

Powys Local Growth Zones Task and Finish Group Report

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Cefnogir gan
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Executive Summary

1. Background

This report has been prepared by the Powys Local Growth Zones Task and Finish Group (the Group), and is presented to the Minister for Business, Enterprise, Science and Technology for consideration. The members of the group are:

- Justin Baird-Murray – Managing Director and owner of the Metropole Hotel in Llandrindod Wells (Group Chair)
- Janet Jones – Federation of Small Businesses
- Hannah Barrett – Chair of Mid Wales Manufacturing Group
- James Gibson-Watt – local business person and retailer
- John Gallagher – Control Techniques Ltd
- Wynne Jones – business person and member of Powys County Council
- Sue Balsom – a member of the Micro Business Task and Finish Group with an advisory role in regard to the work of the Local Growth Zones Group

On 31 January 2012, the Minister made an Oral Statement updating members on Enterprise Zones in Wales. As part of that Statement, the Minister outlined the innovative proposal received from Powys County Council for local growth zones.

On 1 March 2012, the Minister announced via Written Statement that she would be setting up a short term Task and Finish Group to explore this model as an alternative approach to Enterprise Zones.

The Task and Finish Group was set wide ranging terms of reference, but agreed that its focus should be on:

- (a) exploring the suitability of Local Growth Zones for Powys by further developing the proposal submitted by Powys County Council as an alternative approach to Enterprise Zones
- (b) looking at the specific issues affecting the key market towns of Brecon, Llandrindod Wells, and Newtown.

As part of this remit, the Group considered the policy options to encourage and support jobs and economic growth, and offer the opportunity of testing different types of interventions which are sensitive to Powys' local economic circumstances and growth challenges.

The group met on seven occasions between early March and the end of June 2012 and a call for evidence seeking views from a wide range of stakeholders was issued between 4 May 2012 and 1 June 2012. A total of 50 responses were received, which were considered during the preparation of this report.

2. The county of Powys

The economy of Powys is dominated by a high number of diverse micro businesses, and agriculture and tourism are key sectors. The economy has diversified over a number of

years, but further efforts are needed as GDP and earnings remain significantly lower than both the Wales and UK average. Public sector employment is often significant in many rural areas, with larger employers in the private sector playing a smaller part than average. Self employment levels are high compared to Wales and the UK.

The settlement pattern for much of Powys is characterised by small and dispersed market towns and villages. Public transport is often scarce and fragmented, with private cars the only option for many. ICT infrastructure requires enhancement to ensure reliability and efficiency of service. Powys offers a high quality of life from both the perspective of the natural and built environment.

3. Local Growth Zones

The Group's consideration of the evidence and research gathered throughout this process highlighted the need for geographical concentration of resource and intervention. As such, the Group proposes to focus LGZs on areas that are within the central growth corridor as identified within Powys's emerging preferred strategy LDP. The four selected areas are:

- The Severn Valley (Welshpool / Newtown / Llanidloes)
- Rhayader / Llandrindod Wells / Builth Wells
- Brecon / Bronllys / Talgarth
- Ystradgynlais

The following have been agreed as the key potential development tools and policy levers for the LGZs in Powys:

- High-speed broadband and WiFi
- Consistent mobile phone coverage and 3G / 4G services
- High quality road and rail infrastructure
- Development of commercial property which meets the needs of indigenous and incoming businesses
- A planning system which enables and facilitates appropriate economic growth and development
- Heritage-led regeneration initiatives focussed on properties in key historic town centres
- Training and skills provision which is better aligned with the needs of businesses
- Business rate relief targeted at specific areas
- Business support and funding which meets the needs of micro and small businesses
- Energy supply and infrastructure which is fit for purpose
- Effective use of EU funds to support business development, job creation, and growth
- Development of the tourism offer of the county

More details on each of the above can be found within section 3 of this document.

4. The three town centres

As well as developing proposals for LGZs, the Group was also tasked with developing additional ideas to support the economic viability of the towns of Newtown, Llandrindod

Wells, and Brecon. Each of these towns falls within one of the proposed LGZ areas, but additional measures will further strengthen their roles and future viability.

The Group suggests the establishment of a business-led initiative in each of the three towns, to develop and implement a range of projects as identified by the businesses and inhabitants of those towns, focussed on supporting economic prosperity. Each of the three towns is different, and will need to respond to distinctive local needs and opportunities. These projects could include measures such as developing town centre plans, supporting local champions, implementing free parking schemes, and enabling easier change of use for key properties.

The precise nature of the projects in each of the three towns would be decided upon by local stakeholders. However, the Group feels that the following themes and ideas could be appropriate for each town:

- Newtown to develop further as a service centre, and as a centre for business-focussed learning.
- Llandrindod Wells to build on its role as an event and conference centre, and its role as a heritage tourism centre.
- Brecon to further develop its role as an outdoor tourism centre, and its role as a niche / boutique shopping centre.

Further details of the ideas for each town can be found in section 4 of this report.

5. Recommendations

The Group is making two broad and over-arching recommendations to the Minister. These two broad recommendations are supported by subsequent related and more detailed recommendations.

The two broad recommendations, along with the detailed recommendations, are summarised on the following pages.

The full text of all recommendations is included within Annex 1 of this report.

Recommendation One

The Task and Finish Group believes that the concept of Local Growth Zones is relevant to Powys as an alternative model to Enterprise Zones to help encourage and support jobs and growth within the county. The Group therefore recommends that the Welsh Government takes forward the proposals for Local Growth Zones as outlined within this report. In doing so, the Group recommends that the following are considered key within LGZs:

Infrastructure

- Providing comprehensive broadband coverage as part of the first phase of roll out of the Next Generation Broadband project
- Ensuring the supply of better infrastructure for mobile telephony
- Taking forward key infrastructure projects, such as the Newtown bypass, as a matter of priority

- Public sector to facilitate the provision of appropriate land and business premises, in the absence of private sector provision in much of the area
- Working with energy suppliers to deliver the appropriate upgrades to the power infrastructure in the county

Planning

- Simplifying the planning system to help facilitate development as appropriate, through measures such as Local Development Orders, and reviewing current planning arrangements to ensure they are supportive of economic regeneration and growth

Business Support and Skills

- Prioritising Welsh Government and other public sector funding support aimed at supporting jobs and growth on LGZs in Powys
- Ensuring funding for training and skills development is aimed at meeting the needs of businesses, and that the rural nature of the county and its low population numbers are factored into arrangements for delivery
- Ensuring that there is a sustained marketing campaign for the region as a location for new and indigenous business growth
- Further developing tourism opportunities within the county

Future designation

- Examining the future EU designation of Powys beyond 2020
- Considering the position of the county in the forthcoming review of the assisted area map

Recommendation Two

The Task and Finish Group recognises that many town centres are facing significant threat and are perceived to be in decline. The Group recommends that the Welsh Government supports the development of business-led initiatives, including the appointment of champions, in each of the three towns of Newtown, Llandrindod Wells, and Brecon to work up and implement action plans, working closely with Welsh Government, Powys County Council, and other partners. The Group recommends that the following approaches are considered for each town:

- Developing Newtown town centre's role as a service, business, education, and employment centre
- Assessing Ernesto Sirolli's Enterprise Facilitation model to determine its applicability to Newtown
- Developing Llandrindod Wells' role as an event and conference centre
- Enhancing Llandrindod Wells' role as a heritage tourism centre
- Developing Brecon's role as a tourist centre, building on outdoor tourism opportunities, the heritage offer, and the arts and culture offer
- Developing Brecon's role as a shopping location, specifically building on the niche / boutique shopping offer

1. Introduction

Members of the Powys Local Growth Zones Task and Finish Group

This report has been prepared by the Powys Local Growth Zones Task and Finish Group (the Group) and is presented to the Minister for consideration. It builds on the interim report submitted to the Minister in April 2012.

The membership of the Group was determined to reflect and demonstrate expertise in the specific areas of private sector business, rural economic development and regeneration, and businesses in key sectors such as manufacturing, tourism, and retail. Members of the group are:

- Justin Baird-Murray – Managing Director and owner of the Metropole Hotel in Llandrindod Wells (Group Chair)
- Janet Jones – Federation of Small Businesses
- Hannah Barrett – Chair of Mid Wales Manufacturing Group
- James Gibson-Watt – local business person and retailer
- John Gallagher – Control Techniques Ltd
- Wynne Jones – business person and member of Powys County Council
- Sue Balsom – a member of the Micro Business Task and Finish Group with an advisory role in regard to the work of the Local Growth Zones Task and Finish Group

Purpose of the Group

On 31 January 2012, the Minister for Business, Enterprise, Technology and Science made an Oral Statement updating members on Enterprise Zones in Wales. As part of that Statement, the Minister outlined the innovative proposal received from Powys County Council for local growth zones.

On 1 March 2012, the Minister announced via Written Statement that she would be setting up a short term Task and Finish Group to explore this model as an alternative approach to Enterprise Zones.

The Task and Finish Group was set wide ranging terms of reference, but agreed that its focus should be on:

- (a) exploring the suitability of Local Growth Zones for Powys by further developing the proposal submitted by Powys County Council as an alternative approach to Enterprise Zones
- (b) looking at the specific issues affecting the key market towns of Brecon, Llandrindod Wells, and Newtown.

