

Targeted Regeneration Investment Programme 2018-2021
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Dear All

Further to our recent discussions regarding the new capital regeneration programme please find attached the draft guidance document for your reference. The draft document explains the aim and objectives, project criteria, the general methodology underpinning this new programme and an opportunity for your authority and region to provide feedback.

As you are aware the Cabinet Secretary for Communities and Children is currently considering proposals for a new capital regeneration programme due to commence on 1 April 2018. The intention is that the programme should build on the achievements of the Vibrant and Viable Places (VVP) capital programme and complement the broad benefits and ambitions of other interventions delivered across Government with the aim of enhancing economic regeneration and community well-being.

Under VVP we invested some £124 million between 2014 and 2017 to deliver a broad mix of social, economic, environmental, health and housing regeneration schemes in 18 designated settlement areas across Wales. We want to build on the strengths of that scheme whilst also reflecting the wider Welsh Government agenda now emerging from the Taking Wales Forward strategies and delivery themes. The programme also needs to help us prepare for a world without structural funds. It therefore has an important part to play in shaping our emerging thinking on regional aid. The new targeted regeneration programme will be delivered over a 3/4 year period though with the possibility of it being renewed after that.

The aim of the new programme is to work with local authorities within the 4 regional partnerships across Wales and support them in delivering regionally important regeneration priority projects. These should meet the strategic ambitions and improve the future prospects and economic prosperity of these areas and those communities which live and work there, in line with the Well Being and Future Generations Act. Rather than picking winners early on the new programme will hopefully encourage a rolling programme of prioritised projects designed to add value to and complement other existing regional investments and funding sources.

Although ultimately delivered and managed at a local level priority projects should evidence the wider benefits and impact on the area and region. They should also complement the economic development proposals agreed through programmes such as City Deals, Growth Bids or the Metro.

Whilst there is no additional revenue budget allocated to Programme, Welsh Government would encourage the regional partnerships and its authorities to demonstrate, their use of other existing funding mechanisms as well as their own resources to ensure projects are financially robust and long term sustainable.

The WLGA will be formally sending out copies of the above through the Regeneration Partnership with a formal feedback, but if you wish to discuss the attached document or make your own comments please feel free to reply either to myself or your designated Regeneration Manager. If you would like to discuss the document in further detail then your designated Regeneration Manager or I will be more than happy to meet up over the forthcoming weeks.

Kind Regards,

Meurig

Targeted Regeneration Investment Programme

2018 - 2021

Guidance for local authorities and delivery partners

DRAFT – policy in development for engagement

This is a draft document outlining a proposed Targeted Regeneration Investment Programme.

We are seeking views from local authority and other colleagues on this draft.

Questions (highlighted in red) are posed within the document to structure a response.

26 July 2017

Contents

	Page
Executive Summary	2
Introduction	4
Area-based regeneration	5
Programme aims and objectives	7
Regional Plans for Regeneration	9
Regeneration Projects	12
Approval process	14
Further support	15
Appendix 1 – Project Application Form	16
Appendix 2 – RCIP Assessment Criteria	17

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Executive Summary

The Cabinet Secretary for Communities and Children is currently considering proposals for a new capital regeneration programme due to commence in April 2018.

The intention is that the new programme should build on the achievements of the Vibrant and Viable Places capital programme and complement the broad benefits and ambitions of other interventions delivered across Welsh Government with the aim of enhancing economic regeneration and community well-being.

Under Vibrant and Viable Places we invested some £124 million between 2014 and 2017 to deliver a broad mix of social, economic, environmental, health and housing regeneration schemes in 18 designated settlement areas across Wales.

We want to reflect the wider Welsh Government agenda now emerging from the Taking Wales Forward strategies and delivery themes. The programme also needs to help us prepare for a world without structural funds and it, therefore, has an important part to play in shaping our emerging thinking on regional aid.

