

# Complete Agenda

# CABINET

## GWYNEDD COUNCIL

<b>DATE</b>	Tuesday, 22nd May, 2018
<b>TIME</b>	1.00 pm
<b>LOCATION</b>	Siambr Hywel Dda, Council Offices, Caernarfon, Gwynedd, LL55 1SH
<b>CONTACT POINT</b>	Annes Siôn 01286 679490 cabinet@gwynedd.llyw.cymru

### GWYNEDD COUNCIL CABINET MEMBERS

<b>Members</b>	
Dyfrig L. Siencyn	Leader
Dafydd Meurig	Deputy Leader, Cabinet Member for the Environment
Craig ab Iago	Cabinet Member for Housing, Leisure and Culture
Gareth Wyn Griffith	Cabinet Member of Highways and Municipal
Nia Wyn Jeffreys	Cabinet Member for Corporate Support
Peredur Jenkins	Cabinet Member for Finance
Dilwyn Morgan	Cabinet Member for Children and Young People
W. Gareth Roberts	Cabinet Member for Adults, Health and Wellbeing
Gareth Thomas	Cabinet Member for Education
Ioan Thomas	Cabinet Member for Economic Development

## AGENDA

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**THE CABINET 8/05/18**

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**Present-**

Councillors: Dyfrig L. Siencyn, Dafydd Meurig, Craig ab Iago, Gareth Wyn Griffith, Nia Wyn Jeffreys, Peredur Jenkins, Dilwyn Morgan, W. Gareth Roberts, Gareth Thomas, Ioan Thomas and Dewi Owen

**Also present:**

Dilwyn Williams (Chief Executive), Iwan Evans (Head of Legal Services), Dafydd Edwards (Head of Finance Department), Morwena Edwards (Corporate Director)

Item 6: Dafydd Gibbard (Senior Property Manager), Arwel Wyn Owen (Senior Housing and Well-being Manager)

**1. APOLOGIES**

Cabinet Members and Officers were welcomed to the meeting.  
No apologies were received.

**2. DECLARATION OF PERSONAL INTEREST**

A declaration of personal interest was received from Cllr Nia Jeffreys for item 6 as she was a member of the Cartrefi Cymunedol Gwynedd Board, but it was not a prejudicial interest.

**3. URGENT ITEMS**

There were no urgent items.

**4. MATTERS ARISING FROM OVERVIEW AND SCRUTINY**

There were no matters arising from overview and scrutiny.

**5. MINUTES OF THE MEETING HELD ON**

The Chairman signed the minutes of the Cabinet meeting held on 10 April 2018, as a true record.

**6. SALE OF FORMER SCHOOL SITE, ABERDYFI**

The item was presented by Cllr. Dafydd Meurig

## **RESOLVED**

To delegate the right to the Senior Property Manager to use powers under General Disposal Consent (Wales) 2003 to sell the former Ysgol Aberdyfi site directly to Cartrefi Cymunedol Gwynedd (CCG) for less than market value to ensure the provision of social, economic and environmental benefits. To allocate the capital receipt towards funding the Council's contribution towards improving school buildings as part of the 21st Century Schools Programme.

## **DISCUSSION**

The report was submitted noting that the school had closed in 2013 and that pupils now attended Ysgol Penybryn. It was added that, since the closure of the school, efforts had been made to secure alternative use of the site. It was noted that Cartrefi Cymuned Gwynedd was eager to purchase land in order to construct 11 affordable housing.

It was explained that the District Valuer had noted that the value of the site on the open market was £320,000 but it was noted that the Council felt that a price of £187,000 was a suitable amount for the sale of the land due to the social, environmental and economic benefits. It was noted that there was a real need for affordable properties in the area and that there had been no developments of social properties in Aberdyfi for over 11 years. In addition to this, it was noted that the provision of affordable housing was a priority which could be seen in the Council Plan and in the Plaid Cymru Manifesto.

The Local Member noted that he was supportive of the item and he emphasised the need for affordable housing in the area.

### Observations arising from the discussion

- There was a discussion around the assurances that Cartrefi Cymunedol Gwynedd could give that it would be local people obtaining the tenancies of the new houses. It was noted that this needed to be noted in the planning application and that it must comply with the planning conditions and policies imposed by the National Park.
- It was noted that this report stated that the proceeds of this sale would be returned to the Education Department in order to improve school buildings, but it was added that three other schools had closed in the area and a question was asked in relation to where had the proceeds of the sale of those locations gone. It was noted that the department would report directly to the Local Member.

The meeting commenced at 1.00 pm and concluded at 1.30 pm

**CHAIRMAN**

## GWYNEDD COUNCIL CABINET



### Report to a meeting of Gwynedd Council's Cabinet

<b>Date of meeting:</b>	<b>22 May 2018</b>
<b>Cabinet Member:</b>	<b>Cllr Ioan Thomas</b>
<b>Contact Officer:</b>	<b>Llyr Jones, Economy and Community Senior Manager</b>
<b>Contact Telephone Number:</b>	<b>Ext 32219</b>
<b>Title of Item:</b>	<b>Welsh Government's Targeted Regeneration Investment Programme</b>

#### 1. THE DECISION SOUGHT

- a) To approve the draft Regional Regeneration Strategy in order to submit to Welsh Government
- b) To note the Cabinet's request that commitment within the draft Strategy regarding work to identify and respond to issues involving rural deprivation receives attention during 2018/9
- c) That further work is undertaken to consider opportunities arising from the TRI programme and a further report be presented to Cabinet with details of proposals

#### 2. REASONS FOR RECOMMENDING THE DECISION

- 2.1 As part the new Welsh Government regeneration programme, Regional Regeneration Plans are required to provide a strategic framework and context for individual project proposals. Regional Plans are required to be presented and approved before Welsh Government before any proposals are put forward seeking investment.

#### 3. INTRODUCTION

##### Targeted Regeneration Investment Programme

- 3.1 In October 2017, the Targeted Regeneration Investment (TRI) Programme was launched by Welsh Government. This programme follows the Vibrant Viable Places (VVP) programme, and has a total of up to £100 million capital funding available over an initial 3-year phase for the period for 2018-21.
- 3.2 The aim of the programme is to support projects which promote economic regeneration, with activities that focus on individuals and areas of greatest need. The programme can consider up to 70% capital Investment contribution of eligible costs. A copy of the TRI Programme guidelines are included in Appendix 1.

- 3.3 Unlike previous arrangements, a requirement of this programme is for robust regional partnership and governance arrangements to be in place at the outset to agree an overall plan for regeneration, to prioritise investment proposals and to provide assurance around decision-making.
- 3.4 The TRI Programme also requires a Regional Plan for Regeneration including a strategic framework and context for proposals. It also states Regional Plans are required to be presented and approved before Welsh Government before any proposals are put forward seeking Investment.
- 3.5 The Programme also provides a notional allocation on a regional basis for the period 2018-21:

<b>Region</b>	<b>Notional Allocation</b>
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

- 3.6 The actual allocation will be dependent on the quality of the projects that are approved as part of the programme. This funding provides capital funding and the maximum Welsh Government intervention rate per project is 70%.
- 3.7 Once the Regional Plans for Regeneration have been presented and accepted a Project Development Fund will be made available for each region. The purpose of the fund will be to further explore the viability of project proposals and to assist in refining project detail. Development funding of up to £200k per region could be utilised on an annual basis over the initial 3-year period to assist in the early development of projects. The Project Development Fund will provide a maximum 50% contribution towards such costs.

#### Draft Regional Regeneration Strategy for North Wales

- 3.8 Officers from the North Wales Regeneration Officer Group and the North Wales Economic Ambition Board Management Group have been leading the response from North Wales. During these discussions, it was agreed to prepare a Regeneration Strategy for North Wales, and this should establish a vision and objectives for regeneration until 2035, and provide priorities to lead the development of future work programmes, and to align the regeneration process with the economic growth process which follows the same timetable.
- 3.9 The priorities which have been identified within the draft Regeneration Strategy are :
- Reduce inequality
  - Increase employment
  - Modernise town centres
  - Improve the housing offer
  - Develop the rural economy

- Strengthen the visitor economy
- Improve the health of local people

3.10 A copy of the draft Regional Regeneration Strategy is provided in Appendix 2.

3.11 In order to identify areas of need, the draft Strategy mainly refers to data linked with the Welsh Index for Multiple deprivation (refer to Appendix 2 of the Strategy). The Strategy also applies cluster analysis methodology to identify those areas (towns) that have the greatest concentration of residents living within the 10% most deprived communities in Wales. As a result, the list of the most deprived towns include Rhyl, Wrexham, Bangor, Colwyn Bay/Llysfaen, Caernarfon, Newbridge/Cefn/Plas Madog, Holywell, Shotton, Llandudno, Denbigh, Holyhead and Aberle/Pensarn.

3.12 In terms of priorities for the TRI programme during the period 2018-21, the Strategy identifies town centre regeneration proposals for the 4 settlements at the top of the list, which are Rhyl, Wrexham, Bangor and Colwyn Bay.

3.13 In addition, the Strategy also identifies priority projects based on thematic proposals :

- Housing Theme (empty properties) – respond to housing and regeneration needs to renovate properties including the private rented sector
- Housing Theme (renewal areas) – including continuation of Housing Renewal Area programmes
- Important Buildings – support for proposals to redevelop or reuse important buildings outside the four priority settlements for regeneration purposes

3.14 As part of the regional discussions, notional allocations have been discussed based on the current TRI budget to implement the activities identified in the regional Strategy :

	<b>Activity / Priority</b>	<b>Notional Allocation</b>	<b>Total</b>
1.	Town Centre Regeneration		£11.25m
	<i>Rhyl</i>	£4m	
	<i>Wrexham</i>	£2m	
	<i>Bangor</i>	£3m	
	<i>Colwyn Bay</i>	2.25m	
2.	Housing : Empty Properties / Renewal Areas		£9.2m
	<i>Gwynedd</i>	£1.5m	
	<i>Anglesey</i>	£1.8m	
	<i>Denbighshire</i>	£1.5m	
	<i>Flintshire</i>	£0.9m	
	<i>Conwy</i>	£1.5m	
	<i>Wrexham</i>	£2.0m	
3.	Important Buildings		2.5m
	Details to be develop	£2.5m	
	<b>Total</b>		<b>£22.95m</b>

3.15 It should be emphasised that these are merely notional allocations, and any funding commitment would be dependent on presenting detailed Project Plans which would meet the requirements of the TRI Programme. It should also be noted that the delivery Plan within the draft Regional Strategy does include a possible Investment of £29m

from the TRI programme to highlight the need for further Investment in the region, and the ambition to attract further Investment to North Wales.

### Bangor City Centre Regeneration Plan

- 3.16 The draft Regional Strategy identifies Bangor city as one of the main priorities for targeting regeneration resources for the 2018-21 period. In recent years, the city has faced a number of challenges and a period of change which have undermined its function as a sub-regional retail centre.
- 3.17 In 2016, the Bangor City Partnership was established which brings together a wider range of partner organisations seeking to work on a collaborative basis to develop and implement a new strategy for the city. The partnership includes representatives from a number of organisations including Gwynedd Council, Bangor City Council, Welsh Government, Bangor University, Pontio, Betsi Cadwaladr Health Board, Housing Partnership, Grwp Llandrillo Menai and the city's Business Improvement District.
- 3.18 Following the establishment of the Partnership, further work was carried out to prepare a regeneration strategy for the city. The Strategy is based on three key themes :
- a) Development and Environment – which seeks to improve the condition of buildings and environment within commercial areas of the city
  - b) Economy and Promotion – including strengthening the Professional sectors in the city and to utilise vacant buildings, business support packages and activities to promote and marketing to attract private sector Investment
  - c) Housing, Health and Wellbeing – including improving the city's housing stock, renovating empty Properties, and activities to support healthy living conditions and offer Access to health and wellbeing services
- 3.19 The Strategy also provides a package of proposals which responds to the various needs and opportunities in relation to these themes. However, further work will be required to develop these proposals into detailed projects, and the work programme is being reviewed by the Partnership.

## **4. REASONING AND JUSTIFICATION FOR RECOMMENDING THE DECISION**

- 4.1 The TRI Programme provides the new regeneration framework for Welsh Government, and has a budget of £100m available during the initial three year period 2018-21. Local authorities, and partner organisations, will be able to apply for capital Investment for projects that promote economic development leading to sustainable development where activities target individuals or areas of greatest need.
- 4.2 In accordance with the TRI Programme guidelines, a Regional Plan for regeneration is required to provide a strategic framework and context for proposals. Clear guidance has been received from Welsh Government which confirms the need for each of the six Local Authorities in North Wales to support the regional strategy in order for North Wales to access the TRI funding.



- 4.3 The draft Regional Regeneration Strategy has been prepared by the North Wales Regeneration Officer Group within a short period of time. It is intended to review the Strategy on an annual basis, and therefore provide an opportunity for the document to be updated and evolve from year to year.
- 4.4 In order to identify areas of need, the draft Strategy refers mainly to Welsh Index for Multiple Deprivation data. Given that the Index provides an established method for measuring deprivation, the methodology is considered reasonable as means of targeting funding for urban regeneration.
- 4.5 During the regional discussions, it was also noted that there is a need to tackle poverty and regeneration needs within smaller towns and rural areas. Further work is required in relation to these, and due to the available timescale, were not incorporated within the draft Strategy. Nevertheless, the draft Strategy (p 6) does refer to work required in identifying and categorising deprivation within a rural context as part of development of the Strategy.
- 4.6 Any delay in agreeing and presenting a Regional Plan is likely to affect the timetable for presenting proposals as part of the TRI Programme. Consequently, it is recommended that the Cabinet supports the draft Strategy, and request that the commitment within the draft Strategy that work to identify and respond to issues involving rural deprivation receives attention during 2018/9.
- 4.7 In accordance with the priorities identified within the draft Regional Regeneration Plan, there are also opportunities to target Investment for the Bangor City Centre Plan as part of the TRI Programme. Unlike some of the other towns across North Wales, the city of Bangor has not former part of the VVP Regeneration Programme, and therefore work is also required to establish programme arrangements.
- 4.8 The Cabinet's support is also sought to carry out further work to consider opportunities arising from the TRI programme and to prepare associated proposals. A further report would be presented to Cabinet with details of the proposed package, including project / activity details, funding package (including any match funding), outputs and management / governance arrangements.

## **5. NEXT STEPS AND TIMETABLE**

- 5.1 Subject to receiving the support of all six Local Authorities in North Wales, it is intended to present the Regional Regeneration Strategy to Welsh Government towards the end of May 2018.
- 5.2 On the basis that the Regional Strategy is approved, it is envisaged that Welsh Government could invite proposals for the TRI Programme from July 2018 onwards.

## **6. ANY CONSULTATIONS UNDERTAKEN PRIOR TO RECOMMENDING THE DECISION**

- 6.1 Views of Statutory Officers:
  - i. Monitoring Officer

Although I have no specific comments in terms of propriety, further work to follow in the future will provide an opportunity to ensure that the Strategy's governance arrangements are appropriate and clear.

ii. Head of Finance Department

It has been possible to agree a generous notional allocation of £4.5 million to Gwynedd out of a total of £100m which is available throughout Wales through the Welsh Government Regeneration Programme during 2018-21. This would include £3m towards Bangor city centre, and £1.5m towards housing / empty properties within a total of £22.95m within the North Wales Regional Strategy. The Welsh Government intervention rate is 70%, therefore a 'local' contribution of 30% is required towards project costs. Part 4.8 of the report seeks support now to consider opportunities and prepare proposals, and to present a further report to Cabinet with relevant details, including proposed funding package, and details of the match funding which would be required, following further discussion with partners and third parties regarding project activities.

6.2 Views of Local Member

Not a local matter

6.3 Results of any consultation

Nothing to note

## **APPENDICES**

Appendix 1 : Targeted Regeneration Investment Programme Guidelines

Appendix 2 : Draft Regional Regeneration Strategy for North Wales

# **Targeted Regeneration Investment**

**Guidance for local authorities and delivery partners**

20 October 2017

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## Executive Summary

The approach for the programme is based on the following principles:

**Aim** – to support projects that promote economic regeneration with activities focussed at individuals and areas most in need, whilst serving the aims of wider sustainable development.

**Regional** - local authorities are working together at a regional level and governance arrangements are emerging. A key feature of the programme is the identification of priority projects through a process of regional working with the context outlined in agreed Regional Plans for Regeneration.

**Targeted** - investment targeted in a small number of Regeneration Areas in order to generate a greater impact, rather than spreading resources thinly in all parts of Wales.

**Bespoke** – recognising there are separate challenges and opportunities in all parts of Wales and that the solutions must be identified and prioritised by regional partnerships.

**Prosperity for All** - the development of regeneration projects should support delivery of the well-being objectives set out in the strategy but with the overriding aim of widening economic prosperity. Programmes and projects should also reflect the commitment towards developing integrated approaches to the needs of particular communities with a strong emphasis on cross-sectoral working.

**Rolling programme** - the Welsh Government will invite regeneration investments to come forward on a rolling basis. There will be no deadline for applications and projects will be considered when a proposal is ready.

**Funding** - a total budget of up to £100 million is available over an initial 3-year phase for the period for 2018-21. Regions will work within notional funding allocations. The maximum intervention rate per project is 70% and must be the minimum amount of funding required to enable the project to proceed.

**Support and assessment** – robust support and challenge from the early inception of plans and projects through to delivery. Project-level decision-making will be supported by clear assessment criteria and consideration by a National Regeneration Investment Panel.

## Introduction

1. This guidance sets out the Welsh Government's proposals for a new programme of regeneration investment commencing in 2018. It describes the main aims of the Targeted Regeneration Investment programme (TRI programme) and how regeneration funding should be integrated as effectively as possible with other local and national initiatives.
2. Local authorities and regional partnerships are invited to develop capital investment proposals for regeneration which reflects local needs and priorities. Proposals for investment will also need to have been the subject of extensive engagement with local communities. The programme considers the government's wider commitment to pursuing concerted action aimed at widening prosperity and improving people's quality of life.
3. The programme is in part a recognition that the benefits of the economic prosperity Wales has enjoyed over recent years has not reached every community. As part of its response to this challenge, the Welsh Government is seeking to develop a programme of targeted regeneration investment in those communities that supports wider economic development.
4. Targeted regeneration investment has a crucial part to play in widening prosperity and building resilient communities in all parts of Wales, rather than simply in those areas that offer the best commercial returns. There are particular challenges tackling inequality and in developing well-connected and sustainable communities in areas which are economically disadvantaged or blighted by earlier heavy industries. We also recognise there are different challenges in rural areas.
5. 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".
6. Regeneration can act as the catalyst for change and can bind together, and enhance, wider strategic investments. Where the Welsh Government and partners invest, in creating employment opportunities, in building schools 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. The way we plan our capital investment decisions can have a big impact on the economy, help different organisations to deliver their services in a single place, and minimise the individual's need to travel.
7. Local authorities, working with wider stakeholders and engaging closely with communities, have a crucial role to play in identifying priorities and delivering programmes and projects on the ground. Proposals for investment should also take into account other major programmes already

underway including the Metros, City Deals, Valleys Taskforce and Wylfa Newydd. We are looking to regional partnerships to prioritise projects which consider local circumstances and wherever possible enhance the impact these wider programmes can achieve.

8. In line with the reforming local government agenda, these proposals reflect the new way that local authorities are working together at a regional level. We want to build on the good work that has already occurred within the established and emerging City Deal partnerships. The programme has also been designed to make use of the governance arrangements already emerging to support regional working. More generally, our intention is that this programme will be embedded into a new regionally-focussed model of economic development and regeneration.
9. We want to encourage regeneration projects which are designed to add value to, and complement, existing investments, both revenue and capital. This means that regeneration projects should not be seen in isolation. Opportunities for targeted investment need to be set in the context of wider programmes to build more resilient communities. They should emerge from the ambition and analysis set out in well-being plans and they should be designed to harness the commitment and enthusiasm of communities and local partner organisations.
10. Initially, the Welsh Government is inviting applications for regionally-endorsed local authority project proposals for a three-year period beginning in April 2018. However, in the context of developing a successor programme to EU structural funds partners are also encouraged to begin to identify projects which could feature in a rolling programme of regeneration projects in years to come.

## Prosperity for All

11. These proposals for the programme mirrors the commitment to joined up working and doing things differently set out in '*Prosperity for All*', the Welsh Government's new national strategy. That strategy makes clear that while material wealth is crucial, prosperity is also about every one of us having a good quality of life, and living in strong, safe communities. Our long-term aim is to build a Wales that is prosperous and secure, healthy and active, ambitious and learning, and united and connected. Under these headings we have highlighted the twelve well-being objectives for government:

### **Prosperous & Secure**

- Support people and businesses to drive prosperity
- Tackle regional inequality and promote fair work
- Drive sustainable growth and combat climate change

### **Healthy & Active**

- Deliver quality health and care services fit for the future
- Promote health and well-being for everyone
- Build healthier communities and better environments

### **Ambitious & Learning**

- Support young people to make the most of their potential
- Build ambition and encourage learning for life
- Equip everyone with the right skills for a changing world

### **United & Connected**

- Build resilient communities, culture, and language
- Deliver modern and connected infrastructure
- Promote and protect Wales' place in the world

12. The *Prosperity of All* strategy also identifies five priority areas for action namely:

- early years;
- housing;
- social care;
- mental health; and
- skills and employability.

13. Proposals for investment under this new programme will be expected to demonstrate a clear link to one or more of these objectives and themes in support of a real economic impact. However, our aim will also be to ensure that the projects supported in due course reinforces a commitment towards joined-up working and integrated solutions which are at the heart of the changes that the strategy seeks to bring about.



## Programme aims and objectives

14. The Welsh Government is looking 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.
15. We are seeking to develop a programme of targeted regeneration investment in the physical infrastructure of those communities that can promote economic regeneration.
16. The aim of this programme is to facilitate the development of, and support for, regionally-significant regeneration investment proposals in defined Regeneration Areas. Ultimately, this sort of economic resilience is a vital contribution to the wider well-being of communities.
17. For the purpose of this programme, a Welsh Government 'Regeneration Area' is a defined geographical location where regeneration and integrated project activity takes place. The geographic scope of the area will vary in line with local circumstances – such as town centres, rural market towns, seaside towns, housing estates, for example - but it will have 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.
18. Regeneration investment must be targeted in a small number of Regeneration Areas in order to generate a greater impact than spreading resources thinly in all parts of Wales.
19. We are committed to a cross-government approach. We will therefore be supporting investment projects that clearly fit within a wider regional vision whilst showing complementarity and adding value to wider Welsh Government policies and programmes.
20. The programme will provide capital investment to support project proposals that contribute to these aims. We want to see proposals which spread prosperity for all and contribute towards delivering the government's twelve well-being objectives, but with a firm emphasis on economic regeneration.
21. The priorities put forward for investment support should be responsive to the analysis of the opportunities and challenges facing the region. Proposals should evidence how they propose to respond to the needs of disadvantaged individuals and communities, drawing, as appropriate, on data such as the Welsh Index of Multiple Deprivation.
22. Regional proposals for investment will be scrutinised by a National Regeneration Investment Panel. Every project will need to demonstrate

value for money and this will be central to the scrutiny applied by the Panel. The Panel will also be charged with ensuring that the investment available is utilised as effectively as possible across Wales . The Panel will also provide advice aimed at ensuring a degree of coherence across regional programmes and at ensuring that budgets are utilised in a manner which make best use of other possible funding sources to deliver maximum regeneration outputs.

## Regional Plans for Regeneration

23. Local authorities are working together at a regional level and governance arrangements are emerging which this programme seeks to build upon and strengthen. This regional working is one element of the reform of local government but it also provides a mechanism for ensuring the maximum strategic impact from this investment.
24. A requirement of this programme is for robust regional partnership and governance arrangements to be in place at the outset to agree an overall plan for regeneration, to prioritise investment proposals and to provide assurance around decision-making. Where such governance arrangements are already in place, or are emerging, the terms of reference for such partnerships should be adapted to encompass a wider regeneration remit, as outlined in this guidance.
25. The regions will need to develop their own assurance, appraisal and prioritisation frameworks to ensure that projects coming forward meet legal requirements, are deliverable, and are consistent with Welsh Government and local authority policy objectives. Regions will also need to demonstrate that proposals for investment reflect meaningful engagement with the communities concerned.
26. Regional partnership arrangements should involve a broad range of stakeholders from the public, private and voluntary sectors and draw on relevant expertise from a range of policy areas.
27. At the level of individual projects, local authorities and regional partnerships will also need to consider appropriate governance arrangements at a local level to oversee project development, delivery and effective monitoring.
28. As a precursor to identifying priority projects for investment, consideration should be given to the wider strategic context for regeneration. Each region has strategies that have been prepared setting out the economic challenges they face, the opportunities that are presented and outlining the broad approach for dealing with them. The strategic context for regeneration should therefore already be available.
29. The primary aim of the Regional Plan for Regeneration will be to describe this wider strategic framework and provide the context for individual project proposals. A Regional Plan for Regeneration may be considered as an evolving document that can be adapted to meet emerging challenges and opportunities. A suggested template is provided at **Appendix 1** and will need to be presented to the Welsh Government for consideration before any projects are put forward seeking investment.

## Project development and delivery

30. As part of the Regional Plan for Regeneration, the Projects Delivery Plan should identify and outline projects that can be developed and delivered over a varying timeframe:

Short-term	Projects that can be delivered within 12 months. Should there be additional in-year funding the 'shovel-ready' projects in the short-term list will be taken forward in the first instance.
Medium-term	Projects that can be developed and delivered within a 1-3 year period.
Long-term	Projects that can be developed in readiness for delivery in future years (3 years+).

31. The Projects Delivery Plan (see template at **Appendix 2**) should be considered as an evolving 'live' document that can be updated on a regular basis. It will outline the region's 'production line' of projects under consideration, being developed and being delivered. The longer-term projects may be more aspirational but would aim to demonstrate the region's ambitions over a longer timeframe.
32. Projects should make clear which designated Regeneration Area they are associated with. Proposals for investment should also describe how they link in with priorities identified locally in Well-being Plans. Regeneration projects should also make clear how they contribute to the well-being objectives and the themes set out in Prosperity for All.
33. A project is a distinct activity with a clear proposal by which an investment decision can be made. Project proposals must be SMART (specific, measurable, achievable, results-based, time-bound) and will be presented via a Project Application Form. Projects should clearly establish intended outputs with a clear definition of what success would look like (a list of our headline project outputs is outlined at **Appendix 3**).
34. The Welsh Government welcomes collaborative proposals, jointly from two or more local authorities. There may also be scope for 'umbrella' schemes to be proposed in defined Regeneration Areas across a whole region. For example, proposals with commonality and clear guidelines for implementation, 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.

## Funding overview

35. The Welsh Government will invite regeneration investments to come forward on a rolling basis. There is no deadline for applications though we will expect proposals for expenditure during 2018-19 to have been received by 31 March 2018. Projects will otherwise be considered when a proposal is ready.
36. A total budget of up to £100 million capital funding is available over an initial 3-year phase for the period for 2018-21.
37. A notional funding allocation is being outlined to assist with planning the programme in each region. This is not a fixed budget, but an indication of the available budget over the initial 3-year period. Actual allocations will be dependent on the quality of projects approved and the decisions of the National Panel.
38. The table below outlines the notional allocation, which has been allocated on a *per capita* basis. Projects should be planned and developed in line with these notional budgets and must also take into account annualised budgets.

Region	Notional allocation 2018-21
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. Regeneration projects must take full advantage of whatever other sources of investment are available from the public, voluntary and private sectors.
40. The maximum Welsh Government intervention rate per project is 70% and should be set at the minimum level of funding required to enable the project to proceed. All projects seeking regeneration investment must provide a minimum financial contribution of 30% to the project from non-Welsh Government sources.

<b>Welsh Government funding</b> (cannot be used as part of the 30% match-funding)	e.g. SHG, WHQS, TISS, i.e. any hypothecated funding that is funding available for a specific purpose.
<b>Non-Welsh Government funding</b> (can be used as part of the 30% match-funding)	e.g. local authorities' funding, Lottery, EU funding, private sector, third sector, WG loan funding.

41. If the project is seeking funding to undertake 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.

42. 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 resources – both revenue and capital - to support projects and to secure the long-term sustainability of their proposed activities.
43. Once the Regional Plans for Regeneration have been presented and accepted a Project Development Fund will be made available for each region. The purpose of the fund will be to further explore the viability of project proposals and to assist in refining project detail. Proposals for using the fund will need to be agreed by the National Panel.
44. Development funding of up to £200k per region could be utilised on an annual basis over the initial 3-year period to assist in the early development of projects. The Project Development Fund will provide a maximum 50% contribution towards such costs.

## Project approval process

45. A project that features in the Regional Plan for Regeneration and has been endorsed by the region may be presented for Welsh Government consideration. The proposal must be submitted by a local authority as lead partner and grant recipient, acting on behalf of a partnership of the public, private and third sectors, where appropriate.
46. In the first instance, a National Regeneration Investment Panel will consider all project applications and will be make investment recommendations to the Cabinet Secretary for Communities and Children. The Panel will meet on a regular basis and projects may be considered at any stage.
47. The National Panel will be responsible for advising the Cabinet Secretary on whether projects represent value for money and correspond to programme requirements. They will do so in light of detailed scheme criteria set out in **Appendix 4**.
48. Projects will only be considered for formal approval by the Panel when full project details are in place, when procurement has been completed and match-funding confirmed. However, in order to ensure that funds and staff effort are utilised as effectively as possible regional partnerships will also be able to submit proposals seeking 'Approval in Principle' in order that planning work can proceed with full approval sought at a later date.
49. No funding will be offered or a grant letter issued until the full project proposal is in place.

## Further Support and next steps

50. All queries about this guidance should be directed to:

[regenerationpolicy@wales.gsi.gov.uk](mailto:regenerationpolicy@wales.gsi.gov.uk).

51. For advice and assistance on developing the Regional Plan for Regeneration, contact your local Welsh Government regeneration team.

52. It is the expectation that the Welsh Government has an opportunity to discuss draft Regional Plans for Regeneration with each region before the end of the calendar year with the Plans then finalised by the end of January 2018.

53. The Project Development Fund will open for applications in February 2018 with projects being submitted for consideration from March 2018.

54. Further documentation, such as the Project Application Form and supporting guidance, will be issued in January 2018.

55. A Regeneration Programme Board, led by the Welsh Government, will oversee programme delivery across Wales and will seek representation from all regions.



