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Vibrant and Viable Places
Targeted Regeneration Investment
Process Evaluation Report
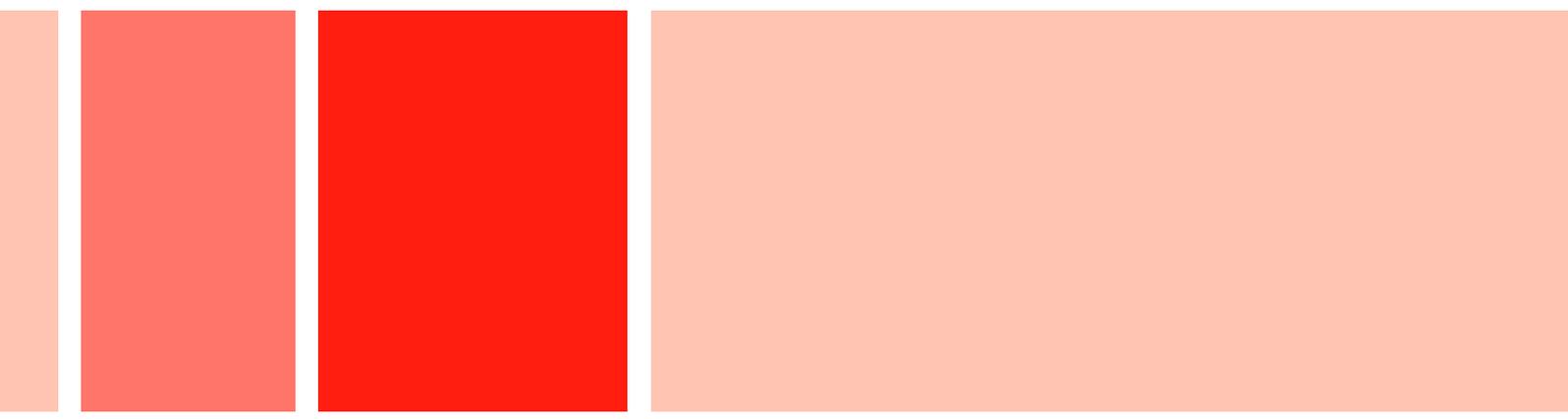
Vibrant and Viable Places
Targeted Regeneration Investment
Process Evaluation Report

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Views expressed in this report are those of the researcher and not necessarily those of the Welsh Government.

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Executive Summary

Background

1.   'Vibrant and Viable Places' ('VVP') is the current regeneration policy framework of the Welsh Government. All VVP programmes are administered by the Homes and Places division of the Welsh Government. There are six distinct investment programmes within the VVP policy framework, but this evaluation focuses on the flagship VVP Targeted Regeneration Investment (TRI) programme. The programme has awarded £100m of capital funding to 11 areas, to be spent over a three-year period. It has focused on deprived Town Centres, Coastal Communities and Communities First Clusters. TRI projects are selected to reverse market failure through transformational place-based regeneration delivered by local partnerships.

Aims of the study

2.   This study evaluates the current TRI process. As such, the research does not consider the *outcomes* of TRI, but rather focuses on the design, management and delivery of the programme.

3.   Specifically, the study looked to:

- Review the programme design;
- Review the set-up and implementation of the programme;
- Review the project delivery structures and models;
- Learn lessons to inform future programme development:

Methodology

4.   A qualitative approach was considered appropriate as there are many aspects of this research which are exploratory and the research covered some complex themes which deserved a nuanced description. There were three stages to the research:

a. A review of key documentation
b. The development of an Evaluation Framework
c. Interviews with stakeholders

5.   Researchers spoke with 54 stakeholders in the summer of 2015, either in small groups or through one-to-one interviews. Both face-to-face and telephone interviews were undertaken. The research encompassed:

Internal stakeholders:
- Members of the Welsh Government Homes and Places Division leadership team and Welsh Government internal stakeholders from other departments (5 interviews).
- Welsh Government Homes and Places Division regeneration managers (9 interviews).

External stakeholders:
- Local authority staff and their partners who received TRI funding (10 visits (29 individuals) plus 1 written submission).
- Representatives from local authorities who were not successful in the TRI process but received smaller awards under the 'Tackling Poverty' and 'Rural' themes (8 interviews).

Findings

6.   The research produced the following findings:

Understanding of the programme
* Although the principles which underlie VVP were well understood, there was some confusion about which specific initiatives the VVP name applied to, outside of the flagship TRI process.

A focused placed-based approach
* Many external stakeholders felt that budget cuts created a requirement for the more targeted approach seen with TRI.
* There was generally an appreciation amongst external stakeholders that focused spend allowed for a more transformational holistic approach.
* However some internal stakeholders felt that regeneration funds could go further if used tactically in smaller amounts. These stakeholders argued that it might be beneficial to keep a small amount of money aside to allow regeneration managers to respond to market opportunities or prevent market failure.

Principles used to allocate funding
* Most external stakeholders broadly supported the more transparent and objective allocation process which VVP had brought, but delegation of decision making to regional-bodies also held an appeal for many stakeholders.
* The principle of directing regeneration spend at 'opportunity' as well as 'need' was accepted by many external stakeholders, but some internal stakeholders had doubts that VVP had achieved the correct balance.
* Some local authorities responsible for large rural areas felt that the premium placed on 'opportunity' was to their disadvantage.

The application and assessment process

- Internal stakeholders indicated that they would have liked to have been better informed of how proposed projects related to other policy areas, either by having time to consult with colleagues or through greater detail in the application documentation.

- The two-stage application process was popular in principle, but many external stakeholders felt that competitive pressures resulted in Stage One becoming more involved than intended.

- The level of planning required in Stage Two was welcomed by projects which had received large amounts of funding but was felt to have been disproportionate for those who had received smaller amounts. Internal stakeholders involved in the assessment process felt that the level of detail provided by applicants had been helpful in assessing the bids.

- Stakeholders would have liked more time to complete the level of planning required in Stage Two, especially given changes to the scale and focus of the bids.

- There was a perception that changing political priorities within Welsh Government had steered the assessment process.

- The logic behind partial awards of funds to an unexpectedly large number of local partnerships was not understood by some stakeholders.

Planning

- Some of the project plans made during the application process contained many unknowns and rough estimates.

- There was a perceived conflict between forming an actionable plan at the application stage and writing a document which could win the award.

- Some stakeholders reported a 'feel-good factor' in the area after the award has been won. These stakeholders felt that there may be benefit in allowing more time for local partnerships to further exploit this momentum and potentially make additional partnerships or attract further investment.

- Local partnerships would generally favour a more elongated and guided planning process.

Project management

- External stakeholders felt that the administrative requirements had been excessive, especially for projects which had received relatively small awards.

- The excessive paperwork was partly felt to be due to the inherently complex nature of TRI projects, but stakeholders also reported that changes to the reporting requirements had created additional work.

- The administrative burden was exacerbated by local authority budget cuts and there was some confusion over whether project managers and administrators could be employed using TRI funds.

- The evaluation output measures were thought by most stakeholders to be appropriate but some felt the focus on outputs may miss more qualitative outcomes and fail to account for context and mitigating factors.

- There was a feeling that the TRI process did encourage innovation, but that excessive accountability requirements may hinder innovative approaches.

- Local partnerships asked for more autonomy to change the details of their projects.

Partnership working

- External stakeholders described partnerships which had been formed or strengthened through their involvement in VVP, particularly between local authority departments, with housing associations the most mentioned external partner.

- There is room for further innovation in the types of partnerships which are formed, particularly with service providers.

- There were mixed views from stakeholders about whether regeneration partnerships between local authorities should be encouraged.

- Some progress had clearly been made in coordinating VVP with other policy areas at the national level, but there remained a perception that this could be improved, particularly in regards to other award programmes.

1 Introduction

1.1   'Vibrant and Viable Places,' referred to as 'VVP' for the remainder of this document, is the current regeneration policy framework of the Welsh Government. The stated vision of VVP is that "everybody in Wales should live in well-connected, vibrant, viable and sustainable communities with a strong local economy and good quality of life."[1] In turn, this vision is influenced by the national outcomes of:

- Prosperous Communities
- Learning Communities
- Healthier Communities

1.2   The vision is to be achieved through regeneration activities, where regeneration is defined as "an integrated set of activities that seek to reverse economic, social, environmental and physical decline to achieve lasting improvement, in areas where market forces will not do this alone without some form of support from the Government." [1] More specifically, there are six distinct investment programmes within the VVP policy framework.[1]

1. The VVP Targeted Regeneration Investment programme is the flagship regeneration programme which has awarded £100m of capital funding to 11 areas, to be spent over a three-year period. It has focused on deprived town centres, coastal communities and Communities First clusters. The selected projects are designed to be transformational through intensive investment. The Targeted Regeneration Investment programme is often referred to as 'VVP,' but this document uses an alternative acronym of 'TRI' to avoid confusion between this particular capital funding programme and the overarching VVP policy framework.

