
Inquiry into Town Centre Regeneration

Written Submission to
the National Assembly
for Wales Enterprise and
Business Committee

September 2011



Inquiry into the regeneration of town centres – a submission from the Federation of Small Businesses in Wales

Introduction

The Federation of Small Businesses in Wales is grateful for the opportunity to submit a response to this inquiry into the regeneration of town centres. FSB Wales is the authoritative voice of small businesses in Wales with 10,000 members, a Welsh Policy Unit, two regional committees and twelve branch committees FSB Wales is in constant contact with small businesses at grassroots level creating an ideal position to comment on town centre regeneration that has such a large effect on small businesses in Wales.

This submission takes a broad approach to the terms of reference and examines the issues at hand with examples from a broad section of FSB membership from across Wales. It highlights the key threats to town centres in Wales, as well as the changes that can be made to reverse the decline in our town centres.

This submission builds upon the extensive consultation work undertaken as part of the FSB's manifesto for the 2011 elections to the National Assembly and its ongoing policy research and partnership with other agencies, groups and key stakeholders.

Executive Summary

We have attempted to answer the questions as framed in the Terms of Reference but offer further answers according to our evidence base and overall policy direction. As such specific reference is made to planning and business rates as areas of policy which although not directly addressed in this inquiry are areas which require further attention and scrutiny.

The evidence given by FSB members in Wales demonstrated mixed success in terms of delivering regeneration. Evidence suggests that local partnerships had strengthened cooperation particularly between local authorities and the local business community in terms of attracting visitors through marketing of events and positioning towns through their unique selling points.

In specific town centre communities across Wales businesses are engaging with statutory authorities and voluntary partnerships and taking steps themselves through brand development and marketing activities to address the decline of town centre retail. It was suggested that it was better to lower business rates to an affordable level rather than higher rates coupled with lower levels of occupancy within towns. Also that the revenue generated from larger out of town retailers could be used to subsidise smaller businesses. This would be alongside giving landlords an incentive to lower rents to encourage new business and support developing businesses.

It was felt that local authorities should seek to offset the burden of business rates by offering greater free parking facilities to increase footfall and ultimately that the business rate burden needs to be considerably and permanently eased on small High Street premises. Further evidence suggested that traffic flow systems and pedestrianisation schemes have had a negative effect on trading in town centres. Parking, transport infrastructure and the flow of traffic were key issues for FSB members.

Several members of the FSB in Swansea have been active in the Business Improvement District in Swansea and have offered an insight from the smaller business perspective. Some BIDs beyond

Wales are looking at income generation projects for businesses to offset the charges inherent in their existence. This as well as a declared strategic intent to add value and avoid duplication of services available via the local authority would be key to their success. Most comments from FSB members suggested that maintaining a positive image of town centres was valuable and that this should be managed in a sustainable manner focusing on the individual cultural identity of towns. This reflects the need for businesses through town centre partnerships to develop a unified vision and a campaign that is built on a brand that reflects its assets. Marketing needs to build the destination profile of town centres sometimes within a wider marketing area.

FSB Wales members view planning policy as a fundamental pillar to redress the balance in favour of town centre regeneration. It is clear from our current evidence base that planning issues are of real concern, particularly in relation to town centre regeneration. The most frequent observation was that the planning rules created an emphasis towards out of town development, removing town centres as the focal point of the community and decreasing footfall:

FSB members broadly welcome the growing commitment towards regenerating town centres and a shifting focus away from out of town developments and recognise the apparent growing political appetite to prevent further degeneration.

FSB Wales members have accepted that they will always compete with developments outside of town centres and partner organisations have emphasised the to revisit spatial planning and how the inter rural-urban relationships can bring about diverse town centres in terms of supplying labour, produce and other assets that can be sold and channelled through town centres so that smaller enterprises can come together, share costs and use town centre space for diverse activities.

It is important that Planning Authorities are given stronger policy guidelines from the Welsh Government to be able to withstand pressure for large developments, and preserve small indigenous businesses that enable our town centres to be vibrant and active. Many members found the nature of the planning system posed an obstacle to investment in their business. There is a necessity to make economic development at the heart of any review of the planning system, and FSB Wales would encourage strong consultation on how the interests of small businesses, often focal points in local communities and towns, can be heard and recognised to ensure a business led recovery.

