



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

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

Dydd Mercher, 28 Medi 2011
Wednesday, 28 September 2011

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Inquiry into Regeneration of Town Centres: Evidence Session

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

Mohammad Asghar	Ceidwadwyr Cymreig (yn dirprwyo ar ran Byron Davies) Welsh Conservatives (substitute for Byron Davies)
Keith Davies	Llafur Labour
Julie James	Llafur Labour
Alun Ffred Jones	Plaid Cymru The Party of Wales
Eluned Parrott	Democratiaid Rhyddfrydol Cymru Welsh Liberal Democrats
Nick Ramsay	Ceidwadwyr Cymreig (Cadeirydd y Pwyllgor) Welsh Conservatives (Committee Chair)
David Rees	Llafur Labour
Kenneth Skates	Llafur Labour
Joyce Watson	Llafur Labour
Leanne Wood	Plaid Cymru The Party of Wales

Eraill yn bresennol
Others in attendance

Professor Dave Adamson	Prif Weithredwr, Canolfan Rhagoriaeth Adfywio Cymru Chief Executive, Centre for Regeneration Excellence Wales
Andrew Dakin	Dirprwy Brif Weithredwr, Canolfan Rhagoriaeth Adfywio Cymru Deputy Chief Executive, Centre for Regeneration Excellence Wales
Dr Tim Peppin	Cyfarwyddwr Adfywio a Datblygu Cynaliadwy, Cymdeithas Lywodraeth Leol Cymru Director of Regeneration and Sustainable Development, Welsh Local Government Association
Roger Tanner	Cyngor Bwrdeistref Sirol Caerffili Caerphilly County Borough Council

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

Siân Phipps	Clerc Clerk
Meriel Singleton	Dirprwy Glerc Deputy Clerk
Ben Stokes	Gwasanaeth Ymchwil yr Aelodau Members Research Service

*Dechreuodd y cyfarfod am 9.32 a.m.
The meeting began at 9.32 a.m.*

Ymddiheuriadau, Cyflwyniad a Dirprwyon Apologies, Introductions and Substitutions

[1] **Nick Ramsay:** I welcome Members, witnesses and members of the public to the Business and Enterprise Committee. This meeting is bilingual, and headphones can be used for simultaneous translation from Welsh to English on channel 1 or for amplification on channel 0. The meeting is being broadcast, and a transcript of the proceedings will be published. I remind people to turn off their mobile phones and other electronic equipment, and I also remind Members and witnesses that there is no need to touch the microphones, as they should operate automatically. In the event of a fire alarm, please follow the directions from the ushers. We have received an apology for today's meeting from Byron Davies, but Mohammad Asghar has kindly agreed to substitute for Byron.

9.33 a.m.

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

[2] **Nick Ramsay:** I am delighted that Dave Adamson, the chief executive officer of the Centre for Regeneration Excellence Wales has joined us, as has Andrew Dakin, deputy chief executive officer for the Centre for Regeneration Excellence Wales. We have a number of questions for you, so we will launch into those. Before that, would you like to make an introduction first?

[3] **Professor Adamson:** Briefly. First, we thank you for the opportunity to present to the committee. Any drive around Wales reveals the fact that town centre regeneration is the central regeneration challenge at the moment. CREW has been doing some work on this for the past year, including convening seminars and a study group, which will have open membership and a core executive group to give a steer. We are also working in partnership with Action for Market Towns in England to try to bring over the learning from some of the initiatives in England. This is something that is ongoing for us, and we will be producing outputs from that process over the next year or so.

[4] **Mr Dakin:** As a disclaimer, I wear a number of hats, with regard to my teaching role at Cardiff University in respect of regeneration, my role in CREW and the fact that I am a member of the regeneration team of the Welsh Government. So, I want to say that, today, I am speaking purely from my academic background, plus my 35 years as a regeneration practitioner, but not as a civil servant.

[5] **Nick Ramsay:** Thank you for the opening introduction.

[6] **Kenneth Skates:** Thank you for coming today. Will you outline the main role and activities of CREW and the nature of the relationship between it and the Welsh Government?

[7] **Professor Adamson:** Yes. CREW was established from the findings of a task and finish group that looked at the need to raise regeneration skills and capacity in Wales. We have four key functions, which are to identify good practice, to do research into what works, to disseminate those findings and to network with people in the sector. We are funded by two departments: the Department for Education and Skills and the regeneration division in the Department for Housing, Regeneration and Heritage.

[8] **Kenneth Skates:** The Minister will look at your future beyond next year. Do you have any specific concerns with regard to that?

[9] **Professor Adamson:** Clearly, we want to continue to do what we are doing and to improve. We are awaiting a decision on the European funding programme, which will match the Government's spend, and will allow us to appoint a full team. Clearly, as soon as that relationship is sorted and the funding established, so that the grant can, hopefully, come forward, we will be a considerably more effective organisation at that point.

[10] **David Rees:** You mentioned in your introduction that you look at different things, such as market towns in England. What is your involvement with what is being done in England and on a wider EU basis with regard to regeneration projects?

[11] **Professor Adamson:** It is clear that the problems facing our towns in Wales are universal. These are partly caused by changes in consumer behaviour, from internet shopping to challenges from out-of-town stores, and these are universal across Europe. There have been good initiatives in England and Europe; we will try to track those to see what has worked and develop a model of intervention and support for town centres. All the indications to date from the research that we have done suggest that you need an extended menu for town centres, in that you must move beyond the pure retail function to a much broader conceptualisation that includes bringing leisure activities, healthcare and learning opportunities into town centres to give a total mix—that also includes residential. We have some news headlines this morning saying that many of the empty premises in town centres will be permanently empty. We will have to repurpose them and find a new usage for them, as things like live/work units, which can be partly residential and partly work-based, so that people can live at the place they work and work where they live. These are initiatives that are happening throughout the UK and Europe and we need to look at where they have worked well and what the key factors in determining that success are.

[12] **Alun Ffred Jones:** Deallaf mai newydd ddechrau ar eich gwaith yr ydych, ond a ydych wedi cyhoeddi unrhyw waith ymchwil, neu ganlyniadau gwaith ymchwil, sydd ar gael i'r cyhoedd? Os ydych, byddai'n ddiddorol i'r pwyllgor gael rhestr o'r cyhoeddiadau hynny.

Alun Ffred Jones: I understand that you have only just started on your work, but have you published any research work or any findings of any research that would be available to the public? If you have, it would be interesting for the committee to have a list of those publications.

[13] **Professor Adamson:** We have more or less distilled everything that we have done into our submission to the committee. That comes out of the seminar we held in April and our conference on rural regeneration in July. The findings from both of those workshops have come through into that. It is a little early in the process of establishing the study group for us to be publishing anything definitive, so the paper synthesises available research that is already in the public domain. There is an emerging consensus about what needs to be done. We work in particular with some key experts in this field, such as Capita Symonds, Powell Dobson and Miller Associates; these are people with direct delivery experience throughout the UK. So, what you see in the paper is pretty much the consensus on town centre regeneration as it stands. As we do more work, we will bring those ideas forward.

[14] **Kenneth Skates:** I want to go back to what is being done beyond the UK. You mentioned Europe. What about the USA? If anywhere, the car is king in America, and the transport issues there are probably worth looking at, because main street USA seems to stand up pretty well compared with many UK town centres, in spite of the fact that there has been a massive increase in the use of private motor transport over there.

[15] **Professor Adamson:** We have not looked at the USA, but we probably can if you

feel that there is some literature there that would benefit us.

[16] **Kenneth Skates:** There are some good examples there, such as Walnut Creek in California.

[17] **Mr Dakin:** The US was the home of business improvement districts, so that is certainly an area of research that we will look at, and not just the application of districts there, but also their application in other parts of Europe, particularly Germany.

[18] **Alun Ffred Jones:** Yr ydych wedi cyffwrdd â rhai o'r atebion i'r cwestiwn hwn, mae'n siŵr, ond beth yw'r prif heriau sy'n wynebu canol trefi yng Nghymru, a beth yw'r prif bwerau sydd gan Lywodraeth Cymru a llywodraeth leol i ymateb i'r heriau hynny? **Alun Ffred Jones:** You have probably touched on some of the answers to this question, but what are the main challenges facing town centres in Wales, and what principal powers do the Welsh Government and local government have to address them?

[19] **Professor Adamson:** There is very little mystery: out-of-town shopping is the central challenge. We have a quote here that suggests that half of UK towns compete with five supermarkets on their immediate periphery, which is an incredible level of competition for any business to face. At the moment, planning legislation is very poor at allowing local authorities to prevent overdevelopment of out-of-town facilities, so something definitely needs to be done there. The other thing, which is more difficult to raise, is that, sometimes, the quality of the offer in town centres is not good. Many traders are trading in the way that they have traded for 20, 30 or 40 years. There is a business improvement requirement to allow them to compete better and also to tap the potential for internet marketing, because you can trade physically and virtually. Raising the skills of our retailers can also help there. Andrew, do you want to add to that?

[20] **Mr Dakin:** On the issue of supermarkets, this statistic was not contained in our submission, because it came out via *The Independent on Sunday* last weekend. It said that

[21] 'Half of town centres now compete with five or more supermarkets within a two-mile radius'

[22] and

[23] 'The 30 per cent or more falls in the number of independent grocers, butchers, bakeries and fishmongers is linked to growth of supermarkets'.

[24] **Alun Ffred Jones:** I ddilyn y sylwadau ynglŷn â chynllunio, ni wn a gawsoch gyfle i ddarllen erthygl George Monbiot yn *The Guardian* ddoe neu echdoe ynglŷn â diffygion y drefn gynllunio pan fydd yn gorfod ymateb i gais cynllunio gan un o'r cwmnïau archfarchnad mawr. A ydych yn credu bod angen newid y drefn gynllunio fel ei bod yn rhoi mwy o bwerau neu chwarae teg i'r awdurdod lleol neu'r gymuned leol wrth ymateb i gais cynllunio gan un o'r archfarchnadoedd? **Alun Ffred Jones:** Following on from your comments on planning, I do not know whether you had a chance to read George Monbiot's article in *The Guardian* yesterday or the day before on the shortcomings of the planning process when it has to respond to a planning application from one of the large supermarket companies. Do you think that a change is needed in the planning process to give more powers or fair play to the local authority or the local community in responding to a planning application by one of the supermarkets?

[25] **Mr Dakin:** It is interesting that you made a reference to George Monbiot, because on page 4 of our submission we have the headline:

[26] 'My town (Machynlleth) is menaced by a superstore. So why are we not free to fight it off?'

[27] That was from an article that was written by him. So, there are no surprises there, but in answer to your question, my view is that more regulation is required via the statutory planning process.

[28] **Alun Ffred Jones:** Mae gennyf un cwestiwn arall. Yr ydych yn awgrymu yn eich papur bod angen polisi cenedlaethol a rhaglen weithredu yng Nghymru, ond dywedodd y Gweinidog Tai, Adfywio a Threftadaeth yr wythnos diwethaf nad oedd yn credu bod angen strategaeth genedlaethol ar adfywio. A ydych wedi cael trafodaeth ynglŷn â hynny gyda'r Gweinidog ac a ydych wedi cael ymateb i'ch barn?

Alun Ffred Jones: I have one other question. You suggest in your paper that a national policy and implementation programme is required in Wales, but the Minister for Housing, Regeneration and Heritage said last week that he did not think that a national strategy for regeneration was needed. Have you had a discussion on that with the Minister and have you had any response to your opinion?

[29] **Professor Adamson:** No, we have not had a discussion with the Minister to date and the response would be to this paper, which is the first point at which we have made that suggestion. The justification for it is that many of our towns are in close proximity to each other, and the idea that you can develop them all in the same way and for them to compete equally is difficult.

9.45 a.m.

[30] Some co-ordination, with, perhaps, a revitalised spatial plan, is essential so that you can bring out the distinctiveness of different towns and give them slightly different purposes. Ultimately, we are about attracting visitors. If all towns looked the same—the clone town syndrome—there is no reason for people to go a town other than that on their doorstep. That has to be linked with day visit tourist patterns and a whole range of other things, particularly heritage. We are developing an initiative with Cadw. It will provide a toolkit to allow characterisation studies to be completed so that local planning officers and the like can look at their town, understand its history and what makes it distinctive, identify motifs in the built environment, and develop that in the context of regeneration schemes. It is essential to have an overview and a spatial plan that situates these towns regionally and locally, and develops them within a broader pattern that is informed by intelligence and market research and so on. We would then know what the purpose of a particular town could be rather than think that every town must be developed in the same way.