## Appendix 1

### Regional Plan for Regeneration (suggested template)

1	<b>Vision for the region</b>
2	<b>Regional Overview</b> <ul style="list-style-type: none"><li>• Analysis of issues and challenges facing the region including an analysis of disadvantage and deprivation drawing upon evidence such as the Welsh Index for Multiple Deprivation;</li><li>• Analysis of opportunities for regeneration;</li><li>• Analysis of opportunities for complementarity with wider regional strategic priorities e.g. City Deals, Valleys Taskforce.</li></ul>
3	<b>Partnership &amp; Governance arrangements</b> <ul style="list-style-type: none"><li>• Outline arrangements to be in place to agree an overall plan for regeneration, to prioritise investment proposals and to provide assurance around decision-making.</li></ul>
4	<b>Approach for targeted regeneration investment</b> <ul style="list-style-type: none"><li>• Approach to supporting economic regeneration within the context of <i>Prosperity for All</i> and the Welsh Government's well-being objectives</li><li>• Aims &amp; objectives for regeneration</li><li>• Identification of Regeneration Areas and the rationale for investment</li></ul>
5	<b>Overview of key projects</b> <ul style="list-style-type: none"><li>• Summary of projects being proposed</li><li>• Summary of outputs being proposed</li></ul>
6	<b>Projects Delivery Plan (see Appendix 2)</b> <ul style="list-style-type: none"><li>• Project breakdown with financial overview</li></ul>

## Appendix 2

### Projects Delivery Plan (suggested template)

Project name & short description	TRI funding breakdown			
	2018/19 £	2019/20 £	2020/21 £	Future £
Short-term				
Medium-term				
Long-term				
<b>Total</b>				

## Appendix 3

### Key outputs

Reference	Output
TRI 1	Gross jobs created
TRI 2	Number of Jobs accommodated (enabled through regeneration investment)
TRI 3	Number of jobs created in the construction sector as a result of Welsh Government regeneration investment.
TRI 4	Total number of traineeships on the project.
TRI 5	Number of traineeship leavers progressing to further learning (at a higher level) or employment (incl. employment with the contractor)
TRI 6	Investment induced (£)
TRI 7	Enterprises accommodated
TRI 8	Hectares of Land developed
TRI 9	Non-residential Premises created or refurbished (sqm)
TRI 10	Non-residential Premises created or refurbished (number)
TRI 11	Number of additional market housing units (Built or ready for Occupation - as a direct result of regeneration support)
TRI 12	Number of Additional Social housing units delivered (Built or ready for Occupation - as a direct result of regeneration support)
TRI 13	Number of Additional Intermediate housing units delivered (Built or ready for Occupation - as a direct result of regeneration support)
TRI 14	Number of households helped towards securing improvement in the energy performance of their homes
TRI 15	Number of empty homes brought back into use
TRI 16	Number of non-residential units brought back into use
TRI 17	Estimated Reduction in CO2 Equivalent Emissions
TRI 18	Number completing employment related courses or gaining employment related qualification
TRI 19	Number of SMEs based in Wales successful in securing contracts/sub contracts
TRI 20	Value of contracts/sub contracts awarded to SMEs based in Wales (£)

Output definitions will be provided within the Project Application Form guidance at a later date.

## Appendix 4

### Project Assessment Criteria

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

*North Wales Regeneration Plan*

2018-2035

**Final Draft**

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## VISION

### **The North Wales Regeneration Strategy – A Transformational Vision**

This Strategy sets out a shared vision and objectives for cohesive public sector regeneration investment and activity in North Wales until 2035. Our shared vision statement is set out below :-

**By 2035 North Wales will experience reduced inequality, increased employment, modernised town centres, an improved housing offer, a stronger visitor economy, a resilient rural economy, and improved health for local people.**

The Strategy provides guidance on how available funding should be prioritised, and helps to align the regeneration process with other initiatives to support economic growth, including the North Wales Growth Deal. It also aims to ensure that economic opportunities are available to as many people and communities as possible across the region.



## INTRODUCTION

North Wales is defined by the six local authority areas of Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham. However, the economic geography of each is slightly different. In economic terms, North Wales is broadly split east-west, with Flintshire and Wrexham falling into East Wales, with strong links to Cheshire and Chester West – through the Mersey Dee Alliance and the other four counties falling into West Wales and the Valleys.

This split is important because it identifies the relative prosperity of the constituent parts of the region, with North East Wales performing better economically than North West Wales – hence the reason North West Wales currently has access to significant sums of money from the EU regional development fund. Having said this, the whole of North Wales is still falling behind the rest of the UK in terms of economic performance.

A North Wales Growth Vision 2017-2035 has been established which identifies key sectors that can drive and improve the economic performance of the region building upon key strengths.

As a consequence of changes in the economy the major towns across the north Wales region have also been slowly declining, manifesting itself in physical deterioration and social exclusion. This must be addressed in parallel with strategic economic interventions so as to create sustainable communities whose residents have the skills and environment so that they can access the opportunities that will change the future direction of the region. This will include ensuring that North Wales has an appropriate supply affordable and good quality housing options. The demand for housing is likely to increase significantly in future years and north Wales needs to respond to this in order to meet demand.

Regeneration is defined as the process by which we “**breathe new life into an area**”. In this case, the communities of North Wales, which have suffered generations of decline and under- investment and where the lack of public sector intervention has resulted in little or no private sector interest.

It is important to recognise that after generations of slow decline, Regeneration is not a quick fix.

Regeneration is a long-term process, and there is a need to find public sector funding solutions, which provide continuity and certainty, in order to tackle the real symptoms of decline and attract private sector confidence and investment to the region.

This Regional Regeneration Plan for North Wales sets out a strategy for regional prioritisation of investment until 2035.

## REGIONAL OVERVIEW

The 6 LAs and partners in the private sector, the third sector, HE and FE, have long recognised that change is needed and that North Wales requires a significant boost if it is not to continue to fall further behind the rest of the UK.

This case for change is based on:

- the continuing deterioration of economic performance
- the continuing fiscal austerity measures and
- the recognition that doing the same things will deliver the same results and that unless the region seizes the opportunity to develop a clear focus for the economy, and prioritises actions which will deliver a step change in performance, it will continue to lag behind the rest of the UK.

However, this is very difficult to achieve when the disparities within North Wales continue to grow:

- GVA per head in Wales fell from 76% of the UK average in 2000 to 71% in 2008
- over the period 2000-2008, the UK economy grew by 50% and Wales by 42%. North Wales grew by only 36% and now has three of the worst performing counties – Anglesey, Conwy and Denbighshire – in the UK
- funding from Europe has done little to arrest the decline
- despite the advantage of large manufacturing companies such as Airbus, Toyota, Kellogg and JCB, Wrexham and Flintshire have grown by only 27% since 2000
- productivity continues to fall further behind UK levels
- levels of youth unemployment are high in North Wales, the overall rate exceeding that of the UK.

The low productivity of the North Wales economy is reflected in the pay and prosperity of its citizens. Across the region, pay lags significantly behind the UK average (Denbighshire at -18% and Gwynedd at -22% are in the bottom 10% for the whole of the UK) and, with the exception of Flintshire, pay in every county is below the Welsh average (ONS Annual Survey of Hours and Earnings 2016, <http://bit.ly/2ydCFjP>).

Whilst North Wales has a unique cultural and environmental heritage, providing a strong sense of community and identity, it also experiences peripherality and poor connectivity to other parts of the UK. This is then reflected in the economic challenges facing the region:

- an unbalanced economy with an over-dependence on the public sector
- few larger firms or corporates and more limited employment opportunities, low productivity and earnings
- the out-migration of younger often more qualified people
- high levels of economic inactivity.

The Welsh Index for Multiple (WIMD) deprivation is the Welsh Government's official measure of relative deprivation for small areas in Wales. It is designed to identify those small areas, known as Lower Super Output Areas (LSOAs) where there are the highest concentrations of several different types of deprivation. This recognises income and employment deprivation but also takes into

account other factors such as environment and access to services, which are all significant factors around a region's decline.

In total, 1909 areas across Wales have been measured and ranked on the WIMD from 1 (most deprived) to 1,909 (least deprived). North Wales has a number of areas that are within the top 10% most deprived areas in Wales. These are predominantly located across the North Wales coastal and border areas. Two north Wales LSOAs are ranked as second and third most deprived in Wales (in Rhyl and Wrexham town respectively).

Applying cluster analysis methodology to this data enables the identification of those towns across north Wales that have the greatest concentration of residents living within the top 10% most deprived communities in Wales (Appendix 2). Identifying towns rather than isolated areas of deprivation provides a focus of regeneration activity to target economically appropriate locations for regeneration investment. This also means the impact of the plan can be measured more effectively.

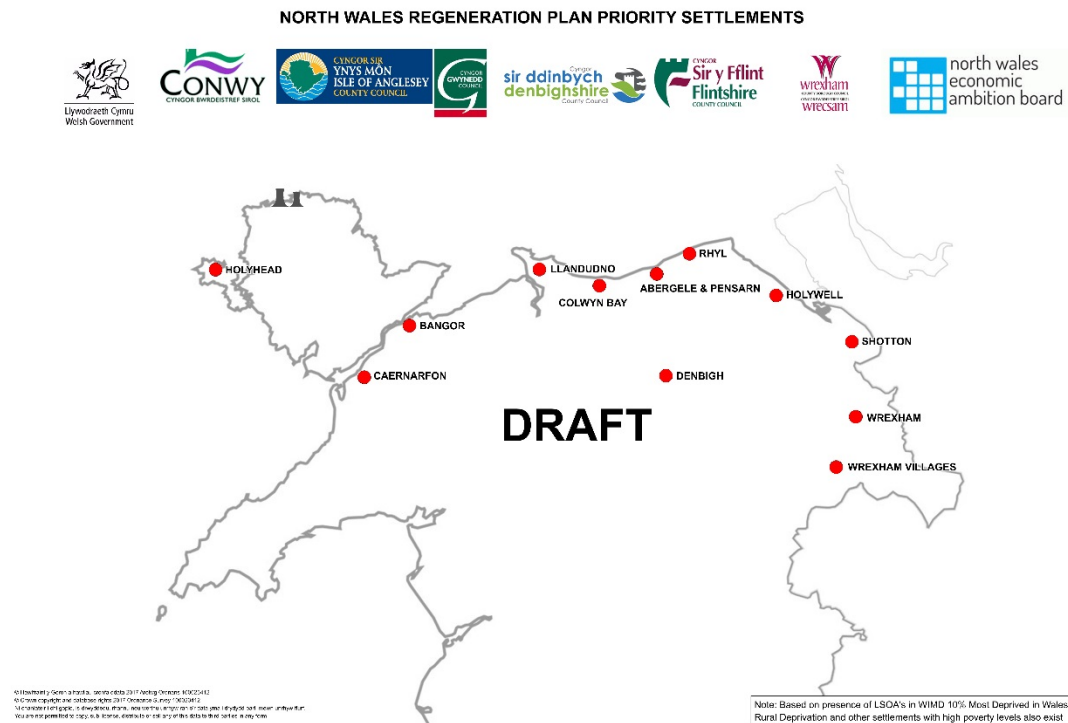
**Table 1:** Most deprived towns in north Wales in population order

1. Rhyl	7. Holywell
2. Wrexham town	8. Shotton
3. Bangor	9. Llandudno
4. Colwyn Bay and Llysfaen	10. Denbigh
5. Caernarfon	11. Holyhead
6. Newbridge/Cefn and Plas Madoc (Wrexham villages)	12. Abergele & Pensarn

It is important to recognise that there will be deprivation and regeneration needs outside of the 12 highest priority settlements. These needs are still important for North Wales and will require intervention over the lifetime of this Plan, using a variety of resources. The form of that deprivation can be recognised in a number of ways, rural deprivation, areas that are ranked in the 10-20% decile in the WIMD, or those areas that have high scores in individual poverty and deprivation indicators. All are critical to the wellbeing of the communities affected, but must be viewed in a regional context.

The region will actively pursue developing an appropriate approach to identifying and categorising deprivation within a rural context, potentially utilising factors such as underemployment, low pay, increased costs and restricted access to services and opportunities, during the initial stages of the implementation of this Plan.

**Map 1:** Map of the Areas across North Wales of highest regeneration need and the Priority Regeneration Areas for 2018-2021



## REGIONAL ECONOMIC CONTEXT

The Growth Vision for the economy of North Wales was adopted by partner organisations across the region in 2016. The vision described North Wales as “a confident, cohesive region with sustainable economic growth, capitalising on the success of high value economic sectors and its connection to the economies of the Northern Powerhouse and Ireland”.

The document sets out a strategy and ambition for North Wales to achieve the vision through investment in transport and infrastructure, improving skills and employment, and supporting business innovation and growth. The strategy aspires to improve the competitiveness of the region, to increase the Gross Added Value (GVA) of the regional economy and reduce the gap between the GVA of the region and the UK average, and to grow business to both create new jobs and protect existing jobs.

North Wales has subsequently been invited by UK Government to develop a Growth Bid for approval. A Growth Bid, originating from within a region, is a formal proposal for Government investment and the conferment of devolved powers. The North Wales Growth Deal bid was submitted to UK and Welsh Governments in November 2017.

The strategic outcomes of the Growth Deal bid might include: -

- Enhanced site values for strategic employment and housing sites;
- Improved readiness of strategic sites for investment;
- Improved transport access to, for example, reduce travel times to strategic employment sites;
- Increased public transport;
- Increased business investment and improved business performance;
- Improve employment levels;
- Available skills increasingly meet the needs of key sectors in the region;
- Reductions in worklessness and benefits dependency;
- Increased average household incomes;
- Increased regional Gross Added Value (GVA);
- Increased housing supply; and
- Increased alternative and renewable energy supply production and carbon reduction.

The vision and strategy builds on the strong alliances and joint planning both within the region, through the work of the North Wales Economic Ambition Board and the cross-border partnerships such as the Mersey Dee Alliance. The latter has facilitated joint working with the Cheshire and Warrington Local Enterprise Partnership, Merseytravel, and the wider Northern Powerhouse Network. The growth bids from North Wales and the Cheshire and Warrington LEP are being developed in parallel and there is a co-dependency for their success. North Wales is also making contributions to the wider strategy of the Northern Powerhouse network, for example the nomination of prime strategic sites for business growth and inward investment. Road and rail infrastructure and connectivity, and wider transport planning, including bus routes, are central to the North Wales Growth Strategy. The Growth Track 360 plan makes the case for cross-border rail investment and is progressing through the Governmental case-making and decision-making stages. The Welsh Government’s Moving North Wales Forward - Our Vision for North Wales and a North-East Wales Metro supports the region’s transport objectives and cross border working transport movement.

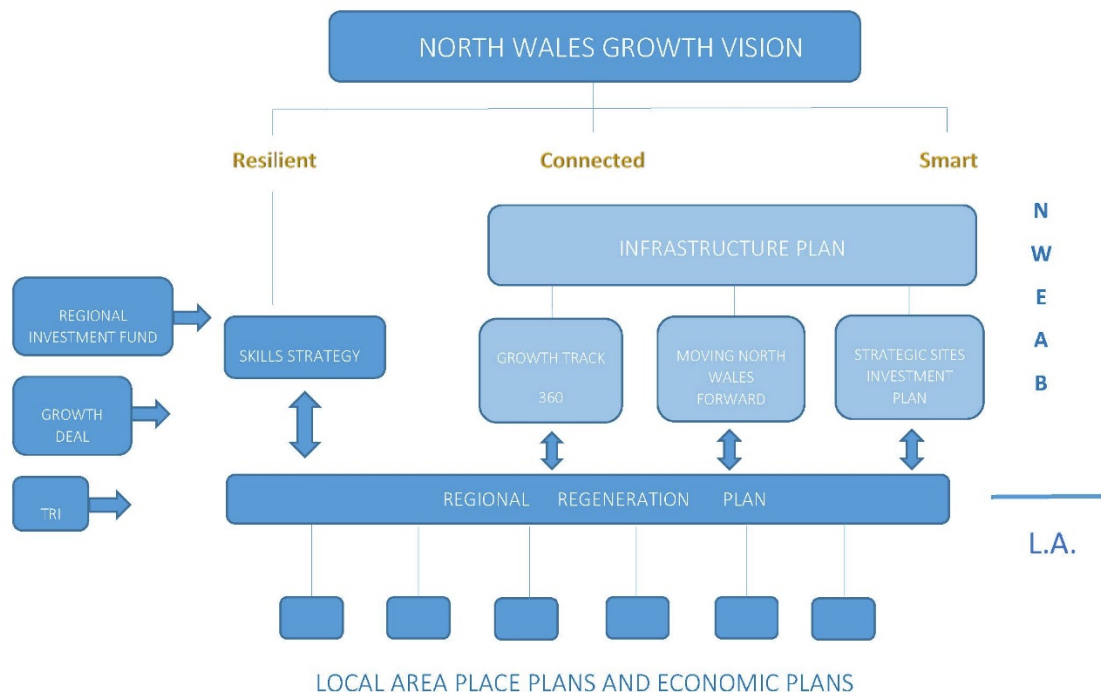
There are twelve projects currently being developed under three work streams:

1. Resilient North Wales - skills, employment and housing
2. Connected North Wales - transport infrastructure and digital connectivity
3. Smart North Wales - business growth and innovation

Detailed business cases are currently being prepared for each of these projects for submission to the UK Government.

The role of this regeneration plan is to ensure that the residents and businesses across North Wales, and in particular in those deprived communities, are able to access and benefit from the economic opportunities which will improve the regions performance. Whilst the regional skills strategy will assist people in gaining the relevant skills and expertise, it is this plan which will ensure that they have an environment within which they can nurture those skills. Ensuring that the existing housing stock is appropriate and energy efficient. Ensuring that the town centres provide appropriate services, retail, leisure and cultural offers. Ensuring that ‘abandoned’ premises within our communities are found viable and sustainable uses for the 21<sup>st</sup> century. Ensuring the sustained health and wellbeing of those communities and that they are inclusive. Meeting the challenges created by rural depopulation.

**Diagramme 1:** Economic and Regeneration Structure for north Wales



## ISSUES AND CHALLENGES

Regional partnerships and negotiations around a Growth Deal for north Wales have strengthened the strategic approach to addressing regeneration challenges that exist in north Wales.

These are likely to bring significant opportunities to north Wales and it important that, working collaboratively, the benefits of these are maximised building on the strengths that already exist across the region. At the same time, it is important to identify and take steps to address those factors, which are likely to get in the way of success.

**Table 3:** SWOT analysis highlighting key issues, challenges and opportunities for the region

<p><b>Strengths</b></p> <ul style="list-style-type: none"> <li>• Major employment concentrations across region.</li> <li>• Travel network linking north Wales communities with areas of employment</li> <li>• Major infrastructure development in region such as Wylfa and the Tidal Lagoon</li> <li>• Strong HE provision and research knowledge base</li> <li>• Strong cultural and heritage identity</li> <li>• Strong tourism offer especially in north west Wales.</li> </ul>	<p><b>Weaknesses</b></p> <ul style="list-style-type: none"> <li>• Travel network insufficient to enable effective access to opportunity in many communities, especially in rural north Wales</li> <li>• IT infrastructure insufficient</li> <li>• Local skills insufficient to meet future labour market demands</li> <li>• Housing supply insufficient for future needs and areas of poor quality housing / HMOs reduce choice and quality of life.</li> <li>• Town centre vitality and viability weak in many places due to changing customer behaviour</li> <li>• Commercial property market is weak</li> <li>• High percentage of public and service sector employment</li> <li>• Low wages in some areas.</li> <li>• High level of self-employment and micro-businesses</li> <li>• Peripherality and travel times within the region</li> </ul>
<p><b>Opportunities</b></p> <ul style="list-style-type: none"> <li>• Proposed Growth Deal investment and jobs creation</li> <li>• Investment in transport infrastructure will improve access to employment and encourage investment</li> <li>• Growth Deal investment in skills and employment will improve economic opportunities for individuals in deprived communities</li> <li>• Major strategic investments provide an opportunity to strengthen regional supply chains and the foundation economy.</li> </ul>	<p><b>Threats</b></p> <ul style="list-style-type: none"> <li>• Changing retail habits and impact on town centres -Internet /out of town shopping</li> <li>• Loss of key businesses and services for towns and villages threatening sustainability</li> <li>• Prevalence of second homes in the region</li> <li>• On-going pressures on public funding</li> <li>• Global and European economics creating uncertainty</li> <li>• Viability of rural areas and smaller communities</li> <li>• Loss of culture and threat to Welsh language heartlands</li> </ul>

## OBJECTIVES

The North Wales Regeneration Strategy seeks to:

- **Reduce inequality** – by helping more people to share the benefits of future growth, with a particular focus on supporting those with the lowest household incomes to access opportunities.
- **Increase employment** – creating opportunities for employment through regeneration projects.
- **Modernise town centres** – by building on their role as centres for local economic opportunity, service provision and social inclusion. Recognising their role in the foundation economy and helping them to adapt to economic change.
- **Develop the rural economy** – helping to create sustainable rural communities through access to economic opportunities and access to services.
- **Improve the housing offer** – by ensuring that development takes place where there is demand, providing good 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 including the adventure and heritage tourism markets as well as providing an attractive location for major events at regionally important venues such as Parc Eirias and Wrexham Racecourse. By encouraging more visitors to north Wales and providing modern town centres, we will increase visitor footfall to our towns and spend within the local economy.
- **Improve the health of local people** – by creating places that promote physical activity, by providing quality environments and green space and by tackling poverty in our most excluded communities.



## LINKS TO OTHER STRATEGIES

The north Wales Regional Regeneration Plan takes a holistic view of regeneration and in doing so will actively contribute to other important national and regional strategies such as Welsh Government's Prosperity for All strategy and the Well-being of Future Generations Act.

Regional Regeneration Objectives	Prosperity for All	Well-Being of Future Generations Act - Goals
<b>Reduce inequality</b>	Directly contributes to <b>tackling regional inequality</b> by targeting those areas with most concentrated deprivation. Projects will seek to <b>equip local people with the right skills</b> to participate in the opportunities now and for the future. This delivers the <b>priority action area of skills and employability</b> and the <b>priority action area of mental health</b> .	Prioritising the most deprived communities seeks to engage the most excluded people across the region. By supporting people to enter employment or progress to better jobs this objective seeks to increase household income and that in turn will then provide access to further opportunities. This supports the goal of <b>a more equal Wales</b> .
<b>Modernise town centres</b>	Modern town centres will provide an appropriate environment <b>for businesses to drive local prosperity</b> , provide local employment opportunities and provide <b>better environments to promote the health and well-being</b> of those who live, work and visit our town centres. This objective will also deliver opportunities for <b>young people to develop their skills and make the most of their potential</b> . This delivers the <b>priority action area of skills and employability</b> .	Regenerating key town centres will support the goal of <b>a prosperous Wales</b> . Creating vibrant and attractive town centres will increase footfall and spend, supporting local business growth and an increase of job opportunities. Securing investment for north Wales is generally positive for the local supply chain and local businesses and applying sustainable regeneration principles will ensure that these objectives contribute fully to <b>a globally responsible Wales</b> . Engaging businesses and local people in the development of their town centre will contribute to <b>a cohesive community</b> .
<b>Improved housing offer</b>	Poor quality housing contributes to poor health. Addressing local housing need with the provision of appropriate, quality housing will support the delivery of <b>healthier communities and better environments</b> and directly <b>delivers the priority action area of housing</b> .	The provision of good quality accommodation will promote better health supporting the goal of <b>a healthier Wales</b> . Bringing empty properties into use or refurbishing poor quality housing will improve the housing offer across the

		region so that it is modern and energy efficient supporting the goal to achieve a <b>resilient Wales</b> .
<b>Strengthen the visitor economy</b>	Activities to strengthen the visitor economy will <b>promote and protect Wales' place in the world, promote health and well-being for everyone</b> and support local employment opportunities and <b>skills development</b> . This delivers the <b>priority action area of skills and employability</b> .	Increasing visitor numbers to the region will support the goal of a <b>prosperous Wales</b> . Many visitor attractions and local businesses celebrate the heritage and culture of the country supporting the development of a <b>Wales of vibrant culture and thriving Welsh language</b> .
<b>Protect the rural economy</b>	Taking steps to stabilise rural towns and villages will <b>support businesses to drive prosperity</b> and support the development of entrepreneurialism, <b>building ambition and encouraging lifelong learning</b> . This delivers the <b>priority action area of skills and employability</b> .	Investment in a community provides a tool to engage local stakeholders in co-production and entrepreneurial solutions. This commitment to prevent decline supports the goal of a <b>cohesive community</b> .
<b>Improve the health of local people</b>	Health outcomes are low in areas of deprivation with mental and physical health often a barrier for participation. Regeneration activities targeting the most concentrated areas of deprivation will promote <b>health and well-being for everyone</b> and help to <b>build healthier communities</b> . This will directly contribute to the <b>priority action area for mental health</b> .	This regeneration plan intends to deliver transformational change to benefit the most deprived communities across the region. Increased job opportunities and an increase in household income will positively affect health outcomes. Housing renewal and schemes that provide a more attractive environment and encourage activity will also contribute to the goal of a <b>healthier Wales</b> .

In order to be successful this plan must ensure that regeneration projects targeting capital investment into **Places** identify and integrate with the delivery of relevant European and Welsh Government programmes such as OPUS, Adtrac and Communities for Work that are working with **People** from our most disadvantaged communities.

Poverty and Deprivation in these communities is not a new problem. In order to make a long lasting improvement there is a need to focus on the next generation, to raise aspirations and achievement, improve living standards through raising household income as well as provide future opportunities through the creation of a vibrant local economy. This must not be done though, to the exclusion of the needs of an ageing population who are an equally important part of those communities.

We will do this by using the 5 ways of working identified through the **Well-Being of Future Generations Act**.

<b>Preventative</b>	Providing quality environments and raising aspirations of our children and young people will help them to prepare for future opportunities. By considering the needs of older people, we will ensure inclusion for all ages as the demographic changes. By creating an environment for economic growth, we will safeguard future economic opportunities for local people.
<b>Long term</b>	Our physical regeneration projects need to consider how our communities will be changing in order to provide a robust regeneration solution and longevity. Consideration for the changing needs of local people will be built into projects in the planning stages.
<b>Integrated</b>	Ensure that our physical regeneration projects link wherever possible to relevant People projects through incorporating this as a requirement of each business case. Communicate future skills needs and opportunities so that mechanisms are in place to support local people in accessing these.
<b>Collaborative</b>	Working with colleagues across sectors and the region to share knowledge, skills and resources and ensure we get maximum benefit from collaborative working.
<b>Involved</b>	Engaging with the people who we want to benefit most from the programme. By engaging with our communities (particularly the most disadvantaged) on an on-going basis, we will strive to develop community ownership and resilience and improve cohesion.

The six north Wales local authorities are committed to:

Some examples of ways to integrate the **Place** and **People** priorities:

Use of apprenticeships /social benefits during construction	Creation of a physical environment which encourages activity and movement improving health and well-being
Place projects to provide a quality environment for delivery of work skills programmes and other activities i.e. parenting courses	Identify forthcoming jobs, timescales and skills. Work with education providers and programmes such as OPUS to identify and upskill local people to meet future jobs needs across the region. Monitor take up.
Work experience opportunities / guaranteed interview schemes	Local interview schemes / “skills “days for job opportunities within completed regeneration projects providing more accessible ways for people to apply for work

## NORTH WALES REGENERATION PRIORITIES: 2018-2035

**12 Regeneration Areas have been identified as priorities for Regional Regeneration Investment over the period 2018-2035.**

**This section sets out the integrated regeneration plans for these 12 areas identifying the major economic challenges and regeneration focus for each settlement. In order to take a strategic approach, 4 geographic areas and 3 thematic proposals will be the priority over the first three years of the plan with the focus moving to other areas as the plan progresses. More detailed evidence of need and descriptions of regeneration interventions have been included for those priority areas with further development work planned for the remaining areas in order to progress those priorities in subsequent years of the plan.**

**As funding opportunities emerge these will be detailed along with projects in Appendix 1. It is acknowledged that these are long-term, complex aspirations and the solutions will be long-term and multi-faceted.**

### Priority Regeneration Area: Rhyl

#### Background and Rationale for Regeneration

Like many other seaside towns, Rhyl suffered from the decline in domestic holidays. As visitor numbers decreased, businesses in the town began to suffer. Former guesthouses became Homes of Multiple Occupation (HMOs) and low property values led to poor standards and conditions. Areas of the town became host to concentrations of residents with complex social needs and problems of multiple deprivation. Denbighshire County Council recognised that this problem needed specific intervention and in 2004 adopted its first Strategy for Rhyl.

Regeneration of Rhyl has continued to be a public sector priority for a number of years, with almost half of Rhyl's neighbourhoods (7 out of 16 areas, 11,021 people from total population 24,924) still in the top 10% most deprived in Wales with one area ranked as second most deprived in Wales. Good progress has been made on moving people into employment and away from benefits, particularly amongst 16-24 year olds, with claimant numbers falling more sharply in Rhyl than elsewhere and the gap between the most deprived areas (West and South West Rhyl) and the Wales and UK averages narrowing. Although a number of priority projects around housing improvement, harbour regeneration, flood defences and facility improvements have either been completed or are well underway, deprivation indicators remain stubbornly poor, particularly for income & employment with five LSOA areas that still have more than double the Wales rate of employment related benefits claimants.

Analysis of Caci Paycheck data clearly shows that Rhyl's most deprived neighbourhoods now have significantly lower household incomes than prior to the economic downturn in 2008. Whilst the national trend shows levels of household income slowly recovering to pre-crash levels this is not the case in many of the neighbourhoods in Rhyl. In 2008 average household income in Rhyl South West 1 stood at £17,836. By 2016 this had dropped by just under £4,000 per household to £13,856 against a backdrop of sustained increases in the cost of living.

The next phase of regeneration work needs to focus on moving Rhyl to the tipping point where regeneration (market failure) ends and private investment starts to take over (local economic development), thus creating a wider range of employment opportunities for which local people on lower incomes will be prepared through labour market support interventions. Whilst no measure exists to define that 'tipping point', the ethos underpinning the Rhyl Regeneration Programme is to

increase footfall to and through the town, increasing spend in the local economy, stabilising businesses and increasing jobs and income opportunities. At the same time, the Rhyl Regeneration Programme prioritises support to local people through engagement activities and employability support with a view to progressing those individuals into local opportunities in order to increase household income, improve health outcomes and reduce reliance on public sector services.

### **Rhyl Regeneration Programme**

In 2016, Denbighshire County Council approved proposals for a next phase of cohesive regeneration activity in Rhyl to lead it towards becoming a place where people choose to live, work and visit.

The Rhyl Regeneration Programme has three inter-related strands; Place, People and Economy. Under Place there are three themes:

- Tourism and visitors;
- Living and working in Rhyl; and
- Town Centre

#### Progress to date

Significant progress has been made to deliver the priority projects under the Tourism and Visitor and Living and Working themes with major projects due to be completed over the course of the next two years. Denbighshire County Council, Rhyl Town Council and Welsh Government have all invested heavily in these projects that has subsequently levered private sector investment into the town moving towards the Tipping Point that the Programme is striving to achieve.

