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Llywodraeth Cymru
Welsh Government

Mark Isherwood, MS
Chair – Public Accounts and Public Administration Committee
Welsh Parliament
Cardiff Bay
Cardiff
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5 March 2024

Dear Chair

PUBLIC ACCOUNTS AND PUBLIC ADMINISTRATION COMMITTEE REPORT: TOWN CENTRE REGENERATION

I am writing to enclose the Welsh Government's response to the above report. Please note there are links to online documents embedded within the letter.

I would like to thank you and the Committee Members for work you have undertaken to produce the report. We are pleased to accept all the recommendations in full.

Successful town and city centres are vital to the environmental, economic, social, and cultural wellbeing of Wales. Supporting the regeneration of our town centres therefore continues to be a priority for Welsh Ministers.

We will continue to deliver the Welsh Government's Programme for Government commitments and implementing the actions in our Town Centre Position Statement. The Committee's report and recommendations will make a valuable contribution to this work.

Please let me know if you would like any further information or clarification.

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Rydym yn croesawu derbyn gohebiaeth yn Gymraeg. Byddwn yn ateb gohebiaeth a dderbynnir yn Gymraeg yn Gymraeg ac ni fydd gohebu yn Gymraeg yn arwain at oedi.

We welcome receiving correspondence in Welsh. Any correspondence received in Welsh will be answered in Welsh and corresponding in Welsh will not lead to a delay in responding.

Written response by the Welsh Government to the Public Accounts and Public Administration Committee's report on Town Centre Regeneration.

Recommendation 1.

The Welsh Government should update the Committee, in the context of the issues raised by the Auditor General's report, on action it is taking to support the progress of CJs, along with timelines for implementation, should there be any.

Response: Accept

The Welsh Government welcomes the summary report on the progress of Corporate Joint Committees (CJs) published by Audit Wales on 14 November 2023. We note the positive reference to progress being made by each CJC. Whilst the report contains no recommendations for Welsh Ministers, we recognise the need to continue to support the ongoing implementation of CJs to address the challenges the report identifies.

Ministers with responsibility for the various powers and duties of CJs intend to strengthen arrangements for regular collective strategic engagement with CJs to discuss issues, including those raised in the Audit Wales report. This includes meeting with CJC Chairs and Vice Chairs every six months, including most recently on 5 February. In parallel, senior officers have also begun a series of quarterly meetings with CJC Chief Executives.

Financial implications: None

Recommendation 2.

The Committee would appreciate further clarification around the resources allocated to each CJC and asks the Welsh Government to share a breakdown of the composition of each group, with further information on funding and resourcing.

Response: Accept

Ultimately decisions on resourcing the statutory obligations to be exercised through CJsCs are for local authorities to make. The purpose of legislating to enable CJsCs in these policy areas was to strengthen authorities' capacity and capability by working collectively.

Details of the geography and membership of each of the CJC can be found in the attached regulations.

[The South East Wales Corporate Joint Committee Regulations 2021](#)

[The South West Wales Corporate Joint Committee Regulations 2021](#)

[The Mid Wales Corporate Joint Committee Regulations 2021](#)

[The North Wales Corporate Joint Committee Regulations 2021](#)

The Welsh Government provided additional funding of £250,000 for each CJC in 2021-2022 to support their establishment and subsequently provided ongoing funding through the Settlement from 2022-23 to support their ongoing delivery.

The Welsh Government has however also made an additional £125,000 available in 2023-24 to each CJC and £100,000 in 2024-25 to each CJC to support the development of Regional Transport Plans and Strategic Development Plans.

Financial implications: None. All costs will be met from existing budgets.

Recommendation 3.

The Welsh Government should clarify how the Corporate Joint Committees implementing the Regional Transport Plans will be funded, what guidance will they be working in accordance with and what are the detailed timelines for implementation.

Response: Accept

As set out in response to recommendation 2, in addition to Settlement funding for this activity the Welsh Government has made a further £125,000 available this financial year to each CJC and a further £100,000 in 2024-25 to each CJC to support the development of both Regional Transport Plans and Strategic Development Plans.

[Regional Transport Plan Guidance](#) included indicative timescales and activities to complete the work to enable it to be approved for the 2025 – 2030 delivery period.