Methods Statement

The research undertaken to inform this submission was based on in-depth qualitative interviews with sixteen individual members. The interviews took place between mid August and early September 2011 and were followed up by further telephone interviews and submissions made via email. In addition to the rich data yielded by the interviews peer to peer research was conducted by FSB Wales with its partner offices in Scotland and Northern Ireland. The content of this research is based on submissions to the Scottish Parliament and Northern Ireland Assembly and detailed individually in the document. FSB Wales also consulted key partner organisations such as the Action for Market Towns and the Cooperative Retail Society as well as the leading consultants on the subject of sustainable towns, Miller Research. Whilst the information given to FSB Wales by Miller Research is available for further scrutiny the content of discussions between FSB Wales and its wider partners is by nature anecdotal and cannot be considered sufficiently robust in and of itself to validate and opinion or policy basis. FSB Wales were assisted in the research exercise by Positif Politics but the opinions and viewpoints based upon this research are those solely of the Federation of Small Businesses.

Over arching Questions

1. What approaches have been followed to successfully deliver and finance the regeneration of town centres in Wales? Are there lessons to be learned from elsewhere?

The evidence given by FSB members in Wales demonstrated mixed success in terms of delivering regeneration. The evidence provided in **Question 3** below illustrates the experience of our members in terms of partnership working at a local level and also experiences of businesses in the Business Improvement District of Swansea and funding issues identified in answer to **section (v)** and our views on planning policy in the **Planning** section

2. How does the Welsh Government use the levers at its disposal to assist in the regeneration of town centres in Wales?

The single lever identified in our evidence is the business rate relief. See answer to section (iii) for full response.

3. How are the interests and activities of communities, businesses, local authorities and Welsh Ministers identified and coordinated when developing and implementing town centre regeneration projects?

There has been a mixed response across Wales in terms of how local interests and activities are coordinated. Evidence suggests that local partnerships had strengthened cooperation particularly between local authorities and local business community in terms of attracting visitors through marketing of summer events (e.g. in Flintshire) and positioning towns through their unique selling points (e.g. Denbigh) as being well known for its festivals and its capacity to attract specialist shops.

However, there was a level of criticism from some businesses at the level of communication received from their local authority and some felt that not enough was being done to meet the needs of businesses. Independent review on our behalf by Miller Research demonstrates that the design of Regeneration projects and initiatives and assessment of demand are key factors in determining the level of early engagement from business and communities.

In Swansea, a local action group of independent retailers, local politicians and the police was established in response to the impact business rates was having on local business and empty properties. Evidence in relation to the RCT Town Centre Forum suggests a lack of clarity of in relation to roles and responsibilities at local and Welsh Government levels where there was a call for a more meaningful input from officers in relation to Retail Planning Policy. There was also encouragement for the Welsh Government to connect at grass roots level on local initiatives.

“Examples where our business has been integral to community development is demonstrated by the fact that initial regeneration to the shops in Market Street and Duke Street were met entirely out of the pocket of the Market Company. We have, also at our own expense, attached a concourse to the Market to extend the range of goods and services which can be offered to the public in Aberdare - we have great faith that with some sensible interaction with WAG not only Aberdare but other market towns can survive to promote not only the shopping experience of the locals but to ensure that the cultural identity of these important areas survives.” (Market trader, Aberdare, Rhondda Cynon Taf)

In Carmarthenshire, it was felt that consultation with the local authority was limited and one FSB member cited attempts he had made to contact the relevant officer at the authority. He felt that

there was very little involvement from local traders and those decisions were made without their best interests at heart. He stated that correspondence with the local authority was usually tantamount to bad news.

An FSB member in Pembrokeshire stated that there were few units in Milford Haven town centre that could house development on the scale of that seen out of town and added that the local authority until recently did not have the will to support town centre regeneration. He felt this was changing but would take many years to unravel the harm caused. He also felt that there was little interaction between the local authority and business in making key decisions on regeneration; however he felt that the overall involvement and relationship of the Chamber of Commerce with the local authority was good. This was due to the chamber being a proactive partner.

