

**Enterprise and Business Committee
EBC(4)-10-11 Paper 1**

Welsh Government approach to town centre regeneration

1. Introduction

1.1 Our town centres vary in origin and include centres which developed from:

- markets serving surrounding agricultural areas;
- fishing villages and ports;
- historic walled settlements;
- key transport interchanges;
- spas and attractive scenic features, inland and on the coast;
- centres serving the extractive industries, such as slate and coal;
- centres of manufacturing;
- education; and
- public administration.

Whatever their origin, town centres are dynamic places providing communities with an important range of employment, goods and services. Many are the focus of cultural, recreational and leisure activities for their residents, surrounding communities and visitors. The numerous businesses within town centres provide a valuable contribution to the local economy, both directly and indirectly. Town centres have evolved over time in response to social and economic changes and this process is continuing.

1.2 Factors such as the rationalisation of retail stores and services, increased personal mobility, financial pressures, competition from out-of-town developments and internet shopping all impact on our town centres. The consequences of these factors are evident in many town centres - weak and vulnerable high streets, blighted by empty premises and poor shopping environments.

1.3 The Welsh Government is committed to safeguarding and regenerating our town centres; this is reflected in our policies and programmes, ranging from those for the historic and built environment, housing, business support, transport and tourism. We will continue our efforts to regenerate our town centres through planning policies, breathing new life into towns by safer and better quality design, developing family friendly environments and mixed use developments. We will also revive our seaside towns by investing in the infrastructure, renewal and regeneration of communities.

1.4 Regeneration is about people and places and we aim to put town centres at the heart of sustainable communities. Regeneration aims to make sustainable places over the long term in order to improve the

quality of life of the people who live and work in and around those places.

- 1.5 Regeneration activities take place all over Wales through different organisations and partnerships. Our role is to provide direction, wherever required, and support or add value to these activities. Although there are similar issues, we believe that each town centre has its unique problems that require bespoke solutions. These will be delivered by local people, the people who know and understand their communities better than anyone else.

2. Trends and challenges

- 2.1 Town centres are continuously influenced by a range of internal and external forces. These include:
- *Car ownership and accessibility issues* - Increased car ownership has given shoppers the ability to travel further, to larger retail centres and to buy in bulk, reducing the need for daily shopping in the high street. Drivers expect convenient car parks so traditional centres which are unable to offer this suffer. Out-of-centre destinations, with free parking, have gained at the expense of town centres. Congestion, car parking charges and unattractive shopping environments are all important factors affecting town centres.
 - *Out-of-town developments* – The growth in out-of-town business parks with support services and retail developments since the 1970s are amongst the factors blamed for the demise of retail and leisure offer in many town centres. Attempts to address this through planning policy have been made; the policy is to direct mixed use developments in and adjacent to existing urban areas, with good accessibility by public transport.
 - *Large scale retail developments* – Reflecting Planning Policy Wales retail policy changes, many large private sector led schemes are now being promoted within town centres. This recent trend, with the retailers' demands for larger modern units in larger town centres, is not without its challenges as smaller or historic town centres may not have suitable sites.
 - *Economic downturn* – Over the past 20 years we have seen very strong retail expenditure growth driven by high rates of borrowing, low inflation, low interest rates and strong house price inflation. The recent economic downturn has corrected this unsustainable growth.
 - *Independents versus national retailers* – The growth of large store retailing has coincided with the decimation of the independent trader. Price sensitive consumers are voting with their feet.

- *Internet shopping* – The popularity in internet shopping and the proliferation of shopping websites has resulted in increased pressure on the high street.
- *Service rationalisation and contraction* - A relentless rationalisation within the retail and service sector, as smaller stores, banks and building societies are closed and services provided from larger centres. Similarly, Woolworths' decision to withdraw from the retail sector reflected the tough retailing trading conditions generally and not just in Wales.
- *Distinctiveness* – The consequence of all this is that many towns throughout Wales are losing their distinctiveness as independents contract and are increasingly being homogenised, recognised as 'clone towns'.

