

# Fifty Years of Regeneration in the Valleys – What Can We Learn?

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## Fifty years of regeneration

There has been significant investment in the regeneration of the Valleys region since the 1960s, but unfortunately there is a weak evidence base to tell us which programmes and projects have worked the best at reducing the economic disparity between the Valleys and the rest of Wales. Partly this is because the size of regeneration programmes is dwarfed by the size of the economy as a whole. For example, while several billion of European Structural Funds and matched domestic money have been invested over the period, this actually only represents about 1% of the region's economy.<sup>1</sup> This means it is hard, if not impossible, to see or to attribute cause and effect.

There is also a paucity of evaluations from earlier regeneration programmes – the ones whose impact has had the time to play out. For many later regeneration programmes, it can be too soon to tell what impact they will have on the main indicators of regeneration (such as those shown in **Annex 1**). There is also a problem that most evaluations have focused on assessing the processes of the projects, rather than the outcomes, and even when outcomes are measured, the time frames are too short and the outcome measures too inconsistent to be able to draw firm conclusions. One project may measure changes to footfall in city centres, another to the number of jobs created, but neither are likely to have measured the impact on the main regeneration indicators or macro-economy of the region.

What we do have is quite a good understanding of though is the story of how the approach to regeneration has changed over time. **Annex 2** shows a timeline. From the 1960s, regeneration was almost entirely focused on land reclamation. From the late 1980s things started to change. Where efforts were once primarily top-down, single-themed physical regeneration projects, they were now more often delivered by partnerships involving local community initiatives, often focused around town centres, and were aiming to develop skills and jobs alongside environmental improvements.

By the time of the Wales Spatial Plan (2008), regeneration was seen as encompassing “*activities and investment relating to transport, skills and employment, housing and inward investment*”. Single-topic projects were still common, but efforts were being made to align these to broader regeneration plans. Meanwhile, many other separate programmes got underway in the region that had strong links to the regional economy, such as those to boost educational attainment, increase innovation and increase rates of business formation.

While we may not have much evidence from the Valleys on the impact of regeneration programmes on the regional economy, we can draw on theory (section 1 of this paper) and on evidence from further afield (section 2) to assess which programmes are likely to have had most effect in reducing economic disparity. We also have a considerable evidence base from the Valleys region on the approaches to regeneration projects that seem to work best (section 3).

If the first wave of regeneration projects in the Valleys was all about land reclamation, and the second wave was predominantly about community based initiatives, we are now considering the best form of the third generation of programmes: Valleys Regeneration 3.0? A central question will

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<sup>1</sup>Back of envelope calculation to give a rough idea: £6 million of EU structural funds including domestic match funding over 2000-2014 equates to £0.43 billion per year. Supposing that all of this went to NUTS3 areas of Swansea, Bridgend & NPT, Central Valleys and Gwent Valleys (it doesn't), then this would still only represent 1.4% of the region's GVA (£30.6 billion in 2014)

be whether we want to define a ‘regeneration programme’ as being mainly about the regeneration of the built and natural environment, or being mainly about economic regeneration, and if the latter, then the extent to which we bring in our wider activities on early years, education and skills, transport and business support more centrally into our place-based approaches.

*“While most of the physical regeneration has been dealt with, more needs to be done to tackle the economic, social and deprivation issues that still remain.”* Coalfield Regeneration Review Board (2010) p. 8.

## **1. Are the “intractable problems” of the Valleys really intractable?**

*“The Heads of the Valleys have the most intractable development problems of any older industrial area in the whole of Britain... While none of the problems of the Valleys are unique, what is different about them compared with similar old industrial areas of the United Kingdom is the extent of their combination.”* Future of the Valleys, IWA 2008, page 57

**Annex 1** shows that British coalfields remain seriously adrift from the rest of Britain on several indicators of regeneration, health, job density, employment rates, business formation rate, and earnings<sup>2</sup> and that the regeneration of the Valleys (the south Wales coalfield) is lagging behind the 15 other main coalfields.

When comparing the Valleys to other coalfields, reviewers do not conclude however that efforts to regenerate the area have failed. Rather, they argue that a huge amount has been achieved, and that the slow progress is because the Valleys faces particularly significant barriers to economic recovery. Reviewers (references in footnote) identify four main barriers:

1. *Low skilled workforce*<sup>3,4</sup>
2. *Weak economic base and isolation*<sup>2, 3, 4, 5</sup>
3. *“Incapacity Benefit phenomenon”*<sup>2, 3, 4, 5</sup>
4. *Poor environment and housing stock*<sup>3, 4</sup>

This section of the paper considers the evidence on the extent to which there has been traction on these “intractable problems”, and how regeneration programmes or other core public services may have played a role.

### **1.1 Increasing skill levels of the workforce**

*“Fast-growing less developed regions tend to have higher levels of human capital...For all regions, human capital appears to be critical. Overall, reducing the proportion of people in a region with very low skills seems to matter more than increasing the share with very high level skills”.* OECD (2012) Promoting Growth in All Regions. Lessons from across the OECD.

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<sup>2</sup>Foden et al. (2014) *State of the Coalfields report*, Sheffield Hallam University

<sup>3</sup>Coalfields Regeneration Board (2010) *A Review of Coalfield Regeneration*

<sup>4</sup>Bevan Foundation (2010) *Forty Years of Regeneration in the Upper Afan Valley*

<sup>5</sup>Fothergill (2008) *The Most Intractable Development Region in the UK* In Osmond (2008) *Futures for the Heads of the Valleys*, Institute of Welsh Affairs

Increasing the level of skills, or more specifically, reducing the proportion of people with low skills, has been identified by the OECD as a key factor for regional development, particularly for those regions that are currently less developed.

Data for the region (**Annex 3**) shows that skills levels amongst working age adults in the Valleys have been increasing and that there has been a particular increase in the proportion of young people leaving school with qualifications at Level 2 or above.

Core public services (early years, schools, colleges, adult learning) have no doubt played a crucial role in this increase, as have other initiatives not labelled as “regeneration programmes” that have been working to boost the educational attainment of children and young people from disadvantaged households, such as Flying Start, Schools Challenge Cymru, the Youth Engagement and Progression Framework, and the Pupil Deprivation Grant. There have also been specific initiatives to develop the skills for a particular sector, such as [British Green Skills Centre](#) in Tredegar.

However regeneration programmes funded with European Structural Funds are also likely to have played an important part. Many of the ESF and ERDF projects have involved up-skilling and in total across Wales, the 2000-2006 funds helped project participants gain 201,000 educational and vocational qualifications, while the 2007-2013 programmes helped participants gain 223,000 qualifications. More work would be needed to tease out which of the ESF and ERDF projects appear to have been the most successful in the Valleys region, but some of the bigger ones include:

- Skills Growth Wales
- World class Apprenticeships for Economic Renewal
- World Class Traineeships with engagement for Young People.

There is therefore some/good evidence of success in increasing skills base of the Valleys region, some of which will [presumably] be attributable to the regeneration programmes. There is less evidence of any ‘closing of the skills gaps’ between the valleys and the rest of Wales.

## **1.2 Strengthening the economic base and increasing connectivity**

*“... we have seen ... a lot of inward investment coming into not just Cardiff but on the M4 corridor generally in South Wales – American investment, Japanese, Korean ... And that is in sharp contrast to what is happening in the valleys. The valleys have failed to attract either any substantial new investment into the area or actually succeeded in creating any indigenous growth.”* Wayne David, former MEP for Cynon Valley, interviewed 1997 and quoted in the Joseph Rowntree Foundation 2000 report, Coalfields Regeneration.

Looking across all GB coalfields, many have struggled to secure inward investment to boost regional growth. The particularly weak economic base in the Valleys (figures in Annex 1) arises from the sheer extent to which, compared to other coalfields, the area was dependent on the coal and steel industries, but it also arises from its size and its lack of connectivity to markets, and relatively peripheral location in relation to the UK market as a whole. The weak base is a problem because the argument is that an area selling no goods and services to the outside can only sustain an employment rate approaching 50 per cent (in the sector delivering goods and services to the

local area)<sup>6</sup>. Of course, this does not hold true when there is a considerable degree of commuting that brings wealth back into the area.

