

Review of the Welsh Government's Vibrant and Viable Places programme



**Report by the
Ministerial
Advisory Group**

October 2015

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Executive Summary

The Welsh Government's regeneration framework, Vibrant and Viable Places, was launched in March 2013.

The flagship regeneration programme within the framework, the Targeted Regeneration Investment, sees 11 local authorities in Wales sharing over £100 million of capital funding for regeneration schemes, between 2014 and 2017. The funding is being invested on a range of projects and programmes in town centres, coastal communities and Communities First areas.

The Vibrant and Viable Places Ministerial Advisory Group is tasked with producing an end of term report on the Targeted Regeneration Investment programme for the Welsh Government's consideration. This will coincide with policy development and review work being undertaken by the Welsh Government during this first round of funding, which will inform the approach to any future allocations, including the role of regeneration in tackling poverty.

A series of 16 recommendations have been put forward for the Welsh Government to consider as part of its wider review of the programme.

Summary of our Recommendations

The Group's 16 recommendations to the Welsh Government are listed below in the order that they appear in this Report. Please refer to the relevant pages of the report to see the context and the Group's findings.

Recommendation 1

We recommend that the Welsh Government should start developing the second round of funding as soon as possible without making wholesale changes to the programme. The fundamental principles of the programme and its overall aims and objectives are sound. There is very little benefit in making significant changes to the programme and there is a strong case for continuing with a consistent approach. (Page 10)

Recommendation 2

We recommend that Welsh Government Ministers have discussions on the place-based approach, as advocated in VVP, ensuring there is closer integration of policies and programmes across all Government portfolios and maximising all opportunities in future VVP areas. (Page 12)

Recommendation 3

We recommend that should the Welsh Government wish to focus on a strategic priority for the future regeneration programme, for example, supporting childcare provision or increasing housing supply, then developing a clear scoring criteria with appropriate weighting will create the desired effect. (Page 12)

Recommendation 4

We recommend that the Welsh Government clarifies its desired aims, objectives and the outcomes it is striving to achieve for the future programme. This should be consistent across the programme's national outcomes and scoring criteria. (Page 13)

Recommendation 5

We recommend that a future regeneration programme focuses on the goals and governance approaches outlined in the Well-being of Future Generations (Wales) Act 2015 and that the principles form the basis for development. It is essential that proposals reflect community-led action planning processes. (Page 14)

Recommendation 6

We recommend that a future regeneration programme retains its focus on town centres and reinforces the message that investment in town centres is important in supporting sustainable communities. (Page 15)

Recommendation 7

We recommend that, where there is no existing plan currently in place, regional partnerships develop a strategic, spatial overview for their areas to clarify the role and function of key settlements ensuring that

towns or areas align with wider strategic plans and ambitions. The Welsh Government should provide guidance in developing the spatial overview to ensure consistency of approach. (Page 16)

Recommendation 8

We recommend that in future there should be no partial allocation of resources and that programmes should be funded fully to enable complete and holistic proposals to proceed, unless a mutually acceptable solution can be reached between the Welsh Government and a local authority. (Page 16)

Recommendation 9

We recommend that more flexibility should be offered to enable local interpretation with regards the spatial approach. We recommend that the Welsh Government should explore ways to encourage collaborative approaches. (Page 17)

Recommendation 10

We recommend that there should be a one stage application process for a future programme. (Page 17)

Recommendation 11

We recommend that the Welsh Government reviews the grant processes and procedures to ensure that these are streamlined and bureaucracy in the application process and ongoing programme monitoring is reduced, where possible. We also recommend that the overall process, along with appropriate guidance, is clarified and issued to local authorities at the outset with a clear procedure for highlighting and managing changes to the initial agreed guidance. (Page 18)

Recommendation 12

We recommend that the Welsh Government explores opportunities to consolidate key regeneration initiatives into more strategic schemes within a single programme to avoid having a variety of different funding mechanisms in existence simultaneously. (Page 18)

Recommendation 13

We recommend that a future programme includes sufficient timescales to allow effective planning and preparation, both at the application stage and once formal grant offer letters have been issued. We also recommend that the Welsh Government explores the possibility of flexibility between financial years. (Page 19)

Recommendation 14

We recommend that the role of Welsh Government Regeneration Managers in supporting local authorities and their partners should be retained and strengthened. (Page 19)

Recommendation 15

We recommend that there should be a full, independent evaluation of the programme once the programme has reached its conclusion. Whilst we understand that the second round may well have started by the time this is possible we believe there will be opportunities for the evaluation to take account of the outcomes achieved and apply learning from VVP Round 1 as soon as is possible. (Page 20)

Recommendation 16

We recommend that a MAG is retained and its role is further clarified and strengthened to support future regeneration activity. (Page 21)

Introduction

1. The Welsh Government's regeneration framework, Vibrant and Viable Places (VVP), was launched in March 2013.
2. VVP encompasses six distinct regeneration initiatives:
 - VVP Targeted Regeneration Investment;
 - Tackling Poverty Fund;
 - Town Centre Partnerships;
 - Business Improvement Districts;
 - Town Centre Loans Scheme; and
 - High Street Campaign.