3. Welsh Government interventions

- 3.1 There are many organisations across Wales that are involved in the regeneration of town centres. These include organisations such local authorities, town councils, community groups, housing associations and the private sector.
- 3.2 The Welsh Government has a range of policy levers and grant mechanisms to draw upon to support town centre regeneration. The main interventions are provided as a summary at **Appendix 1**. These are often not delivered in isolation but as part of a wider regeneration strategy and working in partnership with many other organisations.
- 3.3 Our key policy focuses on Regeneration Areas. The basis for our Regeneration Area model is the belief that co-ordinated effort and investment in the regeneration of an area can improve the prosperity of that area as well as the quality of life of the people living and working there. The Regeneration Area approach recognises that each area is unique and requires bespoke solutions to address underlying problems. There are 7 Regeneration Areas: the Heads of the Valleys, Môn a Menai, Swansea, Western Valleys, North Wales Coast, Aberystwyth and Barry. Below are two examples, Aberystwyth and North Wales Coast, to demonstrate this approach.
- 3.4 Aberystwyth is one of our most recent Regeneration Areas when a £10.3 million package was announced by the Welsh Government in March 2010.
- 3.5 Although a relatively prosperous town Aberystwyth shows deprivation characteristics befitting such a rural and isolated area. The town centre is underperforming and is losing out to its nearest rivals. Poor housing quality is also a major concern with two areas within the top 10 most deprived wards in Wales. Looking at the town as a whole also masks pockets of deep-rooted social and economic deprivation, such

as high unemployment and inactivity rates, poor housing quality and low skill levels in Penparcau and Rheidol wards, two significant areas of Aberystwyth.

- 3.6 Projects and activities have been identified to address the regeneration challenge that is particular to Aberystwyth and cover areas such as tourism, heritage, transport and housing. Emphasis has been placed on creating a vibrant promenade, a thriving town centre, providing quality homes for local people and on improving accessibility. In terms of improving the town centre, the Council is managing a Town Improvement Grant and a Housing Renewal Area programme with Welsh Government funding. There are also proposals to redevelop the train station and bus station to provide a new gateway and transport interchange to the town.
- 3.7 This programme is being delivered by the Welsh Government alongside an enthusiastic partnership of local people representing organisations in the town, such as Ceredigion County Council, Aberystwyth University, Tai Ceredigion, Dyfed-Powys Police, the Hywel Dda NHS Board, the National Library of Wales and representation from the private sector.
- 3.8 The North Wales Coast has been a Regeneration Area since October 2008. Much of the North Wales Coast currently suffers from structural problems linked to the demise of the 1970s of traditional seaside resort tourism, an industry whose contribution to the economy has diminished with each passing year. The Area extends from Prestatyn in the east to Mochdre in the west and consists primarily of coastal communities linked by the A55 trunk route, the A547 coastal road and the North Wales mainline railway. The area is home to around 100,000 people.
- 3.9 The vision for the Area is that by 2016 it will become “a thriving, attractive and vibrant area in which to live that is welcoming, safe and friendly – a place with unique character that supports balanced, permanent and self-assured communities within a prosperous and sustainable local economy”. There are six core objectives that include space for living, health and well-being, education and skills, community cohesion, environment and transport, diverse and sustainable community.
- 3.10 The designation of a Regeneration Area has meant that the Welsh Government has prioritised resources from across all departments to help address the specific issues that are particular to the area.
- 3.11 Property acquisitions and masterplanning for West Rhyl and Colwyn Bay are addressing areas of poor housing conditions, poor public amenities and high crime levels. During 2009/10, 50 properties were purchased at a total cost of £5.5 million. The futures of these properties will be guided by the masterplans for the towns and three empty

properties have already been brought back into use as affordable housing.