So while the obvious answer to the Valleys problems might seem to be to keep trying to boost inward investment, a complement, or alternative, is to work to develop connectedness and commuting to cities with stronger economic potential. This would include the coastal belt to the south, including Cardiff, Swansea and Newport, and perhaps Merthyr Tydfil in the north where a recent population growth and employment revival suggests an opportunity may exist for sustained investment to create a centre with critical economic mass. Residents in the wider Valleys region can then tap into the benefits of the regional centres, which would have the critical mass of human, financial and social capital to support evolving innovative and entrepreneurial activity.<sup>7</sup>

The commuting effect is particularly important in the Valleys region, as it makes clear a real distinction between the upper and lower valleys. The lower valleys have a much higher degree of connectedness with their neighbouring cities (Cardiff, Swansea and Newport ) and already have a stronger economic base (with greater business start ups, innovation), while the upper valleys have much lower commuting rates and greater isolation from the big cities and also from the wider UK market. Improved transport links may help commuting from the upper Valleys towards the coast, but the distance and associated travel times are likely to remain a barrier. Further growth at Merthyr Tydfil could help address this.

There has already been a considerable amount done over the last 50 years (some of which have been labelled as “regeneration programmes”), including for example:

- a) **Increasing connectivity** including as a result of the dualling and improvements to the A470 between Cardiff and Brecon in the 1970s, improvements of the Valleys rail line, and improvements and dualling of the Heads of the Valleys road. There have been significant increases in the numbers of people commuting for work (**Annex 4**). There have been increases in both out-commuting (bringing money back to areas) and in-commuting (bringing skills and demand for services in, but also taking money earned out of the area). However, there has been a clear net increase in out-commuting in Blaenau Gwent, Caerphilly, Neath Port Talbot, Newport and Rhondda Cynon Taff. Broadband improvements have also contributed to increasing connectivity.
- b) **Incentives to encourage business growth.** Welsh Government has supported business growth through initiatives such as Assisted Growth Areas and Enterprise Zones (including Ebbw Vale). European-funded regeneration programmes have also played a role. Just one example of the hundreds of project funded under ERDF is the [ASTUTE](#) (Advanced Sustainable Manufacturing Technologies) project, which exceeded all expectations. It delivered jobs and inward investment by enabling the aerospace, automotive and high technology manufacturing industries to grow by adopting more advanced technologies and, at the same time, reduce environmental impact.
- c) **Town centre regeneration** – considerable investment through core and European funding into the regeneration of many town centres in the Valleys to boost footfall and encourage business growth

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<sup>6</sup> Fothergill (2008) *The Most Intractable Development Region in the UK* In Osmond (2008) *Futures for the Heads of the Valleys*, Institute of Welsh Affairs.

<sup>7</sup> OECD (2012) [Conference](#): *Innovation and Modernising the Rural Economy*

- d) **Developing the tourism offer in the Upper Valleys** in order to boost the economic base. The Phase 1 evaluation of the Valleys Regional Park suggests it is generating around £12.3m of GVA annually through tourism activities, supporting 540 FTE jobs directly and indirectly (Future Option for the VRP p.39), and that there have been an additional 2 million visits made to the Valleys as a result of VRP investments since 2009.
- e) **Community initiatives** Joseph Rowntree Report (2000, p 22) argues that where formal sector top-down policies fail to provide sufficient alternative employment in former coalfields, this failure creates scope for community initiatives to do the regenerative work. Many community initiatives have been funded since 2001 under the Communities First programme and also by the ESF programme in Wales. Further work would be needed to explore how many of these were able to contribute to the 'economic base' of the area.

There is therefore some evidence of improvement in connectedness, but also some evidence that household income in the Valleys has actually declined relative to the rest of Wales (**Annex 5**). Total Gross Value Added figures also show that whilst there has been considerable growth, it has not kept pace with growth in Cardiff or the UK as a whole and economic disparity has in fact increased.

Policy initiatives, including that have increased commuting, may have acted to slow the increasing economic disparity. Regeneration programmes may have played some part, but the vast majority of any positive impact is likely to have been due to wider programmes and market forces.

*By now many problems have retreated in scale from much of the Valleys to coalesce within the core Heads of the Valleys. IWA (2008) Futures for the Heads of the Valleys Page 1*

*"[In the Upper Valleys] we have economically unviable communities in which poor people congregate. Unless we bring jobs and skills to such places we are merely keeping places going on a minimum care." [IWA 2014](#)*

### **1.3 Reducing health barriers to growth**

In terms of their incapacity claimant rate, the five Heads of the Valleys authorities once occupied five of the six highest slots (out of more than 400 districts) across the whole of Great Britain (Futures of the Heads of the Valleys 2014). This "Incapacity Benefit Phenomenon" is also seen in other coalfield communities, which are now suffering a double jeopardy whereby the health of the older generation is affected by their former work and that of younger people is equally affected by poor employment and low expectations (Coalfield Regeneration Board, 2010).

However, the proportion of working aged residents claiming incapacity benefit (or employment support allowance, disability living allowance, or severe disablement allowance) in the Valleys region has reduced over time, from 14% of working age adults in 1999 to 10% in 2015. Some of this change may be due to welfare reform and a tightening of benefits eligibility criteria. Incapacity Benefit, Income Support (claimed because of a disability) and Severe Disablement Allowance have been replaced with ESA, and DLA is being replaced by Personal Independent Payment. Both of these new benefits have different assessment criteria which affect caseload numbers. The move from DLA to PIP, for example, was established by DWP to reduce the caseload by 20%. However, there has also been a concurrent increase in average life expectancy, and slight reduction in the proportion of residents describing their health as poor or fair (**Annex b**).



While many regeneration programmes have successfully got people into jobs, which evidence suggests is likely to be beneficial for their health, few of the programmes to date have health as an explicit focus of their activities. There have been a few exceptions, including the Valleys Regional Park, which worked to encourage people to get more active. There have also been several projects in the Valleys have provided intensive personalised employment support that, particularly in the DWP Pathfinder, Genesis Cymru Wales 2, Want to Work programme, and now in Communities for Work and Out of Work Service programmes, has been targeted at those who are economically inactive due to health reasons.

The evidence therefore suggests that there may have been some traction in tackling the 'Incapacity benefit phenomenon' in the Valleys region, and in reducing the health disparities between the region and the rest of Wales, although more evidence is needed. While some of this change may have been achieved through regeneration programmes, it is likely that the majority of the change will have been due to core provision of services (both devolved and non-devolved) and other factors.

## **1.4 Improving the natural and built environment**

*"Low levels of personal mobility combined with a relatively high percentage of home ownership (redundant miners often spent a large part of their 'redundancy money' paying off their mortgages), locks people into these localities. Their subsequent low incomes combine with the ongoing effects of the mining legacy to exert a downward pressure on the local environment and on the condition of the housing stock. Such environmental degradation and resulting downward pressure on rental values and rates of return deter speculative private sector developers from investing in such places"* Coalfields Regeneration, Joseph Rowntree 2000, page 18.

Over the last 50 years of regeneration programmes, and right from the beginning, most efforts have been directed towards improving the natural and built environment. Major programmes include:

- a) **Land reclamation** particularly in the 1960s-1980s, and with an undeniable impact on the environment.
- b) **Town centre regeneration** including work across the Valleys region between 2006 and 2014 in the Heads of the Valleys and Western Valleys Strategic Regeneration Areas; and now in 7 regeneration areas under Vibrant Viable Places (Bridgend; Merthyr Tydfil; Neath Port Talbot; Newport; Rhonda Cynon Taf; Swansea; Torfaen).
- c) **Arbed** - (£113m across Wales) which works with social housing providers to improve the energy efficiency of housing, whilst also working to boost local economies by using local businesses to manufacture, supply and install as many of the measures as possible, and provide training and employment opportunities for local workers.
- d) **Welsh Housing Quality Standard (WHQS)** – which across Wales represents a huge investment of up to £4 billion in bringing social housing up to the standard and an additional £4 billion to maintain it. The WHQS is also a vehicle through which to provide training and employment, increased levels of community participation, ownership and control of

housing, sustainable local employment, region-wide coordination and collaboration between delivery organisations.

- e) **Valleys Regional Park** programme that included 39 infrastructure and landscape projects, put a number of initiatives in place to reduce the levels of litter and fly tipping, trained 'community tourism ambassadors' and created 151 km of managed access to the countryside.

Regeneration programmes have made considerable progress on improving the natural environment, and continue to make progress on improving the built environment, but unfortunately there is little evidence available about the subsequent impact on the region's economy or other indicators of regeneration.

## 2. What has worked further afield?

### 2.1 Other coalfields

Many former coalfields are deprived, but five smaller coalfields – South Staffordshire, North Warwickshire, S Derbyshire/NW Leicestershire, Kent and Lothian – now appear less disadvantaged than the rest. In these coalfields the job growth in other sectors of the local economy had by 2008 been sufficient to offset all the coal job losses since 1981. This is perhaps partly because the absolute scale of the job loss was less than elsewhere and partly because these coalfields are more connected to their nearby cities, meaning residents in each of these areas have been able to benefit from jobs and growth in surrounding areas<sup>8</sup>.