VVP Targeted Regeneration Investment

The flagship regeneration programme within the framework, the Targeted Regeneration Investment (TRI) programme, is a step-change from the previous programme, Strategic Regeneration Areas (SRA).

The SRA programme saw investment in seven areas between 2008 and 2015, in Heads of the Valleys, Môn a Menai, North Wales Coast, Swansea, Western Valleys, Aberystwyth and Barry.

For TRI, local authorities are sharing over £100 million of capital funding for regeneration schemes, with the funding available from 2014 to 2017. The funding is being invested in town centres, coastal communities and Communities First areas on a range of projects and programmes.

The eleven areas that were successful in bidding for the investment for this funding round are: Holyhead, Merthyr Tydfil, Newport, Colwyn Bay, Port Talbot, Wrexham, Swansea, Torfaen, Bridgend, Deeside and Pontypridd.

Delivery partners are forecasting the programme will provide substantial capital infrastructure to assist in transforming key town centres and which will also create more than 2,000 jobs, support 3,000 people into work, lever in £300 million in additional investment, deliver 1,000 additional affordable housing units and more than 2,300 market housing units.

Tackling Poverty Fund

This programme is focused on areas that were unsuccessful in their applications for TRI but demonstrated positive projects in tackling poverty and are within the top 10% of areas as determined by the Welsh Index of Multiple Deprivation. There are 7 areas that will share £7 million over a three year period. These are: Tredegar, Rhymney, Grangetown, Llanelli, Rhyl, Caernarfon and Barry.

Delivery partners are forecasting the programme will contribute to capital infrastructure within the town centres and create 78 jobs, help support 431

people into work, will bring in £10.8 million of additional investment, will create 39 affordable homes and 100 market housing units.

Business Improvement Districts

A BID is a mechanism for a business community to generate finance to assist in supporting local economic development and regeneration. Up to £25,000 can be accessed by each area to support feasibility studies and the full process leading up to ballot. The Welsh Government is supporting 10 areas: Aberystwyth, Abergavenny, Bridgend, Llanelli, Neath, Pant & Merthyr Industrial Estates, Pontypridd, Caernarfon, Bangor, and Colwyn Bay.

Town Centre Partnerships

The Welsh Government is supporting 20 towns across Wales with a fund of £845,000 over 3 years. Each of the town centres receives up to £50,000 as a catalyst for local partnerships to form, develop Action Plans, and subsequently to implement projects. The projects selected aim to generate higher footfall, reduce empty properties, encourage high street diversification and support town centre businesses grow and prosper.

Town Centre Loan Scheme

Through this scheme, £10 million has been allocated to 11 local authorities with the aim of bringing empty sites and premises back into viable use, supporting job creation and economic growth and increasing the supply of housing and improving housing quality. The funding can be recycled a number of times before it needs to be repaid to the Welsh Government in 15 years.

High Street Campaign

This is a campaign to raise public awareness of high streets and their important role in the community. The campaign is promoted nationally but supported by local events and activities. It is now running for a second year with campaign week on 19-26th September in 2015 and this year will see the introduction of a new High Street Heroes award.

3. For the purpose of this Review, we will be focusing only on the Welsh Government's flagship regeneration programme, the Targeted Regeneration Investment programme.
4. The VVP Ministerial Advisory Group (MAG) (see Appendix 1 for Group's membership), as part of our terms of reference (see Appendix 2), is tasked with producing an end of term report for the Minister's consideration.
5. This will coincide with policy development and review work being undertaken by the Welsh Government during this first round of funding, which will inform the approach to any future allocations, including the role of regeneration in tackling poverty.

