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Consultation Document

Vibrant & Viable Places

New Regeneration Framework

Date of issue: **22 October 2012**

Action required: Responses by **14 January 2013**

Overview

This consultation document is the result of a policy review of approaches to regeneration instigated by the Minister for Housing, Regeneration & Heritage in February 2012. The review was prompted by:

- The Welsh Government's determination to seek new ways to deliver better outcomes through joined-up working;
- The enduring challenges presented by the faltering global economy, in particular the disproportionate effects on our most deprived communities, and the constraints on public finances;
- The guiding principles of the Welsh Government that through sustainable development we tackle poverty and promote equality of opportunity;
- The opportunities presented by the imminent fulfilment of our existing commitments to targeted investment in the Government's seven Regeneration Areas and through Newport Unlimited, as well as the anticipated agreement of a further round of European Structural Funds for Wales; and
- The Government's specific commitments to address the changing roles of our town centres (the subject of a recent National Assembly for Wales inquiry), and our seaside towns, and to integrate our Communities First programme with other regeneration activity focussing on prosperous communities, learning communities and healthier communities.

How to respond

Please submit your comments in any of the following ways:

- By email via: regenerationpolicy@wales.gsi.gov.uk
- Via our website (follow the links)
- By attending the National Regeneration Summit at Parc Eirias Colwyn Bay on 15th November. You can find out more here:

<https://registration.livgroup.co.uk/regenerationsummit2012/>

- By attending one of the follow up workshops in North, South West or South East Wales in December. Please let us know if you would like to attend one of these sessions by emailing us at the above address.

- By post to:
Regeneration Policy Team,
2nd Floor,
Cathays Park,
Cardiff CF10 3NQ

Further information and related documents

Large print, Braille and alternate language versions of this document are available on request.

Data Protection

How the views and information you give us will be used.

Any response you send us will be seen in full by Welsh Government staff dealing with the issues which this consultation is about. It may also be seen by other Welsh Government staff to help them plan future consultations.

The Welsh Government intends to publish a summary of the responses to this document. We may also publish responses in full. Normally, the name and address (or part of the address) of the person or organisation who sent the response are published with the response.

This helps to show that the consultation was carried out properly. If you do not want your name or address published, please tell us this in writing when you send your response. We will then blank them out.

Names or addresses we blank out might still get published later, though we do not think this would happen very often. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 allow the public to ask to see information held by many public bodies, including the Welsh Government. This includes information which has not been published. However, the law also allows us to withhold information in some circumstances. If anyone asks to see information we have withheld, we will have to decide whether to release it or not. If someone has asked for their name and address not to be published, that is an important fact we would take into account. However, there might sometimes be important reasons why we would have to reveal someone's name and address, even though they have asked for them not to be published. We would get in touch with the person and ask their views before we finally decided to reveal the information.

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1. Foreword

Our regeneration policies encompass a range of integrated activities which aim to reverse economic, social and physical decline in order to achieve lasting improvement, in areas where market forces will not be sufficient to achieve this without some support from government.

My regeneration portfolio contributes to all of the Welsh Government's Programme for Government objectives and has strong links to our Tackling Poverty Action Plan. And as a Cabinet, we all recognise the potential for targeted regeneration programmes to deliver against this broad range of Programme for Government outcomes, and acknowledge that successful regeneration depends upon the alignment of mainstream programmes across portfolios.

Earlier this year I instigated a policy review of our approaches to regeneration. The review was led by my officials, and I am grateful too for the assistance from my Cabinet colleagues' departments, the Centre for Regeneration Excellence Wales, the National Regeneration Panel and the specialist consultants who carried out some independent evaluation of our work in this area. We have also benefited from the work undertaken by the National Assembly for Wales Enterprise and Business Committee during their inquiry on town centre regeneration.

Our vision is that everybody in Wales should live in a vibrant, viable and sustainable community with a strong local economy. As we pursue that vision I am acutely aware of the unprecedented economic circumstances in which we now find ourselves. Budget constraints across the public sector and beyond, combined with the changing roles of town centres in the way people access retail and other services, present major challenges in terms of the way we have pursued regeneration in Wales to date. It will be essential that our proposals for change should reflect these new challenges as well as providing an effective means of addressing them in communities around Wales.

Regeneration is about transforming underperforming places and ensuring economic growth which is inclusive, sustainable and focused. The scale of that challenge underlines the need for us to work collectively across government and in collaboration with the public and third sectors and with the private sector to support innovation and share good practice.

Three key messages came out strongly from the review:

- Strengthened governance is needed to improve delivery. In particular, there is an opportunity to drive regional collaboration in a more structured way, including effective spatial planning for regeneration.
- Partnership is critical. Sustainable regeneration can only be delivered through genuine engagement with communities, local authorities and other public sector organisations, the third sector and the private sector.
- The Regeneration Areas approach is transforming some of our most disadvantaged places, but there are still opportunities to improve the way we invest at local level.

This document describes our proposals for addressing these issues, which we are publishing for consultation. The document sets out a vision, definition and national outcomes for regeneration, which reinforce the breadth of activity which needs to be considered and the need for partnership across Government and beyond.

Our consultation proposals include:

- New national outcomes.
- A people and place based approach which is well evidenced and evaluated.
- A strengthened national, regional and local delivery structure.
- A renewed commitment to cross-portfolio working within Government.
- Ideas on how to direct targeted investment.

I believe that together we can deliver even more despite our limited resources. I look forward to working with partners from across all sectors and all parts of Wales to achieve this. The first step is making sure we have a robust framework for collaboration and delivery, agreed by all partners. That's why I am undertaking this consultation process; I look forward to receiving all of your contributions.

Huw Lewis AM

Minister for Housing, Regeneration & Heritage

2. Introduction

2.1 This consultation document is the result of a policy review of approaches to regeneration instigated by the Minister for Housing, Regeneration & Heritage in February 2012. The review was prompted by:

- the Welsh Government's determination to seek new ways to deliver better outcomes through joined-up working;
- the enduring challenges presented by the faltering global economy, in particular the disproportionate effects on our most deprived communities, and the constraints on public finances;
- the guiding principles of the Welsh Government that through sustainable development we tackle poverty and promote equality of opportunity;
- the opportunities presented by the imminent fulfilment of our existing commitments to targeted investment in the Government's seven Regeneration Areas and through Newport Unlimited, as well as the anticipated agreement of a further round of European Structural Funds for Wales; and
- the Government's specific commitments to address the changing roles of our town centres (the subject of a recent National Assembly for Wales inquiry), and our seaside towns, and to integrate our Communities First programme with other regeneration activity focussing on prosperous communities, learning communities and healthier communities.

2.2 The review involved a thorough consideration of existing policy and analysis from across the UK and beyond, as well as the following specifically commissioned studies:

- Evaluations of town centre and seaside town activities in our seven Regeneration Areas and Newport Unlimited.
- A survey of international best practice by the Centre for Regeneration Excellence Wales.
- A summary of key economic evidence by the Government's Chief Economist.

2.3 These studies are available on our website at www.wales.gov.uk/regeneration.

2.4 The review also benefited from the work of the National Regeneration Panel, which has brought together key partners from across sectors to provide external challenge to our work.

2.5 The review has resulted in the development of a new regeneration framework which is set out in this paper.

3. Context – What has changed and where are we now?

3.1 What has changed?

We recognise the current unprecedented economic conditions that we find ourselves in. The financial crisis is enduring and these very difficult economic conditions are unlikely to improve significantly for the foreseeable future. Over the next decade we expect to have £2-4bn less capital available than in the previous decade. This sharp reduction in capital budgets does not, however, reflect any reduction of investment need. As a Government we are rising to the challenges of this uncertain global economic climate. In May this year we announced the Wales Infrastructure and Investment Plan for Growth and Jobs (WIIP), which set out how we will invest around £15bn over the next decade in capital priorities to boost growth and jobs, a cornerstone of the approach Wales needs to ensure its sustainable economic success.

