

CABINET

Date of Meeting	Tuesday, 22 nd May 2018
Report Subject	Regional Regeneration Strategy and Welsh Government Targeted Regeneration Investment Programme
Cabinet Member	Cabinet Member for Economic Development
Report Author	Chief Officer (Planning, Environment and Economy)
Type of Report	Strategic

EXECUTIVE SUMMARY

Welsh Government have launched the Targeted Regeneration Investment (TRI) programme to provide funding for regeneration projects across Wales. Funding is conditional upon the submission of a regional regeneration strategy and upon a regionally-prioritised approach to developing investment proposals.

A draft regeneration strategy has been developed within the challenging time scales set for the process and a collaborative approach has been taken across North Wales to develop and prioritise investment and to concentrate limited resources into priority regeneration areas and thematic projects which will make use of the first three years of the TRI programme.

1.00	RECOMMENDATIONS
1.01	That Members approve the draft regional regeneration strategy for submission to Welsh Government.

REPORT DETAILS

1.00	BACKGROUND
1.01	Welsh Government has launched the Targeted Regeneration Investment (TRI) programme to provide regeneration funding across Wales. Welsh Government define regeneration 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”.
1.02	Welsh Government aim for the TRI programme to be embedded within a wider regional model for economic development and regeneration with strong links to the economic growth structures and processes currently being developed. Welsh Government have invited each of the four regional economic development bodies to develop long term regeneration strategies to steer the TRI programme and wider programmes and to provide robust governance arrangements.
1.03	Welsh Government proposes that each region prioritise a small number of “Regeneration Areas” in which regeneration investment and wider activity will be prioritised. Individual projects will be targeted at these areas although regional thematic projects which address similar activities in multiple Regeneration Areas are supported by Welsh Government.
1.04	The TRI programme will operate for three years from 1 April 2018. Welsh Government officials are confident that there will be funding available in subsequent years and have advised that the regional regeneration strategy should set out long term priorities and programmes of work rather than focussing on the next three years.
	<u>Draft North Wales Regeneration Strategy</u>
1.05	Officers from the North Wales Regeneration Officers group and the North Wales Economic Ambition Board Programme Management Group have taken a collaborative approach to the development of the Strategy. It is felt that this collaborative approach will also offer opportunities for sharing resources and joint learning in delivering the strategy and the TRI programme.
1.06	It has been agreed that there should be a North Wales regeneration strategy which sets out a vision and objectives for regeneration until 2035. It provides a high level summary of priorities to steer the development of future programmes of work and will help to align the regeneration process with that for economic growth which operates to the same timescale.
1.07	The draft North Wales regeneration strategy proposes the following priorities: <ul style="list-style-type: none"> • Reduce inequality by helping more people to share the benefits of future growth, with a particular focus on supporting those with the

	<p>lowest household incomes to access opportunities.</p> <ul style="list-style-type: none"> • Increase employment by developing projects that create opportunities for local job creation. • Modernise town centres by building on their role as centres for local economic opportunity, service provision and social inclusion • Improve the housing offer by ensuring that development takes place where there is demand, providing appropriate quality housing options for existing residents, young people and for people locating to the area. • Strengthen the visitor economy through building on the tourism offer and strengths that exist in the region as well as providing an attractive location for major events at regionally important venues such as Parc Eirias and Wrexham Racecourse • Protect the rural economy by recognising the impact that the withdrawal of major banks and businesses from important buildings and facilities in our towns and villages has on the local economy and on the attractiveness of north Wales as a place to visit. • Improve the health of local people by promoting activity, providing quality environments and green space and tackling poverty in our most excluded communities. •
1.08	<p>The draft North Wales regeneration strategy proposes twelve towns as priority areas for regeneration for Welsh Government as shown below. The towns have been identified using the Welsh Index of Multiple Deprivation rankings for overall levels of deprivation. The list of towns in order of deprivation are:</p> <ol style="list-style-type: none"> 1 Rhyl 2 Wrexham Town 3 Bangor 4 Colwyn Bay and Llysfaen 5 Caernarfon 6 Newbridge/Cefn and Plas Madoc (Wrexham villages) 7 Holywell 8 Shotton 9 Llandudno 10 Denbigh 11 Holyhead 12 Abergele & Pensarn
1.09	<p>The draft strategy sets out the high level regeneration needs and priorities for each of these twelve areas. It also highlights how it will contribute towards the delivery of the Welsh Government Wellbeing of Future Generation Act and Prosperity for All. The strategy also proposes a division of funding between the four priority regeneration areas and the thematic projects. This is based on an estimation of what Welsh Government might approve for each area and upon what is realistically deliverable in the constrained timetable for the programme.</p>
1.10	<p>It is proposed that the delivery of the regeneration strategy is overseen by two existing structures. The day to day work of delivering the strategy and the TRI programme projects will rest with the North Wales Regeneration Officers Group. The strategy will be overseen by the North Wales Economic</p>

