

CYNGOR SIR POWYS COUNTY COUNCIL

CABINET EXECUTIVE

10th July 2018

**REPORT AUTHOR: County Councillor Martin Weale
Portfolio Holder for Planning & Regeneration**

**SUBJECT: Welsh Government Targeted Regeneration Investment
Programme**

REPORT FOR: Decision / Discussion

1. Summary

1.1 The Welsh Government's Targeted Regeneration Investment Programme (TRIP) supports capital projects that promote economic regeneration in a small number of Regeneration Areas. The Programme is being overseen and delivered on a regional basis through the Growing Mid Wales (GMW) Partnership. A draft Regional Regeneration Plan has been prepared to provide a framework for investment under the Programme. An initial list of regionally prioritised project proposals is recommended for inclusion in the Plan.

2. Background

2.1 Overview

2.2 TRIP provides capital investment towards projects and physical infrastructure that promote economic regeneration and support wider sustainable development. The programme aims to facilitate the development of regionally-significant regeneration investment proposals that will help create jobs, enhance skills and employability, and create the environment for businesses to grow. Investments must deliver against assessment criteria and outputs set out in Appendix 1 & 2. Regeneration investment must be targeted in a small number of Regeneration Areas in order to generate a greater impact.

2.3 The programme will be delivered over an initial 3-year period (2018-21), on a rolling basis from April 2018. There is a notional allocation of £7M for the Mid Wales region over the 3 years and opportunity for this to be increased if there is a good pipeline of projects. The maximum intervention rate per project is 70% for capital works. Development funding of up to £200,000 per region (50% intervention rate) is also available on an annual basis to prepare project to tender stage. Match funding for Powys and other schemes would be worked up as part of the

development stage of the projects subject to their approval by Welsh Government.

- 2.4 A budget request has been made to the Council's Capital Programme for match funding towards the programme as follows:

| 2018-19 | 2019-20 | 2020-21 |
|----------|----------|----------|
| £150,000 | £250,000 | £200,000 |

The three year bid has been approved and funding of £150,000 allocated in the current financial year. Funding for 19/20 and 20/21 will need to be confirmed in the budget process for each respective year.

- 2.5 The Programme is being delivered on a regional basis through the GMW Partnership as Welsh Government require robust regional partnerships and governance arrangements to be in place involving a broad range of stakeholders from the public, private and voluntary sectors.
- 2.6 The GMW Partnership is required to compile a Regeneration Plan for the region to provide a strategic framework and context for project proposals. This will be an evolving document that can be adapted to meet emerging challenges and opportunities. To qualify for funding, the Partnership has to identify specific project investment proposals and include these in the Regeneration Plan which can be reviewed and updated.
- 2.7 Inclusion of project ideas in the Regeneration Plan does not guarantee that those projects will receive funding. Regional proposals for investment will be scrutinised and assessed by a National Regeneration Investment Panel. Applications will be invited from prioritised projects for development stage funding to work projects up to tender stage. Once at tender stage, projects may apply to Welsh Government for implementation funding. Applications for funding would be submitted by the relevant Council and required internal approval prior to submission.
- 2.8 Where full applications are approved, Welsh Government will enter into a contract with the relevant Council for the delivery of that project. If an approved project is sponsored by an external organisation, the Council would then need to enter into a legal contract with that organisation to pass on the funding and associated risks.

3. Proposal

- 3.1 A copy of the draft Regional Regeneration plan which has been endorsed by the GWM Partnership is contained in Appendix 3. This identifies Lampeter, Tregaron, Llandysul, Llandrindod Wells, Newtown & Severn Valley, and Brecon as the initial target Regeneration Areas for the current phase of funding based on regional Growth Zone designations and fit with the TRIP criteria. Brecon has been included as

a lower priority area following advice from Welsh Government that investment within the Region needs to be more focused.

- 3.2 Following a regional open call for projects 31 initial project proposals have been identified. These have been assessed against the programme criteria by an Evaluation Panel on behalf of the GMW Partnership.
- 3.3 The Panel recommended the initial prioritisation of the projects shown in Table 1. It also recommends that the top five projects listed are progressed to development funding application stage and that all projects shortlisted are included in the Regional Regeneration Plan for consideration by Welsh Government. An outline business case for the programme and proposals is attached as Appendix 4.

3.4 Table 1 – Recommended Prioritisation of Initial Projects

| Project | TRIP Funding Requested |
|---|-------------------------------|
| Regional Property Development Investment Fund, Powys CC/Ceredigion CC | £1.5M |
| Lampeter Canolfan Dulais, Tai Ceredigion Housing Association | £1.5M |
| Research & Development Centre, Llandrindod, Private Sector | £2.5M |
| Business Units, Dole Road Llandrindod, Powys CC | £600,000 |
| Business Unit, Abermule Business Park, Powys CC | £700,000 |
| Tregaron Swimming Pool Refurbishment, Tregaron Town Council | £320,000 |
| Burgess Hall, Lampeter UWTSD | £700,000 |
| District Heating Scheme, Tregaron, Ceredigion CC | £306,000 |
| Business Incubation Units, Ladywell House, Newtown, Powys CC | £1M |
| Enterprise Park, Going Green for a Living Community Land Trust Ltd, Newtown | £1.3M |

4. Options Considered/Available

Option 1: That Cabinet endorses the draft Regional Regeneration Plan and list of initial projects recommended for prioritisation by the GWM Panel for inclusion in the Plan.