Regeneration plays a pivotal role in planning and delivering a sustainable prosperous economy. However conventional approaches to regeneration, whether by property-led or retail-led initiatives, are not currently forthcoming and are unlikely to return to the speculative levels of investment seen in the past. Furthermore consumer patterns of behaviour are changing permanently towards out-of-town and internet shopping, creating a fundamental challenge to the retail-dominated role of our town centres. These conditions present a new challenge for those in the regeneration field. By the very necessity of the current economic climate we have to change the way we work and deliver. Innovative practices are emerging and the ability to meet these challenges exists in Wales. The regeneration framework we develop must support these processes and work with the public, private and third sectors to support innovation and share good practice where it emerges, in order to tackle poverty and the issues arising from our current economic climate.

3.2 Recent Welsh Government Practice

Regeneration has been a key feature of the work of the Welsh Government since its inception in 1999 as well as the preceding work of the Welsh Office. Significant investment in regeneration has delivered improvements in outcomes for those who live in communities across Wales. This investment has come directly from specific regeneration project funding, but often the biggest investment in communities is through mainstream services.

Current area-based programmes with regeneration implications include:

- *Communities First*. This is a key, community-focused, poverty-tackling programme working through clusters in the most deprived areas in Wales. The Welsh Government is committed to seeing Regeneration and Communities First teams working together to facilitate improvements for communities and the people living in them. We see this as the primary vehicle for community engagement and empowerment in the most deprived areas, working within wider regeneration plans. In particular, we want to work with Communities First clusters to make the most of economic opportunities in their wider areas.

- *Structural Funds.* The 2007-2013 European Regional Development programmes have directly supported physical regeneration activities focused on some of Wales' poorest communities. Structural Funds have facilitated the establishment of the Regeneration Investment Fund for Wales (RIFW) to make available loans and investment capital under the European Commission's JESSICA initiative. Structural Funds also support a range of interventions important in achieving regeneration outcomes such as: infrastructure; sustainable transport; business support; skills; improving access to the labour market; and innovation.
- *Sustainable and resilient communities.* We are working with colleagues from across Government to meet the Programme for Government commitment to ensuring that our policies and programmes reflect Sustainable Development by living within our environmental limits, tackling poverty and improving health and educational outcomes. The natural environment is not only a provider of our life support system but also is the bringer of a sense of place, feelings of wellbeing, of better health, more social cohesion, increased job opportunities and long-term success. We are working to ensure that our support for the people, environment and economy of Wales is well integrated for long term benefit.
- *Rural Development Plan (RDP).* Concentrations of deprivation tend to be located in urban peri-urban areas, many of which are designated as rural in the RDP context. We recognise however that traditional more remote rural settlements tend to have similar issues but arising from different circumstances, and with different pressures meaning different acute problems. Bespoke programmes already exist to address these issues, with the RDP in place to address the needs of our rural and semi-rural areas, including the need for regeneration. However, we can and will do more to integrate activities across programmes.
- *Flying Start.* Flying Start is targeted at 0-3 year olds in the most disadvantaged communities in Wales. It aims to create positive outcomes in the medium and long term. It is a prescriptive programme, based on international evidence of what works. In practice this means free quality part-time childcare for 2-3 year olds; an enhanced Health Visiting service (where the Health Visitor caseload is capped at 110 children); access to Parenting Programmes; access to Language and Play sessions. These are universally available to all children aged 0-3 and their families in the areas in which the programme runs. The local economic impacts of this programme in terms of improving life chances for parents and children, can be linked more closely to regeneration interventions as well as broader opportunities.
- *Housing-led regeneration.* Increasing the supply and standards of housing contributes to the wellbeing of communities and individuals and makes a significant contribution to the regeneration of areas. Collaboration with key partners has ensured that supply and quality are increased alongside increasing community benefits through procurement. Housing renewal areas are an example of area-based housing-led regeneration programmes.

- *Enterprise Zones*. Our Enterprise Zones are designated areas where specific incentives are offered to attract new businesses and industry to that prime location. Their aim is to strengthen the competitiveness of the Welsh economy - and demonstrate the Welsh Government's continued commitment to creating jobs and long term growth. Although Enterprise Zones are not designed or designated to achieve regeneration outcomes, they could become important employment hubs serving regenerated places.

3.3 Emerging Welsh Government programmes

- *City Regions*. An independent report has been submitted to the Welsh Government, recommending city region approaches to economic development in South East and South West Wales. Such approaches could provide the framework within which targeted regeneration activity could be used to develop the complementary roles of settlements within the city regions.
- *Local Growth Zones*. The independent report recently published on Powys Local Growth Zone is an example of how partners committed to the regeneration of places can develop the local planning required.
- *Sustaining a Living Wales*. The Green Paper on future environmental and natural resource planning has proposed a fresh approach to establishing overall objectives with communities to enhance the opportunities provided by the local environment and address poor quality urban environments.
- *A new round of Structural Funds*. There are also opportunities for a more joined up approach with the new European funding round which will focus on **More Jobs and Better Lives** – through Smart, Sustainable and Inclusive economic growth:
 - **Smart**: economy based on knowledge and innovation which is focused and targeted.
 - **Sustainable**: a more resource efficient, greener and competitive economy.
 - **Inclusive**: high employment economy - delivering social and territorial cohesion.

3.4 Regeneration Areas

Through our seven Regeneration Areas, Newport Unlimited and Valleys Regional Park Partnership, we have established important principles for successful regeneration; these have informed the preparation of this consultation document.

One of the key features of our approach to date has been the way we have worked across Government and beyond to combine regeneration funding with other investment streams to deliver maximum impact. Some examples include:

North Wales

- An integrated approach to heritage tourism across Gwynedd, Conwy and Snowdonia National Park through a £1.7m European-funded project, working with Cadw and local partners.
- Holyhead Empty Shops Initiative (£170,000) to reduce commercial vacancies in the town, working with Communities First and the local authority, and linked with the Taste of Enterprise project.
- Enhanced facilities, new businesses and jobs and increased visitor numbers at Newborough Forest through an £895,000 project (including European funding) working with the Forestry Commission, the Nuclear Decommissioning Authority and local partners.
- Strategic collaboration between the Welsh Government's Regeneration and Coastal Defence teams, and local authorities, to lever in European funding for coastal defence/seaside renewal projects in Conwy (£12.8m) and Rhyl (£18.4m).

South West and Mid Wales

- The regeneration of Swansea Railway Station and its environs, through a £7.8m investment combining Welsh Government Regeneration and Transport contributions with Network Rail and European funding.
- The £25m Urban Village mixed use scheme on High Street in Swansea (including office and incubation space and 76 social housing units) combining Welsh Government Regeneration and Social Housing Grant funding with private sector investment.
- The restoration of Swansea's Glyn Vivian Art Gallery using c£7m from the Welsh Government, the Arts Council for Wales and the local authority.
- The £2.5m Aberystwyth Transport Gateway, funded through a partnership between Welsh Government Regeneration and Transport teams, including improvements to the bus station, the approach to the railway station and the links to the town centre.
- The planned refurbishment of Aberystwyth Market Hall, through a combination of Regeneration, Rural Development Plan and local authority funding, to provide modern retail facilities and incubator space.
- Over £11m invested (through Welsh Government Regeneration and Transport as well as European and local authority funding) bring forward a strategic employment site at Cross Hands East with the potential of accommodating 1200 jobs over the next 10 to 15 years, 112 sq m of developable building plots and up to 42, 000 sq m of new floor space.
- Support for 251 young people to access training and support for start-up enterprise and accredited qualifications in enterprise through the £600,000 Enterprise in the Valleys programme funded in partnership with Communities First. 137 young people will achieve accreditation through the project, with 27 enterprises being created.

- A £5m Regeneration and Economic Development project to create an Off Road Cycling Centre of Excellence for South Wales.

