

**Rebecca Evans AM**  
Minister for Housing and Regeneration

2 February 2018

Dear Minister,

**Economy, Infrastructure and Skills Committee – Town centre regeneration: Five years on**

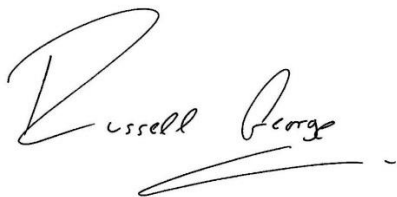
Thank you for attending the Committee's evidence session on 7 December 2017 to discuss progress made on the regeneration of town centres in Wales.

In light of the evidence received, we have identified a series of key issues we believe require further consideration and/or action. These are attached as an annex 1 to this letter.

The full record of proceedings from the meeting on 7 December is available from our Committee's website:

<http://senedd.assembly.wales/mgIssueHistoryHome.aspx?Ild=20692>

Yours sincerely,



**Russell George AM**

Chair, Economy, Infrastructure and Skills Committee



## **ANNEX 1 – Key issues arising from the session on Town centre regeneration: Five years on**

### **Introduction**

The previous Enterprise and Business Committee of the Fourth Assembly gathered evidence in the autumn of 2011 examining the way in which the Welsh Government used the levers at its disposal to assist in the regeneration of town centres in Wales. The Committee published its report in January 2012.

The previous Committee concluded that vital, vibrant town centres are at the heart of sustainable communities, and they are core to a healthy and prosperous Welsh economy. However, the Committee found that throughout Wales there were examples of weak and vulnerable high streets with empty premises and poor shopping environments. The Committee heard that the reason for this was partly due to the economic downturn and associated reduction in consumer spending, along with long-term structural issues.

The previous Committee concluded that if town centres were to regenerate the solution required a sophisticated, integrated and sustainable approach where there was strong leadership from the national to the local level, and where all policy, planning and financial levers were strategically coordinated and streamlined to encourage sustainable and diverse growth, as well as provide quality, value and choice for consumers.

The Committee made 21 recommendations, 12 of which required concerted Welsh Government action. In the Welsh Government's response to the previous Committee's report they accepted 19 of the recommendations in full and 2 of the recommendations in principle.

Oral evidence was gathered during a half-day session on Thursday 7 December 2017 to ascertain where progress had been made to date, and where further progress is still needed. This included a stakeholder event and a session with the Minister for Housing and Regeneration, Rebecca Evans AM.



It is clear from the evidence received that the Welsh Government has made good progress on the previous Committee's recommendations. However, some of the challenges seen five years ago remain and new challenges, which were not foreseen, have emerged. The attached document (annex 2) provides a summary of all of the issues discussed. Below, the Committee sets out some key issues which require further consideration and/or action by the Welsh Government.

### Understanding town centres

During the stakeholder event the Committee heard evidence around the importance of town centres being safe, accessible and clean, satisfying the needs of the community, being resilient and responsive to changes, and with the cultural and social regeneration of a town centre being done in tandem. It is imperative that when planning for town regeneration it is understood who uses town centres and why. When questioned, the Welsh Government stated that having this understanding was a key recommendation in the Carnegie UK Trust report *Supporting Local Places and Local People: Opportunities and Challenges for Welsh Towns*<sup>1</sup>. In response to this recommendation the Welsh Government has funded a piece of research called 'Understanding Welsh Places', which will be taken forward by the Institute for Welsh Affairs. The aim of the project is to provide robust data which will 'inform national and local policy decisions, contribute to more empowered and resilient communities, and improve the wellbeing of individuals.'<sup>2</sup> The Minister went on to state that having this data will:

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...identify what needs to be done, but also it will be useful then in future in terms of evidencing and giving an analysis of the kind of impact that our current interventions are having as well. <sup>3</sup>

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<sup>1</sup> Carnegie UK Trust, *Supporting Local Places and Local People: Opportunities and Challenges for Welsh Towns*, 2017

<sup>2</sup> Carnegie UK Trust, *New Data Tool to Improve Future of Welsh Towns*, 5 December 2017

<sup>3</sup> *Economy, Infrastructure and Skills Committee*, Record of Proceedings, 7 December 2017, paragraph 106



Leading on from this, a large portion of the evidence the Committee heard centred around the need for town centres to have a clear sense of purpose. The unique selling points of an area need to be identified and supported by communities and businesses in driving forward regeneration.

While talking about having a strategic and regional understanding of how town centres relate to each other and relate to their region, the Minister for Housing and Regeneration commented that the Welsh Government is currently working with local authorities in preparing their strategic development plans and are encouraging the establishment of more joint development plans for local authorities to work together.