Under the **Tourism and Visitors** theme, the Waterfront project includes a refurbished theatre building with a new restaurant, a new and unique Waterpark and leisure offer alongside the existing Cinema, a Premier Inn and Travelodge and at least two new family restaurants. The waterfront itself is being significantly improved with a coherent public realm scheme, lighting and a refurbished Skytower providing a fresh and exciting seafront experience for visitors and local people. It is anticipated that around 900 000 visitors will be drawn to the waterfront once these attractions are open. The town centre is located close to the waterfront and shows potential for drawing these visitors in subject to getting the right offer in place.

There has also been investment secured under the **Living and Working** theme. Welsh Government have led the development of an innovative Housing Scheme in the West Rhyl area (Gerddi Heulwen) which involved investment of more than £16M into the demolition of poor quality, redundant HMOs to be replaced with quality, affordable mixed tenure accommodation centred around a pleasant shared garden area. Nearly £1M has been secured to date from Warm Wales to deliver energy efficiency improvements in private sector accommodation tackling fuel poverty and striving to contribute to an increase in household incomes. Partnership investment with Registered Social Landlords and the Town Council has also supported the delivery of a much-needed campaign to improve local, regional and national perceptions of Rhyl as a good place to live, work and visit.

#### Next steps

The third theme of the Rhyl Regeneration programme focussed on improving the **town centre** has yet to be progressed. Recent data, visual observation and conversations with businesses indicates that Rhyl Town Centre is increasingly unfit for purpose. There has been a continued decline in the comparison offer and a consistent increase in the percentage of properties that are vacant over the past 10 years rising from 7% to 21% currently. Whilst the national trend of decline has stabilised over the last four years, Rhyl's decline has continued. It is a coastal town with a gravitational draw area limited by the sea and in conflict with a number of its direct but smaller neighbours. It is essential therefore to consider the re-configuration of the town in order to diversify and improve

its offer to reconnect with local people and visitors to the new waterfront tourism and leisure facilities under construction.

Conversations in January 2018 with 65+ Town Centre retailers confirm that:

- Christmas was quieter in 2017 than the previous 2 years
- Businesses are feeling a significant drop in footfall
- The top end of the High Street closest to the waterfront is “Dead” from a retail footfall perspective
- Although it is ..”Good to see the work around the outskirts going on – it’s like a doughnut with no centre!”

Securing beneficial public and private sector investment, attracting more economically active residents, overcoming Rhyll’s poor reputation and nurturing business confidence / growth are key concepts behind an emerging Town Centre Master Plan which will provide the coherent long term physical regeneration framework for the town centre. With links to wider activities for addressing social issues and tackling poverty and support for local businesses to explore the viability of introducing a Business Improvement District the Master Plan focusses on delivery of the following objectives:

- Establish a vibrant and balanced mix of uses
- Improve ease of access to the town centre
- Improve pedestrian flows around the town centre
- Create a desirable town centre ambience

A number of key concept ideas tackling fundamental highways & access, environmental, residential, retail / commercial problems have been identified and provide focus for a stakeholder engagement campaign scheduled to begin in February 2018. Initial projects envisaged for the period 2018-2022 in order to begin the delivery of the Masterplan and achieve transformational change will include:

**Retail and Commercial Improvements to the High Street**, attracting footfall to a vibrant, modern high street area:

- Acquisition / redevelopment of key anchor buildings within the High Street to provide improved commercial and residential space;
- Grants and loans to acquire, reconfigure and renovate key town centre properties for commercial and residential purposes in the town centre in order to consolidate the offer, improve retail effectiveness and reduce town centre vacancies;
- Completion of Phase 1 of the Queens Market redevelopment proposals to acquire and remodel a significant block of commercial property located between the Waterfront and the high street;
- Development of an entrepreneurs hub, providing shared office space for business start-ups, aimed at bringing young entrepreneurial business people onto the high street
- Links to the emerging activities of a Business Improvement District initiative

**Improvements to the residential offer** available in the town centre to increase higher spending footfall and attract a wider mix of people to the area:

- Development of a Living over the Shop initiative to make use of vacant upper floors;
- Renovation of key residential streets to build on the impact of the Gerddi Heulwen housing scheme led by Welsh Government (i.e Edward Henry Street);

**Public Realm improvements** to create a vibrant and safe environment which will attract and retain residents and visitors for longer and encourage investment in retail, commercial and residential offers:

- Development of a public realm strategy with links to emerging Business Improvement District priorities
- Improvements to the public realm including greening and the creation of public space
- Animation of spaces within the town centre in order to draw people in

**Focus on enforcement** to develop a sense of pride and community ownership in the area and ensure that all sectors are delivering a commitment to Rhyl:

- Greater enforcement activity and campaigns;

Longer-term projects are likely to include:

**Improvements to Highways and access** including:

- Improved signage to assist people to navigate around the town and to the various attractions;
- Improved highways and streetscape between the waterfront and High Street to encourage footfall into the town centre;
- Remodelling of the road systems to ensure that the traffic systems reflect modern highways and access requirements for Rhyl taking into account the increase in road users and changes to journey purposes over the last 30 years, providing an easier and more efficient travel experience;
- Adjustment of the parking offer to reflect the changing needs of the area’s visitors;
- Improvements to cycle and pedestrian access throughout the town in order to connect with outlying neighbourhoods and the excellent cycle and pedestrian routes on the seafront that currently don’t extend into the town centre.

**Priority Regeneration Area: Wrexham Town**

**Purpose**

To regenerate the town centre to achieve the objectives identified in the Town Centre Masterplan which was adopted in April 2016. This is a planning led tool which is a framework for decision making for regeneration in the town centre. The overall vision is a new revitalised town centre and its surrounding neighbourhoods through the delivery of new and improved homes, the creation of businesses and jobs with a diverse offer of independent quality retail, leisure uses such as family restaurants, arts and cultural attractions, and all in a quality public realm providing an environment that is identifiable as Wrexham.

**The aims behind the vision are:**

- To improve the economic, social, environmental, and cultural well-being of Wrexham County Borough
- To support and retain young people in the town and surrounding communities
- To address worklessness and economic inactivity
- To support and
- Enable private sector investment in the town to boost economic growth and employment performance.

**The following are the key objectives to be delivered through our long term regeneration plan:**

- Improve the town centre identity, and change the use and functionality, to improve the economic performance increase the footfall and vibrancy of the area;

- Improve the visitor experience;
- Improve the accessibility into and around the town;
- Improve the evening economy;
- Provide opportunities for town centre living by generating a significant supply of new homes to meet local and regional need;
- Improve the standard of existing homes , quality of life amongst residents and desirability of the area;
- Accommodate the needs of a growing population; and
- Make the town centre greener with improved streetscape.

**The objectives will be delivered by establishing the town centre as a thriving destination by encouraging a wider diversity of uses, this will be achieved by the following:**

- Building on its strong sub-regional position as a major shopping destination, diversifying the offer and developing complementary leisure, cultural and arts attractions in an attractive environment;
- Develop an attractive and distinctive environment with high quality buildings, streets and spaces to enhance the character of the town and support the town centre strategies for retail, visitors and attracting residential development;
- Ensuring high quality access to and through the town centre by a range of modes, prioritising walking, cycling and public transport, but maintaining high quality road access to the centre;
- Making Wrexham town centre a great place to live with a wide variety of new homes attractive to a diverse range of people with supporting social infrastructure for offices and vacant office space to make a positive contribution to the role and function of the town centre as a place with a wide and diverse range of attractions; and
- Improving the quality of the public realm to improve places for people to meet, use and enjoy underpins the delivery of improvement in the quality of retail, visitor, housing and office provision.

In order to achieve the overall aims and objectives a regeneration plan has been produced to support the implementation of the masterplan which demonstrates short to long term schemes and projects taking into account the local challenges and opportunities.

**The following long term schemes identified below form part of the wider context to explore various funding programmes to lever in investment and provide the appropriate conditions to enable growth in terms of regeneration in the town centre and surrounding areas. They also contribute to the following Themes within the Masterplan:**

**An Accessible Town:**

- In order to address the need for improved accessibility into the town there is an identified scheme to Modernise transport infrastructure in order to enable growth, through the development of various larger schemes for accessibility into the town, such as the implementation of phased works, to improve the junctions on the A483 in order to address congestion issues currently acting as a barrier in terms of accessibility into the town. Support a modal shift of transport to help deliver growth by supporting development that encourages the use of public transport via Wrexham General Station for a transport hub in order to provide better connectivity with the Bus station and improve links and connectivity to the town.
- In addition to the larger scale infrastructure proposals there is a need to develop a network of attractive pedestrian friendly routes and spaces to improve the connectivity



both into and across the town centre helping to bind various parts of the town together in particular on the main corridor into the town centre.

**A Place to Visit:**

- In order to change the perception of the town as a tourist attraction and visitor destination that the town has a limited range of attractions in order to attract an increased number of visitors to the area there is a need to improve on the number and quality of strategic large scale events, the regeneration of the Wrexham Racecourse ground would be a major contributor to this and would improve the overall perception of the area, given its prime location along the main corridor into the town centre. The objective is to create a first class stadium capable of hosting international sporting events, music and other cultural outdoor events establishing it as a Regional Centre of Excellence. In conjunction with this there is ongoing consideration to maximise the development opportunities afforded on the adjacent parcel of land for commercial or mixed use development. This would not only generate a significant increase in footfall in but also enhance and strengthen the connectivity into the town.

**A place to Shop / A place to Live**

- As retail trends are changing there is a need to widen the scope of offer and split larger units into smaller units to provide mixed use development in appropriate locations incorporating evening economy uses such as restaurants, leisure, pubs and hotels and small-scale, local need retail. Homes above retail premises can provide opportunities to increase the vibrancy of the town centre and support the evening economy.

**The following schemes are identified in our Regeneration plan deliverable in the shorter term under the following masterplan themes:**

**Is Attractive and Distinctive:**

- To celebrate the local character and diversity that reflects the local area, architecture, materials and culture, various schemes have been identified to maximise the opportunities presented by Wrexham's Heritage and conservation areas. Significant parts of the Town Centre fall within conservation areas, which offer a unique environment and visitor attraction. Progress to deliver and then extend the THI Heritage led programme will preserve, conserve and enhance the town centre, bringing back into use derelict and vacant buildings providing residential accommodation and splitting larger retail premises into smaller units. Progress to deliver and then extend a THI scheme is being made, which incorporates a traditional construction skills training package to support a programme to produce employability outcomes.

**A Place to Work:**

- In February 2017, the Welsh Government announced £1 million funding to develop a new business hub in Wrexham. The Scheme which has recently been renamed 'Town Square' in recognition of its presence within Wrexham Town Centre, develops incubator units which brings together entrepreneurs in a shared environment, to enable ideas and develop collectively. As well as providing good quality business accommodation within Wrexham Town Centre the scheme can also support businesses with advice, workshops, and support with developing international trade and networking opportunities.

As 'Town Square' continues to develop there is an expectation of increased demand for 'growth' accommodation to enable businesses that have been developed to continue to expand within Wrexham Town Centre. This relies on the availability of good quality, sustainable accommodation that suits the needs of businesses and opportunities that outgrow the hub. In collaboration with the Town Centre Regeneration Funding, the use of Targeted Regeneration Investment funding will enable additional accommodation to be acquired and developed to satisfy this anticipated demand. This will provide a longer term legacy which will benefit the economic wellbeing of not only the town centre but the wider region by providing more opportunities for new and existing businesses to develop and flourish.

#### **A Place to Live:**

- To address the identified need for town centre accommodation there are identified projects such as HARPS schemes in the town centre to convert unused floor space above shops into habitable homes.
- There is potential to support the existing town centre acquisition scheme with additional funding from the TRI programme to enable some large properties to be supported to provide long term benefits for the town centre. Due to the nature of some of the properties in the town centre, there is likely to be significant costs associated with redeveloping the properties for residential, commercial or mixed use which would typically be difficult to recover through a normal loan scheme. This could potentially include addressing any potential issues such as asbestos, creating new disability access to all parts of the building and fire proofing. The use of grant element alongside the Town Centre Acquisition Fund would enable these issues to be addressed. This will support economic development by providing opportunities for local contractors including apprenticeships and trainee opportunities as part of the redevelopment of the properties and land, as well as providing further opportunities for people to live, work and access services in their own right. This provides Social benefits and outcomes by providing access to good quality residential and mixed use properties. Due to the type of properties being developed these will be in perpetuity and therefore provide a long term benefit. Properties could also be developed as Local Economic Hubs to support the economic regeneration of communities across the County Borough. These could operate in partnership with other similar schemes across the region and be similar to other hubs including ICE which has recently come to Wrexham. This model could also be utilised to promote tourism and businesses associated to this sector by creating Tourism Hubs alongside other sectors of the economy.
- A housing scheme has been identified located on Regent Street on the main arterial route into the town centre, on a derelict site which would allow for 25 units which vary in size. This project would contribute to an increase in the footfall enhancing the overall vibrancy of the area and maximise the linkage and connectivity into the town centre.
- A building has been identified for refurbishment in the town centre which was originally designed for a women's refuge but this facility moved some time and since the buildings has been used as a facility for people with learning difficulties, so there is opportunity for conversion to deliver specialist bespoke housing to meet the needs of the disability service with individuals with complex needs who require the specialist

housing within the communities of their origin. This would also meet the growing waiting list figures which currently has 34 active applications with at least 10 further applications in the process of completion.

- Traditionally known as Housing Renewal, there are opportunities to improve the quality of housing supply with the development of a Private Sector Property improvement scheme. The aim is to target gateway / arterial routes to improve the overall perception of these areas in conjunction with other schemes in order to support the overall aims and objectives for regeneration; this will strengthen connectivity and improve the linkages into and around the town centre.

**A Place to Shop / Attractive and Distinctive:**

- As part of the vision in the Masterplan and our Tourism Destination Management Plan, to create a visitor quarter in the town centre, a scheme has been identified, following an extensive commercial study, to regenerate the two indoor markets on Henblas Street. This will ensure better utilisation of the space, in order to enhance the offer within the markets and attract relevant and sustainable traders to reinstate Wrexham as a traditional market town and a visitor destination. This could also maximise opportunities for a night time economy in the surrounding area and within the market itself. In terms of branding this would also contribute to reinstating Wrexham as a traditional market town.
- Through our Public realm study it has been identified that there are improvements required both into and throughout the town including improved streetscape, development of lighting works and improved signage from key hubs linking into the town centre. A priority opportunity site for this is Henblas Square which is currently being developed as a mixed use site with retail and leisure, and given its close proximity to TY Pawb and Eagles Meadow shopping centre this is a good time to invest in streetscape improvements, such as trees, lighting, paving and street furniture. This would enhance the overall perception of the area and support our objective to create a café/cultural space in order to retain and manage the footfall in this area by creating a vibrant dwell space with a sense of enclosure.

**A Place to Visit:**

- Wrexham County Borough has invested significantly in tourism in recent years which has resulted in an increase in day and overnight visitors to the area. To meet this increase in demand there is an identified need for additional suitable coach parking areas in close proximity to the town centre. Attractions such as St Giles Church, Racecourse Ground and Ty Pawb will show that the need for suitable coach parking continues to increase. The Targeted Regeneration Investment funding would enable the acquisition of appropriate land for development as a coach park. Visitors would continue to be dropped off at their destinations but a designated parking site would ensure a safe and secure area where coaches can be parked for a longer period of time. This scheme would support the economic development of the town centre by making it more accessible for day and overnight coach trips, and ensure that visitors on coach trips are able to enjoy the attractions of the area for a longer period of time.

### Priority Regeneration Area: Bangor

Bangor is the oldest city in Wales, and as a city and a sub-regional centre for North Wales, Bangor has a distinct character and is marked by a profound sense of civic pride amongst its resident, studying and working populace. It is a place, which possesses a significant number of attributes, both modern and old, but is also faced with significant challenges in terms of its future prosperity and vitality.

Based on the 2011 census, the city has a population of 16,658, including university students. The total estimate number of students has since increased (10,766 based on University's figures for 2014/5) and therefore the estimate of the population of Bangor during term time is 20,244.

The Bangor City Partnership was established in early 2016, which brings together a wide range of key partners seeking to collaborate and work collectively to drive an agreed strategy for the City of Bangor. The Partnership includes representatives from Bangor City Council, Gwynedd Council, Welsh Government, Bangor University, Pontio, Betsi Cadwaladr Health Board, Strategic Housing Partnership, Grwp Llandrillo Menai, and the private sector (through the Bangor Business Improvement District).

Following the establishment of the Bangor City Partnership, further work was carried in preparing a regeneration strategy for the city. This Strategy and vision is predicated on exploiting Bangor's primary role as the sub regional centre for Gwynedd and Anglesey, recognising its inherent strengths and latent potential, and eradicating the negatives that have beset this City over the last decade and more. If fully realised, then Bangor can become the Greatest of Welsh Cities; offering the whole ambit of attributes and amenities that makes any City Great; but gilded with a sense of Welsh and Celtic Heritage.

The Strategy has three interdependent themes, none of which can fully achieve their outcomes alone. It is a holistic approach, both on a strategy level and thematic level.

#### 1. Development and Environment

Underpinned by four sub themes:

- Development
- Built Environment
- Public Realm
- Transport and Pedestrian Access

In recent years, Bangor City centre has experienced significant decline and an erosion of its function as a sub-regional retail centre. The main retail core runs along the High Street being over a mile in length. Bangor has maintained a high percentage of vacancy rates when compared to the Welsh average. With 'Retailing in Wales' largest towns and cities' January 2018 identifying an overall decline in across Wales from 16% in 2013 to 14.5% in 2017, Bangor has maintained over 20% retail vacancy over the same time with 2017 showing a reduction to 19.4%.

Bangor has seen an increase of 8% from 2013 in leisure vacancy up to 13.6% with the Welsh average at 8.7 last year. The city needs to consolidate the primary commercial area and improve the retail and leisure experiences; and secure alternative uses for vacant buildings in the city centre. This will be achieved by improvements to the High Street through the Property Renovation and Investment Scheme; and improving the vitality of the city centre through Strengthening Key Urban Access and Linkages.

The Partnership will seek to develop additional activities focusing on addressing the issue of poor building fabric within the retail area and public Realm works. Further investment in developing the Pier, further development of the Cultural Quarter the redevelopment of the University's Campus on Deiniol Road and its transformation into a Science and Technology Quarter. This will be underpinned by a number of initiatives to enhance the overall aesthetic of the city, the provision of citizen friendly green spaces and the rationalisation of transport and pedestrian access.

Activities will be developed and implemented in collaboration with the business community, thus building on the work of the Town Centre Partnership and subsequent establishment of the Business Improvement District in Bangor City centre.

## 2. Economy and Promotion

Underpinned by three sub themes:

- Business Support
- Marketing and Promotion
- Events

Projects will include reversing the decline in the professional sector and regenerating the city through reutilisation spaces above shops, a grant and advisory support services for retailers and businesses within Bangor, a rebranding and repositioning of the City, and initiatives to encourage private sector investment.

## 3. Housing Health and Wellbeing

Underpinned by two sub themes:

- Homes
- Health and Wellbeing

Over the last 5 years, the city has also seen significant changes in the provision and quality of student accommodation developed by Bangor University. Over many decades, one key impact of the presence of the University was the multiplicity of student housing stock – with 1,160 Houses in Multiple Occupation (HMO) in Bangor which represents some 21% of the city's total housing stock. A gradual decline in the fabric of many of the older properties, coupled with the emergence of new student accommodation, has resulted in a number of empty properties and / or low quality housing around the heart of the city.

In addition, there are currently 1,528 houses owned by social landlords in Bangor (approximately 25% of the total housing stock). The main Registered Social Landlords (RSLs) are Cartrefi Cymunedol Gwynedd (CCG), North Wales Housing, and Cynefin. The RSL's have a key role, not only to provide housing to an appropriate standard, but also through engagement and the delivery of a range of ancillary and support services.

Project activities will have a significant focus on revitalising and growing housing stock within the City, tackling negative issues around HMOs, improving intermediate housing supply and working with Registered Social Landlords and Private Sector to return Properties back to a standard where young people in particular would wish to live, and will be complemented by appropriate initiatives to support more sustainable and healthy living conditions, and access to health and wellbeing services and support.

The proposed Bangor Integrated Health, Family and Well-being Centre involves the development of a multi-agency facility to incorporate primary care, community, family health and therapy services and appropriate housing development within the city centre. This proposal is being led by Cartrefi Cymunedol Gwynedd and Betsi Cadwaladr University Health Board and will encompass a range of wellbeing initiatives, creating a vibrant one-stop facility that promotes social wellness through social prescribing activities as well as more traditional health services.

As detailed elsewhere in the Regional Regeneration Plan (Section 3, Appendix 2) high levels of social deprivation exist in the Maesgeirchen area of the city. Proposals are also being developed in respect of the Glancegin Integrated Family Centre which would provide support and access to key services that currently do not exist. In addition to providing support to the families in terms of improving the life chances of the children on the estate, a purpose built centre will be able to provide facilities to assist those outside of the employment market to become work ready.

A further project is the development of an Integrated Homelessness Facility. This Project is in early development under leadership of Cartrefi Cymunedol Gwynedd, Betsi Cadwaladr University Health Board and a local mental health charity

In addressing identified housing needs of Bangor City, activities will be integrated with the proposed Thematic Housing Programme.

As part of the TRI Programme, robust arrangements will be established for the delivery of the Bangor City Centre Regeneration Plan. This will include the establishment of a programme office to manage and co-ordinate the delivery of activities.

#### **Priority Regeneration Area: Colwyn Bay and Llysfaen**

Colwyn Bay has been a focus of regeneration programmes since 2009 having been characterised by high levels of deprivation in four neighbourhoods. An extensive, and holistic regeneration investment programme has been undertaken including community/neighbourhood development, health and wellbeing programmes, waterfront improvements and coastal defence works, development of a regional events arena, housing renewal, Townscape Heritage initiative, and more recently key bespoke office development. These have attracted new visitors to the town and started to improve its image. However, two neighbourhoods still remain in the bottom 10% of the WIMD, representing 12% of the town's population, and a further 7 wards are ranked within the lowest 10% to 50%, with stubbornly poor indicators for Income, Employment, Housing and Education. This is then combined with persistent high vacancy rates within the town centre and no change in footfall levels there.

The wellbeing of Colwyn Bay is critical to the proper functioning and future prosperity of the wider community of the Bay of Colwyn, at 33,000 the second largest town within North Wales, and the Central North Wales growth hub, recognised in the 2008 Wales Spatial Plan. It's central location along the coast and strong connectivity means that its residents and businesses can play a significant role in contributing to the North Wales Growth Vision.

Whilst to date the regeneration programme has witnessed significant progress in 3 of the 4 drivers, as identified in the Colwyn Masterplan 2010, namely, Parc Eirias, Waterfront and Housing Renewal, progress in the town centre has been limited.

The annual town centre benchmarking exercise undertaken by ‘People and Places’ confirms that the vacancy rate within the town centre remains at 17% (June 2017), and whilst footfall on the waterfront and in Parc Eirias has increased there has been little noticeable change in the town centre, nor improvement in movement across the town. The Bay View Centre remains the focal point. The quality, and size of premises, lack of convenience retailing, combined with low footfall and concerns about the town centre’s traffic management remain the key barriers to investment. The next phase of the Colwyn Bay Regeneration Programme, 2018 -21 will retain it’s holistic approach combining physical regeneration with community development and a focus on economic and health wellbeing. A key priority will be investment in the town centre itself, continuing to create an environment that can facilitate private and public sector investment that maximise the town’s strategic location and connectivity as a destination, service and commercial centre. This will ensure a:

***“...vibrant town centre destination for shopping, business and commerce, services, culture, entertainment and leisure through the enhancement of its vitality, viability and attractiveness.....” (Conwy LDP Strategic Objective 6 and Colwyn Masterplan 2010)***

This will not be done at the expense of continuing investment to complete strategies for the other three drivers, so that improvements seen over recent years are not lost:

- **Parc Eirias** – continued investment as an events destination and state of the art health and wellbeing centre in collaboration with Betsi Cadwalader University Health Board and Social Services. Redevelopment of the neighbouring Colwyn Civic Centre.
- **Waterfront** – implementation of Phase 2b and the Old Colwyn promenade improvements – North Wales Critical Infrastructure Project, together with the creation of a shortened pier.
- **Housing Renewal** – implementation of the phase of renewal overlapping with the town centre, specifically seeing renewal of residential accommodation in Bay View Road and above commercial property in Abergele Road.

A refreshed Bay Life Regeneration Board – the coordinating body of the regeneration programme – with reinforced roles for the Bay of Colwyn Town Council and Business Improvement District in particular will drive forward the programme under a branding **“Creative Colwyn”**. This will highlight the opportunities presented by Colwyn Bay whilst also developing the wider cultural offer of arts, heritage and leisure. The BID and IMAGINE project, supported by HLF, will be key contributors to this.

Alongside investment strategies for Parc Eirias and the Waterfront a **Town Centre Investment Plan** is being finalised, teasing out and reviewing key proposals from the original Colwyn masterplan. This will be focussed on three themes:

**Identification:** branding, signage, orientation, gateway anchor points, ensuring a consistency and understanding of the town centre and its environs. Key indicators: visitor numbers, footfall and investment enquiries.

**Integration:** This will focus on improving linkages between currently disparate parts of the town centre. Initial focus will be on those links from Abergele Road to the core town centre; ensuring that the new Coed Pella development is fully integrated; from the Bay View Centre to the station and Station Road; parking provision and its accessibility; and traffic movement, so that it permeates the town centre. It is also critical to improve the connectivity of the town centre with surrounding areas particularly the Waterfront - via Station Square, Parc Eirias – along Abergele Road, and the ‘business quarter’ to the west. Key indicator: footfall

**Animation:** that is of the streets and open spaces, so as to create a welcoming business and leisure environment. This will be done by a combination of improved and consistent public realm/streetscape and investment in properties around them to create sustainable futures for

them, be it business, leisure, services or residential. Key initiatives behind this particular theme will be:

- Commercial Property Investment scheme – as a successor to the Townscape Heritage Initiative but looking at a wider area and a mix of grant and loan to the private sector.
- A Key Sites and Properties Investment Scheme with CCBC taking the lead where market failure is evident. An initial property is 7 Abergele Road, but focus will also be on others such as the Imperial Buildings, Market Hall, Bay View Road, etc. Using a combination of funding to create sustainable future investments.
- An integrated marketing and business support programme for prospective investors, between CCBC, BID, Business Wales and Coleg Llandrillo.
- Integrating and animating spaces and linkages both within the town centre and to surrounding areas. Initial focus on Abergele/Conway Road, and Station Road before tackling St Pauls Gardens, and Ivy Street. The HLF supported IMAGINE project will play an integral part in this to assist in developing solutions and also ensuring ‘community ownership’
- A renewed vision for Station Square, to include the station, its forecourt, linkages to the waterfront; the Market Hall site, Imperial Buildings, and ‘station steps’ so that it becomes a true focal point for the town centre. This will require a multi-agency approach given the complicated land ownership pattern.
- A renewed Market and events offer for the town centre which is compatible and complimentary to Parc Eirias and the Waterfront.
- To redevelop Douglas Road as a community hub with enterprise and training opportunities, potentially incorporating a family centre
- Housing renewal in the Abergele Road and Bay View Road areas in coordination with the commercial property investment scheme.
- Tourism Academy related investments such as student accommodation

Key indicators of success will be reduced vacancy rates, new business investments, increased employment levels within the town centre, residential units created, numbers and size of markets/events, business survival rates, visitor and footfall figures.

As has been the case since 2009 the Regeneration Board will be supported by the Bay Life Officer group who will ensure proper and timely delivery of projects using CCBC programme and project management frameworks, and adherence to funding requirements.

#### **Priority Regeneration Area: Caernarfon**

Caernarfon is an iconic tourist destination of national and international standing. The town has arguably some of the best heritage, cultural and natural assets in Wales, yet during the second half of the 20th Century it suffered a gradual decline in its economic fortunes. This has resulted in some parts of Caernarfon developing high deprivation levels characterised by high unemployment, low wages, poor housing and health and contributed to the increasing run-down appearance of the town, reducing its attractiveness and confidence to residents, visitors and investors alike.

In response, the town is the subject of an extensive and ongoing developing programme of investment designed to further enhance its status as an iconic and “must see” destination in Wales. A new approach is being developed which builds on the area’s undoubted strengths in celebrating differences, and marketing its unique identity and being culturally relevant. The



programme is unique in how it has and will utilise Caernarfon's exceptional cultural and historical assets that is the Welsh speaking capital of Wales; World Heritage Castle and historic environs; strong indigenous creative arts/industry; gateway to Snowdonia; harbour town with unique and historical waterfront; linking of key attractions such as the Welsh Highland Railway and Wales Coastal Path.

The Caernarfon Waterfront Initiative currently forms part of the Tourism Attractor Destination Programme (TAD) led by Visit Wales, Welsh Government. A pan-wales multi-million pound iconic tourism investment programme supporting ten strategic regionally prioritised projects that will raise the quality and perception of destinations in Wales.

During the period of the Regional Regeneration Plan, it is envisaged that further investment will be secured to underpin the new regeneration approach developed for the town.

#### **Priority Regeneration Area: Newbridge/Cefn and Plas Madoc (Wrexham villages)**

Regeneration of the High Street in Cefn Mawr has received support from HLF through a THI scheme, which closed this year. Further regeneration to progress Cefn Mawr's role as a tourism centre, linking to the WHS destination and increasing the visitor experience and dwell time on the High Street. This will support employment opportunities within the businesses now operating here as a result of the THI. The emerging masterplan will further support the linkage between Cefn Mawr and the WHS encouraging people to not only visit the area but create a dwell space.

Regeneration activity can support access to services and employment for the neighbouring community of Plas Madoc. The Housing renewal scheme will be beneficial for private properties in the area that now fall behind the standards reached in the social housing stock. There is currently an estate remodelling underway which will act as a vehicle to raise the profile of Plas Madoc and the estate re-modelling agenda within WCBC. This is critical to the success of the regeneration of Plas Madoc and the creation of a sustainable community will be the inclusion of non-physical projects. This will be the framework to encourage and lever in future investment into the area by demonstrating the opportunities for regeneration.

#### **Priority Regeneration Area: Holywell**

Holywell is a small rural town with a population of around 8,500. There are significant pockets of deprivation round the town.

The high street area in Holywell comprises around 113 retail units. Holywell has seen two rounds of Townscape Heritage Initiative funding and the quality of the built form is very high with conservation area status and a number of listed buildings. The public realm, though, is very dated and very poor quality. The town centre is pedestrianised which is reducing potential customers. Footfall in the town is reported as very low. Although vacancy levels are low compared to national figures they are high in a Flintshire context.

The regeneration priorities for the town are:

- Review and develop options to improve access to the town centre, including for vehicles.
- Town centre property interventions to reduce the retail footprint and generate new activity.
- Housing development including social and affordable rent housing.
- Enhance the visitor economy through links to wider infrastructure.
- Improvements to the street environment.