The Ministerial Advisory Group and its role

6. An important component in the regeneration framework was the need for strengthened governance and a commitment to establish a MAG to provide national strategic oversight.
7. The stated aims of the Group are:
 - “to assist the Minister with the direction, implementation and evaluation of this regeneration framework;
 - to oversee the allocation of funding and make recommendations in that regard; and
 - to assess emerging Welsh Government policies, strategies and legislation for their regeneration effect and to facilitate the consideration of regeneration across the whole spectrum of Welsh Government activity”¹.
8. The Group consists of a wide-range of representation and interests from across the public, private and voluntary sectors. The Group is Chaired by Anne Hinchey, Chief Executive of Wales & West Housing.
9. We held our first meeting in March 2014 and have met on a quarterly basis over the past 18 months. These meetings have been held in locations across Wales and we have taken advantage of the opportunities to visit local projects when visiting the area. The Group has visited Newport, Merthyr, Swansea and Wrexham. This has provided members with valuable insight into the range of projects being supported as they progress. On each occasion we have been impressed by the commitment and passion of those delivering the programmes and the partnership working that has been demonstrated.
10. The Group wishes to clarify that it had no role in overseeing the allocation of funding or to make recommendations with regards funding, as stated in the original aims of the Group (outlined at paragraph 7 above).
11. The Group has valued its role in providing support to the Minister and the Welsh Government in providing oversight and direction, and in this early evaluation of its flagship regeneration policy.
12. We have valued the input that we have received from the Minister when she has been in attendance at our meetings, and the introduction and initial briefing offered by her predecessor, Carl Sargeant, the then Minister for Housing and Regeneration, at the outset of the programme.

¹ Vibrant and Viable Places, Welsh Government (2013)

13. Whilst we are providing the Welsh Government with key recommendations on VVP, it should be noted that our views are provided during the half-way point of the programme (between June and September 2015).
14. No thorough evaluation of the programme has been undertaken to date on the programme's overall success in achieving its intended aims and objectives and proposed outcomes. It should also be noted that, although the Group's members have a wealth of knowledge and expertise covering a wide-range of subject matters related to regeneration (albeit without specific regeneration specialism *per se*), our evidence is drawn from a somewhat small number of Group meetings and area visits. Given these reasons, there are limitations to the Group's ability in making substantive recommendations on the overall programme.
15. We have welcomed research and survey work undertaken by the Welsh Local Government Association in seeking the views of local authorities with regards their experiences of VVP. We have also received feedback from housing associations and local authority delivery partners. Such information has supported our discussions and helped galvanise our findings and recommendations.
16. The Group held workshops in June and September 2015 to discuss our thoughts and to refine our recommendations to the Welsh Government.

Key findings and Recommendations

Overall response

17. The fundamental principles of the programme are well-placed and we support the general direction of travel. It is forecasted that the programme will generate significant impacts, outcomes and benefits to those communities that are featured in this first round of funding.
18. This Review is being developed at the mid-point as the programme is being delivered. Whilst it is very early in the process, and given the difficulty in evaluating a programme that has not fully completed its intended purpose or achieved its proposed outcomes, we firmly believe that should the Welsh Government be looking to develop a second round of funding then there should not be wholesale changes made to the programme at this stage. Significant changes will create confusion and uncertainty and we feel there is no evidence to suggest a need to make fundamental changes to any successor programme.
19. We recognise the effort involved in developing a programme of this nature and the timescales involved in sharing the information that involves new guidelines and processes to delivery partners. Whilst there have been teething issues in implementing the programme since its launch in March 2013, largely relating to process rather than key principles, we believe that these have now been overcome and the programme would further bear fruit if a consistent overall approach is adopted in future.

We recommend that the Welsh Government should start developing the second round of funding as soon as possible without making wholesale changes to the programme. The fundamental principles of the programme and its overall aims and objectives are sound. There is very little benefit in making significant changes to the programme and there is a strong case for continuing with a consistent approach. (Recommendation 1)

Vision

20. The vision for the Welsh Government's regeneration framework states that "everybody in Wales should live in well-connected, vibrant, viable and sustainable communities with a strong local economy and good quality of life".
21. We feel this statement is clear and comprehensive and offers an aspirational vision for the programme. We appreciate that this vision is long-term and can only be fully achieved through sustained and sequenced efforts.

Cross-Government integration

22. A significant emphasis has been placed in the regeneration framework of a whole Welsh Government commitment to deliver VVP.
23. The regeneration framework states that “VVP has an ambitious aim to encourage and facilitate a more joined up approach across the Welsh Government to ensure that an assessment of regeneration is made in respect of the allocation of mainstream funding. As such, VVP has links to all other Welsh Government portfolios”. It further highlights that “the MAG has a co-ordinating role across the Welsh Government to identify future policy developments that align with the core principles of VVP”.
24. The programme has the potential for a far wider sphere of influence across Welsh Government and could trigger a wider range of actions. For example, given the focus on town centres there are opportunities for the ‘town centres first principle’ in Planning Policy Wales to be reinforced by the VVP programme, especially as there is an update currently being made on TAN 4, ‘Retailing and Town Centres’. More generally, there are further opportunities with the Government’s wider programmes of investment, for example, in health, education and its own corporate estate, that we feel have not been fully explored.
25. Given the focus on tackling poverty we feel there could be closer integration in future between VVP and other mainstream Welsh Government initiatives, such as Flying Start, Families First and Communities First. The general principle of aligning VVP more closely with these other programmes would add significant value to the overall collective impact of all the programmes, particularly with those programmes that are revenue based. As VVP is largely a capital programme, aligning future efforts with revenue programmes will ensure an improved balance between tackling poverty and supporting economic growth.
26. We believe there could be merit in high-level discussions over key priorities and commitments made on a location-specific basis. There is an assumption that Cabinet-level discussions usually occur on a generic policy and location-neutral basis. Given that the emphasis in VVP is on specific locations we believe it would be worthwhile if Ministers, and senior Officials, could facilitate discussions on each area to ensure the closer integration of VVP across all policy areas. Welsh Government Ministers could ensure that all policies and programmes across Government are fully explored, are fully integrated and that all resources at the Government’s disposal are fully utilised.
27. It may be possible to consider a future programme as a pilot to this effect by ensuring that other Welsh Government programmes can learn and follow the outcomes of high-level discussions at Cabinet level with regards area-based holistic regeneration.

