

**Report To:** Cabinet

**Date of Meeting:** Tuesday 25th June 2013

**Lead Cabinet Member:** Councillor Hugh Evans

**Lead Officer:** Tom Booty – RGF Programme Manager

**Title:** Rhyl Regeneration – Next Phase Funding: Vibrant & Viable Places

**1 What is the report about?**

The new regeneration framework from Welsh Government – Vibrant & Viable Places – was launched on 11 March 2013, and outlines the Welsh Government’s proposals for how regeneration funding will be prioritised going forward. This report provides the background to this and makes a recommendation in relation to how Denbighshire should respond.

**2 What is the reason for making this report?**

To seek Cabinet’s endorsement for the development and submission of a bid for funding under the Vibrant & Viable regeneration programme for Rhyl Town Centre.

**3 What are the Recommendations?**

The recommendations are that Cabinet support:

- the development of a bid focussed around Rhyl Town Centre; and
- the submission of a Stage 1 (Strategic Outline Programme) by the deadline of 12 July 2013.

Note that further endorsement of this approach is being sought from other relevant committees and partner agencies, and formal approval for the submission of the Stage 2 bid (subject to approval by Welsh Government) will be considered by Cabinet on 3 September 2013 (see section 7).

**4 Report details**

The existing North Wales Coast Regeneration Area stretches from Prestatyn in the East through to Colwyn Bay in the west. Due to the significant problems of social and economic deprivation in the area, the main focus of activity for this programme within Denbighshire has been in Rhyl. Through this programme Denbighshire has been successful in securing funding for a number of initiatives and projects including Rhyl Harbour, West Rhyl Housing Improvement Project (WRHIP) and the Bee and Station Hotel refurbishment. However, funding for this programme ends in March 2014. Future regeneration funding will be secured through a competitive process under the Viable & Vibrant Places Framework.

The Vibrant & Viable Places Bidding Guidance is appended to this report, and sets out some of the key principles and approaches that will be expected, along with the key priorities for regeneration investment which are:

- A more targeted approach to successful place making resulting in more intensive investment in fewer places to maximise impact.
- Three key urgent priorities for targeted investment:
  - Town centres serving 21<sup>st</sup> Century towns
  - Coastal Communities
  - Communities First Cluster
- Recognition of the importance of local delivery and accountability through local partnership.

Meetings with Welsh Government Officers and the bidding guidance have taken place and have strongly indicated:

- Only one bid per Local Authority area is allowed;
- Funding will be available for a 3 year term commencing April 2014;
- A multi-centre approach (for e.g. for town centres across Denbighshire) is extremely unlikely to be successful;
- With regard to the three urgent priorities the emphasis on town centres remains, but due to the nature of the Minister's portfolio there is likely to be a desire to see bids that also address housing issues. Communities First Clusters remain a key consideration but the priority for Coastal Communities seems to have dropped a little in the pecking order; and
- Funding will be available at an intervention rate of 75% across the whole programme (so they may be opportunities for some individual projects to have higher intervention rates), but other Welsh Government or European funding is not eligible as match funding.

On the funding issue, there is already significant expenditure planned in Rhyl through Regeneration, Highways and other services which could be counted as match. Private sector investment will be eligible as match, and there is already considerable private investment planned in the timeframe of the programme through the new hotel development and the proposed Aquatic Centre. Further private sector investment will be levered through the programme. Given the existing match funding detailed above, it is proposed to develop a bid within the existing resource base and as such there will not be a need to allocate further DCC capital funding to support the bid.