[31] **Nick Ramsay:** You have inspired a long list of supplementary questions.

[32] **Mr Dakin:** I have one point to back up something that Dave has said. For the characterisation and the sense of place studies to have a real bite, local authorities would have to take them forward so that they become supplementary planning guidance and that there is a proper regulation in their application.

[33] **Julie James:** I now have around 12 supplementary questions. However, going back to the point on out-of-town retail developments, we all understand what you are saying about the development of new out-of-town retail developments and the need for planning and so on to be able to organise and regulate that. However, what solutions do you have for towns that are already in the situation where they are ringed by out-of-town retail developments? I am the representative for Swansea West. Swansea is, literally, ringed by out-of-town developments. Where I live it is far easier for me to get to three out-of-town developments

than it is to get into the city centre. I would have to not be in a public forum to tell you exactly what I think of Swansea city centre at the moment. We all have anecdotal evidence of what we would like to do, but I wonder whether there is any researched methodology for a town already in this situation. I take on board the point on planning, but it is too late for that for those towns.

[34] **Professor Adamson:** We have been looking closely at Bridgend in recent months. We held a joint workshop with a team from Bridgend at the Royal Town Planning Institute conference in August. They have taken on the large retail park outside Bridgend, McArthurGlen. They have done this by arranging a very active programme of events in the town: food markets, Christmas markets, and other event-based scenarios. They have developed the town's heritage significantly. The problem with many towns is that the shop fronts all look the same. However, if you look above the shop fronts, there are often very beautiful heritage buildings there. Highlighting that and bring it to the foreground can have a solid effect. They have developed public spaces by resurfacing and so on. That does not always work, but they have done it quite well. An initiative that has transformed Bridgend—it is my local town and I go there every Saturday—is the youth festival that was held there during the summer. It is now significantly visible how many young people go to Bridgend on a Saturday and populate the town. They hold informal dance competitions, and so on, on the streets. It is a different approach.

[35] They are also looking to link McArthurGlen with the town centre using a shuttle bus. If people get fed-up of the designer outlet, they can pop into town and get back to their car quickly. They could use it if they wanted to go for a better meal, for example, than is available at the outlet. They are also trying to link it to the restaurant trade in Aberkenfig, which is the nearest small community to McArthurGlen. It is about being innovative, imaginative and trying to compete on a slightly different footing, in the way that they market themselves and present their products.

[36] **Mr Dakin:** If I may add one point, there are initiatives in other parts of the UK and other parts of Europe, where local authorities have taken head leases on buildings for a five-year period, for example, at a premium and have then been prepared to make those available to local traders at concessionary rents. I certainly think that that sort of financial support will be needed, especially when you start a process of trying to get many more local traders back into a town centre.

[37] **Mohammad Asghar:** I am interested in what you said about there being five supermarkets within that area. I come from Newport, which has five main roads, and every road has more than one supermarket. That has virtually killed Newport city centre. At the moment, there are 83 empty shops. It is a very sad scenario. The story does not end here. The supermarkets are now also opening small stores right in the centre of residential areas. If the city council, to be fair to it, refuses planning permission, the supermarkets, which have powerful legal teams behind them, come to the Welsh Government and get planning permission. You have to do something about that, because this is killing local shops in towns.

[38] **Mr Dakin:** I will respond to that. I have previously been involved in work in Newport and am therefore aware of Newport's issues. The vacancy rate is currently running at around 26 per cent in Newport, which is ahead of the Welsh standard, which is about 14.9 per cent. So, it is a significant area of difficulty. The answer lies in more regulation via the statutory planning process, but that is principally in the hands of local authorities. However, you are right to draw attention to the Planning Inspectorate, because that is an issue.

[39] **David Rees:** You mentioned the change to town centres. There are social consequences to the changes that we are seeing. You talked about living above the shop, and, when the shops were built, people would have been living above the shop, but that has

changed over the years. How many authorities have a vision for each town? In a sense, the starting point for this is a local authority looking at each town centre and having a vision for it. How many have put such a vision into the local development plans that they are producing?

[40] **Professor Adamson:** I will have to be fairly careful about how I put this. The problem is that there is almost a paradigm of how to develop town centres. People are locked into a single model, which is to get a retail anchor organisation in and then, somehow, everything else will follow. Very few local authorities have broken out of that paradigm and have begun to see that you need this extended menu and multi-purpose spaces, such as a car park that can be a market space or a concert space. We are beginning to see that, but the vision is all too often to get an anchor retailer in. The holy grail is to get Waitrose into your town and then, somehow, everything will fall into place. If you cannot get Waitrose, you try to get Sainsbury's; if you cannot get Sainsbury's, you try to get Tesco, and you end up at the bottom of the food chain with Aldi, and so on. It is a paradigm that has become so firmly established that it is very difficult to break out of it. The use of the word 'vision' is a little difficult in those circumstances. That is not to say that some local authorities are not beginning to have a very different vision for their town centres.

[41] **David Rees:** Do you know whether they are putting them into their LDPs?

[42] **Professor Adamson:** Without going through all the LDPs, I would not know.

[43] **Keith Davies:** Hoffwn fynd yn ôl i'r hyn a ddywedoch yn gynharach o ran paragraff 4, sydd hefyd yn dilyn ymlaen o'r hyn a ddywedodd Alun Ffred. Nid wyf yn credu bod un ateb ar gyfer pob tref yng Nghymru; mae pob tref yn wahanol. Yr wyf yn dod o Lanelli, a gallaf ddweud wrthyhych beth sydd wedi digwydd yno. Mae archfarchnad yng nghanol y dref, ond nid yw wedi gwneud gwahaniaeth o gwbl. Yn Lanelli, yr oedd y clwb rygbi ym Mharc y Strade, ond mae'r clwb wedi cael ei symud allan o'r dref ac mae'r ganolfan siopa hefyd wedi cael ei symud allan o'r dref. Mae pobl yn dod o bob man i siopa yna; mae Julie a'i ffrindiau yn dod o Abertawe oherwydd ei fod mor gyfleus. Darllenais yr hyn a ysgrifennoch ynglŷn â phwy sydd â'r cyfrifoldeb ac, ar ddiwedd paragraff 4, yr ydych yn dweud y dylai'r Llywodraeth eu galw i mewn. Byddwn yn dychmygu ei bod hi'n anodd i Lywodraeth Cymru alw unrhyw gynllun i mewn. Beth byddai'r rhesymeg y byddech yn rhoi i'r Llywodraeth bod rhaid galw rhywbeth i mewn?

Keith Davies: I would like to go back to what you said earlier in terms of paragraph 4, which also follows on from what Alun Ffred said. I do not think that there is one answer for every town in Wales; each town is different. I come from Llanelli, and I can tell you what has happened there. There is a supermarket in the town centre, but that has made no difference at all. In Llanelli, the rugby club was at Stradey Park, but the club has been moved outside the town and the shopping centre has also been moved out of town. People come from everywhere to shop there; Julie and her friends come from Swansea because it is so convenient. I read what you wrote with regard to who has the responsibility in this regard and, at the end of paragraph 4, you say that the Government should call them in. I would imagine it to be very difficult to call the Welsh Government to call in any schemes. What reasoning would you give the Government that it should call something in?

[44] **Professor Adamson:** There are two responses to that. The first one is that we have to be quite sophisticated, and there is a sense in which if a supermarket comes into an area under the right conditions, it can work for the town. If you go to Ludlow, for example, the way that it set certain conditions around the Tesco development, which is very close to the centre of the town, has made Tesco work quite well for Ludlow. It is not a blanket statement that we cannot have supermarkets. We have to be cleverer than giving a straight refusal. The problem

is that the planning law, as it currently stands, offers very few means of objection, so calling-in applications is not an option if there is no basis for objection; I absolutely agree with you. However, we need to resolve some of those weaknesses in the planning law. One of the biggest problems is that local authorities cannot afford to take on the supermarkets because the eventual legal bill for a long, protracted dispute over planning can be very punitive for a local authority, and supermarkets have become very sophisticated as to how they handle that. They have patient capital behind them if you like; they can bank a piece of land and leave it there for many years if they need to, knowing that, in the future, it can be brought forward. So, it requires changes to the planning legislation to enable things to be brought in. I am sure that Andrew can contribute here.

[45] **Mr Dakin:** The playing field is not a level one in terms of people doing battle over the location of food stores. I have been involved in a number of different planning inquiries and the fact is that the superstore boys turn up with the QCs and the local authorities can only afford the junior barrister. It is not a level playing field.

[46] **Joyce Watson:** I am interested in what Dave said about out-of-town developments. There is also an issue about edge-of-town developments, whereby the town centre moves. I can cite Haverfordwest as a prime example of edge-of-town development, where there is this paradigm of ‘you bring the big boys in and all will be well’. Also added into that is one-way traffic to the developments, where you have a free bus being sponsored by one of the big companies, and run by the local council, to take the trade out of what was the centre of town. The level of empty shops is on a par with that on any street in Newport. I can contrast that with Carmarthen town, which is a centre-of-town development; a few factors were at play there. First, the council owned the land and developed it in accordance with what that town needed to keep it vibrant. They also do the things that you have just talked about in terms of Christmas markets and activities in different locations in the town. So, what we are really saying here, I suppose, is to think outside of the box. That thinking outside of the box has to start at a local level, and it has to involve all the players, so that everybody gains. Carmarthen is a really good example of where it is happening in Wales, certainly in mid and west Wales. So, how are we going to get those very good examples—and I would cite Carmarthen town as a very good example of out-of-the-box thinking—and spread that thinking beyond Carmarthen? I contrasted two towns deliberately, and I could add a third example, namely Cardigan, where a bypass was built and a supermarket was placed at the top of the bypass, which therefore killed the town.

[47] **Professor Adamson:** I would like to think that there is a role for CREW in ensuring that when things have worked, we find out about it and write it up as a case study and disseminate that. The whole idea of our network is precisely to do that. We are just forming the central executive group within that at the moment. Jon Fox of Capita Symonds has agreed to chair that—he is a leading expert in this field—and, through that network, people will be submitting ideas and practice. We will then benchmark those and identify what seems to have worked, and develop those into case studies that will be available through the network, from our website.

10.00 a.m.

[48] So, we see ourselves as having a role in that. We also work with the Regeneration Skills Collective Wales, which represents six professional bodies, all of which are involved in regeneration. We therefore have a direct route to all the practising professionals who contribute to the decisions on and the implementation of regeneration schemes. It is about networking and getting the ideas out there, but we have to establish what works first. Our group is called the ‘small towns policy and delivery group’, and we hope that everyone who is involved in this area throughout Wales will join that and share good practice, and we will take responsibility for disseminating it.

[49] **Mr Dakin:** We would like to see more local people championing best practice. We will be undertaking some research work in Ludlow in the not-too-distant future—in the next month, in fact. As I understand it, the mayor of Ludlow at the time was a significant figure in the growth of the slow food movement, and created what we know is fabulous about Ludlow now. That issue of local champions and how we encourage people to come forward is key. We would like to play an educational role as much as a role in encouraging.

[50] **Kenneth Skates:** I am concerned about the culture that we have of blaming supermarkets for tearing apart town centres. In a hustings event, politicians can guarantee that they will get heads nodding if they say, ‘Supermarkets, and Tesco in particular, are responsible for the decline of town centres.’ It may well be the case that they are, but essentially we are all consumers and we all choose to go there. Why? It is because of convenience. Why is it that people drive 30 or 40 miles to go to a McArthur Glen shopping centre? Again, it is because of convenience, because all the designer labels are in one place. I do not think that town centres can ever compete with that; they cannot compete with the convenience that supermarkets offer. So, they need to develop their own unique selling points, which have to be based on the quality of the time that is spent there and quality goods. In that sense, is it better to look at places such as Broadway in the Cotswolds, Mold’s Cittaslow, or, indeed, Llangollen, in my patch, where there is a different approach to retail and a more holistic approach to society and leisure in particular?