By contrast, in the South Wales coalfield only half the coal jobs had been replaced by 2008. In part because of the greater initial dependency on mining, but also because it is Britain's only mountainous coalfield, and also much larger and less connected.

### 2.2 Other deprived areas in Europe

In 2012 the OECD examined 23 European regions to explore and understand the factors that underpin growth<sup>9</sup>. They concluded the following:

- Policy makers are right to be concerned with the performance of big regional hubs. These are the major drivers of growth.
- Nevertheless, the bulk of aggregate growth occurs outside these hubs, in poorer, less advanced areas or in rural areas. When growth outside the hub is greater, there is greater growth overall, greater equity, and fewer social problems.
- Less-developed regions with above average growth are those with greater **human capital** where a smaller proportion of the workforce has very low skills.
- Less-developed regions with above average growth also have slightly higher **infrastructure density**.

In summing up, they conclude that where an advanced region might prioritise R&D and innovation support, a less developed region might focus first on absorbing rather than developing new

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<sup>8</sup>Foden et al. (2014) *State of the Coalfields Report*, Sheffield Hallam University

<sup>9</sup>OECD (2012) *Promoting Growth in All Regions. Lessons from across the OECD*



technology, reducing the proportion of the workforce with very low skills and improving the business environment. However, they caution that regions will rarely be able to simply imitate others' success or follow a pre-defined formula: *"Ultimately there is no substitute for self-discovery"*.

It will be important to consider how other regions have taken forward the regeneration agenda. OECD Reviews of Regional Innovation have included a focus on the Basque Country. According to the OECD (2011): *"The Basque Country is world renowned for a successful industrial transformation, the urban regeneration of Bilbao, cultural distinctiveness, unique governance arrangements and high wealth levels. Over the last 30 years, the region has implemented its science, technology and innovation (STI) policy driven by a need to boost industrial competitiveness. The role of total factor productivity and innovation in driving growth was significant in the 1990s and declined in the early part of this decade, but appears to be on the rise again thanks in part to significant increases in public and private investment in innovation. The Basque Country has begun a transition from a model of incremental innovation in manufacturing to a model increasingly based on science and other forms of knowledge."*<sup>10</sup>

## **2.3 Regional Parks**

The Valleys Regional Park (VRP) emanated from the Green Valleys Initiative, with the concept of investing in natural and cultural resources in the region to catalyse the socio-economic regeneration. Great emphasis is placed on partnership working across statutory bodies in order to deliver changes in natural resource management, boost tourism, and encourage active lifestyles.

A regional park is a distinctive geographic area with natural, heritage or recreational interest. Unlike a national park, a regional park does not have statutory protection, and developments are subject to usual planning procedures. There are several in Europe, but the one that seems most akin to the Valleys region is the [Emscher Landschaftspark](#) (Landscape Park) in the Ruhr area of Germany. This has been in operation since 1989, co-ordinating regeneration activities across many partners. Further work would be needed to track down (and translate) any evaluations that have been done.

## **2.4 City regions**

A city region is a "network of urban communities, linked by functional economic and social ties to a hinterland". The main drivers behind the city region approach are to:

- Improve the planning system;
- Improve connectivity; and
- Drive investment.

Examples in the UK include those of Leeds, Manchester and Liverpool. The Welsh Government held a [City Regions Task and Finish Group](#) (2011-2012) with the objective of determining whether a city region approach appeared likely to deliver more jobs and greater prosperity in and for Wales than current approaches to economic development. This has led to establishment of the Swansea Bay area (2013) and the 'Cardiff Capital City-Region' (2014). A 'Great Western Cities' partnership between Cardiff, Newport and Bristol has also been established.

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<sup>10</sup> OECD Reviews of Regional Innovation: Basque Country, Spain 2011

In their final report, the City Regions Task and Finish Group noted “*an emerging international evidence base showing that a focus on medium-sized cities and their hinterlands may be better for equity, growth and efficiency than the growth strategy emphasised over the last few decades focusing on the big capitals of commerce.*”

There has been evidence through findings from the Institute of Public Policy Research (IPPR) North in relation to the Northern Powerhouse in England, on the impact of smaller and medium sized towns and cities to grow the regional economy. It argues that agglomeration has its limits and there is a great risk that the concern to drive growth in city centres overlooks the interdependence that exists between cities and the smaller towns and rural areas further afield. In the Northern Powerhouse in England, IPPR North has shown that the fastest growing areas are actually Warrington and Cumbria, not Greater Manchester, Liverpool or Leeds. Recommendations place the need to consider the development of a more coherent and comprehensive regional economy strategy, which plays to the strengths of small and medium towns and cities. This impact on economies outside of city hubs could play an important dynamic with the geography and the focus of work across the valleys.

## **2.5 Other models**

There are other models of approaches to regeneration that could also be explored. Some areas have appointed mayors to work across several Councils to lead on regeneration efforts. One example is London, where the mayor heads the London Assembly and works across London Borough Councils to bring a more strategic approach to regeneration, with significant regeneration funds at their disposal. The Mayor of Greater Manchester is another example.

From 2017 there are expected to be directly elected mayors for the Liverpool City Region, the North East, the Sheffield City Region, Tees Valley, the West Midlands and the North Midlands as part of the devolution deals allowed by the Cities and Local Government Devolution Act 2016.

Another model is the Regeneration Corporation approach employed in the London Docklands, Newport (Newport Regeneration Company), Manchester, Birmingham and Cardiff Bay. These corporations take over quite sweeping powers from Local Authorities and are provided with significant funding from Central Government. The lack of democratic accountability would be a consideration here, as would the fact that most examples of Regeneration Corporations come from heavily urbanised areas.

### 3. Lessons learned: Best practice in regeneration projects

*This section looks at for best practice in regeneration projects based on ‘lessons learned’ and recommendations from some of the main place-based regeneration programmes in the Valleys region (listed in Annex 2).*

#### 3.1 Good practice around partnership working

*“There has been a myriad of individual regeneration initiatives, but these have frequently not been joined up. Certainly, there is a lack of appreciation of the importance of recognising the required integration of strategies, policies, programmes and projects via hierarchical/ vertical and horizontal connections”* Centre for Regeneration Excellence (2011) [Analytical Timeline](#) for the Welsh Assembly Government’s National Regeneration Panel

- **Invest considerable time and effort developing partnership working and integration across delivery bodies:** Many evaluation reports stress the benefits and importance of partnership working across ‘delivery silos’. For example, partners in the DWP City Strategy Pathfinder project to tackle worklessness reported benefiting from understanding the aims, perspectives and ambitions of the partners in other policy areas such as skills, health, housing and transport, and from the subsequent joined-up working. Working at a larger scale, the Valleys Regional Park evaluation and future options study emphasised the central importance to the success of the project working in partnership across 40+ delivery bodies, including Welsh Government, Natural Resources Wales, Local authorities, third sector bodies and the private sector. The VRP report highlighted Torfaen as having a particularly good collaborative approach. Similarly, the partnership working and subsequent programme bending is central to the Communities First programme that has is delivered by multiple partners in each of the 53 cluster areas.

Collaborative working between delivery partners often takes place in a complex landscape where there is a lack of co-ordination in the provision and planning of services, with confused points of contact for residents (for example, over employability support) (DWP City Strategy Pathfinders), but partnership working can help simplify this landscape, for both delivery partners and for their clients. There can often be difficulties in working across boundaries of Local Authorities, National Parks etc. in terms of focus and commitment. This can also offer an opportunity for joint working (VRP Future Options Study)

The Valleys Regional Park report on Future options for VRP noted that the considerable challenge of collaboration and working in partnership, despite the desire and need to do so, should not be underestimated and a strong, transparent governance structure is vital to support and enable that. Having explored governance arrangements in similar initiatives across the UK and assessed the options, they recommended that the future VRP should be the outcome of a strong binding agreement between partners overseen by an executive partnership board with clear links to Local Service Boards, social housing sectors and planning teams, and the City Region Boards.

