



**RTPI Cymru**

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2 September 2022

**e-mail response sent to:** [SeneddPAPA@senedd.wales](mailto:SeneddPAPA@senedd.wales)

**Dear Sir/Madam,**

**Response to: Town Centre Regeneration Inquiry**

The Royal Town Planning Institute (RTPI) is the largest professional institute for planners in Europe, representing some 27,000 spatial planners. RTPI Cymru represents the RTPI in Wales, with 1,300 members. The Institute seeks to advance the science and art of planning, working for the long-term common good and well-being of current and future generations. The RTPI develops and shapes policy affecting the built environment, works to raise professional standards and supports members through continuous education, training and development.

Thank you for the opportunity to respond to the above inquiry. The following response highlights the key planning issues in relation to the matters set out by the Public Accounts and Public Administration Committee in relation to town centre regeneration.

**National Policy and legislation that is critical to the regeneration of towns to enable them to thrive and survive:**

**Determining whether the legislation and Welsh Government's policy levers for regeneration are fit for purpose and focus on addressing the underlying problems facing towns. In particular, the Committee wishes to look at planning policy and the Welsh Government's Town Centres First policy.**

Town centres are vital economic, community and social hubs and are an important national priority for Wales, as set out in Future Wales: The National Plan 2040. Yet, we believe that Welsh Government and local government need to deliver more integrated local solutions to address many of the issues surrounding regeneration of our town centres.

The closure of non-essential businesses, as a result of the pandemic and the subsequent rise in people working from home for at least a portion of the week has had a significant impact on many high streets and town centres.

Several major retailers have gone into administration over the pandemic, while others restructured. However, industry figures during the pandemic show that local shops and independent grocery stores experienced a boost in trade, along with an increase in online grocery sales. Local innovation and adaptation to circumstances in some cases offered rural dwellers, in particular, improved local options.

It is important to recognise the spatial distinctiveness of places in developing policy. Future Wales – the National Plan 2040, Strategic Development Plans (SDP) and Local Development Plans (LDP) can together facilitate an integrated approach with other areas of policy, linking decisions on economic development with those on housing, climate change, transport and other infrastructure, providing a spatial framework for investment at different scales across Wales, facilitating joint working and maximising benefits on the ground. Place Plans can also add value at the local level for those communities which have them.

RTPI Cymru believes it is essential that a town-centre first approach is maintained by taking a holistic, plan-led approach to the strengthening of existing centres, which could be bolstered by the integration of high-quality homes, including affordable homes, a regular and affordable sustainable public transport system and active travel routes, and the repurposing of vacant commercial space for uses which support community resilience and environmental sustainability.

We note that independent research into town centres in Wales found, “the problem is not a narrow one of town centre regeneration after the decline of retail, but a broader one of towns in their car dependent hinterlands.” The research considered three towns (Bangor, Haverfordwest, Bridgend) and found that “despite their differences, all face the same problem that the business models of the main actors shaping our towns threaten to undermine delivery of Welsh Government’s new vision and the good intentions of local authorities”.

[\(Foundational Economy Research \(2021\) Small Towns, Big Issues. June. Small Towns, Big Issues: independent research report \(gov.wales\) pg4.](#)

Active travel provision and a regular, inclusive and affordable sustainable public transport system is a vital part of successful, thriving town centres. Active travel and public transport help deliver a range of benefits including reducing pollution caused by private car usage, reduces the need for large areas for car parking, provide health benefits from being active and reduces congestion with its economic negativity.

The recent resurgence of many district and local centres within urban areas presents an opportunity to increase active travel patterns of our communities in accessing key services closer to home, rather than a predominant focus on the provision of infrastructure and investment in and around centres at the top of retail hierarchies. A balance of investment is needed to be reached to sustainably enable the benefits of ‘shopping local’ to be maximised.

Policy and legislation needs to ensure that local authorities are supported to manage town centres and retail hierarchies in appropriate ways, and recognise that all towns and places are different and will require different approaches and policy. This will present challenges to local authorities and the communities they serve.