We recommend that Welsh Government Ministers have discussions on the place-based approach, as advocated in VVP, ensuring there is closer integration of policies and programmes across all Government portfolios and maximising all opportunities in future VVP areas. (Recommendation 2)

National Outcomes

28. The national outcomes for regeneration, which are closely aligned with those for Communities First and the Welsh Government's Programme for Government objectives, fall under the headings of Prosperous Communities, Learning Communities and Healthier Communities.
29. These national outcomes provide delivery partners with a wide scope when developing their projects and programmes. For example, the outcome of Prosperous Communities highlights "improved levels of economic activity and more jobs", "well-connected communities supported by transport and broadband connections" and "a thriving private sector and social enterprise". It is difficult to argue with these high-level, aspirational national outcomes, albeit vague as they are in some instances.
30. Whilst a narrower range of outcomes would provide the programme with a stronger, clearer direction we believe there is a strong case for retaining such a wide scope.
31. The fundamental principle in the regeneration framework is that every town or city in Wales is unique, with its own distinctive challenges and opportunities. We believe that by providing a wide range of national outcomes this provides the flexibility for each area to develop bespoke approaches. One community may wish to focus its efforts on developing "a skilled and confident workforce" and another community may decide to develop projects that contribute to "safe and secure localities".
32. In a seemingly contradictory message, whilst on one hand advocating wide-ranging national outcomes, the Welsh Government did provide the programme with a specific direction by including housing as a key priority within the scoring criteria. A total of 15% was available within the scoring criteria for proposals that "contributed to improving housing condition and supply, for example increasing residential accommodation in town centres". This, we believe, had the desired effect as every programme included a strong component of housing investment within their programmes. The intervention provided a clear direction for applicants.

We recommend that should the Welsh Government wish to focus on a strategic priority for the future regeneration programme, for example, supporting childcare provision or increasing housing supply, then developing a clear scoring criteria with appropriate weighting will create the desired effect. (Recommendation 3)

33. Both approaches, either a wide or narrow scope, have merits. One will offer flexibility and will encourage bespoke approaches whilst the other will provide clear direction on the programme's desired outcomes. The key consideration should be regarding the programme sponsor's logic and approach to unlocking the area's potential to best effect in ways that can be measured over time.
34. It is vitally important for the national outcomes for a future programme and scoring criteria for project selection to be determined at the outset as these will ultimately influence the content of the proposals and will be difficult to alter at a later stage.

We recommend that the Welsh Government clarifies its desired aims, objectives and the outcomes it is striving to achieve for the future programme. This should be consistent across the programme's national outcomes and scoring criteria. (Recommendation 4)

Partnership working

35. We support the partnership approach advocated in the programme and have been impressed by the level of partnership working demonstrated during our visits to view various projects.
36. Focus is on partnership working across the private, public and voluntary sectors. The regeneration framework states that "successful regeneration delivery is characterised by genuine partnership". We have seen many examples of engagement with the business community, in particular, across VVP and wish to see this continue in a future programme.
37. Since the programme was launched in 2013 there has been significant progress in Wales in encouraging public bodies to work together.
38. The Well-being of Future Generations (Wales) Act 2015 is about improving the social, economic, environmental and cultural well-being of Wales. It will make the public bodies listed in the Act think more about the long term, work better with people and communities and each other, look to prevent problems and take a more joined-up approach. This new law will mean that, for the first time, public bodies listed in the Act must do what they do in a sustainable way.
39. Public bodies need to make sure that when making their decisions they take into account the impact they could have on people living their lives in Wales in the future. It will expect them to work together better, involve people reflecting the diversity of our communities, look to the long term as well as focusing on now, and take action to try and stop problems getting worse - or even stop them happening in the first place.
40. The Act also establishes Public Services Boards (PSBs) for each local authority area in Wales. Each PSB must improve the economic, social, environmental and cultural well-being of its area by working to achieve the

well-being goals. The Act may clarify the role that other public organisations, such as Town and Community Councils, can play in supporting PSBs and the wider local regeneration agenda, in this respect.