- **Managing expectations from the outset**, especially with regard to the extent of autonomy and the scope of any enabling measures;(DWP City Strategy Pathfinders, Western Valleys SRA final report)
- **The third sector often plays a vital role, particularly in engaging with local communities.** In the Western Valleys SRA, the role of the third sector was key to local engagement (Western Valleys SRA final report). However, reviewers also note that community involvement is not at all straightforward. While initiatives claim that they are community controlled and led, and aim to be self-sustainable, this is not always the case. Furthermore, the concept of ‘community control’ is far from unambiguous – who in a ‘community’ controls what, for whom?
- **Finding a way to work effectively with employers can be vital** but difficult to achieve. DWP City Strategy Pathfinders to tackle worklessness found getting employers actively involved in their project was beneficial in focusing greater attention on employer needs and labour demand issues more generally. The evaluation emphasised the importance at looking at the role of demand as well as supply in tackling worklessness.
- **Plan carefully how to work effectively in partnership with the health sector.** Partnership working with health agencies is harder than with other statutory agencies like housing associations, education and local authorities (Communities First process evaluation 2015). WCVA are working to develop Health seminars for Communities First to foster these relationships (although this is with third sector health organisations, not the NHS or Local Health Boards).

### **3.2 Good practice that enhances local delivery**

- **Find the right balance between having a strong national programme design and direction and having local flexibility for delivery:** When using local (bottom up) delivery it is important to have a clear overarching national programme design in order to make sure that delivery on the ground has a high degree of fidelity to the programme objectives (CF process evaluation 2015; VRP future options study). The Public Accounts Committee strongly recommended to Phase 1 of Communities First (PAC report 2010) that there needed to be more top-down direction and guidance to local authorities and other providers in order to facilitate bottom-up regeneration. They argued that Local Service Boards could play a key role.

Good practice for setting a strong overarching framework is evolving under CF (Outcomes Framework) and has been proposed in future options for Valleys Regional Park (Future Options Study) which even goes as far as to suggest that delivery partners sign binding partnership agreements.

The downside to a heavy top-down approach however is that it can make it more difficult to get genuine engagement with local delivery partners in the design of local delivery. Too much ‘command and control’ can result in a complete failure to connect with the people the programme is trying to help. There needs to be some form of distributed leadership “*where power is shared with the people who don’t currently have it*” rather than trying to “*cure*” problems (IWA 2010). Build in sufficient flexibility so delivery partners can genuinely gain some power and ownership to design and deliver in a way that will meet local needs and opportunities.

- **Commit resources at the beginning of the project to build community capacity.** Getting good quality project proposals from the local community is not easy. Time is needed to establish partnerships, develop trust, create a sense of purpose and build the capacity of local groups before they are able to access the grant funding. This needs quite intensive staff resources at the beginning. Communities First has been cited as a good example of improving local capacity to access funding, although there is also experience in local authorities with the Communities Facility Grant (PAC 2010 report on Communities First, CFAP evaluation, Barry SRA Final Report).

Work is also needed to ensure bidders have clarity on the aims and objectives of the overall programme (VRP Future Options Study and Communities First interim evaluation). Project sponsors can often submit applications for projects with defined geographical priorities rather than seeking to develop more strategic, concerted initiatives. Some of the funded projects are also not bold enough in scale or ambition, or there may be an element of political allocation of resources and funding rather than targeting opportunities where the impact would be greater in terms of achieving the desired aims.

- **Set up and resource a strong central programme team:** Having a strong central dedicated programme team is very important, not only to facilitate the partnership working, leverage additional funding and coordinate the accounting and monitoring activity, but also to communicate effectively to local fora or boards, provide them with the appropriate governance structures that spell out the degree of their autonomy e.g. over flexible budgetary decisions, clarify their key roles, and more generally to nurture and support bottom-up regeneration (CF process evaluation 2015).
- **Discretionary funding** can play an important role in helping partnerships to provide services to address local needs, particularly for projects tackling worklessness (DWP City Strategy Pathfinders).
- **Skill sets at the local delivery / decision making level are critical**, in order to develop good plans, facilitate programme bending, and monitor progress and impacts. The approach to **delivering training** taken by WG and delivery partners such as WCVA has benefited the Community First programme (CF process evaluation 2015). This is a model involving a combination of cascading support through workshops but also one-on-one sessions and follow-up consultations.

### **3.3 Good practice for increasing the size and impact**

- **Keep strong connections between the policy environment and the programme** (DWP City Strategy Pathfinders evaluation, and Barry SRA final report). Central government can play a helpful role by participating in ongoing debates and deliver guidance on key and complex issues that are important for enhancing partnership working (DWP City Strategy Pathfinders; CREW Report recommendations). The Valleys Regional Park Future Options Study emphasised the importance of maintaining a firm link with Welsh Government and Natural Resources Wales to ensure that policy linkages are maintained through the course of the programme. The report argued that [a future Valleys Regional Park] should be integrated where appropriate with the Metro development and associated land use opportunities in the Cardiff Capital Region, and support urban and housing regeneration such as that proposed in the Vibrant and Viable Places strategy.

- **Encourage programme bending by giving strong signals to public services providers.** Programme bending ensures that money and support from various public programmes and services (delivered by other statutory bodies, including Welsh Government itself) can be directed towards the regeneration project. The PAC did not believe that this was happening sufficiently in Phase 1 of Communities First (PAC 2010 report on Communities First), reducing the impact of the programme, but also meaning that communities / local delivery fora could have no real influence over the delivery of services and other programmes in their area. The PAC recommended that the Welsh Government strengthen its approach to encourage such activity. Communities First now have good practice in delivering this, for example through the Pupil Deprivation Grant – Communities First matched fund. The PAC also suggested that programmes should reduce funding to local authorities if they are not able to demonstrate that they have bent their own programmes to the regeneration programme in their area.

Note however that the WLGA cautioned that too much emphasis on programme bending could lead to the regeneration project itself becoming too inwardly focused (PAC 2010 report on Communities First).

- **Look for a mixed portfolio of funding:** The Valley Regional Park Future Options recommended that regeneration projects should look for a mixed portfolio of funding, including for example, ERDF, ESF, and RDP, with additional EU funding options of INTERREG, LIFE, Horizon 2020, and ERASMUS+ programmes as well as other Welsh and UK domestic funding routes, such the HLF Landscape Partnership, the Welsh Government's Nature Fund, private sector investment, potential collaborative funding opportunities with the NHS and Local Health Boards, potential revenue from business rates arising from renewable energy developments, and crowd funding. Initiatives could be funded through 'revolving door' repayable investments. Physical regeneration projects have considerable experience of drawing in private sector investment.

### **3.4 Good practice for town centre regeneration and house improvement projects**

- **Be realistic about investment probabilities.** Commercial retail investment is becoming increasingly polarised towards major / sub-regional towns, with the traditional district centres having an uncertain future. In devising a vision for town centres, partners must be realistic about the commercial development and investment (Miller 2012).
- **When carefully planned, physical improvement projects can help to develop supply chains and local skills and employment.** The Arbed Programme is a good practice example, using local businesses to manufacture, supply and install as many of the energy efficiency measures as possible, and provide training and employment opportunities for local workers.
- **Physical regeneration projects need to be complimented by marketing and awareness-raising** in order to advertise success and boost tourism (*Barry SRA Final Report; Miller 2012 evaluation of Town Centre Regeneration, Valleys Regional Park evaluation*).
- **Spend more time on preparatory work** before developing a shared town vision, strategy and action plan that appreciates the relationship between a town and its neighbours, and charts a



realistic 'town trajectory' (with realistic investment plans) to take the town beyond its 'tipping point' (Miller 2012 evaluation of Town Centre Regeneration<sup>11</sup>).

- **Broaden town centre regeneration projects** to include broader approaches such as enterprise support, skills development or other capacity building in the business community (Miller report 2012). Gather a richer and more holistic set of baseline and monitoring data that covers not just footfall and vacancies but also community, cultural, enterprise and well-being indicators. Note though that it is the physical regeneration projects that are the ones that tend to be the most visible, recognised and highly rated by stakeholders.
- **Work with other town centre regeneration projects** and other key partners in a region to develop area-wide regeneration frameworks that coordinate with the town centre regeneration. Work as an active partner in other town centre projects in order to share best practice and specialist advice (such as land acquisition) and to develop a consistent monitoring framework to enable comparison between towns (Miller report 2012).
- **Be creative about finding viable new and transitional uses for empty premises** through the flexible application of business rates, transitional uses for empty shops (Miller report 2012)

### 3.5 Good practice around programme processes

- **Carefully design the monitoring framework.** Monitoring frameworks and requirements for local delivery partners are difficult to get right. Phase 1 of Communities First was criticised by the Public Accounts Committee for not having strong enough output and outcome monitoring requirements for their projects, which meant that the programme was unable to demonstrate value for money. Communities First have since developed a consistent approach to monitoring their activities and impact, based on the Results Based Accountability methodology, although while this has strengths it is also not without weaknesses. It is all too easy for monitoring requirements to become overly burdensome for smaller project (requirements for European Funding being particularly onerous). Having a strong central programme team is important in helping projects to meet the requirements.

