

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

18 June 2019

REPORT OF THE HEAD OF OPERATIONS / COMMUNITIES

TARGETED REGENERATION INVESTMENT (TRI) PROGRAMME IMPLEMENTATION

1. Purpose of Report

- 1.1 The purpose of this report is to seek approval from Cabinet on the following proposals for the Targeted Regeneration Investment (TRI) programme;

Urban Centre Property Enhancement Fund (UCPEF) & Urban Centre Living Grant (UCLG)

- To enter into a service level agreement with Rhondda Cynon Taff County Borough Council;
- To delegate authority to award grants to property owners / long term tenants within Bridgend Town Centre.

11a Nolton Street

- To enter into a funding agreement and legal charge with Coastal Housing Group (CHG)

Future TRI Stand Alone Projects

- To delegate authority to give out grants to third parties for future projects under the TRI programme with the principal aim of regenerating the town centre.

1. Connection to Corporate Improvement Plan/Other Corporate Priority

- 2.1 The TRI programme proposals connect to the following Corporate Plan (2019-2020) objectives i.e.

- **Supporting a successful economy** – taking steps to make the county a good place to do business, for people to live, work, study and visit, and to ensure that our schools are focused on raising the skills, qualifications and ambitions of all people in the county.
- **Helping people to be more self-reliant** – taking early steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services.
- **Smarter use of resources** – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities

2. Background

- 3.1 Welsh Government's (WG) TRI programme is intended to build on the achievements of the 2014-2017 Vibrant and Viable Places programme, but takes a wider approach to regeneration by including ambitions of the Well-being of Future Generations (Wales) Act 2015 and the priorities identified in Local Well-being Plans and other local and regional plans for enhancing economic regeneration and community well-being.
- 3.2 The new TRI programme is intended to run over a 3-year period (April 2018-April 2021), and will look to invest in projects which can deliver realistic economic and community outcomes. Bridgend County Borough Council (BCBC) will be looking to deliver these outcomes over the 2019/2020 and 2020/2021 financial years.
- 3.3 WG has encouraged a regional approach to thematic regeneration, taking opportunities to work with partner authorities and agencies to deliver more targeted, localised projects. BCBC forms part of the South East region together with Blaenau Gwent County Borough Council, Caerphilly County Borough Council, Cardiff Council, Merthyr Tydfil County Borough Council, Monmouthshire County Council, Newport City Council, Torfaen County Borough Council, Vale of Glamorgan County Borough Council and Rhondda Cynon Taff County Borough Council.
- 3.4 The first part of the programme has seen local authority officers in the South East region collaborating to set out a new regional regeneration plan to support the TRI programme, which has established a set of regional priorities and local investment areas for each authority. The regional regeneration plan aligns the TRI programme in the South East with major programmes such as City Deal, South Wales Metro, and Valleys Taskforce, but makes clear that TRI will not be a fund to specifically deliver those agendas. Whilst the regional regeneration plan sets the context for TRI, its longer term perspective could mean it will influence future funding programmes.
- 3.5 Informal Cabinet has supported a Bridgend town approach to the TRI programme for BCBC. This is principally due to its strategic location and the need to develop further on the back of significant economic and population growth focussed on junction 35 of the M4. Also as the administrative centre, the town centre will continue to serve the Valleys and Porthcawl as a hub for employment, and provide an invaluable retail and social function for the local population.
- 3.6 At the outset of the TRI programme, a key suggestion from across Wales was to see the devolution of some of the decision making and programme governance to the region level. This would enable some flexibility on the approach to funding and in some instances streamline decision making processes.

- 3.7 In 2017 WG established two city-regions in Wales, one of which covers Cardiff and south-east Wales. This is now known as the Cardiff Capital Region. The City Region Board was identified early on as the most appropriate conduit to provide consistent engagement with WG and direction within the region. The City Region Board in turn has established a TRI Programme Board to specifically engage in the TRI programme and provide endorsement to those projects proposed by each authority.
- 3.8 In July 2018 the regional regeneration plan was endorsed by the City Region Board and subsequently approved at the WG's Capital Investment Panel in September 2018.