The development of regeneration strategies and regeneration projects should be strongly influenced by the requirements of the Well-being of Future Generations Act and the priorities identified locally in Local Well-being Plans. All programmes and projects being proposed will need to meet the requirements of the Act, both in terms of the Act's seven goals and five ways of working. The new programme will be based on regional working with individual projects becoming an increasingly important element of local well-being plans.

The new targeted capital regeneration programme will be delivered over a 3-year period but aims to create a robust platform for future regeneration opportunities thereafter. Ministers are anxious to develop a long-term vision for community regeneration, whilst also supporting projects which make a real difference for communities during this current 3-year funding phase.

The aim is that under the new programme priorities should be identified by local authorities working in regional partnerships, which we would expect to follow the economic development footprints. Community engagement needs to be an essential component of this process. We want to encourage a rolling programme of regeneration projects which are designed to add value to, and complement, existing investments, both revenue and capital.

There will not be a revenue budget specifically tied to this capital programme but authorities will need to demonstrate that they are using existing grant mechanisms and their own resources – both revenue and capital - to tackle poverty in their locality.

Regeneration should, therefore, reflect wider authority ambitions to widen prosperity and regeneration investment should complement the economic development proposals coming forward through City Deals whilst explicitly aiming to ensure that prosperity is geographically distributed across each of those regions

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Introduction

1. This guidance provides the context for developing and supporting regeneration investments in Wales.
2. This new programme, for the period 2018-21, will be focussed on supporting the economic regeneration and well-being of communities.
3. We are seeking to develop a programme of targeted capital investment in the physical infrastructure of those communities that can both promote employment and the quality of life of citizens.
4. Targeted public sector investment has a crucial part to play in delivering jobs, widening prosperity and build resilient communities in all parts of Wales, rather than simply in those areas that offer the best commercial returns.
5. We face a particular challenge in developing prosperous, attractive and sustainable communities in areas which are economically disadvantaged or blighted by earlier heavy industries. We also recognise there are separate challenges in rural areas.
6. Decisions on how best to direct public investment must be taken in partnership with those communities and in line with locally determined priorities. Local authorities, public service boards, and wider stakeholders, have a crucial role to play in identifying those priorities and delivering programmes and projects on the ground.
7. Regeneration programmes and projects need to complement and take full advantage of whatever other sources of investment are available from both the public and private sectors. To be successful, we need to make every pound count and ensure that all sources of investment are aligned as effectively as possible.
8. A key consideration is ensuring regeneration activity complements the wider strategic priorities within each region, such as City Deals, Wylfa Newydd, Growth Bids, Metros, and Valleys Taskforce.
9. The Welsh Government wishes to invite regionally-endorsed local authority project proposals over the three-year period beginning in April 2018.
10. Ministers are seeking views on whether there should be minimum and maximum level of funding per regeneration project. Up to £100 million is available for the programme but the final budget will only be finalised after this engagement process.

Area-based regeneration

A catalyst for change

11. Regeneration can act as the catalyst for change and can bind together and enhance key strategic investments. Where the Welsh Government and partners invest, in creating employment opportunities, in building schools and hospitals and in supporting transport connectivity, for example, regeneration offers the opportunity to maximise this investment in a coordinated and integrated way; the whole being greater than the sum of its parts.
12. Regeneration plays a significant role alongside existing Welsh Government investments and focuses around maximising the opportunities for people and for communities. Alongside our Enterprise Zones, City Deals, Metros, healthcare, childcare, the delivery of 20,000 affordable homes and 21st Century Schools programme, for example, there are important considerations around where people live, how and where people access work and the range of supporting services needed to create successful places and communities.
13. The role of regeneration is about preparing for, and facilitating, change to improve social, environmental and economic well-being. It is about holistic, sustainable place-making with consideration for both 'people' and 'places'.

Vision

14. Our vision is that "everybody in Wales should live in well-connected vibrant, viable and sustainable communities with a strong local economy and good quality of life".

Definition

15. Regeneration is defined as "an integrated set of activities that seek to reverse economic, social, environmental and physical decline to achieve lasting improvement, in areas where market forces will not do this alone without some support from government".