Monitoring frameworks can also easily unintentionally skew delivery. For example, pushing delivery teams to focus on easy targets in order to achieve the Green status on a Red/Amber/Green dashboard, rather than focusing on target that is most important for having a positive impact on people's lives (CF Process Evaluation 2015).

- **Ensure you establish an initial baseline** against which to monitor progress and measure impact on what is important (Western Valleys SRA final report) – Communities First have good practice in providing baseline information to their clusters. Plan for Value for Money and SROI assessments up front.
- **The project approval process needs to be clear** (Western Valleys SRA final report), and easy to use by the applicants. **The Vibrant and Viable Places TRI Process Evaluation** Report has many useful findings that can inform the development of the grant application process. For small grants, ensure that the monitoring and amount of paperwork doesn't become disproportionate to the level of funding (VRP Future Options Study). The Communities

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<sup>11</sup>Miller (2012) *Evaluation of Current Practice in Relation to Town Centre Regeneration*

Facilities and Activities Grant was felt by recipients to have an excellent application process and support (CFAP evaluation) and may be an example of good practice.

- **Give realistic timeframes for spending or delivery of outcomes.** Initiatives to increase employment rates amongst those furthest from the labour market take time (3 years plus) to make a difference given the scale of the challenges to be addressed (DWP City Strategy Pathfinders evaluation). Initiatives that focus on physical regeneration projects need a decent start-up time so they can strategically plan their approach. It is not easy to spend large budgets in the first year - avoid “spend it or lose it” requirements in financial years (Barry SRA final report).

## Lessons learned

*“Despite the significant investment in physical remediation, the socio-economic legacy of decline in the south Wales Valleys was little remedied”*

Cardiff University (2014) p. 8 in introduction to The Valleys Regional Park Phase 1 Evaluation

*“The long-term future of the Valleys, it is argued, lies in a combination of commuting to Cardiff and local overspill of jobs... In essence, the Valleys will become a dormitory suburb. This theory is not unique to south Wales. It can be heard in other parts of Britain as well where the fashion is equally for promoting growth in the ‘core cities’ and trusting that the rest of the regions will follow behind. One of the key stumbling blocks is simply one of scale... Cardiff is a surprisingly small city to support a very large hinterland.”*

IWA (2008) *Futures of the Valleys* p. 8

- There has been improvement in all of the four “intractable problems” that are a brake on economic regeneration of the Valleys. Skills levels are improving; health barriers are reducing; there is increasing connectedness to nearby cities and the natural and built environment has been considerably improved. Some of this improvement is likely to be attributable to regeneration programmes, but there is not enough evidence available to determine how much. In addition, whilst there good evidence of progress in some areas, there is much less evidence that gaps between the region and the rest of Wales and the UK are closing. In terms of relative poverty, it is the gaps that matter more than the absolute position. In the case of household income those gaps appear to be still widening.
- Our core public services around skills, transport and business are very likely to have had far more impact on macro-economic regeneration of the region than what we have up to now labelled as ‘regeneration programmes’. This is mainly because of the relative sizes of the funding pots, but partly because our place-based regeneration programmes have not incorporated transport and skills as the central focus of their activities.
- There is evidence that increasing the skills of the most poorly qualified is likely to be a good long-term strategy to boost the economy of the region. This would imply a policy focus on early years education and employability skills of adults, which could be built into our place-based regeneration programmes.
- Evidence suggests that city regions may also be part of the answer: Cardiff, Swansea, Newport and perhaps Merthyr Tydfil to the north. Incorporating transport policy into place-based regeneration programmes is vital.

- Community initiatives and town centre regeneration should build into the overall plans.

*“Locally-based community initiatives cannot substitute for top-down policies to attract inward investment and jobs, and to improve infrastructure, but such policies can be constructed and implemented in ways that help rather than hinder community initiatives. Local initiatives can help create valuable forms of socially-useful work. As such, they can enhance the quality of life of people in deprived places. However, in no sense should the jobs that they provide be seen as a replacement for well-paid jobs provided in the formal sector of the economy. The issue is how these various forms of work and employment might be best combined to help meet social needs in particular places”*  
Joseph Rowntree Foundation (2000) p. 43.

# Annex 1. Indicators of regeneration in the South Wales

**Coalfield** compared to other coalfields, and to GB and Wales as a whole (from [State of the Coalfields Report](#), Sheffield Hallam University 2014)

Indicators of regeneration	S. Wales Coalfield	All GB coalfields	Durham coalfield	Yorkshire coalfield	All of GB	All of Wales
Population growth 2001-2011	3.2%	3.5%	-0.1%	2.8%	7.5%	5.5%
Average life expectancy of males at birth (2008-2010)	76	77	77	77	78	78
Long term health problem: day to day activities limited a lot (2011)	<b>9.8%</b>	7.6%	8.6%	7.4%	5.6%	7.6%
DLA claimant rate amongst 15-59 age group (2013)	<b>7.6%</b>	6.1%	6.1%	5.6%	4.6%	6.2%
Change in employment 2008-2012	<b>-3.9%</b>	-2.5%	-0.3%	-2.3%	-1.0%	-1.4%
Job density(# per 100 working age residents)	<b>41</b>	50	58	55	67	61
VAT or PAYE registered businesses per 10k residents (2012)	<b>208</b>	256	220	251	377	287
New VAT or PAYE registrations per 10k residents (2012)	<b>21</b>	27	24	28	43	27
Employment rate (16-64 excluding students) 2011	<b>65.7%</b>	69.6%	68.0%	70.3%	71.0%*	68.0%
Median hourly earnings of males (GB=100) (2012)	88	92	89	88	100	90
Median hourly earnings of females (GB=100)(2012)	93	93	96	86	100	92
% workforce Managers & professional (2011)	21%	21%	21%	22%	28%	25%
% workforce Other white collar (2011)	22%	22%	23%	21%	24%	22%
% workforce Skilled manual (2011)	13%	13%	12%	13%	12%	14%
% workforce Other manual (2011)	44%	44%	43%	44%	36%	40%
% of 16-64 age with no qualifications	<b>23%</b>	18%*	19%	21%	15%*	18%
% pupils achieving 5 or more A*-C grades 2012	<b>76%</b>	83%*	90%	84%	83%*	78%
% working age claiming JSA 2013/14	3.9%	3.7%	4.4%	3.9%	3.0%	3.5%
% working age claiming IB/SDA/ESA 2013/14	<b>11.2%</b>	8.4%	9.1%	7.8%	6.2%	8.4%
% working age claiming all out of work benefits 2013/14	<b>17.1%</b>	14.1%	15.8%	13.6%	10.9%	13.6%
% working age ILO unemployment 2012/13	7.5%	6.9%	8.1%	8.0%	6.1%	6.1%
% working age 'real' unemployment 2012	<b>13.9%</b>	10.1%	11.4%	11.5%	8.8%	10.3%
Percentage point change in all out of work benefits claimant rate 2008-2013/14	<b>-1.9 pp</b>	-0.69 pp	-0.8 pp	0.0 pp	-0.1 pp	-0.9 pp
Youth unemployment 16-24 (2011)	14.5%	14.3%	15.6%	14.5%	12.2%	12.1%
Pension Credit claimant rate 2013	29.6%	27.2%	32.0%	26.4%	23.6%	25.7%
Estimated impact of welfare reform (£ lost pa for working age)	<b>£670</b>	£550	£590	£580	£470	
% households owner occupiers 2011	70%	67%	64%	67%	64%	68%
% households social rented 2011	17%	21%	25%	20%	18%	17%
% households private rented 2011	13%	13%	12%	13%	18%	16%
% LSOAs in most deprived 30% in UK	<b>54%</b>	43%	51%	42%	30%	34%

\*England & Wales not GB

## Annex 2– Timeline of some of the main place-based regeneration programmes and initiatives in the Valleys<sup>12</sup>

Hyperlinks to evaluation reports are included where these have been reviewed for this paper – others may be available, but have not yet been reviewed.