The aim of the Group was to prepare a report to the Minister, concentrating on the following areas:

- a) consider the needs of small businesses, taking into account the recommendations of the Micro Business and Rate Relief Task and Finish Groups;
- b) explore the specific issues that relate to the retail sector as well as the wider challenges impacting on the key market towns of Brecon, Llandrindod Wells and Newtown and the services they provide;
- c) assess the County's economic infrastructure requirements, including employment space, broadband and mobile technology to increase employment, profitability and the sustainability of Powys businesses to support enterprise development, inward investment and tourism;
- d) consider the appropriateness of wider policy levers such as simplified planning, skills and training which can address both need and opportunity;
- e) make recommendations on the above, to include a package of measures which would deliver genuine economic growth and the creation of additional, sustainable jobs.

As part of this remit, the Group considered the policy options to encourage and support jobs and economic growth, and offer the opportunity of testing different types of interventions which are sensitive to Powys' local economic circumstances and growth challenges.

Methodology

The group met on seven occasions between early March and the end of June 2012. These meetings were used to discuss options, hear from expert speakers, and to consider best practice from elsewhere.

Hearing views, opinions, and ideas from a wide range of stakeholders was also critical to the Group's work, and a call for evidence seeking views was issued between 4 May 2012 and 1 June 2012. A total of 50 responses were received, which were generally positive about the proposals for local growth zones. All of these responses were considered during the preparation of this report. A list of all respondents can be found at the end of this document.

This document, which represents the final report of the Task and Finish Group, is submitted to the Minister for Business, Enterprise, Technology and Science for consideration.

Purpose of the Report

The purpose of this document is to provide the Minister with advice and recommendations on:

- Development and implementation of Local Growth Zones in Powys
- The specific issues facing the three towns of Newtown, Llandrindod Wells, and Brecon, and actions to address them.

2. Context

The County of Powys

Economy

Powys has significantly lower GDP and earnings levels than both the Wales and UK average, making it one of the regions with the lowest GDP in the UK, and the position has been deteriorating in recent years. Like many rural areas, public sector employment is often significant, with larger employers in the private sector playing a smaller part than average. There is evidence of under-employment, and economic activity rates are low in parts, whilst self employment levels are generally high. The trend towards global markets is also opening up rural businesses to increasing competition from further afield. Despite this, because rural economies also contain a large number of diverse micro-businesses, they also have some in-built resilience. For Powys specifically:

- Gross Value Added (GVA) per head fell in Powys from £13,000 in 2008, (Wales £15,122), to £11,779 in 2009, (Wales £14,664). This represented a fall over the year from 64% of the UK GVA per head in 2008, (Wales 74%), to 59% in 2009, (Wales 73%).¹
- HMRC estimated that in the 2009-10 tax year, the median self employment income among Powys residents was £9,090, (Wales £9,280), the median average employment income was £16,600, (Wales £17,400) and the median average pension income was £11,500, (Wales £11,300)
- 78% of the enterprises in the 2011 Inter-Departmental Business register (IDBR) for Powys were Micro Enterprises employing less than 5 people, (Wales 67%).
- The median gross weekly pay for full-time jobs in Powys in 2011 was £401.90, compared to £454.40 for Wales as a whole – only 88% of the Welsh average.
- In June 2011, 14% of Powys residents aged 16 to 64 were self-employed (Wales 8%)

Population

There is evidence of a growing but ageing population in many parts of rural Wales, with a complex mix of in and out migration patterns of old and young people. The settlement pattern for much of rural Wales is characterised by small and dispersed market towns and villages, making the provision of services more costly. Out migration of young people aged 15 to 19 is a key issue for rural Wales, and is mainly related to lack of employment and education choices locally. For Powys specifically:

- Powys is the most sparsely populated county in England and Wales, with just 25 persons per square kilometre in 2010, (Wales 145 persons per square kilometre).
- Powys had an estimated population of 131,313 in mid-2010. This represented a decrease of 0.3% from the previous year, the first decrease in the Powys population for more than a decade.

¹ For sources of all statistics cited, please refer to the document “50 Facts About Powys”, the latest version of which can be found at: <http://www.powys.gov.uk/index.php?id=9756&L=0>

- In the year ending mid 2010, Powys lost 600 of the 'student' group aged 15 to 19, due in part to the lack of HE provision in the county.
- The average age of the Powys population was 45 in mid-2010 (Wales 41).
- The proportion of people aged 75 and over in Powys increased from 9% in mid-2000, (Wales 8%), to 11% in mid-2010 (Wales 9%).

Tourism

This sector is a significant employer in rural Wales, but it can be seasonal and low paid. The traditional tourism market is changing, and there are now opportunities to capitalise on short break or niche markets and activity based tourism. For Powys specifically:

- Tourism provides 12% of the total employment opportunities, and brings in £615 million to the local economy.

Employment and Skills

Whilst unemployment has traditionally been low in many parts of rural Wales, including Powys, there is evidence of under-employment. Young people often have high educational achievements, and the challenge is to retain these high achievers by providing quality job opportunities. For Powys specifically:

- 69% of Powys pupils aged 15 achieved five or more GCSEs at grades A*-C or equivalent in the academic year 2009/10, (Wales 64%).
- In 2010, 33% of Powys economically active adults aged 16 to 64 had qualifications of NVQ4 or above, (Wales 34%), and 7% had no qualifications, (Wales 8%).

Connectivity

Public transport is often scarce and fragmented in rural areas, with private cars the only option for many. Many areas of rural Wales are still perceived as being relatively inaccessible, despite some improvements in road and rail links. ICT offers the opportunity to minimise the perceived peripherality of rural Wales, but ICT infrastructure must be enhanced to ensure reliability and efficiency of such services. Broadband connectivity is fast becoming the key enabler to economic growth, and low connection speeds are therefore a barrier to economic prosperity. In addition, traditional market towns and villages are facing a number of challenges, which leaves some town centres in a fragile state. For Powys specifically:

- In 2010 an estimated 59% of Powys residents lived in villages, hamlets and isolated dwellings, (Wales 17%).
- In mid-2010, an estimated 54% of Powys residents lived in areas ranked the worst 10% in Wales for access to services on foot or by bus in Welsh Index of Multiple Deprivation 2011.

Environment

Rural Wales offers a high quality of life from both the perspective of the natural and built environment, and this is one of its unique selling points. Opportunities for further development include renewable energy, recreation, sustainable tourism, and local food. There are already several projects underway in Powys (e.g. the Cambrian Mountains

Initiative) which build on these environmental qualities, but the Group suggests that more can be done.

- Powys covers a quarter of the land mass of Wales.
- The area of Powys is 5181 sq kms, 17% of which is within the Brecon Beacons National Park.
- 76% of land in Powys was farmed in 2010.

For further statistical information about Powys, along with the sources of the statistics cited above, please refer to the document “50 Facts About Powys”, the latest version of which can be found at: <http://www.powys.gov.uk/index.php?id=9756&L=0>

Small and Micro-Businesses in Powys

Micro businesses (defined as employing less than 9) account for 193,010 or 94.5% of all businesses in Wales in 2011. They are responsible for 33.2% of private sector employment in Wales (331,400 jobs).

Self-employment levels within Powys are high – in fact, of all the counties in Wales, only Cardiff has a higher self-employment rate than Powys. Most micro businesses operate in service industries, with relatively more in Wales within distribution, hotels, restaurants and transport.

Many of these micro enterprises are town-centre traders and service providers. The Powys Retail Study (Nathaniel Lichfield & Partners) undertook a random survey of town centre business occupiers in October 2011. Key findings from the study highlighted the following issues for town centre businesses:

- Factors constraining businesses were identified as: the level of trade / lack of visitors / customers (40%); the availability of business and customer car parking (16%); poor accessibility (12%); and rents / overheads (8%).
- Solutions to address these constraints were identified as: better traffic systems (14%); free parking (11%); and better availability of parking (10%).
- Businesses identified traffic circulation in Newtown and Welshpool as ‘poor’
- The measure rated most likely to help town centre businesses was better marketing and promotion of the centre in general, followed by improved customer car parking.
- The measure rated least likely to help businesses was pedestrianisation and streetscape improvements.
- Businesses in Newtown and Welshpool felt that their town centres were too downmarket.

Micro-Business Task and Finish Group Report

Given the importance of micro-businesses to the economy of Powys, the Group acknowledges the recommendations and actions arising from the final report of the Micro Business Task and Finish Group, which include:

- Streamline and reduce the number of public sector deliverers of business support.

- Proactively promote access and awareness of business support services.
- Create a single well recognised brand for access to business support.
- Develop a network of 'One Stop Shops' for micro-businesses to receive direct / indirect support across Wales.
- Expand and redirect the current Regional Centre Service to deliver a One Stop Shop concept for micro-businesses in Wales.
- Facilitate accessible finance solutions of between £1,000 and £20,000 for micro-businesses that are simple and reflect the level of investment required.
- Support micro-businesses to access appropriate finance options.
- Develop a pan-Wales mentoring and coaching scheme to support micro-businesses.
- Simplify public sector procurement processes and regulations.
- Introduce a Wales bill on Public Sector Procurement
- Establish a Procurement Commission / Commissioner for Wales.
- Encourage local sourcing as part of public sector procurement
- Encourage micro-business to consider consortia approaches to public sector procurement.
- Initiate smaller contracts to attract micro-business to tender.
- Lobby for change in non-devolved matters.
- Communicate where the responsibilities of regulatory burden sits.
- Simplify regulations within Welsh Government power (across all departments) to make it easier for micro-businesses to sustain and grow their business.
- Establish support for micro-businesses with regulations that impact on their business e.g. health and safety, taking on staff, and planning.