**Priority Regeneration Area: Shotton (Deeside)**

Deeside has a population of around 54,000 people. It is a major hub for employment and economic growth potential in both the North Wales and Mersey Dee context with a particular focus on manufacturing. The high street areas in Deeside comprise around 215 retail units extending over far too great an area to be sustainable.

The built environment in Deeside is poor along the main coast road, creating a weak first impression. There are large clusters of private housing in need of modernisation and the street environment is dominated by traffic, an outdated public realm and many poor quality shop fronts. Although retail vacancy levels are relatively low there remains an over-provision of retail units. Traffic is an increasing problem in Deeside with local movements through the urban area to areas of employment heavily congested. Despite the economic opportunities in Deeside there are significant pockets of deprivation in Shotton and Connah's Quay.

The Deeside Plan, developed in early 2017 sets out the priorities for economic development in Deeside:

1. Economic growth
2. Transport
3. Housing
4. Skills and employment
5. Environment

Delivery against these will come from a mixture of strategic interventions from the North Wales Growth Deal as well as more localised regeneration projects including:

- Continuation of the housing renewal area programme to improve the housing stock.
- Housing development including social and affordable rent housing.
- Improvements to the local transport infrastructure to improve access to employment and services.
- Town Centre property interventions to reduce the retail footprint and generate new activity.
- Opening up access to the river Dee.
- Improvement to the street environment.

**Priority Regeneration Area: Llandudno**

Llandudno has a population of 15,266 and has developed as a regional, and nationally significant tourism resort. As an integral part of the Central North Wales Growth Hub identified in the Wales Spatial Plan 2008 it is also significant as a regional retail and service centre.

Despite the apparent success of the resort town two LSOAs demonstrate low levels of income, employment and educational attainment. Tudno being within the 10% most deprived LSOAs within Wales. Changes within the tourism industry resulting in the closure of some hotels and B&Bs has also led to conversions of properties to the private rented sector as small flats or Houses in Multiple Occupation, bringing with it a transient population.

In recent years Communities First programmes have worked within these communities making substantial in roads to improve the circumstances. The Conwy Economic Growth Strategy 2017 - 27 recognises, as a key issue, the need to raise income levels and create full time employment in

the tourism/leisure sector. Whilst benefit from all five ambitions within the strategy key to Llandudno's future is the development of the winter tourism offer.

Working closely with key landowners, Mostyn Estates, significant tourism/leisure, hospitality, retail and commercial investments have been made in recent years with others proposed. The continued success of the town as a nationally significant resort is dependent upon continued exemplary destination and investment management coupled with supporting and skilling the community to be able to access the opportunities that that brings. Regeneration investment will therefore be focussed upon people outcomes.

#### **Priority Regeneration Area: Denbigh**

Amongst the 10% most deprived communities in Wales, the town of Denbigh lost its main employer (the North Wales Hospital) over two decades ago and the site has never been returned to productive use. Securing private sector investment in both this site and the town centre itself has proved elusive for many years.

The town centre exhibits signs of decline including increased vacancy rates, significantly reduced footfall and spend and derelict prominent historic buildings in the town centre. There is a limited range of popular independent shops and services but the town's night time offer has contracted significantly in recent years despite national trends that suggest it should be expanding.

Denbigh is in a period of adjustment and turbulence, needing support to accelerate its move towards being a speciality town where the anchor tends to be a strong tourism offer. The town has a very high number of historic buildings including the spectacular Denbigh castle, but lacks a good accommodation base that would help anchor visitor spend in the town centre.

There is wider prospect of new customers for town centre businesses from potential development of new homes on land allocated for residential developments around Denbigh, but with mixed perceptions of parking in the town (Denbighshire Town Centre Parking & Traffic Management Study 2015) access improvements will be critical to exploiting these new markets. A significant unmet need for affordable homes in the area also provides potential opportunity for providing new uses for derelict and under-utilised town centre properties, with added potential to increase town centre footfall and the longer term vitality of the town centre where investment can be secured. Failing to address the range of issues highlighted will lead to a decline in local employment opportunity and local access to goods and services.

#### **Priority Regeneration Area: Holyhead**

Despite its strategic role as an international ferry port, Holyhead has suffered from poverty, unemployment, and deprivation for many decades, and many residents are being adversely impacted by welfare reform. Large scale job losses took place in 2009-10 with two of the town's three main employers effectively closing down, reversing previous job gains. Of all North Wales towns, Holyhead ranks second after Rhyl in the percentage of population in income deprivation (27%) and working age people on employment related benefits (17%).

The current Holyhead regeneration strategy was launched in 2014 with the vision that :- *Holyhead has taken full advantage of the opportunities it has to become a dynamic and sustainable place to live, work, visit, and invest.*

The key aims in the Strategy are :-

1. *Improve the supply, choice, and standard of homes, and quality of place*
2. *Capitalise on major investments to secure new jobs for local people*
3. *Reduce poverty by maximising local benefit from new developments*
4. *Integrated and innovative working leading to positive long-term transformation*

The VVP Programme 2014-17 saw overall capital investment of £32m in the town, including new social housing, housing improvements, town centre improvements and business support, a new primary school, new Flying Start centre, and new and improved facilities for the community. The process of regeneration clearly remains unfinished and will need to continue for several decades. The primary need is to boost local employment.

Key needs and opportunities for capital investment include : a multi-use/ cruise ship berth, harbour infrastructure works, and the redevelopment and suitable re-use of large vacant buildings and closed school sites.

#### **Priority Regeneration Area: Abergele & Pensarn**

Abergele/Pensarn with a population of 10,700 is identified in the Conwy Local Development Plan 2007 -22 as a key growth area in the NE of the County with over 800 housing units allocated towards the south east and west of the town. However, the settlement area includes the most deprived LSOA in the County of Conwy in Pensarn, demonstrating high levels of income, housing, employment and educational attainment deprivation.

The apparent general vitality of the community is contrasting with the issues in Pensarn and the town centre which is now demonstrating a 17% vacancy rate with the recent loss of its last bank. The town is vulnerable to stronger competing centres within the region, and whilst its proximity to the A55 may seem to be a benefit, being at a junction of routes means that it does generate issues with the town's infrastructure specifically traffic and congestion that is impacting on its attractiveness and appeal for investment. The need for accessible and integrated services is a key issue going forward with over a third of households being over the pensionable age and almost a quarter in the Pentre Mawr ward having the greatest number of dependent children.

As a consequence of these pressures/issues in 2016 a Place Plan for the community was developed to respond to future growth and delivering change that works towards meeting its environmental, economic and social goals. The Plan also recognises the local community's assets and needs as inspiration for creating good, functional places that promote people's health, happiness and well-being.

An adopted Place Plan is now in existence to provide strategic direction with a vision that is based on "*Between coast and hills, Abergele is known as a town centre community that has a heart and is memorable for a diversity of activities taking place as well as base to explore from.*" Supported by a 15-year action plan a number of "Big Ideas" and "Quick Wins" have been identified which include a community hub, an arts and culture venue, active health trails, local enterprise support, infrastructure improvements, Pensarn housing area and Pensarn promenade.

Governance and management has also been established with the Place Plan Programme Board now directing actions across thematic areas such as housing, health and well-being, access and infrastructure, business, tourism and jobs and culture and heritage with a community forum representing the wider views of local organisations and residents. Abergele and Pensarn therefore

has the delivery infrastructure in place to respond to strategic opportunities such as the Targeted Regeneration Investment programme.

### **Thematic Priorities**

#### **Thematic Priority 1 - Housing**

##### **1.1 Empty Properties Housing Programme**

The need for a specific programme to address the challenges and opportunities posed by empty buildings has been highlighted as a need in North Wales, where there are an estimated 6,000 long-term empty properties. The need to reduce the number of empty homes is a key housing policy aim of the Welsh Government.

Empty houses and flats represent a wasted resource and an opportunity to increase housing supply at a time of significant housing shortage. A combination of repayable loans, grants and proactive liaison with property owners, together with enforcement work by Local Authorities in appropriate cases, will enable more empty properties to be brought back into occupation.

The closure of facilities such as chapels, courts and banks is having a detrimental impact on several smaller towns in the region, and these buildings are often suitable for conversion to residential, business or community uses, or as multi-use centres. Buildings, such as churches, are often challenging and expensive to refurbish (e.g. due to being listed) and, without public subsidy or support, may remain disused for years. As with empty homes, the support required will involve a combination of grants and repayable finance, together with other measures, such as appropriate enforcement.

Investment under this theme will be prioritised in the most deprived towns, or those where the number or type of empty buildings creates particular problems, but will also help to address specific needs and opportunities in other settlements where a strong case can be made.

Although in most cases, empty property owners are liable for the payment of Council Tax after the property has been empty for 6 months or more, empty properties make no other positive contribution to the neighbourhood in which they are located, and can help to make an area appear neglected. Empty properties can also impact negatively on the value of adjoining properties and make them less attractive to potential purchasers.

The Welsh Government-funded interest free loan scheme has made a positive contribution to returning empty properties to occupation, but the number of properties benefiting from the scheme remains a small percentage of the total number of empty properties.

The Social Housing Register and Local Housing Market for each county in North Wales indicates the scale of the current need, and it is clearly logical for a significant part of this need to be met from the existing stock by bringing empty properties back into occupation.

An offer of appropriately targeted grants would enable:

- first time buyers to purchase empty properties which may have been outside their reach previously (due to mortgage retentions or issues of insufficient equity), and will also contribute to improvements in the condition of the private sector housing stock
- Authorities to target problematic empty dwellings where offers of loan assistance have not been taken up, or where owners' circumstances have made them ineligible for the scheme
- The potential to create work for local contractors with consequential benefit to the local supply chain

An Empty Property Scheme will need to be supported by an assessment process, allowing grant funding levels to vary from property to property, to ensure that as many properties as possible are included, with the remaining costs being met from owner's contributions or from other funding sources.

Recent legislation by central Government has contributed to making the private rented sector more difficult to access for low income households than it has been previously. Grants could be linked to nomination rights to assist with meeting social housing need.

Proposals in the first year focus on a joint scheme for the Bangor & Holyhead Travel to Work Area, linked to the impacts of Welfare Reform, Bangor university student accommodation issues, and the anticipated impacts of Wylfa Newydd on the local housing market.

### **Thematic Priority 1 - Housing**

#### **1.2 Housing Renewal**

The actions within a programme of housing renewal projects aim **to support wider regeneration programmes by improving investor confidence and protecting existing investment** through work to remedy the pockets of poor quality housing and deprivation, which still exist in settlements across north Wales.

The Welsh Government Renewal Area programme that operated for many years until March 2017 was very successful. However, there remain pockets of poor quality and empty properties in and around key settlements that were not addressed through this programme of works.

It is commonly acknowledged that poor-quality housing can have a detrimental effect on the health of its occupants, and more generally on the quality of life in an area. Whilst it is primarily the responsibility of homeowners to maintain their own properties, it is recognised that some homeowners, particularly the elderly and vulnerable, do not have the necessary resources to keep their homes in good repair. Local Authorities have a duty to review and address housing standards in their area and they have a significant role to play in helping homeowners to meet this responsibility.

The Regulatory Reform (Housing Assistance) (England and Wales) Order 2002 (RRO), came into effect on 18th July 2002, repealed and replaced Part I of the Housing Grants, Construction and Regeneration Act 1996. The RRO permits Local Authorities in England and Wales to offer measures to help residents with the repair, adaptation and improvement of their homes, to target resources in accordance with local priorities and to set qualifying conditions, criteria and financial limits which must be satisfied if financial assistance is to be considered.

It therefore provides an opportunity to contribute further towards the Government's overall strategies which aim to tackle poverty and social exclusion, health inequalities and neighbourhood decline. Under the terms of Regulatory Reform, Councils must also align their housing policies with wider national strategic objectives.

The key objectives of the Housing Renewal proposal are:

- To improve the quality of life for residents by targeting homes in the poorest condition
- To support the continuation of an affordable housing market alongside a fuller choice of dwellings
- To restore and replace derelict property through enforcement and compulsory purchase where necessary

- To bring back underused or derelict sites  
To improve the environment through increasing the amount of green space in the vicinity

An Area Based Housing Renewal approach has proven to be an effective means of renovating areas of poor quality housing and of preserving communities. A number of initiatives can be undertaken which include the provision of grant aid in the form of group repair schemes, conversion grants, commercial grants and energy efficiency measures linked to funding from energy providers. Additionally a certain amount of environmental improvement work can be undertaken within the areas at include the establishment of low maintenance landscaped areas, improved access to a community car parks, common access paths and boundary walls.

These schemes can provide leverage for additional funding for energy efficiency measures and private sector contributions.

Work carried out might include improvements to the external parts of buildings that include the following elements:

- roofs
- chimneys
- windows and doors
- external walls
- gutters
- pointing and rendering

The need for a Housing renewal scheme within Priority Regeneration Areas has been highlighted as a need across north Wales with a focus on Town Centre Living including HARPS/LOTS.

This thematic priority not only responds to the recognised housing need across the region but also provides a purpose for some of the empty space above retail properties in town centres which is no longer required.

The provision of a range of suitable accommodation in and near town centres will also support the region's regeneration aspirations for some areas by attracting a more diverse mix of people to live in the town centre providing an additional source of footfall and spend within the local economy.

Types of schemes include:

**Conversion - Homes above Retail Premises (HARPS)** - Financial assistance towards the cost of converting under used space within commercial premises for residential use, within a town or village centre and any other strategic scheme decided by the Council.

**Commercial Grant** - To enable existing commercial premises in line with domestic dwellings to be improved to group repair standard.

**Loan Schemes** - Wrexham County Borough Council currently benefits from funding provided by the Welsh Government to support both improvements to private sector homes and to bring empty properties back into use, through the provision of loans. The purpose of the loans is to provide a sustainable and long term model to drive up standards of residential accommodation within the County Borough.

These schemes, subject to availability and eligibility operate alongside other initiatives such as Renewal Area, Townscape Heritage Initiative and Energy Efficiency (ECO & Nest) to ensure

properties gain maximum benefit from this added investment within the housing stock. The nature and coverage of the loans varies depending on the scheme with some covering specific areas and others available across the County Borough.

**Empty Houses into Homes** - The loan scheme was developed to address the issue of long term empty properties across Wales.

**Private Sector Improvement Loans** - A loan scheme to renovate a dwelling to a reasonable standard, free from any serious hazards (as a minimum).

**Houseproud** - If there are no external sources of funding available to home owners this Council run scheme ensures that any home improvement, repairs and adaptation works to properties can be carried out with total peace of mind. Houseproud offers a safe, easy way to get those essential jobs done professionally and with the minimum of fuss, with the sole aim to help residents to live safely and independently in their own homes by paying for the works directly themselves.

Priority areas for Year 1 of the Targeted Regeneration Funding Programme would include South West Wrexham, the North Central Colwyn Bay area and Rhyl Town Centre with the potential to improve circa 130 properties over a 12 month period.

Further development work would be undertaken during Year 1 to develop further schemes for years 2 & 3 which will include projects in Flintshire, Wrexham, Conwy and Denbighshire.

## **Thematic Priority 2 - Important Buildings**

### **Background**

Smaller town centres across the UK face challenging economic conditions which threaten their vitality and viability. Changing customer patterns of behaviour are impacting on some of their traditional roles; in particular retail and service provision. The scale of high street retail has been reducing over time as customers opt for greater reliance upon a smaller number of larger retail centres and as online retailing grows in dominance. Traditional high street services such as banking have also been withdrawn from many towns as customers increasing rely upon telephone and online alternatives.

The built form of town centres reflects their traditional pattern of use and is often difficult and expensive to adapt to new purposes. The loss of retail and service functions can lead to a vicious cycle of increased vacancy rates, less investment in property maintenance, a less attractive town centre environment, reduced footfall and worsening trading conditions for remaining businesses.

It is therefore vitally important that the public sector intervenes to support the vitality and viability of the town centres. Despite their changing functions, they remain important centres for employment, access to services and social interaction and play a vital role especially for the more vulnerable in society.

### **Priority purpose**

The work undertaken under this priority will enable the public sector to intervene where key buildings in town centres become vacant or where conversion to alternative functions would safeguard their viability in the long term. The priority will support carefully targeted acquisition and/or renovation of important buildings in town centres; important due to their heritage, profile, location or scale.

### **Priority benefits**

In safeguarding important buildings the work undertaken under this priority will:



- help to restore confidence in town centres;
- contribute to breaking the cycle of decline in town centres;
- safeguard important heritage assets;
- create employment opportunities.

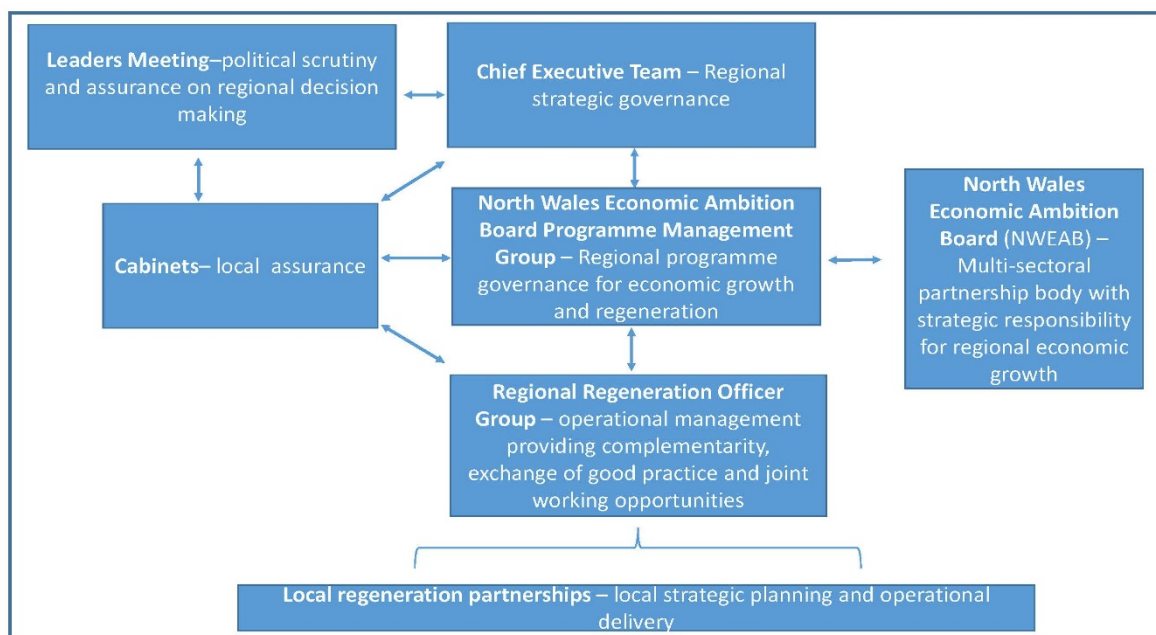
It is recognised that there is work to be done regionally to develop a strategic approach to this issue. It is anticipated that some support from the Targeted Regeneration Investment Programme will be sought to support the development of a cohesive plan which would then inform future project applications in Years 2 and 3.

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## GOVERNANCE ARRANGEMENTS

Governance Arrangements for the North Wales Regeneration Plan are set out in Table 2 below:

**Table 2:** Governance structure for the North Wales Regeneration Plan



A **Regional Regeneration Officer Group** has been established with representatives from each of the six Local Authorities which an expertise in Regeneration and is chaired by a member of the North Wales Economic Ambition Board Programme Management Group (PMG). This group are responsible for:

- Agreement of operational arrangements for delivery of the Regional Regeneration plan and any thematic projects;
- Monitoring progress of thematic and area projects against financial and output targets from any relevant regional funding streams and proposing remedial action as appropriate; and
- Developing proposals for prioritisation for any future funding.

This group report progress to the North Wales Economic Ambition Board PMG on a regular basis.

The **North Wales Economic Ambition Board Programme Management Group** (PMG) involves Senior Officers from each of the six Local Authorities with the remit for Economic Growth and Regeneration and is chaired by a member of the Chief Executive Team (CET). This group are responsible for:

- Strategic development and delivery of the Growth Deal bid for North Wales;
- Strategic management and monitoring of the Regional Regeneration Plan and any relevant regional funding packages; and
- Endorsing recommendations for proposals for projects for future regeneration funding in line with the Regional Regeneration Plan.
- This group report progress to their relevant Cabinet groups, the Chief Executive Team, the Leader's group and the cross-sectoral North Wales Economic Ambition Board regularly.

The local regeneration partnerships and management arrangements draw partners from a range of organisations, some within the governance structures and others within individual project development to ensure that skills, expertise and resources are maximised to deliver the best solution for each local area.

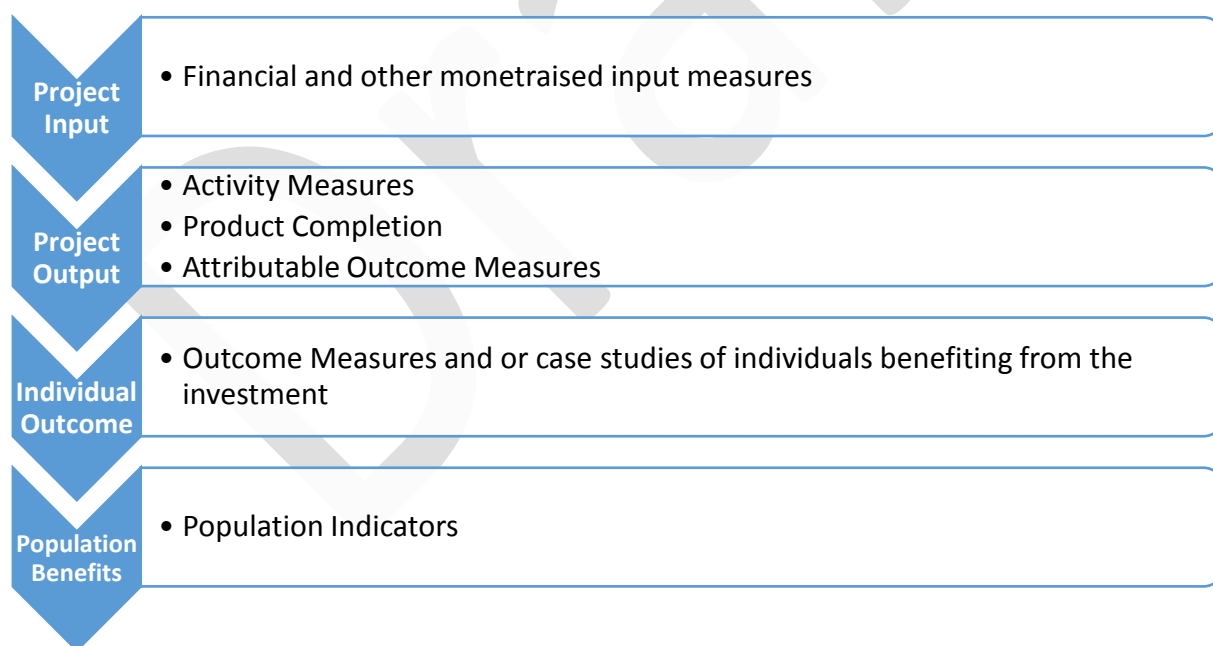
## MONITORING

The North Wales Regeneration Plan sets out priorities and aspirations for the region until 2035. Success of the plan will be dependent on delivery of regeneration interventions amidst the wider national economic priorities and global context.

The North Wales Regional Regeneration Officer’s group will meet regularly and will undertake a monitoring role to ensure that:

- Priorities within the Regional Regeneration plan are up to date and take into account regional and local developments;
- Applications for regional funding opportunities are prioritised in line with the priorities set out within the Regional Regeneration plan;
- Projects invited to go forward for regional funding opportunities are developed in line with agreed financial and output profiles and timescales and remedial steps are agreed if applications are not likely to meet funders expectations in order to safeguard the funding for the region;
- Projects approved within any regional funding programmes are delivered in line with agreed financial and output profiles and where issues occur, ensure that steps are taken to support the project or where appropriate safeguard the funds;
- Opportunities to maximise efficiencies through joint working are identified.

### Evaluation model



An evaluation framework has been developed drawing on the guidance of the HM Treasury Magenta Book. At a project level, financial input will be measured along with measures of activity and those outcomes directly attributable to the project.

Two further levels will be examined from a programme perspective. Case studies will be collected from discussion with those members of the community who have benefited from the investments

and regeneration activities. These will provide a broader 'human story' to complement the statistical analysis.

Finally, these regeneration activities are considered as a key component of the region's wider economic strategy. It will therefore be important to baseline and track a set of population level indicators. These population level indicators have double purpose. They represent the benefits that it is anticipated that regeneration activities will produce. The current baselines represent the evidence of need on which the project planning is based. This baseline information is included within Appendix 2.

### **Population Indicators**

For each of our prioritised areas we will report on the following data on an annual basis:

1. Household Incomes
  - a. In town
  - b. In deprived area
2. Number of Employments (in town)
3. Number of Businesses (in town)
4. WIMD Income indicator (in deprived area)
5. WIMD Employment Indicator (in deprived area)

Individual regeneration projects will establish relevant outputs and targets that will be monitored and reported at an individual project board level.

## COMMUNICATION

Communication will be managed at both a regional level with the development of a programme level communication strategy and then as an integral part of each project.

All communication activity will be in line with the expectations set out in the Welsh Language Standards.

The Communication Strategy will identify the key communication aims, objectives and measurable outcomes along with the key messages for communication.

Key messages will be developed to ensure that key stakeholders and communities across the region understand:

- The 6 north Wales Local Authorities are working collaboratively in the best interest of the region;
- Resources will be used thoughtfully to bring about the biggest impact;
- Failure to address the challenges in our most deprived communities will have an impact on services across the region (including the demand on health services and police);
- North Wales has many strengths and opportunities and is a good place to live, work and visit;
- North Wales is a good place to invest;
- This is a long-term commitment.

Support from Welsh Government and other funders will be communicated at a regional and project level.

A stakeholder analysis will be undertaken to inform the development of an engagement strategy for the Regeneration Strategy. This will identify communication and engagement messages for key stakeholders which will include:

- Welsh Government;
- AM/MP;
- Local members / Cabinet members;
- Public Service Boards incorporating health, emergency services and education;
- Communities;
- Existing Businesses; and
- Investors.

# **Appendices**

## Appendix 1 - Emerging Proposals

This section of the document is intended to be reviewed and updated on a regular basis both as opportunities emerge and as the Plan progresses and will set out the rationale and detail for project proposals to each funding opportunity.

Proposals will be drawn from those identified within the Regional Regeneration Plan and will be prioritised based on relevance and fit to the criteria of each funding opportunity.

Current Funding Opportunities:

- 1.1 - Welsh Government's Targeted Regeneration Investment Programme –2018-21

## APPENDIX 1.1

### EMERGING PROPOSALS – WELSH GOVERNMENT'S TARGETED REGENERATION INVESTMENT PROGRAMME (2018-21)

**The Targeted Regeneration Initiative (TRI) programme is a new Welsh Government (WG) programme of regeneration investment commencing in 2018.**

**This section specifically relates to priorities and projects which may be supported through this funding programme. The wider regeneration context for these projects is set out in the Regional Regeneration Plan.**

**This section is intended to be reviewed and amended on a regular basis as proposals evolve, project applications are developed and approved and as longer-term aspirations become more defined. This regional approach to applying for Welsh Government Regeneration Investment is also new and it is anticipated that the processes and approach will be reviewed and refined as the regional partnership matures.**

The Welsh Government is looking 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.

The aim of the Targeted Regeneration Investment programme is to facilitate the development of, and support for, regionally-significant regeneration investment proposals in defined Regeneration Areas designated on the basis of socio-economic data.

There is a notional grant allocation of £22 million over the three-year period 2018-2021 for Targeted Regeneration projects. The North Wales Regeneration Plan provides the strategic prioritisation for projects from the region.

#### **Priority Regeneration Areas 2018-2021**

12 settlement areas have been identified as regeneration priorities within the North Wales Regeneration Plan. These have been selected based on evidence of high levels of concentrated multiple deprivation as measured through the Welsh Index of Multiple Deprivation (2014). Table 3 below provides further details.

Of these, the four most populated areas have been identified as Priority Regeneration Areas for 2018-2021 for the purposes of investment through the TRI Programme. These are set out in Map 2 below.

It is recognised that there is not sufficient resource available through the TRI programme to deliver all the regeneration activities that are required across the region. In targeting these four Priority Regeneration Areas during 2018-2021, there is the potential to reach 62% of the people of North Wales living in the 10% most deprived areas across the region. This prioritisation will maximise the benefit of limited resources and provide the greatest impact.



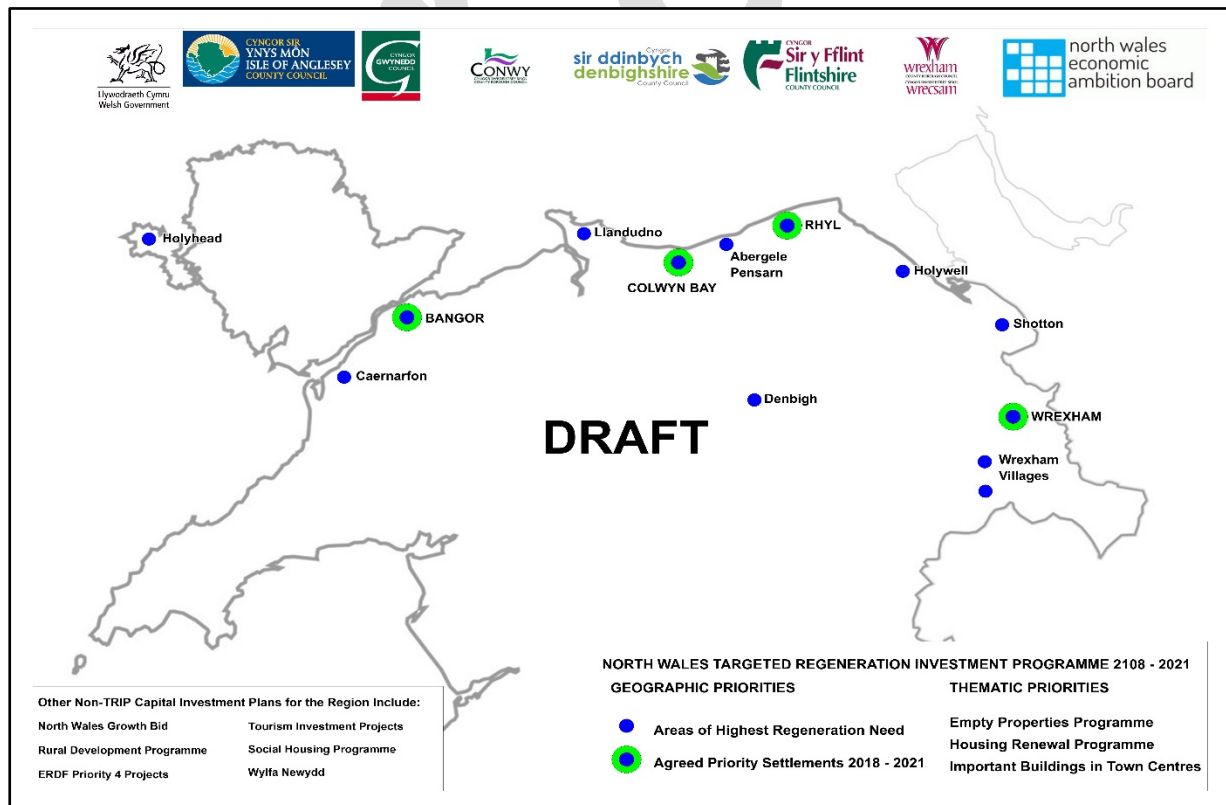
Discussion around these priority areas also recognised that investment at this stage would be beneficial for each town not only because of the concentrated levels of deprivation evidenced in the areas but also because of the benefits that investment would bring to each of them on their regeneration journey.