*Note that mostly these are area-based regeneration activities, and the list does not include many of the Wales-wide initiatives that will have also helped to stimulate regeneration in the Valleys (particularly related to increasing skills development, innovation and business efficiencies).*

1913	<i>Peak employment and production in the Welsh mining industry: 232,800 employed producing 56 million tonnes.</i>
1947	<i>Employment in mining industry drops to 144,930 (at 214 collieries)<sup>13</sup></i>
1960	<i>Employment in mining industry drops to 83,400 (at 127 collieries)</i>
1966 – 1975	The <b>Derelict Land Unit</b> of the Welsh Office invests £24m to regenerate 7,600 acres of land by removing mining infrastructure, capping mines and seeding 500 million tons of colliery spoils.
1970	<i>Employment in mining industry drops to 38,000 (at 52 collieries)</i>
1976 - 1978	The Welsh Development Agency (WDA) takes over the role of <b>land reclamation</b> and launches £246 programme to reclaim a further 4,000 acres.
1980	<i>Employment in mining industry drops to 25,328 (at 35 collieries)</i>
1986	The Welsh Office's Community Investment: An Initiative for the Valleys focuses <b>environmental improvements</b> to encourage private investment in the Valleys area.
1987 – 1994	The <b>WDA's Urban Renewal Unit</b> focuses on seven 'needy' areas, working through public/private partnerships to undertake property-based regeneration. In 1991 this was reconstituted as the Urban Development Programme and was extended to 30 locations within Wales before its demise in 1994.
1987 – 2001	Cardiff Bay Development Corporation.
1988 – 1995	Welsh Office implements its <b>Programme for the Valleys</b> , totalling over £770 million supplemented by some £700m of private sector investment. The programme involved a partnership approach to delivery and covered education and training, physical infrastructure, tourism, health and housing (although CREW says it concentrated largely on derelict land clearance and industrial and commercial space provision). It created or safeguarded some 24,000 jobs, created 2.6 million square feet of new industrial floor space, clearing over 2,000 acres of derelict land, and improving over 7,000 homes. David Hunt later added a new element, when, in the year of the Garden Festival, he launched Valleys Live under the auspices of the South East Wales Arts Association in order to stimulate a very wide range of cultural and artistic activities in the valleys.
1990	<i>Employment in mining industry drops to 1,200 (at 3 collieries)</i>
1990 – now	The introduction of the Groundwork Programme in Wales.
1992	The Ebbw Vale Garden Festival.
1994	<i>Last colliery closes</i>
1998	<b>Greening the Valleys</b> initiative, a partnership of public, private and voluntary organisations, which offered "a new environmental vision" for the valleys, based

<sup>12</sup> Adapted from <http://www.regenwales.org/upload/pdf/110612105518Regeneration%20in%20Wales%20-%20An%20Analytical%20Timeline.pdf>

<sup>13</sup> Mining employment in the South Wales Coalfield 1947-1994 (from *Coalfields regeneration: Dealing with the consequences of industrial decline*, Bennett et al (2000) Joseph Rowntree Foundation)

upon the priorities of working with nature and people; conserving local identity and committing to design innovation.

- 2000 – 2006 **European Structural Funds Programmes:** Objective 1, 2 and 3 Areas, and a Rural Development Plan Area all with associated funding regimes, including £1.4 billion 2000-06 to West Wales and the Valleys: [Synthesis report: impact of the 2000-2006 Structural Funds in Wales.](#)
- 2000 – 2006 **All Wales area-based community regeneration programme**, run by the WDA in partnership with other agencies
- 2001 – 2016 **Communities First Programme**, initially in 142 small areas across Wales. Each area with a CF partnership board made up of representatives from the local community, local authority and other statutory agencies. Partnerships undertook community capacity building and then to identify needs within their areas and formulate plans to meet those needs. The programme was redesigned in 2012 to have 52 cluster areas and to deliver against a nationally consistent Outcomes Framework aligned to the principle of Results Based Accountability. The programme was examined by the [Public Accounts Committee](#) in 2010 and a [process evaluation](#) (2012-2015) completed in 2015.
- 2002-2011 - **Five Counties Regeneration Framework** jointly developed by the councils in Torfaen, Caerphilly, Blaenau Gwent, Monmouth and Newport, the WDA, Education and Learning Wales (ELWa) and supported by the Welsh Assembly Government. It set out a 10 year plan to achieve economic growth and regeneration based on four principles:
- Create a sustainable knowledge-based economy;
  - Establish an integrated and well connected sub-region;
  - Build a lifelong learning culture; and
  - Re-establish our towns as centres of economic activity.
- 2002 – now **Community Facilities and Activities Programme (CFAP)** – now re-launched as the Communities Facilities Programme, with a greater emphasis projects to help in tackling poverty.
- 2002 – now Introduction of the **Wales Housing Quality Standard** that aims to improve the housing stock of social housing (with all social housing meeting WHQS by 2020). An estimated £4 billion investment is needed to bring housing up to standard; the initiative is also a vehicle through which to provide training and employment, increased levels of community participation, ownership and control of housing, sustainable local employment, region-wide coordination and collaboration between delivery organisations.
- 2003 – 2008 **Cymorth:** Children and Youth Support Fund (subsuming previous programmes such as Sure Stat, Youth Access Initiative). £235m over 5 years was delivered through local authorities to provide a network of targeted support to children and young people aged under 25.
- 2003 Newport Regeneration Company comes into being
- 2004 **Wales Spatial Plan.** People, Places and Future Prosperity, the overarching framework and integration tool for Wales, underpinning economic development, skills development, regeneration, strategic capital investment, meeting affordable housing needs. The priorities for the Capital Region included developing a networked city region with a high quality transport system, and emphasis on the knowledge economy and lifelong learning, creative industries, green industries and tourism, and on developing affordable housing. Fourteen key settlements were identified as Aberdare, Abergavenny, Barry, Blackwood, Bridgend, Caerphilly,

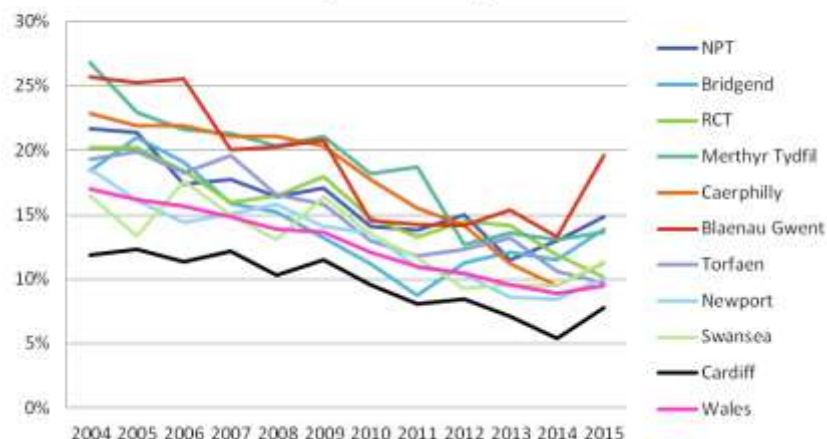


	Cardiff, Chepstow, Cwmbran/Pontypool, Ebbw Vale, Llantrisant, Merthyr Tydfil, Newport and Pontypridd.
2006	Wales Tourist Board, ELWa and the WDA are merged with Welsh Government.
2006 – 2014	£140m <b>Heads of the Valleys Strategic Regeneration Area</b> ( <i>Turning Heads Programme</i> ) ( <a href="#">Internal report</a> / <a href="#">published material</a> ) involving a holistic approach to regeneration, using a partnership approach, focusing on economic inactivity, education and skills, health, image, connectivity, and environment. It funded several hundred individual projects.
2006 – 2008	Introduction of a Business Improvement Programme in Objective 1 areas of Wales to boost turnover of smaller firms - “Inspiring Success – from Good to Great”
2007- 2013	<b>Second round of the European Structural Funds</b> , spent on 290 projects in Wales in Convergence area (West Wales and Valleys, £3.5 billion including match funding,) and Competitiveness area (East Wales, £280m). The ERDF Programme focused on investing in the knowledge economy, helping new and existing businesses to grow, tackling climate change and improving transport. It also seeks to regenerate Wales’ most deprived communities, tackle climate change and improve transport. The ESF focused on tackling economic inactivity, increasing skills and boosting employment. <a href="#">Synthesis report</a> / <a href="#">Impact on Enterprise</a> / <a href="#">Impact on Skills</a> .
2007	Introduction of the <b>Flying Start</b> initiative.
2008	Introduction of the £70m Genesis Wales 2 initiative to help 20,000 people overcome a range of barriers that prevent them from entering the workforce or training
2009-2014	<b>The Valleys Regional Park</b> (VRP) ERDF programme aims to promote socio-economic regeneration through investment in a high-quality network of green spaces and heritage assets, thereby developing tourism and encouraging healthy lifestyles. It has involved 39 infrastructure and landscape projects, events and interpretation projects, creation of managed access to the countryside, training in Community Tourism, direct creation of jobs in visitor centres, and employment on construction sites. Additionally there was a ‘Heart & Soul’ marketing and promotion campaign, and an Interreg IV WECAN project focusing on the socio-economic benefits of green infrastructure. <a href="#">Phase 1 evaluation</a> / <a href="#">Future Options study</a> .
2009–2014	£67m <b>Western Valleys Strategic Regeneration Area</b> programme ( <a href="#">internal report</a> / <a href="#">published material</a> ), with a partnership board and local fora in each of the 8 valleys. The objective was holistic investment in people and place under six themes: town centres, employment sites, environmental improvements, tourism attractions, valley area regeneration, and sub-regional plans. A portfolio of 243 projects was delivered. Town centres were the major recipient of funding (£26m) as well as employment projects (£16m).
2009 – now	<b>Arbed Programme</b> (£113m) working with social housing providers to make communities in deprived areas of Wales more energy efficient through retrofitting and installation of renewable energy technologies. Emphasis also on boosting local economies by using local businesses to manufacture, supply and install as many of the measures as possible, and provide training and employment opportunities for local workers.
2009	The introduction of a Regeneration Investment Fund for Wales.
2009 – 2011	DWP <a href="#">City Strategy Pathfinder in Heads of the Valleys</a> (with funding from their Discretionary Assistance Fund) to combat enduring pockets of entrenched worklessness by empowering local institutions to come together in partnerships.
2009 – now	Establishment of the Centre for Regeneration Excellence Wales.

