms Davies:** It is an important question. What we say is that it is not about taste, appearance or style. Good design is about how something works, its fitness for purpose and material quality. If you are very lucky and it is really good design, it might lift your spirits as well. There is an age-old measure used by architects and designers: commodity, firmness and delight. If you can get those three in the mix, you get very good design. Although it is 2,000 years old, it is still quite a good definition. It can be assessed objectively. We do a great deal of that through our design review process, and it is explicit in Planning Policy Wales technical advice note 12. We are looking for a good response to context and location, which can be a challenge in Wales because of our topography. We are looking for high-quality materials and for connections—why would you put a health centre or whatever on the edge of the town, when it serves the local need? We are also looking for a mix of amenity, for good access, and for permeability, links and transport, which Alan will probably talk to you about. So, it is about the whole package and it is less about how something looks than how it functions.

[152] **Mr Francis:** I have written down four things. The first is permeability. What I mean by that is that, if I walk around Hay on Wye, I can probably walk down any street without reaching a dead end. Every street I walk down in Hay on Wye brings me to somewhere else. Where that does not happen, places do not work. That is what I mean by permeability. We need to create towns that you can walk through. Permeability brings value, because then there is not a centre with the rental value of x. Permeability means you end up on continuous walks, and every place gets the same value. That is one of the benefits of London. London is an odd place to mention, but if you cycle round London, which I often do as I have an office there, it does not matter which route you take—you can cycle everywhere because there are almost no dead ends. Therefore, there are cafes on corners and in the middle, because everyone passes them all the time. Hay on Wye works beautifully like that. There are plenty of towns that I could mention that do not.

[153] The second thing that I have written down is ‘mixed use’, because every successful place has a mixture of uses. That is not just different retail uses and leisure uses, but housing. Housing is a key to this. One of our big messages is that, if there is a message that we can sell to our landlords that there is a way of bringing residential properties into town centres that does not impact on the long-term value of their product, we should really try to chase that.

[154] The third thing is ‘active frontages’, which Carole-Anne has mentioned. Places that are boarded up because of the use inside and places that do not have a window on the ground floor that offers something to the street reduce the value in our town centres.

[155] Another thing that I have written down is ‘good materials’. There is a big list of these things in TAN 12. You can highlight four or five of those, as I have just done, to really help the way we design and to ensure that our town centres work.

[156] **David Rees:** Thanks for that. You have already mentioned that you could increase rental by 20 per cent. Have any investigations or surveys being undertaken on the impact of poor design?

[157] **Ms Davies:** There is good design and bad design; there is no such thing as no design. Everything you touch, wear and eat has been designed. When you use the telephone or drive or whatever—everything has been designed, so design is part of our everyday lives. The cost of poor design can be seen in a lot of the housing estates that were built in the last 40 or 50 years that are isolated, large-scale housing estates with no amenities and that are not safe places in which to walk, live, play or to work. They are single use, with miles and miles of housing and nothing else—no schools, no hospitals and no amenities, nothing. That is poor design, and that is very costly. This generation is still unravelling that legacy, which is why it is so important to think about what we build now and the legacy that we want to leave.

[158] There is an opportunity for retro-fitting, but spending a little more time upfront to get it right has a positive effect on the whole-life costs. It costs you less to run it, to refurbish it, to repair it and it helps to stimulate a vibrant local centre where people will live, enjoy cultural activities, go to work and raise families, which will all contribute to its being a successful place. You only have to look at poor housing, housing need and some of the things that we saw in the 1960s and 1970s that we are still living with today to see the social costs of bad design. Rushing forward to respond can cause those problems again. Housing-led regeneration can be really important, but it must be done with the right balance.

[159] **David Rees:** In relation to town centres, do you think that the problems that some town centres are facing are the result of poor design or simply the result of the current recession and social issues?

[160] **Mr Francis:** I cannot be specific, but I live in western Gwent and I can think of a particular town centre there where a decision was made to bring in a larger supermarket. We are for intensification, as I mentioned earlier—we are not against new development—but the way in which it is done is highly important. In the particular case that I am thinking of, the superstore has been sited on the only possible site to link the railway line to the train station up the valley. That possible link has completely gone; there is no other way of doing it, as the remainder of the railway line is in place, and so the connection cannot be made. Not only that, but the superstore access road comes directly off the bypass and so the town centre has suffered immensely as a result. That is simply a question of choices and design.

[161] **Ms Davies:** You can say where it is, I think. We are talking about Pontypool, where the railway line has been straddled and so the infrastructure has been undermined.

[162] **Nick Ramsay:** I know the supermarket that you mean.

[163] **Ms Davies:** Sorry, there seems to be a Gwent bias here, as we are all from that area.