The Powys Local Growth Zones Task and Finish Group has noted the recommendations of the Micro Business report, and has incorporated these findings – where applicable – into its own research and deliberations.

The Group also notes that the Minister is currently inviting tenders for the delivery of three components of the micro business strategy. Whilst understanding the rationale for a single, all Wales procurement to ensure consistency in quality and service, the Group recommends that the particular needs of Powys, and its rurality, are taken into account when awarding these tenders and in terms of the delivery of the service.

Business Rates Task and Finish Group Report

Business rates are recognised as a key issue, and the final report of the Business Rates Task and Finish Group has been submitted to the Minister for consideration. Of the principal recommendations of the report, the Local Growth Zones Task and Finish Group agrees in particular that the Welsh Government should “introduce a limited and targeted scheme of rate relief in Enterprise Zones in Wales” but believes that Welsh Government should also roll out this approach to the proposed Local Growth Zones.

The Powys Local Growth Zones Task and Finish Group has noted the other recommendations of the Business Rates report, and has incorporated these findings – where applicable – into its own research and deliberations.

Planning Context

The planning function within Powys is held by two different authorities – Powys County Council, and Brecon Beacons National Park Authority. The Planning and Compulsory Purchase Act 2004 requires Local Planning Authorities to prepare a Local Development Plan (LDP) which, once adopted, will replace existing Unitary Development Plans. Both Powys County Council and Brecon Beacons National Park Authority are in the process of preparing their LDPs, with the PCC document at preferred strategy stage, and the BBNPA document at deposit stage.

Within the Powys County Council planning area, the objectives of the emerging LDP are to:

- provide sufficient land to meet the housing, employment, retail, and other land needs arising in the county over the plan period up to 2026
- direct development towards locations served by a choice of sustainable transport modes in accordance with a sustainable settlement hierarchy, with larger developments being directed to larger settlements with the capacity to sustain further growth
- support the transition to a low carbon and low waste county and to ensure development adapts to and minimises its contribution to climate change and resource demands, in particular by ensuring that the risks of flooding to new development is acceptable
- support a diverse, robust, and vibrant economy, and vital, viable, and attractive town centres, which are resilient and responsive to change

Within the Brecon Beacons National Park planning area, some of the key objectives of the LDP are to:

- Conserve and enhance the special qualities of the Brecon Beacons National Park
- Encourage development in sustainable locations near facilities and services therefore minimising the need to travel
- Ensure that all future development will protect and enhance the character of the landscape
- Ensure that all development affecting the historic environment enhances the traditions of the built environment
- Ensure adequate provision of utilities for local communities and future developments
- Encourage developments to make use of renewable energy resources and to encourage small to medium scale community led renewable energy projects
- Improve the physical quality, energy efficiency, accessibility and sustainable design and construction of all development throughout the Park
- Support a sustainable tourism industry that contributes to the public's enjoyment of the National Park
- Maintain and enhance the vitality and viability of the town centres in the National Park through the identification of prime retail cores

3. Proposal for Local Growth Zones

Concept

Powys has a high concentration of self employed workers, and an economy largely founded on agriculture, tourism, and a diverse community of micro-businesses. The lack of large urbanised settlements and concentrated areas of population means that the local economy must be driven by diversity, flexibility, and renewable assets. Securing a resilient economy in the county is a both a high priority and a challenge in the face of declining economic prosperity and low wages.

Local Growth Zones were initially put forward as a policy proposal by the Centre for Cities in February 2011. The proposal outlined that the Government should introduce a new area-based strategy – known as Local Growth Zones – focusing on investment in people, skills, and business growth.

At the same time, Powys County Council and its strategic partners were also preparing a strategy for the county, which looked to develop a new and innovative approach to regeneration. In June 2011, the WLGA Central Wales Partnership Board recommended the establishment of LGZs in the Central Wales region. Subsequently, Powys County Council prepared an outline LGZ proposal, which took account of the ambitions of the regeneration strategy, and was then presented to the BETS Minister in December 2011.

Powys's paper outlined how LGZs can provide a menu of policy options to encourage and support jobs and economic growth and offer the opportunity of trialling different types of interventions which are sensitive to an area's local economic circumstances and growth challenges. The Council's proposal suggested the following could be applicable for LGZs in Powys:

- Rate relief
- Prioritising the roll out of next generation Broadband
- Simplified planning
- Support for apprenticeships
- To provide a focus for Welsh Government and Local Authority interventions
- To provide a focus for European Structural Funds 2014-2020

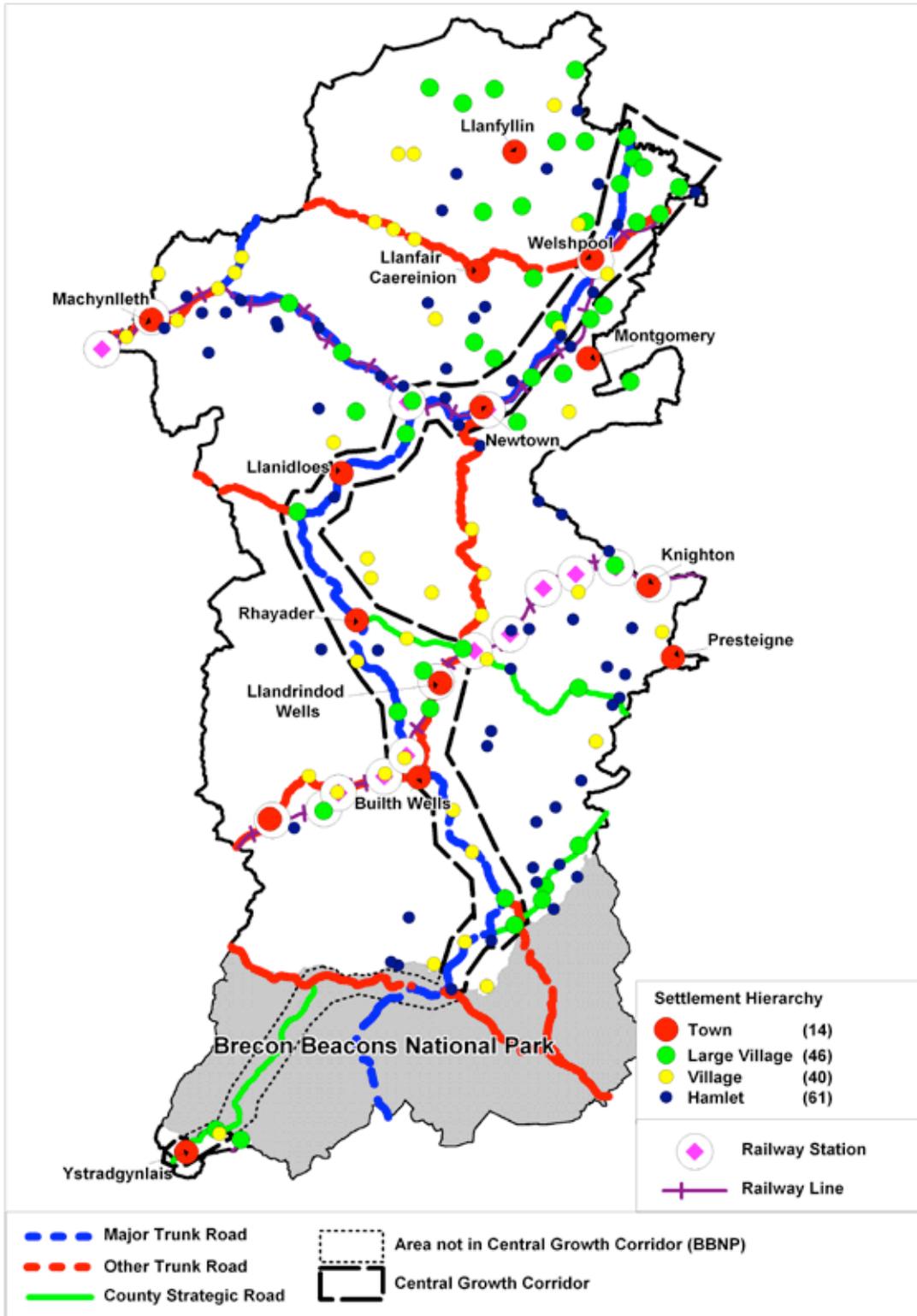
Locations

The Group's consideration of the evidence and research gathered throughout this process has highlighted the need for geographical concentration of resources and effort. By doing taking this into account, the Group feels that LGZs will be located where they will have most impact, by supporting economic development and growth, and doing so with sustainability as a guiding principle.

In Powys's case, these areas where most impact can be created are along the length of the central growth corridor as identified within the emerging LDP, which runs north to south

through the centre of the county following the major road network. Most of the towns and larger settlements in the LDP area are found along this corridor.

The following map shows the location of the growth corridor, along with the locations of key towns and villages.



The reason for focusing higher levels of growth in the centre of the County, rather than peripheral areas, is to ensure sustainability by:

- facilitating a critical mass for service provision
- encouraging greater use and provision of public transport
- enabling greater co-location of housing and employment opportunities
- contributing to social improvements and addressing problems in areas of deprivation within the corridor

To inform the emerging LDP for Powys, Hyder Consulting Ltd is currently in the process of providing evidence on the current state and future needs for employment sites in the county, and devising a detailed plan on development land availability, as well as projected retail and office requirements of local businesses. Although still at the draft stage, this Property Market Review is showing that most demand for employment land is in Welshpool, Newtown, Ystradgynlais, and Brecon.