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[1] Vibrant & Viable Places New Regeneration Framework (Welsh Government, 2012)

2. The Tackling Poverty Fund is focused on those areas which did not receive TRI funding which included Lower Super Output Areas in the top 10% of the Welsh Index of Multiple Deprivation. The fund has awarded £7m over three years in seven areas. It has a narrower scope than TRI and funds smaller scale interventions to help people into work and facilitate job creation.

3. Town Centre Partnerships support 20 towns across Wales through a fund of £845,000 over three years. The funding acts as a catalyst for local partnerships, to develop Action Plans, and subsequently implement projects. The projects selected aim to generate higher footfall, reduce empty properties, encourage high street diversification and support town centre businesses to grow and prosper.

4. The Town Centre Loans Scheme provides loans repayable over 15 years with the facility for local authorities to recycle the funding within that period for new projects. Through the scheme, £10m has been allocated to 11 local authorities with the aim of bringing empty sites and premises back into viable use, supporting job creation and economic growth, and increasing housing supply / improving housing quality.

5. The High Street Campaign is an annual campaign to raise awareness of high street businesses. The campaign is promoted nationally but supported by local events and activities.

6. The Business Improvement Districts (BID) Scheme is a mechanism whereby local businesses can vote for a BID and if agreed pay an additional rate for town centre improvements. The Welsh Government is providing up to £25,000 for 10 areas to support feasibility studies and balloting.

1.3   All VVP programmes are administered by the Homes and Places division of the Welsh Government. This evaluation deals only with the first of these strands: the flagship TRI programme. A unique feature of the TRI programme is that local authorities propose their own regeneration projects which are then assessed by Welsh Government through a two stage process and a pre-determined set of criteria. The selection criteria and weights can be found in the appendix of this document. It is only at the second stage of the process that detailed business plans are required. Awards run over three years with annual spend requirements and standardised monitoring and town centre performance evaluation processes. The purpose of this process evaluation is to improve the functionality of the TRI process and identify what has enabled or constrained successful implementation.

1.4   The context for the development of VVP is one of reduced budgets across Welsh Government and a decline in town centre retail activity due to the seemingly irrevocable shift towards online shopping and out-of-town retail centres.[2] VVP was designed as an attempt to meet these challenges.

1.5   Although VVP is quite a complex policy area, the framework document distils the programme into a two main themes; joined up delivery to maximise impact and key priorities for regeneration investment:[1]

Joined up delivery
- Strong links with tackling poverty and jobs/growth.
- Full Cabinet support of regeneration as a cross-cutting agenda.
- Strengthened governance with a Ministerial Advisory Group to oversee the implementation of the Regeneration Framework.
- Internal Steering Group to oversee regeneration to ensure the join up of Welsh Government officials at a senior level linked to the Wales Infrastructure Investment Plan.

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[2] Wrigley, Neil, and Dionysia Lambiri. *High street performance and evolution: a brief guide to the evidence.* University of Southampton, 2014. http://thegreatbritishhighstreet.co.uk/pdf/GBHS-HighStreetReport.pdf.

- Integration wherever possible of the £1.4 billion European Union projects to maximise investment opportunities.
- Outcome indicators for Prosperous Communities, Healthier Communities and Learning Communities.
- Recognising innovation and creativity is required as is learning from previous experiences.

Key priorities for regeneration investment
- 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:
    o Town centres serving 21st century towns
    o Coastal communities
    o Communities First clusters
- Recognition of the importance of local delivery and accountability through local partnership bidding into Welsh Government for town centres, coastal communities and Communities First clusters using the five case business model and assessed against clear criteria.

1.6   Huw Lewis (the former Minister for Housing, Regeneration & Heritage at the time) also picked out some specific aspects of the programme which he felt would characterise the new approach to regeneration (p.8 of the Framework):

- New national outcomes (as defined above)
- A people and place based approach
- A more targeted approach to maximise impact
- A focus on town centres, coastal communities and Communities First clusters
- Cross-portfolio working within Government

2   Methodology

2.1   This is a qualitative study which evaluates the TRI process. As such, the research does not consider the outcomes of TRI, but rather focuses on the design, management and delivery of the programme.

Specifically, the study looked to:

- Review the programme design
- Review the set-up and implementation of the programme
- Review the project delivery structures and models
- Learn lessons to inform future programme development

2.2   A qualitative approach to the research had been taken. A qualitative approach was considered appropriate as there were many aspects of this research which were exploratory and the research dealt with some complex themes which deserved a nuanced description. The research was exploratory in the sense that the pertinent issues were unknown before the research began. This is the first time VVP has been implemented and as such it was appropriate to take a stakeholder-led approach, rather than to restrict the research to a pre-defined list of questions, as is necessary in quantitative studies which require standardised and fixed research tools such as questionnaires. In addition to this, many of the debates around regeneration are inherently complex and stakeholders must therefore be given the opportunity to articulate accordingly subtle and caveated views.

2.3   The individuals who participated in the research were suggested by Welsh Government due to their direct involvement in the programme, either from a management/advisory perspective within Welsh Government or as applicants and awardees of TRI within Local Partnerships.

Review of key documentation

2.4   The first stage of the research was a review of key documentation. The documentation was reviewed in order to understand the context and principles which lay behind VVP. Documents included the VVP Framework and the various consultation and evidence reports which preceded it.

- Vibrant & Viable Places New Regeneration Framework (Welsh Government, 2012) – referred to henceforth as 'the Framework'
- Evaluation of Current Practice in Relation to Town Centre Regeneration (Miller, 2012)
- Vibrant and Viable Places; Summary of consultation responses (Welsh Government, undated)
- Vibrant and Viable Places; Consultation responses (Welsh Government, undated)
- Response 25 (Cwm Taf Health Board, 2012)
- Response 26 / How Much Is Too Much? (Winning Pitch Limited, 2012)
- Response 59 (Jane Hutt, 2013)
- Response 70 (CREW, 2013)
- Response 139 (Welsh Language Board, 2013)
- Response 140 (Purepages Group, 2013)[3]

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[3]Documents can be accessed at http://gov.wales/consultations/housing-and-regeneration/vvp.

Development of an Evaluation Framework

2.5 The second stage of the research was the development of an Evaluation Framework (see appendix) which outlined the broad issues to be addressed and suggested the core research questions. The Framework laid out the key mechanisms of the TRI programme, as was understood at the beginning of the research:

- Allocation of funding to projects which are able to leverage in other funding through partnerships and by taking other policy areas into account (integration wherever possible of the £1.4 billion European Union projects to maximise investment opportunities).

- Allocation of funding to projects which partner with the private and third sector which acknowledges the relationship between need and opportunity.

- Strengthened governance with a Ministerial Advisory Group to oversee the implementation of the Regeneration Framework and Internal Steering Group to oversee regeneration to ensure the join up of Welsh Government officials at a senior level linked to the Wales Infrastructure Investment Plan.

- Standardised and holistic outcome indicators and evaluation tools to measure: prosperous communities, healthier communities and learning communities.

- Allocation of funding to town centres serving 21st century towns, coastal communities and Communities First clusters.

- An assessment process where by local partnerships bid into Welsh Government using a business model approach to be assessed against pre-defined criteria.

2.6   For each of the above mechanisms the following questions were explored:

- Whether the principle which informed the design of the mechanism was still valid
- How effectively the mechanism has been implemented
- How the mechanism could be improved in the future

2.7   These overarching questions subsequently informed the design of the stakeholder discussion guides.

Interviews with stakeholders

2.8   The substantive stage of the research process involved individual semi-structured interviews, either face-to-face or over the telephone, with key internal and external stakeholders. Interviews were undertaken during May and June 2015. In total, 54 individuals took part in the evaluation. There were four individuals who were approached for interviews, but were unable to speak to the researchers during the fieldwork period and a further one individual who did not wish to take part. Participants were given the option of being interviewed in either English or Welsh.

2.9   The discussion guide for the interviews covered the following topics:

- The development of the policy
- The consultation with stakeholders
- The delivery of the programme
- The competitive bidding process
- The effectiveness of communication
- The management and administration of the programme

2.10 A participatory approach was taken. Participatory methods are forms of qualitative research which plan and conduct research in partnership with the research participants (Bergold and Thomas, 2012[4]). The participants effectively become co-researchers. The specific topics of discussion develop out of the interaction between researchers and participants and discussions are not restricted to the contents of the discussion guide.

2.11 Similarly, the emphasis of the interviews was allowed to vary depending on both the participant's role within the VVP process, and where their areas of interest and expertise lay. Participants were empowered to direct the research but they were asked to substantiate their opinions and were at times presented with arguments made by their co-participants which challenged their views.

