I am grateful for your and others engagement in our public service programme to seek to meet the financial and demographic challenges to the public service in Wales. As you know, I believe strongly that despite some good proposals and actions for change there is a need to match these growing pressures with increased ambition and faster pace of service change. Collaboration in service provision has not yet delivered what we hoped it might, although some progress has been made. The Regional Collaboration Fund is intended to be an opportunity to increase the scale and pace of collaboration.

I would like to take this opportunity to thank you for your contribution to the development of the principles of this fund and your willingness to do so on the basis that discussion about the existence of the Fund was a separate and political discussion. I have considered your comments and attach the criteria which largely reflect your contributions. I will be sharing these with the WLGA Council at its meeting on the 30 November for their input. I intend to formally announce the criteria alongside the Local Government settlement on 11 December.

This Fund does not replace other funding streams available to local authorities and their partners, such as the European Social Fund or Invest to Save; it is another vehicle that can be used to complement these. As you know, my ambition for this Fund is that it brings about real and significant change at a regional level. My intention is that this Fund will act as a catalyst by removing barriers, such as upfront costs, to the implementation of collaborative projects. I have made clear that this Fund should work on a regional basis and there should be no expectation that individual authorities should simply have their formula share.
As such, I am writing to you in your capacity as the representative public service leader for your region, to ask that you take a key role in identifying projects for consideration under this Fund. I hope that you will engage with your regional counterpart in the Partnership Council for Wales, as well as engaging with other public sector colleagues to bring forward regionally significant projects, appropriately endorsed by the political and executive fora you have in place.

I am not expecting significant change as a result of sharing with the WLGA council. As such I am providing you with early sight of the near final criteria because it is important for you to have early discussions about the sort of projects that you, as a region, would want to bring forward. If you are in a position to do so, I would ask that you share potential projects with me by 18 January using the pro forma at Annex 1 of the attached document. This will allow me to share proposals with the Reform Delivery Group that is meeting at the end of January, I intend to send out papers on the 23 January.

Subsequently I will invite formal submissions from each region. My officials will then undertake the necessary due diligence checks, allowing me to make a formal decision as quickly as possible ahead of the 2013-14 financial year. I look forward to hearing from you about the projects in your area in due course.

My officials will write separately to the wider group of public sector chief executives copying them into this correspondence. I am copying this to Jack Straw, with thanks for his help, and also the WLGA representatives to the Partnership Council for Wales.

[Signature]

Carl Sargeant AC / AM
Y Gweinidog Llywodraeth Leol a Chymunedau
Minister for Local Government and Communities
REGIONAL COLLABORATION FUND

The table below sets out the eligibility criteria against which project proposals will be considered.

<table>
<thead>
<tr>
<th>Collaborative</th>
<th>It should involve authorities within a region as defined by the Regional Footprint; it may also include other public service partners within the region.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Deliver benefits</td>
<td>It must reduce costs or improve services in the region, preferably both. Improving the resilience of services is a high priority.</td>
</tr>
<tr>
<td>New</td>
<td>It should constitute a new direction or enable service change that would not otherwise have been delivered.</td>
</tr>
<tr>
<td>Transformational</td>
<td>It should lead to a recognisable shift in the way services are delivered or in the ways the collaborating organisations operate. Its impact must be long-term rather than short-lived.</td>
</tr>
<tr>
<td>Strategic</td>
<td>It should align with the strategic – Programme for Government – priorities for the region. Projects should be appropriately endorsed by the political and executive fora in place within the region.</td>
</tr>
<tr>
<td>Challenging</td>
<td>It should tackle substantive service or organisational challenges, including Education and Social Services.</td>
</tr>
<tr>
<td>Well-managed</td>
<td>It should be managed within a rigorous and transparent governance framework with clear leadership, accountabilities, milestones and progress measures.</td>
</tr>
<tr>
<td>Cost-effective</td>
<td>It must demonstrate value for money in terms of return on investment, cost avoidance or savings.</td>
</tr>
</tbody>
</table>

Funding
Projects will have the opportunity to submit proposals for revenue funding for a maximum of 3 years, this should be clearly set out in the project submission. Appropriate regional fora will need to endorse projects. If appropriate, projects may seek additional funding from other sources. However, there should be no expectation that non-local authority partners should be required to provide match funding to participate or contribute to a project. Access to funding from other Welsh Government sources, for example European Social Fund or Invest to Save, should not restrict projects receiving Regional Collaboration Fund support.