[51] **Professor Adamson:** This is what ‘extended menu’ means, essentially. It is about looking at what we can develop as a unique offer. The simple fact is that the public likes supermarkets and out-of-town shopping. In the workshop that we held at the town planners conference with Bridgend County Borough Council, we saw that a central challenge for Bridgend was the fact that, when it carries out public surveys, everyone in Bridgend says that they would like to see Marks and Spencer or Next in the town centre. Clearly, we have to recognise that. So, it is about developing niche retail opportunities. The food offer is of particular interest and Andrew has been developing that as an essential part of the mix.

[52] **Mr Dakin:** We have touched on this, but the issue of the transport connectivity between uses is vital. If we can get people to go to an out-of-town mall and ensure that they can get to the centre of town easily, and vice versa, you have the best of both worlds. Transport connectivity is a difficult issue to crack.

[53] **Nick Ramsay:** You mentioned local champions earlier, and I think that David Rees wanted to ask about engagement with communities.

[54] **David Rees:** I want to go a little further. Do you see it as one of your tasks to change the mindset of groups, so that we can look at things in different lights and look at doing things in different ways?

[55] **Professor Adamson:** Our role is to work with the professionals and communities. To what extent we can change behaviour is always a difficult question to answer, and we had a pointed lesson on that very close to home. Our researcher is a 24-year-old young person and when we first took up this theme, he said, ‘What do we need town centres for? I go online, I can buy things there, and I can pop out to the supermarket. Why do we need town centres?’ You will be pleased to know that we have converted him by now, but that is a strong public attitude. I am not sure how we can change that, but I think that it is by helping the professionals who are engaged in town-centre regeneration and redevelopment to get the offer right, because ultimately the test is a consumer test. If the offer is right, the public will go there. Our role is to influence the professional input into that.

[56] **David Rees:** Is it just the professionals or is it the communities? There are also

groups such as the chambers of commerce.

[57] **Professor Adamson:** Indeed, yes. I suppose that ‘professionals’ is the wrong word; I mean the people who are engaged, including the retailers themselves. There is a great deal of work to be done with retailers. One of the themes of our group will be upskilling and improving what retailers do and getting them to raise their sights a little, if we are absolutely honest.

[58] **Mr Dakin:** We talk about wanting to change people’s approach. It is that old adage of regulation, persuasion and conversion. There is only so much you can do with regulation; you can only do so much with persuasion. At the end of the day, it is about conversion, and that is the hearts and minds issue.

[59] **David Rees:** You mentioned in your paper that there has been a varied response to that type of engagement across Wales. Can you give some examples of some good practice, and perhaps some bad practice, without naming towns?

[60] **Professor Adamson:** Oh—

[61] **Nick Ramsay:** Please do not name too many towns. [*Laughter.*]

[62] **Professor Adamson:** I will not name a single town. The ones that stand out are the ones that have grasped events-based development in particular—good food festivals and regular events that pull the public in. You all know of examples of that. That works particularly well when you link it to physical improvement, so that the town looks nice and has a nice feel to it. There is also the issue of historical characterisation. The towns that have done that well stand out. I will name one: Hay-on-Wye is a clear success around a very specific theme. Everyone uses that as an example of what can be done. We cannot have more than one Hay-on-Wye, but there may be other processes that can be developed along a similar trajectory. The historical characterisation study toolkit will enable people to find out what it is about their town that might stand out—what it is about the heritage of that town that might be distinctive from the town 25 miles away—to pull people in for the day to look at something different. I will name another one. Everyone has the name ‘Talgarth’ on their lips at the moment. It has been the centre of a very popular television series. They have redeveloped the mill at the centre of the town. That is another example of finding something unique. There has to be a methodology behind how you do that.

[63] **Mr Dakin:** Beyond the economic, physical and social change, there is a need for branding and marketing. We cannot get away from that. It is a reality of life. On how people decide they want to set out their stall and what they want to become, there is a need for a very clear vision, which is endorsed by key stakeholders. Then, the brand is established and, it is hoped, that can be sold into the market place.

[64] **Nick Ramsay:** Eluned Parrott, did you want to ask a question about branding?

[65] **Eluned Parrott:** Yes, I did; thank you. Branding for an individual town is, as Ken was saying, about developing unique selling points and making those available to people. However, if we reach a point when every town and city in Wales is competing for the same people, we will have a situation where the confusion and distortion from the sheer volume of marketing messages will make it meaningless. What are your thoughts on how we can develop that? Yes, there is a question of uniqueness, but, frankly, we cannot all be unique.

[66] **Mr Dakin:** There is an issue here about having some integrity attached to the branding. That is a key feature. Beyond that—and I am perhaps straying from the focus of your question—there is an issue of having some sort of hierarchy of how towns and cities

perform in Wales. That takes you into the planning context and, perhaps, the Wales spatial plan. That links to what I said earlier about the need for effective transport connectivity between various centres, because I think that it is fair to say that not all towns can perform the same function. Therefore, they cannot all have the same brand.

[67] **Eluned Parrott:** Not all towns should be performing the same function, of course. Where I live in the Vale of Glamorgan, we obviously have a wide variety of different sorts of towns, some of which are very successful. For example, Cowbridge is very successful in its branding as, if you like, a high-end town. By contrast, Barry, which is the archetypal multipurpose town centre, is, frankly, dying, if it is not already there. It is really struggling. There must be recognition that we need to have a regional portfolio of different offerings for the public and co-ordination between them. What are your thoughts on how local authorities can work with one another to ensure that they are not competing in a negative sense?

[68] **Professor Adamson:** One of the early themes that I have been looking at is that any town, small or large, has two economies. There is the internal economy of the local people who live in the community, who go to shops regularly, who populate the pubs and churches and so on, and then there is the visitor population. Our conversation has tended to emphasise the visitor population, although I would emphasise the local population more to ensure that they are being offered an attractive alternative to out-of-town shopping and so on. So, that is critical.

[69] Your mention of Cowbridge raises something that we have not touched on. In many ways, the viability of small towns is very much a socioeconomic phenomenon. I recently took a leading UK academic to Cowbridge as part of our exercise and asked him, 'Right, what makes this town work?' He was there for half an hour and his answer was, 'Disposable income'. It is not a mystery. He was very clear about that. He said that he could take me to 30 towns across Britain that are vibrant and viable because the population is well off. The following week, I was in Pontypool, and the contrast was absolute. The disposable income figures give you the explanation. So, we must also consider those overriding factors and how you combat those.

[70] **Keith Davies:** Dyna'r hyn yr oeddwn yn bwriadu siarad yn ei gylch. Mae gennyf arbenigwraig siopa gartref, ac nid yw'n gallu mynd o'i swyddfa i'n cartref heb fynd i Drostre. Felly, mae'n siopa'n lleol, yn Nhrostre, ond nid yng nghanol y dre, er ei bod yn gweithio yno, oherwydd nid oes unrhyw beth yno. Yna, ar benwythnos, bydd yn mynd siopa i leoedd fel y Bontfaen, Llandeilo ac Arberth; nid yw'n mynd mor bell â Thalgarth, er efallai y byddai yn gwneud hynny. Fel y soniodd Ken, y rheswm ei bod yn teithio i'r lleoedd hynny, wrth gwrs, yw oherwydd bod pethau gwahanol ar gael yno. Fodd bynnag, os edrychwch ar y Bontfaen, Thalgarth, Llandeilo ac Arberth, gwelwch ein bod yn dychwelyd at eich pwynt diwethaf, sef cyfanswm yr arian sydd gan y bobl sydd yn mynd yno i'w wario.

Keith Davies: That is what I intended to talk about. I have a shopping expert at home, and she cannot go from her office to our home without going to Trostre. So, she shops locally, in Trostre, but not in the town centre, although she works there, because there is nothing there. However, on the weekend, she goes shopping to places like Cowbridge, Llandeilo and Narberth; she does not travel as far as Thalgarth, although she might do so. As Ken mentioned, the reason that she goes to those places, of course, is because there are different things available there. However, if you look at Cowbridge, Thalgarth, Llandeilo and Narberth, you will see that we return to your last point, which is the amount of money that people who go to those places have to spend.

[71] Bydd yn ddiddorol gweld beth fydd yn digwydd yn Llandeilo, oherwydd, efallai eich bod yn gwybod yn barod, ond mae

It will be interesting to see what happens in Llandeilo, because, as you may already know, there is a huge planning battle ongoing

brwydr gynllunio fawr yn mynd rhagddi yn y dref oherwydd bod Sainsbury's eisiau sefydlu archfarchnad y tu allan i'r dref. Bydd yn ddiddorol gweld pa effaith fydd cael archfarchnad fel Sainsbury's yno yn ei gael. Mae'n ddiddorol nodi, yn enwedig o ran yr hyn a ddywedais yn gynharach am y cyfanswm o arian sydd gan bobl i'w wario, mai Sainsbury's ac nid Tesco, Asda nac Aldi sydd eisiau mynd i Llandeilo. A fydd Sainsbury's felly'n denu mwy o bobl i Llandeilo? Fel y soniais yn gynharach, ni chredaf fod un ateb i drefi Cymru.

in the town because Sainsbury's wants to build a supermarket outside the town. It will be interesting to see what effect having a supermarket like Sainsbury's would have there. It is interesting to note, particularly given what I said earlier about the amount of money that people have to spend, that it is Sainsbury's and not Tesco, Asda or Aldi that wants to go to Llandeilo. Does that mean that Sainsbury's will attract more people into Llandeilo? As I mentioned earlier, I do not think that there is a single answer for all Welsh towns.

[72] **Professor Adamson:** I agree that there is not a single answer.

[73] **Joyce Watson:** You looked at disposable income, which is an obvious factor, because in a high-end shopping area, it is not just the shops, but the food outlets and the offer as a whole that give that area a different feel. However, there must also be a role for the medium and low-end towns to thrive, because people will spend the money that is in their pockets, whatever that is. So, once you identify what is in people's pockets, how do you set about planning the space—the businesses and the shops—accordingly? We are talking about the same thing here, and that is meeting local demand.

10.15 a.m.

[74] **Professor Adamson:** One of the first myths that must be demolished is that supermarkets are cheaper than small shops, because, in fact, the evidence for that is quite weak. There are also ways in which food quality in small shops can be significantly higher. Local butchers networked with local organic growers can give the consumer a totally different experience, for example. However, where money is short—and there are many communities in Wales where 30 to 40 per cent or more of the population is living in poverty—it is a key challenge, and there is no way that we can really compete with Lidl and Aldi. The only way to do that is to integrate them into a retail plan for a town, which says that we can have those but that leads people into these other things and helps local suppliers to compete on price.

[75] **Mr Dakin:** This is a key question about trying to get local produce sold in local shops. One of George Monbiot's complaints as far as the Machynlleth Tesco proposal was concerned was that, yes, originally Tesco said, 'Okay, we will take some local produce', but that it was then taken all the way down to Avonmouth near Bristol to be packed in plastic and sent back, with all the miles' travelling involved in that. Clearly, socially and economically, that is an inefficient way to proceed. So, there is some work needed at a significantly high level between the food store operators, Governments and local authorities to see whether the way they approach their purchasing could be changed. I do not underestimate the problems of that challenge, but I think that there could be a significant win there.

[76] **Julie James:** To follow that up, one of the interesting things in your paper is where you talk about the financial underpinning of some of this redevelopment and some of the imperatives that local authorities have which, in my view, go against their own best interests in a town centre. To give an example, local authorities have an asset management plan. A large number of Welsh local authorities own many of the smaller bits and pieces of property in their town centres. We have had a paper from one local authority—and I know that it is the case across Wales—pointing out that they are very rarely assembled nicely in re-developable packages. Other local authorities own things such as the market. I am sorry to use Swansea as an example again, but Swansea council owns its very beautiful market, and it takes a

significant income from that market. However, it is so cash-poor that it is unable to reinvest that income in the market that is generating income in the first place. So, is there a recipe of things that the Welsh Government could do to allow authorities to use that money more sensibly in longer-term investment strategies? Is there a funding menu you think we should put in place that is not in place? Are there things in place that we should be emphasising? What is your view of the underpinning of redevelopment in towns that, unlike Cowbridge, are not going to be economically viable by themselves, and, therefore, presumably, need some sort of pump-priming?