South East Wales

- Joint investment with over 50 partners, including the Welsh Government's Environment and Transport teams, the Countryside Council for Wales and the Environment Agency Wales, through the European-funded Valleys Regional Park programmes in a range of initiatives including Country Park Green Flag Awards, Fly Tipping Action Wales, Community Tourism and the Valleys Cycle Network (the last of these creating 72km of new cycle routes through a £5m investment).
- 7,500 people placed in employment, and job-related qualifications for over 10,000, as well as additional community benefits, from the Job Match project in the Heads of the Valleys, supported by European and UK Government funding.
- Investment in a portfolio of projects worth a total of c£100m in Merthyr Tydfil, combining Regeneration, Health, and Education funding from the Welsh Government with Heritage Lottery Fund, private sector and other investment. Partners from across sectors have been involved in delivery, including community groups, the local authority, Merthyr Tydfil Housing Association, the Local Health Board and the University of Glamorgan.
- Through a joint venture with the local authority, Regeneration and Economic Development partnership working to bring forward development on Barry Waterfront. Projects have included a new hotel and restaurant on Barry Waterfront - a c£7.5m investment by Whitbread plc creating an estimated 68 jobs. The historic Pump House on an adjacent site has also recently benefited from £1.4m of external refurbishment works funded by the Welsh Government and the local authority, and is presently being marketed to secure an appropriate end use.
- Joint funding through Regeneration, Social Housing Grant and the Castleland Renewal Area programme to deliver housing improvements, new affordable housing, and a new women's refuge in Barry town centre.

The strengths of the Regeneration Areas approach, which have been endorsed through independent evaluation, are:

- partnership working across geographical, organisational and sector boundaries;
- integrated strategic planning across policy areas;
- local level understanding of and ability to, address acute need by maximising opportunities;
- leveraging in additional investment; and
- flexible funding to deliver tailored solutions for local challenges.

However, we also recognise the limitations of the approach, particularly in relation to:

- broad objectives into which a wide range of different projects can fit;
- some displacement of mainstream funding rather than more targeted funding;
- lack of clarity about the selection criteria for regeneration areas;
- rigid boundaries which sometimes do not reflect the economic geographies of places and regions;
- funding allocated before strategic planning has been completed and subject to annualised funding targets;
- timing of funding allocations does not always match opportunities/capacity to deliver;
- lack of coordination related to the allocation of funding; and
- insufficient involvement of the private sector in planning and delivering integrated regeneration solutions.

<p>What is your feedback on lessons learnt from delivery to date?</p>

4. Our Vision and Outcomes for Regeneration

4.1 Our Definition

Our definition of regeneration is:

“an integrated set of activities that seek to reverse economic, social and physical decline to achieve lasting improvement, in areas where market forces will not do this alone without some support from government”.

This definition, though grounded in Welsh experiences and expertise, is similar enough to other ones across the UK to allow for meaningful comparison.

“Integrated activities” means delivering programmes inclusively, recognising the complexity of the issues involved in social, economic and environmental decline. This requires a holistic approach, targeting economic decline, poor health, housing and educational attainment and loss of environmental quality which have become knotted together in our deprived communities. It also involves supplementing and helping to improve the flexibility and targeting of mainstream government services in underperforming areas.

“Lasting improvement” means securing long-term change sustainably, by tackling barriers to growth and reducing worklessness to break cycles of poverty, raise aspirations and unlock potential. Places need to be improved in terms of their attractiveness to residents and investors, enabling new and existing businesses to prosper. The aim is to move communities and individuals from dependence to independence – helping them evolve and prosper in a sustainable way.

“Where market forces will not do this alone without some support from government” means addressing, if government intervention is appropriate, specific inefficiencies or malfunctions in the way markets allocate resources. But it also includes compensating for instances where the correct operation of markets produces outcomes which do not coincide with government’s social or environmental objectives. Intervention needs to be targeted and focussed, deciding on what we should and should not do.

Regeneration is about helping underperforming places, usually by managing transitions beyond or indeed away from the economic circumstances which may have given them their original *raison d’être*. Economic growth is essential which is smart, sustainable and inclusive. Ensuring places that are doing well continue to flourish is also important.

Regeneration also provides a different perspective from which to examine national policies and programmes – in terms of the effects (both intended and unintended) they have on particular places, and the ways in which different decisions have impacts on each other.

4.2 Our Vision

Our vision is that:

“Everybody in Wales should live in vibrant, viable and sustainable communities with a strong local economy.”

Eradicating poverty is a key priority for the Welsh Government. To ensure we change Wales for the better we have to join up, not only within the Welsh Government but with all key partners and communities. Collaboration is at the heart of what we do to ensure real outcomes are met and we make a positive sustainable difference to the quality of people’s lives.

The joining up of Welsh Government departments alone is challenging. Where collaboration has already been established at a national strategic level (for example the Wales Infrastructure Investment Plan), we must ensure alignment to maximise the outcomes and the impact that our programmes deliver, avoiding duplication.

4.3 Our National Outcomes

Our desired strategic national outcomes have been aligned with the Communities First programme and Welsh Government’s Programme for Government objectives and are as follows:

4.3.i Outcome One: Prosperous Communities

This will be supported by a range of activities at the regional and local level which support the following outcomes:

- Improved levels of economic activity.
- Strong and diverse local economies with private, public and third sectors working together.
- Well-connected communities supported by transport and broadband connections.
- Sustainable use of the natural environment to establish local energy and food production.
- A thriving private sector and social enterprise.
- Successful town centres and seaside towns.
- A well managed historic and natural environment contributing to the distinctive character of Wales’ landscape and towns with heritage conserved.

4.3.ii Outcome Two: Learning Communities:

Regeneration is intricately linked with the skills and capacities of individuals, families and communities. Regeneration policy will support:

- A skilled and confident existing and future workforce.
- A high aspiration local culture.

- Engagement with school, post 16 and adult learning opportunities.
- Clear opportunities for development of social and cultural capital.
- A belief in a better future.

4.3.iii Outcome Three: Healthier communities

- Healthy communities able to grow and work together.
- Safe and secure locality.
- Good housing which is affordable and provides tenure choice.
- Sustainable and quality local environment.
- Positive and cohesive local identities.
- Well planned, appropriately used and good standard buildings, amenities and facilities.

Should other national outcomes or principles be considered?

5. Our principles for Regeneration

5.1 Key Principles

The key principles by which we will operate are Partnership, Strategy and Sustainability, as follows:

5.1.i Partnership

- Partnership working is at the fore, within and between all key partners including Welsh Government, the wider public sector with the third sector and private sector.
- A whole government approach as established in the October 2011 Cabinet.
- Utilise existing best practice, but also recognising that there are no silver bullets which work in all circumstance and that innovative approaches also need to be supported.
- Innovation and creativity.
- Good communication (visibility and articulation) to promote good work and to manage expectations.

5.1.ii Strategy

- People and Place approach with genuine involvement of communities in which regeneration takes place, delivering strategic outcomes while taking account of local needs.
- Spatial planning to be a major element in our approach to planning and investment with clarity of approach, national, regional and local levels.
- Schemes with clear leadership and commitment to good management, clear accountability and good governance are essential. Monitoring of issues and risks need to ensure that we have evidence and evaluation and the ability to stop and close a project if it is not delivering.
- Developing opportunities and addressing need, and crucially developing opportunity out of need.
- Evaluation as a key component in any scheme, planned from the start, maintained as a core element of programme design and followed through to project conclusion and beyond.
- Added value and value for money need to be key considerations. The ability to maximise leverage from mainstream programmes and external funding.
- Within the framework of our Strategic Equality Plan, we will ensure that equality and diversity are embedded in the process, taking into account, disability, age, religion, gender, human rights, race and sexual orientation. In particular, we will take every opportunity through public procurement to advance equality and inclusion and to improve employment practices.

5.2.iii Sustainability

- The approach must reflect sustainable development as the Welsh Government's central organising principle and in doing so make a key contribution to the Tackling Poverty agenda.
- Clearly based on evidence, political drivers and influence cannot be the lead rationale.
- Bottom up approach, and not just top down – bottom up ideas need to meet and work with a clear strategic overview.
- Enable investment and delivery by private and voluntary sectors rather than inadvertently creating barriers through public sector intervention.
- Articulate and promote the total place success and share best practice.
- Recognition of the inter-generational timescales involved, suggesting programme cycles of at least 10-15 years. Need to move away from being driven by short term, political horizons.