Where town centres projects have adopted multi sector approaches and placed business and community at the heart of their process there are tangible benefits. In this context, Miller Research place the example of Blaenau Ymlaen,

“Blaenau Ymlaen is a town centre partnership in the Gwynedd slate town of Blaenau Ffestiniog. It has driven a local, yet strategic, process of change that embraces its “softer” assets – such as people, language, environment and culture. A clear vision, suite of projects and an integrated approach is showing dividends, with the partnership starting to build a destination that has responded to local needs and yet outwardly is seeking a sustainable shift to activity based tourism, connectivity with other attractors as well as creating a brand that people can align themselves to. This has led to the partnership providing a £6m package of place-making improvements, business grants and training, brand development, green town initiatives and mountain bike trails with local business at the heart of the development and implementation process. The partnership (with support from external consultants) has also looked to companies such as Dare2b and Howies to inspire and stimulate entrepreneurial activity through knowledge exchanges, young people’s forums and business proofing sessions.

Other town centre communities across Wales such as those in Blaenau Gwent, Merthyr Tydfil and Bridgend are providing opportunities for business to engage through brand development and marketing activities.

Importantly, they suggest that the engagement of business and community sectors may require external facilitation to help them to understand what their town is about, what it has to offer and how it can compete. A more holistic approach, beyond local authorities’ highways and economic development directorates, involving skills and learning, community participation and ownership as well as engagement with the schools sector can lever investment, build local ownership and help ensure sustainability of a scheme.

A Northern Ireland Perspective & Scotland

Looking beyond Wales, the FSB in Northern Ireland in their [evidence to the Committee for Social Development Inquiry into Town Centre Regeneration](#), argued that working in partnership and consultation with local people and stakeholder engagement was integral to successful regeneration. The proposals made under the Review of Public Administration for community planning partnerships were seen as important to giving a voice to small businesses in local areas.

The FSB in Scotland found the Scottish Centre for Regeneration’s Learning Networks a useful tool for disseminating good practice and stated that with some drive and direction from the Scottish

Executive, the Learning Network's could become central to stimulating action based on good evidence. The Town Centres and Local High Streets Learning Network produced a briefing paper on the challenges in regenerating town centres. In summary, it concluded that:

- A need for strategies for towns and town centres that **take a holistic approach to regenerating and managing town centres**. This was seen as vital given that retail was no longer seen as the only function of a town centre and that wider strategies and approaches, involving new stakeholders, were needed.
- A need to reach a consensus on and **develop a related suite of indicators that can be applied in a consistent fashion to measure performance and progress of towns and town centres**.

FSB Scotland also provided a case study of regeneration projects focused on the work of the Irvine Bay Regeneration Company, one of Scotland's second generation of Urban Regeneration Companies. The Irvine Bay area consists of five towns along a coastal region and the case study examined the effect of the company on regeneration issues. Key lessons were:

- **The need for long-term commitment to the regeneration process**, through a lead body with a local area focus and responsibility. Irvine Bay URC was established to address local regeneration needs – it has largely focused on physical project activity, but only where this will create the right conditions for future private sector investment. The long-term commitment of the URC has supported a strategic and phased to addressing key regeneration needs of the Irvine Bay area.
- **The need to focus on key priorities and deliverable projects to demonstrate commitment and generate interest**. The URC has identified the three towns of Ardrossan, Kilwinning and Irvine as immediate priorities for regeneration based on local need/opportunity – and within these towns has identified immediate priority projects that generate greatest impact for economic activity and improved place perception.

It is evident from the case study that the Irvine Bay Regeneration Company managed to negotiate with strategic partners in both the public and private sectors and **established economic growth as an overarching principle in regenerating town centres**.

Further issues for answer under the Terms of Reference:

- (i) **The roles the Welsh Government and local authorities play in the regeneration of town centres.**

See above answer to overarching question number 3 in relation to a collective approach to regeneration. Further, the FSB believe that there is a need to recognise the impact of wider investment by the various agencies of the public sector, including ASPBs in localised initiatives such as the National Eisteddfod and Abergavenny Food Festival which in turn stimulates the wider local economy. The whole regeneration debate would benefit from an assessment of the impact of this type of investment on the economic sustainability of local communities.