3. Current Situation / Proposal

- 4.1 A BCBC Project Board with representatives from Regeneration, Legal, Finance and Planning, with supporting work stream groups, has been established and an initial meeting has taken place to discuss the principles of the TRI Programme. A summary of each of the projects within the regional regeneration plan relevant to BCBC is as follows:
- 4.2 **Urban Centre Property Enhancement Fund (UCPEF) & Urban Centre Living Grant (UCLG):**
- 4.2.1 WG set out the guidance for funding and delivery. The region's collective application has been submitted and was approved at WG's Capital Investment panel in November 2018. UCPEF and UCLG have a total funding pot of c£10,000,000 being split equally between the 10 Local Authorities that make up the South East region to deliver two thematic areas under the TRI programme.
- 4.2.2 Rhondda Cynon Taf County Borough Council (RCT) is acting as the lead body for the South East region and will report to WG and the South East Wales Regional Regeneration Board, which will comprise the *Cardiff Capital Region Regeneration Board*. RCT require BCBC and the other local authorities making up the South East region to enter into a Service Level Agreement with RCT to facilitate the drawdown of the grant funding and ensure compliance with the WG grant funding terms and conditions. 3% of each Local Authorities allocation is to given to the regional lead to provide the management and lead functions of the scheme.
- 4.2.3 BCBC is to receive £1,000,000 over a 2 year programme to deliver our projects.

The TRI funding is proposed to be split as follows:

	£
Fee to RCT (3% flat rate agreed by WG for RCT's lead body role)	30,000
UCPEF	700,000

UCLF	220,000
Management Fee (5% flat rate agreed by WG for BCBC to utilise)	50,000
Combination of Revenue and Capital	
TOTAL	1,000,000

Match funding into the project will be made up from grant applicant contributions and BCBC's Special Regeneration Fund (SRF). The proposed match funding elements are shown within the table in section 8.1 of this report.

- 4.2.4 The project will focus on delivering a set of physical, commercial and social improvements through re-developing vacant, poor quality, under used or derelict buildings and premises. This will generate employment opportunities; provide prominent and suitable locations for commercial and retail use; protect and sustain local shopping areas, increase town centre footfall; and make available suitable town centre housing.
- 4.2.5 BCBC will work in conjunction with partners including the private sector and Registered Social Landlords (RSLs) in order to deliver the projects.
- 4.2.6 The projects will be delivered by 31 March 2021 and will complement the Welsh Government national strategy *Prosperity for All* and the requirements of the *Well-being of Future Generations (Wales) Act 2015*.
- 4.2.7 The project has previously been supported by the City Deal Programme board at regional Level and had BCBC CMB approval in November 2018.

4.3 11a Nolton Street:

- 4.3.1 Led by Coastal Housing Group (CHG), the project will involve the redevelopment of a key site in the town centre, providing 10 affordable new homes, supported by 1- 3 commercial units.
- 4.3.2 The application was submitted at WG's Capital Investment panel in November 2018. Following a WG site visit the project was approved in March 2019. WG are currently preparing the grant offer letter. BCBC will act as a conduit for the grant and will enter into a funding agreement with CHG. In order for BCBC to release grant monies to CHG, CHG will need to supply evidence of spend and defrayment paid retrospectively without VAT applied.
- 4.3.3 The Purpose of the TRI funding for this project is to support the development of commercial units at the property by the CHG.
- 4.3.4 The total cost of the project is circa £2.2million (Including BCBC's management fee) and is funded via CHG and Welsh Government's Social Housing Grant, Housing Finance Grant, Vibrant and Viable Places programme and TRI which is made up as follows:

Funding Source	Amount
Targeted Regeneration Investment programme (Welsh Government)	£304,366
Social Housing Grant (Welsh Government)	£530,807
Housing Finance Grant (Welsh Government)	£353,000
Vibrant and Viable Places Programme-Pipeline (Welsh Government)	£91,753
Coastal Housing Group	£941,501
	£2,221,427