Each CJC has agreed with the Welsh Government how their RTP will be produced, so activity by the CJC should now be well underway.

Future funding of the projects and initiatives within approved RTPs could be funded through a variety of means: direct Local Authority budgets, Welsh Government regional transport funds, UK Government or private investment. The Welsh Government and Transport for Wales will work with the CJCs to develop realistic forward estimates to help guide the scope of RTPs.

Financial implications: None. All costs will be met from existing budgets.

Recommendation 4.

The Committee concurs with the Auditor General's recommendation that a more interventionist approach is required by planning authorities and asks that the Welsh Government explain how it will look to strengthen planning policy to better favour centre-of-town development, instead of out-of-town development, through interventionist actions, particularly to address the issue of empty properties.

Response: Accept

[Planning Policy Wales](#) and [Future Wales](#) both have clear policies promoting 'town centre first' principles for the planning system in Wales. Whilst the policy framework is established, we will implement the policy through detailed scrutiny of revised Local Development Plans.

This recommendation links closely to the Welsh Government's [Town Centre Position Statement](#) published in May 2023 in which the Government commits to strengthen the implementation of the Town Centre First policy in planning and empower local planners to refuse developments which do not meet the policy and to propose new plans for the adaptive reuse of out of town developments.

Furthermore, we will undertake a review of Permitted Development Rights (PDR) and consult on the appropriateness of introducing new PDRs for town centres to allow for change of use without the need for planning permission.

We will also consider whether to extend the Notification Direction to include retail, commercial and public sector development proposals outside town centres.

Financial Implications: None. All costs will be met from existing budgets.

Recommendation 5.

The Committee requests that the Welsh Government provides an update about the consultation on non-domestic rates improvement relief in Wales and what the present proposals are for introducing this relief.

Response: Accept

Following [consultation](#), the Welsh Government has [announced](#) that a new improvement relief will be provided to support ratepayers investing in improvements which increase the ratable value of the properties they occupy.

The Non-Domestic Rating (Improvement Relief) (Wales) Regulations 2023 will give effect to the relief and come into force on 1 April 2024.

We have published [guidance](#) on improvement relief.

Financial implications: None.

Recommendation 6.

The Welsh Government should formulate a comprehensive guidance document for local authorities, which clearly outlines the options available to local authorities in respect of repurposing empty properties, which empowers local authorities to feel they have support to use drastic actions that will lead to positive outcomes.

Response: Accept

The Unnos programme is leading a strategy aimed at ensuring the Local Authorities increase delivery of new social and affordable homes. Through Unnos support local authorities are taking appropriate enforcement action on empty and dilapidated properties. The programme includes an initiative to develop a guidance document for local authorities on empty homes.

The programme is continuing to provide industry expert advice and assistance to local authorities on how to best use all their powers to bring properties back into use.

The industry expert advice will continue throughout 2024-25, and the guidance document will be completed by the end of calendar year 2024.

Financial implications: None. All costs will be met from existing budgets.

Recommendation 7.

The Welsh Government should undertake a review of the financial assistance available to local authorities for repurposing empty properties and consider whether these schemes, and the funds allocated to them, are sufficient to meet their objectives. This review should consider the conclusions of the Auditor General for Wales and whether the schemes are sufficiently interventionist in their outlook.

Response: Accept

During 2024-25, the Welsh Government will review, with the input of local authorities and other stakeholders, the financial assistance made available to support tackling empty properties.

This will include an assessment as to whether the package of interventions available to local authorities to tackle empty properties is sufficient to meet their objectives.

Financial implications: None. Costs can be met from existing budgets.

Recommendation 8.

The Welsh Government should review the criteria of its town centre incentives to ensure that the criteria offer as much flexibility as possible, within parameters set out by the Welsh Government, to local authorities to distribute funding based on its own local expertise.

Response: Accept

Welsh Government officials work closely with local authority officers across Wales on a local and regional basis to bring forward regeneration projects.

The Transforming Towns programme can be used to support a range of projects in town and city centres. This includes bringing vacant retail space back into use, providing more green spaces and delivering new or refurbished accommodation for businesses.

The Welsh Government will conduct a review of its Transforming Towns programme in 2024-25. This will include an assessment of the criteria used to assess funding applications.

Financial implications: None. Costs can be met from existing budgets.