### **Resilience to Climate Change and Flood Risk**

Inevitably, amongst the challenges faced by our town and city centres are those of responding and adapting to climate change. The locations of most of these centres are based on decisions that can be traced back through our history. Many have been located on flood plains at river crossing points, or in locations close to the sea, often alongside tidal estuaries. Many of these locations are now ones of growing risk of flooding from rivers and from rising sea levels, as identified by the new Flood Map for Planning. Many are within defended zones where they are dependent on flood defences to manage flood risks.

In this context, proposals for investment and regeneration in these centres will need to be carefully guided by planning policy. At the national level, Future Wales, The National Plan 2040 sets the context for development plans at the regional and local level. It identifies through Policy 1 a number of national and regional growth areas, each of which include city and town centres. It also sets out policies for shaping regeneration (Policy 2) and recognises the importance of public sector leadership (Policy 3). Of particular importance is the Town Centre First policy (Policy 6). However, all of these policies need to be set alongside Policy 8 on flooding, which emphasises: “The Welsh Government has a robust planning policy that directs development away from areas at risk of flooding.” The policy notes that parts of national and regional growth areas face flood risks, and that strategic decisions will be needed on the location of development. The Plan makes it clear that the feasibility and cost of protecting people and property in the short and long term will need to be fully considered in evaluating the case for enhancing existing defences. Close collaboration will be needed between professionals working in planning, regeneration and flood risk management to ensure that investment can be secured to sustain flood defences, where it is economic to do so.

The recent publication of the updated Technical Advice Note (TAN) 15 on Development, Flooding and Coastal Erosion (due to come into operation on 1<sup>st</sup> June 2023) provides important and more detailed guidance on the types of schemes that will be acceptable, and the requirements that will need to be met. It emphasises that while flood defences can reduce the risk of flooding, they cannot eliminate it. To maintain the viability of those town centres that are subject to flood risk, property owners will need to consider what measures they themselves can take to help to mitigate their risks. These measures can include flood resistance measures, minimising the amount of water that can enter a property, along with resilience measures that enable a property to be quickly brought back into use after a flooding event. Co-ordinated action to raise levels of flood resilience in a town centre can help to build confidence and ensure its sustainability for the future.

### **Creating and sustaining local coalitions of change:**

**How local authorities and their local partners, including citizens and service users, are managing and regenerating towns in Wales and considering whether local authorities and their key partners have the right skills, leadership, resources, buy-in and capacity to regenerate towns.**

The Wales Audit Office in their 2021 report on Regenerating Town Centres in Wales, found that “overall, Welsh and local government have responded well to support town-centre businesses during COVID-19. The Welsh Government has also directly invested or levered in almost £900 million in the last seven years to help regenerate town centres. Despite this funding, town centres often struggle. Local authorities are the key public bodies to help regenerate town centres, but they often lack capacity and skills to deliver the sustainable regeneration needed. Powers that can help stimulate town-centre regeneration are not utilised effectively nor consistently” [Regenerating Town Centres in Wales \(audit.wales\) pg7](#)

In terms of the role of planning in this, it is vital that the impact of current resourcing and capacity is properly understood. Under-resourcing is a critical issue for planning in Wales. The Wales Audit Office, in their report on the Effectiveness of Local Planning Authorities in Wales (2019), found:

“Despite the new legislation and heightened expectation on the contribution planning can make to delivering the aspirations of the Wellbeing of Future Generations Act, local planning authorities have seen a significant reduction in capacity and struggle to deliver their statutory responsibilities. Our analysis shows that all planning services – policy, development and building control – have, since 2008-09, seen significant cuts in expenditure with budgets having fallen by 50% in real terms, considering inflation. Net expenditure has fallen from £45 million in 2008-09 to £22.8 million in 2017-18. The biggest cut has been to development control budgets where spend has reduced by 59%.