2.12 A breakdown of the interviews undertaken is given below.

Internal stakeholders:
<u>Members of the Welsh Government Homes and Places Division leadership team and Welsh Government internal stakeholders from other departments.</u> Telephone interviews with senior staff were undertaken to better understand the development and management of VVP, whilst advisors from other Welsh Government departments who sat as panel members were able to give insight into the assessment process. (5 interviews)

<u>Welsh Government Homes and Places Division regeneration managers,</u> In-depth interviews were undertaken with regional regeneration managers who are uniquely placed to offer a perspective which is aware of both the aims of the Welsh Government and the issues facing local authorities (9 interviews).

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[4] Bergold, Jarg & Thomas, Stefan (2012). Participatory Research Methods: A Methodological Approach in Motion [110 paragraphs]. F*orum Qualitative Sozialforschung / Forum: Qualitative Social Research,* 13 (1). Art. 30, http://nbn-resolving.de/urn:nbn:de:0114-fqs1201304.

External stakeholders:

<u>Face-to-face interviews with local authority staff and partners who received TRI funding.</u> In-depth interviews and mini-focus groups were undertaken with local partnership representatives at both senior strategic level and also with staff involved in the delivery of projects (10 visits (29 individuals) plus one written submission).

<u>Telephone interviews with senior representatives from the other local authorities who received smaller awards under the 'Tackling Poverty' and 'Rural' themes.</u> These interviews provided an alternative perspective and focused more on the application process and principles behind VVP than the delivery of schemes (9 interviews).

3   Findings

Understanding of the programme

3.1   When asked to describe VVP most external[5] and all internal stakeholders were able to give a reasonably succinct outline of the Targeted Regeneration Investment (TRI) programme. Many descriptions provided by stakeholders initially focused on the mechanisms of TRI, particularly the competitive bidding process, but when prompted it was apparent that most interviewees also had an appreciation of some of the underlying principles such as the targeting of funds, taking a holistic approach and working with partners.

"VVP has become a branding of the Welsh Government regeneration policy area and the brand has been given to its capital investment in regeneration and in establishing that policy focusing on those areas Communities First areas, coastal communities and town centres."
External stakeholder

3.2   There was some confusion over whether the VVP acronym referred only to the TRI funding process itself or the wider policy framework. For example, whilst some stakeholders felt that the Tackling Poverty Fund and Town Centre Loan Scheme simply represented lower tiers of VVP (essentially lower tiers of TRI), others felt that these were separate but associated programmes for those local authorities which had failed to secure VVP funding. Stakeholders outside of the Welsh Government were not necessarily aware that the Town Centre Partnership Scheme, the High Street Campaign or the Business Improvement Districts are also under the VVP umbrella.

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[5] Internal stakeholders are Welsh Government employees, external stakeholders are representatives of local authorities or partner organisations.

Key Finding:

- Although the principles which underlie VVP were well understood, there was some confusion about which specific initiatives the VVP name applies to, outside of the main TRI process.

General observations

3.3   A range of different views were expressed during the interviews. Although many criticisms of and suggestions for the development of VVP were made, the general tenor of the discussions was largely positive, particularly with external stakeholders. Some external stakeholders have been directly involved in consultation activities but most had simply been aware of the developing regeneration policy environment and felt that, although VVP represented a marked change, it was consistent with the direction of debate and, in broad terms at least, its formation had been reflective of the consensus view.

A focused place-based approach

3.4   Stakeholders were asked for their views on the merits of taking a focused place-based approach to regeneration funding. It was understood by stakeholders that a core idea behind TRI is for the distribution of regeneration spend to become more concentrated in a smaller number of locations. All of the stakeholders recognised that this principle was more likely to create 'winners and losers' but identified rationales for the approach. Stakeholders understood that with a reduced budget for regeneration, greater targeting of resources was needed in order for projects to have impact. It was understood by external stakeholders that this did not represent a move away from regeneration by the Welsh Government, but was simply a reflection of falling budgets across Government.

3.5   External stakeholders also recognised that another rationale for the concentration of funding was the idea that a focused place-based approach led to greater economic and social returns. Therefore even without budget constraints, stakeholders who agreed with this premise felt that a focused place-based approach was appropriate. Some internal stakeholders involved in the design of the programme explained that the initial rationale of the project was to provide transformational funding to localities which the market had failed, and that this rationale was still valid. External stakeholders generally concurred and understood that by taking a more holistic approach in a given area the impact of regeneration could be maximised. Instead of tackling single issues in a neighbourhood, external stakeholders spoke of how their TRI programmes were trying to 'breathe life' into a place or create a 'sense of pride' which they felt would only be possible through several different interventions working together.

"People can see the change when it is concentrated in one place."
Internal stakeholder

3.6   Although all stakeholders recognised the rationale for TRI, some felt that counterarguments could also be proposed. For example, some stakeholders felt that the purpose of regeneration money should not be to fund discrete projects, but rather to be used tactically across a broader area. This was particularly the view of stakeholders from rural local authorities, and some internal stakeholders, who explained that deprivation could be more widely distributed within rural areas and that taking a focused place-based approach was therefore not as appropriate for the more rural local authorities.

3.7   Even some of the internal stakeholders who broadly agreed with the principle of concentrating regeneration funding, felt that there could still be a justification for a portion of funds to be kept aside, outside of the competitive bidding process. Internal stakeholders explained that private sector opportunity does not always follow public sector timescales and it may be beneficial for the Welsh Government to be able to respond to private sector interest in an area which is not covered by an existing VVP project (though this may also include revisiting older projects which have now matured to a commercial stage but require some slight modification to accommodate an investor). Similarly, some internal stakeholders felt that a relatively small amount of money could help to sustain key initiatives in some of the most deprived areas and avoid potentially higher costs in the future if economic failure is allowed to become more deeply entrenched.

*Key Findings***:**

- Many external stakeholders felt that budget cuts created a requirement for a more targeted approach.

- There was generally an appreciation amongst external stakeholders that focused spend allowed for a more transformational holistic approach.

- Some, though not all, internal stakeholders felt that regeneration funds could go further if used tactically in smaller amounts. These stakeholders gave an argument for keeping a small amount of money aside to allow regeneration managers to respond to market opportunities or prevent market failure.

Principles used to allocate funding

3.8   Given the place-based targeting of regeneration used in TRI, participants were also asked to consider how the funding should be allocated. In regards to this, the first debate which arose was over where the decision making power for allocating regeneration funding should lie. This amounted to a debate over whether the Welsh Government should award funding centrally, or whether regional bodies (of unspecified form) should have this responsibility.

3.9   Some stakeholders believed that giving each region an equal (or in some way proportional) slice of the total regeneration funding was the fairest division of resources, in that it was the most egalitarian approach. Some also felt that regional bodies would have a better appreciation of the regional economy than the Welsh Government. Regional bodies, it was suggested by some, would be better placed to appreciate how localities fit together and can differentiate themselves in order to fully exploit particular industries. Some stakeholders therefore felt that the involvement of regional bodies would result in more strategic decision making and encourage partnerships between local authorities within a region.

3.10   However, other stakeholders drew attention to the fact that deprivation and opportunity was not evenly distributed amongst the regions and felt that if the award-allocating powers were delegated to regional bodies, the Welsh Government must still use some criteria to first allocate budgets to the regional bodies. Some external stakeholders also felt that if funding was to be concentrated to relatively few projects, then it was also important to have very transparent decision making, rather than relying on the discretionary decision making power of regional bodies.

3.11   As these issues were debated during the interviews the discussion therefore become less about 'who should decide' and more focused on what the criteria for selection should be. Many of the points raised in relation to this were manifestations of the 'need versus opportunity' debate. As might be expected, most of the local partnerships who received funding were supportive of how the TRI process recognised projects which were not only in deprived areas but held great *potential* for improvement given the surrounding economic activity. These stakeholders felt that VVP was correct to use regeneration funds to catalyse economic renewal where the opportunity exists, rather than to provide an ongoing drip-feed of economic support for areas of market failure.

3.12   However, internal stakeholders, and some external stakeholders from more rural areas, expressed some concerns. A key issue for these stakeholders was that far more 'opportunity' existed in some local authority areas than others. A rural local authority, for example, may select a project with clear 'need' and 'opportunity' but fail to compete, on the current TRI criteria, with a local authority which has a very large urban centre, as the scale of this opportunity is likely to be much greater. The stakeholders espousing this view made two suggestions. Firstly that the extent of the 'need' should be taken into account, so that the very poorest communities can be helped so long as reasonable 'opportunity' exists. Secondly, that the scale of 'opportunity' should be assessed in relative terms. For example, the opportunity to create tens of jobs in a rural environment could be as transformative to that community as the creation of hundreds of jobs in a large conurbation.

3.13   More generally, the sentiment running through some of these arguments is that local authorities who are predominantly rural may be at a disadvantage in the TRI process. Many of the local authorities which supported the idea of regional awards bodies felt that rural areas would be more likely to be provided for through this route. Similarly, those who felt most strongly that the balance between 'need' and 'opportunity' was not correct were also reflecting on the nature of deprivation in rural communities. At a more fundamental level, a place-based approach to regeneration was perceived to be better suited to urban areas.