[77] **Mr Dakin:** There are Treasury regulations that have to be satisfied, as do the requirements of the Local Government Act 2010 with regard to achieving value for money on property disposals. However, in practice, there is a fair amount of latitude within those. In my view, the key issues are the application of those and the view and the vision within local authorities. The issue is whether you can get a satisfactory interaction between the planning departments and the property departments and try to get this rather more holistic view, which sees the town in the broadest sense and says that, although we may not make so much money out of our property assets, if we look at the wider economic development benefits, we can do that. There is a price to be paid for that. I hinted at this earlier when I said that there is a possibility of local authorities taking five-year leases of premiums and making accommodation available at discounted rents to local traders as a way of really trying to encourage local people to trade, particularly in the early years, when it is quite difficult to build a new business.

[78] **Professor Adamson:** This is one of the critical questions in some ways because, conventionally, we have renewed our town centres through either a combination of retail-led development—which falls apart if occupancy rates are already on the floor, because attracting investors into an area that is already vastly under-occupied is very difficult—or residential property-led development, where we have seen apartments and other properties built close to or in town centres, and that, for the moment, is not there. As part of the exercise, we had a seminar earlier this year where we looked at innovative funding models. There is a lot of early work being done in Scotland, for instance, on tax increment financing, social bond issues—there is a whole range of new financial models emerging. As part of this study stream, we will have a sub-group looking at innovative models of funding, because the conventional models are, in simple terms, broke: they do not work anymore, so we need some new ones.

[79] **Mr Dakin:** The conventional model for large-scale city-centre and town-centre redevelopment was based on the idea that retailers would take 25-year leases with five-yearly upward rent reviews, and then the pension funds and insurance companies would happily buy that income stream. Of course, that has changed now, because the retailers will not take that risk—they will maybe go for seven, eight or nine years, and they want break clauses. That investment is much harder to place in the market. Therefore, it is difficult for developers to find purchasers to buy out the assets after they have developed them.

[80] **Mohammad Asghar:** I have a question on the mix of premises. Could you outline some of the main factors that affect the mix of residential, commercial and retail premises found in town centres in Wales? What are your views on the current system of business rate relief? With regard to both planning and business rates, are changes needed in legislation or in the application of discretionary powers to improve the mix of premises in town centres in Wales?

[81] **Professor Adamson:** The whole question of business rates is under scrutiny in the context of enterprise zones, business districts and so on. The evidence is that, if you can reduce the rate demands, you can encourage business, particularly smaller businesses, but you can also have a displacement effect if you are isolating that change in a particular area. You would have to have a unified regime across Wales; otherwise, you simply get flows to where

a local authority has done something different and more advantageous for the retailers.

[82] We have seen some venture capital move into the town centres and start to hoist retail rent levels, and that has been a factor in the closure of a lot of small businesses. The overheads become unmanageable for smaller businesses. There is a range of factors that are also contributing to the wider problems that we have already discussed, and those are very specific. Rates and rents are a clear element of that.

[83] **Mr Dakin:** It is true to say that incentives work. When I was a commercial property developer in another life, I came to Wales to do a scheme because, at the time, we had just about £1 million of urban investment grant from the then Welsh Office. We would not have come to Wales and done the scheme if it had not been for that financial incentive.

[84] **Joyce Watson:** You have touched on everything except the marketing. A key element of marketing is advertising, and the affordability of advertising. All of us sitting here will have seen the meerkats, and what are they selling? They are selling insurance. It is absurd, but it has worked. We can turn on our televisions tonight and see any of the major supermarkets saying that they are better than the other supermarkets. However, there is no national voice for the local shop to say, 'Hang on a minute—we can offer the same produce a bit cheaper, or we can offer better produce that maybe costs a couple of pence more, and give you a different service'. Marketing really affects our lives, and the lives of our children. Billions of pounds will be spent in the run-up to Christmas, and with Halloween and fireworks night. The small retailers cannot compete with that.

[85] Given that how we react to that is key, how do you propose that the marketing side of keeping small businesses vibrant is addressed? We know that it is not a level playing field—we have recognised that for a long time. How best can this be addressed? It is slightly different from the branding question. That is another matter.

[86] **Professor Adamson:** My view is that it has to be collaborative. It is difficult for the butcher to try to do it on his own. They can always be helped with local advertising and so on, but if the town, through its chamber of commerce or any other vehicle, can begin—it comes back to the branding. Developing a sense of place and desirability to visit, if you can, is the only way to compete on the supermarkets' scale. The reality is that you are also dependent on changes in attitude. Something such as the slow food movement changes people's values, as does organic produce, perhaps. There are ethical consumers who would prefer to consume locally. There is a range of things that you can tap into in that way, and ensure that you target those with whatever message you send out into the wider world.

[87] **Mr Dakin:** Beyond the chambers of trade are the local authorities, which are vital in this. They have to have a strategy and they have to be clear about their vision and strategy. They will then get the key stakeholders to coalesce around that strategy. By the way, I do not underestimate that challenge.

[88] **Julie James:** I have a question based on that. Swansea has a business improvement district; I think that it is the only one in Wales. We could have a long discussion, which the Chair will not allow, about the efficacy or otherwise of the BID. I know a lot of the traders who are involved—

[89] **Nick Ramsay:** You have three minutes for a long discussion.

[90] **Julie James:** The traders in that district have just voted to redo it, so they clearly think that there is some benefit to them in it, although there are problems. Is that sort of marketing something that a BID or a similar grouping of people should take on?

[91] **Professor Adamson:** I would argue that yes, it is. It is part of the recipe for improvement.

[92] **Mr Dakin:** Speaking across the board, you get about 60 per cent for and 40 per cent against; there has to be a democratic vote on this, does there not? Again, it is not easy to get everyone to agree about it. As a vehicle to promote improvement locally and to get local buy-in, it has been successful in other parts of the world.

[93] **Nick Ramsay:** That was quite short and sweet, Julie; thank you for that. Does anyone else have any other questions?

[94] **Leanne Wood:** I want to return to out-of-town retail developments. Earlier, in answer to other questions, you mentioned that there were things that could happen in planning and you said that more regulation is needed. Can you be specific about what national and local planning policy should be changed and what we could do specifically to skew the market back in favour of the town centre?

[95] **Professor Adamson:** For me, the central challenge of the planning system is that it does not give weight to the local voice. It does not do this on a wide range of issues, but it particularly fails on out-of-town shopping. The planning regulations are the planning regulations; everyone in an area can object and you can have a massive campaign that is unanimous, but if the regulations are complied with, that local voice is simply brushed to one side. We need some model that allows the local voice to have an influence on planning decisions. How you do that is technical and you would have to look at it in considerable detail.

[96] The other major problem is the legal process that has to be followed in a dispute and the associated costs, because, effectively, they reduce the ability of even quite a well-off local authority to compete—

[97] **Leanne Wood:** You have said what the problem is, but what is the solution?

[98] **Professor Adamson:** The solution is that we have to be able to analyse the impact of that development on local commerce and business within the planning legislation. If that is then found to have a negative impact, there has to be something in the planning system that says that that is a factor that can be used as a judgment in the granting of planning permission.

[99] **Nick Ramsay:** You mentioned the Wales spatial plan. It has been a while since I heard that mentioned. I did not quite understand how you felt that the Wales spatial plan could play a role in the issue of planning?

10.30 a.m.

[100] **Mr Dakin:** I mention that because there is an issue about a hierarchy of towns and cities, how they perform and how they are connected, which a spatial plan should address. Ideally, from a best-practice perspective, you would have a spatial plan with an investment framework attached. That framework is vital, because it can deal with issues of transport infrastructure. This goes back to the issue that not every town can be the same, but if you can get that real connectivity between settlements, the various locations can become mutually reinforcing rather than necessarily being in competition with each other.

[101] **Keith Davies:** Yn eich ymateb i **Keith Davies:** In your response to Leanne Leanne Wood, soniasoch am un o'r mesurau Wood, you mentioned one of the measures y gallech ei ddefnyddio yn y system that you could use in the planning system, gynllunio, sef asesu'r effaith, ond mae namely impact assessment, but that is already

hynny'n cael ei wneud yn barod. Pan oeddem yn edrych ar yr effaith y byddai adeiladu Parc Trostre yn ei chael ar ganol tref Llanelli, dywedodd y sawl a ysgrifennodd yr adroddiad na fyddai'r cynllun yn cael llawer o effaith, ond y byddai'n cael rhyw effaith. Mae'r mesur yn ei le yn barod, felly ni allaf weld sut y gallwch wrthod cais ar y sail honno.

being done. When we were looking at the impact that building Parc Trostre would have on Llanelli town centre, whoever wrote the report said that the project was not going to have much of an impact, but that there would be some impact. The measure is already in place, so I cannot see how you can reject an application on those grounds.

[102] **Professor Adamson:** You cannot do that currently; that is the key issue. We should change the regulations so that if an impact analysis suggests that there will be a heavy impact on local commerce and trade, it should be a factor that informs the planning decision.

[103] **Mr Dakin:** Rather like the playing field is tilted in terms of the quality of legal advice that is brought to the fore at the various planning appeals, the quality of research can also be tilted.

[104] **Nick Ramsay:** I apologise to Leanne Wood. I interrupted halfway through your line of questioning when I threw the discussion open to supplementary questions. Do you want to come back, Leanne?

[105] **Leanne Wood:** There is one more point that I want to ask about. You mentioned in your paper that the public sector has sometimes been desperate to secure any new development—that anchor store thing that you referred to earlier. Does that desperation still exist? If so, what can we do to stop it?

[106] **Professor Adamson:** It does still exist, and it is difficult to stop it in the current context. Pontypridd, for example, is about to get a branch of Sainsbury's on its doorstep. That is seen by the local authority as a win. If we look at the situation in five years' time, I suspect that it probably will not be a win. How you change that perception is not clear to me at this point. I hope that something will come out of our current process in a few months' time. The paradigm that I mentioned earlier is powerful.

[107] **Leanne Wood:** It is seen as the only option, is it not?

[108] **Professor Adamson:** Yes; it is.

[109] **Mr Dakin:** Sometimes, how the public sector scores the outputs is problematic. If the public sector says that it is only going to score the private sector investment, it may not make a distinction between the investment from a food store operator and something that may be more meaningful.

[110] **Alun Ffred Jones:** Yr oeddech yn cyfeirio at y cynllun gofodol; pa mor effeithiol yw'r cynllun gofodol presennol wrth ddylanwadu ar gynlluniau adnewyddu?

Alun Ffred Jones: You referred to the spatial plan; how effective is the current spatial plan in influencing on regeneration schemes?

[111] **Professor Adamson:** I cannot speak for the Welsh Government's internal policy on that issue, but to my mind, the spatial plan has dropped back from the central role that it should have in Wales. It may mean that we need to revisit and revise the plan, but I would argue that a well-informed spatial plan, linked to an investment strategy that is informed by the plan, is a key way forward in all regeneration.

[112] **Mr Dakin:** The experience in Europe tells us that where you have a fully functioning

spatial plan and a related investment framework, the benefits can be substantial.

[113] **Leanne Wood:** Are there any specific countries in Europe that we should look at?

[114] **Professor Adamson:** I would suggest Holland and Germany.

[115] **Mr Dakin:** Denmark is another one.

[116] **Nick Ramsay:** The Wales spatial plan seems to have gone quiet compared to a few years ago.

[117] **Mohammad Ashgar:** My question is on rate relief and town centres, and my main focus is the Newport area. Cwmbran is a small town that is making more business opportunities and profits available to local businesses than Newport, which is a shame because Commercial Street and High Street in Newport are empty. Those streets have beautiful listed buildings, but sadly they are not occupied. You should come up with something that can be done. I know about the condition of the economy. However, we are talking about a proper business plan, with backing from councils and the Government, to let businesspeople come in and occupy the premises. It would be something like rate relief. Not a single shop on Commercial Street in Newport has business rates of less than £12,000; their rates are all above this level. So, there is basically no rate relief there. The council's hands are tied. They have to charge these rates. So, there should be leeway to allow someone to set up a business and improve the situation. Transportation is also a crucial part of this. I have been observing Newport for 40 years. Twenty years ago, it was a marvellous town. However, trade has systematically declined because of the surrounding supermarkets, and more keep coming. You should therefore come up with a plan to stop similar things from happening in other parts of Wales.