We recommend that a future regeneration programme focuses on the goals and governance approaches outlined in the Well-being of Future Generations (Wales) Act 2015 and that the principles form the basis for development. It is essential that proposals reflect community-led action planning processes. (Recommendation 5)

Place-based approaches

41. VVP is a programme with focus on places with emphasis on the regeneration of town centres, coastal communities and on Communities First clusters.
42. Given the capital nature of the programme and the spatial nature of the targeting of the investment, there is an emphasis on combining the improvements to places with support for the people who live in them. We feel this is an important facet of the programme and should be further emphasised, particularly in relation to the Government's efforts in tackling poverty.
43. Town centre regeneration is the focus of the majority of programmes, with solutions being promoted to address familiar challenges facing high streets the length and breadth of Wales. Many areas have suffered in recent decades as a result of competition from out-of-town shopping destinations and the increase in shopping online, for example, and many areas are blighted by empty buildings, redundant sites and poor shopping environments.
44. With the future of the retail sector remaining largely uncertain, responses have typically focussed on the diversification of town centres and encouraging alternative uses other than retail (for example, residential and community services) to be reintroduced in an urban setting. Focus has also been placed on creating improved and user-friendly urban environments. Projects and programmes have focussed on tackling empty properties, bringing forward solutions to redundant sites and introducing a range of alternative uses to high streets, where in recent years retail as a sector has struggled and declined.
45. We have highlighted some examples of VVP projects that the MAG has visited at Appendix 3.

46. We believe the focus on town centres for a programme of this nature is appropriate and relevant. Town centres have a key role as important community hubs. They are where people live, work, shop and partake in a range of leisure activities. Town centres also have a value as providing a focus for service delivery and as public transport hubs. Our town centres do impact upon a sense of community pride and identity and have wider spin-offs in respect of tourism experience and the attractiveness of business investment.
47. Town centres represent important fixed assets that, like any asset, require ongoing investment that is proportionate to their ongoing role, as part of wider spatial plans. Where they are allowed to deteriorate we are effectively writing off investment that has been sunk into those areas over the years, which is wasteful and encourages unsustainable use of resources.
48. Finding new ways of bringing life back to selected town centres, for example, through arts, leisure, medical facilities, education classes, represents efficient use of space and resources and also has benefits in terms of the potential to encourage use of public transport. On the retail side, the current consultation over Sunday trading laws opens the possibility of allowing longer opening hours in selected town centres, helping to increase their attractiveness over out-of-town sites.
49. We feel the importance of our town centres should be further reinforced in our communities. There is a strong message in Planning Policy Wales with regards a 'town centres first' approach. This is about encouraging development to explore opportunities within a town centre context in the first instance, before exploring alternative sites. We feel that the Welsh Government could do more in acknowledging the town centres first principle and that more could be done of it, both in policy and practice. The focus of VVP on town centres further reinforces the message.

We recommend that a future regeneration programme retains its focus on town centres and reinforces the message that investment in town centres is important in supporting sustainable communities.
(Recommendation 6)

50. In a situation where all local authorities are invited to bid individually, or jointly, for funding we feel it is vitally important that a strategic, spatial overview is applied to project selection. This will ensure that towns or specific areas align with wider strategic plans in the first instance, and support local, regional and national ambitions for a particular settlement or area.
51. There is a strong case for a national or regional overview to be established as a precursor to a future funding programme to ensure that the role and function of key settlements is scoped and clarified and that appropriate regeneration investment is promoted with the relevant rationale.

We recommend that, where there is no existing plan currently in place, regional partnerships develop a strategic, spatial overview for their areas to clarify the role and function of key settlements ensuring that towns or areas align with wider strategic plans and ambitions. The Welsh Government should provide guidance in developing the spatial overview to ensure consistency of approach. (Recommendation 7)

Targeting of resources

52. We agree that the targeting of the limited funding available to a smaller number of areas on a settlement basis is the correct approach to enable transformational, holistic programmes to proceed whilst enabling the maximum impact with the resources available.
53. The funding for this programme was allocated across 11 local authority areas. Whilst the local authorities were able to bid for up to £15 million each towards their respective programmes, the full funding application was only awarded to 3 areas. The other areas received a contribution towards their programmes, varying from 40% to 90% of the amount bid for. At a later stage, additional funding was announced by the Welsh Government, known as the Tackling Poverty fund with £1 million provided to seven areas that were unsuccessful with their initial VVP application.
54. Partial awards lead, at best, to partial solutions. At worst, they unpick the rationale for schemes resulting in ineffective investment.
55. The feedback received from local authorities is that although the funding contribution was welcomed, the fact that only a partial contribution was awarded has diluted the overall impact of the programme and has meant that linkages between projects have been lost.