The Regional Regeneration Plan will provide a flexible basis for prioritising regeneration interventions across the region. Priority Regeneration Areas will change as regeneration aspirations in these first four priority settlements are realised and the focus will move to the other priority towns. As updated data becomes available, this will also inform future prioritisation.

**Table 3:** Most deprived towns in north Wales in population order with four selected as Priority Regeneration Areas for the purposes of the TRI programme

1. Rhyl	7. Holywell
2. Wrexham town	8. Shotton
3. Bangor	9. Llandudno
4. Colwyn Bay and Llysfaen	10. Denbigh
5. Caernarfon	11. Holyhead
6. Newbridge/Cefn and Plas Madoc (Wrexham villages)	12. Abergele & Pensarn

**Map 2:** Map of the Areas across North Wales of highest regeneration need and the Priority Regeneration Areas for 2018-2021



**Targeted Regeneration Investment Programme – Priority Projects**

The four Priority Regeneration Areas, have all identified significant regeneration needs around town centre regeneration.

Housing Renewal is a regional regeneration investment priority with very specific requirements emerging in North West Wales around the proposed new power station.

All six local authorities identified a more recent but significant regeneration challenge threatening the economic stability of smaller towns across the region. The withdrawal of key businesses from key locations is having a substantial impact on the prosperity of those towns.

Draft

<b>Emerging Proposals taken from the Regional Regeneration Plan relevant to the TRI Programme criteria</b>		
<b>Thematic Proposals</b>		
<b>Housing</b>		<b>Yrs</b>
<b>1.1 Empty Properties Programme in North West Wales</b>		
The need for a specific programme to address the challenges and opportunities posed by empty buildings has been highlighted as a need in North West Wales. Empty houses and flats represent a wasted resource and an opportunity to provide a home. A combination of repayable loans, grants, and pro-active work by local authority officers will enable many empty properties to be re-occupied. This theme will help to tackle the problem of privately rented residential properties being in a poor condition, and will support first-time-buyers to take on empty homes in need of improvement.		Short-term – Yr 1 Medium term 1-3
<b>Housing</b>		
<b>1.2 Housing Renewal Programme – North East Wales</b>		
Improve the quality of housing supply with the development of a Private Sector Property improvement scheme. This scheme is traditionally known as Housing Renewal.		Short-term – Yr 1 Medium term 1-3
<b>Thematic Proposal – Important Buildings</b>		
This recognises the devastating impact that the loss of major businesses within key buildings in a town can have on the look and feel of that economic centre and thus the prosperity of the area. This proposal would provide a Grant/Loan scheme to help small towns adapt buildings to changing economic circumstances.		Short-term – Yr 1 Medium term 1-3
<b>Priority Regeneration Areas – Town Centre Regeneration</b>		
<b>Rhyl</b>		
<b>Rhyl Town Centre Gateway schemes 1 &amp; 2</b> - External and internal renovation of the upper stories of key properties at prominent entry points into Rhyl High Street to provide much needed quality residential accommodation, provide modern commercial		Short-term – Yr 1 Medium term 1-3

<p>premises on the ground floor and stimulate further private investment nearby. The project also proposes that one of these vacant commercial units be used to provide accommodation for an 'entrepreneurial' hub supported by a range of local stakeholders which would serve as a launch pad for small digital entrepreneurial businesses, aiming to increase digital programming and creative entrepreneurial activity within Rhyl. By providing relevant space and wraparound support the project will target untapped potential in the area and raise aspirations / achievement of younger people, linking them to business opportunities locally and further afield.</p>	
<p><b>West Rhyl Regeneration Area - Final Phase</b> - Completion of the final phase of delivery of the West Rhyl Regeneration Area Supplementary Planning Guidance. This is an innovative partnership project replacing poor quality housing which no longer meets the current housing needs (many Houses of Multiple Occupation) with quality, mixed tenure, affordable housing. The first phase has successfully remodelled a poor quality housing area to create a successful mixed tenure community. This project in partnership with Pennaf Housing Group and Tir Prince Raceway involves the redevelopment and renovation of properties which were not addressed in the earlier phases and will increase levels of available quality accommodation needed to support town centre living.</p>	Medium term 1-3
<p><b>Contemporary living accommodation and shared retail space / enterprise arcade</b> - Acquisition and renovation of key building on Rhyl high street to provide modern contemporary residential living space on upper floors and shared retail space on ground floor.</p> <p>The shared retail space element will enable multiple small independent retailers to inhabit a high-street property as a stepping stone to taking on an individual premises in future. The project would support local online / start up retailers to test their business concept in 'bricks &amp; mortar' form with reduced risk, offering a business support service to occupants of the space. It is envisaged that around 5 businesses will share the ground floor retail space with provision for the day to day management and development of new tenants.</p> <p>In-house support would also be made available to existing independent retailers in Rhyl Town Centre and could include a full start-up service, retail skills training, mentoring and support. This could extend to promoting retail as a viable self-employment opportunity and mentoring people who are keen to develop a retail business.</p>	Medium term -1-3 Long-term - 4-6
<b>Wrexham</b>	
<p><b>Coach parking</b> - Additional suitable coach parking areas in close proximity to the town centre, for drop offs in the town centre. The site would need to be secure for all day parking facility.</p>	1-3

<p><b>Business Grow On units</b> - In February 2017, the Welsh Government announced £1 million funding to develop a new business hub in Wrexham. The Scheme which has recently been renamed 'Town Square' in recognition of its presence within Wrexham Town Centre, develops incubator units which brings together entrepreneurs in a shared environment, to enable ideas and develop collectively. As well as providing good quality business accommodation within Wrexham Town Centre the scheme can also support businesses with advice, workshops, and support with developing international trade and networking opportunities.</p> <p>The Business Grow on Space is a project developed to meet increased demand for 'growth' accommodation to enable businesses that have been developed to continue to expand within Wrexham Town Centre. This relies on the availability of good quality, sustainable accommodation that suits the needs of businesses and opportunities that outgrow the hub. In collaboration with the Town Centre Regeneration Funding, the use of Targeted Regeneration Investment funding will enable additional accommodation to be acquired and developed to satisfy this anticipated demand. This will provide a longer term legacy which will benefit the economic wellbeing of not only the town centre but the wider region by providing more opportunities for new and existing businesses to develop and flourish.</p>	1-3
<p><b>Markets</b> - Undertake works on a scheme developed from a previous study undertaken to regenerate the two indoor markets to enable better utilisation of the space, in order to enhance the offer within the markets and attract relevant and sustainable traders to reinstate Wrexham as a traditional market town and enhance the markets as a visitor destination.</p>	1-3 4+
<p><b>Town Centre Empty Properties Back into Use</b> - There are several prominent buildings within the core of Wrexham Town Centre that have been vacant for a few years. A combination of repayable loan and grant funding will enable the acquisition and refurbishment of a number of properties bring new life to key prominent buildings within Wrexham Town Centre. Potential Long term sustainable uses being considered include development of a Tourism Hub incorporating a Tourist Information Centre, business grow on space (as above) and accommodation for local social enterprises, community facilities and good quality housing above retail units as above, in order to meet the need of the area based on suitability and demand etc. The buildings would be selected based on a number of factors such as ideal location within the town centre, the type of building, possibly heritage or iconic in some way.</p>	1-3
<p><b>Bridge Street</b> mixed use regeneration site - This is a brownfield site adjacent to the town centre which is a key development site proposed for Mixed use regeneration. The proposed development will comprise of 100 flats, 6 commercial units &amp; A3 restaurants and convenience stores. Funding is required for site remediation to enable development and funding to underpin residential development for private rented sector schemes or commercial.</p>	1-3

<b>Bangor</b>	
<b>Property and Renovation Investment</b> - A suite of support measures (inc grants and loans) to target vacant, underutilised or unsightly properties within the commercial city centre.	1-3
<b>Glancegin Integrated Family Centre, Maesgeirchen, Bangor</b> - Provision of a fully integrated family centre. The centre would provide extra support and care in an area of high social deprivation. In addition to providing support to the families in terms of improving the life chances of the children on the estate, the centre will be able to provide facilities to assist those outside of the employment market to become work ready.	
<b>Integrated health, family and well-being Centre</b> - Development of a multi-agency and integrated health, family and well-being Centre. Proposal will include primary care, community, family health and therapy services and appropriate housing development within an integrated site. The project will also encompass a range of wellbeing initiatives, creating a vibrant one-stop facility that promotes social wellness through social prescribing activities as well as more traditional health services. The project addresses the Five Ways of Working highlighted in the Wellbeing of Future Generations Act. The project will also provide a robust and sustainable location for services that are currently vulnerable, and introduce innovative new ways of working through increased opportunities for training, which in turn will improve recruitment and retention.	1-3
<b>Bangor City Centre : Programme Management</b> - Project Manager to manage and co-ordinate activities within the Bangor City Centre Regeneration Plan. Project Manager will also include project development support for Year 2 and 3 projects and management of programme risks.	
<b>Strengthening Key Urban Access and Linkages</b> - Proposals to develop strategic links between key areas of the city centre (inc University's proposed Science and Technology Quarter) and enhancement of urban environment.	1-3
<b>Integrated Homelessness and Multiagency Facility</b> - Proposed facility to establish a joint housing and multi services provision for homeless clients in Bangor. The development will have a multi-agency focus to provide coordinated support to this hard to reach client group and include homeless housing provision through local housing association. The centre will engage with its clients to provide facilities to improve their physical and mental wellbeing and engage them in skills development and engagement activities. It is envisioned that the centre will offer the necessary support to integrate them into the community.	1-3

<b>Colwyn Bay and Llysfaen</b>	
<p><b>Commercial Property Investment Scheme</b> - The aim of this project is to improve the general appearance, vitality and sustainability of Colwyn Bay for residents, visitors and businesses. This will be achieved by offering grant/loan assistance to property owners for projects that improve the quality and sustainability of commercial premises within the town centre area. This will:</p> <ol style="list-style-type: none"> <li>1. enhance the physical built environment of the town centre</li> <li>2. address problems associated with the poor condition, inappropriate interventions and under-use of prominent or historic buildings</li> <li>3. provide high quality commercial spaces within buildings that are capable of supporting business and employment opportunities</li> <li>4. improve accommodation above premises to encourage full occupation of upper floors and reduce transience of residency</li> <li>5. offer a financial incentive to owners to carry out appropriate and high quality repairs and improve the general condition of their properties</li> <li>6. support the construction industry and local companies, tradesmen and students</li> </ol>	1-3
<p><b>Key Sites and Properties Investment Scheme</b>- This project is part of an integrated investment programme to improve the general appearance, vitality and sustainability of Colwyn Bay town centre to the benefit of residents, visitors and businesses alike. The aim is to target key privately owned properties within the town centre, which are currently largely unoccupied and falling into disrepair, and ensure that they are brought back into sustainable use to the benefit of the town's economic wellbeing. This will be achieved by working with property owners to develop sustainable business plans for properties and supporting their improvement/renovation and conversion by way of a combination of grant and loan assistance. This will bring forward improvements to a small number of properties which would normally fall outside of the Property Investment Scheme.</p>	2-5
<p><b>Integrated and Animated Spaces</b></p> <ul style="list-style-type: none"> <li>• Creation of sustainable business, community and residential spaces</li> <li>• Improved traffic management</li> <li>• Improved and animated spaces and linkages both within the town centre and to surrounding areas.</li> <li>• Station Square Zone – to include the station, its forecourt, linkages to the waterfront, Market Hall, Imperial Buildings, and 'station steps'</li> <li>• Douglas Road Zone</li> </ul>	1-3

<p><b>Waterfront</b> - Completion of the final two stages of the Colwyn Waterfront regeneration programme is critical to both coastal defence and the town's regeneration programme. Completion of phases 1 &amp; 2a, development of Porth Eirias and resolution of the Victoria Pier issue has brought substantial change and benefit to the town in terms of both visitor and resident amenity. It has also triggered significant private sector investment and new business ventures.</p>	<p>2-4</p>
<p><b>Proposal / Project – Long-term</b></p>	
<p>Thematic Proposals – Not determined at this stage</p>	
<p>Regeneration of the Racecourse Ground in Wrexham as a regional centre of excellence by creating a first class stadium capable of hosting international sporting events, music and cultural outdoor events. Also to maximise the development opportunity afforded on the adjacent parcel of land for commercial or mixed use development.</p>	<p>4-7</p>



## PROJECT OUTPUTS

\*- This is an indicative projection of outputs based on the emerging proposals. At this stage of the project identification stage it is only possible to include very broad estimates which will be subject to change if taken forward for further development. Therefore, all Local Authorities reserve the right to amend the data in this table.

		Thematic Proposals		
		Empty Properties Housing Programme	Housing Renewal Programme	Important Buildings
TRI 1	Gross jobs created	14	2	
TRI 2	Number of Jobs accommodated (enabled through regeneration investment)	23	2	
TRI 3	Number of jobs created in the construction sector as a result of Welsh Government regeneration investment.	55	67	
TRI 4	Total number of traineeships on the project.	30	12	
TRI 5	Number of traineeship leavers progressing to further learning (at a higher level) or employment (incl. employment with the contractor)	11	3	
TRI 6	Investment induced (£M)	2m	2	
TRI 7	Enterprises accommodated	10		
TRI 8	Hectares of Land developed	4		
TRI 9	Non-residential Premises created or refurbished (sqm)	1500		
TRI 10	Non-residential Premises created or refurbished (number)	10		
TRI 11	Number of additional market housing units (Built or ready for Occupation - as a direct result of regeneration support)	18		
TRI 12	Number of Additional Social housing units delivered (Built or ready for Occupation - as a direct result of regeneration support)	0		
TRI 13	Number of Additional Intermediate housing units delivered (Built or ready for Occupation - as a direct result of regeneration support)	16		
TRI 14	Number of households helped towards securing improvement in the energy performance of their homes	30	65	
TRI 15	Number of empty homes brought back into use	20	3	
TRI 16	Number of non-residential units brought back into use	8		
TRI 17	Estimated Reduction in CO2 Equivalent Emissions	2500		
TRI 18	Number completing employment related courses or gaining employment related qualification	30		
TRI 19	Number of SMEs based in Wales successful in securing contracts/sub contracts	26		
TRI 20	Value of contracts/sub contracts awarded to SMEs based in Wales (£M)	3.5		
	Residential Properties Renovated		85	

Outputs – Regional priority Areas – Town centres

	Rhyl Town Centre				Wrexham Town Centre				Bangor City Centre					Colwyn Bay and Llysfaen				Total		
	Rhyl TC Gateway 1	Rhyl TC Gateway 2	West Rhyl Regeneration Area - Final Phase	Rhyl TC Contemporary Accommodation	Markets - Phase 1	Coach Parking	Town Centre Empty Properties	Business Grow on Space	Bridge Street	Property Renovation and Investment	Blancpain Integrated Family Centre	Integrated Health, Family and Well-being Centre	Programme Management	Strengthening Key Urban Access and Linkages	Integrated Homelessness and Multi-agency Facility	Commercial Property Renovation and Investment	Key Property Investments		Integrating and Animating Spaces	Waterfront
TRI 1	Gross jobs created																			100
TRI 2	Number of Jobs accommodated (enabled through regeneration investment)																			372
TRI 3	Number of jobs created in the construction sector as a result of Welsh Government regeneration investment																			156
TRI 4	Total number of traineeships on the project																			70
TRI 5	Number of traineeship leavers progressing to further learning (at a higher level) or employment (incl. employment with the contractor)																			14
TRI 6	Investment induced (£M)																			2
TRI 7	Enterprises accommodated																			92
TRI 8	Hectares of Land developed																			11.4
TRI 9	Non-residential Premises created or refurbished (sqm)																			2521
TRI 10	Non-residential Premises created or refurbished (number)																			484
TRI 11	Number of additional market housing units (Built or ready for Occupation - as a direct result of regeneration support)																			55
TRI 12	Number of Additional Social housing units delivered (Built or ready for Occupation - as a direct result of regeneration support)																			26
TRI 13	Number of Additional Intermediate housing units delivered (Built or ready for Occupation - as a direct result of regeneration support)																			16
TRI 14	Number of households helped towards securing improvement in the energy performance of their homes																			102
TRI 15	Number of empty homes brought back into use																			34
TRI 16	Number of non-residential units brought back into use																			41
TRI 17	Estimated Reduction in CO2 Equivalent Emissions																			2500
TRI 18	Number completing employment related courses or gaining employment related qualification																			65
TRI 19	Number of SMEs based in Wales successful in securing contracts/sub contracts																			70
TRI 20	Value of contracts/sub contracts awarded to SMEs based in Wales (£M)																			4.55
	Residential Properties Renovated																			85

## DELIVERY PLAN – AN EARLY INDICATION OF FINANCIAL IMPLICATIONS OF EMERGING PROPOSALS

There is a notional allocation of £22M for eligible north Wales projects through the Targeted Regeneration Investment Programme with a £3M notional allocation for 2018/19.

The following table provides an early indication of indicative costs for emerging projects which may be eligible for TRI Programme funding and is not a decision on financial allocation.

Emerging Proposals	Indicative costs Yr 1 (£M)*	Indicative costs Yr 2/3 (£M)**	Future Years 4+	Total
<b>Thematic Proposals</b>				
Housing - 1.1 Empty Properties Housing programme	0.7	2.6		3.3
Housing - 1.2 Housing Renewal	1.5	5.78		7.28
Important Buildings	tbc	tbc		0
<b>New themes</b>	0			0
<b>Thematic Proposals - Indicative Project Costs</b>	<b>2.2</b>	<b>8.38</b>	<i>tbc</i>	<b>10.58</b>
<b>Regional Priority Areas - Town Centres - Emerging Proposals &amp; Indicative Project Costs</b>				0
<b>Rhyl</b>	2.1	3.1		5.2
Rhyl Town Centre Gateway scheme 1 - Upper floor residential /lower commercial refurb				0
Rhyl Town Centre Gateway scheme 2 - residential/digital hub				0
West Rhyl Regeneration Area - Final Phase				0
Contemporary living accommodation and shared retail space / enterprise arcade				0
<b>Wrexham Town</b>	1.7	2.8		4.5
Markets - Phase 1				0
Coach Parking				0
Town Centre Empty Properties back into use				0
Business Grow on Space				0
Bridge Street				0
<b>Bangor</b>	0.025	3.6		3.625
Bangor City Centre Property Renovation and Investment				0
Glancegin Integrated Family Centre, Maesgeirchen, Bangor				0
Bangor City Centre : Integrated Health, Family and Well-being Centre				0
Bangor City Centre : Programme Management				0
Bangor City Centre : Strengthening Key Urban Access and Linakges				0
Integrated Homelessness and Multiagency Facility				0
<b>Colwyn Bay and Llysfaen</b>	0.275	5.3		5.575
Commercial Property Investment Scheme				0
Integrating and Animating Spaces				0
Key Property Investments				0
Colwyn Waterfront				0
<b>New Priority Areas</b>	0	<i>tbc</i>	<i>tbc</i>	0
<b>Priority Areas - Town Centres - Indicative Costs</b>	<b>4.1</b>	<b>14.8</b>	<i>tbc</i>	<b>18.9</b>
<b>Total Indicative Costs</b>	<b>6.3</b>	<b>23.18</b>		<b>29.48</b>

\* Potential year 1 costs for proposals - subject to meeting WG eligibility, timescales and within notional allocation

\*\*Proposals for Years 2 & 3 under development - project costs are indicative only. As above any funding awarded will be subject to meeting WG eligibility, timescales and be within notional allocation for the region.

## APPENDIX 2: DATA ANALYSIS – METHODOLOGY AND RATIONALE

The following sets out the process for selecting the priority areas; the aggregation of these areas in to economic Town geographies; and an outline of the evaluation model and key indicators.

### CHOOSING THE BUILDING BLOCKS

Each of the priority areas is made up of LSOA building blocks. LSOAs are the small neighbourhood geographies used in the Welsh Index of Multiple Deprivation (WIMD). The building blocks chosen are those deemed to be the most deprived because they were included within the 10% most deprived in the 2014 WIMD.

This approach yields the following building block areas:

LSOA Name (Eng)	% of the population of the most deprived areas	Town Area Name	WIMD 2014 Overall Rank(r)	WIMD 2014 Overall Decile	Tier
Rhyl West 2	30.3%	Rhyl	2	1	Tier1 62%
Rhyl West 1			11	1	
Rhyl West 3			19	1	
Rhyl South West 2			20	1	
Rhyl East 3			99	1	
Rhyl South West 1			100	1	
Rhyl South East 4			182	1	
Queensway 1	17.4%	Wrexham	3	1	
Wynnstay			52	1	
Queensway 2			108	1	
Cartrefle 2			128	1	
Marchog 2	7.2%	Bangor	105	1	
Marchog 1			157	1	
Glyn (Conwy) 2	6.9%	Colwyn Bay	110	1	
Llysfaen 1			172	1	
Peblig (Caernarfon)	6.7%	Caernarfon	103	1	Tier 2 38%
Plas Madoc	6.0%	Wrexham Villages	54	1	
Holywell Central	5.0%	Holywell	155	1	
Denbigh Upper/Henllan 1	4.1%	Denbigh	163	1	
Morawelon	4.1%	Holyhead	168	1	

Tudno 2	4.3%	Llandudno	113	1	
Shotton Higher 2	4.3%	Shotton	82	1	
Abergele Pensarn 2	3.2%	Abergele & Pensarn	57	1	

## THE TOWN ECONOMIC AREAS

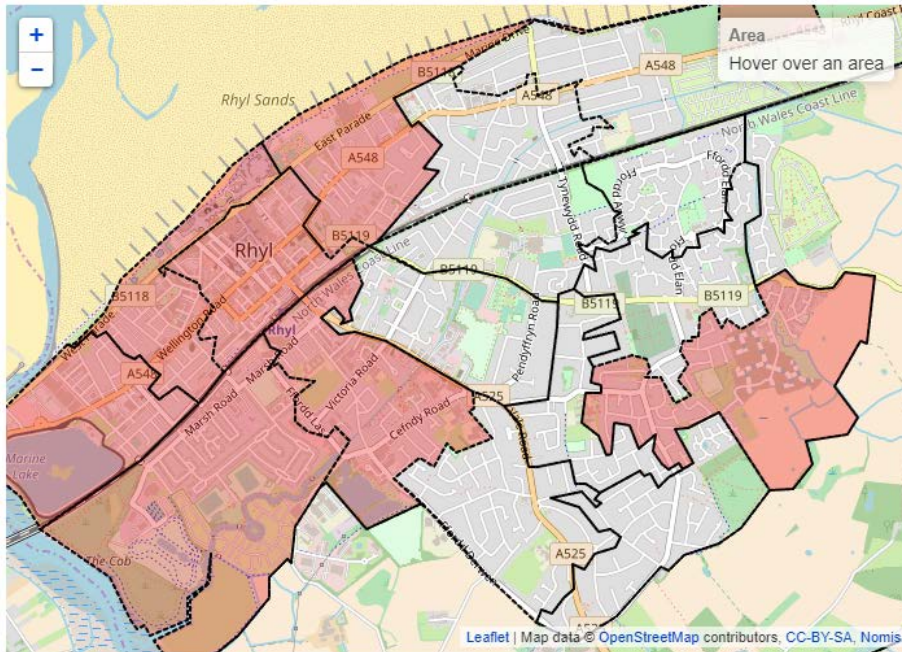
When considering projects the view has been taken the clusters of deprivation identified are each situated within a larger economic unit; the Town. In focusing on projects which regenerate the Towns identified it is felt that this will benefit the deprived communities within these Towns. This means that:

1. Projects will not be required to sit within the (of residential area) where the deprived population actually live, but rather in an economically appropriate location within the boundary of the Towns as we have defined them.
2. Secondly, in monitoring and evaluation the focus will be on monitoring the impact projects have on, the growth of businesses and employment and household income in the Town area as well as specific progress on the income, employment overall deprivation measures in the deprived areas themselves.

## APPENDIX 3 - AREA PROFILES

### RHYL

#### Rhyl Areas of Highest Deprivation



#### Baseline

##### Number of Households below 60% Poverty Line

• Town	3722
• Deprived Areas	2540

##### Number of Businesses (Town)

Denbighshire 004	450
Denbighshire 006	195
Denbighshire 017	165

##### Number of Employments (Town)

Denbighshire 004	5,000
Denbighshire 006	2,500
Denbighshire 017	900

##### WIMD Income Indicator- income deprivation (percentage of population)

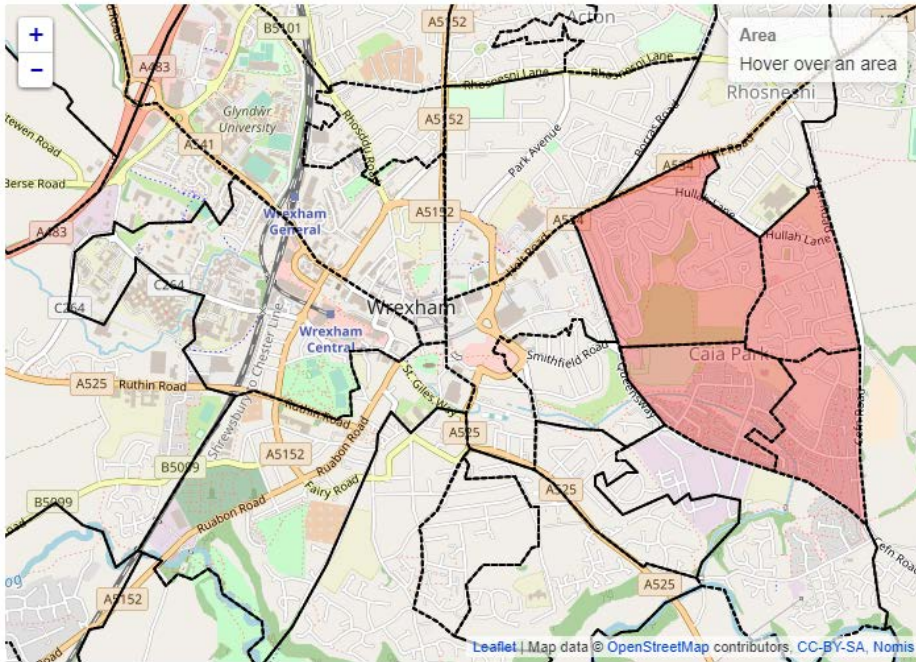
Rhyl West 2	67
Rhyl West 3	50
Rhyl West 1	48
Rhyl South West 2	46
Rhyl East 3	39
Rhyl South West 1	38
Rhyl South East 4	35

##### WIMD Employment Indicator - employment related benefits (percentage of working-age population)

Rhyl West 2	45
Rhyl West 1	33
Rhyl East 3	26
Rhyl West 3	25
Rhyl South West 2	23
Rhyl South West 1	22
Rhyl South East 4	18

**WREXHAM TOWN**

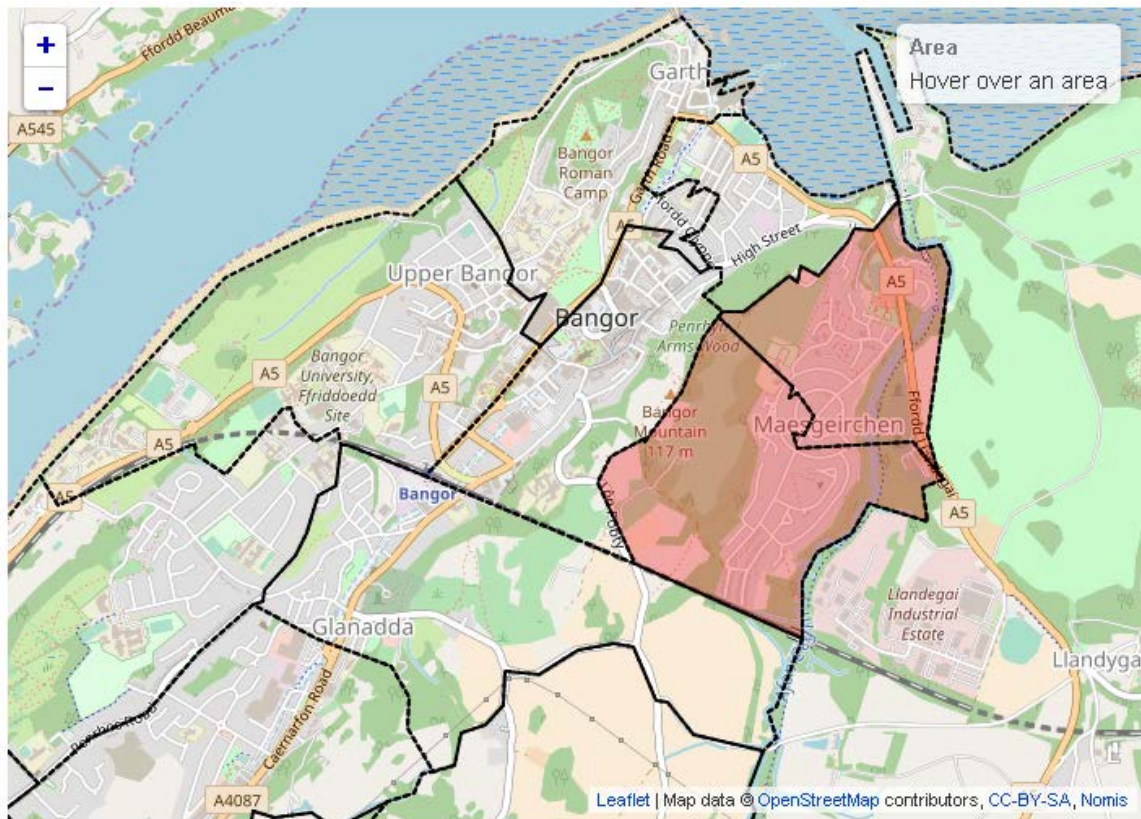
Wrexham Area of Highest Deprivation



Baseline		
<b>Number of Households below 60% Poverty Line</b>	• Town	7021
	• Deprived Areas	1480
<b>Number of Businesses (Town)</b>	Wrexham 007	100
	Wrexham 008	495
	Wrexham 009	120
	Wrexham 010	65
	Wrexham 011	465
	Wrexham 012	285
<b>Number of Employments (Town)</b>	Wrexham 007	500
	Wrexham 008	8,000
	Wrexham 009	1,500
	Wrexham 010	700
	Wrexham 011	11,000
	Wrexham 012	3,500
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Queensway 1	50
	Wynnstay	38
	Cartrefle 2	37
	Queensway 2	36
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Queensway 1	24
	Wynnstay	21
	Queensway 2	18
	Cartrefle 2	17