6. Our New Regeneration Framework

6.1 Joined Up Delivery

Successful regeneration delivery is characterised by partnership. The private, third and public sectors all have key contributions to make, and are dependent on each other. We are committed to developing appropriate governance arrangements that facilitate equal involvement of all three sectors in the development of planning and delivery mechanisms resulting in “Regional Planning – Local Delivery”.

6.1.i Private sector

We recognise in current conditions that stimulating private sector investment in underperforming places is critical but yet harder to achieve. Private sector confidence is a strong indicator that improvement in places can be sustained after any public sector intervention reaches an end. At the same time, we acknowledge that the private sector itself is under pressure and needs any investment to deliver a payback in core business terms whether this is in profitability, turnover, accessibility, marketing or workforce issues. Companies need repeat business, good reputation and an effective supply chain for their own production or services.

We will look to the private sector at national, regional and local levels to work alongside the public and third sectors to create improved opportunities within our communities by:

- tackling difficult sites to bring forward good quality development which makes a positive contribution to regeneration outcomes;
- seeking out opportunities for business to become actively involved in future delivery structures;
- providing business mentoring and project management support to communities and projects;
- securing private sector investment in joint projects;
- provision of procurement expertise to benefit communities and contribute more directly to regeneration outcomes, particularly local supply chain benefits to Welsh communities;
- improved access for communities to new jobs and training;
- true partnering through delivery of joint projects and services;
- Bringing more innovation to the marketplace.

We foresee the growth of more mutually beneficial partnering relationships between sectors for the greater good of communities in Wales, and as such the public and third sector will seek opportunities to deliver the following:

- Good premises in attractive locations.
- A relevantly skilled labour force from which to recruit.

- Transportation which gives good accessibility for staff, customers and delivery of goods and services.
- Effective communications infrastructure.
- Supported access to public sector procurement.

In parallel we will engage with businesses to secure the immense input which it can make, in partnership with the public and third sectors, to solving these problems.

6.1.ii The Third sector

The Welsh Government acknowledges the breadth and depth of the skills and knowledge within the sector and therefore wishes to ensure that this is harnessed throughout the review and the subsequent programme delivery and development.

The third sector, in its various forms, plays a significant role in regeneration but must be engaged at the right level and the right time. Opportunities provided by the third sector range from volunteering through to social enterprise development, and from delivering physical improvements to services which reach those who find it difficult to access mainstream programmes. Outcomes include community pride and sense of place, as well as health and wellbeing, social and cultural and skills and employment. Increasingly, the third sector offers opportunities for alternative models of enterprise including a variety of different social enterprise models, such as cooperatives, community businesses and development trusts. Larger third sector regeneration agencies, especially Registered Social Landlords (RSLs), are becoming increasingly important partners in delivering major projects in local areas. RSLs are not only equipped to deliver capital projects, but can reach marginalised groups through tenant engagement and empowerment. They have a unique relationship with our most marginalised communities.

The diversity of organisations in the third sector provides a voice for under represented groups in campaigning for change, creating strong, active and connected communities and promoting enterprising solutions to social and environmental challenges. Third sector organisations by their nature are closer to the community than government, can be more flexible in their approach and are well placed to advise on the situation “on the ground”. We will therefore work with other key third sector organisations to ensure views are sought from the widest possible audience and seek engagement with, for example, the following disadvantaged or excluded groups:

- Black & minority ethnic groups.
- Single parents.
- Young people.
- Older people.
- Disabled people.
- Special needs groups.
- Faith groups.
- Carers.

6.1.iii Public sector

The public sector remains an important partner, especially local authorities in their regulatory, service delivery and strategic roles. Local authorities are often the lead body in the coordination of economic development, regeneration activity and tackling deprivation at a local level. They are also the lead partners in community planning, the key process through which positive local outcomes for communities are planned and delivered. However, in fulfilling these functions, they depend not only on other public sector organisations, such as Local Health Boards and Further and Higher Education Institutions, but also on private sector investment, and community buy-in. In the current climate of falling private sector investment there are new responsibilities and opportunities for local authorities to develop their role and significantly enhance the regeneration process.

The Simpson report “Local Regional National, What services are best delivered where” set out the case for collaboration and other forms of joint delivery in order to respond to the twin pressures of increased service needs and reducing budgets. Following the report, Welsh and Local Government agreed the “Compact for Change” setting out specific commitments for service areas including those key to securing area regeneration. Increasingly, local regeneration will need to be seen in the context of wider regional economies and elements will be delivered through national and regional structures as appropriate. This could, for example, mean taking advantage of specialist services secured and delivered regionally whilst ensuring that collaborative procurement includes social clauses to maximise the benefits for the local, regional and national economies.

6.1.iv Housing Regeneration & Heritage

To enable joined up delivery, the Welsh Government’s Housing, Regeneration & Heritage portfolio will ensure that it acts as a catalyst for joined up planning and delivery across a range of government departments. In accordance with the Programme for Government, sustainable development will be a central organising principle throughout all our work and as such, will also enable us to tackle poverty. The following thematic areas will be utilised, as part of an integrated approach which develops them holistically:

- **Housing**

Housing is seen in the context of housing-led regeneration, providing an important element in many regeneration schemes. Having access to decent affordable housing whatever the tenure is a key objective of Welsh Government. The benefits of investing in homes and related services extend well beyond putting a roof over someone’s head. A decent home that people can afford is essential to their ability to live healthy, productive lives in safe, strong, inclusive and fair communities. It provides children with the best possible start to their lives and the chance to realise their full potential. Good homes can also reduce carbon dioxide emissions, which can help to tackle climate change, exemplifying sustainable development in practice. We have also shown already in the housing sector the power of social procurement and its role in regeneration of some of the most disadvantaged communities. The

ability to develop targeted recruitment and training opportunities from the housing spend is indicative of the potential in other public policy sectors to reap similar benefits.

- **Heritage**

Heritage is a vital part of regeneration and will contribute to regeneration outcomes by delivering proven economic benefits. In addition the historic environment provides a sense of identity and gives a hook for standards of urban design and planning that respect a sense of place: traditional buildings make up a significant proportion of the Welsh housing stock – ensuring appropriate standards helps meet sustainability objectives and aspiration of decent housing. Heritage and the historic environment also provide an important focus for the third sector and community involvement.

Many communities in Wales have unique heritage assets embedded in rich industrial histories and world-class landscapes. Development of these assets within the visitor economy of Wales can make a significant contribution to regeneration in urban and rural communities. Ensuring that this takes place within national programmes linked to international promotion can provide local economic development opportunities for employment, business and social enterprises.

6.1.v Other Government areas:

- **Business, Enterprise, Technology and Science**

Growth and sustainable jobs are the heart of the Welsh Government's Programme for Government. The Welsh Government is helping people into sustainable employment through direct support to business, facilitating private sector jobs growth by improving the overall business environment and helping create the conditions and framework for the private sector to flourish.

It is important to take a long term view of our policies, and address the structural issues (infrastructure, skills etc) but we also need to ease the pressures faced by individuals and businesses in the short term and using the levers that we have to stimulate demand in the economy.

This means action in the short term to help businesses through challenging times. For example through making it easier for business to access finance (e.g. Wales Economic Growth Fund, SME Investment Fund); action to support our micro businesses (e.g. Micro-business Loan Fund; making it easier to start and grow a business; supporting international trade and investment; promoting Wales as a tourist destination and reviewing our business rates policies in Wales.

It also means action for the longer term, investing for future growth and jobs. For example, expanding our sectoral approach and working with anchor and regionally important companies; encouraging long-term, local growth and jobs through the setting up of Enterprise Zones across Wales; improving our science and innovation base by recognising the vital importance of research

and science in Wales; and action for 21st Century communications by ensuring that as many homes and businesses as possible can access a high-speed broadband service by December 2015.

- **Communities First**

Communities First is a community focused poverty-tackling programme that supports people in communities in the most deprived areas in Wales. It works in partnership with the public, private and third sector to achieve the common goals of prosperous, healthier and learning communities.

