



Llywodraeth Cymru
Welsh Government

POLICY AND STRATEGY, DOCUMENT

Town centres: position statement

Sets out the challenges faced by town centres and how we will help to reinvigorate them.

First published: 2 May 2023

Last updated: 2 May 2023

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/town-centres-position-statement.html> for the latest version.

Get [information on copyright](#).

Contents

Introduction

The challenges faced by towns

Welsh Government Actions

Town centre first policies

Policies for out of town and their connectivity to town centres

Joined up delivery

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/town-centres-position-statement.html> for the latest version.

Get [information on copyright](#).

Introduction

Two thirds of Wales's population live in towns or cities with more than 10,000 people. Successful town and city centres are therefore vital to the environmental, economic, social, and cultural wellbeing of Wales. They create a sense of belonging and identity, where people meet, shop, live and work.

But some of Wales's town centres are in decline. They face complex challenges which are sometimes unique to specific places. However, most of the issues faced by struggling towns in Wales can be defined by the combination of the declining town centre and post-1980 out of town development. We need to recognise the complexity of these problems and work together in all sectors across the country to reinvigorate our town centres. This statement sets out the challenges faced by towns as well as the actions the Welsh Government will take to set the foundations for change and enable local delivery to develop our town centres as locations for a range of services, economic enterprise, employment and to be connected communities.

The challenges faced by towns

Movement of services from town centres to out of town

One of the challenges is competition for activity between town centres and out of town development which has seen services and businesses withdraw from the town centre reducing footfall and local spend.

The Coronavirus pandemic has made this worse because some of the activity that still operated in towns e.g., cafes, gyms etc, is now being relocated as the private sector seeks to find alternative uses for out of town units left empty by the closure of chain retail.

However, the challenges faced by our towns are not solely attributable to changing shopping habits. In 2020, retail accounted for approximately a third of addresses^[1] on UK high streets. Town centres are therefore about more than just shops. Historically a town centre's purpose and success were based on its efficient connectivity, cultural and retail offer, the concentration of civic functions, and location of education and health facilities. The interdependencies of these functions meant towns were diverse giving people lots of reasons to visit them. This delicate balance has not only been disturbed by the reduction of retail, but also that of health and education institutions, civic function headquarters and businesses. Each movement out, contributes to diminishing town centre footfall and challenges the viability of remaining uses.

Business model issues

Behind this unequal competition for activity between town centres and out of town development are business model issues. Since 1980, most new development has been undertaken by the private sector whose focus is on building what is profitable. Out of town development on green field sites is cheaper, easier, and more profitable.

Town centre developments, which are mostly on brown field sites or involve the redevelopment of existing infrastructure, are more costly and difficult so they produce much lower returns, despite the social and environmental benefits. This issue is further complicated by town centre property being owned by lots of different people/organisations, some of which may not be local to the town or its surrounding area making it difficult to identify ownership.

Over the past 30 years, new, more profitable out of town sites have been built at the expense of existing town centres. A significant move towards on-line shopping and on-line banking over recent years has also exacerbated this further for town centres. What is sometimes left in our town centres are neglected and empty buildings, deteriorating infrastructure and reduced

attendance and spending, resulting in the vicious cycle of decline in attractiveness and lack of inward investment.

Out of town locations reinforced by private car dependency

The private car is by far the most popular mode of transport for a journey in Wales, particularly for travelling to work. Cars and vans are estimated to account for 75 per cent of journeys to work versus 15 per cent for walking and cycling, 6 per cent by bus and 3 per cent by rail^[2]. Out of town developments with large provision for free parking and often poor public transport links reinforce a reliance on cars.

Our deepening dependency on the private car has supported the continued development of out of town locations and encouraged a move away from town centre living. The housing immediately surrounding many Welsh towns can be generally occupied by lower income households. Those households will often have less access to private transport and account for a significant proportion of town centre footfall.

Climate and nature emergencies

The climate change and nature emergencies bring further challenges to our towns. Whilst promoting town centre first policies we must be mindful of climate change implications as some of our towns and cities are liable to flooding. In regenerating our towns and cities we must ensure that suitable provision is made for the construction and maintenance of flood defences in a way that supports development. Important ecological resources, such as trees and green spaces, are also being lost from the urban environment creating a biodiversity crisis in our towns, with some of the species that used to be widespread becoming increasingly scarce. The loss of natural features within urban settings

can also exacerbate current challenges facing residents and visitors, e.g., the role of mature trees to mitigate urban heat islands, manage air quality and reducing flooding.

If we are to meet our decarbonisation and zero-waste targets, we need to make best use of existing town centre infrastructure. From an embodied carbon point of view, reuse is preferable to demolition and recycled building material preferable to using new. In the construction or repurposing of buildings, thought needs to be given as to how the environmental impact of the building can be minimised, how the building will be used now and how it could be used in the future, building in flexibility and adaptability from the start. Additionally, transitioning to a circular economy encourages shorter supply chains and a more local and regional focus on sourcing materials.