Out-of-town areas were also discussed and, due to market changes, for example people ordering more products online, there are fewer large-scale developments coming into the planning system and existing out of town retail parks are potentially looking for a change in purpose. The Committee is aware of the rise in the number of convenience stores opening on the high street in response to the changing trend of consumers buying less but shopping more frequently, and noted the announcement by the Co-op to open ten new stores in Wales in 2018.<sup>4</sup>

#### **The Committee's view:**

- We welcome the 'Understanding Welsh Places' work being taken forward by the Institute for Welsh Affairs. We would be grateful for further information on how this data tool will enable the understanding of which initiatives can increase the prosperity and wellbeing of Welsh towns.
- We acknowledge the work the Welsh Government has done following the previous Committee's report with regard to Planning Policy Wales and the 'town centres first' approach. However, we believe more needs to be done in working with local authorities in forming their development plans to ensure that local authorities are working together, instead of in isolation, and that the community and key stakeholders are engaged.

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<sup>4</sup> [Co-op news release, 2 January 2018](#)



- We recognise the importance of town centres identifying and marketing their unique selling points. The Committee would be grateful if the Welsh Government would provide information on how its initiatives are equipping communities with the tools and support to make this happen.
- We would welcome further details on how the Welsh Government is addressing the potential changes in use for out-of-town centres and how it is working with local authorities in planning for their future sustainable use.

### **Vacant properties**

An issue which was raised by the previous Committee, and continues to be a challenge, is vacant properties and absentee landlords. Although the Committee recognises that schemes such as ‘Vibrant and Viable Places’ have helped to bring empty properties back into sustainable use, it can be very difficult to persuade absentee landlords, who do not have a vested interest in the community, to participate in such programmes.

When questioned about the costs involved to local authorities in buying vacant properties the Welsh Government mentioned the town-centre loans scheme. This £20 million scheme can be used to reduce the number of empty, underused sites and premises in town centres. The funding is available to local authorities over a 15 year period on a recyclable loan basis so once money is repaid the local authority can re-invest the funding for other suitable projects, with the repayment of the full loan to the Welsh Government at the end of the 15 year period.

The Committee questioned the Minister on the apparent lack of utilising Compulsory Purchase Orders (CPO) by local authorities. The Welsh Government stated that the Town and Country Planning Act and the Wales Act give local authorities powers with regard to CPO but the Welsh Government is currently looking at whether further work needs to be done in relation to CPO, for example, upskilling local authority staff to use CPOs effectively.



The Committee questioned whether the Minister would be willing to create regional development corporations (within the emerging new regional partnerships) which could provide an expert additional tool for town regeneration. The Minister stated that she is open to having that conversation and examining ways to pool resources.

**The Committee's view:**

- We believe the Welsh Government needs to ensure that Compulsory Purchase Orders (CPO) can be used effectively and that the sharing of knowledge and skills in using CPOs is being encouraged and supported across local authorities. The Committee has agreed that it will pursue this issue further through its work programme.
- We welcome the Minister's willingness to consider creating regional development corporations and look forward to a response on this matter.

## Closure of high-street banks

The closure of high-street banks has come at a pace which was not envisaged five years ago. This is an issue which was raised during the Committee stakeholder and evidence gathering sessions as well as by Assembly Members in the Siambr in response to a topical question on 6 December 2017.<sup>5</sup>

Assembly Members have called on commercial banks to maintain a strong branch network presence in Wales. During Plenary on 6 December 2017 the Cabinet Secretary for Finance, Mark Drakeford AM, stated that, ensuring there is still high-street bank access requires:<sup>6</sup>

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...making sure that the Post Office is well placed to take on a wider range of banking activities, using the support that the Welsh Government provides to the post office network in Wales, making sure

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<sup>5</sup> Plenary, [Record of Proceedings, 6 December 2017](#)

<sup>6</sup> Plenary, [Record of Proceedings, 6 December 2017](#)



that credit union membership is available right across Wales, using the nearly £0.5 million of additional investment that we're providing for credit unions this year [...] [and by undertaking] community-level activity

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**The Committee's view:**

- The pace and scale of high-street bank closures is a huge concern to all Committee Members. We would welcome further information from the Welsh Government on what it is doing to ensure that vital banking services are still available to the community on the high-street.
- We believe there is an increased role for post offices to play in providing services lost by the closure of high-street banks, and seek an update from the Welsh Government on how it's engaging with Post Office to ensure the viability of its branches in the long term, and whether it is exploring schemes such as the former post office development fund.

### **Targeted Regeneration Investment Programme**

The Committee heard evidence about the difficulty in creating flexible working spaces in town centres. The Minister stated that the Targeted Regeneration Investment Programme, which was launched in October 2017 and due to go live in April 2018, could help promote regeneration in these areas. The £100 million programme allows local authorities, in defined regeneration areas, to apply for capital investment for projects that promote economic regeneration and serve the aims of wider sustainable development with activities focussed at individuals and areas most in need.