- **Planning**

Planning Policy Wales provides a strong national policy framework supporting regeneration, complemented by technical advice notes, such as TAN 4. Retailing and Town Centres, TAN 12. Design and TAN 18, Transport. Local planning authorities have a key role in assisting delivery of regeneration by having appropriate spatial policies in adopted local development plans, through decisions on planning applications, and by enhancing and improving the built environment. A combined approach is critical in facilitating successful regeneration and creating a sense of place for our communities. The National Assembly's Enterprise and Business Committee Report into Town Centre Regeneration recognised this.

Within Government, we are working together to ensure that regeneration practitioners have the tools, capacity and capabilities they need to navigate the planning system and contribute to sustainable development. The recent report to the Welsh Government by the Independent Advisory Group "Towards a Welsh Planning Act: Ensuring the Planning System Delivers" (June 2012) outlined an ambitious agenda which will be reflected in the work taken forward by the Minister for Environment and Sustainable Development. A Planning White Paper and Draft Bill will issue later next year.

- **Transport**

Transport plays a central role in our daily lives. Its availability and accessibility influence where people live and work, their leisure options, and their opportunities to interact with friends, family and the wider community.

An effective, accessible and affordable transport system will be a key building block of our regeneration framework.

Ensuring sustainable access – especially by public transport and active travel modes – should be an integral element of planning new services and facilities and the regeneration of communities.

Welsh Government and other partners continue to make substantial investment in transport infrastructure in Wales. We will ensure that our investment secures the maximum benefit for communities and helps drive regeneration through targeted recruitment and training and local supply chain development. We will also work with partners, such as Network Rail, to ensure that their major investments - for example the £300m investment in

Valleys Lines electrification - secure significant economic and regeneration benefits for Wales.

Our Active Travel Bill will bring forward proposals to enable more people to walk and cycle and generally travel by more active methods. We want to make walking and cycling the most natural and normal way of getting about. This so that more people can experience the health benefits; we can reduce our greenhouse gas emissions; and we can help address poverty and disadvantage. At the same time, we want to help our economy to grow, and take steps to unlock sustainable economic growth.

- **Education and skills**

Wales has developed a distinctive approach to the skills agenda, building on the principles of integration, responsiveness, shared responsibilities, quality, equality of opportunity and Welsh language skills. It is important that our skills system is adaptive and robust to face new challenges. A co-ordinated approach to skills development is therefore key, whether this be progressed on a sector or spatial footprint basis through Area or Regional regeneration.

An area based approach has the potential to complement the Department of Education and Skills vision to create a cohesive flexible framework that will identify and address skills gaps for businesses and individuals on a regionally specific geographical basis. It would support greater alignment between supply and demand and provide a basis for integrated investments across Government portfolios and for potential multi-fund approaches using Structural Funds.

- **Tackling Poverty Action plan**

The Welsh Government commitment to social justice and equality of opportunity makes it essential in the current climate that we continue to drive forward Tackling Poverty by prioritising the needs of the poorest and those most at risk of poverty. Our Tackling Poverty action plan, launched in June 2012, aims to achieve better outcomes for everyone in Wales and focuses on the following actions.

- Preventing poverty, for example, through investment and giving children the best start in life.
- Helping people improve their skills and enhance their qualifications.
- Mitigating the impact of poverty here and now.

- **Environment**

During recent years there has been greater realisation of the contribution that the natural environment can play in terms of regeneration. Apart from providing a stunning setting to work and live in, much of the raw materials that stimulated the industrial revolution and previous economic growth in Wales came from the natural environment, and that same environment offers new opportunities for tourism, local sustainable food production, carbon storage,

and renewable energy generation and, when managed properly, can mitigate the damaging effects of climate change such as flooding. Managed as a multifunctional resource holistically with other regeneration activities through a strategically planned and delivered approach, this resource is capable of delivering a wide range of economic, social and environmental solutions in a coordinated fashion, thereby enhancing the regeneration potential of areas throughout Wales. The Rural Development Plan will form part of the mechanism for delivering such opportunities.

The Environment and Sustainable Development Department is committed to improving environmental quality in areas of deprivation and to use the natural environment to create long term opportunities to improve wellbeing of present and future generations in these areas, including creating opportunities for jobs and skills and improving health and quality of life. It will develop its grant programmes to ensure that they work alongside other community and regeneration initiatives and build on a common approach to local engagement and priority-setting. Building on the very successful *Tidy Towns* initiative, the Department is currently funding a new scheme that test different ways of addressing areas of poor air quality or high noise levels. Arbed is also an example of excellent housing, economic, environmental and anti poverty benefits. The Department is working with its funded bodies to develop a concerted approach to community-engagement and support, and will charge the new Natural Resources Body for Wales with close engagement with local communities in identifying the opportunities available to them.

We will work closely with the new Natural Resources Body to develop the environment element utilising an ecosystems approach. A new framework for the Valleys utilising this approach is due to be published in November 2012. This approach could be replicated in other regions of Wales, forming a component part of the wider regeneration framework.

- **Health**

There are strong links between the Welsh Government's broader regeneration agenda and its goals related to health. The strategic approach set in *Our Healthy Future* and *Together for Health*, is based on good evidence that good or poor health has social roots and most policy has some impact on health, for good or ill. It is linked to work, transport, housing, noise and green spaces, for example. Recognising this and taking it forward in the right spirit can enable policy and investment to generate a health dividend as well as other economic, social and environmental benefits. There are many ways in which regeneration can help contribute to improved mental and physical health, and its impact can in part be gauged through monitoring the health benefits.

Health impact assessments for both physical and mental health are a useful tool for assessing the impact of regeneration programmes. A prospective health impact assessment can provide a useful opportunity to identify positive health impacts and opportunities and mitigate potential negative impacts for regeneration programmes.

The NHS is often the biggest economic entity in many parts of Wales. Its role as employer, consumer, landowner and traffic-generator is considerable. Because of its economic weight and concentration of expertise, the NHS is also a potential source of prosperity and innovation, one we need to use better.

The potential role of the NHS in furthering regeneration needs to be fully exploited. It has a major service and investment role in every part of Wales, and can do more to help support an active workforce and prosperous economy through:

- providing high quality facilities, which will be important to firms relocating to Wales;
- improving supply chain management and local sourcing;
- providing occupational health services, back to work schemes and other support to local people and employers; and
- supporting research and development and commercial application of innovative ideas within the Welsh economy.

Deprived areas are often characterised by low economic outputs as a result of poor mental and physical health. Whilst some of the health problems are a legacy of past industrial activity or unhealthy habits such as smoking, there is an increasing obesity problem resulting from poor diet and sedentary lifestyles, and low confidence and self esteem tend to predominate in some communities. Tackling both physical and mental health problems will continue to be an essential component of our regeneration activity, with incentives to encourage more active lifestyles, healthy eating and smoking cessation.

- **Community Benefits in procurement**

The Value Wales team works closely with colleagues across Welsh Government and the Welsh public sector to ensure that the £4.3 billion annual expenditure on external goods and services delivers maximum value for citizens. The Community Benefits approach recognises public procurement as a major lever to help the public sector to deliver contracts that result in re-investment in local communities, providing opportunities that help disadvantaged people back into employment and foster strong local supply chains.

The Community Benefits approach focuses on delivering:

- employment & training for economically inactive people;
- opportunities for SMEs to bid for supply chain opportunities;
- opportunities for disadvantaged groups to bid for supply chain opportunities e.g. Supported Factories & Businesses;
- support for education;
- support for community regeneration; and
- a positive impact on the environment.

- **Community safety**

One area where the public sector and third sector already work together is in the provision of domestic abuse services. This will be further enhanced through the implementation of the 10,000 Safer Lives project, which is seeking to improve the quality of services provided to victims of abuse in cases deemed to be medium and standard risk.

The Programme for Government commitment to fund an additional 500 Police Community Support Officers in Wales - these officers will be highly visible in their communities, engaging with people, providing reassurance and tackling anti-social behaviour, making our communities safer.

The Fire and Rescue Authorities have responsibility to work collaboratively with the wider public sector and the third sector, to deliver measurable improvements including greater efficiency and more citizen-focused services. This includes community safety activity including arson reduction and the provision of Home Fire Safety Checks.