In relation to TRI funding this project as shown in the above table is proposed to receive £304,366 which is made up of the following:

- Grant to CHG: £298,399
- Grant to BCBC for their management fee £5,967

4.4 Future TRI Stand Alone Projects:

- 4.4.1 Currently BCBC have other potential projects within the Town Centre that could be eligible for TRI funding but no formal applications have been submitted due to the early stage of project development and discussion.
- 4.4.2 The regeneration team are currently preparing an update to WG on the other proposed projects under the TRI programme.

4.5 Risks and issues

- 4.5.1 There are a number of risks and issues which Cabinet need to be aware of in deciding whether to participate in the programme. Many of these are common to all local authorities who have submitted successful bids, but nonetheless, in the present local government financial context, these must be fully understood.
- Due to the nature of the projects and the various potential eligible elements that the grant could offer, we cannot fully assess the costs of each individual property improvement until we have received the breakdown of intended works. As such the spending profile across each financial year may be subject to change along with the outputs/outcomes. There is a risk of cost overrun on some projects, and a risk that we will be unable to claim the required amounts from WG to cover costs as there is no carry over funding across financial years. If we fail to meet required WG targets, this could lead to financial claw back. While some of these risks can be managed through effective project management, they cannot be eliminated altogether. However, for the 11a Nolton Street scheme the risk will be passed onto CHG via the

funding agreement so that BCBC is not liable for any additional costs. To mitigate against the risk for UCPEF and UCLF there will be regular dialogue with applicants to ensure that any risk is identified early and worked through accordingly.

- Delays in the planning process or increased costs resulting from unforeseen mitigation costs may mean the programme cannot be delivered on time or on budget. To avoid this, meetings are being arranged with relevant internal services to seek advice on potential issues and constraints, and how these could be overcome.
- There may be insufficient take up of grants. Officers will be actively marketing this project and will be canvassing all eligible properties within the town centre. For properties that are vacant, land registry searches will be undertaken and the landowners will be contacted directly.
- There is a risk that the defrayment evidence required for the release of grant monies is not forthcoming or correct. . If BCBC are not satisfied with the evidence received then the grant will not be paid. To avoid this regular liaison with grant recipients is required to ensure that all parties are aware of their obligations.

4.6 Next Steps

4.6.1 Cabinet will need to consider the above proposals and determine whether to approve the requests. If the decision is made to proceed, the next step is for BCBC to:

- Sign an SLA agreement with RCT and begin approval and dissemination of grants to applicants for the UCPEF and UCLF projects.
- Enter into a funding agreement and legal charge with CHG and enable the transfer of grant monies on receipt and acceptance of the relevant defrayment evidence submitted.
- Allow the award of grant to other parties as part of future TRI projects

4. Effect upon Policy Framework & Procedure Rules

5.1 None

5. Equalities Impact Assessment.

6.1 A screening exercise has been undertaken on the TRI Programme. The Programme will ensure that there is a positive impact on the equalities agenda.

7. Well-being of Future Generations (Wales) Act 2015 Assessment.

7.1 The Well-being of Future Generations (Wales) Act 2015 Assessment is annexed to the report. A summary of the key elements are as follows:

- Long Term: The regeneration planned for Bridgend Town Centre as part of the TRI programme will drive local prosperity, providing local employment opportunities and offering better environments to promote the health and wellbeing of those who live, work and visit town centres in the long term.
- Prevention: By improving the commercial, office and residential developments in the town centre it will strengthen the existing economic assets while diversifying its economic base. Converting unused or underutilised commercial space into economically productive property also helps boost the profitability of the district
- Integration: The TRI programme will focus on delivering a set of physical, commercial and social improvements through re-developing vacant, poor quality, under used or derelict building and premises. This will generate employment opportunities; provide prominent and suitable locations for commercial and retail use and sustain local shopping areas, increase town centre footfall and make available suitable town centre housing.
- Collaboration: The project will allow property owners, lessees and RSL's to access funding which will allow them to tackle poor quality and unattractive properties; offering these properties a new lease of life and therefore enhancing the physical appearance of the shopping offer, streetscape and public realm.
- Involvement: Investing in a community offers a means to connect with local stakeholders. Strong, resilient communities will reinforce the regional and Welsh culture which is a key feature in promoting visits and tourists to the area.