Local capacity to deliver

Turning things around for our towns cannot be a government top-down action, although the Welsh Government is the key enabler through coordinated and consistent policy direction.

A diverse set of stakeholders exist in town centres, including occupiers, property owners, businesses, local authorities, third sector organisations, employees, residents, and visitors. Towns will continue to struggle unless local actors join up in new, or strengthen existing partnerships to deliver the changes needed to sustain their towns. There is significant variability across Wales in the capacity and capability of local authorities, anchor institutions, businesses, and civil society groups to work together to deliver the transformative change which is needed.

[1] High streets in Great Britain - Office for National Statistics (ons.gov.uk)

[2] Source: National Survey for Wales data 2021-22

Welsh Government Actions

Town centre first policies

The withdrawal of public sector organisations and businesses has contributed to the decline of town centres. The strategic location or relocation of these anchor institutions into town centres will generate increased footfall and consumer spend to support a resilient retail sector as well as creating demand for other services. This will make towns more attractive to inward investment as well as to existing and new businesses.

Since the publication of **Future Wales** in 2021, Town Centre First has been a development plan policy requirement in Wales. It is also a cross cutting principle embedded in the **Wales Infrastructure Investment Strategy**. This means that town centres are considered first for the location of significant new commercial, retail, education, health, leisure, and public service facilities. Alongside this, **our shared strategic vision for the retail sector** recognises that the changing face of our town centres is vital to retail and in turn our town centres need a successful and resilient retail sector. However, at present, too many of these decisions are being taken on a single institution one move basis, when what is needed is a series of related moves which would involve the re-use of town centre sites and premises.

- **Action** - work across government to develop a long term plan for the location and/or relocation of a diverse range of public services into town centres, supported by the appropriate asset management strategies and associated governance structures of public service bodies.

The cost and complexity of development in town centres outlined above means that the Town Centre First policy can be frustrated because it can be difficult for developers to find suitable sites. These issues can create further challenges for

public institutions, where the financial frameworks in which they operate might mean they consider the location of services out of town to be the only financially viable option.

- **Action** - working across government, understand the revenue and capital spending and procurement frameworks of key public sector institutions (e.g., health, education) to ensure they are aligned with the Town Centre First policy.

Footfall is key to achieving thriving, successful town centres. The best footfall is the residential kind, for people who live in a town centre will not only use its shops and institutions but can do so via active or public transport and will care for its safety and security in the evenings and at night. It is critically important that if town centres are to be reinvented, town centre living must be delivered and of mixed tenure and type, supported by active travel infrastructure within wider efforts to help create walkable neighbourhoods.

- **Action** - establish consortia of social landlords and private developers to enable housing developments in appropriate locations within and around town centres and which follow the principles of placemaking.

Policies for out of town and their connectivity to town centres

The basic aim of any policy related to out of town development must be to encourage financial advantage and development opportunities towards the town centre, or to ensure out of town developments are socially and spatially connected to town centres. However, this cannot mean the large-scale demolition or redevelopment of out of town developments which is neither desirable nor environmentally responsible.

Planning policy must first consider town centre development over building new out of town sites. There is also a role for national and local government to support the adaptive reuse of out of town developments as districts linked to town centres by active travel, with facilities including shared workspace and social infrastructure.

- **Action** - 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.

We must also focus on reducing carbon emissions. In 2019, transport made up around 16 per cent of Wales's total emissions ([Emissions of Greenhouse Gases by Year on Stats Wales](#)), so must play its part in our cleaner future. We need to reduce the number of journeys taken by private cars and increase the number of people walking, cycling, and using public transport. Less traffic congestion, green infrastructure, more remote working, cleaner air, and more efficient use of street space are all opportunities for our town centres.

[Llwybr Newydd](#), the Wales Transport Strategy, has a threefold approach: reducing the need to travel in the first place by bringing jobs, shops, services, and facilities close to where people live; making the sustainable transport modes of walking, cycling and public transport a natural attractive choice; and encouraging everyone to make those sustainable transport choices.

Corporate Joint Committees (CJCs) have recently become responsible for the preparation of Regional Transport Plans (RTPs). Aligning regional economic development, transport and land use planning approaches through CJCs provides an opportunity to capitalise on the interdependencies between them, including considering how our town centres will contribute to these important agendas.

Regional Transport Plans will contain policies:

- for the promotion of safe, integrated, efficient, and economic transport facilities and services within their area;
- required to meet the needs of persons living or working in the area, or visiting or travelling through that area;
- required for the transportation of freight; and
- including facilities and services for pedestrians.