"I'm not going to argue with this [the focus on town centres], because the Welsh Government have neglected town centres for far too long."
External stakeholder

"VVP is clearly an urban regeneration funding pot; so much of Wales does not fit into this unless you're in the Valleys or the more urban centres. That's the challenge you see between concentration and being equitable."
External stakeholder

3.14   Many internal stakeholders felt there were still debates to be had over what the ultimate purpose of Welsh Government regeneration funding was. Whilst there was agreement that regeneration must address market failure, there was disagreement over whether regeneration funding should be extended to localities which have relatively limited opportunity for market revival. Some internal stakeholders articulated this as a tension between economic and social outcomes. A stakeholder illustrated this dilemma by rhetorically asking whether a project which could potentially deliver positive social outcomes, but could not necessarily deliver substantial economic development, should receive regeneration funding.

- Most external stakeholders broadly supported the more transparent and objective allocation process which VVP had brought.

- For many stakeholders however, delegation of decision making to regional bodies also held an appeal.

- The principle of directing regeneration spend at 'opportunity' as well as 'need' was accepted by many external stakeholders, but some internal stakeholders had doubts that VVP had achieved the correct balance.

- Some local authorities responsible for large rural areas felt that the premium placed on 'opportunity' was to their disadvantage.

The application and assessment process

3.15   Stakeholders were asked for their opinions on the application and assessment process. Some internal stakeholders felt that the process could be improved in the future through the provision of more contextual information about the applications. For example, stakeholders suggested that guidance could be given to panel members on whether or not a bid is consistent with local and national strategy in each of the policy areas that the proposal touches on. For instance, applications with a tourism element could be encouraged to demonstrate how the project is compatible with the local Destination Management Plan. Panel members also suggested that it would be useful to know what type of projects had previously succeeded or failed in the area and to be provided with an economic profile of the locality. In the absence of this information, one panel member suggested that it would be useful to be given more time to speak to colleagues who had this specialist knowledge and expertise before scoring the applications.

3.16   When asked for their views on the two-stage application process, external stakeholders had mixed opinions. Stakeholders appreciated that the purpose for the first stage was to reduce the amount of initial resource required to apply for TRI. However, there appears to have been some disparity in the amount of work put into this first stage by the local partnerships. Some stakeholders felt that that the competitive nature of the application process had in some instances encouraged applicants to go well beyond the level of work which had been intended. As a consequence, the first stage was not always interpreted as 'light touch' and led to one stakeholder describing the two stages as 'heavy' and 'heavier.'

3.17   The more in-depth planning required in the second stage of the application process was welcomed by some stakeholders as they felt it had encouraged a more rigorous approach. Some applicants suggested that the process encouraged them to 'think outside the box' by considering alternate scenarios. However, producing this level of planning within the time constraints which had been set was a challenge, especially considering the lack of staff capacity at local authority level due to budget cuts. The word count was also seen as prohibitive as applicants felt that they had to strike a balance between providing a vigorous business plan and 'selling' their project. Some of the unsuccessful applicants felt that they had adhered to the business plan too strictly and should have used more of the permitted number of words to 'make the case' for their projects.

3.18   Stakeholder views on the appropriateness of the application process tended to differ depending on the amount of award they ultimately received. Going through in-depth planning as part of the application system was felt to be advantageous by the local partnerships which had received large awards. However, the local partnerships which had received smaller awards felt the level of work which had been required from them at the application stage was disproportionate. The internal stakeholders involved in the assessment of the applications suggested that the level of detail provided had been useful in scoring the bids.

3.19   Participants were asked whether they felt that bids which had employed consultants were more likely to have been successful in the TRI assessment process. Stakeholders were generally satisfied that applications had been judged on their content rather than style. Applicants had not felt under pressure to employ consultants to construct their bids or produce glossy publications. Some local partnerships had employed consultants, but this was generally down to a lack of capacity in existing staff rather than the expectation of gaining advantage in the assessment process. In other cases, consultants had been employed simply to evaluate the bid if the local authority staff were not experienced in this area.

3.20   Some external stakeholders observed that the application process was far more transparent and clear than the previous mechanism used to apportion regeneration funding. However, some applicants felt that, although the criteria had been pre-defined, they were advised to include more sizable housing elements in their bids as the deadline approached. Some local authorities felt that they incurred extra work in order to adapt applications in light of perceived changes in policy focus. Additional work was also created when many of the applicants were told they would be awarded significantly less money than they applied for. This required projects to be hurriedly re-planned and some applicants felt that this was to the detriment of the integrity of their project.

3.21   The delay caused by preplanning and resubmission of applications also resulted in a delay of around three months which meant that many of the local partnerships spoken to felt immediately under pressure to get the first year's funding allocation spent.

"I think that is the point, I have no problems with competitive process but the rules of engagement have to be clear. As an area that got £[x]m rather than £[x]m there was a very strong feeling that rules had changed but we were not aware of how they had been changed."
External stakeholder

3.22   When asked for their views on the size of awards granted, there was a feeling amongst some external stakeholders that the partial award of funds to a large number of local partnerships could undermine a core premise of TRI; which was felt to be the provision of a small number of substantial awards which could then achieve transformational projects. Internal stakeholders explained that an effort was made to match the level of funding to particular elements of the proposals. Panel members explained that many proposals were an amalgam of smaller projects which could be disaggregated. However, in other cases, panel members indicated that it may have been useful to have had more time to go back to the applicant in order to clarify how funds had been allocated between different elements of the proposal and to understand how reliant different elements were on each other. Internal stakeholders also suggested that the assessment process may benefit from prior guidance on the minimum sum of funding that should be awarded to a project, in order to avoid the temptation to spread funding more thinly and guarantee that selected projects were of a transformational scale.

"I can understand why the competitive process has its value but what was peculiar this time around was that we had a Stage 1 which was competitive and got us from 22 local authorities to 11, I can understand that. Stage 2 was supposed to be competitive but all 11 got approved – that did not make sense."
External stakeholder

"It is possible that some of the more deprived areas did not get through. It then felt like they started to change the rules to ensure that everyone got some."
External stakeholder

3.23   More generally, the perceived greater emphasis on housing and the eventual spread of awards across a larger number of local partnerships led some external stakeholders to believe that initial clarity of the TRI process had been lost. There was also a concern that the objectivity of the process may have been compromised by the perceived changes in emphasis following the appointment of a new Minister. Stakeholders were generally sympathetic to this, many drawing comparisons with their own political environments, and were predominantly concerned with the practical issues this had created for them around rewriting applications in a shortened timeframe.

3.24   Some of the local authorities felt that they could have benefitted from more thorough feedback on their applications. This is true of those who did not receive TRI funding, but also those who received severely reduced levels of funding than was applied for. There was a sense amongst some external stakeholders that the level of the partial awards (i.e. less than the amount applied for) were somewhat arbitrary and that the level of award granted should have been either explicitly linked to the score they received or more accurately aligned to particular elements of the project. External stakeholders felt that improved feedback could help them to submit improved applications in future rounds as they learn what Welsh Government are ideally looking for.

Key Findings:
- Internal stakeholders indicated that they would have liked to have been better informed of how proposed projects related to other policy remits, either by having time to consult with colleagues or through greater detail in the applications.

- The two-stage application process was popular in principle, but many stakeholders felt that competitive pressures resulted in Stage 1 becoming more involved than intended.

- The level of planning required in Stage 2 was welcomed by projects which had received large amounts of funding but felt to be disproportionate for those who had received smaller amounts. Internal stakeholders involved in assessment felt the level of detail provided by applicants was helpful in assessing the bids.

- Stakeholders would have liked more time in order to complete the level of planning required in Stage 2, especially given changes to the scale and focus of the bids.

- There was a perception that changing political priorities within Welsh Government had steered the application process.

- The logic behind partial awards of funds to an unexpectedly large number of local partnerships was not understood by some stakeholders.

Planning

3.25   The VVP Framework stresses the need for thorough planning. Whilst many stakeholders echoed this sentiment, doubts were expressed about the appropriateness of performing thorough planning as part of the application process. There were difficulties of planning under strict time limits and writing plans to a word count. Some external stakeholders felt that these plans were not necessarily robust enough to immediately enter the procurement phase of their projects once the award had been granted. Stakeholders also spoke of the inaccuracies which can enter into these plans as a result of having to submit applications far in advance of project commencement and before adequate scoping activities had been performed. These stakeholders explained that they could not justify spending resources in undertaking these scoping activities before the award had been confirmed.