[164] **Nick Ramsay:** Normally, there is a heavy Swansea bias on the committee, so—

[165] **Julie James:** I do not know what you mean. *[Laughter.]*

[166] **Eluned Parrott:** Going on to performance indicators and how we can evaluate the success of interventions, we heard from the Centre for Regeneration Excellence Wales that there has historically been a lack of agreed performance indicators to measure the success of regeneration projects in Wales. Is that a fair comment? If so, why has that been the case?

[167] **Ms Davies:** There are always difficulties and one of them is identifying what you are measuring, over what period of time and who is measuring it. One of the things that we found to be most helpful is the work of Action for Market Towns and its town benchmarking programme. AMT is a charity that works across the UK, and it has a number of Welsh members. Town benchmarking is a simple toolkit; I think that it has only 12 indicators. Those indicators range from parking to the number of empty units, and the toolkit allows you a certain time to measure. Once those have been identified and informed a strategy, systematic action can be taken to address those. That is very much a local tool. While we might look at GVA or GDP figures nationally, at a local level a much more simplified process, such as town benchmarking, is really useful to galvanise activity for local authorities and for people who might be trying to influence change. Statistics and performance indicators over time at Government level and local authority level are often very difficult for people to access, understand and use effectively.

11.15 a.m.

[168] **Leanne Wood:** On business rates, the panel that will review business rates has been announced today. Will you outline your views on the current system of business rates? In particular, does it promote the right balance of retail premises with quasi-retail premises, such as charity shops, betting shops and so on? So, first of all, could you give us an overview of the current system?

[169] **Ms Davies:** The Portas report highlighted issues such as business rate relief for charities. In mainland Europe, there is a sliding scale of business rates, which benefits smaller scale traders or less-traditional retailers and means that it is not just large retailers or larger multiples that can afford premises and can therefore move in. If there was a sliding scale of business rates, you might get some more creative uses, such as the current big co-worker movement. People who work at home and who are isolated are beginning to take up empty units, so that they can get out, have a WiFi connection, do some business and meet other

people. They might even do more business because of the network that they create. However, they can only do that if they can afford to take on a unit. So, if you solve all of the ownership issues that Alan has raised, perhaps a sliding scale, appropriate to occupational use, might be helpful.

[170] I am sorry to mention London again, but there is a case in Spitalfields where a small coffee shop fought off a larger coffee high-street retailer. One of the things that prevented the owner was the prohibitive level of business rates. You might not compare London to Blaenau Gwent, but if you are trying to stimulate more mixed use in a town centre—perhaps some cultural activity or a 24-hour educational social centre—then some flexibility over what it costs to be there would seem sensible.

[171] **Leanne Wood:** I am very attracted by the idea of some sort of sliding scale and determining business rates on a different basis to the one used now. You mentioned examples on the continent. Could you give us a little bit more detail about where they are, how they work and whether or not we could legislate here to achieve the same outcomes?

[172] **Ms Davies:** There are two aspects to that. Holland, Germany and France have different business rate procedures. Yes, it can be a question of legislation, but it can also be about the nature of development partners. I am thinking about Igloo Regeneration, which is just over the road in the Roath basin, which has a policy of meanwhile uses. So, given that it is a large pension-fund investor and so on, it is in a different position to most developers and it is able to negotiate meanwhile uses at reduced rents or rates, because it has the capacity to pick that up. So, it is not just about Government and legislation; there is a huge opportunity there, but it is also about development partners and who you get alongside in the private sector that has the capacity to do that.

[173] **Leanne Wood:** So, you are saying that we could make these changes without legislation, but that we would have to persuade businesses to get behind it.

[174] **Ms Davies:** You could probably do both to make it truly effective. A pincer movement is probably important to this.

[175] **Nick Ramsay:** On business rates, Edwina Hart, the Minister for Business, Enterprise, Technology and Science, has recently announced a new review into this, which will be reporting next year. Do you hope or expect to have an input into that review?

[176] **Ms Davies:** We very much hope to do so. Are you referring to the task and finish group that is to be chaired by Elizabeth Haywood?

[177] **Nick Ramsay:** Yes.

[178] **Leanne Wood:** Is it not being chaired by Brian Morgan?

[179] **Ms Davies:** I am sorry; I am confusing the task and finish groups.

[180] **Nick Ramsay:** This was a recent announcement.

[181] **Ms Davies:** A lot of those groups will be doing a lot of work and we are happy to contribute to that work.

[182] **Joyce Watson:** I want to ask some questions on funding, given that we all know that it will have to be used differently in the future. How effectively have structural funds been used to finance town-centre regeneration projects in Wales? My next question is particularly for the Heritage Lottery Fund Wales. What improvements could be made to the way that EU

funding is used for regeneration purposes in Wales?