Regeneration Areas

16. A Welsh Government 'Regeneration Area' is a defined geographical location where regeneration and integrated project activity takes place.
17. The geographic scope of the area will vary in line with local circumstances (town centres, seaside towns, housing estates etc.) but it has been chosen as an area for targeted regeneration investment due to its socio-economic profile, the complex range of challenges facing the area and the opportunity to reverse decline with an appropriate mix of interventions over a finite period of investment.

Well-being of Future Generations Act

18. Programme and project proposals should be informed by the Well-being of Future Generations (Wales) Act 2015.

19. The Act requires public bodies, including the Welsh Government, to think more about the long-term, to work better with people, communities and each other, look to prevent problems and take a more joined-up approach, helping us to create a Wales that we all want to live in, now and in the future.

20. The objectives and outcomes for regeneration should reflect the Act's five ways of working:

- long-term thinking,
- integrated approach,
- engagement,
- collaboration; and
- preventative action.

21. Community regeneration needs to reinforce and complement the wider efforts to deliver the Act's seven goals. It will be important for individual projects to reflect the wider ambitions being developed at local, regional and national levels.

Programme aims and objectives

Programme overview

22. The aim of the programme is to facilitate the development of, and support for, regionally-significant regeneration investment proposals in defined Regeneration Areas that contribute to supporting economic regeneration and the well-being of communities.

23. The approach for the programme is based on:

- supporting locally important investment projects that clearly fit within a wider regional vision and strategy;
- supporting an integrated set of complementary projects within defined Regeneration Areas;
- showing complementarity and adding value to wider Welsh Government policies and programmes;
- retaining the principle of supporting investment in a small number of Regeneration Areas to generate a greater impact;
- enabling areas to produce transformational programmes which are of sufficient scale and ambition to achieve a positive and sustainable legacy; and
- supporting regeneration projects which reflect regional priorities agreed with a wide partnership of stakeholders.

People and Places

24. The programme has two main aims:

- Enabling **People** to improve their well-being, their life prospects and chances to access employment; and
- Regenerating **Places**, by creating safe, attractive, successful and well-connected communities.

25. The programme will provide capital investment to support project proposals that contribute to these aims. The funding should support integrated activities addressing economic, social and physical decline with the funding providing a flexible opportunity to build on and strengthen several local priorities simultaneously.

26. The local priorities in each proposal must be in accordance with a clear evidence of need, following a thorough analysis of the opportunities and challenges. Proposals should evidence how they meet the needs of disadvantaged individuals and communities along with the consideration of the future of public sector-owned assets.

27. Within this whole-place context, projects demonstrating value for money in terms of positive impact and significant outputs will be supported. The limited investment will be targeted at the most coherent and integrated

regeneration programmes and at those which make best use of the wide array of possible funding sources with regeneration funding acting as the catalyst for action.

28. The challenge is to think of new ways to regenerate our communities and to integrate community services. Creativity and innovation will be essential as will be the aligning of other community uses, such as childcare providers, health centres, hospitals and libraries, and working alongside the private sector and the third sector.

29. We want to see proposals which have employability and delivering prosperity at the centre of their purpose; promoting employment, learning, better health and social protection. Proposals must align with, and add value to, wider poverty and community programmes.

Q - What are the issues and challenges in your areas? What are the opportunities for regeneration?

Q - How can we make sure that regeneration investment is fully integrated with local economic development and priorities emerging from wellbeing plans?

Q - How do we ensure that regeneration projects focus on the needs of disadvantaged communities and spread prosperity in the regions?

Q – What are the most attractive mechanisms for ensuring that regeneration activity make an impact on other agendas i.e. health, education, and children etc.? How can we make our programmes truly inclusive?

Q - What are the obstacles preventing more effective join-up of different investment streams and how might these be overcome?

Regional Plans for Regeneration

Partnership and Governance

30. A requirement of the programme is for robust partnership and governance arrangements to be in place at the outset to prioritise investment proposals and provide assurance for decision-making. A Regional Partnership Board will need to be in place at the outset to guide Regeneration Areas and priority project proposals.
31. Local authorities will also need to consider appropriate governance arrangements at local level to oversee project development and monitoring.