- 3.12 Fuel poverty is also being addressed in an area where poor, inefficient housing is combined by low incomes. The scheme targeted over 20,000 homes in the areas of highest deprivation with a package of insulation measures, replacement heating systems and benefit/tariff advice. Through utilising the CERT funding available through energy providers, a North Wales Coast Regeneration Grant of £970k has levered in an additional £3.3 million of private investment within a project providing measures to the value of £4.27 million. During 2009/10, 1,350 insulation packages were installed (loft and cavity wall), alongside 180 replacement heating systems, 20 of which have utilised renewable technologies. Such measures have greatly improved the energy efficiency of homes and maximised household income. In total the scheme has delivered a life time saving of 28,805 tonnes of carbon, and an estimated annual fuel bill saving of £198,927.
- 3.13 Other projects have also been supported such as the Bay Learning Centre, Theatr Colwyn, Parc Eirias Events Arena, Apollo Cinema in Rhyl. Both Denbighshire and Conwy County Councils manage property improvement grant schemes.
- 3.14 Each Regeneration Area has a process in place whereby we can monitor and evaluate the success of our interventions. In most cases, this is being done by providing a baseline of a range of indicators which are monitored periodically and at the end of the programme.

4. Key challenges and opportunities

- 4.1 The challenges involved in regenerating town centres include:
- *Securing additional residential or mixed-use developments within our town centres* - We need to recognise that some town centres have contracted and that alternative use for vacant sites and buildings must be secured. Negotiating with land owners who may have unrealistic expectations as to the future potential and value of their sites will be necessary.
 - *Night-time economy* – There are increasing opportunities to consider the role of the night-time economy as part of a town's offer as a destination for residents and visitors.
 - *Protecting and sustaining our investment* – One of the challenges facing the regeneration of town centres is to ensure that we protect and enhance our investment. Welsh Government funding is often the catalyst to improve an area but local authorities need to put mechanisms in place to protect that investment.

- *Financial constraints* – In a climate of reducing budgets across the public sector and beyond, we need to be even more creative with our interventions to maximise the impact from our limited resources.
- *Collaboration* – This paper demonstrates that success in regeneration comes from working collaboratively, and we fully recognise that further collaboration within Government and with external stakeholders is vital.
- *Communication* – There are opportunities to do more to highlight, through the mainstream media and other channels, our successes and promote our future activities in town centre regeneration.
- *Consistency of boundaries* – It is sometimes difficult to coordinate regeneration activity across various boundaries such as the Convergence/Competitiveness areas, local authority boundaries and Regeneration Area boundaries.
- *Making the most of the various funding streams in a co-ordinated and efficient way* – We recognise that it is sometimes difficult for external partners to navigate their way around the various funding streams.
- *Bureaucracy in applying for funding* – We recognise that there are opportunities to ease the application process for grant-seeking organisations, in particular when they are seeking funding from more than one source within the Welsh Government. We will simplify the process as part of the current review of Welsh Government grants.

4.2 There are also significant opportunities for the future, which include:

- *Further collaboration within Government* – There are opportunities for integration of area-based approaches across my portfolio and beyond.
- *Future funding opportunities* – We will continue to explore maximising funding sources, in particular, the next round of European funding.
- *Retail policy* – We are currently reviewing the best way to support businesses in Wales, in particular small and micro businesses, many of which are retailers. That includes reviewing our business rate policy.
- *Planning policy* – We are committed to regenerating our town centres through planning policy as we recognise the importance of planning in supporting economic renewal.

- *Monitoring and evaluation* – We will continue to monitor and evaluate our activities in town centre regeneration. We will look to develop examples of good practice and positive outcomes in our forward work programme.

6. Conclusion

- 6.1 Town centres play an important role in sustainable communities. This paper has highlighted that within Government we have a range of policy levers and grant mechanisms to assist in delivering sustainable communities within town centres. The scope is wide-ranging, involving areas such as structural funds, transport, housing, heritage and tourism.
- 6.2 We recognise that there is scope for improvement and that there are challenges ahead. Our biggest challenge is delivering our objectives for Welsh communities and breathing new life into town centres with reduced resources. We will continue to monitor and evaluate our activities and we will strive for improvement.
- 6.3 We believe that the collaborative approach works best when we work jointly with internal partners and with other organisations to deliver regeneration.

