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# A Vision for the Welsh High Street

*Ambition, Action, Achievement*

October 2012

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This Policy Paper is produced and presented on behalf of the Welsh Conservative Group in the National Assembly for Wales.

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# High Street Regeneration

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Wales has a long and proud community tradition and vibrant high streets are the key to lasting sustainable communities in a 21<sup>st</sup> century Wales. The revitalisation of town centres is a unique opportunity to regenerate whole regions, providing economic stimulus and growth. Welsh high streets must offer communities the opportunity to shop locally but they must go further and act as a catalyst for community engagement.

The Welsh high street is in decline. In the last five years, footfall in town centres has fallen by a fifth. The tough economic climate has forced many local shops out of business leaving vacant and dilapidated buildings lining our high streets.

Welsh high streets are struggling to remain relevant. The rise of internet shopping and the development of out-of-town shopping centres pose a significant threat to the high street. Welsh communities are seeing the shop vacancy rate rise year upon year, and an ailing enterprise birth rate which is consistently lower than the UK average.

Little has been done to address the decline of the Welsh high street. There have been significant criticisms from business organisations, communities and local authorities who feel that high street regeneration has often been pushed to the bottom of the agenda, or indeed forgotten about altogether.

The National Assembly's Business and Enterprise Committee published a report on the Regeneration of Town Centres in January 2012. The Welsh Government accepted the majority of the proposals in March 2012. It has become apparent that despite accepting these proposals, little has been achieved. There is a clear need for urgent action in order to revitalise our high streets and stimulate economic growth.

# Welsh Conservative Vision

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Welsh Conservatives want to see bustling high streets, thriving local businesses and positive community engagement. To achieve this we need effective management, strategy and direction for Welsh high streets.

The four key themes identified in this paper include:

1. **High Street Management** – Effective high street management is essential for regeneration. It is the role of the Welsh Government to provide the overarching strategic framework that will guide local authorities in their efforts to stimulate high street regeneration.
2. **Business Rates** – In the current economic climate businesses are struggling to survive. Business rate relief provides an opportunity to support enterprise and stimulate economic growth.
3. **High Street Accessibility** – Transport issues are a key consideration for high street regeneration.
4. **High Street Planning** - Planning policy influences the composition of our high streets as well as out-of-town developments.

# Ambition

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Welsh Conservatives want to achieve real change for our high streets. In order to measure this change it is important to outline headline targets for high street regeneration. The Welsh Government should aim for the following headline targets:

## Headline Targets

1. **Vacancy Rates** - Wales is suffering from high vacancy rates (18.5%) – higher than the UK average of 14.6%. By the time of the next National Assembly election in 2016 we want to see vacancy rates in line with, or below, the UK average.
2. **Business birth rates** – During 2010 the enterprise birth rate in Wales was 8.5% which is the second lowest rate out of the UK countries and regions. The UK birth rate was 10.2%. By the time of the next National Assembly election in 2016 we want to see the enterprise birth rate in line with, or above, the UK average.
3. **Business survival rate** - The five year survival rate for enterprises born in 2005 and still active in 2010 for Wales was 44%, the same as the UK survival rate. By the time of the next National Assembly election in 2016 we want to see the survival rate above the UK average.

The highest five year survival rate was in Northern Ireland at 54%. There is no reason why Wales should not look to emulate Northern Ireland and therefore Wales should aim to have a five year survival rate of over 50% by 2016.

4. **Footfall** – Footfall rates remain a major concern in Wales, whilst there was a 4% rise since last year we must continue this upward trend.
5. **Events** – Welsh Conservatives want to see five ‘high street’ events hosted by the Welsh Assembly each year bringing together business organisations, local businesses, and local authorities. These events should be held across the whole of Wales.

# Who manages the High Street?

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Effective high street management is essential to regeneration and economic growth. Welsh high streets need a coherent strategy with co-ordinated planning and management in order to compete with professionally managed out-of-town developments and internet businesses.

The subject of high street management raises an important distinction between the role of the Welsh Government and the role of each local authority.

- The Welsh Government must set the policy context and provide an overarching national strategic regeneration framework.
- Local communities can provide local leadership and introduce initiatives which are tailored to their area. There are 116 town centres in Wales, each with a different layout, unique selling point and business structure. There is no ‘one size fits all’ approach to high street regeneration and it is therefore down to local authorities to develop the best initiative for their area.

The current system lacks clarity regarding high street management and there is an absence of engagement with local communities. Stakeholder engagement in the delivery of high street regeneration has been notably inconsistent over the last 20 years and communication has been described as “rare and/or fragmented” by the Design Commission for Wales<sup>1</sup>.