[118] **Professor Adamson:** That is quite a challenge. [*Laughter.*]

[119] **Mohammad Asghar:** That is your job.

[120] **Mr Dakin:** We talked at the national regeneration panel a couple of weeks ago about the need for preventative measures. So, we do not just want to address the problems when they have been created. We would like to prevent them from happening in the first place.

[121] **Nick Ramsay:** Do any other Members have questions? I see that they do not. Would the witnesses like to add anything before we close this session? Sorry, I did not notice that David Rees wanted to come in.

[122] **David Rees:** I have a question on spatial plan issues. I am pleased to hear you talking about the spatial plan, because I can drive from Port Talbot to Neath without going outside an urban area, and there are a lot of communities that feed off that. Do you know whether many local authorities are looking at that spatial plan and developing spatial plans to help those communities beyond town centres? This is all part and parcel of town centre regeneration.

[123] **Professor Adamson:** I am not aware of anything.

[124] **Mr Dakin:** As we have said already, the spatial plan has fallen off the agenda somewhat. I think that it is true to say that a new, reinvigorated one is needed, and we need to get local authorities excited about that process.

[125] **Nick Ramsay:** Now, there is a challenge. I think that Joyce Watson wants to come in with a brief supplementary question, followed by Ken Skates.

[126] **Joyce Watson:** My question is on the same theme. Any plan will be as good as the thinking that has gone into it. This is also about the ability to be agile. We are in a particular place and time at the moment. However, what very often works against the ideas that people have is the inability—and we have mentioned many cases of this today—to react swiftly to them. Lo and behold: it takes six, 12 or 18 months to deliver yet another plan that outlines the idea, and so forth. How do we make the people who are designing these plans fleet of foot in terms of reacting very quickly to what is coming our way?

[127] **Professor Adamson:** This has to be about the flexibility of public space, and the ways in which this space can be used. As I suggested, a car park can be a market space, a leisure space and an event space. It is about having that flexibility. Also, if you are regenerating a town centre, the design of the buildings can be more flexible. A live/work unit, for example, can be converted quickly to become either live in or work in separately—or it can become a retail premises. Again, we come up against planning issues to do with change of use here. They have to be made more flexible and rapid in response. If the design is right—I do not necessarily mean huge reconfigurations of town centres, but looking at them intelligently in terms of multiple use—we can get that more rapid response to changing circumstances.

[128] **Mr Dakin:** In terms of management of change, it is obviously not just about the plans. The plans may be fantastic and the regeneration strategy may be the best one in the world, but it is about how you apply it, in that the skills, qualities, knowledge and experience required of regeneration practitioners are vital in this process, which is why CREW is here. We recognise that there is a real need to have skilled practitioners working in this very complicated and challenging area of business.

[129] **Kenneth Skates:** In my constituency is a community called Corwen, where about 83p in every £1 of disposal income goes out of the town. Most of that goes about 24 miles away to the supermarkets in Wrexham. A lot of people there have asked whether there is a possibility of having a supermarket there. Indeed, they have approached a number of supermarkets. Are you aware of any examples where the development of a supermarket has been beneficial for town centres?

[130] **Professor Adamson:** In the academic literature, there is a split. Some experts argue that well-placed supermarkets can bring in increased footfall. It is usually better if it is edge of town or in town. Out-of-town supermarkets clearly pose additional challenges. I find the evidence a little weak, to be honest. The overwhelming weight is towards further decline in town centres if they are in competition with supermarkets.

[131] I mentioned Ludlow earlier. Ludlow negotiated with Tesco, so that Tesco would not have an optician or a butcher in the store. So, you can lay some conditions and say, 'We will smooth the planning path if you agree to certain operational clauses for a length of time.' That means that you are not directly and immediately undermining local trading. So, I think it is worth investigating that process to some extent.

[132] **Nick Ramsay:** I thank Dave Adamson and Andrew Dakin from the Centre for Regeneration Excellence in Wales. We will feed your comments into our inquiry. You have answered our questions fully, and I think that Members were very engaged. Thank you for coming in today and speaking to us.
10.42 a.m.

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

[133] **Nick Ramsay:** Welcome to Dr Tim Peppin, the director of regeneration and

sustainable development with the Welsh Local Government Association, and also to Roger Tanner of Caerphilly County Borough Council. Thank you for coming in today to answer questions. Sorry that we are running a few minutes late, but Members had quite a few questions for the previous witnesses. We have received your written evidence. Would you like to make any opening statements before we ask questions?

[134] **Dr Peppin:** I will make some very brief comments. First of all, thank you for the opportunity to come and speak to you this morning. We welcome the attention that is being paid to town centres. The WLGA believes that the regeneration of town centres can play an important part in developing more resilient communities.

[135] There are lots of positive externalities, or overspill effects, from concentrating efforts in town centres, which we think can bring multiple benefits to other initiatives that local authorities are trying to take forward. We feel that we could benefit from having a clear framework nationally on regeneration and economic development, in which the importance of town centres is recognised, and the opportunities in town centres are prioritised. We think that links could be made between those areas of opportunity and areas of need, so that some of the programmes that are seeking to tackle poverty and disadvantaged areas are linked to the areas of growth potential. That would allow us to start connecting residents in areas of need to where the growth opportunities are.

[136] Picking up on some of the comments made on the Wales spatial plan, it is a crucially important document, because spatial planning is vital to what we are trying to achieve here. However, I feel, along the lines of the comments that were made earlier, that the spatial plan has lost its way a bit. So, we do welcome the comments and the announcement yesterday on the proposals for a national infrastructure plan. It would be important for local authorities to be centrally involved in the discussions on that plan, to bring in their local knowledge of need and opportunity and, in the very early stage, in their community leadership role, to bring the partners together at a local level.

[137] We would like to see the funding that is available made more streamlined. It is vital that the European funding that has been available for town centre regeneration work goes into the next programme. Lastly, we think that the evaluation of the impact of that work is a critical issue. We need to learn what works and what does not.

[138] **Nick Ramsay:** Roger Tanner, would you like to add anything to that?

10.45 a.m.

[139] **Mr Tanner:** Perhaps I had better tell you about my fields of expertise, as it may inform your questions. I am the council's strategic planning and urban renewal manager. Caerphilly council, unlike many councils, has an integrated planning and urban regeneration department, and the links between the two are very important indeed. That is an important point to make. I am a regular speaker at conferences on regeneration, and town-centre regeneration in particular. I am also the council's retail specialist and handle all retail appeals—I have a 100 per cent success rate so far. I have been in this field for about 30 years, as you can probably tell by looking at me.

[140] To turn to the wider issue, I want to emphasise the importance of town centres in Wales. We are all here because Wales is different. One area where Wales is most different from England, and, indeed, most other European countries, is in the fact that less than a quarter of our population lives in big cities. Wales is a country of small and medium-sized towns. They are the heart of their communities, and they project the image of those communities to investors and residents alike. If we do not get our town centres right in Wales, three quarters of the country is in big trouble.

[141] **Nick Ramsay:** Thank you for those opening comments. Oscar, would you like to ask your question?

[142] **Mohammad Asghar:** Yes. You refer in your papers to the importance of following a rounded and sustainable approach to town-centre regeneration. Could you outline exactly what that involves? Secondly, could you set out examples of where that approach has been followed recently in Wales?

[143] **Dr Peppin:** One lesson from regeneration work over recent years is that a physical approach to regeneration is not sufficient in itself. Therefore, local authorities have been developing much more sophisticated packages of work, which cut across a range of service areas in a local authority. So, it is not just about doing up some buildings and giving assistance to the retailers; it is about the whole experience of going there. We list in our evidence a range of areas where local authorities, working with partners, can take a more rounded approach. It is about such things as community safety initiatives, the events that can be held in a town and that can be publicised, and having good town-centre management so that what the area has to offer is well publicised, which could be for local events, bringing in tourists and so on. It is also about looking at opportunities for local products to be marketed, which could be through farmers' markets, craft fairs and so on.

[144] Increasingly, we are doing a lot of work on the sustainable development front looking at future trends. The rising prices that we project with regard to oil will have a major impact on commuting patterns and shopping patterns, and there is an opportunity to bring investment back into town centres so that you can have multipurpose trips. The more that we can bring things together in one place that is well served by public transport, the more that those positive externalities can trade off one another. We feel that that is lost when you disperse the shopping experience and make it very car-orientated. So, the rounded approach is about the range of things that the local authority and the partner agencies can bring to make the whole shopping experience of a town centre unique, so that people feel that it is different and that they can take in the history of the area, rather than going somewhere and having a bland shopping experience, and feeling that they could be anywhere.

[145] I had better hand over to Roger to give a few examples, because he has plenty of good examples on how that approach has been followed in practice.

[146] **Mr Tanner:** I would point straight away to the importance of town-centre management in this co-ordinated and holistic approach and to the issues that Tim mentioned, which are practically tangential. Town-centre management in Wales is an ad-hoc, and sometimes totally missing, facility; it is not a statutory function. Unlike in many places in England that are quite prosperous, in Wales it is very rarely supported by the business community, and it is invariably supported by local authorities, which are now feeling the pinch. Given how central town-centre management is to good town-centre regeneration, it needs to be looked at in a more comprehensive way to ensure that every local authority has that service, however it is funded. No-one markets our town centres to their customers. Big out-of-town stores and complexes are under single ownership, and can market themselves to the whole region. In a town centre, you have many different owners, and no-one is marketing it to the customer. A town-centre manager can manage that process, and can organise events that are important for bringing people in. I think that Dave Adamson was talking about the importance of having event spaces in town spaces where these things—farmers' markets, Christmas fairs and so on—can happen. These things bring people into the town centres, they see what is on offer there and they might come again.

[147] Physical regeneration is very important. It is part of the mix. In Caerphilly, we are making direct interventions in our town centres. Public authorities can put their money where

their mouths are, if you like, by putting their own facilities in town centres, thus providing footfall and attracting people in. In Caerphilly in particular, we have relocated our libraries at critical places in town centres. For example, next month, in Bargoed, we will be opening a new library in a 100-year-old listed chapel. It is quite a spectacular project. We are putting our money into that to help regenerate the town centre as well as to bring that building back into use. We are also building a new library in the centre of Caerphilly and there is another conversion in Risca of a listed building to a library. We have done that in a couple of other areas as well. For example, in Newbridge, we are underpinning the viability of the Newbridge Memo—the institute, which was on the television three or four years back, as you might recall. A voluntary organisation owns the building, but the council is putting its library in there to underpin its financial viability. There are a number of other facilities that local authorities, and indeed the Welsh Government itself, can use directly to put facilities into town centres.

[148] On the wider mix of building use in town centres, there is potential now as our economy changes from a manufacturing base to a service base to provide more office space in town centres. They are very well placed to provide that because they are public transport hubs. Unfortunately, economic development practice still seems to be stuck on industrial estates and factories. We need to think more about having a programme to open competitive units for office development and employment in town centres. People working in offices in town centres not only bring more life there, but spend their money in the shops and provide footfall. So, there are all these sorts of things that we can do in town centres through the public authorities.

[149] **Julie James:** I am interested in developing a couple of the things you mentioned to do with the role of town-centre managers, the business of pulling some of the diverse independent traders together—which is something you both mentioned to some extent—and the role of the local authority or the Welsh Assembly Government in stimulating that. I know that, in some of the bigger towns and cities, local authorities employ managers. Are there any in Wales who are employed outside the local authority envelope?

[150] **Mr Tanner:** I think that Swansea's city-centre manager is partly supported by the business community—

[151] **Julie James:** The post is supported by the Business Improvement District, which is not quite the same thing.

[152] **Mr Tanner:** Tim, you might have a better idea on this.

[153] **Dr Peppin:** There is a network of town-centre managers, but I think that they are largely local authority people.