These projects will help to make communities safer and more secure.

What more can be done to achieve greater coherence and cross cutting action across departments?

6.2 The new delivery framework and key roles

To enable delivery of the outcomes required for Wales a clear transparent delivery structure is required which enables the principles of collaboration to succeed. It is proposed that delivery should be considered on a local, regional and national basis.

6.2.i Local basis

The delivery of regeneration initiatives is fundamentally a local issue and all, or most, elements of project implementation require some degree of management and accountability at the local level. Local authorities and the local communities concerned have key roles to play in this respect, alongside partners in the public, private and voluntary sector.

Local authorities are continually gathering large amounts of information and intelligence about their areas. Along with other available evidence this is fed into detailed forward planning, linked to the requirements to prepare Single Integrated Plans and Local Development Plans covering their entire areas. The work that goes into these Plans has to be developed iteratively with planning at higher and lower spatial levels. It has to:

- feed into and take account of national and regional level strategic objectives/priorities;

- inform and be informed by views and local knowledge of community groups, especially where plans are being developed by such groups (e.g. Communities First partnerships);
- not only react and *respond to* locations where regeneration needs and opportunities are identified but also proactively *create* opportunities (e.g. by planning links between areas of need and areas of opportunity – which could be through the provision of new physical links, improved access to services, ICT connections and access, training etc.);
- set out spatially where the regeneration priorities are for investment and assistance, based on a clear assessment of evidence and with clear goals identified; and
- identify a range of interventions that are realistic in terms of funding that can be attracted and capable of being delivered given available expertise and capacity.

As with Welsh Government, local authorities recognise the need for an ‘all service’ approach to regeneration. Mainstream budgets and service provision can be managed by local authorities in ways that maximise regeneration benefits (e.g. a new school building project can be used as an opportunity for community development, a source of local contract and employment opportunities, a venue for community education, improved access to sports facilities, local environmental enhancement, provision of new walkways and cycleways etc.). Local authorities can also exert a significant influence on regeneration prospects through their roles as major local employers, procurers of services.

Equally, a wide range of local government services can contribute directly to specific local regeneration initiatives. This might involve highways and transport improvements, environmental improvements and maintenance of the public realm, community education, provision of leisure and cultural services and facilities, community safety interventions, assistance to local businesses, improved community access to and use of school facilities, community development activity, enhancements to the housing stock etc. It can also involve local government officers providing expertise to support local communities in relation to planning matters, accessing funding and even the provision of legal and ICT advice.

Through their links with a wide range of partner agencies for service delivery, local authorities are also well placed to orchestrate local partnership working. Local Service Boards have pulled together key agencies operating in the local authority area to identify joint approaches to a range of issues including regeneration. Many local authorities also have specific regeneration partnerships which help to forge agreement on priorities and develop a multi-agency approach to delivery that adds value.

6.2.ii Regional basis

A regional level (and perhaps a sub-regional level too) is required to ensure we achieve the best outcomes for Wales in the most efficient manner. This would build on the Welsh Government’s collaborative agenda for public services. The economy, for instance, is not bound by local authority boundaries and it is recognised that

challenges cannot be addressed in isolation. Local authorities and other key partners need to work together in order to grow a stronger economy. This approach has been piloted across the Valleys focusing on environment, heritage and tourism through the Valleys Regional Park Programme, and has generally been regarded as successful. The principle of establishing regional and sub-regional strategic plans supported by collaborative delivery partnerships covering the wider regeneration themes is worthy of consideration. To ensure full join up with all the regeneration key players, including local government public sector reform, potential city regions, education, health, environment, tourism and transport consortia for instance, three regions are suggested for Wales, which are consistent with the Government's regional collaborative areas (the "collaborative footprint") for public service delivery:

- North region.
- South East region.
- South West & Mid region.

The North region will cover the six local authorities and is consistent with the Government's agreed regional collaborative areas for public service delivery that is coterminous with the Health Authority and Police Authority areas and the regional transport collaboration. The South East region aligns with the City region concept and is also coterminous with Cardiff, Vale, Merthyr, RCT and the greater Gwent five Local Authorities. It also includes Bridgend from an economic view point but dual membership of both SE and the SW and mid regions may be advantageous for this Local Authority in the context of regeneration. The South West and Mid Wales region is predominantly rural, farming and food production in the mid (but with increasing diversification) with the west providing some key town centre and city region cohesion and includes Neath Port Talbot, Carmarthen, Swansea, Pembrokeshire, Powys and Ceredigion. These regions are also consistent with the proposed revised Welsh Local Government Association regional boards. Sub-regions could also be an option and it is for the regional regeneration boards to work through how best to deliver outcomes on a sub-regional and or local basis.

The regeneration regional arrangements will collate the evidence for decision making to demonstrate how best to achieve the national regeneration outcomes described in this paper. The regional regeneration boards will provide oversight, planning and policy for the area and advise on how indicative funding could be spent as well as how other funding sources can be levered in. They will act as a catalyst and a joining up mechanism for local areas and partners all contributing to the regeneration vision. They should also set clear objectives for intervention and plan evaluation.

Regeneration teams within Homes and Places Division will support the regions by covering the whole of Wales based in regional locations. Regeneration officials will work with other Welsh Government officials and partner organisations to develop a clear role to facilitate holistic approaches in the key settlements within their remit. They are experienced in bringing together partners and making projects happen on the ground, often leveraging in substantial investment from beyond the budgets for which they are responsible. This way of working has had major benefits across the existing Regeneration Areas and we see this continuing.

However, holistic approaches will only work to best effect if they have the full support, and practical assistance, from across Government. We intend to ensure this is the case and ensure that benefits are derived from across each Ministerial portfolio.

6.2.iii National basis

The Welsh Government will set a vision and strategic direction supported by a set of national outcomes. It will be an enabler providing catalyst funding to support key regeneration projects and programmes and human resource to support regional and local delivery to achieve the outcomes. It will monitor progress and evaluate the success of these programmes and will enable joining up of Welsh Government activities as well as activities across Wales involving other sectors. It will be aligned with national strategic government policies such as the Wales Infrastructure Investment Plan for Growth and Jobs, and the developing work around the Planning Bill due in 2013. Additionally it will complement the Tackling Poverty action plan, embrace sustainable development principles and work with initiatives such as Enterprise Zones. It will also engage with Local Growth Zones and City Regions should they be established.

At a national level, we propose an enhanced role for the National Regeneration Panel by converting it into a full and formal Ministerial Advisory Group on Regeneration and reviewing its membership accordingly. It will provide advice and challenge on policy; it will also have a role in overseeing investment decisions. The panel would have a clear remit to oversee regeneration in Wales, including:

- overarching strategic direction setting – including overseeing a research and evaluation programme;
- overseeing regeneration investment; and
- governance and assurance – oversight of all projects and funding, including sub groups where appropriate.

Internally, the Homes and Places Strategy team will work with the First Minister's Delivery Unit to help other parts of the Government to assess regeneration risks and opportunities around spending decisions, including where possible developing formal Regeneration Appraisal processes. The Welsh Infrastructure Investment Plan will be of critical importance in assessing capital investment, but revenue funding will also be considered – including the Government's own estate and its approach to buying goods and services.

We recognise the importance of evidence and the value of research and planning to ensure this is embedded in policy development with a rolling programme of research and studies to ensure the policy we develop and implement has a firm grounding in theory and practice. We also need to have access to the latest information on Welsh places. We will continue to pursue our own research and evaluation, as well as providing funding for partners to identify and share best practice, and for supporting innovation.

Do you agree with the national, regional and local approach set out?
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6.3 Key approaches for the Regeneration Framework

The new regeneration delivery model must be able to evidence that investment is made to ensure greatest impact. Therefore a more evidence based approach is advocated. It also needs to recognise that regeneration is not just a physical capital programme but is actually about bringing communities and people out of decline as well as places. A people and place based approach is therefore also recommended as a key approach to tackling declining communities.