[183] **Mr Morrison:** That refers to my earlier point that it is very important that regeneration funding, from various agencies, is aligned as far as possible to be effective. There is probably evidence that, in the past, that has not been done as well as it could have been. The single most important step that we could take would be to try to ensure that we are all working towards the same objective and that we are aligning our funding as much as possible.

[184] In terms of European funding, the issue from our point of view is that it is confined naturally to specific areas and actions that it is beyond your gift or ours to alter. The most important thing is to try to ensure that we work together, as closely as possible, to make the most effective use of those funds, and that we try to produce a programme that is as efficient and effective as possible. It is difficult to say much more than that.

[185] **Ms Stewart:** A corollary to your question, Joyce, is that, in a state of nirvana, it would be possible for all funders to have a single application form. This is an issue that we hear about time and time again. Unfortunately, we are all governed from different policy and financial directions. We work behind the scenes, however, and there may be instances where an applicant has done financial business plans for us, and they can be recycled or cut and pasted for the benefit of other funders. That cuts down on the work required of the applicant, but the process is still meaningful in respect of the different funding criteria. We work hard with the Welsh European Funding Office, for example, to link up these things. In respect of the award for Cardigan castle, for example, we wanted to make sure that there was as much link-up as possible. Also, we wanted to ensure that we were aware of the concerns of funders. One concern for our decision makers is whether the in-principle promises of funding from other funders will come true. This applies to Welsh Government funding, European funding, private givers and so on. We do as much as we can within our governance to link up behind the scenes and to ensure that we know the issues and barriers, so that we can give confidence to our decision makers and so that we have early alerts regarding what is going to prevent funding from getting into the lifeblood of these communities. That is a general response to your question.

[186] It is quite difficult for us to say what other funding bodies should do; it is not for us to say that. However, this goes back to the power of the partnerships and the partnerships of funders to work together behind the scenes. If it is possible to have linkages behind the scenes, it will make things easier, and the money will flow through. In reference to Alun's question about Cadw, for example, Cadw is our expert adviser and we run a programme for the repair of places of worship, and we depend on Cadw to provide expert advice on that and to help with prioritisation. That has taken quite a few years to come through, but the need to work together behind the scenes is one of the real lessons that we have learned.

[187] **Joyce Watson:** Do you have anything to add to what you have already said? You mention in your paper that, in light of pressures on public sector budgets,

[188] 'a radical rethinking is underway among all those involved in physical-led regeneration.'

[189] Apart from what you have already said, because we have only five minutes left, do you have anything to add that explains that statement?

[190] **Mr Morrison:** Yes. That refers to the general approach to regeneration, which in the past has tended to focus heavily on retail. We think that what has somehow been missed from the argument is the importance of town centres for social interaction. These are places where people meet, exchange ideas and contribute to, effectively, a healthy, integrated society. So,

we feel that there needs to be a much greater focus on mixed use and creating a much better quality environment and a different offer for people within town centres, not something that is heavily focused on retail, but a mixed economy of residential use, business use and, importantly from our point of view, a cultural offer.

[191] **Kenneth Skates:** How successful have towns in Wales been in addressing the image of their town centres and marketing them? There has been a disconnect in some areas between what a town has in terms of its fabric and how it is trying to brand itself. Towns in the UK and Europe, unlike America, have grown organically over time, yet there are places where you see a disconnect between what the town has and how that place is branded in its marketing. That is often shown up in poor quality signage, street lights and so on.

[192] **Ms Davies:** It is one of the key strengths of what is happening in Ruthin. There are a few local champions who are usually self-appointed, because they do things—it is about people who do things—and they have looked at marketing Ruthin. Although there is a national strategy for marketing, which is about marketing borderlands, they do not see themselves as part of that strategy; they see themselves as distinct, so they developed the Bro Rhuthun partnership as well as a website, pop-ups, jute bags and a loyalty card, and they have differentiated themselves. The Manorhaus Hotel, the On the Hill bistro and Ruthin Craft Centre are all about high-quality provision. Manorhaus in particular uses design and the work of a lot of artists to set itself apart from other hotel offers, and a lot of the good food outlets are about local produce of very high quality and that is what it is marketing.

[193] It has a very strong heritage and the quality of its built environment is part of the strength of its heritage, but what they explained to us when we worked up there, and we are still working with them, is that they also had a bit of a ‘bones and stones’ reputation—their words, not ours—that was not attracting new generations of visitors. So, it is about the balance. The historic built environment is very important as we have said, but there is a new generation out there and there are different markets for them in terms of tourism and visits to the town. So, Ruthin has also changed its festival programme and we held a whole week of events that I think is now going to be an annual programme. Marketing tools such as postcards and identity have been crucial and the craft centre is now instantly recognisable because of its design.