Huw Lewis AM
Minister for Housing, Regeneration and Heritage

APPENDIX 1

Summary of Welsh Government interventions

Regeneration Areas

The basis for our Regeneration Area model is the belief that co-ordinated effort and investment in the regeneration of an area can improve the prosperity of that area as well as the quality of life of the people living and working there. The Regeneration Area approach recognises that each area is unique and requires bespoke solutions to address underlying problems. There are 7 Regeneration Areas: the Heads of the Valleys, Môn a Menai, Swansea, Western Valleys, North Wales Coast, Aberystwyth and Barry.

Planning Policy

We create and issue national planning guidance on retailing and town centres in Planning Policy Wales (PPW). This is supplemented by Technical Advice Note 4, Planning for Retailing and Town Centres. National planning policy is an important material consideration and should be taken into account by local planning authorities when they prepare their development plans and in determining planning applications.

PPW sets out our main objectives for retailing and town centres:

- To secure accessible, efficient, competitive and innovative retail provision for all the communities of Wales;
- To promote established town, district, local and village centres as the most appropriate locations for retailing, leisure and other complementary functions; and
- To enhance the vitality, attractiveness and viability of town, district, local and village centres.

Although retailing underpins town, district, local and village centres, development plan policies should encourage a diversity of uses in centres. Mixed use developments promote lively centres and reduce the need to travel to visit a range of facilities. PPW also contains a sequential test for new retail proposals which states that developers should look to the town centre locations in the first instance, and only when they have demonstrated that there are no suitable town centre sites should they then look for edge of centre sites. Only after they have exhausted all other possible opportunities should they be allowed to consider out of town development. When determining planning applications local authorities should take into account requirements such as compatibility with a development plan, the sequential approach to site selection, the need for the development, impact on existing centres, accessibility by a variety of modes of transport, and traffic impact. Need for additional development should not be taken into account when a proposal for development comes forward within a retail centre.

Innovative design of public buildings can act as a powerful regenerative tool and the potential for social and economic benefits associated with the design

of “flagship” public buildings should not be underestimated. Similarly, high aspirations should apply to local buildings which have a more direct impact on people’s everyday lives (TAN 12 Design). The Town and Country Planning (Use Classes) Order 1987 Part A sets out what changes are permitted between different retail uses without the need to apply for planning permission.

The Design Commission for Wales is sponsored by the Welsh Government to promote and encourage better design in the built environment. It has produced a number of publications and initiated community engagement projects to increase awareness of the fabric of our towns and secure improvements to town centres across Wales.

EU Structural Funds

For the programming period 2007 – 2013, the Convergence Programme is focused in West Wales and the Valleys. Priority 5 of the Programme, Building Sustainable Communities, aims to support integrated approaches to long-term regeneration which will benefit the region’s most deprived communities and support the development of vibrant local economies. Theme 1 under this priority places focus on physical regeneration and town centre renewal. Priority 4 (Regeneration for Growth) of the East Wales ERDF Competitiveness Programme provides funding for other areas in Wales not included in the higher priority Convergence region.

To date, 24 town centre regeneration projects have been approved by the Welsh European Funding Office totaling some £270 million. These include 8 Convergence projects in the Heads of the Valleys area. These are Abertillery, Ebbw Vale, Bargoed, Taff Bargoed, Merthyr Tydfil, Aberdare, Ferndale and North Torfaen/Pontypool. Regeneration Area grants are contributing about £25 million in match funding to the projects which are valued at almost £100 million.

In North Wales, £20.5 million of ERDF funding is supporting a £37.8 million physical regeneration project within the context of the Sustainable Regeneration Framework for North Wales. This involves bringing forward 14 schemes within 7 communities across North Wales, all of which are located within the Môn a Menai and North Wales Coast Regeneration Areas.

