

GWYNEDD COUNCIL CABINET



Report to a meeting of Gwynedd Council's Cabinet

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

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:

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

- 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 :

	Activity / Priority	Notional Allocation	Total
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	
	Total		£22.95m

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