Q – To what extent are partnerships already in place to consider the regeneration ambitions of regions?

Q - What is the preferred approach for effective regional governance and delivery?

Q - How can a wider representation of stakeholders be involved and how might communities be engaged in these decisions?

Regional Plans

32. As a precursor to identifying priority projects for investment consideration should be given to the wider strategic context for regeneration. This may closely be contained within existing documents including growth deal and city partnership proposals. Whilst the focus for funding will initially be around the next 3 years it would be beneficial to consider the longer term vision for the region. The longer term vision will be more aspirational at this stage but it would aim to demonstrate what the region is aiming to achieve over a longer timeframe.
33. Regional Partnership Boards, supported by local authorities and an appropriate range of stakeholders from the private, public and voluntary sectors, will need to propose their programmes developed through a coherent vision and strategy, a coordinated list of projects, and a robust delivery plan.
34. Features of a Regional Plan for Regeneration should include:
- Analysis of issues and challenges facing the region along with key opportunities for regeneration;
 - A clear focus on disadvantage and deprivation, both for individuals and communities, at local and regional level;
 - Opportunities for complementarity with wider regional strategic priorities;
 - Identification of defined Regeneration Areas within the region;

- A financial overview within the notional funding allocation for the region; and

Q - How best to clarify a broader strategic context for regeneration investment?

Q - How best to harness opportunities surrounding other strategic priorities such as City Deals, Metro, Wylfa, Valleys Taskforce, Local Growth Zones and Enterprise Zones etc.?

Q - How best to achieve join-up with other sources of funding?

Q - How best to integrate with economy, health, education, early years, communities, planning etc. to promote whole-place regeneration?

Targeted Regeneration Investment

35. The targeting of the limited funding available to a small number of Regeneration Areas across Wales is the general approach for the programme to enable transformational, holistic programmes to proceed whilst enabling the maximum impact with the resources available.

Q – The aim is to support projects in a small number of Regeneration Areas. Should we be more prescriptive in the number of areas we are seeking to support? Or should this be a regional decision?

Funding overview

36. A total budget of up to £100 million is available over a 3-year period.

37. Each region will have a maximum notional funding allocation to assist with planning the programme. This is not fixed, but an indication of the available budget for the 3-year period. Projects will need to be planned and developed within these notional budgets and take into account annualised budgets. Actual allocations will be dependent on projects being approved for funding by the Regeneration Capital Investment Panel.

38. The table below outlines the maximum notional allocation.

Region	Notional allocation
North Wales (6 LAs)	£22 million
Mid Wales (2 LAs)	£7 million
South East Wales (10 LAs)	£44 million
South West Wales (4 LAs)	£27 million

39. It would be for the Regional Partnership Boards to endorse the scale and nature of the Regeneration Areas and the projects. It would be for each Region to determine how the allocation of funding could be shared across the Regeneration Areas.

40. All projects seeking regeneration investment must provide a minimum financial contribution of 35% to the project from non-Welsh Government sources. If the project is seeking funding to undertake additional activities where the Welsh Government already has a programme in place e.g. Social Housing Grant, then the guidelines and funding intervention rates for those programmes will take priority.

Q – What are the issues which should govern the level of local authority contribution to individual projects?

Q – How might funding be allocated on a regional basis?

Submission of Regional Plans for Regeneration

41. The Regional Plans for Regeneration must be presented to the Welsh Government for consideration before any projects are put forward seeking investment. The Regional Plans will be assessed by Regeneration Managers and then considered by the RCIP. They will be outlined for the Cabinet Secretary before they are 'agreed in principle'.

42. Should there be additional in-year funding available this could be shared via the regions by following the same principle. The regions will need to retain a live pipeline of projects that could be taken forward.

Q – Are there arrangements for regional working currently in place which could be adapted to focus on regeneration opportunities?

Q – To what extent are matters surrounding economic disadvantage and widening prosperity already covered in wellbeing or other plans?