Regeneration Investment Fund for Wales

The £40 million Regeneration Investment Fund for Wales has been developed under the EU Joint European Support for Sustainable Investment in City Areas (JESSICA) initiative, a new way to promote sustainable investments and growth in urban areas developed by the European Commission and the European Investment Bank. Under new procedures, Member States are being given the option of using EU grant funding, to make repayable investments in projects included in an integrated plan for sustainable urban development. These investments, which may take the form of equity, loans and/or guarantees, are delivered to projects via Urban Development Funds. They will

provide a financial return to the public sector, providing a recyclable fund over a protracted period, beyond the Convergence Programme period, for future investment in regeneration schemes.

Amber Infrastructure and Lambert Smith Hampton were appointed the Fund and Investment Managers to the RIFW in August 2010. The Fund is open for business and is seeking appropriate regeneration development opportunities. It has received a number of applications and expects to make its first investment later in 2011.

There are, however, some projects and areas where even the availability of loans or guarantees is not enough for the private sector to invest. Here grants and other interventions have an important role to play to plug the gaps, for example, to kick-start investment in Rhyl or to improve small business facades in Holyhead.

Heritage

The history of our towns helps to create a unique sense of place that is special for both residents and visitors. The historic environment makes Wales and its people distinctive and it helps give us our identity. Conservation areas and historic buildings, whether or not they are on the statutory lists, give towns their character. Our policies and actions for the historic environment aim to help people in Wales gain a sense of the heritage around them. It helps to give them an appreciation of what makes their community special, how it has developed and what they can do to protect and promote it for the benefit of present and future generations.

Cadw's programme of urban characterisation provides detailed evaluation of the character of a series of towns, supporting these heritage-led regeneration schemes, and providing an audit of historic character and local distinctiveness to inform other regeneration activity.

This characterisation programme provides a detailed information base to support specific planning and regeneration initiatives in the study towns, and is also being used to identify general principles which can be applied in other towns across Wales to ensure that their distinctive character is respected and enhanced, and that regeneration is informed by heritage. Successfully integrating an understanding of historic character into regeneration activity requires a shared understanding of what is important and distinctive about a place, which is more likely to be achieved when there is close collaboration and local involvement. In Merthyr Tydfil, for example, the Built Heritage Strategy Development Group has provided a valuable forum to identify where an understanding of historic character can add value to regeneration activity. In Swansea and Holyhead, characterisation work will proceed with close involvement from the local authorities, who are committed to using it to drive the local planning process.

The Heritage Lottery Fund (HLF) was established in 1995, and distributes money raised by the National Lottery in respect of all aspects of heritage.

Through its Townscape Heritage Initiative (THI) programme, HLF offer grants that help communities to regenerate Conservation Areas displaying particular social and economic need throughout the United Kingdom. It has provided over £22 million in regeneration funding to Wales so far. THI encourages partnerships of local organizations to carry out repairs and other works to a number of historic buildings, structures or spaces within these defined areas. The grant is more than just restoration of historic buildings as it can also be a catalyst for economic and community regeneration.

Prior to the implementation of a Townscape Heritage Initiative, the town of Cardigan was neglected with many of its most prominent historic buildings in a derelict condition. In a partnership between HLF, Cadw, WEFO, and Ceredigion County Council £3.7 million has been invested in the town over the past decade. 60 properties in the town centre have now been improved with at least 13 of these identified as being in critical need for improvement. The THI has been successful in improving the function of the town centre in terms of shopping, employment, housing and leisure. The number of vacant shops has also been reduced and the range and quality of the shopping offer has been significantly improved. Consequently, the town has seen a noticeable increase in the number of visitors. Importantly, the THI has played a key role in creating an attractive, individual town centre, which is considered to be key to securing an economically stable and sustainable future for Cardigan.

Cadw also runs a grant scheme for towns, known as the Town Scheme Partnerships, which is managed in partnership with local authorities. There are three town schemes currently participating, namely Conwy, Machynlleth and Pembrokeshire Coast. Over £400k has been awarded towards the improvement of properties in the town of Machynlleth since 2005. Cadw also provided funding towards the restoration of the town clock which has had a significant beneficial impact on the town centre.