"It's kind of assumed that the figures we put in from the start are the figures we will spend, which with the housing association development is very difficult when you haven't even acquired property, you haven't surveyed property, you haven't got tender costs . . . We kind of seem to be squashing the actual process into the VVP process and there are times when we have stuck a finger in the air and said how much for the ******* road scheme for October 2015, but we haven't even applied for all the properties yet, and we haven't got planning, so how can we say it's going to be a million etc.. three years before we are even starting. They don't seem to get that side of it."
External stakeholder

3.26   When asked how sufficient their initial plans had proven, external stakeholders also reported that plans made as part of the application process may be suboptimal due to the conflicting motivations of winning the award and pragmatically planning. One particular manifestation of this was an indication by a few external stakeholders that 'regeneration theory' or business planning tools were used to decorate a bid rather than to truly inform it. Some stakeholders spoke of 'satisfying a formula' and there was a sense from some that projects were being couched in the right language rather than truly being critically appraised against best practice.

"The regeneration experts that they brought, in our case the business model experts, to explain to us the application process how it works etc. – it was an academic exercise it wasn't related to how regeneration worked."
External stakeholder

3.27   External stakeholders from local partnerships which had been granted sizable awards described some unexpected benefits of being granted an award. Some of these stakeholders explained that the local press ran stories of the award and residents were proud that their area had been chosen. There was a suggestion from some of these stakeholders that business confidence and investment interest may have even increased at this stage, even before the project had formally begun. These stakeholders felt that this effect had come about as a result of the competitive nature of the project and the fact that the TRI process is a 'bottom-up' approach which empowers local partnerships to put forward their own schemes. These stakeholders felt that previous 'top-down' investment had not generated the same level of local excitement as some of the larger VVP projects had. Indeed, one local authority representative jokingly complained that VVP was all he ever heard about, despite other sizable investment also happening within the town.

3.28   This energising effect was thought by stakeholders to be positive in its own right, but also a window of opportunity to broaden the coalition of partners at the beginning of the project. However, these stakeholders felt that the current process did not leave enough time to really capitalise on this opportunity, as projects were under pressure to progress and it was difficult to substantially change the design of the project from the plans which had been agreed. These stakeholders felt that this may be a missed opportunity to maximise the scope of the projects.

"Everybody wants to back a winning horse!"
External stakeholder

3.29   Many of the external stakeholders spoken to suggested a more iterative planning stage, whereby applications received an 'in principle' award which could then be worked up over the course of a few months. Although external stakeholders accepted that the three month delay at the start of the first year had exacerbated problems and may not be typical of future TRI rounds, it was nevertheless felt that a planning stage after the provisional award would remove the pressure and result in better projects. External stakeholders described a range of practical difficulties which needed to be addressed before projects could commence, from employing new members of the project team, to sourcing available local contractors and providing training courses. Some of the most ambitious and innovative projects required the greatest amount of time at the planning stage. For example, one project required several Welsh Government departments to come to agreement before a drug rehabilitation centre could be renovated.

"A more 'guided' process would be better. That is how regeneration works on the ground."
External stakeholder

Key Findings:

- It was felt by some that project plans made during the application process could contain many unknowns and rough estimates, as a result of having to submit applications before adequate scoping activities had been performed.

- There was a perceived conflict between forming an actionable plan at the application stage and writing a document which could win the award.

- Some stakeholders reported a 'feel-good factor' in the area after the award has been won and felt there may be potential to further exploit this momentum, particularly in the forming of new partnerships and attracting investment.

- Local partnerships would generally favour a more elongated and guided planning process.

Project management

3.30   Stakeholders recognised that the Welsh Government required projects to be monitored and evaluated and accepted that this necessitates some administrative tasks. However, there was a widespread sense that the paperwork had, at times, been excessive. This was partly attributed to the nature of the TRI programmes. As TRI recipients were encouraged to leverage-in additional sources of funding and partner with other projects, the programmes often became far more complex and contained far more elements than would usually be associated with the level of funding awarded. External stakeholders described that as the monitoring requirement extends to all elements of a programme, whether or not they are directly funded by TRI, the reporting and monitoring requirements can easily multiply to an unsustainable level. Local partnership stakeholders did not fully understand why they were asked to report on elements of the projects which were funded by non-VVP sources, as the funders of these elements would already have their own set of reporting requirements. The details asked for by VVP and the format of the forms often differed from the other reporting requirements so that a unique, and yet in some ways duplicate, task had to be undertaken.

"Life at the moment is run by project managers and process forms and Prince 2 everyone has been on a course which provides angst and frustrations about how we deliver – come on let's get a bit more real - let's make the process a bit more of a process. That is a lesson for all of us and perhaps it's only a series of input forms and KPIs, fine - but those who have to run it must realise its time and effort - as a general plea for help."
External stakeholder

3.31   There was also a common feeling that the volume of paperwork had in some instances been increased due to changing requirements. The format of some of the reporting forms was said by some external stakeholders to have evolved over time, with each incarnation bringing with it a new administrative task in order to update the paperwork. Another example of this mentioned by external stakeholders were changes to the evaluation tool. Whilst some local partnerships were relatively unaffected by this, others had already carried out baseline studies and/or had paid consultants to do so. These issues, together with the previous inconvenience to local partnerships over the partial award of funding, led some stakeholders to feel that the aims of the projects were often moving. There was nevertheless an understanding that these issues were most probably the teething problems of a new awards programme, and there was an expectation of greater consistency and a reduction of paperwork during any future rounds of TRI.

"…the thing that causes us most angst is that they keep moving the goal posts, the paperwork chops and changes – do they really know what they want? Yesterday we had a session internally with me being the messenger, to say that project PIMR's (even I have forgotten what that stands for) that you have that for each project, which is like a project application form – they are making changes to the format of those, adding a few boxes about Communities First stuff and they want us to review those and as projects change you are supposed to revise those – let's do that on an annual basis."
External stakeholder

3.32   Although the need for basic monitoring information was accepted, many stakeholders did not understand the rationale behind some of the detail which was being collected. There was an indication from some external stakeholders that reporting requirements were viewed predominantly as a bureaucratic exercise, and an implicit suggestion was made that this may lead to a more superficial level of engagement with a process than would be desirable. Stakeholders suggested that, if this detail was indeed of value, it may have been helpful for the Welsh Government to clearly explain why each item was asked for and how the resulting data was to be used. More generally, local partnerships felt that they would benefit from more two-way communication whereby the progress and learning from other TRI projects could be reported back to the local partnerships.

3.33   As with the application process, the local partnership stakeholders which were least satisfied with the paperwork requirements were those who had received relatively small amounts of money. For them, the level of administrative resource which TRI demanded was disproportionate. This therefore links back to the partial awarding of funds. If the next iteration of TRI is again to produce such a range of programme sizes, external stakeholders felt that the Welsh Government should consider a stripped down reporting requirement for recipients of smaller awards.

3.34   The context here is also important, as budget cuts within local authorities have led to there being far less administrative support than would previously be the case. It was apparent from interviews that in many cases it was quite senior members of the project teams who were completing the paperwork. Consequently, these staff felt that any additional administrative tasks represented time which was not being spent on project management. The capacity of staff was a reoccurring theme throughout the discussions and a few local authorities suggested that they would struggle to find the resource to even apply for the next round of TRI funds whilst delivering the current projects.

3.35   There seems to have been some confusion over whether, and how much, of the funds could be used to appoint project staff. This appears to be a communication issue and it seems likely that many local partnerships will take up this option during the next round if they are permitted to do so. As a lot of the work came at the beginning of the project, external stakeholders indicated that it is important that project staff can be appointed as early as possible, ideally during a 'lead-in' period when the heavy planning work can be undertaken.

3.36   The evaluation indicators were generally considered to be quite progressive and did not place an undue burden on local partnerships, with many local authorities already collecting much of the information which underpins the indicators. Some stakeholders felt that the purely quantitative nature of the evaluation indicators may miss some of the more qualitative 'human' benefits which result from the projects. It was felt that the evaluation criteria were formulated to detect the scope of the impact, but not necessarily the depth. There was also a concern that crudely using the evaluation measures to compare projects may be misleading without explaining performance in light of the local context and unexpected challenges which may have arisen.

"In terms of the measures themselves – they do not pick up any of the softer / human elements. I go into properties with tenants who rarely go out i.e. lady had not set foot out of her door for 10 years, had depression etc. Once we started to visit and she could see that people cared we started to draw her out – we monitor this ourselves but Welsh Government don't ask for any of it."
External stakeholder

3.37   Many stakeholders noted that attributing outcomes to the TRI funding would be even more challenging than usual for regeneration projects due to the large amounts of associated funding stream which have been 'leveraged-in.' Although local partnerships could certainly point to many examples of schemes which had only started due to the catalysing effect of TRI funds, in other instances it was less clear whether particular elements would have gone ahead, or developed to the same extent, without this support.