“With less money to fund services, planning officer capacity is stretched and skills are decreasing in key areas of work. The number of trainees entering planning has fallen in recent years which raises concerns over the long-term sustainability of services. Despite these reductions in funding, authorities continue to subsidise services because the charges made by local planning authorities for administering and approving planning applications and building works does not reflect the cost of providing these services.” [The Effectiveness of Local Planning Authorities in Wales \(audit.wales\)](#)

These findings were acknowledged by this Committee, in their report on the [‘Effectiveness of Local Planning Authorities in Wales’](#) June 2020 pg8.

Responding to a request by the Minister for Climate Change, RTPI Cymru is currently engaging with the planning profession in Wales to better understand the impact of these cuts and the emerging results are showing a service under extreme pressure.

RTPI Cymru believes, a well-resourced, plan-led, positive planning service offers an established and effective process to support a sustainable future for town centres in Wales.

However, the service is under pressure and scrutiny, with specialist resources under particular strain. While the planning system has tools available to support sustainable communities, the best of tools requires adequate resources to deliver the best outcomes and effective service delivery becomes a challenge with reduced resources and capacity.

Given the findings of the [Foundational Economy Research \(2021\) Small Towns, Big Issues research report](#) set out above, RTPI Cymru believes it is vital that all stakeholders work together towards a clear, shared vision for their town centres. There are also opportunities for local authorities to work more closely with a broad range of partners; the wider public sector, housing associations, the third sector and Town and Community Councils, especially where their intervention might be of a small scale or plays to a specific set of skills and / or responsibilities.

The Audit Wales report on Town Regeneration [Regenerating Town Centres in Wales](#) identifies existing platforms through which wider local communities might be engaged, recognising Place Plans and Business Improvement Districts in particular (3.20). While we agree, these have played an important role, like other initiatives, they are not appropriate for all communities or situations. As with these and other initiatives, there are risks, such as engagement fatigue, conflicting priorities, or a disproportionate focus on key sectors of the local community etc.

#### **Non-domestic rates, town centre incentives and taxes:**

**Non-domestic rates are seen as a burden on small businesses, but they also generate £1 billion for public services in Wales and are vital to the financial health of local government. The pandemic showed that local authorities working flexibly in developing incentives was critical to helping town centre businesses survive. What is there to be learned from the pandemic that can shape responses going forward.**

While many of these issues are beyond planning, RTPI Cymru believes that a flexible approach, with geographically targeted incentives to suit the local area can help to renew struggling areas and town centre frontages.

#### **The availability, management and impact of Welsh and UK Government funding for town centre regeneration:**

**Assessing how well money is being used to regenerate town centres, and whether this represents value for money.**

Wales Audit Report [Regenerating Town Centres in Wales](#) highlights the variety and time limited funding streams from 2014 pg29. Funding and initiatives should respect the variety of local circumstances and support inclusive partnerships who determine priorities based on a place making commitment, recognising the learning from previous and ongoing initiatives. It is essential that any initiatives or funding put in place are designed in conjunction with the development plans for the area, to ensure an integrated approach.

Comprehensive monitoring and evaluation should be part of the funding package and the outcomes of this shared widely to inform future programmes and projects.

**City Deals and Regional Partnerships, and Corporate Joint Committees:**

**Is there more that can be done in the regional economic development space to help regenerate towns in Wales or do these arrangements run the risk of making things more complicated than they need to be.**

Regional spatial planning can positively support the economic performance of Wales through influencing factors that determine productivity, by defining the future role of key settlements and strengthening their interrelationships, by providing enhanced connectivity etc. Bringing forward SDPs at a regional level will enable planning and stakeholders to address the more complex regional spatial issues that cross boundaries and may require different responses across Wales. The SDP is vital to the balanced recovery of Wales and for long-term decision-making. It is important to recognise the spatial distinctiveness of places in developing both regional and local policy.

RTPI Cymru has called for more joined up working between City Deal investment and projects and the planning system, to maximise opportunities and benefits.

If you require further assistance, please contact RTPI Cymru on 020 7929 8197 or e-mail Roisin Willmott at [walespolicy@rtpi.org.uk](mailto:walespolicy@rtpi.org.uk)

Yours sincerely,



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**Director**  
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