Communities First

Although the majority of Communities First partnerships are not involved in town centre regeneration there are some examples of communities taking the lead and making some positive contributions. The Taff Bargoed Communities First Partnership Board, for example, was very much involved in the Treharris town centre regeneration scheme.

Housing

Residential accommodation within our towns is a vital ingredient; not only does it provide valuable housing units (usually flats or maisonettes), but those living in town centres bring activity as well as providing an element of supervision in and around where they live. To support and encourage this, we provide funding to local authorities through the Housing Renewal Area programme. Grants are made available to improve housing conditions by improving the energy efficiency of properties and removing known hazards.

The Housing Renewal Area in Denbigh was part of a wider regeneration strategy. Denbigh has a historic town centre that had also benefitted from a Townscape Heritage Initiative. There were a broad range of non-housing improvements planned for the town in addition to the renewal area. These included the renewal of the park in the town centre and flats above shops. An important feature of the work in Denbigh was working with local contractors to improve the skills base of local craftspeople, particularly in relation to conservation techniques. We contributed a total of £4.5 million towards the costs of the works. When combined with other funding this resulted in a total of £34.8 million being spent in the area that resulted in some 520 properties being improved.

Transport

We have supported the regeneration of Aberystwyth town centre through a number of transport and access projects. These have been funded through a variety of sources including the Welsh Government transport grant allocated through Regional Transport Plans, Safe Routes in the Community, Sustainable Travel Towns and Trunk Road maintenance. Funding for transport schemes has been secured from the Aberystwyth Regeneration Area and funding is also expected from EU Convergence funds. The local authority, Ceredigion County Council, has contributed to transport schemes, as well as leading on the delivery of many of the projects, in partnership with the Welsh Government and other stakeholders, in particular from the rail industry.

One of the projects currently being developed is the Aberystwyth Gateway and Train Station enhancements. This project, with total cost in the region of £5 million, is a partnership between the Welsh Government, Ceredigion County Council and the rail industry to provide a major upgrade to Aberystwyth station and the interchange facilities with bus and coach services. It will also significantly enhance pedestrian facilities between the train station and the town centre. The scheme includes a strong design element aimed at connecting the station area with the wider townscape improvements already underway. The project has strong support from across all partners and the local community and funding has come from a variety of sources including Regional Transport Plan, Sustainable Travel Towns, EU funding and Regeneration Area funding.

We have designated four Welsh towns as Sustainable Travel Towns. These are Cardiff, Bangor, Aberystwyth and Carmarthen. Aberystwyth was chosen because of its status as a settlement of national importance in the Wales Spatial Plan and due to its designation as a Regeneration Area. The STT initiative aims to support the Regeneration Area by increasing sustainable transport options and by encouraging modal shift away from the car. £2 million funding has been allocated over 2 years to a wide variety of projects including walking and cycling improvements, signage schemes, 20mph limits and travel plan work.

The importance of a high quality, integrated and sustainable transport network to the regeneration of a town should not be underestimated. Good access to services and facilities and the ease with which goods can get to the right destination are critical success factors in creating and improving business confidence and building a viable customer and visitor base from which to grow the local economy.

Tourism

Visit Wales is involved in town centre regeneration through its close partnership with the Regeneration Areas, where officers provide specific advice and guidance on tourism proposals. Visit Wales provides specific tourism advice and guidance on other schemes run by the Welsh Government that can be used in town centre regeneration programmes, such as the Rural Development Programme.

Visit Wales is directly involved in town centre regeneration through developing the tourism product offer within our Welsh towns. Typical support involves upgrading existing hotels to a higher quality to encourage higher spending visitors to the town. The redevelopment of the Cawdor Hotel in Llandeilo is an excellent example whereby the redevelopment of a hotel helped regenerate the town centre. The overall project cost was £1.4 million with Visit Wales funding of £220,000. The project created 22 jobs which is a significant number in a small market town. The use of local produce in the hotel restaurant has helped to support local suppliers and to promote Welsh produce.