- (ii) **The extent to which businesses and communities are engaged with the public sector led town centre regeneration projects or initiatives, and vice versa.**

See above answer to overarching question number 3.

(iii) The factors affecting the mix of residential, commercial and retail premises found in town centres - for example, the impact of business rates policy; footfall patterns and issues surrounding the night-time and daytime economies within town centres.

The focus for FSB Wales members is largely in relation to daytime economies and the ability to trade as retailers. A significant proportion of our evidence demonstrates the crucial role of business rates in maintaining the vitality of retail in the high street. Amongst the key messages were the following:

- That it was better to lower business rates to an affordable level rather than higher rates coupled with lower levels of occupancy within towns.
- There was also the suggestion that the revenue generated from larger out of town retailers could be used to subsidise smaller businesses.
- Independent retailers would benefit from a reduction in or zero business rate for a period (suggestion of 1 year)
- To give landlords an incentive to lower rents to encourage new business and support aspiring businesses.
- Offset the burden of business rates by offering greater free parking facilities to increase footfall
- a more versatile system that could deal with appeals quicker and to make the process of appealing rate valuation less lengthy and bureaucratic which also adequately took into account changes in circumstances

As Miller Research state, our case studies illustrate the need to ensure that town centres are accessible to consumers as a key to creating footfall, dwell time and spend. It also reflects the need to have the right infrastructure for servicing commercial properties within a managed environment for pedestrians.

Case Studies

The following case study provided an insight on the impact of the non-domestic rates policy:

“In 1973 my father was paying the equivalent of c£1,800 pa in Rates on our building here in Holywell. In 2008, I was paying the best part of £6,000 in respect of the UBR. The introduction of the UBR and the subsequent elevation of the sums payable have been very harmful to micro High St businesses. In 2008 Tesco built a new store in Holywell which raises c £675,000 in business rates; why not use this gain to permanently ease the tax burden on other local micro businesses? This situation relates to a greater or lesser degree to practically every town centre throughout the UK. The business rate burden needs to be permanently considerably eased on small High St premises. 1,500 sq ft and below would be a useful starting point.” (Retailer, Holywell, Flintshire)

“I personally dislike paying my £500 per month when my two adjacent neighbours (very small one person shops) pay nothing but get all the benefits of the services my business pays for. £500 per month is a part time member of staff that I am desperate for but can't afford.” (Retailer, Llandudno, Conwy)

An FSB member in Swansea stated that business rates (non-domestic rates) were becoming a real issue and were having a significant effect on his business. He had experienced rate rises that he described as punitive and was expecting a further increase of around 15% in the future. He added that it was very likely that he would move to an area with a lower rateable value. He would not be able to continue operating his business if the present increases continue, which in turn will influence his decision on whether his trade was relevant to that particular locality. He felt the services from

the local authority were poor and questioned where his money was going. This illustrates the view of the FSB that it is better to gear business rates to reflect the value for money an individual business provides for the customer above all other calculations.

“One quick and effective way to help independents would be to cut or reduce to zero for a limited time (say one year) our business rates. Many have had appeals heard against the decisions of the Valuation Office but they can only go so far and are tied by legislation. I understand that the Welsh Assembly have powers in cases of extreme hardship to reduce business rates and I would be grateful if consideration could be given to doing this. Every week that goes by without help, more businesses will fail causing further decline to the City of Swansea.” (Retailer, Swansea)

“We applaud the notion that some relief from Business rates could be applied but it would have to be longer term if it is to have real impact and we consider that most businesses would be happy to pay rates if some Government initiative to make town centre car parking free, could be implemented” (Butcher, Carmarthenshire)

Traffic flow, pedestrianisation and footfall

Further evidence suggested that traffic flow systems and pedestrianisation schemes have had a negative affect on trading in town centres. It is a constant complaint to the FSB from its members that there is a lack of co-ordination between statutory bodies and the business community in devising effective models to stimulate optimum footfall in town centres.

Parking and the flow of traffic were key issues for FSB members in Swansea in particular. Several members stated that the one way system was causing significant problems for footfall and created confusion for potential visitors to Swansea in navigating their way around the centre and that this was likely to put them off returning. One member added that he had experienced a marked decrease in footfall since the system was introduced and was considering closing on certain days to save money on costs.