High street regeneration policy has been characterised as inconsistent meaning that planning for the future of our high streets and long term, sustainable regeneration is practically impossible. It is apparent that Wales needs a consistent and coherent strategic vision for high street regeneration.

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<sup>1</sup> *Design Commission for Wales, Business and Enterprise Committee consultation response, September 2011, p.6*



# Charter for High Streets

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**We must establish a ‘Charter for High Streets’ to provide guidance for local authorities, local businesses and local communities when developing their high street management.**

Successful high street regeneration requires a clear vision and overarching strategy promoted by the Welsh Government. The Centre for Regeneration Excellence Wales (CREW) stated that “a Welsh national policy and implementation programme to arrest the on-going decline of town centres is urgently required”<sup>2</sup>.

Local authorities across Wales have all developed, or are currently developing, some form of regeneration strategy. Many areas have specific town action plans, for example the ‘Bargoed Town Centre Action Plan’, ‘Investing in Barry’ and ‘Rhyl Going Forward’.

Whilst these strategies are valuable it is important that there is an overarching vision for regeneration provided by the Welsh Government.

A Charter for High Streets would outline five key principles which would provide guidance and direction for community groups, local businesses and local authorities in terms of high street regeneration.

The Charter for High Streets is outlined on the next page.

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<sup>2</sup> CREW, *Business and Enterprise Committee consultation response*, September 2011, p.2.

## Charter for High Streets

1. **Harnessing the power of the internet** - Welsh Conservatives recognise the importance of the Welsh high street for the local and regional economy and for community and social engagement. The development of the internet has had a significant impact on shopping habits and has challenged the traditional high street. Welsh high streets must utilise the internet for community engagement and business development.
2. **Community engagement** - Welsh Conservatives believe that engagement with local communities is essential for successful high streets and must be encouraged through the formation of high street teams involving local businesses, Councils and residents. These teams will be called 'Tîm y Dref', which translates as 'Town Team', and will act as a focus for engagement and drive participation on the high street. We believe the local community should be at the heart of high street regeneration and the localism agenda.
3. **Boosting the high street economy** - The tough economic climate has forced many local shops out of business leaving vacant and dilapidated buildings lining our high streets. Local businesses must be supported through business rate relief and improved coordination and management.
4. **High street accessibility** - Welsh Conservatives believe that accessibility is a central element of high street regeneration. The Welsh high street must cater for the 21st century shopper where convenience is key. We support town centre mobility initiatives, disabled access and sustainable transport.
5. **Sustainable planning for the high street** - Planning is central to successful high streets and planning guidance must reflect the changing nature of retail. The traditional high street must adapt to the evolution of shopping habits and develop a genuine 'mixed use' where retail, leisure, community buildings, services, housing and offices are permanent features of the high street.

# Town Centre Managers

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**Each local authority must have a dedicated Town Centre Manager to ensure coordination and direction for high street regeneration schemes.**

Out of the 22 local authorities in Wales 14 currently have Town Centre Managers. Town Centre Managers have an important role in developing a clear vision for town centres and are an essential point of contact and coordination.

Town Centre Managers help to organise high street marketing and branding. They also represent the views of the local stakeholders to external organisations, as well as being an initial point of contact for all things ‘town centre’ for the public.

Cardiff Council Planning Service has emphasised the need for a “strong role for City Centre Managers”<sup>3</sup>.

Since 2008 Bridgend has employed a town centre manager and the Council view this position as “the key link to business community in the town”<sup>4</sup>.

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<sup>3</sup> *Cardiff Council Planning Service, Business and Enterprise Committee Consultation Response, September 2011, p.1.*

<sup>4</sup> *Bridgend County Borough Council, Business and Enterprise Committee Consultation Response, September 2011, p.2.*

## Ministerial Responsibility

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**Ensure that an existing Minister/Deputy Minister has ‘named’ responsibility for the high street. An individual with ‘named’ responsibility would provide a clear point of contact and coordination and would provide Ministerial recognition for the Welsh high street.**

Many business organisations and local authorities have called for the appointment of a dedicated Cabinet Minister with named responsibility for high streets. The concern is that “if it is everyone’s responsibility in Cabinet, it can also become no-one’s responsibility”<sup>5</sup>.

Currently high street regeneration has a huge amount of cross-over with many different departments and measures must be taken to better co-ordinate policy making and ministerial responsibilities.

The British Retail Consortium stated that “it is paramount that the Assembly designate town centre regeneration to one Department and one Assembly Minister”<sup>6</sup>.

In Scotland a commitment to take forward a new Cities Strategy has been led by the Deputy First Minister as ‘Cities Minister’.