Sense of place initiatives have been developed to provide investment support to private sector tourism businesses to improve their quality offer and public realm within their towns. This improves the quality of the town as a tourist destination. Visit Wales' Tourism Investment Support Scheme (TISS) is open for both existing and new tourism businesses in Wales. Support is available for the purpose of upgrading the quality of facilities and increasing capacity where there is a gap in the market. Tourism infrastructure improvements are being delivered via the EU Environment for Growth (E4G) theme. There are seven Centres of Excellence being developed across Wales, although only certain elements of individual centres are looking at regenerating town centres. The Green Seas Programme is also delivered via this programme and, although not specifically aimed at town centre regeneration, there are opportunities for town centres located close to the seafront to apply for funding. The TISS scheme has recently been expanded to include destination amenity improvements, which could include town centre regeneration projects.

Visit Wales encourage the development of Destination Partnerships. The partnerships have been tasked with providing an agreed way forward for developing the tourism product within their destination via a destination management plan. One of the roles of the partnership is to understand what regeneration proposals are on the table within their destinations and how the tourism sector should get involved and benefit from them. Partnerships should be made up of public, private and third sector representatives. At the more

local level there are tourism associations who represent the views of the tourism businesses. Visit Wales, via the Regional Tourism Partnerships, encourage the associations to become involved in the discussions around regenerating their local town centres.

Business Support

The majority of shops and offices in our town centres are small, independent businesses that have struggled to adapt to changing shopping patterns and the recession. They have operated for many years in areas of high deprivation and low disposable incomes. Despite this, many existing businesses continue to trade successfully and there are a growing variety of new activities being established in our town centres.

It is clear is that there is very little support for retail businesses outside of the traditional building refurbishment grants. The traders are largely left to run businesses without any help. Torfaen Council, with support from the Heads of the Valleys Regeneration Area, set up a Local Business Engagement Initiative, 'Together we mean Business', in Blaenavon in 2009. Each individual business has its own needs and opportunities and so the mentoring scheme helped individual businesses with bespoke advice, rather than running a generic advice service.

Other support is also delivered across Welsh Government departments. Information and guidance is available online at business.wales.gov.uk and through our business information helpline. These provide help finding wider support and access to our Start Up service, which delivers taster sessions, workshops, surgeries and one-to-one advice for those looking to start their own business. A network of Regional Centres was launched 1 April 2009, providing small businesses with general business advice plus advice on environmental management, equality and diversity and information and signposting. Rural Affairs provide additional support for micro-businesses including retailers and DfES support skills programmes appropriate for retail businesses.

Our small business rates relief scheme provides a 25% reduction for qualifying retail businesses until 31st March 2012.

Business Improvement Districts

The first UK Business Improvement District (BID) was established in 2004 and there are now more than ninety across the UK. BIDs give business ratepayers the opportunity to invest collectively and control improvements in their local area. Successful BIDs are private sector led but work in an effective partnership with the public sector. They have resulted in safer towns, reduced business crime, welcoming environments free from graffiti and litter, higher footfall, increased civic pride and improved trade. In Wales, there is only one BID in Swansea city centre. The Heads of the Valleys Regeneration Area programme is supporting the development of a BID in Merthyr Tydfil, as there is increasing evidence that some of the most successful BIDs are being

established in smaller town centres. It is hoped that other towns will follow this route and establish a sustainable mechanism for funding town centre management, promotion and business support.

We are exploring opportunities to introduce BIDs in other areas across Wales. There is enabling legislation which allows business rate payers in town centres, business parks or other defined areas to vote to pay a small addition to their rates to supplement services they receive from local authorities. It becomes attractive where it can be demonstrated that additional benefits will result through paying for additional services like security, marketing and cleaning.