**BANGOR**

Bangor Area of Highest Deprivation



**Baseline**

**Number of Households below 60% Poverty Line**

- Town 1991
- Deprived Areas 566

**Number of Businesses (Town)**

Gwynedd 010	505
Gwynedd 011	430

**Number of Employments (Town)**

Gwynedd 0010	3,500
Gwynedd 0011	3,000

**WIMD Income Indicator- income deprivation (percentage of population)**

Marchog 2	36
Marchog 1	33

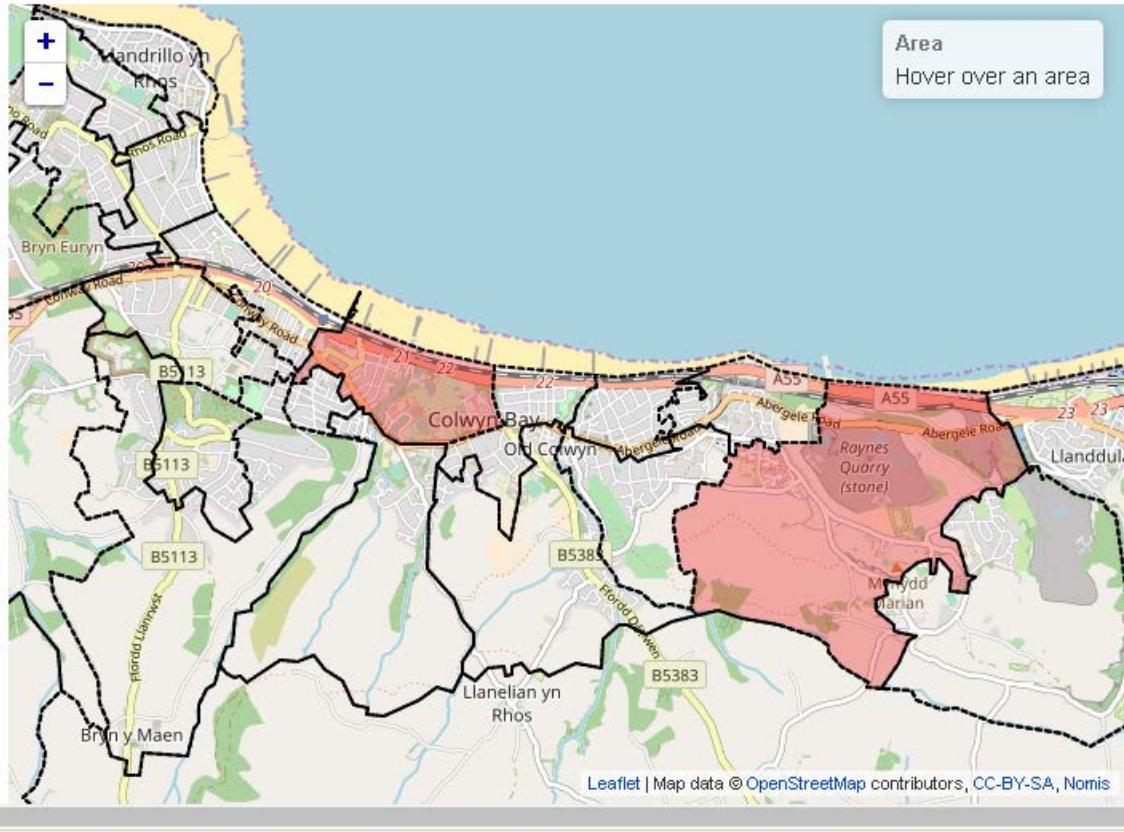
**WIMD Employment Indicator - employment related benefits (percentage of working-age population)**

Marchog 2	19
Marchog 1	13



**COLWYN BAY & LLYSFAEN**

Colwyn Bay Areas of Highest Deprivation

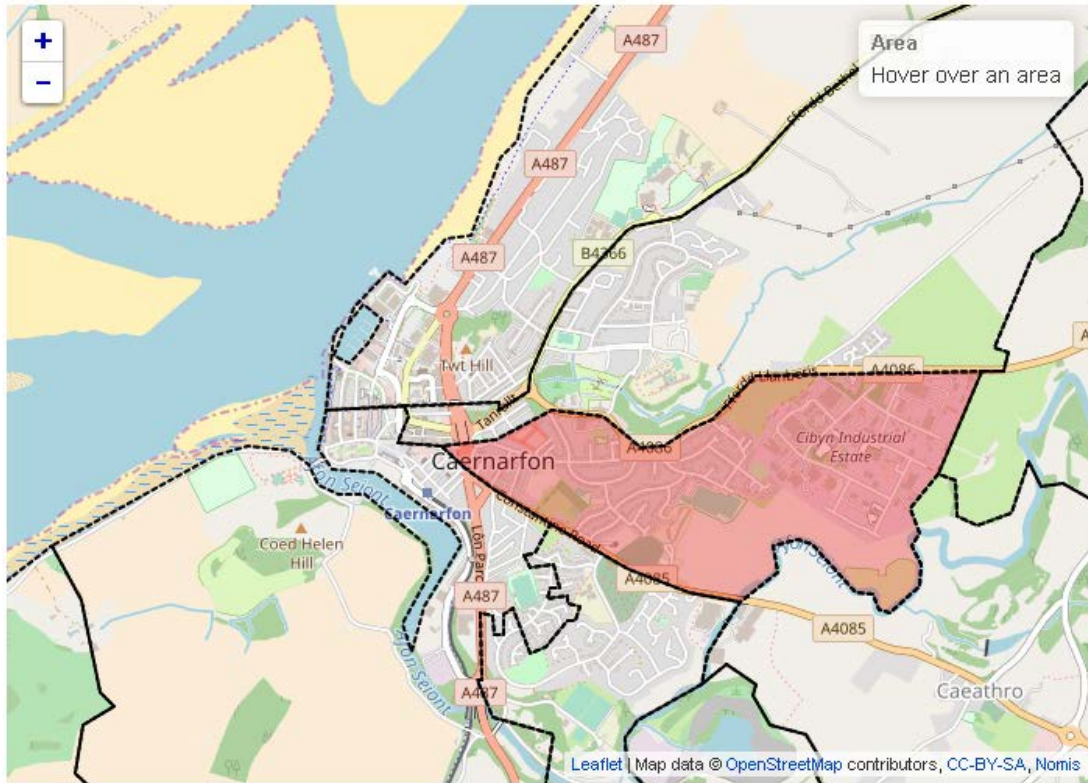


Baseline		
Number of Households below 60% Poverty Line	• Town	3269
	• Deprived Areas	501
Number of Businesses (Town)	Conwy 007	400
	Conwy 008	250
	Conwy 009	200
Number of Employments (Town)	Conwy 007	5,000
	Conwy 008	2,250
	Conwy 009	1,250
WIMD Income Indicator- income deprivation (percentage of population)	Glyn (Conwy) 2	37
	Llysfaen 1	37
WIMD Employment Indicator - employment related benefits (percentage of working-age population)	Glyn (Conwy) 2	37
	Llysfaen 1	19

AREA PROFILES AND BASELINE INFORMATION - TIER 2 PROFILES

CAERNARFON

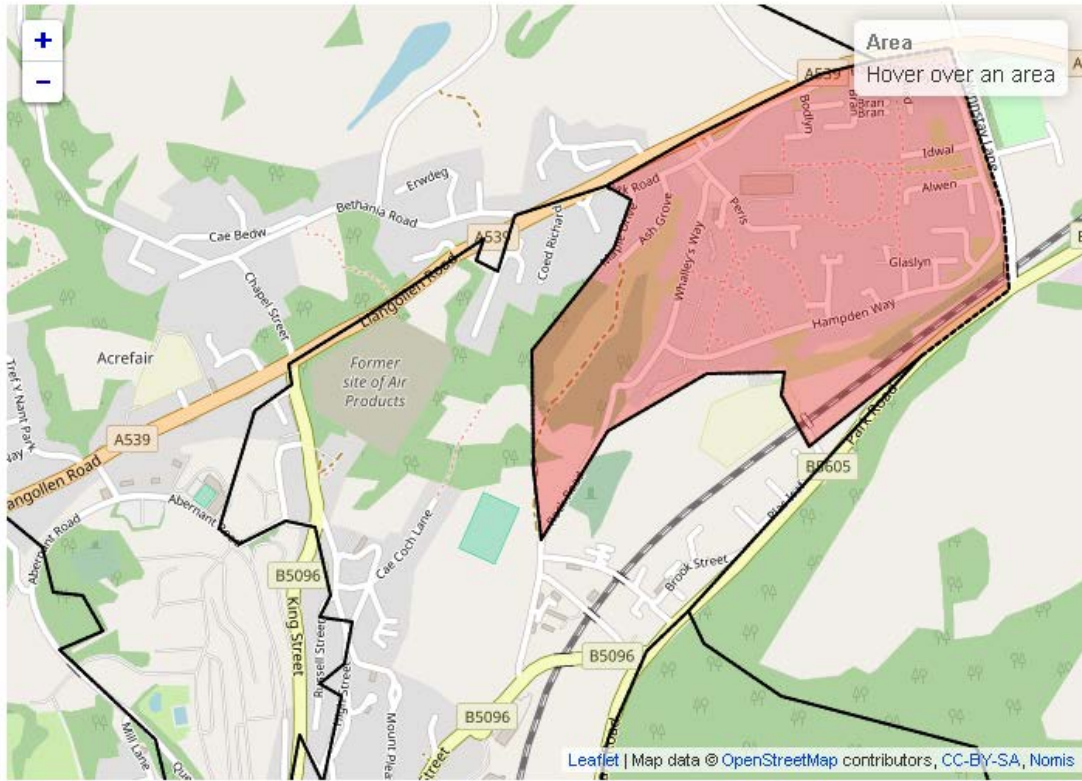
Caernarfon Most Deprived Area



Baseline		
<b>Number of Households below 60% Poverty Line</b>		
<ul style="list-style-type: none"> <li>• Town</li> <li>• Deprived Areas</li> </ul>		2282 497
<b>Number of Businesses (Town)</b>	Gwynedd 006 Gwynedd 007	220 295
<b>Number of Employments (Town)</b>	Gwynedd 006 Gwynedd 007	4,500 4,000
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Peblig (Caernarfon)	36
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Peblig (Caernarfon)	19

## WREXHAM VILLAGES

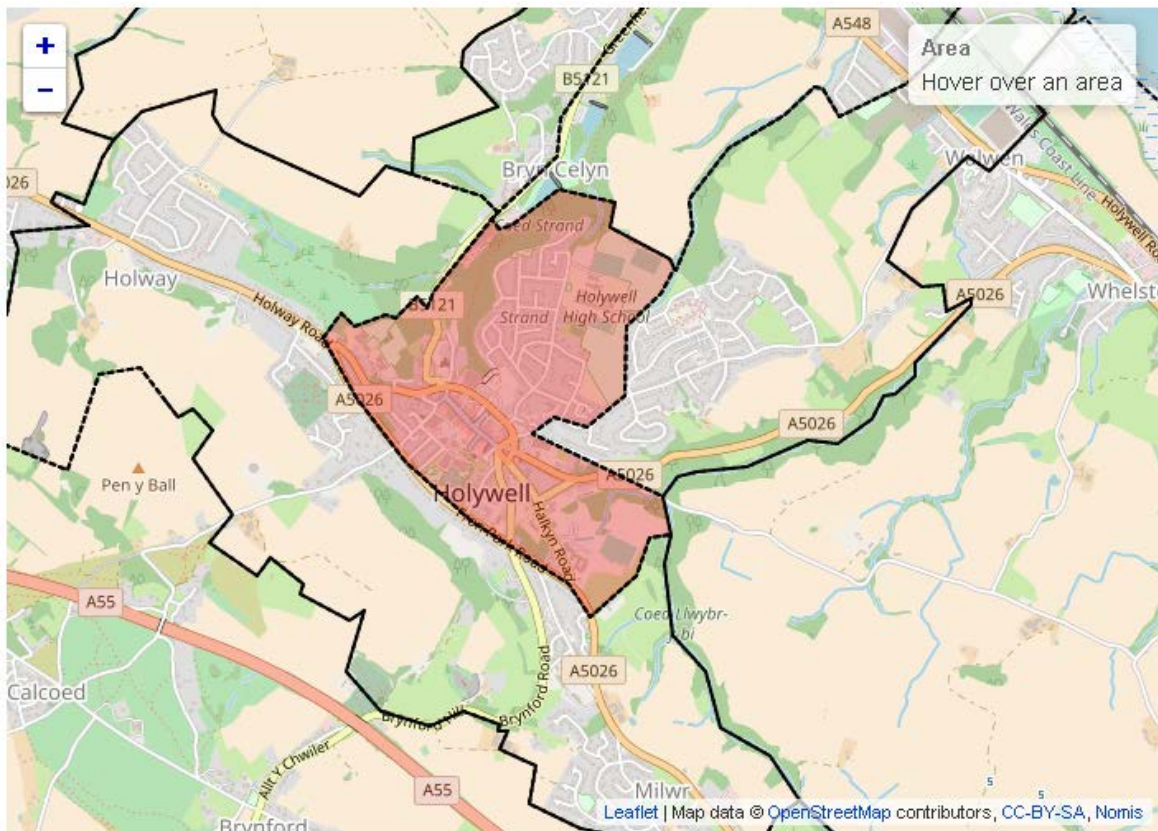
### Wrexham Villages Most Deprived Area



Baseline		
<b>Number of Households below 60% Poverty Line</b>		
<ul style="list-style-type: none"> <li>• Town</li> <li>• Deprived Areas</li> </ul>		950 561
<b>Number of Businesses (Town)</b>	Wrexham 017	150
<b>Number of Employments (Town)</b>	Wrexham 017	1,000
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Plas Madoc	39
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Plas Madoc	20

## HOLYWELL

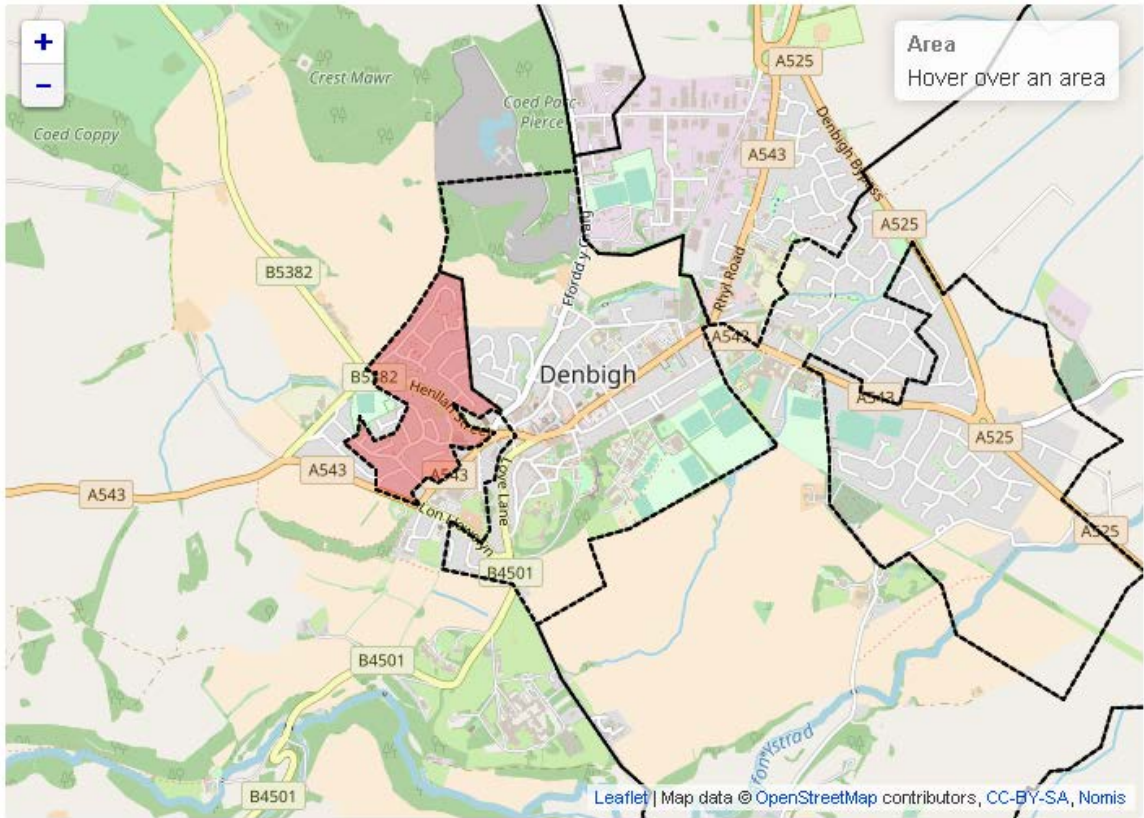
### Holywell Most Deprived Area



Baseline		
<b>Number of Households below 60% Poverty Line</b>	• Town	2578
	• Deprived Areas	462
<b>Number of Businesses (Town)</b>	Flintshire 002	205
	Flintshire 003	325
<b>Number of Employments (Town)</b>	Flintshire 002	2,000
	Flintshire 003	3,500
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Holywell Central	33
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Holywell Central	22

**DENBIGH**

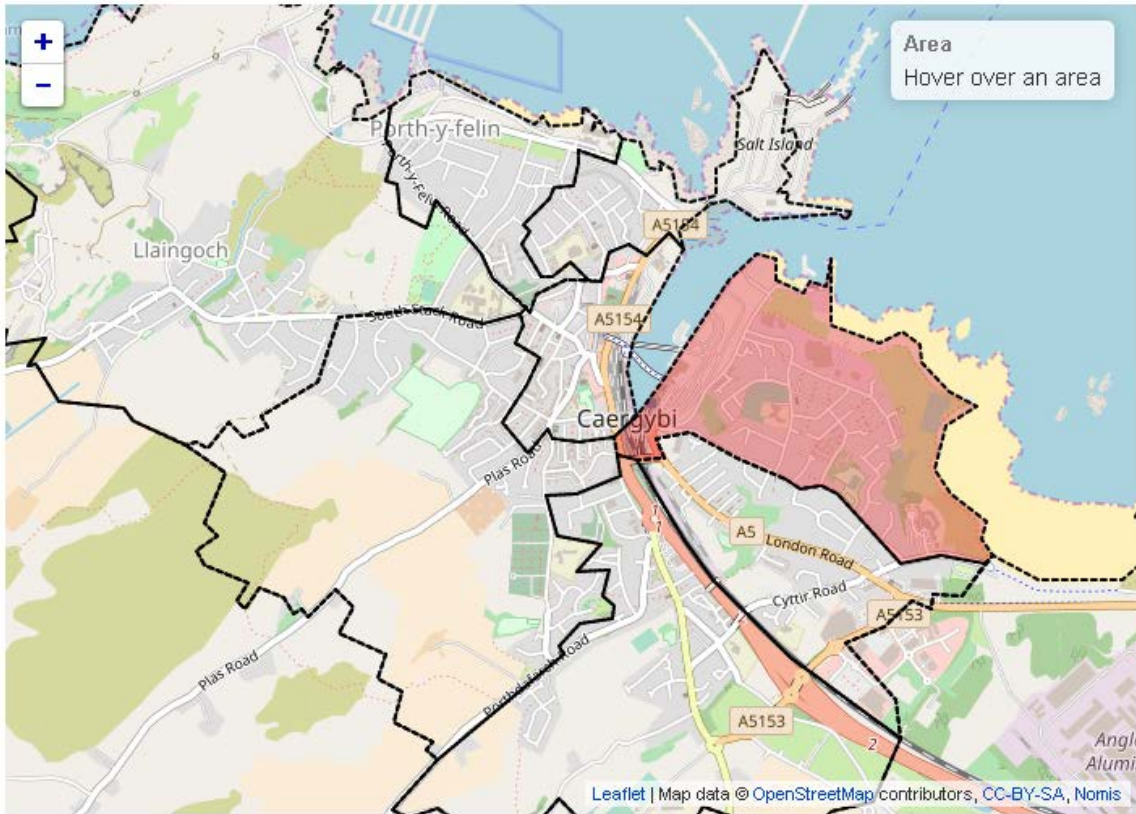
Denbigh Most Deprived Area



Baseline		
<b>Number of Households below 60% Poverty Line</b>		
<ul style="list-style-type: none"> <li>• Town</li> <li>• Deprived Areas</li> </ul>		1285 369
<b>Number of Businesses (Town)</b>	Denbighshire 011 Denbighshire 012	185 350
<b>Number of Employments (Town)</b>	Denbighshire 011 Denbighshire 012	1,750 2,250
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Denbigh Upper & Henllan 1	33
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Denbigh Upper & Henllan 1	19

**HOLYHEAD**

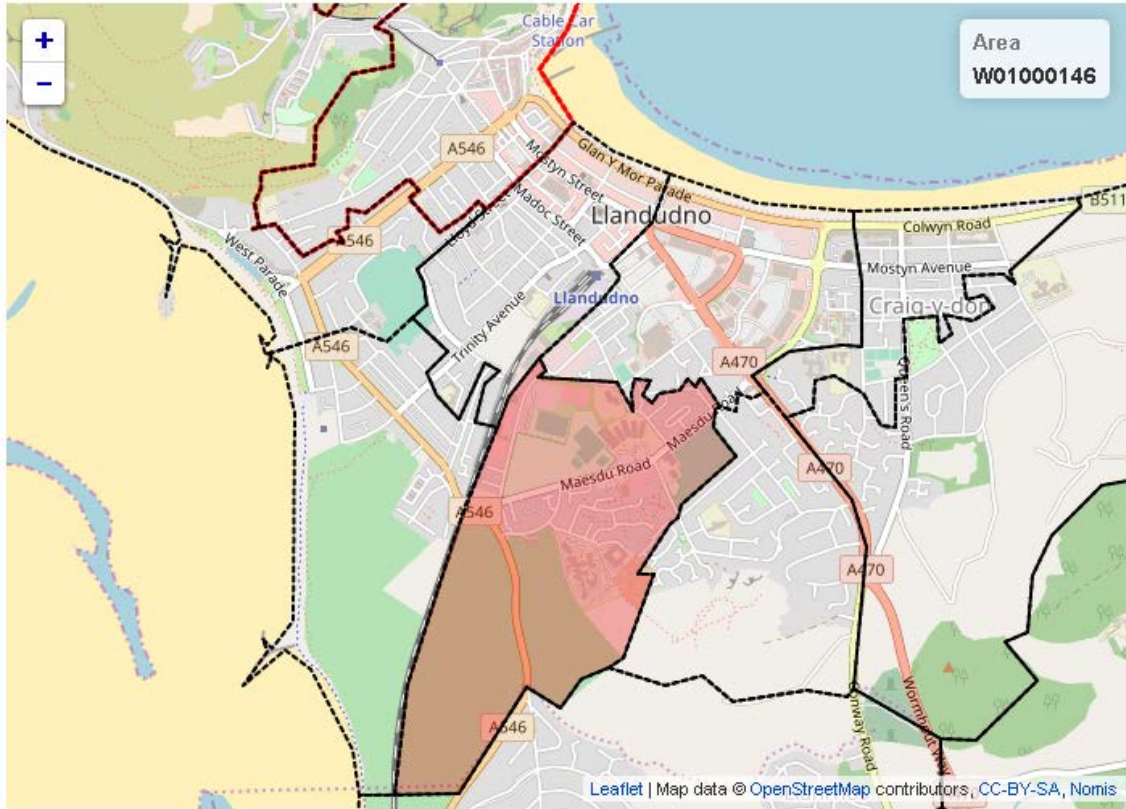
Holyhead Areas of Highest Deprivation



Baseline		
<b>Number of Households below 60% Poverty Line</b>		
• Town		2175
• Deprived Areas		363
<b>Number of Businesses (Town)</b>	Isle of Anglesey 003	295
<b>Number of Employments (Town)</b>	Isle of Anglesey 003	3,500
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Morawelon	32
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Morawelon	19

**LLANDUDNO**

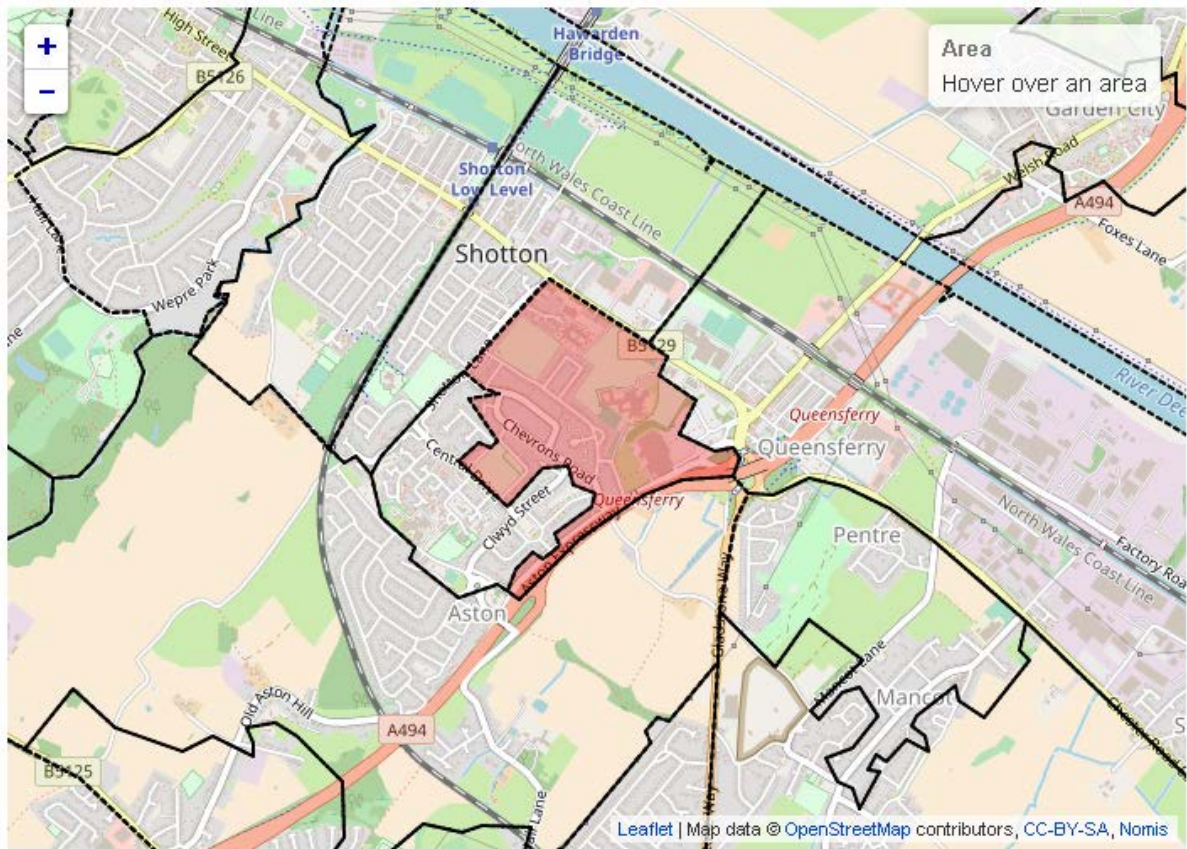
Llandudno Most Deprived Area



Baseline		
<b>Number of Households below 60% Poverty Line</b>		2745
<ul style="list-style-type: none"> <li>• Town</li> <li>• Deprived Areas</li> </ul>		377
<b>Number of Businesses (Town)</b>	Conwy 001	555
	Conwy 002	140
<b>Number of Employments (Town)</b>	Conwy 001	9,000
	Conwy 002	2,000
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Tudno 2	39
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Tudno 2	23

**SHOTTON**

Shotton Most Deprived Area

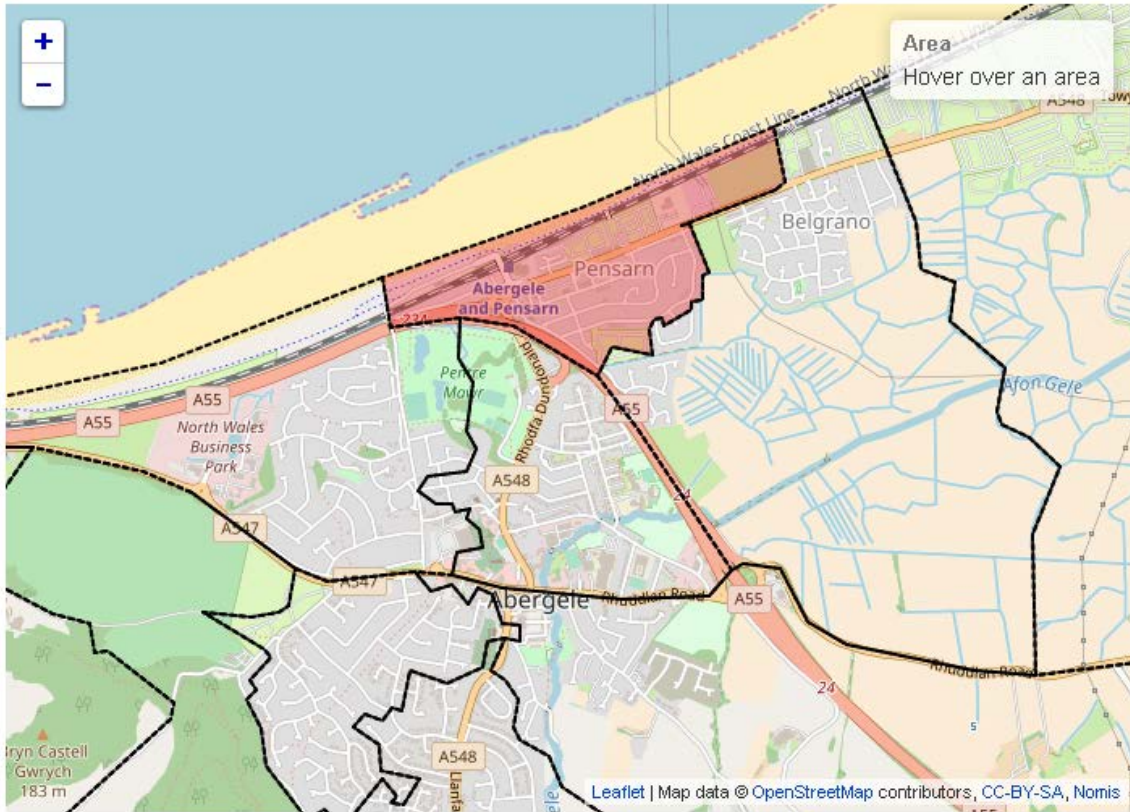


Baseline		
<b>Number of Households below 60% Poverty Line</b>		
<ul style="list-style-type: none"> <li>• Town</li> <li>• Deprived Areas</li> </ul>		2636 329
<b>Number of Businesses (Town)</b>	Flintshire 009 Flintshire 011	445 275
<b>Number of Employments (Town)</b>	Flintshire 009 Flintshire 011	13,000 6,000
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Shotton Higher 2	33
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Shotton Higher 2	18



## ABERGELE & PENSARN

### Abergele & Pensarn Most Deprived Area



Baseline		
<b>Number of Households below 60% Poverty Line</b>		
<ul style="list-style-type: none"> <li>• Town</li> <li>• Deprived Areas</li> </ul>		1951 223
<b>Number of Businesses (Town)</b>	Conwy 010	260
<b>Number of Employments (Town)</b>	Conwy 010	3,000
<b>WIMD Income Indicator- income deprivation (percentage of population)</b>	Abergele & Pensarn 2	37
<b>WIMD Employment Indicator - employment related benefits (percentage of working-age population)</b>	Abergele & Pensarn 2	32

# Agenda Item 7

## REPORT TO THE CABINET

<b>Date</b>	<b>22 May 2018</b>
<b>Cabinet Member</b>	<b>Councillor Peredur Jenkins</b>
<b>Subject</b>	<b>2017/18 Savings Overview: Progress Report on Realising Savings Schemes</b>
<b>Contact Officer</b>	<b>Dafydd L Edwards, Head of Finance</b>

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### DECISION SOUGHT

To note the encouraging progress towards realising the savings schemes during 2017/18.