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<sup>5</sup> *Boots, Business and Enterprise Committee consultation response*, September 2011, p.3

<sup>6</sup> *British Retail Consortium, Business and Enterprise Committee consultation response*, September 2011, p.2

## ‘Night Time Strategy’

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**Develop a high street ‘Night Time Strategy’ to stimulate the night time economy and ensure the safety of our high streets.**

It is important to consider the night time economy of a high street which can be a valuable asset to the local economy. A 24 hour shopping culture now dominates retail, so high streets must adapt to this modern shopping environment.

High streets must also develop multiple uses in order to adapt to changing shopping habits; it is important how these uses shift from day to night.

There is a clear need for strategic planning for the night time economy as a poor night time reputation can deter efficient day time functioning. Welsh high streets often struggle to establish a viable night time economy and more substantial entertainment facilities are necessary.

The Association of Town Centre Management emphasises the importance of the night time economy and has stated that the Welsh Government “must plan for the night-time economy as a tool for economic growth and as an additional dimension to the 21st Century town centre”.<sup>7</sup>

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<sup>7</sup> *Welsh Town Centre Inquiry: Association of Town Centre Management and UK BIDs, Business and Enterprise Committee consultation response, September 2011, p.4*

## Business Rates

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Non-Domestic Rates (NDR) are commonly known as business rates and they are a property tax paid on non-domestic properties. They are the means by which businesses and other users of non-domestic property contribute towards the costs of local authority services. Business rates are a major source of taxation – bringing in almost £1 billion of revenue to fund local services in Wales each year<sup>8</sup>.

Business rates are calculated by taking the Rateable Value of a property and multiplying it by the business rates 'multiplier' for the year in question. The Valuation Office Agency (VOA) values properties for the purposes of charging non-domestic rates and assigns the Rateable Values. The Welsh Government sets the multiplier each year: it cannot be increased by more than the previous September's retail price index.

Business rates are a huge burden on Small and Medium Sized businesses (SMEs), which are the lifeblood of the Welsh economy, accounting for 99% of the Welsh business stock. Business rates continue to be seen as one of the main reasons that businesses cannot afford to trade on the high street.

Wales has the same temporary rate relief scheme which was introduced in England. Between 1 October 2010 and 31 March 2013 the rates relief thresholds have been temporarily increased, and businesses with a rateable value up to £6,000 will pay no rates and those with a rateable value between £6,001 and £12,000 will receive some relief. More than four in 10 Welsh businesses are in receipt of Small Business Rate Relief.

Business rates featured in the Mary Portas Review of the High Street (December 2011) and the National Assembly's Business and Enterprise Committee report into the Regeneration of Town Centres (January 2012). The Welsh Government also commissioned a report into business rates in Wales which was led by Professor Brian Morgan and published in May 2012. This report made 19 recommendations including devolving business rates, ensuring the local retention of rates and extending the Small Business Rate Relief scheme beyond March 2013. As of early October 2012 the recommendations are yet to be implemented.

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<sup>8</sup> *Business Rates Wales Review*, May 2012

## Business Rate Relief – 2011 pledge

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**We will maintain our 2011 manifesto pledge to abolish business rates for small businesses with a rateable value of up to £12,000, and provide tapered relief for those with a rateable value up to £15,000<sup>9</sup>.**

Business rates are a huge burden on Small and Medium Sized Enterprises (SMEs) and business rate relief has been described as a “lifeline during the current economic downturn”<sup>10</sup>.

This policy would stimulate the private sector in Wales freeing up SMEs to focus on expanding their business and training staff. If every small and medium sized enterprise recruited one extra person we could eliminate unemployment in Wales<sup>11</sup>.

Business rates continue to be seen as one of the main reasons that businesses cannot afford to trade on the high street. Wales is a nation of SMEs and we must ensure that we support this incredibly important sector of the economy.

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<sup>9</sup> *Welsh Conservative Manifesto: A New Voice for Wales*, 2011

<sup>10</sup> *Business Rates Wales Review: Call For Evidence*, March 2012, p.3

<sup>11</sup> *FSB Wales Assembly election manifesto* 2011

## Business Rates – A level playing field

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**Commission a detailed consultation on the possibility of splitting the Welsh multiplier into small and large businesses which would bring Wales in line with England and Scotland. Fairness must be a central principle of the business rates system in Wales.**

The multiplier is used by the local council when calculating a business rates bill and indicates the percentage, or pence in the pound, of the rateable value that are to be paid in business rates.

The provisional multiplier for the financial year 2012-13 is 0.452. Table 1.1 in Appendix B outlines the multiplier for Wales, England, Scotland and Northern Ireland. Unlike Scotland and England, Wales does not have separate multipliers for small and large businesses.