Project Development Fund

43. Once the Regional Plans for Regeneration have been accepted by the Welsh Government a Project Development Fund will be made available for each region. The purpose of the fund is to further explore the viability of project proposals and to assist in refining project detail.

44. The Welsh Government Project Development Fund will provide a 50% contribution towards such feasibility costs.

45. Development funding of up to £200k revenue per region could be utilised to assist in the early development of projects.

Q – Would such a Fund assist in planning and developing your projects? On what types of activities do you envisage this funding being utilised?

Regeneration Projects

SMART projects

46. The Welsh Government will be making investment decisions based on project applications received from local authorities.

47. A project will mean different things to different people, but the basic premise is that it is a distinct activity with a clear proposal for an investment decision to be made. Project proposals must be SMART (specific, measurable, achievable, results-based, time-bound).

48. A copy of the Application Form is available at Appendix 1.

Q – Please provide comments on the Application Form.

49. Projects will be developed for each Regeneration Area. However, it is anticipated that the maximum allocation for one project does not exceed **£5 million** and that the minimum project value is not below **£0.5 million** Welsh Government regeneration funding, however, exceptions may be considered.

Q - At what scale can impact be achieved? What is the scale of ambition being considered by partners?

Q – Is it helpful to specify a minimum and a maximum size for individual projects?

Q - Given the projects currently being considered should we aim for fewer larger or a greater number of small projects?

50. The Welsh Government would welcome collaborative proposals, jointly from two or more local authorities. There is scope for 'umbrella' schemes to be proposed in defined Regeneration Areas across a whole region. For example, proposals with commonality, such as a Building Enhancement Programme or a Homes above Shops programme, could be developed with a consistent approach and administered by a single local authority.

Q – Can you outline some project scenarios that could be developed as umbrella schemes? Is there appetite for collaborative schemes such as this?

Outputs and outcomes

51. Projects should clearly establish intended outputs with a clear definition of what success would look like. The Welsh Government will also collate high level outputs to measure the programme's wider contribution and a list is included in the Application Form.

Project completion

52. All projects must be completed with funding claimed in full by 31 March 2021.

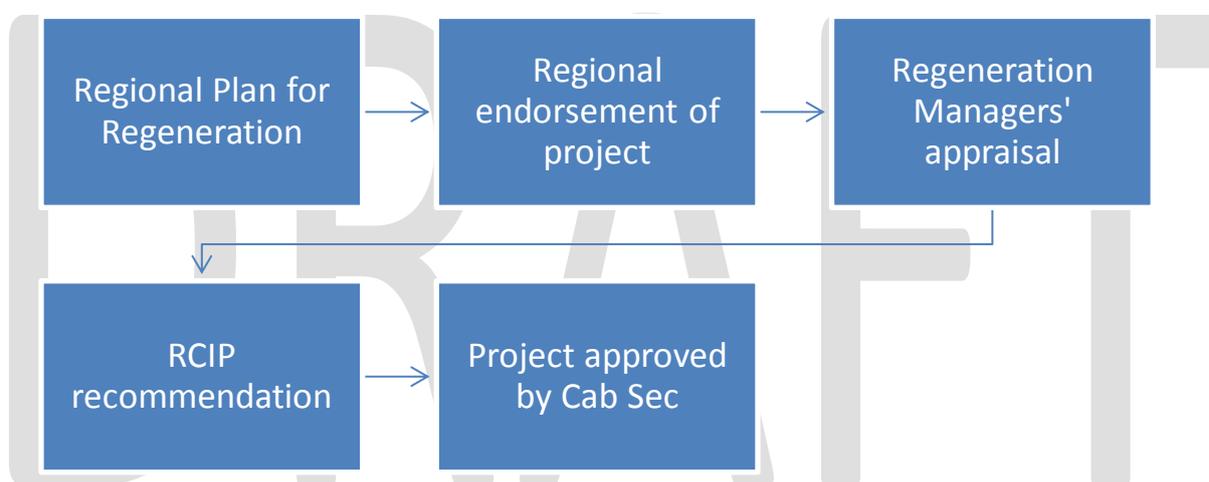
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Approval process

53. Once regional endorsement has been provided to a project, the lead local authority will present the project for Welsh Government approval. The proposal must be submitted by the local authority as lead partner and grant recipient, acting on behalf of a partnership of the public, private and third sectors, where appropriate.