Initial discussion at officer level had considered looking at a County wide bid focussed on our town centres, but following a very strong steer from Welsh

Government officers that this approach was unlikely to be successful, a more focussed approach around one town centre is considered to be appropriate. Within the Rhyl Going Forward Programme the town centre has already been identified as a significant issue and the next priority to be addressed. On this basis and that of the existing published guidance and subsequent steer from Welsh Government it is considered that a bid focussed around Rhyl town centre would have the strongest chance of success because:

- It still features highly in the Welsh Index of Multiple Deprivation (WIMD);
- It is a Communities First Area;
- There is an existing strategy and governance structure in Rhyl Going Forward to support the bid and its subsequent implementation;
- There is a strong, multi-agency approach to regeneration in Rhyl which includes Rhyl City Strategy, Communities First, Coleg Llandrillo Rhyl and North Wales Police;
- We can demonstrate significant complimentary and match funding through existing activity of the RGF programme, but also through the partners detailed above; and
- We can demonstrate strong private sector involvement through the proposals for a new hotel on the former Honey Club site, the Coastal facilities proposals and the recent engagement with developers in relation to the WRHIP.

This would provide us with the basis of a very strong bid which no other Denbighshire town could match. Given the highly competitive nature of the process, a submission based around what we would consider to be the one with the highest chance of success is recommended.

If advanced, it is proposed that the bid should prioritise business development, entrepreneurship and creating new job opportunities in the town centre. This would focus on retail, particularly within the independent sector and looking at under-represented sectors such as food, but in consideration of the changing retail context would also consider how the town centre can support a more diverse housing offer and a broader range of services. Funding is for capital rather than revenue, but this would provide an opportunity to potentially secure funding for property acquisitions and refurbishment, grant schemes, environmental improvements and possibly improvements to car parks. Any capital schemes would need to be supported by appropriate business support and training initiatives.

## 5 How does the decision contribute to the Corporate Priorities?

This project contributes to the proposed corporate priorities:

### 5.1: Priority 1 – Developing the Local Economy and Our Communities

By creating business and job opportunities in the town centre.

### 5.2: Priority 6 – Ensuring access to good quality housing

By helping to diversifying the range of housing options available.

## 6 What will it cost and how will it affect other services?

Costs will not be known until the bid has been developed and the outcome of any submission known. However, the programme has £30 million annually available at a national level and given the likelihood of 6 to 8 successful bids, we could anticipate a programme in the range of £3 to £5 million a year for three years (£5 million being the maximum allowable annually).

Clearly other services would need to be involved in the development of the bid, and the revenue impact of any proposals would need to be fully understood and considered.

## 7 What consultations have been carried out?

Initial discussions have taken place at Cabinet Briefing and with some key partners who have endorsed the approach of a bid focussed on Rhyl town centre. This includes:

Cabinet Briefing	03 Jun
Rhyl City Strategy Board	04 Jun
Communities 1 <sup>st</sup> Cluster Board	05 Jun
Rhyl Going Forward Programme Board	06 Jun
Rhyl Member Area Group	06 Jun

Going forward further consultations would take place as the bid develops, but would include:

Rhyl Town Council	19 Jun
Senior Leadership Team	20 Jun
Strategic Investment Group	26 Jun
Denbigh MAG	08 Jul
Prestatyn & Meliden MAG	11 Jul
Elwy MAG	19 Jul
Ruthin Mag	29 Jul
Dee Valley MAG	29 Jul
Cabinet	03 Sep

If the Stage 1 bid is successful and we are invited to bid for Stage 2 a more comprehensive public consultation exercise will be undertaken.

## **8 Chief Finance Officer Statement**

This clearly represents a significant opportunity for Denbighshire to access external grant funding. If successful it would mean the need to identify around £3m match funding over a three year period. The council does not have sufficient additional funds to meet this requirement. However given the activity already being undertaken, there should be sufficient investment to meet this match funding requirement.

Clarity should be sought before any individual project begins that any proposed match funding is acceptable to the Welsh Government and projects should be subject to scrutiny by the Strategic Investment Group.

## **9 What risks are there and is there anything we can do to reduce them?**

The main risk identified at this stage is:

- **The bid could be unsuccessful** – just developing the bid will require a significant amount of staff resource from across the organisation and partner agencies. This input will deliver minimal outcomes if funding for delivery is not secured.

## **10 Power to make the Decision**

Section 2 Local Government Act 2000

Section 111 Local Government Act 1972