[194] **Ms Stewart:** As a follow on to that, what has been happening in Blaenavon is especially of interest. We have obviously invested a lot of money there—nearly £10 million—not in a townscape heritage initiative, but in different buildings, such as Big Pit, which is slightly outside the town, and St Peter’s School, which has a new lease of life as a centre of focus for the community, for the history groups, as a place where people can gather and as a springboard for investigating the world heritage site. All of us will remember over the last 12 years how Blaenavon has been seeking to find its new identity and it is gradually getting there. I noticed with interest on the legislative programme document that there was a picture of a young lady who works in the Blaenavon cheese shop and there is a lovely little link there because they cure their cheese down the shafts in Big Pit. So, you are getting a lot of linkages going on there, but it does take time to find out and this is where local distinctiveness helps, namely the characteristics of that area. It takes time working with communities, bodies and organisations in the area and, unfortunately, there may well be failures. It just takes time to develop. It is really important to take a long view.

11.30 a.m.

[195] **Nick Ramsay:** Is it just a question of time? In the case of Blaenavon, it was rebranded as a book town, was it not, some years back? There has been a move away from that now. Was that just a part of the process that had to happen, or were there mistakes made there that really should not have happened if you had taken into account the fabric of the town

and what it was capable of?

[196] **Ms Stewart:** It was an interesting and challenging approach, but of course there was competition elsewhere in Wales, and the lead had already been taken by Hay-on-Wye. Perhaps Blaenavon did not have the critical mass. It has taken a different route by going for much smaller businesses and, through that, building up its critical mass.

[197] **Ms Davies:** May I just add to that? It is about the long term, but what works for one place does not necessarily work for another. That is not just a Welsh issue. A blanket approach does not always work, and that is where the town benchmarking comes in. When you look at some of the housing development in Blaenavon, there is a really small scheme in Varteg, a tiny little scheme, but it is very well designed and informed by industrial heritage and character, and that is starting to bolster the high street, the links to Big Pit and the value of the cultural activity there.

[198] **Nick Ramsay:** Do you think that the Minister is right in steering you away from a strategy? We have taken evidence from him, and he said that an overarching strategy relating to town-centre regeneration would not work, because there is no one size that fits all.

[199] **Ms Davies:** It might be more useful to talk in terms of a framework that is flexible enough to allow certain things to happen and stimulate certain things. You also have to be strong enough to say, 'You cannot do this here—we do not want this, we want something else'. Alan alluded to some examples earlier where the fear of development or lack of development meant that developers got away with things in terms of regeneration, and then you get expansion. If there is no other option, you will often find that they will say, 'Okay, then—we'll do it this way', because they would rather come in than not. A lot of successful examples have said, 'You can't do this if you try another way'.

[200] **Kenneth Skates:** We have talked about Ruthin a lot today. Do you believe that Ruthin town centre is healthier today than it was 10 years ago? A lot of local people seem to think that, because Tesco arrived, it went into decline. What would your assessment be of Ruthin town centre?

[201] **Ms Davies:** It was interesting—we hosted a debate there called 'Whose town is it anyway?' and Tesco and car parking were the hot topics. The point was also made that people shop at Tesco. We all use these things.

[202] **Nick Ramsay:** Even if they sometimes have reservations.

[203] **Ms Davies:** Some voices are louder than others, and some messages are more easily promoted. Negative messages are easier to promote than positive ones. There is a healthy town centre, and all of the great, locally distinctive stuff is still there in the centre of Ruthin, whether it is antique shops, the deli, the restaurants or the hotel. It is moving in the right direction, and yes, I would say that it is probably stronger.

[204] **Nick Ramsay:** I have one final question. Looking at your evidence, the Design Commission for Wales scrutinised £1.8 billion of development in Wales in 2010; what proportion does this represent of the total value of developments that could, in theory, be used? Would you value being made a statutory consultee in these decisions, or are you happy with your status at the moment?

[205] **Ms Davies:** It is a very small proportion. The issue for us is to be able to influence on a larger scale, and to do that we need stronger referral, I suppose, from Welsh Government departments. They could use us better, and we are very happy to be used. We are happy to discuss statutory status, but I would have to refer to my board of directors if we had to discuss

a change of status. We would be happy to do more and to see more—very much so.

[206] **Nick Ramsay:** Do Members have any other questions? I see not. Therefore, I thank Carole-Anne Davies and Jennifer Stewart, Ian Morrison and Alan Francis, for being here today. It has been a helpful session. We will feed your comments into our inquiry on town-centre regeneration, and keep you updated, if that is your wish, on our findings.

[207] **Ms Davies:** Yes, please. Diolch yn fawr.

[208] **Nick Ramsay:** That brings the meeting to a close.

*Daeth y cyfarfod i ben am 11.35 a.m.*  
*The meeting ended at 11.35 a.m.*