An indicative distribution across the six regional footprints for the Regional Collaboration Fund is set out in the table below. Should a national project that would benefit all
regions be put forward and endorsed then regional allocations would be adjusted accordingly.

<table>
<thead>
<tr>
<th>Regional Footprint</th>
<th>Regional Collaboration Fund Indicative Allocation (£000s)*</th>
<th>Percentage Share</th>
</tr>
</thead>
<tbody>
<tr>
<td>North Wales</td>
<td>£2,293</td>
<td>22.5%</td>
</tr>
<tr>
<td>Mid and West Wales</td>
<td>£1,746</td>
<td>17.2%</td>
</tr>
<tr>
<td>Western Bay</td>
<td>£1,704</td>
<td>16.8%</td>
</tr>
<tr>
<td>Cardiff and the Vale</td>
<td>£1,487</td>
<td>14.6%</td>
</tr>
<tr>
<td>Cwm Taf</td>
<td>£1,019</td>
<td>10.0%</td>
</tr>
<tr>
<td>Gwent</td>
<td>£1,924</td>
<td>18.9%</td>
</tr>
<tr>
<td>Wales</td>
<td>£10,174</td>
<td>100%</td>
</tr>
</tbody>
</table>

* based on 2013-14 Current SSA

**Process for formally submitting projects for 2013-14 financial year**
Potential projects should be shared with the Minister for Local Government and Communities by 18 January, using the short template at Annex 1. These projects should be appropriately endorsed by appropriate political and executive fora within each region.

Proposed projects will then be shared with the Reform Delivery Group at its meeting at the end of January. Each region will then be asked to formally submit project proposals by 15 February 2013 to allow the necessary due diligence checks to be undertaken and a formal decision to be made as quickly as possible ahead of the 2013-14 financial year. A separate pro forma will be provided to projects in due course.
## Project Outline

### Collaborative:
- **Lead Organisation**
- **Main contact person**
- **Address**
- **Telephone**
- **Email**
- **Other organisations involved in project and main contact**
- **Length of project**
- **Proposed start date**
- **Proposed end date**
- **Estimated total cost of project / activity**
  - Year 1:
  - Year 2 (if required):
  - Year 3 (if required):

### Transformational:
- **Project / activity title**
- **Summary of project / activity:** Please summarise your proposal and how it will benefit services. (*Maximum 200 words*).
- **How will the project be mainstreamed if successful?**

### New:
- **Is this project new, or would not otherwise have been taken forward**
- **Why had it not been taken forward previously? What barrier has the regional collaboration fund removed?**

### Strategic & Challenging:
- **What strategic regional aims will this project address?** (*Maximum 200 words*).
- **What challenge is this project trying to overcome? i.e. what do you intend to have achieved by the end of the project / activity?** (*Maximum 200 words*).
- **Who has endorsed this project proposal**
- **Please also identify how the proposal was endorsed – i.e. at a regional event or through a formal paper**

### Delivery Benefits:
- **Please describe for example; How will services be improved as a result of this project? How will costs be reduced? How will the resilience of services be improved? Who will be better off?** (*Maximum 200 words*)
- **How do you intend to measure and evidence success?** (*Maximum 200 words*)
**Cost Effective:**

Estimated savings/
return on investment/
cost avoidance and
timescales for benefits
realisation

**Well-managed:**

What is the governance framework for delivering this project? How will all partners be involved in oversight and delivery?

List the key outputs of the project / activity i.e. the main things that will be done to implement the aim of the project / activity

<table>
<thead>
<tr>
<th>Key Milestone</th>
<th>Indicative delivery date</th>
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