The Welsh multiplier applies to all businesses and therefore does not account for the size of the business. SMEs are the lifeblood of the Welsh economy, accounting for 99% of the Welsh business stock; we must support our SMEs and ensure fairness in the business rates system.

There must be a detailed consultation on the possibility of splitting the Welsh multiplier into small and large businesses which would bring Wales in line with England and Scotland.

This policy has the potential to generate between £9.1million and £9.4million. Please find further details in Appendix B.



## Hardship Relief

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**The Welsh Government must fund a greater percentage of hardship relief in order to incentivise local authorities to grant more cases.**

Billing Authorities have discretionary powers to grant relief in cases of financial hardship. The Welsh Government meets 75% of the cost of funding this relief, with the local authority meeting the remaining 25%. Cases of hardship relief are brought forward by businesses and should each been considered on its own merits.

The number of cases of hardship relief granted by each local authority varies however there are a large number of authorities where only one or two cases have been granted, for example, in Rhondda Cynon Taff only one case of hardship relief had been granted since 2008<sup>12</sup>.

Hardship relief can be a vital lifeline for small businesses, however the current system where local authorities have to cover 25% of the cost means that there is little incentive for authorities to use this form of relief more frequently.

If the Welsh Government were to fund a greater percentage of relief this may incentivise local authorities to grant hardship relief more often. The Welsh Government could fund 90% of the relief and the local authority would then fund 10% of the relief.

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<sup>12</sup> FOI, September 2012

# Charity Shops

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## **Ensure that fairer rules on charity shops are introduced.**

Charity shops have a vital role to play on the Welsh high street and are central to the fabric of our high streets. Since 1990, premises occupied by a charity enjoy 80% mandatory relief. It has been argued that a shop let to a charity is preferable to a vacant slot on the high street, however many organisations are critical of the relief charity shops gain, arguing that this is at the expense of local businesses.

There must be scope to level the playing field to support small businesses struggling to survive.

Charity shops are only able to claim rate relief if they are selling “wholly or mainly donated goods”<sup>13</sup>, however there is no definition or clear set of criteria for this statement. This lack of clarity often makes it difficult for charities to comply by the rules and local authorities to apply them. Charity shops are able to sell new products whilst paying fewer rates than the local retailer. We must ensure fairness in the business rates system.

A detailed consultation with a comprehensive impact assessment must be commissioned in order to examine what goods charity shops are able to sell. We must level the playing field whilst maintaining important third sector presence on our high streets.

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<sup>13</sup> *Non-Domestic Rates Guidance Welsh Government*, October 2004, p.16

## Access to the High Street

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Many high streets are not catering for 21<sup>st</sup> century shoppers. Poor parking facilities, high charges, congestion and inadequate public transport links all serve to deter consumers from the high street. With the growth of online shopping and the ease of large retail parks on the outskirts of towns and cities (often located within a short distance of the motorway), convenience has become central to consumer behaviour.

The British Retail Consortium has stressed the importance of rejuvenating accessibility to ensure long term retail investment. “Weak transport links and inadequate parking provision threaten the viability of high street retailers. Expensive, remote and badly designed charging schemes and delivery restrictions deter visitors, curtail visits and stifle business potential. This, in turn, deters long term retail investment”<sup>14</sup>.

Cars continue to be an intrinsic part of the way we shop. The convenience of being able to park within short walking distance of shops strengthens the attraction of out-of-town developments which often have easily accessible car parks which are usually free and have limited restrictions. High street car parks, on the other hand, often have restrictions, charge fees and are not always easily navigable. Parking charges may create revenue for local councils but lowering parking costs and ensuring we combine sustainable transport improvements, such as cycle paths and pedestrian friendly environments, is essential for sustainable high streets.

Poor public transport systems can also be a hindrance for 21<sup>st</sup> century shoppers. Railway stations that are located some distance from the centre of towns without safe and accessible walking routes or a shuttle bus service to shopping areas discourage consumers from travelling by train. In addition, the cost of public transport tickets, the frequency of services and the attractiveness of bus stations can also have a similar effect.

The British Retail Consortium has stated that an accessible high street requires maximum availability of quality public transport. An efficient road network is also critical and parking facilities must be safe, feasible and cheap. Deliveries are central to the high street economy, the viability of the shops, and the autonomy of the brands which rent the units.

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<sup>14</sup> *British Retail Consortium publication- 21st Century High Streets*, 2009, p. 19.

## Accessibility – Charter for High Streets

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**The Charter for High Streets must have a key point on transport which would guide local authorities in their high street accessibility management.**

High streets need to offer a safe and pleasant environment within which to shop and socialise. Local areas should plan transport carefully to maximise the accessibility and attractiveness of high streets. Families and older generations in particular need the same convenient and safe access to high streets as they have to out-of-town developments.