Therefore, following detailed discussions, evidence from expert speakers, an extensive literature review of relevant reports, consideration of emerging LDPS, and contributions to the call for evidence, **the Group recommends that Powys's LGZs be established in the following locations:**

- **The Severn Valley (Welshpool / Newtown / Llanidloes)**
- **Rhayader / Llandrindod Wells / Builth Wells**
- **Brecon / Bronllys / Talgarth**
- **Ystradgynlais**

It should be noted that other locations were also considered for LGZ status. In light of the decision to concentrate LGZs along the central growth corridor, not all of the areas considered could be included within this final proposal. However, the Group feels that, following the results of any LGZ pilot programmes, it could be possible to roll out some or all of the identified LGZ policy levers to other towns and areas in the future.

Development Tools and Policy Levers

The Task and Finish Group believes that the concept of Local Growth Zones is relevant to Powys as an alternative model to Enterprise Zones to help encourage and support jobs and growth within the county. **The Group therefore recommends that the Welsh Government takes forward the proposals for Local Growth Zones as outlined within this report.**

Within the LGZs, a range of development tools and policy levers can be brought to bear, depending on local conditions. Following extensive discussion and consideration of the submissions received as part of the call for evidence, the following are seen as the key potential development tools for the LGZs in Powys:

1. Prioritise provision of high-speed broadband and WiFi in all LGZs

In order to be able to compete in a global digital economy, it is vital that all of Powys has access to high speed next generation broadband. This is particularly important in such a rural area, as many businesses depend on access to ICT in order to mitigate their physical distance from the market. However, the current limited broadband speeds (and in some parts a total absence of service) are a major barrier to business, especially as data volumes increase, and usage of the internet becomes yet more widespread.

The group notes that the provision of next generation broadband across the whole of Wales by the end of 2015 is already a priority for the Welsh Government. However, **the Group recommends that Welsh Government should ensure that LGZs receive comprehensive broadband coverage as a priority as part of the first phase of roll out of its Next Generation Broadband project.** This will enable Powys businesses to compete on a more level playing field, accessing relevant services, new markets, networking opportunities, business support, skills and training, and other knowledge.

Further, **the Group recommends that provision of broadband should also be linked to provision of WiFi across all of the LGZ towns.** Whilst this is an issue to be tackled at a more local level, the Group believe that it is important that the Welsh Government supports such a move.

2. Mobile phone coverage / 3G / 4G

Mobile telephone coverage across Powys is, at best, intermittent. Given that many businesses now expect to have access to the internet whilst on the move, this lack of coverage leaves Powys at a distinct disadvantage. There are also opportunities linked to specific industries, such as tourism, which can best be exploited through the use of mobile devices. Therefore, **the Group recommends that Welsh Government works with the telecoms industry to explore options for providing better infrastructure for mobile telephony in the county.**

3. Infrastructure – road and rail

High quality, effective, and efficient infrastructure is an essential element in maintaining and promoting the economic growth of towns across Powys. Given limited local markets, most companies will need infrastructure to move goods and services to their markets

(which are generally to the east) and therefore east-west communications are vital. The group recognises that significant work has already been undertaken (e.g. the construction of passing loops on the Cambrian Line to ensure greater efficiency of service) but there are still problems to be addressed.

For example, the Group has heard numerous concerns regarding the A483 through Newtown, which is believed to be significantly over-capacity, and has been for some years. This leads to long traffic delays into and out of the town on most days. Anecdotal evidence from local traders and businesses indicates that this congestion is having a significant impact on trade. Furthermore, this impact is not just limited to Newtown – there are impacts across the county and indeed across the mid region in general, due to the fact that the A483 is a key arterial route into the area.

The Group therefore recommends that Welsh Government ensures that key infrastructure projects, as recognised within the National Transport Plan (including the proposed Newtown bypass, the hourly service on the Cambrian Line, and road improvements on the A458 between Buttington Cross and Wollaston Cross) are taken forward as a matter of priority.

In addition, the Group believes that other infrastructure projects within the county, including the opportunity for increased use of rail freight, could bring significant benefit to the economy and need to be considered in terms of any future review of the National Transport Plan.

4. Commercial property

Within Powys, it is clear that the primary driver of future employment land and property requirements is the need to replace and upgrade existing premises, many of which fall below the standard now expected by modern businesses. In particular, an ageing stock of premises within the manufacturing sector is placing significant pressure on businesses, and refurbishment of premises or re-location to modern, energy efficient premises is required.

However, within the Powys area, market failure in respect of commercial properties has always been an issue. This problem has been further exacerbated by the recent recessions, and the requirement for BREEAM Excellent ratings for new-build premises, which further increases costs for developers. The Group has heard evidence to support the view that, without significant public sector intervention in the property market, the private sector will not provide. This has significant detrimental impacts on efforts to promote economic development in the county.

Some work to tackle this problem has been undertaken. For example, as part of the EU – supported Severn Valley Strategic Regeneration Programme, high quality site infrastructuring works have been undertaken at Offa's Dyke Industrial Park (close to Welshpool) and Abermule (close to Newtown). However, due to the factors identified above, private sector property developers are reluctant to invest in these sites, and units have yet to be built.

In addition, there are known to be a number of larger employers within Powys who are in need of additional or alternative premises to aid expansion. Again, due to commercial property market failure, and lending restrictions from banks, these businesses are not in a

position to build properties themselves. This information – gathered through the call for evidence, and from other contact with businesses – is commercially sensitive, and so has not been reproduced within this report. However, further details can be provided directly to the Minister as required.

Therefore, in the absence of a private sector market, the Group suggests that the public sector must play a more active role in terms of making available appropriate land and property to meet the needs of new and existing businesses.

The Group therefore recommends that the public sector facilitates, fast-tracks, and supports existing businesses in Powys who wish to relocate to more appropriate premises, whilst also supporting incoming businesses that are in need of premises. This should involve support for commercial property development in LGZs through new build and refurbishment schemes where necessary.

5. Planning

The planning function within Powys is held by two different authorities – Powys County Council, and Brecon Beacons National Park Authority.

The Planning and Compulsory Purchase Act 2004 requires Local Planning Authorities to prepare a Local Development Plan (LDP) which, once adopted, will replace existing Unitary Development Plans. Both Powys County Council and Brecon Beacons National Park Authority are in the process of preparing their LDPs.

Within the Powys LDP, a central growth corridor, which follows the road network from north to south through the centre of the county, has been identified, and tends to focus on the key settlements in the county. The Group believes that focusing LGZs along this corridor will help to concentrate higher levels of growth in the centre of the county, rather than peripheral areas. In order to support growth in these areas, the Group feels that Local Development Orders may provide an appropriate development tool.

A LDO grants permission for certain types of specified development, and therefore removes the need for planning applications to be made by the developer. These developments are usually relatively small scale and normally non contentious. As LDOs remove the need to apply for planning permission the potential developer is able to progress with greater speed and certainty. Associated costs may well be lower with an LDO as there will also not be a planning application fee or need to commit the resources associated with the preparation of an application.

It is at the discretion of the local planning authority as to whether to make a LDO. The LDO can relate to all land in the planning authority area, or only to a part of that land, or to specific sites. The content of LDOs is to be decided upon locally in response to local circumstances.

There are exclusions that apply to LDOs. Firstly, it should be noted that LDOs will not apply within National Parks, and as such will not be applicable for use in the BBNPA area. In addition, in order to ensure the protection of the built heritage of Wales, development which would affect a listed building is also excluded from the scope of LDOs. Within the Powys planning area, a number of towns have designated conservation areas and high

numbers of listed buildings. As such, LDOs cannot be used across all LGZs. However, they are likely to provide a useful development tool in appropriate areas.

Therefore, in the area for which Powys County Council has planning authority, **the Group recommends that the Council examines the secondary legislation for Local Development Orders, in order to determine their appropriateness for selected towns, sites, and areas within the LGZs.**

The Group also recommends that Powys County Council takes due account of the recommendations of this Group, and uses this report to inform the emerging LDP.

Anecdotal evidence received by the Group indicated that a number of businesses and developers have been put off applying for planning permission due to high up-front costs, with no guarantee of planning permission at the end of the process, and no recompense of fees. **The Group therefore recommends that, in light of current reviews of planning processes that are currently underway, the Minister looks to liaise with other departments to influence this position.**

Further, as the Group has progressed with its work over the past four months, it has become evident that there is a perception that planning processes are obstructive to businesses. This has been highlighted within the PCC planning area and, to a greater extent, within the BBNPA area, where some comments received were highly critical of the Park. There was a strong feeling from contributors, and also from the Group, that planning processes must be flexible in order to enable and facilitate appropriate economic development, particularly in the key towns throughout the county.

The Group therefore recommends that, in light of current reviews of planning processes that are currently underway, the Minister looks to liaise with other departments regarding the way in which planning operates across the county, paying particular regard to how the planning process encourages and enables economic growth and job creation, and wherever possible looking to simplify processes and support appropriate development.

6. Heritage-led regeneration

Experience has demonstrated the importance of the physical quality of towns in attracting residents, tourists and new business. Many of Powys's towns and villages have conservation areas protecting their distinct character and architecture, and it is important to protect and enhance such local distinctiveness through good quality design and development.