We recommend that in future there should be no partial allocation of resources and that programmes should be funded fully to enable complete and holistic proposals to proceed, unless a mutually acceptable solution can be reached between the Welsh Government and a local authority. (Recommendation 8)

56. Applications for VVP were restricted to one strategic proposal per local authority area which was to be focussed on one settlement area, typically a town centre, coastal community or Communities First cluster, or even a combination of all three. All 22 local authorities submitted a proposal for consideration based on a settlement of their choice.
57. In preparation for public sector reform and in light of more collaborative efforts that are already in progress, such as the City-Regions model or Local Growth Zones, it is suggested that a future regeneration programme should consider and encourage combined applications by multiple local authorities, perhaps on a more regional basis.

58. We feel that perhaps restricting local authorities to one settlement area is too rigid and a more flexible approach should be offered. The spatial approach should be down to local interpretation and justification within the context of regional and local strategies. A city may wish to broaden its reach to include adjoining settlements, whilst a rural area may consider a cluster of towns or villages.
59. There is the potential for a spatial approach linked to wider economic development structures which are now more developed than would have been the case under the first round of VVP. This could allow for a more strategic focus linked to transport infrastructure, for example.
60. Local authorities are starting to work together effectively at a regional level and are becoming accustomed to making strategic choices. The North Wales Economic Ambition Board, the Growing Mid Wales Partnership and the city region Boards of South East and South West Wales are all based on collective local authority endeavour, increasingly with wider partnership involvement. If such regional partnership working was to be encouraged, with scoring criteria developed to reinforce that ambition, we believe this would help to overcome the political pressure on each local authority to revert to competitive bidding, which enhances the strategic potential of the programme and reduces wasteful resources for all concerned.

We recommend that more flexibility should be offered to enable local interpretation with regards the spatial approach. We recommend that the Welsh Government should explore ways to encourage collaborative approaches. (Recommendation 9)

Application process

61. The feedback from local authorities suggests that the application process was burdensome. Although it is recognised that the two-stage process was intended to reduce the amount of work required for Stage 1, in reality this wasn't the case. Given the importance of Stage 1, and the competitive nature of the process, most local authorities invested significant time and resource during the early stages of the process.

We recommend that there should be a one stage application process for a future programme. (Recommendation 10)

62. We feel, from the feedback received from local authorities tasked with leading the application process, that efficiencies could be achieved in the process. It would be appreciated if bureaucracy in the process, both during the application stage and during the ongoing monitoring stage, could be reduced and simplified for a future programme.
63. Furthermore, again following feedback from local authorities, it has been raised that changes to the process were being made at a very late stage. These changes, seen as "moving the goalposts", caused confusion and

frustration amongst most local authorities. It may have also hindered a consistent approach across all local authorities.

We recommend that the Welsh Government reviews the grant processes and procedures to ensure that these are streamlined and bureaucracy in the application process and ongoing programme monitoring is reduced, where possible. We also recommend that the overall process, along with appropriate guidance, is clarified and issued to local authorities at the outset with a clear procedure for highlighting and managing changes to the initial agreed guidance. (Recommendation 11)

64. Whilst this report focuses on the Targeted Regeneration Investment part of VVP, it is important not to overlook the fact that there is a wider package of support under the programme (as outlined on pages 6 and 7). We believe that it would be more beneficial to see resources focused on strategic schemes within a single programme rather than having a variety of different funding mechanisms in existence simultaneously. Perhaps, within an effort to consolidate these initiatives, a future programme could incorporate Town Centre Loans or encourage an effort to establish a Business Improvement District, as part of their wider programme, for example.

We recommend that the Welsh Government explores opportunities to consolidate key regeneration initiatives into more strategic schemes within a single programme to avoid having a variety of different funding mechanisms in existence simultaneously. (Recommendation 12)

65. Feedback from local authorities has highlighted that more time would be beneficial in developing their projects and programmes.

66. Local authorities would like the Welsh Government to explore the possibility of allowing a sufficient period of development at the start of a new programme.

67. The issue of flexibility of funding between years is a key one for local government given the realities associated with managing large capital programmes, especially with the added complexity, in some cases, of marrying multiple funding applications, with EU funding, for example. Whilst we recognise there are constraints on the Welsh Government in this respect, we feel it would be disingenuous of us not to raise this as a significant issue that should be explored further to enable greater flexibility of funding between years.

68. There is a strong request for a longer lead-in between the announcement and awarding of the funding and when the projects are due to commence to enable effective planning and preparation.