Mary Portas noted in her review that badly planned transport infrastructure can make high street shopping unattractive. It is clear that accessibility must be considered alongside planning and regeneration proposals.

The South East Wales Transport Alliance has highlighted that transport should play a central part in regeneration plans arguing that the improvement of access by rail, bus, cycling and walking must be made an integral part of any high street regeneration plan<sup>15</sup>.

Accessibility also needs to be considered within the early planning stages of high street regeneration, considering for example whether further pedestrianised areas are needed, or if pavements need widening to accommodate pushchairs and wheelchairs. Disabled access must be considered when planning high street regeneration.

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<sup>15</sup> *Sewta, Business and Enterprise Committee consultation response, September 2011*

## Free Parking Schemes

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**Local authorities must be encouraged to implement free parking schemes that would encourage shoppers back into the high street. Free parking schemes must also be a key aspect of the ‘Night Time Strategy’ development.**

The Portas Review recommends that local areas should implement free controlled parking schemes that work for their high streets. In order to compete with out-of-town developments, high streets need to have a “flexible, well communicated parking offer”<sup>16</sup>.

For the last two years Newport Council has operated a two hours free parking scheme within the city centre. The scheme covers all council owned car parks (with restrictions on open air car parks). Newport Council also offers a free park and ride scheme for the Christmas period.

Further examples of parking schemes are found in Appendix C.

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<sup>16</sup> *Portas Review*, December 2011, p.27

## Annual Parking Reports - Transparency

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**Place a requirement on local authorities to produce annual parking reports and account for all money generated through parking charges. Consult on the concept of a parking 'league table' for Wales.**

Local authorities should make information regarding the amount of revenue generated by parking charges publicly available. They would also need to account for how the money generated is spent.

Public participation should be encouraged and local residents should have a say on how the revenue is used. This policy would help local authorities to engage with the people who are using their facilities, to update and rejuvenate the services.

Mary Portas recommends the introduction of a new parking league table, ranking car parks by how much they charge<sup>17</sup>. The local authorities should be open about the amount of revenue raised through parking charges.

The parking league table would act as a means of encouraging local authorities to reinvest more of the money they generate from parking back into the high street and into good quality car parking facilities.

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<sup>17</sup> *Portas Review*, December 2011

## Sustainable transport improvements

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**Sustainable travel is a central element of high street accessibility and must be a key point on the Charter for High Streets.**

Whilst it is important to provide parking improvements in town centres it is also essential that sustainable transport opportunities are made available. High street planning and management strategies must include pedestrian and cycle friendly environments.

Sustrans Cymru has stated that that “pedestrian and cycle-friendly environments have been shown as the core around which economic growth, public health, sustainability and overall quality of life are built. It is therefore crucial that these environments are considered in any long-term development and regeneration plans”<sup>18</sup>.

Effective marketing campaigns and social media are useful tools when promoting sustainable travel. Sustainable transport also improves the general shopping environment and attractiveness of a town centre.

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<sup>18</sup> *Sustrans, Business and Enterprise Committee consultation response*, September 2011, p.1.

# Planning

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Planning is an integral part of high street regeneration as it determines the composition of the high street and affects the town centre and surrounding environment. CBI Wales stated that “a supportive planning system can greatly improve a company’s ability to grow and prosper”<sup>19</sup>.

The Welsh Government ‘Planning Policy Wales’ document provides the policy framework for the preparation of local planning authorities’ development plans (LDPs). Planning Policy Wales is also supplemented by 21 topic based Technical Advice Notes (TANs). Chapter 7 and Chapter 10 of Planning Policy Wales and ‘TAN 4: Retailing and Town Centres’ are the sections of planning guidance that specifically impact on the Welsh high street.

High street regeneration policy will be affected by the outcome of the Welsh Government Planning Bill which is due to be implemented 2015/16. Whilst the outcomes of the planning bill will be extremely important for regeneration our high streets need urgent action and the slow progress of the planning bill will only serve to hamper any regeneration efforts.

Planning involves the issue of out-of-town shopping centres which are often significant developments on sites very near to existing high streets. These out-of-town developments offer a spacious and convenient shopping experience, often with free car parking and disabled facilities. Out-of-town developments place a huge amount of pressure on high streets which are often unable to compete with the convenience new developments offer. The planning system can do much to protect the high street from out-of-town developments by stipulating a ‘high streets first’ approach to ensure that any new developments must look at sites within existing town centres, instead of immediately looking at out-of-town sites.