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### 1. INTRODUCTION / BACKGROUND

In the Council's 2017/18 Financial Strategy, we had planned for savings of £7,414,750. Realising the individual schemes is the responsibility of the relevant Cabinet members, and the Cabinet Member for Finance keeps an overview of the whole picture. This report updates on the progress of realising the savings up to 31 March 2018.

### 2. DEPARTMENTAL SCHEMES in previous years

**Appendix 1** summarises the achievements of each department against the savings target carried forward from 2016/17. Only two schemes remain to be realised, and it is expected that this will be achieved during 2018/19. In financial terms (£), over 99% of the 2015/16 and 2016/17 schemes have been realised.

### 3. DEPARTMENTAL SCHEMES 2017/18

**3.1 Appendix 2** summarises the position in respect of realising the 2017/18 savings schemes. Of the 122 schemes, 108 have been fully or partly realised on time, but there has been some slippage in realising the remainder. In financial terms (£), 81% of the savings have been realised.

**3.2** In my report in September 2017, I referred to the substantial challenge of realising a number of schemes in the **Adults, Health and Wellbeing Department**. On 13 February 2018, a report was presented to the Cabinet by the Adults, Health and Wellbeing Cabinet Member and it was agreed to amalgamate a number of individual schemes into the work streams that were realising savings from the same budgets. It is foreseen that the Department will, during 2018/19, make substantial progress towards realising the savings that have slipped.

- 3.3** The Cabinet Member for Children presented a report to the Cabinet on 9 January referring to the substantial challenge of realising this year's savings schemes, in particular the remainder of the savings as had been envisaged from the "End to End" scheme. It was agreed that there was need for the **Children and Supporting Families Department** to review the financial outcomes to date and compare these with the original theories, together with the forecasts for the future. The financing of childcare is a field causing concern for numerous local authorities, and I therefore encourage the Children's Cabinet Member to present a report as soon as possible, to consider if it will be necessary for the Children's Department to submit an alternative scheme to realise the relative financial savings.
- 3.4** There is one scheme within the **Highways Department** that continues to cause concern, and a report was submitted to the Communities Scrutiny Committee on 19 April 2018 to explain the position, and consider an alternative way of fully realising the saving. It is expected that the Cabinet Member presents a report to consider the views of the Committee.
- 3.5** Generally, I am very satisfied with the progress that has been made to realise the 2017/18 savings.

#### **4. DEPARTMENTAL SCHEMES 2018/19**

**Appendix 3** summarises the position in respect of the schemes that are in hand to be realised during 2018/19. Although early in the financial year, the forecasts of realising the schemes are generally promising, with only one scheme causing concern.

#### **5. CONCLUSION**

- 5.1** Whilst some departments have realised all of their savings schemes, it is inevitable that realising some of the schemes within the original timescale has been challenging, in particular some of the larger schemes within the Children and Adults Departments. More time is required to plan and implement appropriately with some schemes, and the Cabinet in various meetings has approved amendments and re-profiling schemes in some fields, that has resulted in extending the realisation timetable.
- 5.2** I would like to thank all the Cabinet Members for continuing to monitor the savings schemes, and I am aware that work continues to be done in all departments to realise the goal. I ask the Cabinet to note the satisfactory achievements to date in realising the savings schemes in 2017/18, and the encouraging progress forecasted towards realising the 2018/19 savings programme.

**View of the Local Member**

Not relevant

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**Views of the Statutory Officers****Monitoring Officer:**

No observations in relation to propriety.

**Head of Finance:**

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

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**Appendices:**

Appendix 1 – 2016/17 Savings Schemes Overview by department

Appendix 2 – 2017/18 Savings Schemes Overview by department

Appendix 3 – 2018/19 Savings Schemes Overview by department

## OVERVIEW OF SAVINGS SCHEMES 2016/17 BY DEPARTMENT

## APPENDIX 1

Department	Total Savings 2016/17 and those from 2015/16 yet to be realised  £ (number)	Realised schemes  £ (number)	Schemes being implemented, but with slippage £ (number)	Schemes not fully developed or have failed £ (number)	Comments by the Head of Finance
Education	94,090 (3)	55,410 (2)	38,680 (1)	-	Savings relating to the "Education Contract and Employment Unit" has been expanded, and continues. Although the system has been operational from the beginning of April 2017, it is forecasted that the savings will be realised in 2018/19.
Schools	2,095,000 (1)	2,095,000 (1)	-	-	The 2016/17 savings have been realised.
Environment	656,480 (21)	656,480 (21)			All of the year's schemes have been realised.
Corporate Support	575,040 (16)	575,040 (16)	-	-	All of the year's schemes have been realised.
Finance	374,600 (17)	374,600 (17)	-	-	All of the year's schemes have been realised.
Economy and Community	801,280 (17)	801,280 (17)	-	-	All of the year's schemes have been realised.
Adults, Health and Wellbeing	1,559,220 (30)	1,559,220 (30)	-	-	All of the year's schemes have been realised.

Department	Total Savings 2016/17 and those from 2015/16 yet to be realised  £ (number)	Realised schemes  £ (number)	Schemes being implemented, but with slippage £ (number)	Schemes not fully developed or have failed £ (number)	Comments by the Head of Finance
Children and Families	753,000 (11)	753,000 (11)	-	-	All of the year's schemes have been realised.
Highways and Municipal	(2016/17) 1,934,100 (20) (2015/16) 40,000 (1)	1,934,100 (20)	- (40,000) (1)	-	All of the 2016/17 schemes have been realised, but there has been slippage with the 2015/16 scheme "Rationalise Recycling Banks". However, the Department is confident of realising this during 2018/19.
Consultancy	146,000 (4)	146,000 (4)	-	-	All of the year's schemes have been realised.
Corporate Management Team	-		-	-	No schemes programmed for 2016/17.
Cross-departmental	212,600 (3)	212,600 (3)	-	-	All of the year's schemes have been realised.
<b>TOTAL</b>	<b>(2016/17) 9,201,410 (144)</b> <b>(2015/16) 40,000 (1)</b>	<b>9,162,730 (143)</b>	<b>38,680 (1)</b> <b>(40,000) (1)</b>	-	<b>In financial terms (£), 99.5% of the 2015/16 and 99.6% of the 2016/17 savings schemes have been realised. It is forecasted that the remaining two schemes will be realised during 2018/19.</b>

## OVERVIEW OF SAVINGS SCHEMES 2017/18 BY DEPARTMENT

## APPENDIX 2

Department	Total Savings 2017/18 £ (number)	Realised schemes £ (number)	Schemes on track to be realised timely £ (number)	Schemes being implemented, but with slippage £ (number)	Schemes not fully developed or have failed £ (number)	Comments by the Head of Finance
Education	417,120 (5)	358,820 (4)	-	58,300 (1)	-	There was slippage in implementing the scheme "Reduced hours and / or introduce a fee for the care element within the free breakfast for primary school children", but it is forecasted that the savings will be fully realised shortly.
Schools	990,000 (1)	691,010 (1)	-	298,990 (1)	-	Following a Cabinet decision on 13 December 2016, the secondary schools proportion of this scheme, that is £298,990, is being bridged by the Council for two years.
Environment	962,480 (25)	946,150 (24)	-	16,330 (1)	-	Making satisfactory progress towards achievement, but some work is required to fully realise the savings from the "Closing of Frondeg Pwllheli buildings and Ffordd y Traeth Felinheli building" scheme.
Corporate Support	408,470 (11)	408,470 (11)	-	-	-	All of the year's schemes have been realised.
Finance	115,210 (9)	115,210 (9)	-	-	-	All of the year's schemes have been realised.
Economy and Community	848,210 (20)	848,210 (20)	-	-	-	All of the year's schemes have been realised.

Department	Total Savings 2017/18  £ (number)	Realised schemes  £ (number)	Schemes on track to be realised timely  £ (number)	Schemes being implemented, but with slippage  £ (number)	Schemes not fully developed or have failed  £ (number)	Comments by the Head of Finance
Adults, Health and Wellbeing	1,412,000 (29)	728,760 (22)	76,740 (2)	606,500 (9*)	-	On 13 March 2018, the Cabinet approved merging some schemes (that had previously been approved) into work streams that are achieving savings within the same budgets. The challenge of realising them remains, but a review of the position at the end of the 2017/18 financial year suggests that the Department has successfully managed their budget.
Children and Families	339,500 (4)	222,500 (3)	-	117,000 (1)	-	A substantial challenge to realise the financial savings from the “End to End” scheme has become apparent. I understand that a full report on the position is to be presented to the Cabinet shortly, to approve any changes to the profile and/or the forecasted savings sum.



<b>Department</b>	<b>Total Savings 2017/18</b>	<b>Realised schemes</b>	<b>Schemes on track to be realised timely</b>	<b>Schemes being implemented, but with slippage</b>	<b>Schemes not fully developed or have failed</b>	<b>Comments by the Head of Finance</b>
	<b>£ (number)</b>	<b>£ (number)</b>	<b>£ (number)</b>	<b>£ (number)</b>	<b>£ (number)</b>	
Highways and Municipal	1,831,450 (13)	1,587,450 (9*)	-	194,000 (4*)	50,000 (1)	Generally, the Department has made very satisfactory progress. A report was presented to the Communities Scrutiny Committee on 19 April regarding the "Reduction in the Frequency of the Municipal Grass Cutting and Collection" scheme (£50,000), where it may well be necessary to discover an alternative way of realising the saving. Further work needs to be done to fully realise the savings from four other schemes, and a report will be submitted to the Cabinet shortly regarding the largest of these schemes – "Recycling Centres" (£96,000).
Consultancy	105,000 (4)	105,000 (4)	-	-	-	All of the year's schemes have been realised.
Corporate Management Team	7,000 (1)	7,000 (1)	-	-	-	The scheme has been realised.
Cross- departmental	- 21,690	- 21,690	-	-	-	Over achievement adjustment.
<b>TOTAL</b>	<b>7,414,750 (122)</b>	<b>5,996,890 (108*)</b>	<b>76,740 (2*)</b>	<b>1,291,120 (17*)</b>	<b>50,000 (1)</b>	<b>In financial terms (£), 81% of the year's savings schemes have been realised, and a further 1% are on track.</b>

(\*A proportion of schemes in more than one gateway)

## OVERVIEW OF SAVINGS SCHEMES 2018/19 BY DEPARTMENT

## APPENDIX 3

Department	Total Savings 2018/19 £ (number)	Realised schemes £ (number)	Schemes on track to be realised timely £ (number)	Schemes being implemented, but with slippage £ (number)	Schemes not fully developed or have failed £ (number)	Comments by the Head of Finance
Education	521,450 (3)	-	521,450 (3)	-	-	No problem is anticipated.
Schools	-	-	-	-	-	No schemes programmed for 2018/19.
Environment	154,970 (6)	15,000 (1)	139,970 (5)	-	-	No problem is anticipated.
Corporate Support	47,340 (2)	47,340 (2)	-	-	-	Both schemes realised.
Finance	40,000 (1)	40,000 (1)	-	-	-	The scheme has been realised.
Economy and Community	308,830 (3)	-	52,330 (2)	256,500 (1)	-	No problem is anticipated. The £256,500 is to come from the "Running the Leisure Facilities more efficiently" scheme, where the Department is confident of realising the savings on time.
Oedolion, Iechyd a Llesiant	645,000 (6)	-	645,000 (6)	-	-	On 13 March 2018, the Cabinet approved merging some schemes and re-profiling others. As a result, the Department is confident of being able to realise these on time.

## OVERVIEW OF SAVINGS SCHEMES 2018/19 BY DEPARTMENT

Department	Total Savings 2018/19 £ (number)	Realised schemes £ (number)	Schemes on track to be realised timely £ (number)	Schemes being implemented, but with slippage £ (number)	Schemes not fully developed or have failed £ (number)	Comments by the Head of Finance
Children and Families	314,480 (2)	-	64,200 (1)	250,280 (1)	-	A substantial challenge to realise the financial savings from the "End to End" scheme has become apparent. I understand that a full report on the position is to be presented to the Cabinet shortly, to approve any changes to the profile and/or the forecasted savings sum.
Highways and Municipal	86,700 (1)	-	86,700 (1)	-	-	No problem is anticipated.
Consultancy	-	-	-	-	-	No schemes programmed for 2018/19.
Corporate Management Team	13,800 (1)	-	13,800 (1)	-	-	No problem is anticipated.
Cross-departmental	322,170	-	-	-	322,170	Further schemes have been developed but are yet to be approved.
<b>TOTAL</b>	<b>2,454,740 (25)</b>	<b>102,340 (4)</b>	<b>1,523,450 (19)</b>	<b>506,780 (2)</b>	<b>322,170</b>	<b>Whilst very early into 2018/19, in financial terms (£), 4% of the year's schemes have been realised and 75% are on track.</b>

# Agenda Item 8

## REPORT TO THE CABINET

22 MAY 2018

**Cabinet Member:** Councillor Peredur Jenkins, Finance Cabinet Member

**Subject:** Final Accounts 2017/18 - Revenue Outturn

**Contact Officer:** Dafydd L Edwards, Head of Finance

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### 1. The decision sought / purpose of the report

#### The Cabinet is requested to:

- 1.1 To consider and note the final financial position of the Council's departments for 2017/18.
- 1.2 **To approve the amounts to be carried forward** (the "Revised Over/(Under) Spend" column of the summary in **Appendix 1**), namely -

DEPARTMENT	£'000
Adults, Health and Wellbeing	(100)
Children and Families	100
Education	0
Economy and Community	(35)
Highways and Municipal	100
Environment	(100)
Gwynedd Consultancy	(82)
Corporate Management Team & Legal	(66)
Finance	(66)
Corporate Support	(67)

- 1.3 To approve the following recommendations and financial transfers (as outlined in **Appendix 2**) –
  - Transfer £457k, equivalent to the supporting delivery of social services over the winter period grant to support flexibility and facilitate transformation in the Adults field in the future.
  - Harvest (£37k) of the underspend, being the sum above (£100k) for Adults, Health and Wellbeing, to be used to assist with the shortfall in other departments this year.
  - The Children and Families Department to receive one-off financial assistance of £676k to alleviate the majority of the 2017/18 overspend, allowing them to face the challenges of 2018/19.

- Transfer £207k to eliminate the Education Department's overspend, whilst transport policies and arrangements are being reviewed.
- Highways and Municipal to receive one-off partial financial assistance of £203k to limit the overspend to be carried forward by the Department to £100k, to assist them with facing the challenge of 2018/19.
- Transfer £378k of the Environment's Department 2017/18 overspend to a specific fund, relating to buses and route costs to be used in 2018/19.
- Harvest (£89k) of the Environment's Department underspend, being the sum above (£100k), to be used to assist the departments overspending this year.
- Harvest (£894k) of the net underspend on Corporate budgets (on Council Tax Reduction, bids and budgets returned by departments and on other headings), and transfer to assist the overspending departments in 2017/18.
- Transfer £66k from the Financial Strategy Support fund, being the balance required, to assist the overspending departments.

1.4 To approve the virements from the specific reserves as outlined in Appendix 3 following a review of reserves, namely:

- Harvest (£2.915m).
- Assign £2.749m to the Council Plan.
- Assign £166k to waste issues.

## 2. Introduction / Background

2.1 Generally, despite the sustained challenging need to achieve savings and cuts, **the final financial position of the Council's departments for 2017/18 confirms that there was effective financial management by the relevant Cabinet Members, department heads and budget managers.** Of course, that is supported by our accountants' professional monitoring work, together with constructive challenge as required by the Cabinet, the Audit and Governance Committee, and the Corporate Management Team.

2.2 Therefore, **the Cabinet is requested to approve the final financial position for 2017/18 to enable the Finance Department to move forward to produce, certify and publish the statutory financial statements before 30 June,** then present these for Audit and Governance Committee scrutiny on 19 July 2018.

### 3. Council Departments

- 3.1 **Generally, I can confirm that most departments' budgets have been controlled again this year.** A summary of the final position for every department is outlined in Appendix 1, with the sums to be carried forward (subject to the Cabinet's approval) in the "Revised Over/(Under) Spend" column. In Appendix 2, further details relating to the major issues and areas where significant variances from those previously reported are noted, together with several specific recommendations. Those recommendations are highlighted for consideration above in 1.3.
- 3.2 Most of the departments are reporting an underspend financial position, which was accurately projected during 2017/18. But there was a significant improvement in the financial position of the **Adults' Department** during the last quarter of the year, following the receipt of a grant from Welsh Government to assist with the cost of supporting social services over the winter period.
- 3.3 There was an overspend on placements and operational services in the **Children and Families** Department, on transport by the **Education** Department and in the waste and engineering field by the **Highways and Municipal** Department.
- 3.4 **The underspend / overspend position of each department in Appendix 1, is reported to the Cabinet, who will approve the sums to be carried forward.** Financial Procedure Rule 16.3.1 specifies the arrangements for sums to be "carried forward" at the year-end. There are three requests for the Cabinet to write off the department's deficit, two requests to transfer funding for a specific purpose and two department with an underspend exceeding the £100,000 threshold on closure of the 2017/18 accounts, therefore with underspend to harvest. There is also a request to use £66k of the Supporting the Financial Strategy fund, the balance required to fund the overspending departments.
- 3.5 Generally, where departments have underspent, those are one-off positions in 2017/18 only.
- 3.6 In the majority of budgets where there was an overspend in 2017/18, appropriate consideration has been given to the related requirements and opportunities in the 2018/19 budgetary cycle, and most of those issues have already been addressed in the financial strategy for 2018/19 (by management action to halt trends, and/or by amending the budget).

### 4. Schools

- 4.1 A section of Appendix 2 elaborates on the position of the schools budgets, where statute has conferred delegated powers for governing bodies to carry balances forward at the end of the financial year. The county total of schools' balances has increased from £2.9m to £4.0m in 2017/18, and includes a grant

of £661k received at the beginning of March 2018 by Welsh Government to assist in the maintenance of schools. We will be publishing detailed annual information regarding individual schools' balances before long in a 'Section 52 Statement'.

- 4.2 The Education Department has arrangements to challenge individual schools to justify the need for their balances, and they ask school heads and the relevant schools' governing bodies to explain their intention to use their balances (particularly those with balances exceeding 5% of their budget).
- 4.3 The total schools financial deficit has reduced from £420,471 (12 Primary, 4 Secondary, 1 Special) on 31 March 2017 to £306,394 (2 Primary, 3 Secondary, 1 Special) on 31 March 2018. I confirm that the relevant Finance Unit will also ensure that the heads and governing bodies of the schools that have financial deficits will deal with them.

## **5. Corporate Budgets and Reserves**

- 5.1 There were one-off underspends of (£894k) on several revised corporate budget headings this year, as outlined in the final section of Appendix 2. (£894k) of this net underspend is available to alleviate overspends by departments, and a further contribution of £66k is required, to be released from the Supporting the Financial Strategy reserve.
- 5.2 The adequacy of the Council's specific reserves was thoroughly reviewed again by the Head of Finance on closure of this year's accounts, in accordance with the policy approved three years ago. This review succeeded in harvesting £2.915m of resources, as outlined in Appendix 3.
- 5.3 £2.749m is to be earmarked for the priorities of the Council Plan, and £166k for waste issues.
- 5.4 With the Cabinet's support, if the underspend is applied as recommended in paragraph 1.3 above, through effective control over its budgets, the Council will have succeeded in funding its expenditure in line with its plan for 2017/18. Including using £1.013m of the Council's general balances in 2017/18 (in accordance with the Financial Strategy approved 2 March 2017), resulting in a balance of £5.897m.

## **6. Next steps and timetable**

- 6.1 In accordance with The Accounts and Audit (Wales) Regulations 2014, and the CIPFA Code of accounting practice, the Chief Finance Officer has to certify the statutory financial statements for 2017/18 before 30 June. As the statutory timetable is to be reduced in next few years, the timetable was reduced this year in preparation, I would like to thank everyone who has contributed in this process.

- 6.2 The purpose of this report is to detail the outturn position relating to underspends and overspends within individual departments and the Council's expenditure as a whole for 2017/18. We will consider the information in this report, in order to reflect that position in the final accounts.
- 6.3 The position reflected here is based on the latest information, and in bringing the accounts closure process to a conclusion, there could be some further changes. However, no significant change in the general position is anticipated.
- 6.4 The Finance Department will produce the 2017/18 statutory financial statements for certification by the Head of Finance before 30 June and submission for scrutiny by the Audit Committee on 19 July 2018.

**Local member's views**

Not relevant

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**Opinion of the Statutory Officers**

**Monitoring Officer:**

Nothing to add from a propriety perspective.

**Head of Finance:**

I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

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**Appendices**

- Appendix 1 - the final underspend / overspend position of each department
- Appendix 2 - budgetary issues and areas where significant variances occurred
- Appendix 3 - resources harvested from reviewing reserves



**Final Accounts 2017/18 Revenue Budget - Summary of position by Department**

	Final Review				Third Quarter Review £ '000
	Proposed Budget 2017/18 £'000	Gross Over / (Under) spend 2017/18 £ '000	Recommended Adjustments £'000	Revised Overspend / (Underspend) £ '000	
	<b>Adults, Health and Wellbeing</b>	44,663	(594)	494	
<b>Children and Supporting Families</b>	12,877	776	(676)	100	595
<b>Education</b>	82,647	207	(207)	0	238
<b>Economy and Community</b>	5,928	(35)	0	(35)	(61)
<b>Highways and Municipal</b>	20,754	303	(203)	100	404
<b>Environment</b>	4,759	(567)	467	(100)	(61)
<b>Gwynedd Consultancy</b>	233	(82)	0	(82)	(9)
<b>Corporate Management Team and Legal</b>	1,887	(66)	0	(66)	(67)
<b>Finance (and Information Technology)</b>	5,832	(66)	0	(66)	(72)
<b>Corporate Support</b>	7,909	(67)	0	(67)	(88)
<b>Corporate Budgets</b> <i>(Variances only)</i>	*	(894)	894	0	(498)
<b>Totals (net)</b>	187,489	(1,085)	769	(316)	479

<b>Final Accounts 2017/18</b>						
<b>Adults, Health and Wellbeing Department</b>	<b>Proposed Budget 2017/18</b>	<b>Final Position 2017/18</b>	<b>Gross Overspend / (Underspend) 2017/18</b>	<b>Use of Other Sources or Other Recommended Adjustments</b>	<b>Revised Overspend / (Underspend)</b>	<b>Net Over/(Under) Spend Quarter 3 Review</b>
<b>Area:-</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b>Adults Services</b>						
Older Peoples Services						
Residential and Nursing - Homes	10,378	10,181	(197)	0	(197)	(74)
Home Care	6,223	5,551	(672)	457	(215)	(84)
Other	1,613	1,400	(213)	0	(213)	(271)
	18,214	17,132	(1,082)	457	(625)	(429)
Physical Disability Services						
Residential and Nursing	492	478	(14)	0	(14)	(7)
Home Care	998	961	(37)	0	(37)	51
Other	675	646	(29)	0	(29)	(159)
	2,165	2,085	(80)	0	(80)	(115)
Learning Disability Services	14,566	14,087	(479)	0	(479)	(382)
Mental Health Services						
Residential and Nursing	1,492	1,658	166	0	166	253
Other	1,881	1,681	(200)	0	(200)	(109)
	3,373	3,339	(34)	0	(34)	144
Other Services (Adults)						
Management	299	288	(11)	0	(11)	(16)
Older People and Physical Disability Team	2,445	2,437	(8)	0	(8)	52
	2,744	2,725	(19)	0	(19)	36
<b>Adults Services Total</b>	<b>41,062</b>	<b>39,368</b>	<b>(1,694)</b>	<b>457</b>	<b>(1,237)</b>	<b>(746)</b>

<b>Final Accounts 2017/18</b>						
<b>Adults, Health and Wellbeing Department</b>	<b>Proposed Budget 2017/18</b>	<b>Final Position 2017/18</b>	<b>Gross Overspend / (Underspend) 2017/18</b>	<b>Use of Other Sources or Other Recommended Adjustments</b>	<b>Revised Overspend / (Underspend)</b>	<b>Net Over/(Under) Spend Quarter 3 Review</b>
<b>Area:-</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
<b><u>Provider Services (showing net budget)</u></b>						
Residential Care	(699)	(337)	362	0	362	271
Day Care	(195)	(106)	89	0	89	13
Community Care	(56)	214	270	0	270	339
Other	(75)	(134)	(59)	0	(59)	(79)
<b><u>Total Provider Services</u></b>	<b>(1,025)</b>	<b>(363)</b>	<b>662</b>	<b>0</b>	<b>662</b>	<b>544</b>
<b><u>Other Services</u></b>						
Housing Services	1,535	1,547	12	0	12	37
Departmental Central Services (including the Department's savings schemes)	3,091	3,517	426	0	426	263
2017/18 Final Account Adjustment				37	37	0
<b><u>Total Other Services</u></b>	<b>4,626</b>	<b>5,064</b>	<b>438</b>	<b>37</b>	<b>475</b>	<b>300</b>
<b><u>Adults, Health and Wellbeing Total</u></b>	<b>44,663</b>	<b>44,069</b>	<b>(594)</b>	<b>494</b>	<b>(100)</b>	<b>98</b>

## **Adults, Health and Wellbeing**

**Older Peoples Services** - an increase in the income contributions, and a reduction in the number of home care packages. A grant of £457k was received from the Welsh Government late in the year towards supporting social services over the winter. As the Department is underspending in 2017/18, they are eager to carry forward a sum equal to the grant to ensure flexibility in the future.

**Physical Disability Services** - an underspend on direct payments and home care is assisting in reducing the effect of the overspend on supported accommodation.

**Learning Disability Services** - most of the fields within this area are underspending except for supported packages which are overspending as there has been slippage in realising the savings schemes. Two expensive out of county cases have ceased during the quarter.

**Mental Health Services** - three residential cases have ended, vacant positions, and a grant was received in the alcohol and drugs area, are all contributing towards the underspend.

**Provider Services** - an increase in the overspend trend, stemming mainly from related costs and staffing matters. A reduction in the overspend on community care with an increase in the hours provided and better management of travelling and non-contact hours.

**Other Services - Central Services** - a failure to realise £436k of the savings in 2017/18. A report was submitted to the Cabinet on 13 March 2018 re-packaging savings schemes so that they could be realised. On the other hand, re-assessing independent living packages has resulted in less demand for the service.

**It is recommended that** £457k is transferred, equal to the supporting social services grant over the winter to a specific reserve, to support flexibility and facilitate the transformation in the Adults field for the future.

Harvest (£37k) of the underspend, that is, the sum in excess of (£100k) in Adults, Health and Wellbeing, to be used to assist Departments that are overspending this year.

<b>Final Accounts 2017/18</b>						
<b>Children and Families Department</b>	Proposed Budget 2017/18	Final Position 2017/18	Gross Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Revised Overspend / (Underspend)	Net Over/(Under) Spend Quarter 3 Review
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Service Management	527	508	(19)	0	(19)	(19)
Operational Services	2,030	2,286	256	0	256	156
Placement Services						
Out of County Placements	1,947	2,352	405	0	405	325
Agency Fostering	928	1,063	135	0	135	86
Internal Fostering	1,675	1,777	102	0	102	55
Other Support services	1,570	1,640	70	0	70	79
	6,120	6,832	712	0	712	545
Post-16 Services	923	918	(5)	0	(5)	(10)
Specialist Services/Derwen	1,592	1,614	22	0	22	62
Youth Justice Services	239	199	(40)	0	(40)	(39)
Early Years Services	123	96	(27)	0	(27)	(53)
Other Services	1,323	1,200	(123)	0	(123)	(47)
2017/18 Final Account Adjustment				(676)	(676)	0
<b>Children and Families Total</b>	<b>12,877</b>	<b>13,653</b>	<b>776</b>	<b>(676)</b>	<b>100</b>	<b>595</b>

## Children and Families

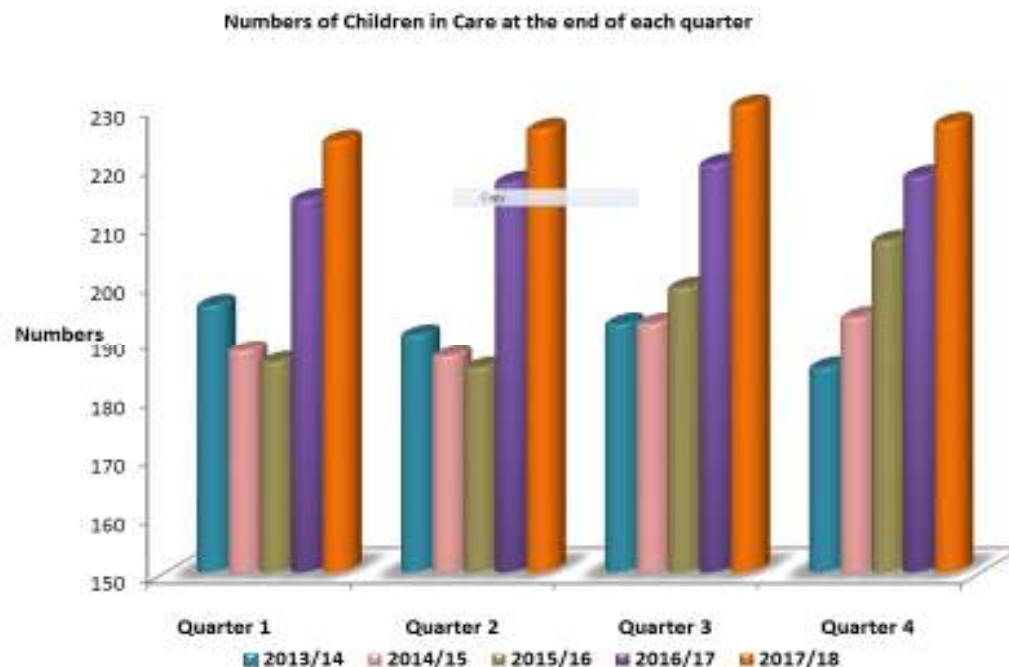
**Operational Services** - an increase in the number of children in care but not in fostering placements, together with additional pressure in supporting families leading to a higher overspend.