Another member in Swansea felt that there was a major disincentive to stop at the city centre as parking was becoming heavily priced. She criticised the local authority’s handling of the move towards a one way system and stated that there was little consultation between small local businesses and the local authority.

In terms of the mix of properties, a further member for Swansea emphasised that regeneration programmes also need to include plans to reinvigorate town centres at night by providing places of entertainment and leisure services in a safe environment with good transport. It was important to address anti-social behaviour and ensure visible policing to increase both security and confidence.

It is important to reflect that this issue is not isolated to Swansea alone and is a Wales-wide consideration.

According to an FSB member in Carmarthen, the most pressing problem, with regards to town centre regeneration in Carmarthen, was the pedestrianisation of the town. He noted examples where streets had been narrowed to enable larger pavements at the expense of parking within town and he felt this was having a significant affect on the footfall in the town centre. The instigation of a one way system and the reduction in easily accessible short term parking was having a significant effect as shoppers would chose to go to Tesco’s instead were parking was more convenient. He contrasted this situation with the business he owns in Llandeilo where he states no similar attempts

at pedestrianisation had occurred. As a result he feels trade in Carmarthen has become worse whilst in Llandeilo the footfall had not deteriorated.

The FSB in Wales recognise the need to establish a sustainable transport infrastructure to ensure that visiting town centres is a viable choice for the consumer and that the efforts to reduce the environmental impact – particularly the use of cars – are of particular importance. To this end it believes it is better to encourage shorter local journeys than frequent longer travel to out of town developments.

(iv) The impact of out-of-town retail sites on nearby town centres.

The majority of our evidence indicated that the main factor in determining the impact of out-of-town retail sites was parking and how the lack of free parking deterred shoppers in town centres. **There was support for the policy of charging rates on car parking at supermarkets to offset losses to car parking charges or alternatively a proportional tax on free car parking spaces on developers.** There is the suggestion that the Welsh Government were not providing a level playing field as planning allows for large free car parks at out of town sites whilst parking was being reduced and becoming more expensive inside the town. An FSB member in Flintshire illustrated the point:

*“In most small town centres car parking should be free. The UK Government, Welsh Government and County Council have often argued that car parking fees do not deter shoppers, **well if it is such a good idea then the supermarkets would be charging for car parking as they don't miss a trick when it comes to making money, but they know that fees are very unpopular with motorists.**”*

A further FSB member in Rhonda Cynon Taf suggested that businesses would be willing to pay business rates if some Government initiative could be implemented to facilitate free parking in town centres. Another concern for an FSB member in Pembrokeshire was what he labeled a “dynamic shift” away from town centre to out of town development and the out of town development had even started using buses to take shoppers from the centre to the out of town development which was detrimental to town centre businesses.

Given our previous comments on sustainable transport, the parking issue demonstrates that it is counter-intuitive to offer parking facilities that encourage longer car journeys to out of town retail sites rather than lowering our carbon footprint. Current thinking also places an emphasis on broader accessibility issues by establishing a balanced mix of transport, as Miller Research state,

Out of town sites also tend to be more accessible by car and on public transport routes which meets our convenience type culture, turning its back on the distinctive yet sometimes restrictive environment of our High Streets. The need to ensure town centres are accessible by car, public transport, bike and walking is key to their success as well as serviceable for retailers and other businesses.

(v) The use of funding sources and innovative financial solutions to contribute to town centre regeneration – including the Regeneration Investment Fund for Wales; the use of Business Improvement Districts; structural funds; Welsh Government, local authority and private sector investment.

Several members of the FSB in Swansea have been active in the Business Improvement District. They have offered an insight from the smaller business perspective. One FSB member felt that there were very limited powers for taking action within the BID venture and that much of the time was

spent talking about what could be done rather than doing things. He stated that the BID needs to be more accountable to local businesses and clarify how they spend the businesses money and avoid what he labelled a “smoke and mirrors” approach. He also felt that the role of the BID should be targeted more directly at regeneration and that it should not be duplicating services provided by the council. He stated that this effectively made the levy an additional tax on businesses.