Planning in Wales does seek to protect the high street as Planning Policy Wales states that local planning authorities should apply a “sequential” test to new retail proposals so that first preference should be for town centre locations<sup>20</sup>. However, the evidence gathered during the Business and Enterprise Committee Inquiry into Town Centre Regeneration highlighted that although planning policy seeks to protect town centres "on paper", this is "not always how policy is perceived or realised in practice"<sup>21</sup>. Despite

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<sup>19</sup> *CBI response to planning consultation*, February 2012, p.1

<sup>20</sup> *Planning Policy Wales Chapter 10*, February 2011

<sup>21</sup> *Business and Enterprise Inquiry*, January 2012, p.12-13



Planning Policy Wales and the sequential test out-of-town developments continue to be built.

The FSB believe it is essential 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”<sup>22</sup>.

It is apparent that local authorities find it increasingly difficult to refuse planning permission for out-of-town developments. Local authorities cannot afford to challenge large supermarkets due to the high legal costs and resources involved. The planning system must take into account the pressures from out-of-town developers.

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<sup>22</sup> *FSB, Business and Enterprise Committee consultation response, September 2011, p.3*

## ‘High Streets First’

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**Local authorities must proactively identify development sites on the high street. Through positive engagement with the local community and comprehensive impact assessments, local authorities can ensure that developers are presented with credible site options on the high street.**

It is apparent that the presumption in favour of town centres for developments outlined in Planning Policy Wales is not always applied in practice. It is difficult for local authorities to resist out of town proposals backed up by well-resourced private sector consultants specialising in retail appeals.

The local authority must therefore be proactive in identifying and promoting town centre sites for development.

Caerphilly County Borough Council has stated that they have identified town centre retail sites in their development plans. The Council then actively assembles the sites therefore providing “preferable and defensible alternatives to out of town proposals”<sup>23</sup>, for example Caerphilly, Blackwood, Ystrad Mynach and Bargoed. This is one example of best practice which must be disseminated across the whole of Wales.

Planning policy must “emphasise the need for focus on ‘Town Centre First’ policy”<sup>24</sup> and this must start by the local authorities proactively identifying sites for development.

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<sup>23</sup> *Caerphilly County Borough Council, Business and Enterprise Committee consultation response*, September 2011, p.4

<sup>24</sup> *Boots, Business and Enterprise Committee consultation response*, September 2011, p.10

## Out-of-town Research

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Ensure that the research recommended by the National Assembly Business and Enterprise Committee report into the Regeneration of Town Centres is commissioned as soon as possible. The Committee report recommended that the “Welsh Government should commission more research on the effects that supermarkets can have on the quality of town centres”.<sup>25</sup>

According to the ‘Definitive Guide to Retail and Leisure Parks’ there are a total of 81 retail parks in Wales in 2012, this is compared to 60 in 2002<sup>26</sup>.

The Business and Enterprise Committee Report into the Regeneration of Town Centres recommended that the Welsh Government should commission research into the effects of new retail development on town centres in Wales. The Welsh Government accepted this proposal; however no such research has yet been commissioned.

It is essential that detailed research is carried out on the impact of out-of-town shopping centres in order to better inform and provide guidance for the planning system.

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<sup>25</sup> *Enterprise and Business Committee report: Regeneration of Town Centres*, January 2012, p.5

<sup>26</sup> ‘*Definitive Guide to Retail and Leisure Parks*’: Trevor Wood Associates, 2002/2012.

## Local Development Plans

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**Encourage local authorities to address their specific high street needs in any Local Development Plan (LDP) discussions.**

It is important that local authorities have up to date LDPs which, according to the Regeneration Skills Collective Wales, “provide the evidence base to demonstrate need and guide development to existing centres”<sup>27</sup>.

Local authorities must address their specific high street planning needs in their LDPs and any other local planning guidance. High street regeneration must be a central part of LDP development and any future reform of the LDP system.

Collaboration between neighbouring local authorities must also be encouraged in order to create a regional focus for developments.

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<sup>27</sup> *Regeneration Skills Collective Wales, Business and Enterprise Committee consultation response, September 2011, p.4*

## ‘Mixed use’ High Street

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**The changing nature of the high street must be reflected in Welsh planning guidance and is a key point on the Charter for High Streets.**

The Welsh high street is under threat from the rise of internet shopping and the development of out-of-town shopping centres. A Local Data Company report has outlined that online sales are being accelerated by mobile technology.

The changing nature of retail means that high streets must develop a mix of developments in order to ensure long-term sustainability. This must be a key principle on the Charter for High Streets.

Planning Policy Wales does encourage mixed use development<sup>28</sup>. However, local authorities have often attempted to protect the retail core of a high street. Local authorities must be encouraged to develop a range of complementary uses including business, leisure, housing and community use. Housing and offices can both be an important element of a successful high street “as it can create direct demand for retail and other services, as well as bringing life to areas on a permanent basis”<sup>29</sup>.