6.3.i Evidence based

It is acknowledged that many existing programmes of Welsh Government and of other organisations contribute to achieving the vision that everybody in Wales should live in vibrant, viable and sustainable communities with a strong economy. Mapping of existing resources is needed on a regional and local level to understand what the current position is.

An area-based approach is also required to understand the opportunity and need of the region. Our review of the history of regeneration in the UK points to the centrality of area-based approaches in all regeneration policy to date. There is a broad agreement that the neighbourhood or community level of intervention is an essential component of the delivery mechanisms required for successful regeneration interventions.

Regions should therefore be able to produce business plans which have been built up locally in collaboration, which are evidenced based and which detail:

- Mapping of existing funding in the area.
- Clear links to key priorities and national outcomes.
- Opportunity and need of the region.
- Integrated Community Strategy.
- Overarching vision established for town centre(s)/seaside towns.
- Regeneration Plan proposal (evidence based).
- How local and regional partnerships will be established to deliver a programme.
- Joined-up approach with key stakeholders.
- Performance Measurement plan proposal.
- Evaluation programme embedded.
- Commitment to engage with the Design Commission for Wales and its Design Review Service.
- Commitment to enforcement, where appropriate.
- Setting out what outcomes are expected and how they may be evaluated.

Measurement of performance and achievement of national outcomes will be an important element of the implementation process and projects and programme will

be expected to regularly evidence their achievements. In keeping with developments across Welsh Government, Results Based Accountability will be employed to ensure that our investment achieves real outcomes that change the conditions in which people live and work. Continued funding will be dependent on well-evidenced achievement of outcomes.

6.3ii People based

Our review of the history of regeneration in the UK identifies a clear distinction between 'people-based' and 'place-based' regeneration and suggests that the most successful programmes have combined approaches which recognise the complex connection between the characteristics of families and individuals and the places they live in. People based approaches recognise the need to support the development of skills and capacities to engage with the economy and critical public services.

Skills, education, health, and work opportunities all play a critical role in the regeneration process. Key programme areas must work together to integrate and achieve maximum impact. Communities First for instance is a predominately revenue based programme of c £30m to assist people to come out of poverty, improve health, education and learning. The mapping of Communities First clusters on a regional and local level is essential to understand how mainstream funding is contributing to regeneration. In turn, understanding the quantity, quality and strategy of mainstream spending is essential to enable maximisation of impact and full synergy with regeneration delivery. The most significant achievable spend in any community already exists in the multiple strands of expenditure delivered by multiple public services. Recognising the regenerative impact of this total spend can help us achieve higher level outcomes. This mapping should include all the mainstream interventions that contribute to the people aspect of regeneration.

Whereas capital in general is important to fund elements of regeneration, our evidence clearly shows the importance of social capital, the expected collective or economic benefits derived from the connections and cooperation between individuals and groups. Although different social sciences emphasise different aspects of social capital, they tend to share the core idea "that social networks have value". Communities that are joined up with their sporting, cultural and educational aspirations working together can deliver substantial benefits.

In our discussions with sporting and arts organisations we have agreed that local groups, and the assets they own or manage, can have powerful regeneration impacts at community level. We have clear evidence that participation in sports, as well as in other cultural activities, can make a significant contribution to the acquisition of the transferable skills required by employers. A key part of this is addressing poor health, and increasing levels of physical activity has been identified as a priority in our Programme for Government and in Creating an Active Wales. Critically, such engagement also provides alternative social experiences which challenge low aspiration and raise confidence to pursue personal development through learning and training. We do, however, also recognise that groups engaged in these activities may not automatically see themselves as having such a regeneration role beyond their own social objectives.

We need to ensure we achieve community benefits and obtain the maximum benefits out of every investment, particularly given the current economic climate. Targeted recruitment and training, as well as local supply chain development, from public sector expenditure (including where mandated through procurement) can offer additional economic opportunities for local people, over and above the primary rationale for the investment.

6.3.iii Place based

A place-based approach has been recognised as a successful approach to creating physical and environmental improvements to an area. It is particularly recognised that settlements are key to regeneration and that there is growing need for town centre and seaside town regeneration. These can create a developmental hub in a region which has wider economic impact as a place of employment, leisure activity and location of public services. See Annex 1 for more detail on town centres and seaside towns. Mainstream programmes such as economic development, transport, educational and health establishments, housing and environmental initiatives including heritage and the historic environment should also be mapped to understand what is currently being delivered in an area and how this can be utilised to maximise impact to make a real difference to that settlement or place. The quality of place is a key determinant of the general quality of life and place based indicators has been regularly deployed to more fully understand key aspects of the social experience of poverty. Improvements to place (e.g. physical environment) have been a constant feature of regeneration policy to date but, to be effective, have to link to social regeneration.

Historic character lies at the heart of local distinctiveness and sense of place. No two places share a history, so every place has a unique historic character, which is a powerful asset in regeneration. Understanding that character and how it was formed is the foundation for planning, design and management that sustains local distinctiveness.

We can capture local distinctiveness through characterisation – identifying how places have been shaped over time and what makes them special. We find historic character in patterns of space and connection, as well as in traditions of building. These are the ingredients of unique identity, and we can use them to ensure that as places continue to change, they also keep hold of what makes them special. Cadw has been looking at a series of towns across Wales, each one of which has its own special character. The studies set out a definition of local character which can inform the management of change.

The resulting persistent deprivation is often characterised by combinations of:

- derelict sites and buildings;
- contaminated land;
- poor quality housing;
- unskilled workforce;
- lack of employment opportunities;

- health inequalities;
- insufficient transport infrastructure;
- poor local environment quality; and
- lack of connection to the natural environment.

Although these problems tend to be more visible in urban areas, they affect rural areas too. Indeed, although our population is concentrated in the city regions on the South coast (which are themselves modest on a European scale), most of Wales is characterised by small settlements in a rural context.

There are various ways to measure the performance of places. The place-related domains of the Welsh Index of Multiple Deprivation provide a good foundation; more detailed local work can be undertaken through for example a town centre healthcheck, the PlaceCheck methodology or by using CREW's Regeneration Impact Assessment toolkit.

As the National Assembly's Enterprise and Business Committee noted at the start of their recent report, "vital, vibrant town centres are at the heart of our sustainable communities, and they are core to a healthy and prosperous Welsh economy".

An integrated/holistic approach is required across local authority functions, businesses and communities and beyond just physical (typically retail) projects. This kind of approach needs to focus on the provision of services, the promotion of cultural activities, the nurturing of civic identity, and providing the community and visitors with an enriched town environment. The vision is for diversified town centres in which retail constitutes a key element of the offer but is supported by learning, health and leisure facilities providing multiple reasons for town centre footfall. (see Annex 1 for more detail on town centres).

6.4 Governance structure

In order to achieve the national, regional and local outcomes and succeed in our vision of having vibrant, viable and sustainable communities with a strong economy a transparent, collaborative governance structure is required which allows all key partners to influence and contribute to delivery of the regeneration outcomes. We are suggesting the following tiered approach:

- A national Ministerial Advisory Group will be set up to oversee the delivery of the regeneration framework as described above. It is at this level that the national outcomes will be set and periodically reviewed.
- Regional boards will be set up to collate the evidence and take forward the People and Place approaches to the region. They will produce regional policy and planning to meet national objectives. They will report to the Ministerial Advisory Group. It is at this level that local plans will be co-ordinated to ensure maximum collaboration and strategic overview. The regional boards will also ensure that local plans work towards the achievement of national outcomes.

Local delivery will continue, but with additional support from the regional and national level to achieve outcomes required on a people and place basis. To support community involvement and ‘bottom up’ influence on programmes, local priorities can be established and preferred delivery mechanisms identified at the local level but at the same time demonstrating how they support the achievement of national outcomes. This will provide local autonomy of delivery but aimed at nationally agreed strategic outcomes. The proposed Governance Framework is at Annex 4.

6.5 Investment

6.5.i Our proposals for directing targeted funding

We believe that there remains a rationale for targeting additional funding, over and above mainstream spend and specific regeneration interventions, for the purposes of:

- incentivising behaviours likely to deliver successful regeneration; and
- supporting interventions which are known to be successful but are not covered by other funding streams e.g. town centres and seaside towns.