To support and stimulate regeneration in these distinctive and historic town centres, **the Group therefore recommends that Powys County Council looks at the appropriateness of putting in place a Townscape Heritage Initiative programme and a shop front grant scheme for some or all of the principal towns in LGZs.**

7. Training and skills provision

The Group understands that, over previous years, there has been considerable discussion regarding the re-alignment of post-16 education provision within Powys, and much work has been undertaken to modernise services. It is accepted that post-16 training, skills

development, and apprenticeship opportunities within the county must be aligned with the needs of businesses and employers, and that such an approach requires a high degree of co-operation between all parties. However, the Group has heard evidence to support the impression that Further Education providers in a rural county cannot viably run a full range of courses, as student numbers are not high enough. There is therefore a need to fund provision of courses based on the needs of employers and businesses and not solely on student numbers. The lack of HE provision within the county is also a significant issue.

The key to this will be closer links between FE providers and local businesses. In particular Powys County Council, Coleg Powys and the main work-based learning providers need to work together with local employers to provide a detailed analysis of need and the joint planning of provision, to ensure that the training options offered are relevant to employers and to maximise the employment opportunities for learners leaving further education. These links should be supported by investment in apprenticeships, so that providers can enable students to secure places with local manufacturing, engineering, construction, and other industries. To support this, the group would welcome initiatives between FE providers to forge the necessary alliances with business, and to ensure that opportunities are responsive to need.

The Group therefore recommends that Welsh Government gives the necessary support to Further Education providers in the county in order to ensure that appropriate courses, including apprenticeships, which link to the needs of local businesses, can be provided for Powys students, taking account of the rural nature of the county and often small numbers on courses.

The Group also recommends Welsh Government ensures that prioritisation of skills training and support for workforce development is given to businesses within LGZ locations.

Linked to this, the Group recognises that there is still some confusion amongst businesses as to what support and assistance can be provided to them by Further Education providers, and also by Welsh Government. **The Group therefore recommends that FE providers and Welsh Government give urgent attention to ensuring greater clarity of communication with businesses within LGZs on support available.**

8. Business rates

The Group has noted the recommendations of the recent Task and Finish Group report into Business Rates in Wales. Specifically, the Group has noted recommendation 10 of the report, which recommends that the Welsh Government introduces a limited and targeted scheme of rate relief in Enterprise Zones in Wales. **The LGZ Task and Finish Group recommends that Welsh Government ensures that any proposal or plan for such a scheme is expanded to cover the proposed LGZs within Powys.**

The Group also accepts that the Welsh Government is not in a position to offer wholesale provision of business rate relief across all LGZs. However, **the Group recommends that Welsh Government reassesses business rates / rateable value within the LGZs, based on current economic circumstances.** Should any subsequent rate relief be decided upon, it is suggested that this should be focussed on start-up businesses within the LGZs.

9. Business support and funding

In terms of business support, the group acknowledges the findings of the report by the Micro-Business Task and Finish Group, and looks forward to the development of a One Stop Shop approach for business support in Powys. It is essential that, as part of this process, business intelligence is gathered through dialogue and meetings between public and private stakeholders in order to ascertain the support needs of the business community. This is likely to include issues such as mentoring, succession planning, ICT upskilling, and marketing and promotion. This will enable the One Stop Shop, and other support mechanisms such as the proposed Powys Enterprise Model, to deliver what businesses are asking for, and will ensure buy-in at the local level.

The Group therefore recommends that Welsh Government and Powys County Council ensure that any business support proposals take account of the importance of mentoring, succession planning, marketing, promotion and – in particular – ICT upskilling for small businesses in the county.

Further, as recognised within the Micro Business report and the One Stop Shop proposals, **the Group recommends that Welsh Government and Powys County Council ensure that support that specifically meets the needs of micro and small businesses is provided, as these are the dominant business types throughout Powys.**

In addition, the Group recommends that in awarding of contracts to deliver the micro-business strategy, Welsh Government needs to be satisfied that the rurality of the region and its diverse micro businesses are considered as part of the delivery of the service from January 2013 onwards.

The Group has heard that, at present, some businesses report that access to finance remains a significant constraint to growth. Powys does not enjoy access to funding through a Local Investment Fund, which is available to support projects in the Convergence region. **The Group therefore recommends that Welsh Government and Powys County Council undertake further work to examine options for attracting other lenders into the market in order to facilitate access to funds, particularly for micro and small businesses in the county.**

In order to ensure that resources are targeted where they can make the most impact, **the Group recommends that Welsh Government and Powys County Council ensure that any lending through existing public sector mechanisms should be prioritised for (although not exclusively restricted to) LGZs.**

The Group suggests that the Powys area is not currently well promoted as a location for business growth and development. **The Group therefore recommends that Welsh Government and Powys County Council ensure that there is aggressive marketing of the region as a location for new and indigenous business growth.**

10. Infrastructure – energy supply

Modern businesses need fit for purpose energy supply. This is especially important for businesses that use high volumes of data, either for transmitting or storing information. In parts of Powys, the Group understands that the power infrastructure is currently very close

to capacity, and that this infrastructure may not be able to meet the future needs of businesses within the county, unless there is significant investment to upgrade it.

Any such infrastructure development should seek to maximise benefits to local businesses and communities. For example, there will be a range of opportunities for local procurement in engineering, construction, groundworks, haulage, forestry clearance, and other services. These will be connected to the development of the power supply infrastructure itself, as well as to the development of generating technologies such as wind and hydro power.

The Group therefore recommends that the Welsh Government continues to work with energy suppliers to deliver the appropriate upgrades to the power infrastructure in the county, whilst also continuing to support the development of a range of appropriate renewable technologies which are sympathetic to the natural environment of the county.

11. EU funds and state aid

Throughout its discussions, the Group has recognised the need to ensure that Powys continues to have access to, and make best use of, European funding in the short and medium term. The Group is also aware that Powys must maximise the European support it receives in future, and has heard many representations suggesting that consideration be given to the county's re-classification for future EU support (at present, GDP is well below the threshold for qualification as a Convergence area). Further, Powys County Council is exploring what scope there may be for developing the concept of LGZs to incorporate the "integrated territorial investment" (ITI) model being proposed by the European Commission.

In reviewing the current assisted area map, particular attention needs to be given to the needs of Powys's economy and businesses, in order to ensure maximum aid is permitted to support business development, supporting job creation and growth.

The Group therefore recommends that the Welsh Government and Powys County Council look at how the next round of EU funding (2014 to 2020) can best be used to help deliver the recommendations of this Task and Finish Group report.

The Group also recommends that Welsh Government and Powys County Council ensure that the future EU designation of Powys beyond 2020 be explored, taking account of current needs and low GDP.

Further, given the particular needs of Powys, the Group recommends that Welsh Government and Powys County Council ensure that special consideration be given to the county in the forthcoming review of the assisted area map.

12. Tourism

The natural environment and associated tourism business activity are major assets for Powys. However, much of the tourism offer and infrastructure falls outside of the proposed LGZ boundaries.

The tourism industry provides significant employment and income within the county, both within and outside of the proposed LGZ areas. Outstanding assets include the Brecon Beacons National Park and the Elan Valley area with its Visitor Centre, dams and lakes (owned by Dŵr Cymru) and the associated estate managed by the Elan Valley Trust. Comprising 45,000 acres it is one of the largest, most SSI designated areas in Britain.

Tourism is an important economic driver in terms of sustainability and growth, yet activity based on the natural environment in Powys is relatively underexploited in terms of related products and services. For example, there is currently relatively little activity on Dŵr Cymru's extensive lakes in the Elan Valley compared to similar facilities elsewhere in Wales and the UK. The Group was therefore pleased to learn of future plans to develop activities (e.g. sailing, kayaking, rowing) that are compatible with nature conservation and quiet enjoyment. Similarly, opportunities to exploit other areas such as Lake Vyrnwy etc should also be explored.

There are few tourism businesses or developments of real scale in Powys and therefore there is scope to develop a wider tourism offer. Based on examples elsewhere, there is the potential for a high profile, quality 'green' development of iconic design and environmental sensitivity. To develop this further, it is possible that specific rural areas in Powys could be identified and incentivised for tourism development by means of LDOs and fast track planning. Such a development could have major impact in the LGZs in terms of employment and training including construction, local service industries, procurement plus knock-on effects of increased visitors for retail and hospitality businesses. However, such an LDO approach cannot at present be deployed in the Brecon Beacons National Park which is subject to its own autonomous planning system.

Overall the county would benefit from being perceived more readily as 'open for tourism business development' in both town and country. Both PCC and the BBNPA need a clear vision for tourism development in their area, recognising the requirements of the tourism operators. Moreover, they should brand and market this vision pro-actively to stakeholders and developers both locally and further afield.

Meanwhile major events such as the internationally acclaimed Hay Festival play an important part of tourism in Powys and the county is well placed to develop more such iconic, themed events. The Group addresses this more specifically below in terms of the towns of Brecon and Llandrindod Wells, noting that the success of such ventures often depends on strong leadership and vision by key individuals in the community.

Further, the Cambrian Mountains Initiative is a wide-ranging project that aims to help promote rural enterprise, protect the environment, and add value to products and services in Mid Wales. The project includes large parts of western Powys and was inspired by HRH The Prince of Wales who, as the Cambrian Mountains Initiative President, wishes to help sustain traditional upland farms and rural communities.

As part of this, the Prince has established a scheme to recognise high quality tourism establishments in the region with a special group of CMI Tourism Ambassadors. The scheme is designed to acknowledge the Ambassadors' important contribution to the region, including their use of Cambrian Mountains and other local food produce, and the way in which they contribute to economic activity and help visitors connect to the countryside and culture of rural Mid Wales. The Cambrian Mountains Initiative thus offers a unique marketing opportunity to add value and increase current tourism offer and chimes

with the potential in Powys to develop a more exciting and varied range of activities related to the landscape.