Landlords are an important part of the high street in terms of developing a genuine high street mix and therefore must be involved in community engagement through the Tîm y Dref.

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<sup>28</sup> *Planning Policy Wales*, February 2011, p.6

<sup>29</sup> *Regeneration Skills Collective, Business and Enterprise Committee consultation response*, September 2011, p.6

# Conclusion

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## *AMBITION, ACTION, ACHIEVEMENT*

The Welsh high street is in decline. The tough economic climate has forced many local shops out of business leaving vacant and dilapidated buildings lining our high streets. According to the British Retail Consortium “declining High Streets are at best unattractive, discouraging shoppers; at worst threatening”<sup>30</sup>.

Welsh high streets are struggling to remain relevant. Visits to town centres have declined by over 20% in the last five years to December 2010<sup>31</sup>. Wales' average shop vacancy rate is higher than the UK average and business birth rates paint an equally worrying picture. It is apparent that the challenges facing our high streets are substantial and it will take urgent action to prevent further decline.

Welsh Conservatives want to see bustling high streets, thriving local businesses and positive community engagement. This document has outlined key policy proposals for high street management, business rates, accessibility and planning.

High street management must be guided by key principles which we have outlined in the ‘Charter for High Streets’. Coordination must be improved through compulsory Town Centre Managers employed by each local authority. Designating a Welsh Government Minister/Deputy Minister with ‘named’ responsibility for the high street will provide a single point of contact and improve departmental coordination. We must address the potential of the night time economy through a comprehensive consultation exercise and strategy development.

We will maintain our 2011 manifesto pledge to support SMEs, unleashing their potential by taking them out of business rates so that they can invest their profits in new products, new markets or taking on new staff. We will also ensure fairness in the business rates system by undertaking a detailed consultation on splitting the Welsh multiplier into ‘small’ and ‘large’ businesses. We also seek to address the issues surrounding charity shops and the problems faced by local authorities when granting hardship relief.

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<sup>30</sup> *British Retail Consortium (BRC) 21<sup>st</sup> Century High Street*, 2009, p.6

<sup>31</sup> *Association of Town Centre Management, Business and Enterprise Committee consultation response*, September 2011, p.9

Accessibility is a critical issue for high street regeneration and local authorities must be encouraged to address transport concerns, implementing free parking schemes and ensuring transparency regarding the revenue raised. Sustainable and disabled transport are also key elements of high street accessibility.

Planning must also be urgently addressed; our high streets cannot wait until the introduction of the planning bill in 2015/16. Local authorities must proactively identify high street sites for development in an attempt to counter the out-of-town trend. Key research must be commissioned in order to better understand the impact of changing shopping habits and this must also be reflected in planning guidance as increased mixed use is essential for sustainable high streets.

Welsh Conservatives have a comprehensive plan and ambitious ideas for high street regeneration. These key policy proposals aim to stimulate debate and ensure that high street regeneration becomes a top priority for the Welsh Government. We must act now to save our high street and with the strategic vision outlined in this policy paper we believe that the Welsh high street can be a thriving economy for the 21<sup>st</sup> century shopper.

## Appendix A - Bibliography

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## Appendix B

**Table 1.1 - Rate Multiplier in Wales, Scotland, England and Northern Ireland.**

	Multiplier 2012/3
<b>Wales</b>	All: 45.2p
<b>Scotland</b>	Small: 45.0p Large (RV over £35k: 45.8p Supermarkets: 55.1p
<b>England</b>	Small: 45.0p Large:45.8p
<b>Northern Ireland</b>	Regional:31.4p Plus District Rates (ranging from 16.7p and 30.3p)

**Table 1.2 -** Wales has the lowest business rates for large supermarkets, and is considerably lower than Scotland. According to figures from the Business Rates Wales Review a large supermarket in Wales will expect to pay £22,560 less rates in Wales compared with a store with the same rateable value in England. This rises to a £334,640 saving in Wales compared with Scotland. A small supermarket in Wales will benefit approximately £3,000 a year under the Welsh multiplier compared with England, and £44,500 in comparison with Scotland<sup>32</sup>.