Option 2: That Cabinet does not endorse the draft Regional Regeneration Plan and the list of initial projects recommended for prioritisation by the GWM Panel for inclusion in the Plan.

Options 3: That Cabinet endorses the draft Regional Regeneration Plan and but does not endorse the list of initial projects recommended for prioritisation by the GWM Panel for inclusion in the Plan.

Option 4: That Cabinet endorses the draft Regional Regeneration Plan and recommends that an alternative list of initial projects are recommended for inclusion in the Plan.

5. Preferred Choice and Reasons

- 5.1 **Option 1:** This would maximise the opportunity for Powys and Mid Wales to draw down initial investment through the Programme which may otherwise be lost to the region.

6. Impact Assessment

- 6.1 A single impact assessment will be prepared for the project proposals should they be progressed to development stage.

7. Corporate Improvement Plan

- 7.1 The proposals will directly support the Economy priority of the Council's Vision 2025 and the Corporate Improvement Plan 2018. Specifically the draft Regeneration Plan and recommended initial Powys projects will contribute to the delivery of the following outcomes:
- New business start-ups and relocations will increase
 - Skilled employment opportunities will increase
 - A greater supply and mix of suitable workspace to support employment
 - More job opportunities and apprenticeships for young people
 - Council priorities are used to develop new industries and supply chains

8. Local Member(s)

- 8.1 Local members will be consulted on the development of project proposals once Welsh Government has approved their inclusion in the Regional Regeneration Plan.

9. Support Services

- 9.1 The report can be supported from a legal point of view.
- 9.2 The Finance Manager for the Environment Directorate notes the contents of the report, the projects are at a very early stage of development and will require further more detailed business cases as each project develops. All work currently being undertaken is within the revenue budget of the Regeneration Team.

10. Statutory Officers

- 10.1 The Solicitor to the Council (Monitoring Officer) has commented as follows: "I note the legal comment and have nothing to add to the report".
- 10.2 The Head of Financial Services (Deputy S151 Officer) notes the comments made by Finance.

11. Members' Interests

- 11.1 The Monitoring Officer is not aware of any specific interests that may arise in relation to this report. If the Portfolio Holder has an interest he should declare it, complete the relevant notification form and refer the matter to the cabinet for decision.

| Recommendation: | Reason for Recommendation: |
|--|--|
| <p>That the Cabinet:</p> <p>1. Endorses the draft Regional Regeneration Plan and list of initial projects recommended for prioritisation by the GWM Panel for inclusion in the Plan.</p> | <p>1. To maximise the opportunity of the investment and benefit that can be secured for Powys and the Mid Wales Region through the TRI Programme.</p> <p>2. To enable submission of the regeneration proposals for the TRI Programme by the Growing Mid Wales Partnership to Welsh Government.</p> |

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|-------------------------------|----------|
| Relevant Policy (ies): | |
| Within Policy: | Y |
| Within Budget: | Y |

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|----------------------------------|--|
| Relevant Local Member(s): | |
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|---|---|
| Person(s) To Implement Decision: | Professional Lead for Regeneration |
| Date By When Decision To Be Implemented: | 1st August 2018 |

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|-----------------------|--------------|------|----------------------------|
| Contact Officer Name: | Tel: | Fax: | Email: |
| Gareth Jones | 01597 826230 | | Gareth.jones3@powys.gov.uk |

Background Papers used to prepare Report:

Targeted Regeneration Investment – Guidance for Local Authorities & Delivery Partners, Welsh Government, Oct 2017

Appendix 1 - Programme Outputs:

| | |
|--------|--|
| 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 (£) |

Appendix 2 - Welsh Government Project Assessment Criteria

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|---|---|
| Contextual analysis and strategic fit | <input type="checkbox"/> Alignment with <i>Prosperity for All</i> and wider Welsh Government objectives <input type="checkbox"/> Alignment within wider regional context <input type="checkbox"/> Demonstrates clear strategy for area <input type="checkbox"/> Awareness of local challenges & opportunities <input type="checkbox"/> Response to regeneration aims & objectives |
| Well-being of Future Generations Assessment | <input type="checkbox"/> Evidence of five ways of working <input type="checkbox"/> Evidence of contributing to well-being goals <input type="checkbox"/> Evidence of alignment with Local Well-being Plans |
| Project Rationale & Approach | <input type="checkbox"/> Contributes clearly to area strategy <input type="checkbox"/> Evidence of need for project <input type="checkbox"/> Reasons for undertaking the activity <input type="checkbox"/> Clear case for change <input type="checkbox"/> General quality & clarity of proposal |
| Benefit and impact | <input type="checkbox"/> Contribution to economic regeneration <input type="checkbox"/> Contribution to spreading prosperity and tackling deprivation <input type="checkbox"/> Does the project deliver measurable benefits? <input type="checkbox"/> Clear proposal for outputs and outcomes <input type="checkbox"/> Detailed proposal for how these will be measured |
| Project costs and Value for Money | <input type="checkbox"/> Clear financial proposal with cost breakdown <input type="checkbox"/> Costs are realistic and represent best value? <input type="checkbox"/> Overall proposal represents VfM in consideration of benefits and impact |
| Deliverability | <input type="checkbox"/> Robust Governance & Partnership approach <input type="checkbox"/> Project Management - Team and Experience <input type="checkbox"/> Clear project plan <input type="checkbox"/> Evaluation proposal <input type="checkbox"/> Viability, Sustainability and Achievability <input type="checkbox"/> Exit strategy |