[154] **Julie James:** I am the Assembly Member for Swansea West, and one of the issues, leaving aside Swansea city centre, which is a problem in itself, is what is happening to all the little towns around Swansea, which are also dying—some more swiftly than others. Do you have any vision for how we would get some of the smaller traders in those small areas to pull together? It seems to me that they are going to be most reluctant to give any part of their already weak and diminishing profits to the employment of such a person. Is there any magic bullet that you would like to offer them for marketing and the stimulation of interest that you have talked about? We discussed with the previous witnesses the whole issue of marketing and how we might approach that. Among many other things, the competition between these out-of-town and other big developments and the small, independent traders that we would all like to see flourish is a fundamental issue. However, we are not quite sure how to get them to flourish.

[155] **Mr Tanner:** Most town-centre managers employed by local authorities are responsible for more than one town centre. For example, Rhondda Cynon Taf council's town-centre manager manages eight centres. So, that is a feasible approach on the smaller centres. I am sure that the Rhondda Cynon Taf manager would say that he needs several assistants to do that. However, in the situation you are talking about, you could have a town-centre manager responsible for several towns, if the centres are small. That is an approach already being followed in a number of places.

[156] I would also emphasise the importance of the local development plan in this whole process, which should identify the roles of respective centres. Not everywhere can be a Cardiff city centre. We have to recognise that there is a hierarchy there and see what the appropriate role is. Most town centres in Wales, frankly, are there because of their convenience. They are the nearest centre for local people to do their everyday shopping. In that respect, I disagree with Mr Adamson about the need for having a food store in your town centre, because that is people's most regular shop.

[157] We have been following a successful formula in Caerphilly by getting a supermarket located on the edge of the town centre, so that its car park can be used as free parking for people going to other places in the town centre. The links between the edge-of-town store and the rest of the town centre are important. If the links are good and strong then a proportion of the people coming out of the food store will also facilitate trade in the other shops. If the store is just a bit too far out, it will drag trade away without putting anything back. There is a bit of an art to it, but the fact is almost everybody now does their main shopping in large food stores. If you have them in your town centre you have an anchor there; if you do not, even if you cannot see them, they are going to drag the trade out of it. In smaller centres, stores such as Lidl, Aldi and the other continental budget shops are good anchors. It does not always have to be Tesco.

[158] **Joyce Watson:** In your opening statement, you talked about your partners but you did not say who they are, so I would like to hear who they are. You talked about town-centre managers at length but are you going to talk a bit more about the definition of their role and what exactly they hope to achieve? I live in a town with a town-centre manager, but the buck stops with the local council. As far as the businesses in the town are concerned, the local council has made a mess, in terms of its policy, by acting against those businesses currently located in the town centre with a town-centre manager.

[159] **Dr Peppin:** With regard to partners, generally there will be an interface with the police over some of the community safety issues in the town centre, and there will be links with the traders themselves, especially if they have an organised body, or with individual traders if they have not, and also with voluntary groups that may be active in and around the town centre. There may be a town or community council that would have an interest as well. There will be links with community groups, especially if there is a Communities First partnership operating locally that uses the town centre, and often with health partners. I was talking earlier with Roger and some of the work being done in some of the town centres in Caerphilly county is based on different public sector partners coming together and working on premises they own, rationalising them to create new opportunities within town centres.

[160] **Mr Tanner:** The key, certainly in medium-sized and larger towns, is to have a town-centre partnership that meets regularly and which has representatives of traders, local residents, the local council, police and any other stakeholders that have an interest on it. They should all contribute to the production of a town-centre action plan. Buy-in to what the council is going to do in the town centres has to be achieved in that way. The town-centre managers cannot do that on their own; they have to be part of a wider partnership. However, a key part of their role would be liaising between the council and the traders. Our town-centre manager regularly calls on all the traders in his area to hear their grumbles, which he feeds

back to us. For example, there is often misunderstanding about free parking, which everybody seems to think is essential. However, if you have unrestrained free parking the traders themselves, I am afraid, take all the best spaces by 9 a.m. and nobody else has a look-in. So, it has to be controlled parking, whether it is free or not. You can get eight people using the same space if they are only there for an hour or two at a time, but you only need one car to park there all day and it blocks it up for everybody else. So those are the sort of issues that need to be bottomed out and liaised upon between the council and traders in the town centres. However, we have a number of other partners as well, such as the residents who live there. They are the ones who always complain to us about anti-social behaviour, which brings in the police, CCTV programmes and things like that. So, a partnership is essential.

11.00 p.m.

[161] **Julie James:** I have another swift question. You mentioned traders' representatives, but, in my experience, getting a group of independent traders to agree that some of them will represent the others is a lifetime project in itself. Have you had any particular success in that? Is there a magic solution or is it just a question of persistent trial and error?

[162] **Mr Tanner:** You cannot compel them; they are all independent traders and, by definition, they are independent. The strength and representation of local chambers of trade vary enormously and a town centre manager has a role in that as he can speak to individual traders as well. You would not rely solely on feedback from officials in the chamber of trade, who may or may not be representative of everyone; you must have that direct feedback as well. In the process of creating a town centre action plan, you have a consultation period through to the draft plan and through to other stages of the plan, which presents an opportunity for everyone to put forward their views.

[163] **Keith Davies:** Pa heriau sy'n **Keith Davies:** What challenges do town centres face and do local authorities have any tools to respond to these challenges?
wynebu canol trefi ac oes unrhyw arfau gan awdurdodau lleol i ymateb i'r heriau hyn?

[164] **Dr Peppin:** The out-of-town challenge is one of the biggest. Society has changed and we now like to drive a car to a place where we can fill up with the week's shopping and put it all in the boot. Although we want to encourage people to use public transport and to walk and cycle, there is a limit to how much you can carry. So, even if you have very good public transport or good walkways connecting residential areas, there is still a tendency for people to want to use the car. As a result, the out-of-town shopping experience has become part of the way we live. We all do it; we drive to out-of-town sites because it is easier to park, it is free to park, and you can get everything you need and it is all done. So, that is a major challenge for town centres. The rise in internet shopping is a bit of a double-edged sword. There is a risk to town centres from the growth of internet shopping because, if people are happy to buy online, they do not have to visit the town centre at all. On the other hand, they may well use the internet to look at a range of things and then decide to go into town after looking at them. So, it can work both ways; it can attract people in to towns. Those are two of the big challenges facing town centres.

[165] Some town centres have gone into a spiral of decline and it is very hard to arrest that decline because, once you start losing the heart of the town centre, you can get associated problems, such as community safety issues and people feeling less safe. If you have a lot of boarded-up closed shops, for example, the shopping experience becomes less pleasant, so it is about arresting that decline. We are positive that there is a way to turn this into a virtuous circle, in particular by looking at some of the trends that we will face as a society. I mentioned the fact that oil prices will increase in the long term, which will make travelling long distances in the car to shop very expensive. For the shops themselves, the just-in-time system is very carbon-intensive as a way of dealing with retailing, and we are seeing the

growth of local production. Local food production, for instance, is becoming massive in some areas; it is really taking off.

[166] There are ways that some of these trends could change the way that we shop and it will be important for the town centres to latch onto those changes and make it as easy and as attractive as possible for people to come in. They need to build on their uniqueness and on the fact that it is more of an experience to go into a town centre that has historic buildings and things going on than it is to drive somewhere, fill up your boot and drive home again. When you are there, you can have a multiple experience; it is about ensuring that all the different things that you can do are well-publicised, signposted and made available. So, there are things that you can do to attack some of the long-term trends and encourage people back into town centres. However, let us be honest about this, it will be very hard to change behaviours, because the way that we do things has become entrenched.

[167] **Keith Davies:** Beth gall yr awdurdod **Keith Davies:** What can the local authority lleol ei wneud? do?

[168] **Dr Peppin:** Local authorities are well placed because of their role at the heart of local partnerships. They work with a range of partner organisations through community planning processes and local partnerships, such as regeneration partnerships. They are already bringing together a number of key players and they have democratic accountability in that role. So, they are seen as a fair broker in terms of bringing together a range of partners from the public, private and voluntary sectors to discuss how to do this. There are things that local authorities can do to improve sustainable transport, for example, and to work with traders to look at what happens after 5 p.m. and in the night-time economy. Local authorities can undertake initiatives, working with traders, so that people can still have an experience locally when they finish work, and the whole town does not appear to turn into a different place altogether at 5 p.m.. Local authorities, because of their multiple roles in terms of environmental health, street cleansing, transport and links with community safety, are connected with so many other players in the town centre that they can play a role in bringing them together, looking at these long-term trends and coming up, as Roger said, with a clear plan of action.

[169] **Leanne Wood:** Can we do anything about out-of-town parking? It is free in the out-of-town developments, but there is often a charge for it in town. I do, however, accept the point that you made earlier about free parking. Can we put a levy on out-of-town retailers? Can local authorities or the Welsh Government charge them for that?

[170] **Dr Peppin:** We are watching some of the developments in Scotland, where there has been a proposal to look at introducing charges that local authorities could levy on car parking, which would then make them eligible for business rates and help to address the balance. We do not know enough detail on that at the moment, but we certainly want to look into that, because it is about changing the balance and incentives back in favour of town centres.

[171] **Leanne Wood:** Okay. We will also have a look at what Scotland does on that.

[172] **Nick Ramsay:** David Rees, do you want to ask a supplementary question on this and then perhaps move on to your question?

[173] **David Rees:** You started off with the Wales spatial plan, and, obviously, Roger's plan is an example of good practice in his county and of the vision that they have for their town centres. You are a director at the WLGA. Do local authorities look at the Wales spatial plan in order to develop their own spatial plans? An important point is that we are looking at changing the mindset of people about town centres and creating a better vision, in one sense. So, how far down the line are other local authorities on that?

[174] **Dr Peppin:** Local authorities across Wales put a lot of time and effort into the Wales spatial plan because it was seen as such an important document. Unfortunately, it became so detailed and bogged down in lots of different issues—trying to please everyone—that some difficult strategic decisions to identify the priorities were not taken. Local authorities have helped to influence the spatial plan for their region as it has come together, and they are developing local plans in light of the Wales spatial plan. In fact, as a statutory document they have to take account of what is in their local plans. However, the trouble is that, when you look to the Wales spatial plan for guidance and a steer, you can interpret it in many different ways. So, it is not directive enough in terms of saying, ‘This is where we want development to take place’, and, ‘This is where we don’t want development to take place’.

[175] With the proposals for an infrastructure plan, there is real potential to have another look at this, because rather than having all the different town centres coming up with their own ideas, competing and often taking business away from one another, a good spatial plan can look at the role of different communities—as Roger said, looking at that hierarchy—and start to map out where different types of growth can take place and the different roles for different settlements. So, you would have a more integrated network where different specialities would be allowed to bloom in different areas, so you would go somewhere for a particular type of experience. That is what is needed. We need more of a lead at a regional level on the grand plan for retailing and town centres in the area, which the local plans can feed off and develop in more detail.

[176] **Mr Tanner:** I feel a bit stronger than that. The Wales spatial plan needs to be far more robust to be of any use to anyone. It needs to have firm proposals, backed up by an underpinning evidence base. It identifies about 70 key centres, but it does not say what the role of those key centres is. So, it is relatively easy to comply with the Wales spatial plan in your local development plan, but it does not add much to the process.

[177] In Caerphilly, we have developed our own strategy based on five principal towns and a hierarchy of secondary towns and residential settlements. We have identified a role for every settlement and development that is appropriate for that place. It is very important in my experience that the local development plan identifies retail development sites in town centres. If they do not, it is very easy for out-of-town developments to get permission because they go through the sequential test and demonstrate that there is no town centre site that suits them. They have very highly paid teams of specialists who can easily demonstrate that the out-of-town site is the only one that their client can go to. If you have alternative sites in your development plan, it is a very strong check to that. That is what we have done in Caerphilly: we have successfully developed those sites over a period of years in Caerphilly and Blackwood, and we are in the process of doing the same in Bargoed and Risca. The counter to out-of-town stores is to have an alternative in place and take a lead on these matters.

[178] **Alun Ffred Jones:** I take from what you say that the Wales spatial plan is useless, but can you tell me what the difference is between a spatial plan and the new infrastructure plan? What would you expect from the new infrastructure plan?