8. Financial Implications

- 8.1 UCPEF and UCLG: The capital match funding identified in the bid from BCBC is already contained in the Capital Programme allocation for Special Regeneration Fund (SRF) and this bid does not request any further funding to be submitted. We currently envisage this SRF split to be as follows:

Funding Source	2019/2020	2020/2021	Total
BCBC SRF	100,000	100,000	200,000
WG TRI Grant via RCT (Inc RCT and Management Fees)	330,000	670,000	1,000,000
Private Match Funding (Min)- Grant Applicants	100,000	220,000	320,000
Total	530,000	990,000	1,520,000

- 8.2 11a Nolton Street: There is no requirement for match funding from BCBC within this project'. However, for Coastal's Match Funding; BCBC will need to collect the evidence of this for submission to WG.

- 8.3 As future projects materialise under the TRI project the match funding elements will be reviewed and the relevant approvals gained accordingly.
- 8.4 Match funding for grant for all TRI projects will be signed off by the Chief Finance Officer under the grants policy.

9. Recommendation

9.1 Cabinet is requested to:

- 9.1.1 Approve the outline proposals for TRI in Bridgend town centre, as set out in the report;
- 9.1.2 Note and accept the risks and issues highlighted in paragraph 4.5;
- 9.1.3 Authorise the Chief Finance Officer to accept the TRI grant on behalf of the Authority.
- 9.1.4 Delegate authority to the Head of Operations / Communities, in consultation with the Section 151 Officer and Head of Legal and Regulatory Services, to negotiate and enter into a service level agreement with Rhondda Cynon Taff as set out in paragraph 4.2 above;
- 9.1.5 Delegate authority to the Head of Operations / Communities, to award the TRI UCPEF and UCLG grant funds to eligible applicants within Bridgend town centre;
- 9.1.6 Delegate authority to the Head of Operations / Communities, in consultation with the Section 151 Officer and Head of Legal and Regulatory Services, to negotiate and enter into a funding agreement and legal charge with CHG.

Zak Shell

Head of Operations / Communities

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Background documents

None

WELL-BEING OF FUTURE GENERATIONS (WALES) ACT 2015 ASSESSMENT

Project Description (key aims):

Targeted Regeneration Investment (TRI) Programme

Welsh Government's Targeted Regeneration Investment (TRI) Programme is intended to build on the achievements of the 2014-2017 Vibrant and Viable Places programme, but takes a wider approach to regeneration by including ambitions of the Well-being of Future Generations Act and the priorities identified in Local Well-being Plans and other local and regional plans for enhancing economic regeneration and community well-being.

Section 1	Complete the table below to assess how well you have applied the 5 ways of working.
Long-term	<p>1. How does your project / activity balance short-term need with the long-term and planning for the future?</p> <p>The project will fund and deliver two Thematic Projects; an <i>Urban Centre Property Enhancement Fund</i> and an <i>Urban Centre Living Grant</i>. These projects will focus on town centre regeneration within the 10 south east Wales Local Authority areas and build upon previous programmes, for example <i>Vibrant and Viable Places</i> (VVP) and complement concurrent programmes such as <i>Local Wellbeing Plans</i>.</p> <p>The regeneration planned for Bridgend Town Centre as part of this project will drive local prosperity, providing local employment opportunities and offering better environments to promote the health and wellbeing of those who live, work and visit town centres.</p> <p>Short term benefits will see the enhancement and re-use of poor quality, unattractive, run down and dilapidated properties, building upon and complementing previous regeneration schemes such as European Convergence Programme and Vibrant and Viable Places. This will allow property owners, lessees and RSLs to access funding which will allow them to tackle vacant, poor quality and unattractive properties; offering these properties a new lease of life and therefore enhancing the physical appearance of the shopping offer, streetscape and public realm. Properties on the Empty Properties register will be dealt with.</p> <p>Grant support will make businesses both more accessible and welcoming to customers who will have the benefit of underpinning commercial activity in town centres, which in turn will make towns both more attractive to visitors and residents. Local shops will become more vibrant; with increased footfall resulting in an enlarged spend in town centres creating more employment opportunities.</p>