Another FSB member’s experience of the Swansea Business Investment District was negative. She felt that the scheme was not run properly and there is limited awareness of its full services, such as local advertising. She felt it was not having an effect on the city centre and that the services were often invisible to those who pay towards the BID. She cited graffiti that had not been removed by the graffiti team, which forms a key service in the BID. She also felt that the voting system allowed for manipulation by larger stores and felt it did not work in independent retailers favour.

The FSB Scotland has had the benefit of reflecting on six pathfinder BIDs and have offered the following positions and provide examples of where BIDs can offer added incentives for business.

- Their use was gathering momentum although there was a challenging future ahead due to lack of match funding (e.g. JESSICA, local authorities etc) towards the core costs.
- Some BIDs were looking at income generation projects for businesses to offset charges.
- The Clacks First BID was looking at developing wind powered energy generation for a business park in order to lower energy costs and provide an income stream.
- Bathgate BID was working with Zero Waste Scotland to develop better waste recycling facilities to reduce waste management costs.

However, the FSB in Scotland does not support all proposed BIDS and have been judged as delivering varying degrees of success and are seen as one of many measures required.

FSB Northern Ireland has argued that the option should exist to allow BIDs to be set up only where there was sufficient support from businesses. The worst case scenario for small businesses is that they end up paying a levy in addition to their business rates for local services or capital projects that they do not want; do not benefit their business, or which would have happened anyway.

Regeneration funding opportunities:

One FSB member in **RCT** has alluded to the bureaucratic burden of applying for heritage regeneration funds

“In Aberdare we have ostensibly benefited from Heritage Lottery Money in order to give the Town Centre a structural lift. This money was accessed with an on paper working partnership between Rhondda Cynon Taf Local Authority and Aberdare & District Chamber of Trade & Commerce. We would like to report that this has been a wonderful scheme but have found from personal experience that the format used to access this money is so complicated that it is likely to put off more people than it attracts. As major stakeholders in Aberdare, owners of the central Market (which has Royal Charter status), the Market Tavern and a concourse of thirteen shops in Market & Duke Street which form a substantial chunk of the heart of the Town Centre we engaged in trying to take advantage of this Heritage money to restore the Market to it’s original splendor and to refurbish the exterior of the shops to match. The format is so complicated that we are almost at the point of abandoning all hope of taking this project forward because there does not seem to be any advisor within the system who can unravel the complexities of the application format. If you have anyone who can help with this we will be in a position to report a success rather than a failure of the system.”

(vi) The importance of sustainable and integrated transport in town centres– including traffic management, parking and access.

The vast majority of our evidence is focussed on parking issues and namely the increased limitation of town centre parking. This aspect should be considered along side our evidence in relation to traffic flow, pedestrianisation and footfall in part (iii) above

An FSB member in **Amlwch** stated that car parking was becoming an issue in as two out of the four local car parks had closed. This had led to illegal parking and according to the member, the local authority was clamping down on illegal parking and this had led to fines and deterioration in footfall. An FSB member from **Llandudno** described parking as “the bane” of the town and called for more spaces, particularly for tourists and the re-design of the through traffic system with the added complication of residential parking affecting existing free parking.

Specific feed-back from members describe the “unacceptably low” level of parking coupled with rising prices as a major disincentive to shop at city centres, with private car parks charging excessive rates. There was further concern that wider areas such as Carmarthen and Cardiff could be reached cheaply when compared to Swansea’s public transport and parking costs and that the park and rider scheme was having limited impact as it could not replace adequate city centre parking. However, the recent regeneration of the bus station was seen as positive and provided good facilities although the new bus station did not have adequate passengers to serve its purpose.

This evidence emphasises what Miller Research identified as the need to provide accessibility and mobility in town centres as key to connecting users (including tourists) with shops and services across the day, evening and week. Their research also suggests public transport also as key to the success of evening time economies so that food and drink, arts, culture and other community facilities are accessible and viable and supports Wales’ visitor economy so that tourism is seen as an experience that is based around exploring, engaging and accessible.

(vii) The potential impact of marketing and image on the regeneration of town centres – such as tourism, signage, public art, street furniture, lighting and safety concerns.