[179] **Dr Peppin:** The detail of what will be in the Welsh Government’s infrastructure plan is still up for discussion, and I think that local authorities would like to be involved at a very early stage in how that is formed. We would not necessarily be looking for a rolling forward of current plans—looking at the investment plans and mapping all that out to say, ‘This is what we are going to do over the next three to five years’. Instead, we would want to take a much longer term perspective to say, ‘We know about some of the trends that will affect us, such as climate change, an ageing population, health trends and a whole range of different future scenarios; what type of infrastructure do we need in place to make our communities more resilient in the face of those trends?’ It is about deciding where we need to be. Instead of forecasting, we would be back-casting and asking, ‘What infrastructure do we need to put in

place to get to a situation where we will be more resilient?’

[180] Transport, for example, is not necessarily about saying, ‘We’re going to build lots of new roads and this is where they’re going to go’. It is about asking, ‘What is happening on the transport front, how is that changing, what will rising oil prices do to commuting patterns and, therefore, what types of infrastructure do we need to be considering?’ That could involve looking at electric cars in urban areas, for example, and the type of infrastructure that you would need to make them more viable. It could mean running car clubs from town centres to encourage people to use an energy-efficient vehicle to do their shopping; they would then not need a car for the rest of the week, so they would just use that one. It is about trying to consider some of the ways that we might be doing things in future, given what we know is coming over the horizon, and putting some plans in place for not just the physical infrastructure, but the green infrastructure, as it is very important that we also build that in to infrastructure planning. If we are asking where we do and do not want developments to take place, it is about being informed by where it would be environmentally damaging to let some development take place and analysing the cost of allowing that development. We need clarity in the infrastructure plan; it would not go into the detail of what is going to be everywhere, it would be more about the way in which we take decisions on certain things, guided by that long-term vision of how we want to change the way in which the economy operates and how people move around across Wales.

[181] **Nick Ramsay:** Keith Davies, did you have a supplementary on this?

[182] **Keith Davies:** Mae gan Gyngor Sir Caerfyrddin gynllun datblygu lleol yn barod, ac y mae’n destun ymgynghoriad cyhoeddus ar hyn o bryd. Yr ydych yn dweud yn eich tystiolaeth fod cysylltiad rhwng y cynllun a thwf economaidd. Faint o siroedd eraill yng Nghymru sydd yn yr un sefyllfa â sir Gaerfyrddin ac sydd â chynllun yn barod?

Keith Davies: Carmarthenshire County Council has a local development plan already and it is currently out for public consultation. You say in your evidence that there is a link between the plan and economic growth. How many other counties in Wales are in the same position as Carmarthenshire and already have a plan in place?

[183] **Dr Peppin:** The position in terms of adoption is varied across Wales; I think that seven or eight local authorities have adopted plans.

[184] **Mr Tanner:** The old system of plans involved the unitary development plans, and about seven or eight authorities have adopted such plans, but they are rapidly becoming out of date. With regard to the new generation of local development plans, only four or five have been adopted so far, including Caerphilly’s, of course.

11.15 a.m.

[185] **Joyce Watson:** On to the issue of plans, I will ask the same question as I asked the previous witnesses. We all know that local development plans take a long time to get to where they are, for many reasons. We also know that life changes quickly, which is the case at the moment. You may have heard the evidence from the previous witnesses; how do you propose to be pretty fleet of foot to react to your situation now rather than in the future or in the past?

[186] **Dr Peppin:** I agree with the point you made regarding the flexibility. The plans should not aim to be dotting the i’s and crossing the t’s, giving detail of what happens everywhere; they must be enabling. Taking into account some of the trends we know will happen, we try to second-guess what types of development would help to address some of those trends, and we look for our plans to facilitate the responses that steer us in the right direction. It is about including things in our plans that will allow the types of developments that we want to see, rather than standing back and letting market forces determine where

things go. It is about trying to give a nudge in the right direction, without being too prescriptive.

[187] **Mr Tanner:** I slightly disagree with that. A local development plan has to have allocations to give some certainty to investors and local communities about where development would happen. At the same time, it should be backed up by a series of general policies that would provide the flexibility if the development is proposed in an area that is not allocated in a plan. That area will not necessarily be turned down; it should be viewed in light of these general policies with general criteria. I have been involved in development plans for an awfully long time—way back in the previous century—and part of the problem has been that the Government has changed the planning system every 10 years, so you never get to a position where you have adopted your plan and can roll it forward. It takes so long because you are starting from scratch. If you could get to a position where you have a stable situation and where you can review and roll on plans that have already been adopted, it would be a much quicker and more straightforward process. You would also have the added flexibility and ability to respond to changes in circumstances, which we have always been denied by having to start from scratch all the time.

[188] **Nick Ramsay:** Back in the last century was not that long ago, so do not worry too much. [*Laughter.*]

[189] **Mohammad Asghar:** You have been trumpeting about Caerphilly because you have put supermarkets and out-of-town stores in Bargoed, Risca, Blackwood, Caerphilly and so on. Do you know that the new supermarket in Risca is located only a few hundred meters from two other supermarkets? I do not think that you have talked about that. This has virtually killed Commercial Street in Risca, which is a historic town. A petition was submitted to me by local traders. You are now trying to change the old cinema on Commercial Street into the same supermarket, which is totally nonsensical. You are creating maybe 20 jobs, but you have killed 200 businesses. That is not the right way to regenerate the local economy. You should learn from shopping centres such as Westfield and Brent Cross in London; these sorts of out-of-town stores, with everything under one roof, are great and no other high-street shop is bothered about it, because they all go to the supermarket. In Caerphilly, you have virtually killed Risca. I can assure you of that, because I submitted the petition on behalf of so many traders, but the council will not listen. It will go through to planning in the end. It is sad.

[190] **Mr Tanner:** We will not go into a detailed argument about that. We are just about to open a new library in a listed building in Risca, next to a Tesco store, which will provide the engine for the town centre renewal. We have just appointed a town centre manager in Risca, and we will see what happens. I am pretty confident that the town centre will thrive.

[191] **Mohammad Asghar:** I agree about libraries and things to do in the area, but we are talking about the regeneration of businesses and local communities, such as the cobbler, the butcher, the baker: they have all gone. Those who were there for tens of years, if not hundreds, have all gone.

[192] **Nick Ramsay:** Before you answer that, we need to be careful not to veer too much into individual businesses and particular constituencies; I am sure that we could be here all day with examples of that. The point is well made, Oscar. I will move things on. Eluned, would you like to ask your question at this point?

[193] **Eluned Parrott:** I would like to ask about how you evaluate success and how, across Wales, we measure what success looks like. The understanding we have been given is that, historically, there has been a lack of agreed key performance indicators to measure successful town-centre regeneration projects. Do you agree with that? If so, what kind of key performance indicators would be useful in benchmarking progress?

[194] **Dr Peppin:** Historically, we have seen a succession of different funding programmes, and often the initiatives have been undertaken and the new programmes put in place before we have properly evaluated whether the previous scheme worked effectively. That is a function of the fact that the funding packages keep changing. There are normally requirements connected with the funding for some evaluation to take place, so when there has been expenditure of public money, there will be an evaluation of sorts, but it will probably not be as detailed or sensible as if it were taken some time after the intervention. These things take a long time to work through. What you are often doing is ticking the boxes by saying that you spent the money on the right things, and this has been delivered, and that has been finished, but you have not had enough time to say whether some of the longer term outcomes that you were hoping for have come about. By the time those longer term outcomes are happening, you have another intervention coming through on a different funding stream.

[195] So, you are absolutely right—we need to get better at evaluating the impact of what we are doing. The people from CREW who were here earlier have an important role in developing toolkits for evaluation, sharing good practice across Wales, and making sure that lessons are learned from what we are doing. There has been some good work on town centres, which we refer to in our evidence, in Rhondda Cynon Taf, on behalf of the south Wales Valleys area. They have put in place a range of quantitative and qualitative measures, going out and speaking to people as well as gathering information. We think that that is worth looking at. Plus, we think that it is worth looking at what they are doing in Scotland. They have just had a major programme of investment in town centres and it would be useful to see how they have evaluated that.

[196] **Mr Tanner:** Caerphilly is not perfect on all these matters, but we do commission a comprehensive retail survey every three years, which includes a telephone survey of the population to see where they shop for different types of goods. For example, we found that 80 per cent of the people of Risca shop outside the county borough for food—in Newport, as it happens. Then we can address our town-centre policies according to the findings. We also ask people to evaluate subjectively how favourably they look at their town centres, and you can see what impact a development has on the favourability rating. We also ask what they like and do not like about their local town centres, so that we can see what we need to address and whether that changes as a result of initiatives. The difficult part is disentangling what has happened as a result of an initiative from what has happened because of the general economic climate. For example, we have fairly negative indicators coming in now, but that is because the national economic situation has deteriorated rather than anything specifically local.

[197] **Eluned Parrott:** Rather than focusing inwards on what individual local authorities can achieve, one of the things that I would be interested in is your opinion on whether it would be useful to have comparisons that are standardised across the piece, so that we can compare different approaches between different local authorities. Are key performance indicators set within the bidding system when you are asking for funding for regeneration programmes? If not, do you think that that would be helpful in being able to plan out your pathway to success?

[198] **Dr Peppin:** It is difficult coming up with indicators that would apply to all the interventions taking place across Wales, because they are often tailored to a local situation. This is always the problem with benchmarking—getting something that works for everyone. However, there is scope for more to be done on that. We could look at some indicators that would work across all areas so that we get a better handle on it.

[199] **Mr Tanner:** I do not know if we will come on to funding later, but there are a number of different funding streams that town-centre regeneration could tap into, but they all have different criteria and circumstances. Most of them require an initial benchmarking

exercise that can be used for comparison at the end of the process, but they are all different. Some consistency between them would be helpful.

[200] **Leanne Wood:** Do you have any experience of Communities First partnerships being involved with the regeneration processes? Do you know whether any success or otherwise as a result of their involvement has been evaluated?

[201] **Mr Tanner:** Communities First areas are the most deprived in Wales. They tend to be focused on residential, usually social, housing estates. Town centres tend to be outside Communities First areas. The exception is Bargoed, where the Communities First area of greater Bargoed includes surrounding villages as well as the town—they are involved there. Usually, and this is a significant point, while deprived areas get special attention through Communities First, regeneration areas and so on, the opportunities outside those areas are not subject to those funds or that involvement, because they are in slightly more prosperous areas.

[202] **Leanne Wood:** Could those funds be better used to facilitate regeneration? My understanding was that, when the Communities First programme was first set up, it was about regenerating the poorest communities in Wales. I see little evidence that regeneration has happened in any of them, to be honest.

[203] **Mr Tanner:** You have set me off now. The Communities First programme has its spatial priorities, and regeneration areas have different spatial priorities, the Welsh European funding office has its own different spatial priorities and—

[204] **Leanne Wood:** There are now enterprise zones on top of that.

[205] **Mr Tanner:** They are different again. All the different departments have different spatial priorities, and they do not always add up. The key thing is to identify and produce links between areas of deprivation and areas of opportunity, so that people can access them. Opportunities are very rarely located in the deprived areas themselves.

[206] **Dr Peppin:** To add to that, one Communities First key objective was to work in communities with problems to help the individuals living there to have more of a say in what was going on and to get them to a stage where they felt confident enough to engage in discussions. What has happened is that some Communities First partnerships have been asked about, and consulted on, plans for their wider areas. It has given them more of a voice in identifying some of the issues. I used to work in Caerphilly with Roger, and I know about some of the work that happened in Graig-y-Rhacca. People there were involved in discussions about the town centre because that was where they shopped. It is about giving them a voice and helping them to get involved with discussions.

[207] **Leanne Wood:** That stuff is difficult to measure as well, is it not?

[208] **Dr Peppin:** Yes.

[209] **Joyce Watson:** We have talked about the role of disseminating best practice. I would have thought that it falls fairly and squarely on the WLGA to be involved in that process. Are you involved in it, and how do you do it?