	<p>Projects will encourage the conversion of vacant floor space into residential use. This will produce a number of benefits; empty and underutilised town centre properties will be revitalised, breathing new life into towns, improving the local economy (including the night time economy) and improving the image of the locale making it a more attractive place in which to visit or invest; more affordable housing will be readily available and the housing offer will improve. Quality housing will support the delivery of healthy communities.</p>
Prevention	<p>2. How does your project / activity put resources into preventing problems occurring or getting worse?</p> <p>Commercial, office, retail and residential developments in town centres will strengthen the existing economic assets while diversifying its economic base. Converting unused or underused commercial space into economically productive property also helps boost the profitability of the district.</p> <p>Commercially active towns will attract more visitors, tourists and investment. New revenue streams can be created from refurbishing premises for a retail/commercial use.</p> <p>Targeted properties will be upgraded, making town centres aesthetically more attractive to visitors, tourists, shoppers and residents. This will draw inward investment and inspire community pride and protect community assets and facilities.</p>
Integration	<p>3. How does your project / activity deliver economic, social, environmental & cultural outcomes together?</p> <p>The project will focus on delivering a set of physical, commercial and social improvements through re-developing vacant, poor quality, under used or derelict buildings and premises. This will generate employment opportunities; provide prominent and suitable locations for commercial and retail use; protect and sustain local shopping areas, increase town centre footfall; and make available suitable town centre housing.</p>
Collaboration	<p>4. How does your project / activity involve working together with partners (internal and external) to deliver well-being</p>

	objectives?
	<p>The project will allow property owners, lessees and RSLs to access funding which will allow them to tackle vacant, poor quality and unattractive properties; offering these properties a new lease of life and therefore enhancing the physical appearance of the shopping offer, streetscape and public realm.</p> <p>The overall project aims will assist property owners in giving properties a meaningful, commercial use which will have a positive impact across Bridgend.</p>
Involvement	5. How does your project / activity involve stakeholders with an interest in achieving the well-being goals? How do those stakeholders reflect the diversity of the area?
	Investing in a community offers a means to connect with local stakeholders. Strong, resilient communities will reinforce the regional and Welsh culture which is a key feature in promoting visitors and tourists to the area. Increased visitor numbers will help to make the Cardiff Capital Region a more prosperous environment.

Section 2 Assess how well your project / activity will result in multiple benefits for our communities and contribute to the national well-being goals		
Description of the Well-being goals	How will your project / activity deliver benefits to our communities under the national well-being goals?	Is there any way to maximise the benefits or minimise any negative impacts to our communities (and the contribution to the national well-being goals)?
A prosperous Wales An innovative, productive and low carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take	Targeted regeneration will focus on town centres, specifically dealing with poor quality dilapidated and underutilised property; bringing them back into full use, for a variety of commercial and residential end uses. This project will provide an appropriate environment for businesses to drive local	Project officers will closely review and monitor the way the project is delivered to ensure that it remains fit for purpose, of a high quality and value for money.