RV (£s)	Wales	England	Scotland
<b>6,000</b>	2,712	2,700	2,700
<b>12,000</b>	5,424	5,400	5,400
<b>35,000</b>	15,820	16,030	16,030
<b>500,000</b>	226,000	229,000	229,000
<b>Supermarket (£500,000)</b>	226,000	229,000	270,500
<b>Large Supermarket (e.g. £3,760,000)</b>	1,699,520	1,722,080	2,034,160

<sup>32</sup> *Business Rates Review Wales*, May 2012, p.48

### **Splitting the Welsh Multiplier:**

- Reducing the business rate to 45.0 for small businesses (defined as having a rateable value of £25,000 or below). This multiplier is in line with the small rate in England and Scotland.
- Raising it to 45.7 for “large” businesses with a rateable value of £25,001 and above. By setting the large multiplier at 45.7 larger businesses in Wales would still pay fewer rates than in England and Scotland where the multiplier is set at 45.8.

Estimates outline that after small business reliefs have been deducted, businesses with a rateable value of £25,000 and below would pay between £600,000 and £700,000 less in business rates in a financial year.

The amount of small business rate relief paid each financial year by the Welsh Government would decrease by between £400,000 and £600,000.

The estimated change in net business rates (minus reliefs) received by the Welsh Government as a result of the multipliers changing would be between £0 and a decrease of £300,000 per financial year.

Creating a large business multiplier of 0.457 for businesses with a rateable value of £25,001 and above would result in an increase in the amount of business rates collected of approximately £9.4 million per year.

## Appendix C - Local transport initiatives

Options	
<b>Parking and the road network</b>	<ul style="list-style-type: none"> <li>• Short, medium and long term parking areas.</li> <li>• 'Free days', mornings / afternoons. Times when people can park for free or at a cheaper rate.</li> <li>• Increased Park and ride facilities to keep the high street clear from congestion.</li> <li>• Free buses from business parks encouraging employees to come into the high street during lunch breaks.</li> <li>• Free Town Centre apps - location of car parks / bus stations.</li> <li>• Reinvesting the money generated from parking charges into improving the quality and volume of parking spaces.</li> </ul>
<b>Public Transport</b>	<ul style="list-style-type: none"> <li>• Offers on certain days. Incentives for people to take the bus - e.g. 'cheap Tuesdays'.</li> <li>• Bus cards offering discounts</li> <li>• Priority bus routes - The ability of buses to travel across or through pedestrianized areas would mean that passengers could be taken right into the middle of the town centre.</li> </ul>
<b>Railway stations</b>	<ul style="list-style-type: none"> <li>• In town centres that are served by rail, visitors should get a good first impression. There should be clear signage to the town centre and good walking connections.</li> </ul>
<b>Cycling</b>	<ul style="list-style-type: none"> <li>• Safe places to store bikes</li> <li>• Improvements to town centre cycle lanes</li> </ul>
<b>Transport links</b>	<ul style="list-style-type: none"> <li>• Free shuttle buses to town centres</li> </ul>
<b>Late night opening - Free parking in the evening</b>	<ul style="list-style-type: none"> <li>• Shops could stay open for longer so that people at work during the day can come into town in the evening. Car parks could be free in the evening or have a reduced price. (E.g. St David's 2 in Cardiff charges £2 after 5pm instead of the normal hourly rate, whilst shops remain open until 8pm on weekdays).</li> <li>• Linking daytime and night time economies</li> </ul>

## Case Studies

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Parking Case Studies	
<b>Chester – ‘Free after 3’</b>	<p><b>Problem</b> – footfall declined after 3pm.</p> <p><b>Solution</b> - Two major car parks made free after 3pm every day. Footfall has improved along with interaction between local businesses and the City Centre Management team.</p>
<b>Warwick – ‘Free ride Friday’</b>	<p><b>Problem</b> – A reduction in high street parking.</p> <p><b>Solution</b> – A large local employer outside the town centre was approached about providing a free bus on Friday lunchtimes to bring employees into the town centre to shop and eat. ‘Free ride Friday’ was promoted at the company concerned. Resulted in increased footfall and increased morale at the company. The company now pays for the bus service.</p>
<b>Barnet – Seasonal parking</b>	<p><b>Problem</b> – accessibility between Christmas and New Year.</p> <p><b>Solution</b> – A temporary reduction in the cost of parking. The cost of all-day parking in off-street car parks was limited to £1 over the Christmas and New Year period. Analysis showed short term parking increased significantly during the period.</p>
<b>Westminster – parking app</b>	<p>A free app has been launched by Westminster Council which provides live information about available parking spaces. Sensors in parking bays will let drivers know about empty spaces. Motorists can also pay for parking using their phones.</p>
<b>Yarm High Street Disc Parking Scheme</b>	<p>The scheme allows for parking for up to 2 hours between 8am-6pm, Monday to Saturday. Discs can be obtained from various shops and outlets for a charge of 50p. Once purchased, the disc can be used as often as it is needed. The disc needs to be set to the time of arrival and displayed on the dashboard. Motorists are to return within the 2 hour time limit.</p>