The regulations allow a group of businesses to instigate a voting process and, if successful, the supplementary payment becomes mandatory for all business rate payers in the defined area. There are obvious advantages in busy town centres, but there are no panacea. The Welsh Government is examining if they can make a difference in centres where trading is more difficult but where the introduction of these measures might be a catalyst in increasing business where other funds are limited. A partnership approach is essential with the local authority and other stakeholders. Active consideration is also being given to networking groups of rural towns to provide the scale necessary to procure services.

Town Centre Management

Successful towns require ongoing town centre management, maintenance and a variety of supporting activities that constantly promote the town and provide a unique and rewarding experience for visitors. The Heads of Valleys Regeneration Area programme has supported the development of town centre management activity across the area. In addition to Town Centre Managers, the programme also supports a range of events and promotional activities that are attracting large numbers of visitors back to our town centres.

Tidy Towns

In April 2008, we launched the Tidy Towns programme. The aim of the project is to empower the people of Wales to take responsibility for the quality of their own local environment so they can contribute towards a clean, safe and tidy Wales. Tidy Towns funding has been used to improve the local environmental quality of high streets and town centres. For example, murals have been painted on shop shutters to improve appearance and deter graffiti. This funding has brought tangible environmental benefits to communities across Wales and has specifically been used on high streets and in town centres for projects such as shop frontage improvement schemes.

Local Environmental Audit Management System

We provide funding to Keep Wales Tidy to carry out independent Local Environmental Audit Management System surveys within each local authority. This involves KWT surveying 8% of the streets of Wales (4% twice each year,

to allow for seasonal changes). Surveyed streets are graded from A-D based on the presence and amounts of litter and refuse. The data shows that overall, year on year, Wales is getting cleaner.

Promoting Good Design

Physical regeneration is essential for creating an attractive environment that is popular with visitors and in which businesses can prosper. The Heads of the Valleys Public Realm Good Practice Guide was produced to support local authorities in all aspects of town centre regeneration, including the choice of appropriate materials, creating pedestrian friendly towns and setting up suitable organisational structures for maintaining a high quality environment. There were also a series of workshops and training sessions for the local authorities to promote best practice.

Procurement

The public sector can influence procurement practices to extract wider benefits. The Welsh Government's Community Benefits policy helps public sector buyers to maximise the social, economic and environmental benefits of public expenditure. Latest guidance covers creating supply chain opportunities for small more local suppliers to bid for work, training and recruitment using tools such as the Can-Do Toolkit and environmental issues such as reducing waste to landfill. The Community Benefits guide, 'Maximising the Value of the Welsh Pound', ensures that issues such as job creation and trainee places become an essential part of the public sector's approach to large scale construction and service contracts.

Crime

The Safer Towns project looks to explore the feasibility of establishing a network of Business Crime Partnerships in the town centres of the Heads of the Valleys region. Where feasible and necessary Partnerships made up of traders, police, local authorities and other town centre stakeholders will be established to share information on prolific and persistent town centre offenders and manage a robust exclusion scheme.

Rural Development Plan

European funding has been made available to deliver this programme in Wales that provides support to projects concerning small town and village renewal and development. The type of operations to be covered in this measure are those which have the potential to provide a significant boost to an area's prosperity by encouraging the development and improvement of facilities and other support infrastructure, using small scale capital investment. Projects supported include better signage, improvements to public transport infrastructure, provision of information exchanges, and encouragement of joint service facilities.

Arts and culture

Our support for arts is channelled via the Arts Council of Wales, who works within the strategic framework that we set. The budget for 2011/12 is £31.6 million and ACW has been actively engaged for some time in the regeneration agenda. This is in addition to support for the built environment of the arts in Wales. During the 10 years period between 1999 and 2009, the height of the capital programme, ACW managed an investment of £53.7 million in 750 capital projects through the Arts Council's Lottery capital programme. The total capital cost of these projects was £264.3 million. Libraries, Museums and Archives all contribute to people's quality of life and have a role to play in regenerating local communities.

Huw Lewis AM
Minister for Housing, Regeneration & Heritage