<p>advantage of the wealth generated through securing decent work.</p>	<p>prosperity and provide local employment opportunities. Inequality will be reduced by facilitating more people to benefit from sustainable growth. Town centre investment will lead to improved confidence, further business enterprise and additional job creation. There will be a specific concentration on tackling regional inequality by helping the most deprived communities and those people with the lowest household income to access training and employment opportunities. This will grow household income and entry to greater opportunities.</p> <p>The Thematic Project will work with businesses, allowing them to grow and create jobs and training opportunities.</p> <p>Regeneration of town centres will assist the ambition of a prosperous Wales, through an increase in footfall and spend, support for local business augmentation and a proliferation of employment prospects.</p>	
<p>A resilient Wales A nation which maintains and enhances a biodiverse natural environment with healthy functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).</p>	<p>The projects will promote opportunities for building healthier communities and better environments by developing good housing and job creation. This will lead to a positive contribution to good quality physical and mental health.</p>	<p>Project officers will closely review and monitor the way the project is delivered.</p>

A healthier Wales A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	People in Wales will enjoy better health for longer through decent housing and quality environments. Town centre investment will offer good housing and allow people to enjoy active lives through easy access to key services leisure facilities, and being less reliant on using their cars. This will also have a positive contribution to mental well-being	Project officers will closely review and monitor the way the project is delivered.
A more equal Wales A society that enables people to fulfil their potential no matter what their background or circumstances (including their socio economic background and circumstances).	Targeted investment will create a region where people will attain equality through healthier communities, job and training opportunities and good housing. This will allow people to accomplish their potential no matter what their background or status.	Project officers will closely review and monitor the way the project is delivered.
A Wales of cohesive communities Attractive, viable, safe and well-connected communities.	<p>People will feel that they have a stake in their community if that area can provide access to good housing, jobs, public services and leisure facilities. The Thematic projects will contribute to this access.</p> <p>Town centre redevelopment will help to build resilient communities, culture and language. Communities prosper where people can fully participate in their local environment.</p>	Project officers will closely review and monitor the way the project is delivered.

	<p>Investment will ensure that a diverse array of businesses flourish, enabling the growth of the Cardiff Capital Region economy.</p> <p>New housing will bring cohesive communities into town centres and local facilities will be maintained.</p>	
<p>A Wales of vibrant culture and thriving Welsh language A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, and sports and recreation.</p>	<p>Targeted regeneration and Investment in the region presents a way to link with local stakeholders.</p> <p>Where individuals can connect with cultural activities within their communities, they are likely to benefit from pathways into educational and training opportunities, employment and improved health and well-being.</p> <p>During the marketing stage for this project all material / documentation was sent out in the Welsh and English language. On initial dialogue with applicants they were asked if they would prefer to correspond in Welsh or English.</p>	<p>Compliance with the Welsh Language act will be monitored as the project progresses.</p>
<p>A globally responsible Wales A nation which, when doing anything to</p>	<p>Investment in new quality, energy efficient</p>	<p>Project officers will closely review and</p>

improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	housing will contribute to sustainable energy consumption. Town centre living will enable communities to access shops and services through walking/cycling, which will cut down on greenhouse gas emissions.	monitor the way the project is delivered
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Section 3 Will your project / activity affect people or groups of people with protected characteristics? Explain what will be done to maximise any positive impacts or minimise any negative impacts			
Protected characteristics	Will your project / activity have any positive impacts on those with a protected characteristic?	Will your project / activity have any negative impacts on those with a protected characteristic?	Is there any way to maximise any positive impacts or minimise any negative impacts?
Age:	Yes - greater building accessibility	No	Review of project progress
Gender reassignment:	n/a	No	Review of project progress
Marriage or civil partnership:	n/a	No	Review of project progress
Pregnancy or maternity:	Yes - greater building accessibility	No	Review of project progress
Race:	n/a	No	Review of project progress
Religion or Belief:	n/a	No	Review of project progress
Sex:	n/a	No	Review of project progress
Welsh Language:	Yes – provision will be made to ensure that peoples preferences are respected and catered for	No	Review of project progress

Section 4	Identify decision meeting for Project/activity e.g. Cabinet, Council or delegated decision taken by Executive members and/or Chief Officers
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Cabinet	
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Compiling Officers Name:	Laura Willcox
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Compiling Officers Job Title:	Senior Regeneration Officer
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Date Completed:	23 rd May 2019
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