3.38   Overall, the external stakeholders suggested the TRI process had encouraged innovation. The competitive bidding process, the encouragement to form new partnerships and the weighting given to 'innovation' on the award criteria all encouraged local authorities to think in new ways about regeneration. However, some stakeholders felt that the expectation of being 'held to account' could stifle innovation if the monitoring of progress targets was perceived as being too severe. This could, some stakeholders felt, lead to local partnerships choosing projects which were 'safe bets' so that they could have confidence that they could fulfil their stated objectives.

"Our programme is utterly achievable and is on track to do so but lacks innovation and that is partly because of the bits that we had to take out and because it is the first tranche of regeneration we have had for a very long time and understandably we are playing it safe, doing things that we know we can definitely deliver."
External stakeholder

3.39   The above discussion around innovation ties into a broader narrative which reoccurred in many of the interviews over how much freedom local partnerships should have once the award has been granted. Some of the external stakeholders felt as if they were being managed very closely. This, to some extent, may depend on the character of the regeneration manager under whose remit a local partnership lies. However, most local partnerships were very satisfied with the support of their regeneration manager and were more likely to be critical of centralised VVP requirements to resubmit forms for, what they perceived to be, fairly minor changes to projects. Although there was some latitude to make financial changes within set parameters without re-profiling the project, there was some frustration in having to make Welsh Government aware of changes to the detail of the project, such as where the procurement of one building has simply been substituted for another comparable building. Some stakeholders felt that the requirement to ask permission for changes of this type not only disempowered the local partnership but also created another item of paperwork and a delay as responses back from Welsh Government often took a few days. It was felt that these kinds of changes could, if need be, be more efficiently signed off by the Welsh Government's regeneration managers who are typically in frequent contact with local partnerships and would immediately understand the reason for the change.

"I think the VVP programme has quite a restrictive framework in place in terms of management of change - everything is very much held by Welsh Government and there is very little delegation down to panel. Local officers do their best within that framework to make it as easy as they can but nothing changes the fact that it is restrictive."
External stakeholder

3.40   Internal stakeholders suggested that a balance must be found between holding local partnerships to account, so as to ensure the proposed projects are carried out, and to allow enough flexibility for the project to react to unexpected circumstances and opportunity. It should also be noted that many stakeholders asked for more ability to carry over unspent funds to the next year. Some stakeholders, despite appreciating that three-year projects are themselves a positive aspect of VVP, also felt that projects would benefit from being run over five years. It was understood by most stakeholders that both of these wishes may be difficult to grant, but would nevertheless be greatly valued.

3.41   There was some uncertainty over whether the local authorities who had received large sums would, for all practical purposes, be out of contention for the next round of TRI funds. External stakeholders were also interested to know whether it was possible for extensions to existing TRI projects to be selected during any future rounds of funding. This is of particular relevance to many of the local partnerships which received only partial funding and therefore felt that they would not be able to fully realise their initial vision.

"There is a real benefit in having a three-year programme, it means you've got some certainty that you can plan for three-years, however you're stuck with annual pots. Ideally [like with the] the European projects, you have got a grant for a project, it takes three years and we will give you 50% of the money, spend it as you can, that's your delivery date and that's your end date."
External Stakeholder

"It is maintaining the work done in VVP1 that will be the challenge because we don't know if there will be a second stage and if we will get any money if there is. Regeneration of a town cannot be done in three or four years - we need to know what is happening beyond the three years. We need to find mechanisms that can sustain the work we are doing beyond 2017. I think Welsh Government would be hard pushed to allocate another lot of money."
External stakeholder

Key Findings:

- Stakeholders felt the paperwork had been excessive, especially for projects which had received relatively small awards.

- The excessive paperwork was partly felt to be due to the complex nature of TRI projects but stakeholders also reported that changes to the reporting requirements had created additional work.

- The situation was exacerbated by local authority budget cuts and there was some confusion over whether project managers and administrators could be employed using TRI funds.

- The evaluation measures were thought to be appropriate but may miss the more qualitative outcomes and fail to account for context and mitigating factors.

- The TRI process was generally felt to encourage innovation but excessive accountability requirements may hinder innovative approaches.

- Local partnerships have asked for more autonomy to change the details of their projects.

Partnership working

3.42 Local authorities appear to have embraced the VVP notion that partnership working should lie at the heart of regeneration. It is evident from the descriptions of projects given by external stakeholders that VVP has encouraged different groups to work together and that local authorities have for the most part relished this. In some cases individuals from different local authority departments were working together for the first time and local authorities suggested that the relationships which have been formed are likely to have further operational benefits beyond the VVP work. Although this is undoubtedly positive, some external stakeholders indicated that this form of partnership working (i.e. within the local authority itself) is not necessarily a given in all cases, and provides some idea of the challenges ahead to achieve regeneration projects which reach across multiple policy areas at both the national and local level.

3.43 Interviews with internal stakeholders suggested that all the projects acquired significant housing elements, once the perception that this was a pre-requisite of funding had become established. Not only have these housing elements required coordination between different council departments, but it has also been necessary for local authorities to liaise with central Government and the third or private sector, in the form of social housing providers (RSLs) or commercial developers. The successful integration of housing elements into projects plans has therefore demonstrated strong partnership working. All the local partnerships spoken to have also created committees or steering groups comprised of representatives from the partner organisations and different departments of local government.

"VVP has aided networking and opened doors."
External stakeholder

3.44   In one of the clearest examples of partnership working encountered, the idea for the project itself had come from a third party (a housing association). The stakeholders involved in this projects felt that this had resulted in a scheme with great commercial potential. The housing association indicated that they had wanted to undertake the scheme for some years but required the catalyst of TRI funding. Whilst not all economic opportunities will result in the type of pro-social outcomes expected by a regeneration project, the stakeholder interviewed felt that there had been benefits from first inviting the market to identify areas of frustration, and then to assess these in regards to the TRI criteria. The stakeholder also implied that an added benefit of third-party inspired projects may be that they come without a set idea of what regeneration is traditionally deemed to be. The stakeholder felt that the best partnerships are not therefore merely a source of finance, but a source of ideas too.

3.45   Stakeholders were also asked about the success of TRI projects in working with partners who can bring *revenue*, as opposed to *capital*, funding. Some internal stakeholders had suggested that revenue funding is particularly important as regeneration is for 'people' as well as 'places.' Whilst the TRI programme itself is place-based capital funding, the vision is wider than this, with the ambition that revenue funding would enable greater people-based regeneration. External stakeholders suggested that the projects have so far had only moderate success in this area. Some external stakeholders have felt that the focus of many of the projects on housing provision had limited the opportunities for service providers to become involved.

3.46   Many stakeholders felt that the next round of TRI funds would bring greater possibility for partnership working as European funds would once again be available, though these too are likely to be predominantly capital funds. Whilst stakeholders were aware and open to opportunities for partnering with poverty-focused services such as Communities First, there was less awareness of the wider ways in which social capital can be created through service providers in the sports, cultural or educational fields. There were however some internal stakeholders who provided a counterargument to the perceived need for revenue funding, suggesting that regeneration outcomes are predominantly achieved through capital funding and that service-based initiatives typically have only a marginal effect in comparison to other factors influencing the local labour market.

"I think part of VVP was to put the onus more on the local community to establish the partnerships and mechanisms that were required to make the change - the partnerships required were not necessarily the strongest in the areas that they were most needed.   In the previous regeneration area programme, in theory there was revenue funds as well as capital funds, and now you have not got the opportunity to spend funds on the Communities First part... this has all come at a time when the purse strings have been tightened."
Internal stakeholder

3.47   A positive aspect of many of the projects described by external stakeholders is the way in which relationships between project partners are enhancing the community benefits associated with construction activity. Many external stakeholders felt that the range of representatives sitting on project committees allowed for more links to be made between constructors and other parts of the community such as schools, colleges and Job Centres.

3.48   No examples were encountered of partnerships between different local authorities, and stakeholders felt that the TRI process did not specifically encourage this. There were mixed feelings over the extent to which partnerships between local authorities could be effective given that each local authority is mandated to promote the interests of their own area, even at the expense of proposals which may bring more widespread benefits. There was to some extent a split here, which mirrors the earlier debate over the appropriateness of regional-award bodies. Whilst some external stakeholders from large urban areas saw themselves as being in competition with other urban areas, others felt differently. For example, some external stakeholders stressed the historic links with adjoining areas and believed that their success was intimately tied to their neighbours. These stakeholders felt that there could be a greater role for partnerships between local authorities, particularly in tourism or transport-led projects. This ties back to the earlier discussion on instances in which more regional thinking can be appropriate. For example, internal stakeholders explained that tourists are not necessarily aware that they have crossed local authority boundaries and are best served through a coordinated regional approach, in which a variety of tourist experiences are produced through coordinated development of local distinctiveness, whereby localities find their own unique identity.