Regeneration cannot and should not rely on mainstream funding alone. There remains a role for limited, additional, carefully targeted investment funding that can meet our stated commitments for regeneration and also fulfil functions not available elsewhere, thus providing gap funding to make schemes happen.

It is proposed that indicative funding allocations are made to the three regions on a formula basis. The regional regeneration boards will then produce business plans in 2013/14 to evidence how they can recommend to Welsh Government how to make best use of funding in achieving the national outcomes and other specific regeneration outcomes (to be determined). This will include leveraging in additional funding wherever possible. Welsh Government will then assess the plans and provide actual funding as appropriate.

We propose to consolidate targeted regeneration investment into the following investment streams:

Evidence, mapping & business cases – specific revenue funding will be available in the first instance to support the resources in the regions and locally to ensure robust baseline evidence is collected, analysed and assessed to produce justifiable and robust business cases with recommendations for investments in regions. We believe this is essential to correctly identify areas of need and opportunity where investment will achieve maximum impact.

Successful Places – capital investment and revenue funding for preparatory work, ready prepared schemes and services, and facilitation, focused on but not limited to the following proven types of intervention:

1. Town centre management: both the Portas report and the Enterprise and Business Committee Inquiry have highlighted the role of ‘town teams’, often combining private and public sector interests to develop vision and

strategy for Town Centres. Moving beyond the current 'warden' roles of many towns centre management posts the teams identify unique character, niche identities and innovative marketing strategies to develop town centres

2. Meanwhile uses: we have international evidence of the success of 'meanwhile uses' in reversing town centre decline by facilitating diversification of the town centre offer and bringing vibrancy to previously empty properties. The most successful programmes have developed long-term and permanent uses from initial temporary occupation of retail and office premises and have performed a critical business incubation role.
3. Business Improvement Districts (BIDS): the International evidence for the success of BIDs is clear and Welsh experience in Swansea suggests a clear role for promotion of more BIDS in Wales.
4. Local Growth Zones: more relevant to rural towns than BIDS and other interventions.
5. Enhanced marketing and destination management: the towns demonstrating best practice in the UK have developed clear marketing strategies often based around key themes, whether the 'book-town' of Hay on Wye or the 'food town' of Ludlow. Clearly, not all towns can claim such distinctiveness, but strong identities and strategic marketing can have major beneficial impact on creating a destination status for all towns.
6. Physical reconfiguration of sites and wider areas: the physical attractiveness of the urban environment is a critical component of the visitor experience and attention paid to 'gateway' appearance and general streetscapes can significantly influence visitor impressions.
7. The future of housing renewal area funding needs to be carefully considered and needs to be used to ensure maximum outcomes are achieved.

We envisage that this funding stream would be used to develop regional holistic projects for regeneration which would draw down European funding, building on successful models developed for the Valleys Regional Park and Arbed. These projects cannot simply focus on town centre regeneration – they need to support our wider agenda. Indeed, where possible, for example on economic growth and jobs, we will seek to develop joint projects combining our funding with both ERDF and ESF across as wide a range of priorities as possible. Integrated holistic projects have the potential to deliver better outcomes more efficiently through:

- linking various work themes to create greater focus on regeneration outcomes in a specific region i.e. a holistic area based approach;
- more effective alignment of match funding opportunities within Welsh Government and the partner organisations involved;
- reduced project management/administration costs;
- greater opportunities for collaboration across boundaries and sectors;

- more flexibility to amend activities and move priorities as projects deliver or opportunities arise; and
- reducing the potential for duplication of activities.

Coastal Communities Fund – our recently established Coastal Communities Fund utilising Crown Estate funds for Wales has shown clear evidence of demand in this area. We will seek to augment the value of the Fund from our own resources within Housing, Regeneration & Heritage, and to refine the criteria for investment based on the first year’s experience and the evidence presented in this document.

Homes and Places Community Innovation Grant – supporting innovation and best practice at pan-Wales, regional and local levels.

Regeneration Investment Fund for Wales – seeks to stimulate significant investment in urban development and compliment our investment in people and the economy, delivering social, economic and financial returns. The Fund is based on the European Commission’s Joint European Support for Sustainable Investment in City Areas (JESSICA) initiative.

6.5.ii Design and criteria

Rather than selecting places, we intend to set robust criteria for proposals, and to facilitate their development through our regional teams. We intend to follow, and expect proposals to take account of the Treasury Green Book approach to regeneration (Green Book, Annex 1, p54).

Our evaluation criteria would include:

- Fit with the new Regeneration framework and national outcomes.
- Fit with specific Regeneration objectives – to be determined.
- Location – proximity to Communities First clusters and evidence of linking the benefits of investment to those communities.
- Opportunity – facilitate existing opportunities or to ensure private sector engagement or utilising European funding.
- Innovation.
- Collaboration.
- Finance – we will welcome and endorse innovative finance models such as Community Infrastructure Bonds and ways of leveraging in other sources of finance.
- Sustainability.

We want to make sure our investment drives collaborative behaviour and adds value. We consider these conditions to be achievable if schemes are properly planned in advance, using the support and guidance available from across Government and beyond.

As funding becomes available, we will use the 2013/14 financial year as a transitional year to pilot some of these approaches. For example some Business Improvement Districts will be piloted earlier where momentum is already there and where these have been in place for some time funding could be available for enhanced marketing purposes

Do you have any comments on our proposals for how we will target and direct our funding?

6.6 Evaluation

6.6.i Results Based Accountability and Evaluation

“For me, real value is about being absolutely focused on the **outcomes** we are achieving out there in the real world.” First Minister

The Welsh Government has, through the Programme for Government committed to a Results Based Accountability (RBA) approach and we envisage this being central to any Regeneration approach pursued. Regeneration officials will work with all those involved to ensure that this approach is embedded within any project. RBA is a management tool that at a minimum will ensure that expected results (also known as goals) are clearly articulated, and that data is regularly collected and reported to address questions of whether results have been achieved. Additionally in keeping with developments across Welsh Government, best practice business assurance/governance methodology should be integrated at the inception of any investment to ensure high quality Programme and Project Management and drive value for money.

This approach will be supported by ensuring that evaluation is also embedded in any project, from its inception through to its long term outcomes, something we recognise has not been in place to a great extent previously. For example if investment is put into town centres we will expect clear baseline data on defined objectives, a monitoring programme and a longer term plan of evaluation. European Structural Funds also require us to demonstrate clear evidence particularly for economic impact and jobs.

We want to ensure effective monitoring and evaluation of regeneration activities, will the approach set out achieve this?

7. Next steps

The next steps are:

- Shadow Regional Regeneration boards to be established in early 2013/14 to collate evidence, map existing services, funding, opportunity and need, social, environmental, physical and economic. To then produce options and recommendations per region for investment to achieve national regeneration outcomes. More detail will be produced on the boards and funding allocations in due course.
- We intend to publish our new, agreed policy for regeneration in February 2013
- New Regeneration framework goes live in 2014/15 with the new delivery structure.

Regeneration is a collaborative activity. If we are to achieve success, we need your ideas and opinions to inform our policy.

The consultation on this document will be open until **14th January 2013**

You can download the consultation document, and the evidence underpinning it, at www.wales.gov.uk/regeneration.

There are lots of ways to contribute:

- By post to Regeneration Policy Team, 2nd Floor, Cathays Park, Cardiff , CF10 3NQ
- By email to RegenerationPolicy@wales.gsi.gov.uk
- Via our website (follow the links)
- At one of the workshops we are holding across Wales (see website for details)

As a reminder, the key questions are:

1. What is your feedback on lessons learnt from delivery to date?
2. Should other national outcomes or principles be considered?
3. What more can be done to achieve greater coherence and cross cutting action across departments?
4. Do you agree with the national, regional and local approach set out?
5. Do you have any comments on our proposals for how we will target and direct our funding?
6. We want to ensure effective monitoring and evaluation of regeneration activities, will the approach set out achieve this?

Please feel free to address other issues and queries as part of your response.

We look forward to hearing from you.