Plans must be approved by Welsh Ministers provided that:

- the plan is consistent with the Wales Transport Strategy, and
- the policies contained in the plan are adequate for the implementation of the Strategy.

The Welsh Government is currently preparing guidance to support CJsCs in the preparation of plans which presents an opportunity to ensure that RTPs consider wider place making plans and Town Centre First.

- **Action** - our guidance for the preparation of RTPs will require CJsCs to consider wider policies including Town Centre First.

Delivering against our mode shift and carbon reduction targets requires a change in the way we travel. We need fewer cars on our roads, and more people using public transport, walking, or cycling. An emerging area which has the potential to deliver modal shift, address carbon targets and support investment in sustainable transport is demand management schemes such as road user charging and car parking levies alongside a package of benefits that improves the sustainable transport offer.

- **Action** - we will explore a fair and equitable 'benefits and charges packages' approach to introducing any new demand management schemes, looking at ways to improve services before charges or introduce lower fares when charging starts.

Joined up delivery

As well as the challenges set out above, each town will also be facing other specific issues and opportunities, and an understanding of local context is crucial to determining what type of investment is likely to be most effective in supporting a town's success. The basics for most towns will be similar – such as a decent bus service, a diverse offer of services, good digital connectivity – but how to deliver and prioritise them will differ. There is no straightforward prescription, or one size fits all model. An approach that allows each town to find local solutions that maximise the use of local initiative and knowledge is therefore imperative.

The **Transforming Towns Programme** was launched in March 2020 to support the development and delivery of strategic regeneration projects as well as smaller-scale place-making activity. The Programme also plays a vital role in supporting the location of services in town centres which might otherwise have been located elsewhere. There is an ongoing role for the Transforming Towns programme and the Welsh Government has allocated a further £100m to the Programme over the next three years. Funding under the Programme is available to all local authorities in Wales who can mobilise new local partnerships under a shared long-term vision through place plans for the towns they prioritise.

- **Action** - the Transforming Towns funding must be targeted at the places where it can support transformational opportunities and under a placemaking plan which has been developed locally across all sectors.

Placemaking plans should be led locally and involve stakeholders across a range of interests. They should start with communities and people building on their needs, wants and aspirations, considering assets and building local confidence and action. The development of placemaking plans should also seek opportunities from the private and third sectors to attract inward investment and

secure a sustainable future for towns.

Local authorities are vital to this, using their scale and services to deliver, bringing together communities, social enterprises, businesses, charities, and other key local organisations to work together. National level organisations, including public bodies and agencies can build on this and contribute knowledge and funds to deliver at the local town level.

The Welsh Government recognises the resource pressures faced by local authorities and has allocated revenue funding over three-years under the Transforming Towns programme. We will consider options on how it could be used to bolster the capacity of local authorities in the production of placemaking plans and provide them with access to specialists and experts to support delivery. The Design Commission for Wales (DCfW) has previously provided this type of support on a project-by-project basis.

- **Action** - consider options to support the capacity for delivery and the provision of specialist support, including considering the future remit of the Design Commission for Wales.

The Welsh Government puts the nature and climate emergencies at the heart of its decision making. There is a need to act differently and there will be tough decisions in regenerating our town centres because they face significant environmental risks as outlined above. Green Infrastructure and taking a circular economy approach is a tried and tested tool for dealing with many of the issues that towns and cities are experiencing and help improve resilience to the impact of the nature emergency and climate change.

Green Infrastructure must form a robust part of town centres plans. An appropriate amount and type of Green Infrastructure must be provided with each development and reflect the challenges and opportunities of the location under consideration. Currently, this is not routinely happening as an integral element of the entire development, rather often added on to address a particular problem.

Town centres often have public, retail, and office buildings with significant potential for utilising renewable energy infrastructure (solar panels, ground, and air source heat pumps etc). Incentivising this local generation of electricity, particularly where clusters of premises co-operate, could help resilience of businesses and services in centres. Additionally providing more opportunities for electric vehicles to charge at appropriate points in town centres will support a transition from fossil fuels.

We need to understand what is currently preventing the delivery of integrated Green Infrastructure and the adoption of circular economy principles as standard. In understanding this, we can support the delivery of Green Infrastructure and nature-based solutions in town centres to deliver targeted environmental, social, and economic benefits.

- **Action** - work with public, social, and private partners to analyse the barriers and identify opportunities to ensure Green Infrastructure and nature-based solutions, using circular economy principles, are embedded, and prioritised in decision-making when undertaking works in public spaces within town centres.

This document may not be fully accessible.

For more information refer to our [accessibility statement](#).

This document was downloaded from GOV.WALES and may not be the latest version.

Go to <https://www.gov.wales/town-centres-position-statement-html> for the latest version.

Get [information on copyright](#).