	Ambition Board Programme Management Group which draws together senior managers from the six North Wales local authorities as well as representation from the private sector and Welsh Government. Progress made in delivering the strategy and on individual projects will be reported through local authorities own governance structures.
	<u>The TRI Programme</u>
1.11	The TRI programme replaces the Vibrant and Viable Places regeneration programme which ran from 2014-2017. Welsh Government aims for the new programme to spread the benefits of economic prosperity to all communities and to build resilient communities. Welsh Government wishes to support “projects that promote economic regeneration - creating jobs, enhancing skills and employability, and creating the right environment for businesses to grow and thrive – with focus on individuals and areas most in need to ensure prosperity is spread to all parts of Wales.”
1.12	Following approval of the regional regeneration strategy, Welsh Government will invite each local authority to submit bids for project funding and will assess and approve each project. Fit with the regional regeneration strategy will be used as one of the criteria for judging projects. Projects will need to be appraised and prioritised regionally before submission to Welsh Government.
1.13	Welsh Government have indicated a notional allocation of £22m over three years for North Wales. This compares to approximately £44m initially allocated to the North Wales authorities for the 2014-17 Vibrant and Viable Places programme. The TRI programme can only fund capital investments and will provide up to 70% of project costs. Welsh Government have indicated that they can accept project applications at any time from 1 April 2018 and intend to run a “rolling” programme where projects can be brought for approval at any time as and when they are ready.
1.14	A small development funding allocation is available to explore the viability of project proposals. This equates to £200,000 over three years for North Wales, providing up to half of costs.
1.15	Welsh Government have indicated that they expect the regional regeneration strategy to prioritise the smallest possible number of regeneration areas in order to concentrate limited resources. The draft investment framework presented below seeks to take account of this and proposes four regeneration areas as well as three thematic projects applying to all areas.
1.16	The draft investment framework covers the three years of TRI funding that Welsh Government are currently offering and prioritises the four regeneration areas for immediate TRI support. This does not preclude the remaining eight areas from receiving support from the thematic projects proposed in the programme or from wider sources of funding.
1.17	When the TRI programme is extended beyond the current three year period and as other funding becomes available then allocation decisions will need to take into account investment already made in regeneration areas, progress made so far and the need to ensure that all twelve areas receive

	the support needed to progress the priorities set out in the strategy.
1.18	Welsh Government expect projects to be developed and submitted to them by individual local authorities. It is important, though, that project development is based on an agreed regional investment framework to ensure that sufficient resource is allocated to make progress in each priority.
	<u>Implications for Flintshire</u>
1.19	Two Flintshire towns appear in the list of priority towns in North Wales: Holywell and Shotton. Neither appear in the top four regeneration areas. There are two thematic projects that could apply to these towns: <ul style="list-style-type: none"> 1) Housing renewal – which will allow the delivery of further phases of the group repair schemes. 2) Important buildings – which will allow the regeneration of key buildings in town centres.

2.00	RESOURCE IMPLICATIONS
2.01	The TRI programme requires match funding for projects of 30%. Each local authority is responsible for providing the match funding for its own projects and to secure resources from the regional thematic projects.
2.02	The only allocation currently proposed in 2018/2019 is the development funding for the Housing Renewal Area (£30,000) which will require £30,000 of match funding as development funding is only eligible for a 50% contribution from Welsh Government. At this stage confirmation of match funding is not required but at the project application stage the source of this match funding will need to be identified if the project is to be submitted.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The time scale required for the production of the strategy has precluded significant consultation externally. Each project, will, however, be subject to extensive consultation with affected communities and stakeholders.

4.00	RISK MANAGEMENT
4.01	There are to risks arising from the report: <ul style="list-style-type: none"> 1) That no match funding is available either for development work or for subsequent programme delivery. This will reduce the amount of regeneration activity that can take place in the County. This is a high level of risk due to constraints upon public budgets. Project development will include the earliest possible consideration of likely sources of match funding. 2) Should no regeneration funding come to Flintshire through this

	<p>programme it will reduce or delay the benefits of regeneration activity. The scale of resources available in the first three years of the programme is expected to be small so this would have a smaller consequence than it would for later years.</p> <p>The North Wales regeneration strategy and TRI programme proposals will contribute to reducing poverty in some of the most deprived communities in North Wales.</p>
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5.00	APPENDICES
5.01	Appendix 1 - Draft North Wales regeneration strategy and TRI programme proposal.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Welsh Government guidance on TRI programme http://gov.wales/docs/desh/publications/171020-targeted-regeneration-investment-programme-guidance-en.pdf</p> <p>Contact Officer: Niall Waller Enterprise and Regeneration Manager Telephone: 01352 702137 E-mail: niall.waller@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Lower Super Output Areas (LSOAs) - a small neighbourhood-scale geographic area used for Census data collection and reporting.</p> <p>Regeneration Area - one of a small number of areas prioritised to receive TRI programme funding within the next three years.</p> <p>Targeted Regeneration Investment (TRI) programme - Welsh Government capital funding programme for regeneration running currently from 2018 until 2020.</p> <p>Welsh Index of Multiple Deprivation (WIMD 2014) - Welsh Government data product that uses data from a number of indicators to produce a list of LSOAs for Wales ranked by level of deprivation.</p>