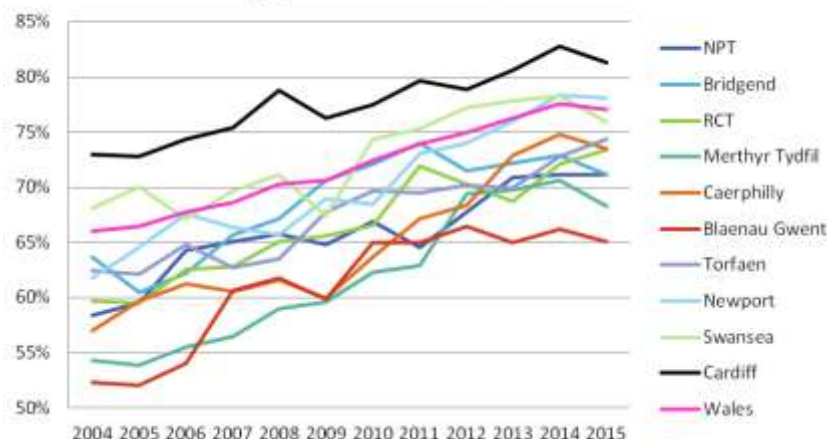
- 2010 –2014    £9.8m **Barry Strategic Regeneration Area** programme ([internal report](#) / [published material](#)), with a partnership board and agreed Themes and Priorities for regeneration (Two objectives: supporting the development of Barry as an attractive place to live; supporting the development of Barry Island as a destination for activity-based day trips). This was primarily a capital programme
- 2012 – now    **Pupil Deprivation Grant** introduced to raise the educational attainment of children and young people from deprived backgrounds. Early Years Pupil Deprivation Grant added in 2015.
- 2013 - now    **Vibrant and viable places regeneration framework**, with six investment programmes including the [Targeted Regeneration Investment](#) that is providing £100m over 3 years for 11 town centres, Communities First areas, or coastal areas (including Rhondda Cynnon Taf and Merthyr Tydfil) and additional (smaller) Tackling Poverty Fund, Town Centre Partnership Fund and Town Centre Loans Fund.
- 2014 – 2020 - Start of the **European Structural Funds 2014-2020 programmes**, with £1.8 billion in European funding, including the ESF worth £594.3m in West Wales and the Valleys. Projects under ESF Priority 1 – Tackling Poverty Through Sustainable Employment – include ReACT III, Communities4Work, Healthy Working Wale (Out of Work Service) and PaCE. Projects under ESF Priority 2 (Skills for Growth) and Priority 3 (Youth Employment and Attainment) include Essential Skills for Working Adults, Jobs Growth Wales 2, Traineeships, Inspire2Achieve.
- 2015 - 2020    Launch of **Communities 4 Work**.

## Annex 3.Changes over time in skills levels in the Valleys local authorities (published data on StatsWales. [Skills data](#) and [Education data](#))

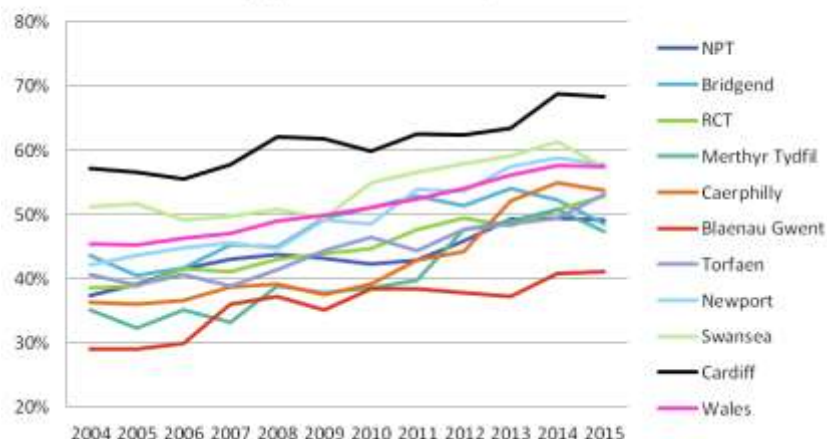
**% Working age adults (minus those in FT education) with no qualifications**



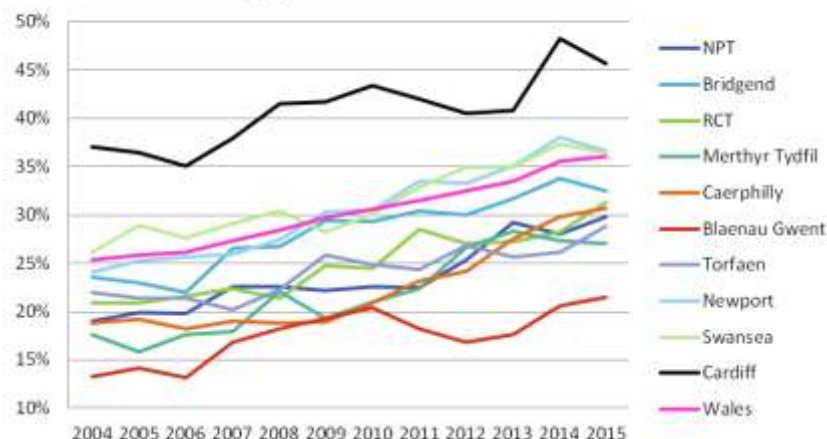
**% Working age adults (minus those in FT education) qualified to NQF Level 2 or above**



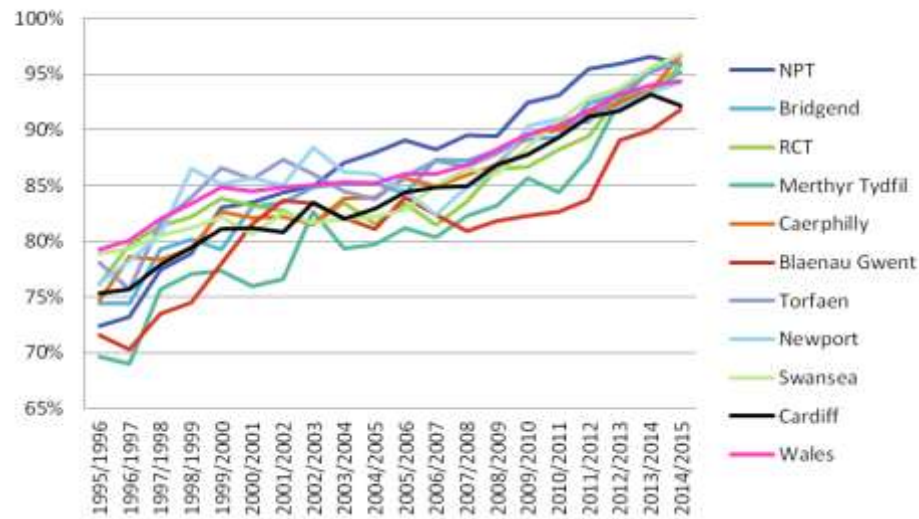
**% Working age adults (minus those in FT education) qualified to NQF Level 3 or above**