**Placement Services** - a further increase in the overspend on out of county placements to £405k following on from one new long term case, with four of the fifteen cases now being 17, and accordingly coming to an end in 2018/19. Three cases of fostering through agencies, four new internal fostering cases and six additional 'Staying On' cases during the quarter resulting in a further overspend. The overspend tendency on fostering allowances and residential order allowances continues.

**Other Services** - receipt of grant funding and staff turnover is responsible for the underspend of (£123k).

The increasing pressure from the number of cases by the Department can be seen in the chart below. In the circumstances, it is therefore recommended that one-off partial support of £676k be offered to assist the Department with this year's problematic financial position, thus limiting the overspend to be carried forward by the Department to £100k.

**It is recommended that** the Children and Families Department receive one-off financial support of £676k to alleviate the majority of the 2017/18 overspend, enabling them to move on to face the 2018/19 challenges.



<b>Final Accounts 2017/18</b>						
<b>Education Department</b>	<b>Proposed Budget 2017/18</b>	<b>Final Position 2017/18</b>	<b>Gross Overspend / (Underspend) 2017/18</b>	<b>Use of Other Sources or Other Recommended Adjustments</b>	<b>Revised Overspend / (Underspend)</b>	<b>Net Over/(Under) Spend Quarter 3 Review</b>
<b>Area:-</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Delegated Schools	71,826	71,826	0	0	0	0
Transport	4,246	4,530	284	(207)	77	240
Redundancy and Early Retirement	1,373	1,373	0	0	0	(7)
Out of County	945	871	(74)	0	(74)	(36)
Catering and Cleaning	123	383	260	0	260	198
Nursery Education	576	541	(35)	0	(35)	(4)
School Improvement Grant	587	552	(35)	0	(35)	(35)
Management	1,239	1,098	(141)	0	(141)	(81)
Additional Learning Needs and Inclusion	3,179	3,212	33	0	33	14
Further Education	24	13	(11)	0	(11)	(7)
Education Contribution to Joint-Committees	1,088	1,004	(84)	0	(84)	(34)
Other	(2,559)	(2,549)	10	0	10	(10)
<b>Education Total</b>	<b>82,647</b>	<b>82,854</b>	<b>207</b>	<b>(207)</b>	<b>0</b>	<b>238</b>

## Education

**Transport** - The overspend trend seen during the year continues, with an increase to £284k by the year end. A deficit of £49k on the sale of post-16 transport tickets, overspend of £27k on school buses, and £208k on school taxi transport, stemming from an increase in demand since the budget was established. In the previous review, the Education Head, in consultation with the Environment Head was requested to review the increase in the spend on school taxi transport, and then act to manage the position. We understand that work is ongoing to review the arrangements that give rise to the calls for new transport, and initial re-modeling work of providing transport, to reduce costs. Members will remember, when approving the 2018/19 budget in the Cabinet on 13 February and in the full Council 8 March 2018, it was recommended that the overspend on school transportation was to be eliminated at year end.

**Out of County** - the out of county committment has reduced leading to an underspend of (£74k) at the end of the financial year.

**Catering and Cleaning** - an increase in the overspend to £260k, a combination of costs stemming from sickness and staffing matters, a delay in fulfilling the Free Breakfast savings scheme, together with a shortfall in the meals income and the care element of the breakfast scheme.

**Management** - an increase in the underspend during the quarter stemming from staff turnover and success in attracting income and grants.

**Education Contribution to Joint-Committees** - an underspend of (£84k) stemming from the use of grant funding together with early realisation of savings schemes.

**It is recommended that** £207k of bridging finance is transferred to the Education Department, whilst the policies and transport arrangements are reviewed.



<b>Final Accounts 2017/18</b>						
<b>Economy and Community Department</b>	Proposed Budget 2017/18	Final Position 2017/18	Gross Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Revised Overspend / (Underspend)	Net Over/(Under) Spend Quarter 3 Review
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Management	388	389	1	0	1	0
Community Learning	2,788	2,708	(80)	0	(80)	(44)
Tourism and Heritage	1,054	1,061	7	0	7	10
Economy and Community	341	357	16	0	16	(8)
Healthy Communities	1,357	1,378	21	0	21	(19)
<b><u>Economy and Community Total</u></b>	<b>5,928</b>	<b>5,893</b>	<b>(35)</b>	<b>0</b>	<b>(35)</b>	<b>(61)</b>

### **Economy and Community**

The underspend has reduced to (£35k) by the year end, with a reduction in the receipt of income from Leisure Centres during the last quarter. Within this position, some services are overspending, including Marine, Galleries and Museums, and Leisure facilities, but balanced by an underspend in other fields such as Business Support, Sports Development, Country Parks and Archives. The Department has also realised savings early this year in preparation for the 2018/19 savings schemes.

**Community Learning** - an increase in the overspend to (£80k) which is a combination of an underspend of (£53k) on the Youth Service, and staff turnover is responsible for an underspend of (£27k) on Community Regeneration.

<b>Final Accounts 2017/18</b>						
<b>Highways and Municipal Department (including Trunk Road Agency)</b>	<b>Proposed Budget 2017/18</b>	<b>Final Position 2017/18</b>	<b>Gross Overspend / (Underspend) 2017/18</b>	<b>Use of Other Sources or Other Recommended Adjustments</b>	<b>Revised Overspend / (Underspend)</b>	<b>Net Over/(Under) Spend Quarter 3 Review</b>
<b>Area:-</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>	<b>£'000</b>
Highways Services (including Trunk Roads)	9,022	9,071	49	0	49	146
Engineering Services	385	497	112	0	112	81
Municipal Services						
Waste	7,795	7,979	184	0	184	142
Other	2,807	2,800	(7)	0	(7)	66
Municipal Provider Units	745	710	(35)	0	(35)	(31)
2017/18 Final Account Adjustment				(203)	(203)	0
<b>Highways and Municipal Total</b>	<b>20,754</b>	<b>21,057</b>	<b>303</b>	<b>(203)</b>	<b>100</b>	<b>404</b>

### **Highways and Municipal (including Trunk Road Agency)**

**Highways Services** - a shortfall in the income on external contracts and maintenance work during the long and hard winter this year resulted in a substantial overspend. Receipt of a £165k grant from the Welsh Government towards the costs was insufficient, and accordingly, the Department has had to use its severe weather reserve to try to alleviate the position.

**Engineering Services** - a combination of failure to realise savings schemes, staffing matters and the loss of an external contract are responsible for the overspend, together with additional staffing costs in the CCTV field during the last quarter.

**Waste** - an increase in sickness costs, transport and vehicle hire, and increasing costs of handling and transporting recyclable materials. The Department has used budgets from other fields and reserves to reduce the overspend.

**Municipal Services - Other** - an overspend on street cleaning operational costs, but balanced by higher fourth quarter crematorium and cemetery income.

As the Department has transferred budgets and used reserves to try to reduce the overspend, it is reasonable to provide one-off financial support to assist the Department with the financial position.

**It is recommended that** Highways and Municipal are to receive one-off partial financial assistance of £203k to limit the overspend to be carried forward by the Department to £100k, to assist them with facing the challenge of 2018/19.

<b>Final Accounts 2017/18</b>						
<b>Environment Department</b>	Proposed Budget 2017/18	Final Position 2017/18	Gross Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Revised Overspend / (Underspend)	Net Over/(Under) Spend Quarter 3 Review
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Department Management	377	328	(49)	0	(49)	(3)
Planning Services						
Development Control	258	298	40	0	40	0
Other	(16)	(32)	(16)	0	(16)	(13)
	242	266	24	0	24	(13)
Street Works and Transport Services						
Forward Planning	(23)	17	40	0	40	1
Road Safety	127	119	(8)	0	(8)	(15)
Traffic and Statutory Arrangenets	365	378	13	0	13	(7)
Parking and Parking Enforcement	(1,843)	(1,795)	48	0	48	(5)
Integrated Transport	1,606	971	(635)	378	(257)	(40)
Enforcement and Traffic	22	23	1	0	1	6
	254	(287)	(541)	378	(163)	(60)
Countryside and Access Services	714	726	12	0	12	13
Joint Planning Policy Unit	299	299	0	0	0	0
Public Protection Services	1,427	1,384	(43)	0	(43)	(2)
Catering, Cleaning and Caretakers	1,446	1,476	30	0	30	4
2017/18 Final Account Adjustment				89	89	0
<b>Environment Total</b>	<b>4,759</b>	<b>4,192</b>	<b>(567)</b>	<b>467</b>	<b>(100)</b>	<b>(61)</b>

**Environment**

A continuation in the underspend trend across a number of Department services, mainly on vacant posts, therefore one-off effect in 2017/18.

**Street Works and Transport Services** - Loss of income from parking fees, and Forward Planning financing capital expenditure. In Integrated Transport, financial support has been received from the Welsh Government towards the increasing costs following on from re-tendering bus routes of one bus operator recently, together with receipt of additional bus grant during March. The Department is eager to earmark £378k of this to meet related bus costs in 2018/19.

**It is recommended that** an underspend of £378k relating to buses and route costs in the Environment Department is transferred to a specific reserve, to be used in 2018/19.

Harvest (£89k) of the Environment Department underspend, that is the sum in excess of (£100k), to be used to assist Departments that are overspending in 2017/18.

<b>Final Accounts 2017/18</b>						
<b>Consultancy Department</b>	Proposed Budget 2017/18	Final Position 2017/18	Gross Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Revised Overspend / (Underspend)	Net Over/(Under) Spend Quarter 3 Review
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Roads and Engineering Services	(417)	(527)	(110)	0	(110)	(57)
Building Services	(35)	(43)	(8)	0	(8)	25
Flood Risk Management Unit Services	566	575	9	0	9	0
Building Control	119	146	27	0	27	23
<b>Consultancy Total</b>	<b>233</b>	<b>151</b>	<b>(82)</b>	<b>0</b>	<b>(82)</b>	<b>(9)</b>

### **Consultancy**

**Roads and Engineering Services** - success in attracting additional income from a combination of internal and external work, has resulted in an increase in the income from the Welsh Government, Trunk Roads and external bodies in the last quarter, thus responsible for the underspend increasing to (£110k).

**Building Services** - an underspend at the end of the year stemming from attracting more income for work from external bodies, together with an underspend on staffing costs.

**Rheolaeth Adeiladu** - an income shortfall responsible for the overspend of £27k.

<b>Final Accounts 2017/18</b>						
<b>Central Departments</b>	Proposed Budget 2017/18	Final Position 2017/18	Gross Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Revised Overspend / (Underspend)	Net Over/(Under) Spend Quarter 3 Review
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Corporate Management Team and Legal	1,887	1,821	(66)	0	(66)	(67)
Finance (and Information Technology)	5,832	5,766	(66)	0	(66)	(72)
Corporate Support	7,909	7,842	(67)	0	(67)	(88)
<b>Central Departments Total</b>	<b>15,628</b>	<b>15,429</b>	<b>(199)</b>	<b>0</b>	<b>(199)</b>	<b>(227)</b>

### Central Departments

**Corporate Management Team and Legal** - an underspend of (£66k) with (£57k) of this stemming from receipt of additional income by the Legal Unit, and (£9k) of savings realised early in the Emergency Planning field.

**Finance (and Information Technology)** - the end of year position is in accordance with the forecasts, with an underspend of (£66k). A one-off underspend on vacant positions across the Department, together with attracting income in excess of the budget in Information Technology and Internal Audit is responsible for the position.

**Corporate Support** - an underspend of (£67k), which is a combination of one-off staffing savings following on from staff turnover, together with the Department's success in attracting external income in excess of the budget in the Occupational Health, Translation, and Support fields. An overspend of £50k on Galw Gwynedd is partly due to the loss of an external contract together with one-off spend on staffing costs and on a CCTV system.

<b>Final Accounts 2017/18</b>						
<b>Corporate (Only reflecting the variances)</b>	Proposed Budget 2017/18	Final Position 2017/18	Gross Overspend / (Underspend) 2017/18	Use of Other Sources or Other Recommended Adjustments	Revised Overspend / (Underspend)	Net Over/(Under) Spend Quarter 3 Review
<b>Area:-</b>	£'000	£'000	£'000	£'000	£'000	£'000
Council Tax	*	*	441		441	0
Council Tax Reduction	*	*	(307)		(307)	0
Bids and Budgets returned by Departments	*	*	(563)		(563)	0
Other	*	*	(465)		(465)	(498)
2017/18 Final Account Adjustment				894	894	0
<b>Corporate Total</b>	*	*	<b>(894)</b>	<b>894</b>	<b>0</b>	<b>(498)</b>

### Corporate

**Council Tax** - an overspend of £441k, as the Valuation Office allowed 282 properties to be transferred from being Council Tax properties list to non-domestic Rates, with 43% (122 properties) during the last quarter. The number of transfers in 2017/18 was over 50% higher than in previous years, with the effect of backdating some applications to 2010/11.

**Council Tax Reduction** - the underspend trend on the Council Tax Reduction scheme continues, with a reduction in the number of applications following a pattern also seen by other north Wales Local Authorities.

**Bids and Budgets returned by Departments** - (£255k) as a result of reduced demand on the provision relating to the new automatic pension registration arrangements, (£172k) after receiving a grant from Welsh Government after the budget was set, and (£136k) of bids that will not be used in 2017/18.

**Other** - underspend due to changes in circumstances that were not foreseen when the budget was set, underspend on external audit fees and a reduction in the provision for bad debts.

**It is recommended that** (£894k) of the net underspend on Corporate budgets is harvested and transferred to assist the overspending departments in 2017/18.

**It is also recommended that** £66k is transferred from the Financial Strategy Support reserve, being the balance required to assist the overspending departments.

## Harvesting Reserves

Following a review of reserves, it is recommended that the following sums are released from the reserves below:

Reserve	Sum to be released £
Efficiency Development (to be transferred to achieve corporate priorities)	47,000
Special Projects Leader (no related commitment)	70,162
Corporate Support underspend (harvest above a certain threshold)	56,039
E-Government (no related commitment)	250,000
Finance Department underspend (harvest above a certain threshold)	66,829
Gwynedd Consultancy underspend (harvest above a certain threshold)	34,687
Biking Officer reserve (no related commitment)	10,000
Issues relating to dissolving Cwmni Gwastraff Môn Arfon (completed)	165,504 *
Supporting the Financial Strategy Reserve (to be transferred to achieve corporate priorities)	2,214,585
<b>Total</b>	<b>2,914,806</b>

to be transferred to the reserves below as follows:

Reserve	Sum to be transferred £
Waste issues	165,504 *
Transformation / Council Plan	2,749,302
<b>Total</b>	<b>2,914,806</b>



## REPORT TO THE CABINET

22 May 2018

**Cabinet Member:** Councillor Peredur Jenkins - Finance Cabinet Member

**Subject:** Capital Programme 2017/18 – End of Year Review  
(31 March 2018 position)

**Contact Officer:** Dafydd L Edwards - Head of Finance

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### **The decision sought / Purpose of the report**

To accept the report on the end of year review (31 March 2018 position) of the capital programme, and approve the revised financing as shown in part 4 of the report, that is:

- an increase of £4,514,000 in the use of grants and contributions
  - an increase of £326,000 in the use of capital receipts
  - a decrease of £371,000 in the use of other borrowing
  - a decrease of £335,000 in the use of revenue contributions
  - a decrease of £53,000 in the use of the capital reserve
  - a decrease of £65,000 in the use of renewal reserves and others
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### **1. Introduction / Summary**

This technical report is presented as part of the 2017/18 end of year process. The main purpose of the report is to present the revised capital programme and to approve the relevant financing sources. There is a summary in parts 3 and 4 of the report, with the recommendations in part 5:

Part 3: Analysis by Department of the £51.734m capital programme for the 3 years 2017/18 – 2019/20.

Part 4: Sources of finance for the net increase of approximately £4.016m since the previous review.

The Cabinet has the authority to adapt the capital programme. Approval is sought for the revised programme (part 3) and financing (part 4).

The remainder of the report is for information:

- Appendix A: The main changes per source of finance
- Appendix B: Movements from 2017/18 to 2018/19

### **2. Main Findings:**

The main conclusions that arise from the revised position are:

- The Council succeeded in spending over £23m in 2017/18 on capital projects, with £11m of it being financed by attracting specific grants.

- £15.6m of budgeted expenditure will slip from 2017/18, compared to a slippage of £9.9m at the end of 2016/17. No loss of grant funding was caused to the Council where schemes have slipped.

### 3. Capital Programme 2017/18 to 2019/20

See below the revised capital programme as at the end of March 2018.

DEPARTMENT	END OF MARCH REVIEW				INCREASE/ (DECREASE) SINCE THE LAST REVIEW £'000
	2017/18	2018/19	2019/20	TOTAL	
	£'000	£'000	£'000	£'000	
Education	10,575	2,620	0	13,195	(257)
Environment	4,888	7,561	0	12,449	1,992
Corporate Support	28	124	0	152	0
Finance	389	883	0	1,272	16
Economy and Community	1,249	293	200	1,742	480
Adults, Health and Wellbeing - Housing	2,150	4,486	0	6,636	(35)
Adults, Health and Wellbeing - Other	631	370	0	1,001	54
Children and Family Support	214	0	0	214	7
Highways and Municipal	3,095	8,607	2,247	13,949	1,714
Consultancy	179	153	0	332	45
Corporate	0	792	0	792	0
<b>TOTAL</b>	<b>23,398</b>	<b>25,889</b>	<b>2,447</b>	<b>51,734</b>	<b>4,016</b>

### 4. Changes to the Sources of Finance

The budget for the three year programme shows an increase of £4.016m since the previous review. The proposed sources of financing for this are noted below:

SOURCE OF FINANCE	END OF MARCH REVIEW				INCREASE/ (DECREASE) SINCE THE LAST REVIEW £'000
	2017/18	2018/19	2019/20	TOTAL	
	£'000	£'000	£'000	£'000	
Supported Borrowing	4,150	6,399	0	10,549	0
Other Borrowing	3,635	5,045	861	9,541	(371)
Grants and Contributions	11,109	2,688	200	13,997	4,514
Capital Receipts	1,384	371	0	1,755	326
Departmental & Corporate Revenue	1,739	282	0	2,021	(335)
Capital Fund	0	2,353	0	2,353	(53)
Renewals & Other Funds	1,381	8,751	1,386	11,518	(65)
<b>TOTAL</b>	<b>23,398</b>	<b>25,889</b>	<b>2,447</b>	<b>51,734</b>	<b>4,016</b>

## **5. RECOMMENDATIONS**

**The Cabinet is asked to:**

- **accept the 2017/18 to 2019/20 revised capital programme, and**
- **approve the relevant sources of finance (part 4 above).**

## **6. Reasons for recommending the decision**

It is necessary to ensure appropriate financing arrangements for the Council's plans to spend on capital, and the Cabinet must approve the capital programme and its sources of funding.

Incorporating funding via grant is a point of order, but it is also necessary to deal with situations where there has been a change in expenditure profiles between years and the value of capital receipts and contributions.

These are recommendations to ensure definite sources of funding for the 2017/18 – 2019/20 capital schemes.

## **7. Relevant considerations**

These are technical issues regarding the financing of schemes and relevant implications and debates have already been addressed when the individual schemes were adopted.

## **8. Next steps and timetable**

To implement the recommendations to finance the programme in order that the Finance Department can move forward to close the Council's financial accounts for 2017/18, and publish the statutory statement before the end of June.

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**View of the Local Member**

Not relevant.

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**Views of the Statutory Officers****Monitoring Officer:**

Nothing to add from a propriety perspective.

**Head of Finance:**

Author of the report / I have collaborated with the Cabinet Member in the preparation of this report and I confirm the content.

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**Appendices**

Appendix A: Main changes per source of financing (2017/18)

Appendix B: Budget re-profiling – main schemes

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**MAIN CHANGES PER SOURCE OF FINANCING (2017/18):**

See below the relevant schemes that have caused the main changes to the sources of finance during the last quarter:

	Increase / (Decrease) £'000
<b>Other Borrowing</b>	
• 21 <sup>st</sup> Century Schools – subsequent re-profiling indicates more grant therefore less borrowing required.	(240)
• Technical adjustments – switching funding of Highways and Municipal vehicles with Reserves.	(130)
<b>Grants and Contributions</b>	
• 21 <sup>st</sup> Century Schools – subsequent re-profiling indicates more grant therefore less borrowing required and more grant approved for the Bangor scheme.	272
• New grant for Feminine Hygiene in school toilets.	30
• New TAIS grant – Blue Flag Beaches improvements.	114
• Overestimated expenditure in Sure Start Capital Schemes.	(17)
• New grant for Roads Refurbishment.	1,989
• Additional waste grant (Cartgylchu).	173
• Additional Local Transport Fund grants.	1,915
<b>Capital Receipts</b>	
• 21 <sup>st</sup> Century Schools – Technical adjustment to switch funding between departmental revenue and capital receipts to reflect the situation better since the previous review.	300
• Reassessment of the funding source for the Ffridd Arw/Caerylchu Scheme.	15
<b>Departmental and Corporate Revenue</b>	
• 21 <sup>st</sup> Century Schools – See above.	(300)
• Capitalised Schools Repairs and Maintenance.	(280)
• A number of additional schemes or some schemes costing more than originally envisaged within the services of the Economy Department – Tegid Path, Trefor Pier Safety and Demolition, Self Service Machines in Libraries.	193
• A number of additional schemes or some schemes costing more than originally envisaged within the services of the Environment Department – Transportation, Rural schemes, Vehicles and Equipment.	55
<b>Capital Fund</b>	
• Underspending on schemes - Upgrading Schools Service Electronic systems and Rationalisation of the provision of the Schools' System.	(20)
• Reassessment of the estimates for the Waste Sites' Flares scheme.	(32)
<b>Renewals and Other Funds</b>	
• Requirement to use less of the Renewals Funds because of an increase in the waste grant for the Cartgylchu scheme.	(163)
• A number of adjustments for the use of Funds within various services.	95

**BUDGET RE-PROFILING – MAIN SCHEMES:**

See below the main schemes that have been re-profiled since the original budget:

	2017/18 £'000	2018/19 £'000
Repairs and Maintenance of the Council's Buildings and Carbon Management Schemes (Environment Department)	(3,091)	3,091
Renewal of the Council's Vehicles (Highways and Municipal Department)	(3,944)	3,944
Housing Grants Schemes (Adults, Health and Wellbeing Department – Housing Unit)	(1,024)	1,024
Computer Replacement Schemes for the Council (Finance and Information Technology Department)	(534)	534
21 <sup>st</sup> Century Schools Schemes (Education Department)	(2,077)	2,077
Car Parks Resurfacing Schemes (Environment Department)	(260)	260
Llandygai Gypsy Site Scheme	(612)	612
Education – various schemes such as toilet Hygiene grant, Schools' Systems, Safety etc	(287)	287
Environment – various other schemes such as traffic improvements, Briwet Bridge, information technology, vehicles, administrative buildings' adaptations	(436)	436
Adults – Residential Homes' improvements and Relocation of Segontium Day Service	(370)	370
Highways and Municipal – various schemes such as Renewal of Safety Fences, Surface Water on Roads, Water Pipes, Toilets	(335)	335
Schemes funded from the new 2017/18 year end grant for road refurbishment	(1,988)	1,988

**Note:**

The above re-profiling will not result in any loss in grant.

There is a variety of valid reasons behind the re-profiling in many cases, but the delay prior to implementing these schemes can mean that the services have to cope for longer with current assets which have not been improved. I am sure that the responsible Cabinet Members and the relevant Scrutiny Committees will wish to satisfy themselves regarding this re-profiling.

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## GWYNEDD COUNCIL CABINET



### Report to the Cabinet

<b>Meeting Date:</b>	<b>22 May 2018</b>
<b>Cabinet Member:</b>	<b>Peredur Jenkins, Cabinet Member for Finance</b>
<b>Contact Officer:</b>	<b>Dilwyn Williams, Chief Executive</b>
<b>Item Title:</b>	<b>Preparing for the uncertain financial situation from 2019/20 onwards</b>

### Decision Sought

- a) That we agree to deal with the unclear financial situation with which we are faced from 2019/20 onwards by following the arrangements outlined in section 10 of this report.
- b) That arrangements be put in place so as to ensure that every department has looked in every nook and cranny for efficiency savings.
- c) To commission a review of the Council's management arrangements (with scrutiny to be included in the process) to be completed during the calendar year so as to ensure that our management arrangements are fit for purpose.

### Background

1. There is no sign at present that the financial constraints which the Government has set on Local Government is going to come to an end soon. This creates increasing problems for us as it does for every other Council in Wales as the money we receive is insufficient even to deal with inflation let alone the increased demands falling upon us.
2. This means that the need to look for savings in order to balance the books is going to continue but our ability to find those savings without detrimentally affecting the people of Gwynedd is diminishing.
3. The report presented by the Head of Finance to the Council when submitting our Financial Strategy for the future period notes that we could need savings of perhaps between £8.5m and £17.5m from 2019/20 onwards. This was the conclusion of the graph which calculated a host of different financial possibilities that could happen. So as to remind members, the graph is attached at Appendix 1.

4. Of course, we will not know the true financial situation until closer to the relevant financial year, but if we are to plan appropriately, we need to prepare for the worst.
5. The Chief Executive outlined a possible procedure that we would use to plan for this gap in a meeting of the full Council last October. That procedure suggested that we would soon have to identify possible options.
6. As the Cabinet Members are aware, over the last few months, we have undertaken informal discussions with the Heads of Department to see what opportunities are left to generate savings so that we could come to a conclusion on the potential targets which would be reasonable to set for each department.
7. What has become apparent at these informal discussions is that coming close to the upper end of £17.5m involves having to make very difficult decisions.
8. This has also highlighted a fundamental weakness in our proposed arrangements. In preparing for the worst case scenario, if we should say end up in the middle setoff possible circumstances, we would have had to identify saving schemes which will never see the light of day. Bearing in mind that we are now looking at “worse” implications than those faced during the “Gwynedd Challenge” arrangements, this would create unnecessary concern amongst Gwynedd’s citizens and amongst the Council’s staff.
9. The Chief Executive has discussed this with the Chairmen and Vice Chairmen of the Scrutiny Committees and they also saw that due to these undesirable side effects, we should perhaps look for an alternative way of dealing with the situation.

### **New Arrangement**

10. I have been discussing the situation with the Chief Executive and we agree, that rather than following our original course of action, we should now deal with the financial situation by implementing the following procedure:-
  - a. Heads of Department to continue considering where they could make savings should they need arise; paying attention to the possibilities identified within the graph and the need to produce schemes swiftly when required;
  - b. This to include being ready to provide a priority list according to the impact upon Gwynedd’s citizens;
  - c. When the Cabinet is made aware in the Autumn of what the financial gap will be, that a workshop for all Council members be held to consider those savings proposals which will have the least impact on Gwynedd’s citizens, with a view to the members expressing their opinion regarding what scheme should be incorporated in the Financial Strategy to close any financial gap;



- d. The Cabinet to consider the workshop recommendations and to include a list of savings in the Financial Strategy to be presented to the Council.
  - e. Repeat the procedure the following year.
11. I believe that following such a procedure would achieve the correct balance between ensuring that we do not overreact whilst ensuring that we are also ready to meet the range of financial possibilities that could arise in future.
  12. Of course, it will compress time in which to make decisions to less than that originally anticipated, but we could agree to deal with any side effects through bridging until the saving are available.

### **Nature of the Savings**

13. One issue that became apparent from the informal discussions with Heads of Department was that a number of departments would have to rely on a greater proportion of the savings coming from cuts, rather than being able to implement further efficiency savings, as they are finding it harder to find efficiency savings. This should not perhaps come as a surprise.
14. As we have stated on more than one occasion, over the last 12 years we have accomplished savings of £62m which equates to 25% of this year's net budget.
15. The vast amount of this sum is due to efficiency savings, which equates to having achieved efficiency savings of above 2% a year over a period of 12 years.
16. Having said that, I am not convinced that this well is yet completely dry and there could be opportunities to make further efficiency savings. Whilst some departments have revealed obvious opportunities in discussions with us, it is possible that the new techniques given to managers in the wake of the Ffordd Gwynedd training have not yet had the opportunity to take root, and more time is needed to find the "more difficult" efficiency savings.
17. What is apparent of course is that before moving to cuts, we must try to ensure that every grain of efficiency savings has been squeezed out, and in order to ensure that this is achieved, **I recommend** that we have a system in place so as to ensure that every Department has looked in every nook and cranny for efficiency savings.
18. This can progress between now and the Autumn.

### **Council Management**

19. One other aspect raised by members during discussions is the Council's management layer and the question as to whether there is scope for a reduction.

20. In the past, we have left Heads of Department to consider what is needed within their services. This is consistent with the principle that they are responsible for delivering services, but it has been noted that this could lead to some inconsistencies here and there.
21. At a time of financial crisis, we must at least consider whether we could cut back more on management roles. Having said that, we must also be alive to the fact that we are totally dependent on good managers to lead our staff through this difficult time.
22. **I therefore recommend** that the Cabinet commission a review (and to include Scrutiny in this process) so as to ensure that our management arrangements are fit for purpose. Although we should not make presumptions that we will be reducing, if any savings are identified, this could go towards the savings we require.
23. Due to the uncertainty it could create for key officers, a decision should be reached before the end of the current calendar year.
24. Throughout all of this, it is important to remember that we are preparing for the worst and hoping for the best – which is what we should be doing as a responsible Council. The exact savings we require depends on the size of the gap which we will need to address, which in turn depends on the grant we will receive from the Government.

#### **Views of the Statutory Officers:**

##### **Monitoring Officer:**

Reviewing the arrangements for preparing for a financial gap is an appropriate step to take as work develops. It allows for flexibility of response as the circumstances become clearer which is a way of giving more focused decisions.

##### **Head of Finance:**

I have collaborated with the authors in the preparation of this report and I confirm the content

Gwynedd Council possible funding gap up to 2020/21