[210] Some of that best practice is here in Wales. We have talked about Caerphilly; we could also talk about Carmarthenshire and what has happened there. You say in your paper that, very often, there is a missing link in local regeneration leadership from the Welsh Government. What I say to that is that you cannot have your cake and eat it too. We hear from the WLGA all too often that what it wants is independence of mind, of thought, of action, and the Welsh Government gives that by pulling back a bit, but then, lo and behold, it is accused

of not being there, not helping, not supporting. I would like to know, clearly and honestly, in which way you want to play that game and how evenly you are going to do that. Also, once you have established who should be involved and who the key drivers are, how are you going to work in partnership? This comes back to my first question: who are your partners, who do you want to be involved, how do you want them to be involved and, assuming, that you are a body that represents all local authorities across Wales, how are you going to play your role in disseminating best practice? I have just given you a very good example of best practice. How can we collectively move this agenda forward? That is what we want to do; we want to move this agenda forward. We do not want a blame game.

11.30 a.m.

[211] **Dr Peppin:** It comes back to what we said in our evidence about the respective roles of the different bodies. We definitely see a role for the Welsh Government in terms of setting the overall framework for regeneration and putting the funding systems in place to support that. As far as the WLGA is concerned, we network with the regeneration and economic development staff across the 22 local authorities. We have a regeneration network that comes together three times a year. We have discussions at those meetings on a wide range of issues. In the past, Roger has presented some of his thinking on how we can have a more integrated system, and we share examples of what different authorities are doing. We are also very involved in the work of CREW and we support its work to develop best practice and better evaluation and to disseminate that to local authorities.

[212] In terms of the links with the Welsh Government, the message that we constantly hear from local authorities is that, when they are developing plans at the local level, they would like to be more able to have discussions with a regional office of the Welsh Government so that their plans can be discussed and they can get some decisions made quickly locally. In the past, there would be discussions with the former Welsh Development Agency on a range of issues with regard to the local area, and you would get a quick decision on something, or some funding would be allocated to allow things to move forward. A lot of that decision making has been centralised and, therefore, authorities feel that, when they are discussing their issues locally, there is a link missing, in that they then have to wait for a decision on funding for a particular part of what they are trying to do, which is instrumental in getting that package of work to go forward. So, it is not about saying 'We want you there' one minute and then 'We don't want you here' the next minute; it is about making sure that the roles are clearly defined and that the local plan that is being developed in the area is consistent with what the Welsh Government would like to see, that we get the approval that that is the sort of development that is in line with the wider regional and national objectives, and then a decision on funding, where that is necessary, to allow some of the work to go forward.

[213] **Nick Ramsay:** We are running short of time. I will bring in Ken Skates, because his question about structural funds ties in with this line of questioning.

[214] **Kenneth Skates:** In your opinion, how effectively do you think structural funds have been used for regeneration purposes, and what improvements do you think could be made in the way that EU funding is used?

[215] **Dr Peppin:** EU funding has been vital in allowing town centre regeneration work to proceed, and we would definitely want to see that continue in future programmes. That could be improved by having a more integrated approach. Although the funding has been very welcome and has been directed at a number of projects, we could maximise the benefits of that if we had a clearer plan of where we want things to happen so that we ensure that the funds are directed into the most appropriate areas.

[216] **Mr Tanner:** There is one glaring gap: European Union funds cannot be used for

retail development, but it is retail development that will underpin the future of most town centres. Although we are moving towards more mixed uses in our town centres, they are still underpinned by their retail function. You cannot get European aid to underpin a retail development. Unfortunately, it is very difficult to get Welsh Government aid now. I am not saying that the WDA had it right, but, when it was abolished, the urban investment grants and the urban improvement grants, which often used to provide the gap funding to enable a retail development to happen in a Welsh town centre, disappeared with it.

[217] All of the successful developments that there have been in Caerphilly and, as far as I know, in my fellow Valleys authorities, have happened through a gap-funding grant from the Welsh Government. That means that, because land and property prices are so low in most parts of Wales, it is not commercially viable to do an expensive development in a town centre as opposed to out of town, because the value of the development is not worth what it costs to develop. That does not mean that the shops will not be viable afterwards, because, in terms of revenue turnover, they are. However, to a developer, it makes much more sense to develop something in London, where everything is worth a huge amount of money, than in the south Wales Valleys, for example. So, we have always relied on gap funding through the urban investment grant to make these things happen. That has happened in Caerphilly and Blackwood, and it is now happening in Bargoed. However, because that mechanism is not available anymore, we have had to go through a very cumbersome process in Bargoed. We have had a grant from the Heads of the Valleys organisation, and, through a very complex system of legal agreements, the authority has now provided a grant to the developer. It is a very cumbersome and long-winded system.

[218] It contrasts with the system that we had before in which, although a lot of strings were attached, the relevant Welsh Government department could underpin a town centre development directly. That facility is not there anymore, and I will make the point very strongly that it needs to be restored. I know that you do not have funding coming out of your ears at the moment, but these things take an awfully long time to put together. We are talking about schemes that could come to fruition around 2015 or 2016. Hopefully, public resources will be back on a more even keel by that time. The thing to do is to plan now and put the mechanisms in place that will enable development to take place in the long term.

[219] **Dr Peppin:** I would like to make an additional comment on European funding. The targeted match funding that has been available has been critical in terms of being able to draw down European money. So, there is an ongoing need for that targeted match funding, but we believe that there are simpler ways of dealing with this. At the moment, we have to go through two different systems to get the funding. You have to get the targeted match funding and then you have to apply for European money. There are two different processes at work. It would be much better if we could look at ways of bringing them into a streamlined process.

[220] **Alun Ffred Jones:** Hoffwn ofyn dau gwestiwn. Mae'r cyntaf yn ymwneud â'r cynllun rhyddhad ardrethi busnes. A yw'r drefn honno wedi cyfrannu at gynnal siopau a lleoliadau manwerthu ar y stryd fawr, ac a ydych o'r farn bod y drefn honno wedi cyfrannu at gael patrwm a chydbwysedd iawn o fusnesau yng nghanol ein trefi? **Alun Ffred Jones:** I would like to ask two questions. The first is to do with the business rate relief scheme. Has that system helped to maintain shops and retail outlets on the high street, and do you believe that that system has contributed towards a proper pattern and balance of businesses in our town centres?

[221] **Dr Peppin:** I was listening to the comments made earlier about the fact that, if the rateable value is over a certain level on the high street, rate relief does not kick in and therefore provides no help in some cases. However, business rate relief can make a difference for smaller businesses that are eligible. There are mandatory grants from the Welsh Government that can be topped up with discretionary grants from local authorities. So, there

are ways in which business rates can be used to support local businesses.

[222] **Mr Tanner:** One of the few short-term measures that could be taken in these troubled times is to provide support through the business rates, particularly to small independent traders located in town centres.

[223] **Alun Ffred Jones:** Mae fy ail gwestiwn yn fwy cyffredinol. Soniasoch yn eich tystiolaeth bod treftadaeth yn gallu bod yn rhan o gynlluniau adfywio canol trefi. Fodd bynnag, gwyddom fod y Gweinidog yn awyddus iawn i integreiddio ei gynlluniau tai yn y cynlluniau adfywio. A ydych yn gefnogol o'r syniad hwnnw?

Alun Ffred Jones: My second question is more general. You mentioned in your evidence that heritage can be a part of town centre regeneration schemes. However, we know that the Minister is very eager to integrate his housing schemes into regeneration schemes. Are you supportive of this notion?

[224] **Dr Peppin:** The more integrated the approach, the better. Perhaps we can look at ways of using heritage in a town centre as a draw to bring people in, and perhaps there are ways of having premises located over shops to regenerate an area. It comes back to having a holistic package. I would agree that the more strings you have to your bow, the better. There are limited pots of money, so it is far better if we can integrate some of that funding and get more bang for our buck.

[225] **Mr Tanner:** On the subject of heritage, there is the example of Bargoed library, which is a former chapel. Town centres can be more distinctive by exploiting their heritage assets. They can be more exciting and interesting places to be, and heritage is one area in which they score over their out-of-town rivals. On the housing front, there is not much involvement, as such, with town centres. However, the new municipal housing associations have adopted a regeneration role, which is increasingly important. The Rhondda Cynon Taf association is a good example of that. These associations can act as mini regeneration companies, with their housing assets. They need to take a role that goes beyond housing. For example, the local housing association in Bargoed, United Welsh, is the developer for the chapel conversion. In another development, it converted a former job centre in the town into a health centre. They can do these things—they have the powers and the expertise that enable them to act quickly. So, there is quite a big role in future for housing associations in regeneration.

[226] **Nick Ramsay:** Before we close this session, do you want to ask your question about business improvement districts, Julie James?

[227] **Julie James:** It is a pretty straightforward question. What do you think of the concept of the business improvement districts? We have one in Swansea, which has just been renewed by the local traders. Do you think that BIDs have a more extended role to play outside of city centres such as Swansea, or do you think that they have a more limited role? I am not quite sure which of you I am asking any more.

[228] **Mr Tanner:** Apart from the Chair's constituency, probably not. Most town centre businesses in Wales are struggling to pay their basic business rates, and Swansea is the only BID area in Wales. There is a process in place in Merthyr to try to introduce a business improvement district, but persuading small retailers that they need to pay more tax is very challenging. I do not think that there are many places in Wales where that would be successful, but it is worth trying where you have a well organised local chamber of commerce and a fairly affluent catchment area.

[229] **Julie James:** Is there something that you would do instead?

[230] **Mr Tanner:** No, it has to be in addition to other initiatives; it is not going to be the answer by itself, because the funds raised will be limited whatever you do.

[231] **Julie James:** One of the issues with the BID in Swansea has been getting it to agree what it wants to do with the additional money.

[232] **Mr Tanner:** Is there not a town centre plan that it can support?

[233] **Julie James:** You are clearly not familiar with Swansea, because the local authority struggled a little to get a town centre plan in that coherent form. In terms of encouraging, the BID is supposed to give independent traders more of a voice in some of the things that we have talked about, with regard to improving the heritage, signage and general physical look of the place, as well as a bit of branding and marketing. If either of you had two things that you could wave a magic wand at and just do, what would they be? What are the two most important things to have in place to get the regeneration effect going?

[234] **Dr Peppin:** Working with the traders. One of the areas that we mentioned in our evidence was social media. There are new communications technologies around that make it easier to keep in touch with people, and there are ways in which that could be developed. The technology is relatively new and we have not used that as a way of getting a dialogue going in town centres. However, you can see the power of social media. If you can get enough people hooked in and exchanging views and you can link that to the town centre management role that Roger outlined earlier, it could be a much better way of getting rapid information and feedback.

[235] **Mr Tanner:** I do not think that there are two things. You have been given my evidence—rather belatedly. On the front page of that are 12 things that you need to do. It will be a different balance in different city and town centres. That is why these initial surveys and monitoring aspects are important, to find out where the weaknesses and strengths are, so the balance will change. However, it needs to be an integrated approach, and that is best done through a partnership so that everyone can buy in to the eventual planning outcome, to address the most important points for that particular town.

[236] **Julie James:** Do you think that always works, this survey approach? My view is that that makes absolute sense, but it is a rapidly changing environment and many of the people surveyed have not quite caught up with some of the changes and are attempting to turn the clock back to something that has gone. Is there an educational role to play? The evidence from CREW this morning talked a lot about capacity building and some of the educational things that we could do.

[237] **Mr Tanner:** If you ask the public and shopkeepers anything in surveys, they are very good at pointing out a problem, but do not expect them to come up with solutions, because that is often much more technical and complicated than they realise. An issue that we have not touched on is training for shopkeepers. There is any number of training programmes for people in industry and business, but retailing is one area that is left out.

11.45 p.m.

[238] You should not assume that everyone in retail automatically knows everything about marketing and display. A few initiatives have been pioneered in the Heads of the Valleys where independent retailers have been linked up to the internet so that they are able to market their goods that way and not just through the shop window. A lot can be done on that, yet the vast majority of training programmes that we have in place seem largely to ignore retailers; that is a gap that could be filled.

[239] **Nick Ramsay:** The Chair now has to wave his magic wand and bring this evidence session to a close. I thank Dr Tim Peppin of the WLGA and Roger Tanner of Caerphilly County Borough Council for providing evidence and for finding the time to speak to us today. We will be feeding your comments into our inquiry on town-centre regeneration.

[240] With that, I bring the meeting to a close.

Daeth y cyfarfod i ben am 11.46 a.m.
The meeting ended at 11.46 a.m.