3.49   Some stakeholders suggested that coordination between different departments of the Welsh Government could also be improved. There have been odd instances where Welsh Government representatives from different policy areas were not fully aware of VVP when dealing with the local authorities, but all of the specific issues mentioned seem to have found a resolution. It seems likely that if VVP becomes a more permanent fixture within the policy environment then these instances will become less common still. The only issue of this kind, which stakeholders suggested may require specific attention, is the greater coordination of TRI with other funding streams. Despite some efforts in this direction during the formation of VVP there remains a perception from external stakeholders that the complexity created by the various funding streams can create inefficiencies for local authorities. It should be noted that this is by no means an issue unique to

VVP. However, given that TRI specifically encourages the leveraging-in of alternate sources of finance, it is particularly important that the programme is compatible with other streams so as to maximise this opportunity. However, it is likely that the timings of the next round of European funding will be far more closely aligned to the anticipated timelines for VVP2.

Key Findings:

- External stakeholders reported partnerships which have been formed or strengthened through their involvement in VVP, particularly between local authority departments, with housing associations being the most mentioned external partner.

- There is room for further innovation in the types of partnerships which are formed, particularly with service providers.

- There were mixed views about whether regeneration partnerships between local authorities should be encouraged.

- Stakeholders described some progress which has been made in coordinating VVP with other policy areas at a national level, but there remains a perception that this could be improved, particularly in regards to other award programmes.

4   Conclusions

Underlying principles

4.1   External stakeholders felt that VVP represented a more targeted approach to regeneration and that this was justified due to reduced national budgets for regeneration. However there was also an appreciation that this more targeted approach could have intrinsic worth as it enabled more holistic regeneration projects. Many external stakeholders also welcome the increased objectivity and transparency of this approach to distributing regeneration funding. The 'bottom-up' approach which empowered local partnerships to put forward their own regeneration ideas was, in the most part, welcomed by external stakeholders and there was a desire to work with Welsh Government to further refine the process. Some internal stakeholders, and external stakeholders from more rural areas, expressed more reservations about the premise of the programme. There was some concern from these stakeholders that the programme does not encourage coordinated regional approaches, may be unable to respond quickly to opportunity, or may overlook some disadvantaged communities which have 'need' but not necessarily 'opportunity.'

Application process and planning

4.2   Some internal stakeholders felt that they would have liked more information on how closely the proposed projects tied into other policy areas. It was suggested that more time could be designated to assess the bids which would then allow for consultation with other colleagues across Government. It was also suggested that applicants could be encouraged to indicate how their project fit with specific local strategies (e.g. for tourism, or transport) if this is relevant to the proposal.

4.3   Views over the two-stage process are complex to interpret as the in-principle support of the 'light touch' first stage becomes muddied due to the considerable resource some local partnerships invested in this stage due to the perceived competitive pressures. Further still, the vigour of the second stage was endorsed by those who received large awards, but was felt to be disproportionate by recipients of smaller awards. Added to this are the issues which arise from attempting to plan so far in advance as part of a competitive bidding process before scoping activities had been carried out. Generally, stakeholders felt that this planning would be more usefully performed in a development stage before the main body of project spend commences but after awards had been earmarked (though perhaps not confirmed). This could then be a more iterative planning process whereby time is given to test and modify plans in light of feasibility studies and drawing on the input of Welsh Government Regeneration Managers.

4.4   Many external stakeholders, when presented with the possibility of a development period, felt that a two-stage application process would risk duplication of planning work. Most external stakeholders would ideally wish to simply move the second stage of the application process to the other side of the award announcement. Some internal stakeholders however, suggested that the Welsh Government required a high level of detail to make informed decisions, and that some duplication of planning work may therefore be unavoidable.

4.5   External stakeholders suggested that the implementation of a development period would also give local partnerships a chance to react to partial funding or to modify their plans to reflect emerging political priorities. Another advantage of introducing a development period, articulated by some external stakeholders, may be that local partnerships would have more opportunity to capitalise on the momentum and 'feel-good factor' which can accompany the award of funding. The extent to which the excitement and publicity around award allocation can be translated to more tangible benefits in the form of new partners and increased private sector investment in the schemes is unknown, but some external stakeholders feel that a development

period prior to finalising plans would allow for these opportunities to be better explored.

Administration and paperwork

4.6   The most common criticism of TRI was the level of paperwork which local partnerships were expected to complete. There were a number of reasons for this criticism. One perceived source of extra administration work was changes in policy or process from Welsh Government. For example, external stakeholders asked that forms only be redesigned between TRI rounds. Some stakeholders also suggested that Welsh Government' Regeneration Managers be empowered to authorise modification of project details which do not impact approved plans in a substantive way. External stakeholders also felt that the complex nature of TRI projects contributed towards the administrative burden. Some external stakeholders suggested that Welsh Government might give consideration as to whether the same level of reporting is required for elements of projects which are principally financed through other funding streams, and so are already being reported on (perhaps to a different department of Welsh Government). External stakeholders who had received comparatively small amounts of money felt there may be justification for reduced reporting requirements for local partnerships which have received comparatively small awards. External stakeholders felt that being able to use a portion of TRI funds for project staff would help with the administration work, but were in some cases unsure about whether this was permitted.

Partnership working

4.7   Some external stakeholders described how partnership working had been encouraged by the TRI process, particularly between local authority departments. Strong partnerships have also been made with housing associations, though many stakeholders felt that projects may benefit from more links with organisations that could bring *revenue* as opposed to *capital*

funding. Although the potential for local authorities to work together is likely to only apply to a minority of cases, the current system was not thought to encourage this as the cap for the total amount of funds a partnership can apply for is fixed, even if more than one local authority is involved.

4.8 There was a perception that the TRI programme could initially have been better integrated with other policy areas, though issues related to this appear to have been dealt with as they arose. Integration with other funding steams may be more of a challenge given the fragmented nature of the funding environment, though the next round of European funding may offer greater opportunities for coordination.

5 Recommendations

5.1   This section provides some recommendations for the future development of VVP, focusing upon the TRI stream. The recommendations are informed by the research findings but also rest upon the insights and judgements of the consultants who undertook the research.

5.2   *Differentiate more clearly between VVP and VVP TRI*

There are semantic issues over the use of the term 'VVP' and it may therefore be useful to offer clearer brand differentiation between the TRI programme and the wider VVP policy framework for the next round of funding.

5.3   *Continue to administer awards centrally, but remain open to devolving award-making powers to regions in the future*

There is a sentiment amongst many external stakeholders to devolve award-making power to regional bodies. However the discussions did not produce consensus on how this could best be implemented. There were two reasons for this. The first is that it was not clear how the Welsh Government should first allocate regeneration funding between the regions. The second reason is that that there is disagreement over whether the regional bodies should then administer awards using a standardised set of criteria (as is currently the case with TRI) or whether they should be allowed to use more discretionary powers (i.e. through less formal decision making structures). If regional bodies are given discretionary powers over regeneration spend, the transparency of the current VVP system, which external stakeholders value, is lost. If a standardised set of criteria is employed, some of the benefit of devolving regional award-making powers to the regions is lost, as stakeholders appear to value the local understanding and judgement of regional representatives. It may be possible to reach a compromise on these issues, but until that point administering the funding centrally through Welsh Government simplifies the process, avoids duplication of activity, ensures consistency, and should more easily enable the process to be compatible with other policy areas.

5.4 *Allow joint bids between local authorities to access larger sums of funding*

A simple mechanism to accommodate partnerships between local authorities would be to allow for larger sums of funding to be accessed if multiple local authorities applied in partnership. So long as the funding caps are proportionate to the number of local authorities applying, this modification would neither encourage nor discourage such partnerships but perhaps creates a fairer process for those local authorities who wish to take a collaborative approach.

5.5 *Agree a statistical criteria for TRI applicants which clearly establishes their 'need'*

There was much discussion around 'need' versus 'opportunity' and there were some suggestions that applications with great 'need' but limited 'opportunity' be treated more sympathetically by the awards panel. Whist the debate over 'need' and 'opportunity' is valid it can be tackled without compromising the objectivity of the scoring system in the way described above. Instead, the qualification criteria for TRI can be set to any agreed level based on statistical indicators such as the Welsh Index of Multiple Deprivation. The 'need' of the areas should therefore be uncontentious, and the application process can be competitive within this subset of areas. Indeed, this appears to be broadly the approach currently taken, though perhaps more discussion or better communication is needed over the initial criteria used to establish the 'need' of all applicants.

5.6 *Establish a minimum award value*

It may be valuable for the Welsh Government to construct evidence-based parameters on the minimum value of award which is likely to result in transformational change. Whilst it is right to make award-decisions based on the particular set of applications which have been submitted in a given round, it may also be useful to have some mechanism to flag-up when the net effect of project-by-project decision making risks departure from the agreed overall strategy of VVP.