We recommend that a future programme includes sufficient timescales to allow effective planning and preparation, both at the application stage and once formal grant offer letters have been issued. We also

recommend that the Welsh Government explores the possibility of flexibility between financial years. (Recommendation 13)

69. Support from Welsh Government Regeneration Managers has been highlighted as being particularly helpful in assisting local authority partners with understanding the process and acting as an useful critical friend in discussing project proposals. Regeneration Managers are located in a range of locations across Wales and fulfil a relationship management function with every local authority.
70. We feel that the role of the Regeneration Manager could be further strengthened in this regard, particularly in respect of recognising opportunities, forging stronger linkages across Government portfolios and facilitating regional working.
71. We recognise the ongoing support available to local authorities from a wide support network. Organisations such as the Centre for Regeneration Excellence Wales and the Design Commission for Wales, for example, have been a valuable source of information and advice, and we feel such involvement should be further encouraged in future.

We recommend that the role of Welsh Government Regeneration Managers in supporting local authorities and their partners should be retained and strengthened. (Recommendation 14)

Measuring Performance

72. We appreciate that evaluating the impact of area-based regeneration is difficult as it is not always possible to isolate the impact of the specific investment.
73. Whilst it is too early at this stage to assess the programme against its stated outcomes and key performance indicators, we warmly welcome the Welsh Government's pro-active approach in setting a firm foundation to its ability to establish, monitor and analyse the programme's performance by ensuring each area has a set of Baseline indicators.
74. It is a positive feature of the programme that there is a multi-faceted approach to the evaluation of VVP. We welcome the collection of important data and feedback, such as footfall rates, vacancy rates, business confidence surveys town centre users surveys etc., from all areas. This will be complemented by population data, such as crime rates, housing statistics, employment statistics, that will be collated by the Welsh Government, along with case study investigations that will be undertaken by the Centre for Regeneration Excellence Wales.

Evaluation

75. Having Baseline indicators established at the outset will place the programme in good stead for an evaluation once the programme has reached its conclusion.
76. We welcome the fact that Wavehill Consulting, commissioned by the Welsh Government, has already undertaken an evaluation of the process and has undertaken extensive consultations with a range of stakeholders. This work will complement other feedback that has been provided, particularly from the housing associations and the Welsh Local Government Association, and this report from the MAG.
77. However, a full assessment of the programme's impacts and outcomes against its stated aims and objectives can only be completed once the programme has reached its conclusion.
78. Whilst we accept the general principle that every town is unique and needs to build on its specific assets we also believe that there will be common issues and solutions that can be better applied to scale. The Welsh Government, along with its partners, must ensure that we both connect with and share best practice, drawing lessons from these initiatives, but also from similar initiatives outside Wales.

We recommend that there should be a full, independent evaluation of the programme once the programme has reached its conclusion. Whilst we understand that the second round may well have started by the time this is possible we believe there will be opportunities for the evaluation to take account of the outcomes achieved and apply learning from VVP Round 1 as soon as is possible. (Recommendation 15)

The future role of a MAG

79. The Group has valued the role it has had to date and has welcomed the opportunity to input into the ongoing review of VVP, which we hope will influence future regeneration activity.
80. We do believe, however, that the role of the MAG could be further enhanced by supporting the Welsh Government's regeneration ambitions in a pro-active manner and fulfilling its original role to oversee the allocation of funding and make recommendations with regards future projects and regeneration activity.
81. The MAG could be enhanced by strengthening the Group's membership with a wider field of interest and relevant to the emerging programme's key themes. We also feel linkages with other advisors in the wider regeneration network, such as the Centre for Regeneration Excellence Wales (and its Welsh Towns Network, for example), could be forged.

**We recommend that a MAG is retained and its role is further clarified and strengthened to support future regeneration activity.
(Recommendation 16)**

Conclusion

82. We believe the fundamental principles of the programme are well-placed and we support the general direction of travel. It is forecasted that the programme will generate significant impacts, outcomes and benefits to those communities that are featured in this first round of funding.
83. This Review is being developed at the mid-point as the programme is being delivered. Whilst it is very early in the process, and given the difficulty in evaluating a programme that has not fully completed its intended purpose or achieved its proposed outcomes, we firmly believe that should the Welsh Government be looking to develop a second round of VVP funding then there should not be wholesale changes made to the programme at this stage.
84. A series of recommendations have been put forward for the Welsh Government to consider as part of its wider review of the programme.