Most comments from FSB members suggested that maintaining a positive image of town centres was valuable but that this should be managed in a sustainable manner and should focus on the individual cultural identity of towns.

One FSB member in **Aberdare** stated “...we have great faith that with some sensible interaction with the Welsh Government, not only Aberdare but other market towns can survive to promote not only the shopping experience of the locals but to ensure that the cultural identity of these important areas survives.”

This reflects the need for businesses through town centre partnerships to develop a unified vision and a campaign that is built on a brand that reflects its assets. Marketing needs to build the destination profile of town centres sometimes within a wider marketing area. Campaigns need to reflect the assets of a town centres in terms of the general retail offer, food and drink, arts and culture, facilities and how it links into other attractions within the town as well as linkages to rural areas such as trails.

An FSB member in Amlwch, **Anglesey** stated that there were various regeneration projects going on in his area with the most notable being the regeneration of buildings around the harbour. This had

both good and bad implications for the town - good in that the regeneration was improving the visual appearance of the area and bad in that many businesses were relocated as a result of the council's sale of land in the area to proceed with the development.

A member of the FSB in Swansea described the appearance of the city centre as poor and discussed the need for a concerted effort to improve shop fronts and the level of graffiti. A further member stated that the High Street in particular needs to be made more aesthetically pleasing as it is the main access too the city centre from the railway station with some being degraded due to lack of care from landlords. He added that better signage was needed throughout the city centre highlighting where the independent shops are located. We believe that it would be of benefit to provide signage where there is a clear cluster of independent retailers in a locality, particularly in our larger urban areas in order to offer a distinctive consumer experience to attract more visitors

An FSB member in Pembrokeshire believed that improvements aimed at ameliorating the appearance of the town were good but that the worst situation was empty premises that created a "run down" feel to the town. He cited an example whereby photographs or advertisements of local scenery/colleges etc were used to cover empty shop windows and believed that this had a large affect on the appearance of the town. He stated that the Chamber of Commerce had led on this but that involvement and match funding from the local authority had been welcome and productive.

Another layer to projecting the image and distinctiveness of town centres is the use of public artwork. As referenced by Miller Research,

Wales has been quite prolific in installing public artwork across its town and city centres with the larger urban centres of Cardiff, Swansea and Newport integrating artwork within paving, signage, lighting and in key note sculptures. They also play a role in smaller town centres with artwork telling the story of local industries, historical figures and how towns have traded through the ages.

Schemes in Abergavenny, Chepstow and Tonypany have engaged with the local business community so that artwork adds value to scheme and tells the story to visitors as well as providing functional space for events, festivals and other activities. Abergavenny is a good example where the regeneration of the Brewery Yard to the rear of the Market Hall has boosted the economic potential of the town with the space being a key focus for the annual Food Festival, bringing 35,000 visitors to the town and generating £3.5 million of expenditure. The use of brick barrels, poetry and art-based benches adds to the experience which is authentic and memorable to visitors leading to repeat visits and confidence in the town as a destination

FSB Northern Ireland, in their evidence to their respective Committee Inquiry note that the expansion of large chains through their 'neighbourhood stores' has raised the threat of 'cloning' (as coined by the New Economics Foundation in 2004) and the loss of any form of local identity. They argue that it's vital that Northern Ireland's town centres maintain – and indeed celebrate – their individuality as tourists who come to Northern Ireland and find shopping malls and high streets which are exactly the same as the ones they came from will find no reason to return.

(ix) The extent to which town centre regeneration initiatives can seek to provide greater employment opportunities for local people.

Evidence from our members indicate that more should be done to recognise the role of smaller town centre retailers in offering meaningful local employment opportunities despite competing against the economies of larger retail and external factors, especially sustainable transport.

One FSB member in Denbigh has commented that,

“for any two part time jobs created in supermarkets, we feel that one equivalent full time job will be lost elsewhere.”

A further member in Flintshire reflected on the changing attitudes to small retailers,

“For many years Government has seemingly treated small retailers as public enemy number one! Now that we are disappearing there does seem to be a change of attitude towards the sector. At last Government does seem to appreciate the contribution that local retailers make to their communities. Government needs to promote retailing in a positive light in order to attract young entrants into the industry, and by creating the 'seed bed' retailing can be promoted as a career for well educated people to follow and make a reasonable living.”