5.7   *Give greater weighting in the scoring criteria to the links between projects*

One element which may benefit from greater prominence in the scoring criteria is 'clear links between projects', which is currently just one of several elements which comprise the 'Quality of Programme Delivery' category which carries a weight of ten (out of 100). Whilst some local partnerships could vividly describe the links between projects and tell a compelling story of how each element enhanced the next, others struggled to do so. Added economic value comes about, in part, through synergies between the different elements of a project, and encouraging local partnerships to consider this at the application stage can only be of benefit.

5.8   *Create a development period*

Many TRI recipients felt that they did not have adequate time to plan their projects before commencing spend (in order to meet Year 1 targets). Whilst teething problems may put added pressure on these timelines in the first iteration of VVP, there was nevertheless a feeling amongst recipients that there was a limit to the level of detail which could be put into plans pre-award and that projects would benefit from a designated development period after provisional award of funds. This window would allow for scoping activities to be undertaken and opportunities for partnerships to be maximised, capitalising on any positive publicity which may accompany a successful application.

5.9   *Offer closer mentoring during the planning stage*

If the aspiration of VVP to be an evidence-based programme extends to the projects themselves, then some local partnerships may benefit from more support during the planning process. The Welsh Government's Regeneration Managers appear to be well-respected by local authorities and are a natural conduit to advise on best practice during the formation of projects. Many are very experienced; hold a substantial amount of knowledge, and their input would be welcomed by local partnerships. Currently, this knowledge cannot fully be drawn on during the planning which occurs during the application process as the Welsh Government cannot reasonably support applications to

itself in this way. However, if a development period is created after the provisional award of funding there is a window of opportunity for regeneration managers to bring their knowledge to bear and enhance project plans.

5.10 *Provide direction on the types of partnerships which could be formed*

The success of the housing partnerships suggests that certain forms of partnership working may be encouraged by Welsh Government, through the provision of clear suggestions of the type of partnerships which could be made and to what purpose. The next wave of TRI can benefit in this regard from drawing on some of the best practice in partnership working seen during the first round.

5.11 *Reduce the paperwork requirement*

The first unprompted issue many representatives of local partnerships raised was the administrative burden of the programme. The simplest way to improve this is to avoid making changes to the administrative requirements once the programme in underway. This relates both to the application process and ongoing reporting demands. Beyond this there may also be a case to review the necessity of each reported item and, if the item is justified on management grounds, to communicate the justification to the partnerships. A lighter reporting requirement might also be considered for projects which have received relatively small sums and for elements of schemes which have not directly been funded through VVP.

Appendix

Current TRI Scoring Criteria

	Scoring criteria	Weight
A	Key outputs	**20**
	Investment leveraged in (Welsh Government, public, private and third sector)	
	Net additional jobs created	
	People supported into work	
B	Strategic fit	**20**
	With Local Development Plan	
	Single Integrated Plan	
	With regional priorities	
	With Welsh Government Programme for Government commitments (including tackling poverty, delivering jobs and growth and promoting equality)	
C	Policy fit	**15**
	Addressing regeneration in town centres	
	Coastal communities	
	and/or Communities First clusters in an integrated way	
D	Contribution to improving housing condition and supply	**15**
	For example, increasing residential accommodation in town centres	
E	Quality of programme delivery	**10**
	Clear rational and case for change	
	Clear links between activities, outputs and the national outcomes for regeneration, with RBA use evidenced	
	Robust governance structure	
F	Evidence of value for money	**10**
G	Evidence of creativity and innovation, including where appropriate creating opportunities for social enterprises and the use of new financial models	**10**

Evaluation Framework

Research Questions						
What are the main aims / features of VVP?	**What is the rationale?**	**Notes on each theme**	**What are the mechanisms through which the aim is intended to be achieved?**	**Is the principle still sound? Has new evidence emerged?**	**In practice, how well did the processes work?**	**How could the processes used be improved?**
Policy integration	There are many synergies which can be gained by working across different policy areas and departments throughout local and national government	There are fundamental links between regeneration, housing, poverty and growth and there is full Cabinet support of regeneration as a cross- cutting agenda. Regeneration is also seen as more sustainable when it repairs market	• Allocation of funding to projects which are able to leverage in other funding through partnerships and by taking other policy areas into account (integration wherever possible of the £1.4 billion European Union projects to maximise investment opportunities) • Allocation of funding to projects which partner with the private and third sector which acknowledges the relationship between need and opportunity	? ?	? ?	? ?

		failure rather than replacing it.	• Strengthened governance with a Ministerial Advisory Group to oversee the implementation of the Regeneration Framework and an Internal Steering Group to oversee regeneration to ensure the join up of Welsh Government officials at a senior level linked to the Wales Infrastructure Investment Plan	?	?	?
Focusing on key priorities for regeneration investment	Impact is maximised through more intensive investment in fewer areas with local delivery, acknowledging the interaction between places and the people who live there, and clear accountability	There are three urgent priorities: Town Centres serving 21st century towns, Coastal communities and Communities First clusters - each reflective of clear market failure	• Standardised and holistic outcome indicators and evaluation tools to measure: Prosperous Communities Healthier Communities and Learning Communities	?	?	?
			• Allocation of funding to town centres serving 21st century towns, Coastal communities, Communities First clusters	?	?	?
			• Local partnerships bid into Welsh Government using the five case business model and assessed against clear criteria.	?	?	?
				?	?	?

Stakeholder Interviews Discussion Guide

5.1   First of all, thank you for agreeing to be interviewed. Wavehill have been appointed to undertake an evaluation of the Vibrant and Viable Places (VVP) programme.

5.2   The purpose of the evaluation is to improve the functionality of the VVP process and identify what has enabled or constrained successful implementation. During the evaluation we will be interviewing local authority representatives, partner organisations, and regeneration managers. The following issues will be covered by the evaluation:

- The development of the policy
- The consultation with stakeholders
- The delivery of the programme
- The competitive bidding process
- The effectiveness of communication
- The management and administration of the programme

5.3   This discussion guide is exactly that - a *guide* to the issues that we would like to discuss during the interview. We would, of course, be happy to discuss any other issues which you feel are relevant. All the findings from this evaluation will be reported anonymously so please speak openly and honestly.

The topics which will be covered in your interview
NB. Depending on the nature of your involvement, some topics may be of greater relevance than others.

Introduction

1. Your role
2. Your understanding of Vibrant and Viable Places
3. Your involvement in the consultation period

The competitive bidding process

4. Competitive bidding as a principle through which regeneration funding is allocated
5. The transparency of the process
6. The effectiveness of the five case business model approach
7. The time given to put together proposals
8. The extent to which the application process encourages partnership working
9. The extent to which the application process encourages the 'leveraging in' of other sources of finance
10. The extent to which the application process encourages innovation in project design
11. The extent to which applicants are encouraged to consider regional and national policy through the funding process
12. The extent to which the funding process encourages the setting of focused regeneration objectives
13. The appropriateness of the focus on town centres, coastal communities and Communities First clusters and the views on how effective concentrated investment is
14. The timeliness of announcements and funding receipt
15. How the competitive funding process could be improved next time

Project delivery

16. How well the planned partnerships are working in practice
17. The extent to which representatives from different policy areas (within both national and local Government) have been able to buy into the projects and any tensions created by differing agendas
18. The experience of working with different departments in national and local Government and the extent to which the VVP governance structure is able to smooth this process
19. The perceived benefits of synergies gained from 'leveraging in' additional sources of finance, taking into account displacement effects
20. The effectiveness of guidance and oversight of projects, including the role of regeneration managers
21. The transition from Regeneration Areas (if applicable) to VVP Local Partnerships
22. Benefits of a local approach, including examples of the exploitation of local knowledge
23. How well Local Partnerships have been able to consider regional impact
24. Change management – procedures for risk management, project failure and profiling
25. Improvements which can be made in project oversight and guidance during the delivery phase

Reporting, evaluation and sustainability

26. The appropriateness of reporting requirements
27. The extent to which monitoring and evaluation measures encourage a holistic view of regeneration
28. The extent to which monitoring and evaluation measures encourage true accountability
29. The extent to which monitoring and evaluation measures encourage a focus on longer term horizons
30. How partnerships with private and third sector organisations can lead to more sustainable projects

General reflections

31. The strategic fit of VVP in the current and emerging policy environment

The extent to which VVP is on the right path to creating prosperous communities, healthier communities and learning communities.

32. Key improvements which can be made to the VVP process
33. Any other thoughts

Thank you / Diolch yn fawr

If you would need to reorganise the appointment we have made for the interview for any reason please contact Tracy Newman on 01545 571711 or via email to tracy.newman@wavehill.com

You can find more information about Wavehill on our website: www.wavehill.com. All our researchers work within the Market Research Society's Code of Conduct (http://www.mrs.org.uk/standards). If you have any questions or queries about either the interview or the evaluation more generally, or if you have any feedback on the way the interview was undertaken please feel free to contact Oliver Allies (t: 01545 571711 e: oliver.allies@wavehill.com) at Wavehill.