Although the programme was generally welcomed by the stakeholder group the limited lifespan of the programme was raised as a concern, stating that it did not provide enough time for more innovative projects to be explored, or for the compulsory purchase system to be used effectively. Committee Members noted the Targeted Regeneration Investment Programme and the benefits it could bring



but questioned the lack of non-physical capital funding available and whether it was just more of the same traditional response to regeneration.

#### **The Committee's view:**

- Although we welcome the Targeted Regeneration Investment Programme, we are concerned that this is for capital funding only and other potential non-physical funding approaches are not being explored. It is important that innovative, robust and sustainable solutions are investigated, in combination with the physical changes. We would welcome the Welsh Government's comments on this and consideration of more innovative approaches not already being undertaken. This could include, for example, ensuring new large scale developments provide opportunities for small local businesses, by allocating retail space for start-up businesses.

#### **Next steps**

The Committee would welcome a response from the Welsh Government to the issues raised in this annex.

The Committee is keen to do further work on town centres, but is mindful that two fairly substantial pieces of work on town centres are about to commence:

- The Welsh Government and Carnegie UK Trust funded 'Understanding Welsh Places' data tool being taken forward by the Institute for Welsh Affairs (building on an approach developed by Carnegie UK Trust in Scotland).<sup>7</sup>
- The Federation of Small Businesses (FSB) Wales is also about to commission a piece of research looking at place-based approaches to town centre development which is due to report in the Spring.

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<sup>7</sup> Carnegie UK Trust, *New Data Tool to Improve Future of Welsh Towns*, 5 December 2017



Given the work in progress, the Committee is minded to postpone further work until it is clearer where the Committee can add value.

The Committee is conscious that developments in automation are likely to have a profound impact on the traditional high-street over the coming years, and is committed to exploring this in greater detail later this year, including meeting with Amazon at its warehouse in Swansea to discuss the use of automation and initiatives such as the artificial intelligence operated store opened in Seattle. The Welsh Government needs to be mindful of such developments in order to mitigate against any negative impacts.



## **Annex 2**

### **Economy, Infrastructure and Skills Committee**

#### **Regeneration of town centres – Summary of key issues raised at stakeholder engagement event, 7 December 2017**

##### **Group 1**

**Members:** Mark Isherwood AM  
Joyce Watson AM  
Russell George AM

**Participants:** Matt Appleby, Business in the Community  
Steffan Roberts, Welsh Government  
Bill Powell, Transport Focus  
Rachel Maycock, Living Streets Cymru

**A lookback at the Enterprise and Business Committees report in January 2012 into Regeneration of town centres – your views on what has been accomplished since the 2012 report.**

- People who walk into town centres spend more than those who drive – according to the ‘pedestrian pound’ report by Living Streets.
- Bank closures are ‘scarring high streets’, post office closures are also causing big problems.
- We are more aware now to issues of air quality in town centres than was the case when the Enterprise and Business Committee report came out.
- Joined-up transport networks are needed to offer a good alternative to driving.
- The provision of community business spaces should be considered as part of new developments, possibly through section 106 agreements. This is something that rail franchise bidders are also considering providing within transport hubs.
- Talgarth is a good example of a town centre that has improved over the last 10/15 years.



- We still haven't cracked the issue of above the shop living.

### **The Future of town centres**

- The purpose of the high street is to bring people together, it is not just about buying things. They are hubs for people who might otherwise be socially isolated.
- The difference compared to online shopping is that you get a better level of personal service on the high street. 'Retail is detail'.
- Most town centres were designed 200, 300, 400 years ago. Future town centres need to be accessible for all and cater for changing demographics, provide convenience for people, and 'make people appreciate what they have got'. We can't expect the Welsh Government to do all of this but there is a role for government in guiding and supporting business.
- In future the purpose of town centres as a meeting place will be the same, but instead of being based on retail they are more likely to be based on services, leisure, culture and heritage.