54. An internal Welsh Government Regeneration Capital Investment Panel will consider all project applications received.

55. The Panel will be making investment recommendations to the Cabinet Secretary for Communities and Children. The final approval for each project will be by the Cabinet Secretary. The process flowchart is outlined below:



56. Applications for funding can be made at any time during the programme period. The RCIP will meet on a monthly basis and projects may be considered at any stage.

57. Projects must meet the following pre-qualifying criteria before they may be presented to the Panel.

- Is there a Regional Plan for Regeneration in place?
- Is the project contained within the Regional Plan and does it meet the Plan's objectives?
- Has the project been endorsed by the Regional Partnership Board?
- Is the project supported by a minimum 35% contribution from non-Welsh Government funding sources (including from local authority)?
- Has a Well-being for Future Generations Assessment being undertaken showing how the project meets the Act's requirements and is aligned to Local Well-being Plans?

- Is the local authority the project lead with overall responsibility for project delivery?

58. Projects will be assessed by Regeneration Managers and the Panel using the assessment criteria at Appendix 2.

Q – Please provide comments on the Assessment Criteria.

59. In normal circumstances, projects will only be considered by the Panel when full project details are in place. However, in exceptional cases projects may be considered by the Panel and an 'Approval in Principle' sought with full approval ratified at a later date. No funding will be offered until the full project package is in place.

Q – Will an 'Approval in Principle' stage assist you in developing your project proposals?

Further Support

60. All queries about this outline guidance should be directed to regenerationpolicy@wales.gsi.gov.uk.

61. For advice and assistance on developing an application, contact your local Welsh Government regional regeneration team.

Appendix 1

Project Application Form

To follow at a later stage.

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Appendix 2

Assessment Criteria

Criteria	Key considerations	Score	Weight
Contextual analysis and strategic fit	<ul style="list-style-type: none"> • Alignment within wider spatial context? • Demonstrates clear strategy for area? • Awareness of local challenges & opportunities? • Response to regeneration aims & objectives? • Alignment with wider WG priorities? 	/5	X3
Well-being for Future Generations Assessment	<ul style="list-style-type: none"> • Evidence of alignment with Local Well-being Plans • Evidence of five ways of working 	/5	X2
Project Rationale & Approach	<ul style="list-style-type: none"> • Contributes clearly to area strategy? • Evidence of need for project? • Reasons for undertaking the activity? • Clear case for change? • General quality & clarity of proposal? 	/5	X3
Benefit and impact	<ul style="list-style-type: none"> • Contribution to economic regeneration & well-being of communities? • Does the project deliver measurable benefits? • Clear proposal for outputs and outcomes? • Detailed proposal for how these will be measured? 	/5	X4
Project costs and Value for Money	<ul style="list-style-type: none"> • Clear financial proposal with cost breakdown? • Costs are realistic and represent best value? • Overall proposal represents VfM in consideration of benefits and impact? 	/5	X4
Deliverability	<ul style="list-style-type: none"> • Robust Governance & Partnership approach • Project Management - Team and Experience • Clear project plan • Evaluation proposal • Viability, Sustainability and Achievability • Exit strategy 	/5	X4
		30	100

Each criterion will be scored out of 5 (half marks allowed)

0	The proposal fails to address the criterion under examination or cannot be judged due to missing or incomplete information.
1	Very poor. The criterion is addressed in an unsatisfactory manner.
2	Poor. There are serious inherent weaknesses in relation to the criterion.
3	Fair. While the proposal broadly addresses the criterion, there are significant weaknesses that would need correcting.
4	Good. The proposal addresses the criterion well, although some improvements are possible.
5	Excellent. The proposal successfully addresses all relevant aspects of the criterion and any shortcomings are minor.

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