Following from the above, **the Group recommends that Welsh Government and Powys County Council ensure that the opportunity to build on the quality of the area and further develop the tourism sector needs to be exploited.** The sector is important to the region and therefore support to enhance quality and diversity needs to continue to be provided.

4. Additional proposals for Newtown, Llandrindod Wells, and Brecon

Problems facing town centres

In May 2011, Mary Portas, a leading retail marketing consultant, was commissioned by the UK government to undertake a review of the English high street. The report was published in December 2011. The Portas Review highlighted that:

- The number of town centre stores fell by almost 15,000 between 2000 and 2009 with an estimated further 10,000 losses over the past couple of years
- Nearly one in six shops stands vacant
- Excluding Central London, high street footfall has fallen by around 10% in the last three years
- As well as independent retailers closing, new independents are not entering the market
- E-commerce accounted for nearly half of all retail sales growth in the UK between 2003 and 2010
- In the last decade, the amount of out-of-town retail floorspace has risen by 30% whilst that in-town has fallen by 14%
- Groceries are the most important retail market in the UK, and supermarkets now account for over 97% of total grocery sales
- The big supermarkets now often sell clothes, homewares, stationery, books, flowers etc, and some are also moving into needs-based services such as opticians, dentists, and doctor's surgeries.

In addition, the National Assembly for Wales' Enterprise and Business Committee, in its report *Regeneration of Town Centres*, found that throughout Wales there are examples of weak and vulnerable high streets blighted by empty premises and poor shopping environments. Vacant premises in Welsh town centres stand at 11.5%, which is above the UK average of 11.1%.

The reasons for decline relate partly to the current economic downturn and associated reduction in consumer spending, but there are also long-term, structural issues at work such as changes in consumer behaviour, from internet shopping to challenges from out-of-town stores. In addition, the Centre for Regeneration Excellence Wales (CREW) argued that Wales was possibly more vulnerable than other parts of the UK, because of its lower economic base. The Group is also aware that the Minister for Housing, Regeneration and Heritage is undertaking a review of regeneration in Wales. It is hoped that the findings of this report will help inform that review.

Proposals for all three towns

As well as developing proposals for Local Growth Zones, the Group was also tasked with developing additional ideas to support the economic viability of the towns of Newtown, Llandrindod Wells, and Brecon. As shown above, a number of recent reports have highlighted the reasons for the changes seen in our high streets. In Powys, this includes town centres that are struggling in the face of economic decline, competition from supermarkets on the edge of town, competition from internet shopping, competition from

larger centres outside the county, and little collaboration between the small businesses which make up the majority of retailers in the town centres. Urgent action is needed now in order to tackle these issues.

Each of the towns of Newtown, Llandrindod Wells, and Brecon fall within one of the proposed LGZ areas, but the additional measures recommended below will further strengthen the role and viability of these towns, and help to tackle the kinds of issues identified within these reports.

Specifically, the Group therefore recommends that the Minister provides funding to establish a business-led forum in each of the three town centres. This funding would be used to employ a development champion in each town, who would facilitate businesses to come together to develop and implement an innovative action plan for their town centre, working closely with Powys County Council, Welsh Government and other partners.

The funding provided would be seed corn funding only: in the medium to longer term, the forums would be self-sustaining, funded by the businesses themselves. The Group felt strongly that this would ensure that the initiative would be led and owned by private sector businesses – in fact, it is essential that the initiative be led by businesses and have their commitment if it is to succeed.

However, it should be noted that the Group felt that the Business Improvement District model would not be appropriate for Powys, as such a model is best suited to large towns and cities, and the fact that small businesses in Powys town centres are already under significant pressure due to the wider impacts of UK and global economic circumstances. This does not mean that there are not significant lessons to be learned from the BID process – there are, and the project would be expected to take these into account. Therefore, the Group feels strongly that any business contributions to the scheme would have to be well funded by cost reductions elsewhere – e.g. through rate relief for businesses within designated core areas.

Given that a satisfactory funding solution can be agreed and implemented, the focus of each town plan, which would be likely to run for a 3 to 5 year period, would be dependent on the needs and opportunities of each town and would draw on the findings of earlier work as appropriate. The principle of establishing a core central area for each town is important to this project, as it will enable the towns to develop small, thriving, central areas, which would play a crucial role in serving the wider local area. These core areas would be agreed as part of the development of the project proposals but might, for example, cover an already existing designated area such as the conservation area in Llandrindod Wells.

In order to assist with the development of project proposals for the three towns, significant previous research, with associated recommendations, is available. As previously noted this includes reports from Mary Portas and the National Assembly for Wales. In addition, the Centre for Regeneration Excellence Wales (CREW) also has significant knowledge which can be called upon.

The Group notes the recommendations from within the Mary Portas and National Assembly for Wales reports, and suggests they be considered as part of the business-led initiative in each of the town centres. This could include:

- Protecting town centres from the impact of out-of-town retail developments
- Promoting good practice
- Using office and work-place development to increase footfall
- Developing town centre plans
- Supporting local champions and putting in place “Town Teams”
- Changing business rates
- Removing unnecessary trading regulations
- Implement free controlled parking schemes
- Enabling easier change of use for key properties

Following the call for evidence, and the Group’s own deliberations, other ideas for supporting town centres have also been discussed, and should be further explored as part of any project development. These ideas include:

- Further examination and consideration of the Ernesto Sirolli approach to business support / mentoring in rural and small towns, and its appropriateness for LGZs
- The possibility of developing buying consortiums for businesses to enable them to bid more effectively for contracts
- The further development of sector networks, possibly based on the identified ‘themes’ or brand for each town
- Use of QR codes on town walks and other local trails (as developed in Monmouth)
- Development of hotel and tourism provider consortiums, offering semi-arranged trips for tourists and visitors
- Possible set-up of town centre crèches to support local retail
- Use of village halls to set up a once-weekly ‘shop’ or other service
- Use of temporary town centre attractions, such as winter wonderlands, to increase town centre footfall
- Set-up of more internet cafes for use by both locals and visitors
- Free town centre parking, possibly for a limited period (e.g. for one or two hours)
- Piloting of initiatives to tackle empty retail premises in town centres (e.g. pop-up shops)

This list is by no means exhaustive, but instead gives a flavour of the broad range of initiatives which should be explored further as part of any project development.

In addition, account must also be taken of the emerging proposals for a retail pilot scheme which has been proposed by Powys County Council as part of its Regeneration Strategy. This will consist of a feasibility study to consider current issues impacting on local high streets, and development of a business case for future implementation. A Steering Group will be set up to guide the project, and is likely to support the proposal to conduct initial research in Newtown and Rhayader.

Proposals specific to Newtown

Newtown is an important local hub, as well as being one of the main shopping and commercial centres within Powys. However, the town is under significant threat, and many respondents have pointed to the recent marked decline in apparent prosperity of the town. This decline is being exacerbated by strong competition from other locations,

including those across the border. It is the largest of the county's towns, with a population of over 12,000. There are some issues of deprivation within the town, as recognised by the Welsh Index of Multiple Deprivation in 2011. The town is known as the birthplace of the social reformer Robert Owen (born 1771), with his former house now being a museum.

The key roles of Newtown's town centre include:

- convenience shopping (the town centre has an Iceland supermarket, a Spar, newsagents, bakers, butchers, grocers)
- comparison shopping (e.g. clothing retailers)
- services (post office, high street banks, cafés, restaurants, takeaways, hairdressers, travel agents and beauty parlours)
- entertainment (cinema, nightclub, bowling club and several pubs and bars)
- community facilities (dentist, council offices, health centre, advice centres)

Newtown's strengths:

- Newtown has some national multiple retailers.
- The centre provides a reasonable range of service facilities.
- The centre has public transport access, including rail provision, and has provision of car parking for shoppers.
- Newtown is the biggest town in Powys in terms of population.
- Coleg Powys has a well-established campus on the edge of town, with strong student numbers. This campus is linked to Theatr Hafren, which has strong proposals for the future.
- Historic importance – e.g. the birthplace of Robert Owen, nearby Dolforwyn Castle, the Montgomery Canal etc.

Newtown's weaknesses:

- The level of vacant floorspace is higher than the national average, and recent shop closures, along with the perceived high number of charity shops, has created a perception of a devalued town centre offer.
- There is a concentration of vacant units within the Ladywell Centre.
- There is a strong perception that some of the key buildings in the town centre – e.g. the market hall and adjacent buildings – are in need of renovation and a facelift.
- Traffic congestion in the town has caused significant discussion. The main road running through the town (the A483) is over capacity, and has been for some years. This problem is seen to have been exacerbated by the recent Tesco development and associated road alterations. Congestion problems are particularly apparent at peak times, especially Fridays and holidays. A bypass for the town is a commitment within the National Transport Plan, but there is suspicion amongst residents and businesses that this development will not take place as planned
- The town's leisure and night time economy offer is seen to be of relatively poor quality.
- The town does not have WiFi, and 3G coverage is patchy. There is no internet café.
- Food and grocery provision in the centre is only suitable for top up food shopping.

The future of Newtown

Newtown is not a traditional tourist centre, and its economy is more strongly focussed on services and industry. The college plays an important role in the town and there remains a significant manufacturing base in the area. As previously noted, Newtown is also currently identified as a possible location for a PCC retail pilot scheme, as part of the Council's implementation of its regeneration strategy. The Market Hall has been identified as a significant development opportunity for the town centre, although funding has not yet been secured to take forward an ambitious redevelopment scheme for the site.

