



Llywodraeth Cymru
Welsh Government

**WRITTEN STATEMENT
BY
THE WELSH GOVERNMENT**

TITLE REGENERATION INVESTMENT FUND FOR WALES

DATE 18 October 2013

BY Carl Sargeant AM, Minister for Housing & Regeneration

The purpose of this statement is to announce my decision that the investment activities of the Regeneration Investment Fund for Wales (RIFW) as currently constituted should be brought to a close. Members will wish to be aware that I am today taking action to place the Fund under my direct control. This action is intended to ensure that the resources currently tied up in the Fund should be made available for investment in communities around Wales as soon as reasonably possible.

Members will be aware that the Fund's investment activities were suspended on a temporary basis by my predecessor in October 2012. This decision was taken in the light of Wales Audit Office investigations into the circumstances surrounding the sale of land assets by the Fund. We have been working with the WAO very closely ever since. My Department has also commissioned separate investigations aimed at establishing whether the moratorium placed on the Fund could be lifted in the short term.

I made clear to the Assembly in July that my confidence in RIFW as an effective investment vehicle in its current form had been seriously damaged by the cumulative impact of investigations that have been underway over recent months. These investigations are still continuing and in the circumstances I have concluded that I am not in a position to remove the moratorium on the activities of the Fund. I am conscious that the effect of that would, without further action, simply be to extend the uncertainty surrounding the Fund. I am also very concerned that unless I take further action resources which should be made available to invest in our communities will instead be lying unused in RIFW's bank account.

Following consultation with the RIFW Board I have therefore concluded that we should draw the investment activities of the Fund as currently constituted to a close. This will ensure that the resources currently locked up in the Fund can instead be reallocated for other projects supporting jobs and growth across Wales. My Department will assume direct responsibility for overseeing the Fund through this process.

Our immediate objectives will need to include a thorough assessment of Fund's current pipeline of projects as well as its assets, liabilities and obligations. We will need to engage with stakeholders in order to determine how RIFW's residual rights and obligations are best discharged going forward. We will also make arrangements to ensure that the RIFW investment in Neath and Port Talbot can proceed as has already been agreed. I remain committed to doing what we can to safeguard as many projects as possible from the existing RIFW investment pipeline and we will need to work closely with Amber the Fund managers to achieve this. I am pleased that the Minister of Finance has also agreed to support this process.

The Fund is partly made up of ERDF funding and I recognise that in the light of my decision today WEFO will need to take a decision on whether to reallocate European funding. My decision will help to ensure that the European funds remain available to be deployed effectively in Wales, and that the interests of the wider programme are not affected.

None of these actions will cut across the WAO investigations into RIFW's activities which are continuing. My officials will continue to offer every assistance aimed at ensuring that the WAO report on these matters can be concluded as quickly as possible.