An FSB member from Llandudno illustrated the effect of lack of affordable transport as a disincentive to work

*“A shop worker on 16 hours a week (wages around £95, below the tax level) lives 8 miles out of town in a village where the buses only run twice a day. The car is essential. Fuel cost to travel to work and back 3 times around £12. Parking will cost £12 per week. **That extra £12 may make the difference between the job being viable or claiming benefit instead.”***

This emphasises the argument that town centre initiatives need to be proactive in planning for growth, supporting business in terms of training and development and looking at ways to stimulate new enterprise whether this be directly in retail, or supporting low carbon technology companies in creating sustainable business communities.

Further Considerations: Planning

The FSB in Wales is fearful that Planning has been overlooked as a central issue in town centre regeneration and ultimately economic development solutions. We view planning policy as a fundamental pillar to redress the balance in favour of town centre regeneration. Since 2008, FSB Wales has been promoting a series of changes to planning policy that would address the needs and concerns of small businesses and place the emphasis on planning firmly towards regeneration and economic development.

It is clear from our current evidence base that planning issues are of real concern, particularly in relation to town centre regeneration. The most frequent observation was that the planning rules created an emphasis towards out of town development, removing town centres as the focal point of the community and decreasing footfall:

*“I think and hope that it is beginning to dawn on some that in the vast majority of cases you are not able to have a viable town centre and a large retail outlet on the outskirts of the same time. I feel that this doesn’t work and it leads to the gradual decline in town centres whereby properties become derelict or are turned into low cost housing. **I question if this is what is envisaged by planners?**”*

(FSB Member Denbigh, Denbighshire)

This member further describes how out of town developments, with the correct approach to planning, can potentially help town centres,

*“Firstly in Oswestry where the larger retailers have built on the outskirts of town but within easy walking distance of the town centre and with adequate parking. The outcome of this has been good. In contrast, Ruthin where Tesco’s assured the planning authorities that their original plans were their needs, however six months later applied for retrospective permission to extend. To their credit the council disagreed, however it was overturned on appeal despite local views. As a result, Ruthin is beginning to suffer. **As stated I think authorities are slowly coming around to the mayhem they have caused in the past, long may this continue.**”* (FSB member, Denbigh, Denbighshire)

FSB members broadly welcome the growing commitment towards regenerating town centres and a shifting focus away from out of town developments and recognise the apparent growing political appetite to prevent further degeneration. However the urgency of the situation was touched upon by many respondents, for example:

“However, the WAG has control over Planning Policy which determines how applications for out of town retail are processed. These guidelines need urgent reconsideration if the demise (ROT!) in the High Streets is to be halted... So, if we are to answer how the Welsh Government could increase the success of regeneration projects in Wales one of the key factors would be an urgent review of the Planning Policy as it pertains to retail – urgent cannot afford to extend to a two year chattering workshop without real results to show at the end of the day, during which time many more out of town projects would have been processed...” (Market trader, Aberdare, Rhondda Cynon Taf)

FSB Wales members have accepted that they will always compete with developments outside of town centres and reflect Miller Research in their call *“to revisit spatial planning and how the inter rural-urban relationships can bring about diverse town centres in terms of supplying labour, produce and other assets that can be sold and channelled through town centres so that smaller enterprises can come together, share costs and use town centre space for diverse activities.”*

Summary

We have long argued that a Retail Strategy could link in with any future reform of the planning process to help create the environment to ensure that we have a planning system that can help deliver economic renewal. It is important that Planning Authorities are given stronger policy guidelines from the Welsh Government to be able to withstand pressure for large developments, and preserve small indigenous businesses that enable our town centres to be vibrant and active.

Many members found the nature of the planning system posed an obstacle to investment in their business. It is encouraging to see the First Minister speak of the need for a planning system that can deliver economic renewal and the FSB feel that relatively simple measures such as pre-application consultation can have significant effect on the planning process and the speed of applications. There

is a necessity to make economic development at the heart of any review of the planning system, and FSB Wales would encourage strong consultation on how the interests of small businesses, often focal points in local communities and towns, can be heard and recognised to ensure a business led recovery.

The Federation of Small Businesses

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