## Group 2

Members: Lee Waters AM  
David Rowlands AM

Participants: Josh Miles, Federation of Small Businesses  
Sara Jones, Welsh Retail Consortium  
Tim Peppin Welsh Local Government Association

**A lookback at the Enterprise and Business Committees report in January 2012 into Regeneration of town centres – your views on what has been accomplished since the 2012 report.**

- One area which was agreed by all was, since the report in 2012 they did not foresee the closure of so many banks on the high street.
- Town centres can be vibrant places to visit.
- There was discussion around business rates but it was discussed that this is not always the solution though more frequent re-valuation needed.
- It was felt (especially by the FSB) that the first 5 recommendations from the 2012 report have not been implemented by the Government.
- Visit wales could do more to encourage visitors to visit towns that have a USP. One participant mentioned a visit to North Wales recently to visit Zip world and this encouraged him to also visit the local towns near by.
- There seems to be a demographic trend for the elderly rather than the younger generation to visit a town.
- Discussion also focussed on the out of town larger retail parks now loosing footfall – primarily due to people ordering larger goods such as white goods on-line.
- The towns could utilise this when people are ordering on-line goods – Lee Waters mentioned that Amazon are trialling a system where you collect your parcels from a town store.
- Vikki Howells mentioned that more could be done to improve old buildings – renovate them into a pub/restaurant.



- It was noted that bus travel has also increased during the past 5 years not encouraging people to visit a town, where as driving a car is cheaper.
- Businesses in the towns need to club together to market the town as a place to visit.
- Aberdare has improved over the years with the aid of the Vibrant and Viable Places programme – more towns could benefit from this.

### **The Future of town centres**

- A question raised was – what can the Government do to help town centres.
- It was agreed that there is still a fundamental role for the town centre.
- Some examples of an area where towns have changed was – Pontypool where the indoor market has attracted people to visit the town.
- There should be gov't encouragement to have medical centres in towns then this would have an impact on local businesses.
- In some towns the attraction of visiting in some areas are independent businesses such as local cafes.
- If the young are to visit a town there should be also good connectivity for broadband.
- Air quality was also a key factor in the discussion to ensure towns are clean vibrant places to visit – traffic problems discourage people from visiting.
- With banks moving out of towns it was mentioned to have credit unions take their place.
- Lee Waters thought that in the future we would no longer need cash this was dismissed by some on the table.
- Attractions nearby such as Zip World in North Wales attract people to visit the local towns nearby – the future could be to have these attractions to encourage people to stay longer.
- The metro could also play a part in attracting people to the town.
- Edge of town developments could encourage people to visit the main town centre.



## Group 3

Members: Adam Price AM  
Hefin David AM

Participants: Alun Taylor, The Coalfields Regeneration Trust  
Antonia Pompa, Merthyr BID The Big Heart  
Duncan Forbes, Centre for Regeneration Excellence in Wales  
Ryland Jones, Sustrans Wales

**A lookback at the Enterprise and Business Committees report in January 2012 into Regeneration of town centres – your views on what has been accomplished since the 2012 report.**

- The recommendations have, to a point, developed work successfully but there is now a need to rekindle the coordination for town centres.
- There are not enough recommendations which deal with the people aspect – need to look at how we can change people's behaviours, for example, cycling instead of driving.
- The community as a whole needs to be looked at and engaged rather than just looking at town centres in isolation.
- The Active Travel Act is beneficial but is yet to see benefits past the process – it needs more funding and investment to see the benefits on the ground.
- The geographical set up of an area is an issue and needs more dynamic approaches – especially in the more linear areas.
- There are some good examples of town centre regeneration where a town's unique selling points have been utilised effectively.
- Some good examples of community engagement with regard to regeneration were discussed.
- The accessibility of a town centre has a huge impact – the impact the metro could have on an area was discussed.
- The siting of offices outside the town centre does not bring workers into the town centre during the lunch hour – accessible transport is key.



- Viable and Vibrant Places is solely capital and it needs revenue.
- There has been significant focus on housing but this could have been done with a more holistic approach and provided wider opportunities.
- There was discussion around the ineffective use of Compulsory Purchase Orders. It was felt that 3 years was not sufficient time for CPO, as can often be difficult to track down the owners of derelict buildings, and that the funding needed to be available from the start of the CPO process.

### **The Future of town centres**

- Behavioural changes were discussed – at the moment convenience trumps principle, for example, the convenience of driving versus air quality, we need to find a way to make effective behavioural changes.
- People going into town centres rather than shopping online get value added from customer services and community engagement.
- The rules and regulations around self-employment make it quite difficult. There is a need for a growing area of social capital and diversity in self-employment.
- More innovation in town centres is happening. Need to ensure that a town centre meets the needs of the community and is aware of the different demographic needs.
- We need to be aware of demographic trends and ensure there are things which will attract that demographic into the town centre at a time that suits them, for example providing a night-life if appropriate. Need to tap into sub-cultures and ensure that cultural and social regeneration are working together.
- There needs to be better integration between Welsh Government policy and town regeneration. Welsh Government Ministers need to be talking to each other.
- A town needs an integrated plan/manifesto which includes the health, social and cultural aspects. For example, it is not helpful when health centres are located outside of town centres.



- Having flexible working spaces, which allow for the mixture of businesses and creative working spaces, is effective, for example, multipurpose hubs.