Appendix 1 - Ministerial Advisory Group Membership

Name	Organisation
Anne Hinchey (Chair)	Wales + West Housing
Angharad Davies	Freelance public affairs consultant
Chris Potts	Savills
Emma Langmaid	Prospero Planning
Fran Targett	Citizens Advice Cymru
Peter Davies	Sustainable Futures Commissioner
Rachel Bowen	Federation of Small Businesses Wales
Sharon Hopkins	Cardiff and Vale University Health Board
Sian Wilton	Boots UK
Steve Thomas	Airbus
Tim Peppin	Welsh Local Government Association
Josh Stott	Joseph Rowntree Foundation
Jonathan Davies	Sport Wales
Mark Harris	Home Builders Federation
Roisin Willmott	Royal Town Planning Institute
	Confederation of British Industry

Appendix 2 - Terms of Reference – Ministerial Advisory Group

The Group's remit includes:

- providing strategic leadership as an independent advisory board;
- supporting the Welsh Government in implementing the new Regeneration Framework Vibrant and Viable Places;
- Meeting quarterly in locations around Wales
- examining the local bids and priorities and to put forward recommendations to the Minister for funding approval taking into account the Wales wide picture
- receiving the progress reports from the key town centres, coastal communities and Communities First clusters chosen and advising the Minister on progress
- advising the Minister of emerging areas of best practice, innovative finance options and any other matters that may be of value to the Welsh approach
- commenting on emerging Welsh Government policy, strategy and legislation to ensure the needs of communities and the National Outcomes are taken into account
- promoting and furthering the dissemination of best practice including the Regeneration Summit and the High Streets campaign
- provide independent advice and recommendations to the Minister

All members will also be responsible for:

- ensuring that recommendations made by the MAG follow proper procedures, are supported by sufficient high quality information and are robust and defensible
- staying abreast of evidence and policy approaches to Regeneration in other parts of the UK and beyond in order to learn from those and to evaluate Wales' relative performance
- ensuring that the MAG operates within its remit
- exercising independent judgment, reasonable care, skill and diligence in undertaking duties.

The MAG will not have executive powers. It is advisory only.

The MAG will advise the Welsh Government within the remit agreed for it by the Minister for Communities and Tackling Poverty.

Appendix 3 – Summary of projects visited by the MAG

In Holyhead, the programme is supporting the purchase and refurbishment of the Market Hall in the town centre. It is a very large dilapidated historic building that has been vacant for many years. The property will be used to accommodate a modern library and information hub, together with other uses that will contribute to the vibrancy of the town centre.

In Swansea, the Coastal Housing Association Mixed Use Development Projects on the High Street incorporating the Urban Village Phase 2, People's Square and the former Iceland Building schemes will deliver affordable housing, commercial and retail floor space, business incubation units and new public space. In the Sandfields Housing Renewal Area, the community will be revitalised through a programme of improvements that will regenerate the appearance of the area, improve housing conditions such as thermal efficiency to help reduce fuel poverty. Grants via the Local Authority such as Property Development Grants and Housing Above Shops Grants available to property landlords will address vacant floor space by creating new homes and enhance commercial units and complement mixed use development proposals elsewhere in the City Centre.

One of the projects supported in Wrexham is the creation of a nursery in the town, which the MAG has had the pleasure of visiting. The Sprouts nursery, offering affordable childcare with up to 30 places, has been developed by refurbishing a building which has stood empty for a number of years. The Centre is providing excellent childcare facilities, which will have the added feature of delivering childcare training, apprenticeship and volunteering opportunities, directly supporting the programme's aim to increase employment levels in the local area. The Sprouts project is an excellent example of combining physical regeneration, bringing an empty building back into use, with support for the people who live and work in Wrexham.

In Port Talbot, the local partnership is seeking to address the problem of empty premises above shops in the town centre. The purpose of this project is to deliver new affordable homes in lower Station Road, in the heart of Port Talbot town centre, through the refurbishment of upper floors of commercial premises. The project will create 15 new housing units, leveraging additional investment and renovating, restoring and rejuvenating the existing underused building assets of the town centre. The new residential uses on upper floors will help meet local housing need, add vitality to the town centre and enhance commercial viability.

The Enterprise Centre is located on the High Street in Merthyr town centre. The project aims to support new and existing businesses through a central point of contact. Project participants accessing the Enterprise Centre are assessed for both business and personal skill levels, with a specific Action Plan encompassing both elements designed for each individual during their support period. The project is unique as it links potential new business starts to appropriate business advice and support and continues to improve the personal skills of business owners. The project is aiming to help people

access job opportunities and earn an income, aiming to develop skills and working with existing and new businesses to expand and progress new ideas. Job creation is a principal output for the project along with participants gaining a qualification, therefore linking strongly to the Tackling Poverty Agenda. Included within the programme is retail finance for new and existing businesses to assist with capital purchases up to £5,000 at a 70% intervention rate. In addition to this, a Meanwhile scheme is also available for new or expanding business to test trade new products in vacant properties across the town centre, providing a low risk trading opportunity and enhancing the products and services on offer in the town centre. The Minister officially opened the centre on the 21st of July, 2015.