The Group recommends that Welsh Government supports and funds the establishment of a business-led initiative, including a champion / facilitator, which seeks to more fully develop Newtown town centre's role as a service centre. This may include support to further expand the night time economy, delivery of Wi-Fi throughout the town centre, specific measures to support retail, and support to service industries in the town centre. The exact scope of the support given would be worked up as part of the development of the project proposal.

The Group also recommends that the members of such an initiative, along with the champion, look in particular at Ernesto Sirolli's Enterprise Facilitation model and its applicability to Newtown, taking into account the work being undertaken by Powys County Council as part of its town centre retail pilot.

The Group also recommends that the business-led initiative looks to ensure that stronger alliances are forged between businesses and Further Education providers, in order to establish Newtown as a centre for business-focussed learning and a centre of excellence. The exact scope of such a project would be worked up as part of the development of the Newtown proposal.

The Group recommends that Welsh Government ensures that the proposed Newtown bypass is delivered on schedule, with work to start as planned in 2014.

The Group believes that the regeneration of the Market Hall is an important catalyst for Newtown, and therefore recommends that opportunities to exploit this need to be examined by Welsh Government and Powys County Council, including funding options.

The Group recommends that Powys County Council examines the suitability of a Townscape Heritage Initiative programme and a shop front grant scheme for Newtown.

Proposals specific to Llandrindod Wells

Llandrindod Wells is the county town of Powys, and has a population of just over 5,000 people. It is a historic town, with its present-day form dating mainly from the 19th century and its role as a spa town. The town has an abundance of fine Victorian buildings, including several large hotels, and is now an important centre for local government. There is evidence of deprivation, as recognised with the Welsh Index of Multiple Deprivation 2011.

The key roles of Llandrindod Wells' town centre include:

- convenience shopping (the town centre two supermarkets, a Spar, newsagents, butchers)
- services (post office, high street banks, cafés, restaurants, takeaways, hairdressers, estate agent and travel agent)
- entertainment (a social club and a number of hotel bars)
- community facilities (dentist, council offices, CAB)

Llandrindod Wells' strengths:

- Llandrindod Wells has a reasonable number of national multiple retailers
- Food and grocery provision in the centre is suitable for both main and top up food shopping
- The vacancy rate of units is lower than the national average, suggesting that there is still demand for units within the centre
- The centre has a provision of car parking for shoppers, although the main car park is on the far side of the railway line, away from the centre
- A traditional town environment which is clean and has a good streetscape, with a strong traditional tourism legacy and history, with a range of historic Victorian buildings
- Given its central position in Wales, the town serves as a venue for Wales-wide events and offers excellent conference and meeting facilities in support of this
- The town is surrounded by a high quality natural environment, which includes Llandrindod lake
- The Indoor Bowls Centre is a high quality venue of international standing

Llandrindod Wells' weaknesses:

- The town is relatively remote, and has a small population
- The rail service is poor
- The large historic buildings (many of which are listed) which make up much of the town centre can be expensive to run and maintain
- A number of historic buildings in the town centre are in need of renovation, and give a somewhat run-down feel to the whole
- There is concern regarding the high number of properties that are currently on the market, many of which are large historic buildings that are costly to run and maintain
- Very limited supply of smaller, modern, town centre premises available to accommodate new operators looking to trade in Llandrindod Wells
- There is a poor level of complimentary services and facilities available for a town centre of this size

The future of Llandrindod Wells

Llandrindod Wells has its roots as a traditional tourist centre. To this historic legacy, it has now also added an important role as an events and conference centre for the whole of Wales. This combination of tourism and events can be further built upon going forward, particularly if the opportunities associated with the high quality natural environment in the surrounding area (for example, the Elan Valley and the Cambrian Mountains) are taken into account.

The Group recommends that Welsh Government supports and funds the establishment of a business-led initiative, including a champion / facilitator, which seeks to more fully develop Llandrindod Wells' role as an event and conference centre. This could include new events (suggestions have included a festival of the wheel for classic motorbikes and cars, music festivals, bowls events, events associated with its history, gaming and leisure opportunities etc) whilst building on the existing conference market. The Group acknowledges that secure funding is required to ensure the sustainability of such events and should be considered further.

The Group recommends that the business-led initiative also seeks to enhance Llandrindod Wells' role as a heritage tourism centre, building upon the traditional tourism legacy and the outstanding natural environment nearby. Again, the exact scope of such a project would be worked up as part of the development of a detailed Llandrindod Wells proposal.

The Group recommends that Powys County Council considers the suitability of a Townscape Heritage Initiative programme and a shop front grant scheme for Llandrindod Wells.

Proposals specific to Brecon

Brecon is the third largest town in Powys, with a population of just under 8,000. Brecon's prominence within the National Park makes it a key town and important visitor destination, and this role can be further strengthened. The town's relative position in relation to major retail centres such as Cardiff, Swansea, Hereford, Abergavenny, and Merthyr Tydfil means that Brecon requires a higher class and unique retail offer to create a sustainable community and attract both short and long stay visitors.

Brecon's strengths:

- Strong links with south east Wales, making commuting from Brecon to Cardiff and Merthyr a feasible option
- A large well-used leisure centre
- High quality natural environment, especially within the nearby Brecon Beacons, with huge opportunity for further outdoor tourism development
- A range of high quality attractions such as the theatre, the military museum, Brecon museum, the cathedral, and the canal / river / promenade
- High quality townscape
- A thriving and varied arts and cultural scene, including events of international standing such as Brecon Jazz
- A number of historic and visually appealing buildings within the town centre
- A well-known public school

Brecon's weaknesses

- There are perceived to be very strong restrictions on planning and economic growth
- The night time economy, which is essential to tourists, is under-developed
- There have been improvements to the town centre streetscape, but in some areas, traffic and pedestrians must pass very close to each other in a confined space

- Rents and rates are set at high levels (e.g. shop rates can be up to double that of nearby Hay-on-Wye)
- The new retail development at Merthyr is close enough to pull shoppers away from Brecon

The future of Brecon

It is clear that there is scope to further develop the town as a visitor destination, particularly building on the Brecon Beacons brand. In addition, there is scope to further enhance the retail offer, building on small boutique and niche traders, including boutique clothing, high-quality homewares, independent arts and crafts, and outdoor tourism shops. The Group is also aware of Powys County Council's initiative to regenerate Brecon, which particularly looks at the empty properties within the town, and understands that this must be taken into account as proposals are developed.

The Group recommends that Welsh Government supports and funds the establishment of a business-led initiative, including a champion / facilitator, which seeks to more fully develop Brecon's role as a tourist centre, specifically building on outdoor tourism opportunities, the heritage offer (e.g. museums), and the arts and culture offer (e.g. Brecon Jazz). The exact scope of such a project would be worked up as part of the development of a detailed Brecon proposal.

The Group recommends that the business-led initiative explores the options to more fully develop Brecon's role as a shopping location, specifically building on the niche / boutique shopping offer. Again, the exact scope of such a project would be worked up as part of the development of a detailed Brecon proposal.

The Group recommends that Powys County Council examines the suitability of a Townscape Heritage Initiative programme and a shop front grant scheme for Brecon.

5. Conclusions

The Powys Local Growth Zones Task and Finish Group was tasked with exploring an alternative model to Enterprise Zones, which would be more suitable to the rural economy of Powys. The Group was also asked to consider the specific issues which were affecting the economic viability of the three key town centres of Newtown, Llandrindod Wells, and Brecon.

In order to prepare this report, the Group has gathered evidence from a range of stakeholders, heard evidence from expert speakers, and considered a wide range of relevant reports and studies. As a result of this research, the Group has concluded that the concept of LGZs has much merit in a rural county such as Powys. These LGZs should be focussed on key population and service centres in order to deliver jobs and growth which will benefit *all* areas of the county. This approach complements the emerging Local Development Plans for Powys and the Brecon Beacons National Park.

The Group has outlined a range of policy levers and development tools for potential use within the LGZs. The Group has also identified a possible 'theme' or focus for each of the three key town centres.

The Group now submits its proposal to the Minister for Business, Enterprise, Technology and Science for consideration. The Group suggests that some of the recommendations may also be applicable to other areas of Wales. Given that there is some urgency to take action to address the issues that towns across Powys are facing, the Group has focussed on activities that can be taken forward within the short to medium term in order to make the most impact on the county.

Annex 1

Recommendations

<p>Recommendation One: the Task and Finish Group believes that the concept of Local Growth Zones is relevant to Powys as an alternative model to Enterprise Zones to help encourage and support jobs and growth within the county. The Group therefore recommends that the Welsh Government takes forward the proposals for Local Growth Zones as outlined within this report. In doing so, the Group recommends that the following are considered key within LGZs:</p>	
1A	<p>That Powys’s LGZs be established in the following locations:</p> <ul style="list-style-type: none"> ○ The Severn Valley (Welshpool / Newtown / Llanidloes) ○ Rhayader / Llandrindod Wells / Builth Wells ○ Brecon / Bronllys / Talgarth ○ Ystradgynlais
1B	<p>That Welsh Government ensures that LGZs receive comprehensive broadband coverage as a priority as part of the first phase of roll out of the Next Generation Broadband project</p>
1C	<p>That provision of broadband should also be linked to provision of WiFi across all of the LGZ towns</p>
1D	<p>That Welsh Government works with the telecoms industry to explore options for providing better infrastructure for mobile telephony in the county</p>
1E	<p>That Welsh Government ensures that key infrastructure projects, as recognised within the National Transport Plan (including the proposed Newtown bypass, the hourly service on the Cambrian Line, and road improvements on the A458 between Buttington Cross and Wollaston Cross) are taken forward as a matter of priority</p>
1F	<p>That the public sector facilitates, fast-tracks, and supports existing businesses in Powys who wish to relocate to more appropriate premises, whilst also supporting incoming businesses that are in need of premises</p>
1G	<p>That Powys County Council examines the secondary legislation for Local Development Orders, in order to determine their appropriateness for selected towns, sites, and areas within the LGZs</p>
1H	<p>That Powys County Council takes due account of the recommendations of this Group, and uses this report to inform the emerging LDP</p>

1I	That, in light of current reviews of planning processes that are currently underway, the Minister looks to liaise with other departments regarding the way in which planning operates across the county, paying particular regard to how the planning process encourages and enables economic growth and job creation, and wherever possible looking to simplify processes and support appropriate development
1J	That Powys County Council looks at the appropriateness of putting in place a Townscape Heritage Initiative programme and a shop front grant scheme for some or all of the principal towns in LGZs
1K	That Welsh Government gives the necessary support to Further Education providers in the county in order to ensure that appropriate courses, including apprenticeships, which link to the needs of local businesses, can be provided for Powys students, taking account of the rural nature of the county and often small numbers on courses
1L	That Welsh Government ensures that prioritisation of training and support is given to businesses within LGZ locations
1M	That FE providers and Welsh Government give urgent attention to ensuring greater clarity of communication on support available to businesses within LGZs.
1N	That Welsh Government ensures that any proposal or plan for a rate rebate scheme (as identified in recommendation 10 of the Business Rates Task and Finish Group report) is expanded to cover the proposed LGZs within Powys
1O	That Welsh Government reassesses business rates / rateable value within the LGZs, based on current economic circumstances
1P	That Welsh Government and Powys County Council ensure that any business support proposals take account of the importance of mentoring, succession planning, marketing, promotion and – in particular – ICT upskilling for small businesses in the county
1Q	That Welsh Government and Powys County Council ensure that support that specifically meets the needs of micro and small businesses is provided, as these are the dominant business types throughout Powys
1R	That Welsh Government needs to be satisfied that the rurality of the region and its diverse micro businesses are considered as part of the delivery of the business support service from January 2013 onwards
1S	That Welsh Government and Powys County Council undertake further work to examine options for attracting other lenders into the market in order to facilitate access to funds, particularly for micro and small businesses in the county

1T	That Welsh Government and Powys County Council ensure that any lending through existing public sector mechanisms should be prioritised for (although not exclusively restricted to) LGZs.
1U	That Welsh Government and Powys County Council ensure that there is aggressive marketing of the region as a location for new and indigenous business growth
1V	That Welsh Government continues to work with energy suppliers to deliver the appropriate upgrades to the power infrastructure in the county, whilst also continuing to support the development of a range of appropriate renewable technologies which are sympathetic to the natural environment of the county
1W	That Welsh Government and Powys County Council look at how the next round of EU funding (2014 to 2020) can best be used to help deliver the recommendations of this Task and Finish Group report
1X	That Welsh Government and Powys County Council ensure that the future EU designation of Powys beyond 2020 be explored, taking account of current needs and low GDP.
1Y	That Welsh Government and Powys County Council ensure that special consideration be given to the county in the forthcoming review of the assisted area map
1Z	That Welsh Government and Powys County Council ensure that the opportunity to build on the quality of the area and further develop the tourism sector is exploited

<p>Recommendation Two: the Task and Finish Group recognises that many town centres are facing significant threat and are perceived to be in decline. The Group recommends that the Welsh Government supports the development of business-led initiatives, including the appointment of champions, in each of the three towns of Newtown, Llandrindod Wells, and Brecon to work up and implement action plans, working closely with Welsh Government, Powys County Council, and other partners.</p>	
<p>Supporting recommendations (Newtown):</p>	
2A	<p>That Welsh Government supports and funds the establishment of a business-led initiative, including a champion / facilitator, which seeks to more fully develop Newtown town centre's role as a service centre</p>
2B	<p>That the members of such an initiative, along with the champion, look in particular at Ernesto Sirolli's Enterprise Facilitation model and its applicability to Newtown, taking into account the work being undertaken by Powys County Council as part of its town centre retail pilot</p>
2C	<p>That the business-led initiative looks to ensure that stronger alliances are forged between businesses and Further Education providers, in order to establish Newtown as a centre for business-focussed learning and a centre of excellence</p>
2D	<p>That Welsh Government ensures that the proposed Newtown bypass is delivered on schedule, with work to start as planned in 2014</p>
2E	<p>That the regeneration of the Market Hall is an important catalyst for Newtown, and opportunities to exploit this need to be examined by Powys County Council and Welsh Government, including funding options</p>
2F	<p>That Powys County Council examines the suitability of a Townscape Heritage Initiative programme and a shop front grant scheme for Newtown</p>
<p>Supporting Recommendations (Llandrindod Wells):</p>	
2G	<p>That Welsh Government supports and funds the establishment of a business-led initiative, including a champion / facilitator, which seeks to more fully develop Llandrindod Wells' role as an event and conference centre</p>
2H	<p>That the business-led initiative also seeks to enhance Llandrindod Wells' role as a heritage tourism centre, building upon the traditional tourism legacy and the outstanding natural environment nearby</p>

2I	That Powys County Council considers the suitability of a Townscape Heritage Initiative programme and a shop front grant scheme for Llandrindod Wells
Supporting Recommendations (Brecon):	
2J	That Welsh Government supports and funds the establishment of a business-led initiative, including a champion / facilitator, which seeks to more fully develop Brecon's role as a tourist centre, specifically building on outdoor tourism opportunities, the heritage offer (e.g. museums), and the arts and culture offer (e.g. Brecon Jazz)
2K	That the business-led initiative explores the options to more fully develop Brecon's role as a shopping location, specifically building on the niche / boutique shopping offer
2L	That Powys County Council examines the suitability of a Townscape Heritage Initiative programme and a shop front grant scheme for Brecon

Annex 2

Contributors to the call for evidence

- Richard Hilditch, Border Hardcore Co. Ltd.
- Cllr Michael Williams
- Robert Taylor, Contact Attachments Ltd.
- Phil Rennett, Concord Hydraulics
- Stuart Owen, Gareth Pugh Steel Framed Buildings
- Andrew Cross
- John R. Lewis, Research and Marketing Solutions / Alert Activities Ltd
- Simon Williams, NHS Wales Informatics Service
- Nick Evans, EvaBuild Ltd
- Tony Pettitt, ESDM Ltd
- Peter Morris, PCC Planning Official
- Paul Sinnadurai
- Old Radnor Community Council
- Arwyn Watkins, Cambrian Training Co.
- Mike Sivier
- Brecon Beacons National Park Authority x 2
- S. Greenow
- John Morgan, Health and Safety Executive
- Andy Bull, Severn Wye Energy Agency
- Kevin Harrington, Antur Teifi
- Cllr Gary Price
- Llangynidr Community Council
- Caersws Community Council
- Brecon Beacons Tourism
- Cllr Graham Brown, Portfolio Holder for Regeneration
- Newtown and Llanllwchaiarn Town Council
- Cllr Tom Turner
- Angela Moore and Tony Haskins, The Simmering Cauldron
- Chrchstoke Community Council
- Doug Hughes, I Love Newtown
- Stephanie Woods, Quickstep Environmental
- Brecon Town Council
- Welshpool Town Council
- Lee Price, Powys Regeneration Partnership
- Phil Freeman, Powys Arts Forum
- Roger Williams MP
- Susanna Thompson, Powys Local Action Group
- Sue Maberley, Countryside Council for Wales
- Sue Green, Llandrindod Wells Chamber of Trade & Tourism
- Mike O'Carroll, Three Wells Hotel and Restaurant
- Russell George AM
- Simon Thomas AM
- Bruce Whitear, Powys Teaching Health Board

- Colin Evans, Cantref Adventure Farm and Riding Centre
- John Day
- William Powell AM
- Cllr Matthew Dorrance
- Llandrinio and Arddleen Community Council

Annex 3

Recent relevant reports

The following reports were used to provide background and context for the work of the Group:

- Brecon Beacons National Park Authority Management Plan, 2010 to 2015
- Brecon Beacons National Park Authority Tourism Action Plan, 2010
- Brecon Economic Development Strategy, Hyder Consulting, February 2008
- Business Rates Task and Finish Group Report, June 2011
- Guidance on Using a Local Development Order, Welsh Government, 2012
- Local Development Plan, Brecon Beacons National Park Authority
- Local Develop Plan, Powys County Council
- Mary Portas High Street Report, December 2011
- Member Survey, Federation of Small Businesses, 2012
- Micro Business Task and Finish Group Report, January 2012
- National Transport Plan, Welsh Government, 2009
- Powys Regeneration Strategy, Powell Dobson Urbanists, 2011
- Powys Retail Study, Nathaniel Lichfield & Partners, 2011 (DRAFT)
- Regeneration of Town Centres, National Assembly for Wales, January 2012
- Severn Valley Economic Vision Study, DTZ Consultants, July 2008
- Severn Valley Strategic Regeneration Programme Business Plan, 2009
- Strategies for Sustainable Small Town and Rural Development, Ernesto Sirolli, 2007
- What Would Maggie Do?, Centre for Cities, 2011