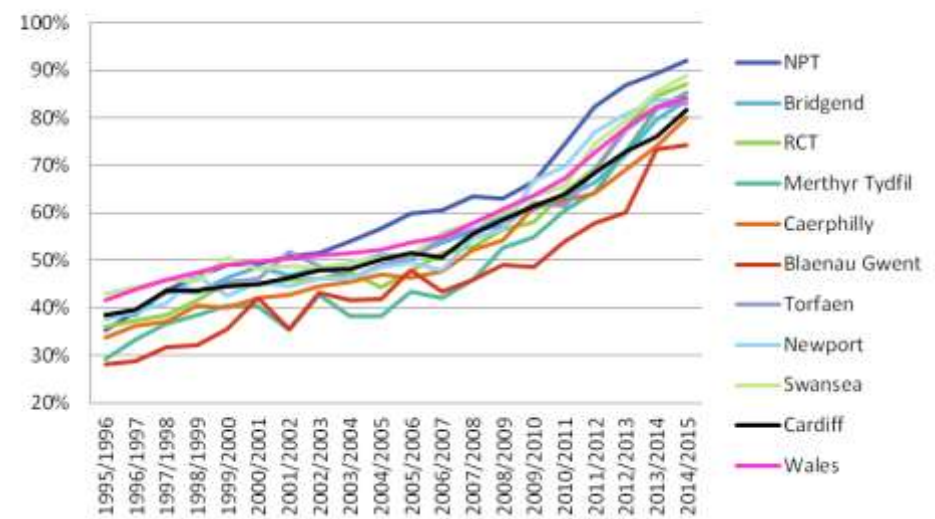
**% Working age adults (minus those in FT education) qualified to NQF Level 4 or above**



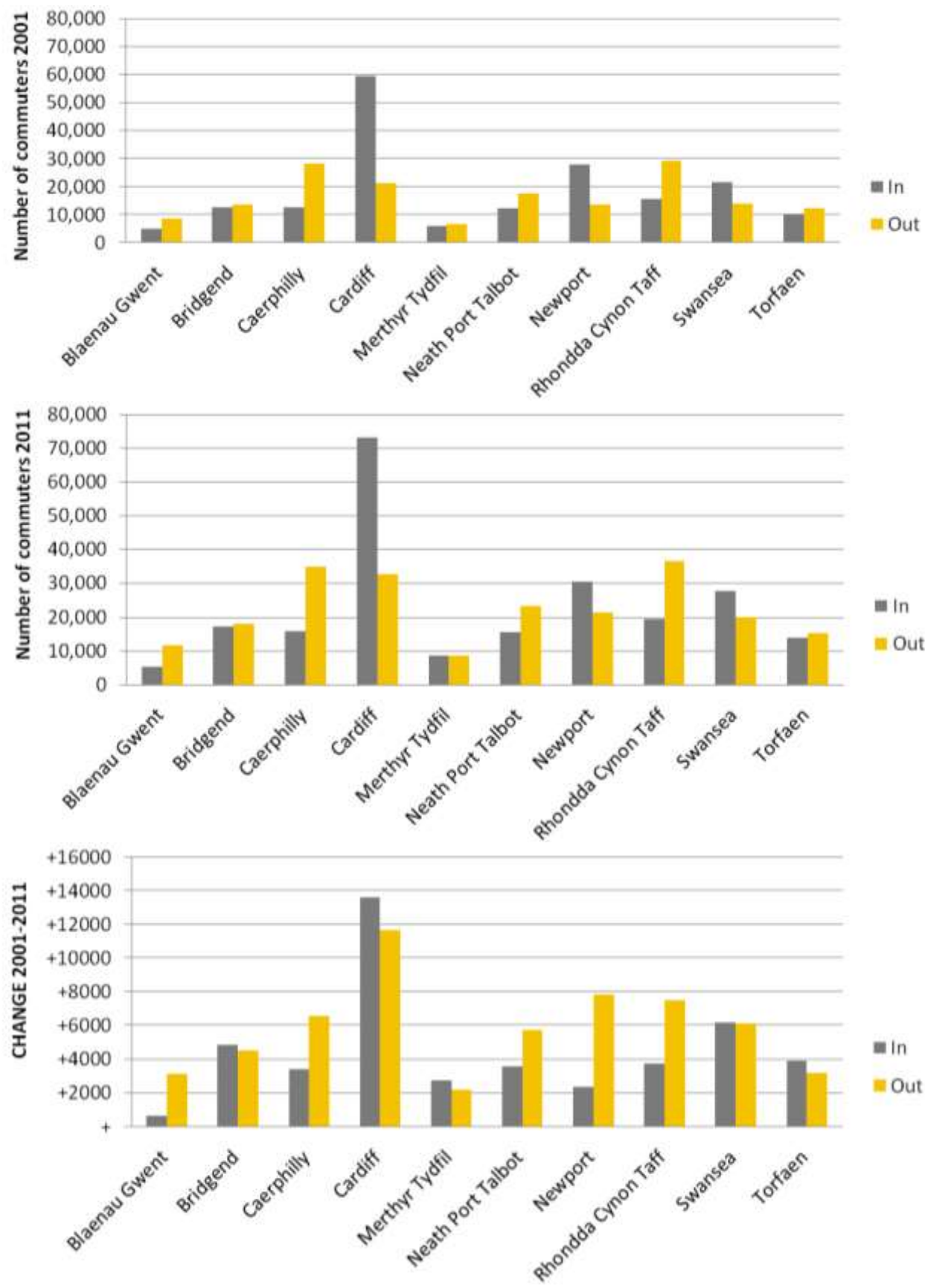
**% Pupils aged 15 achieving Level 1**



**% Pupils aged 15 achieving Level 2**

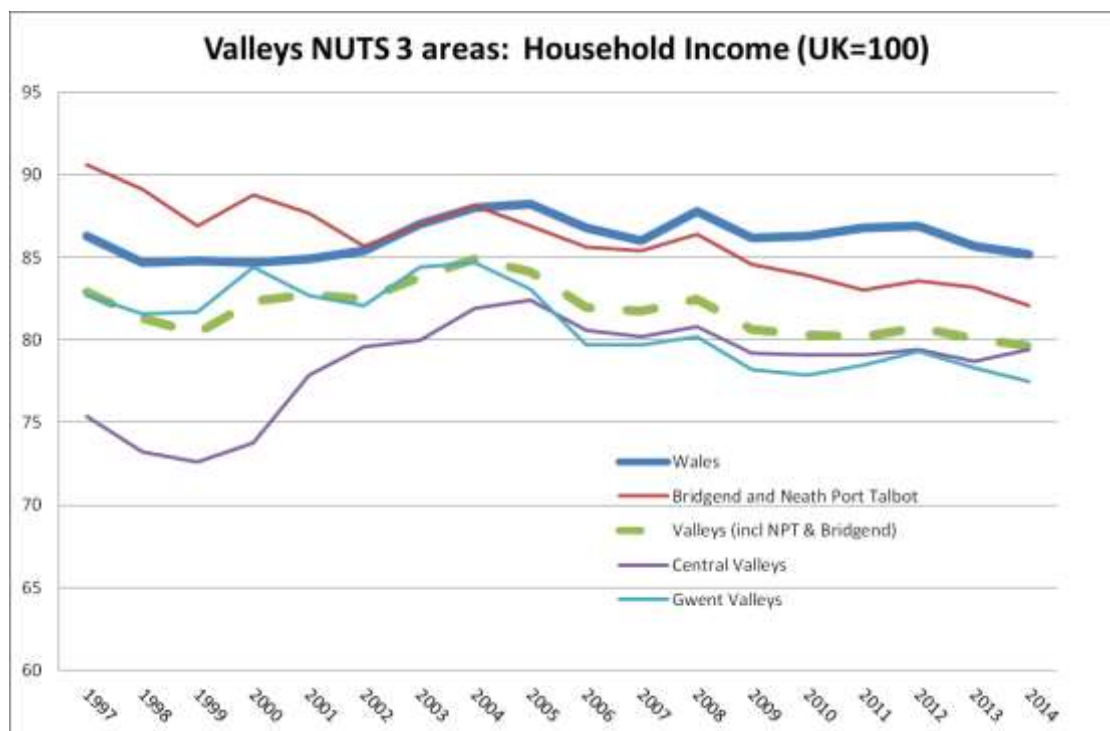


# Annex 4. Changes in levels of In / Out commuting between 2001 and 2011 in Valleys Region (sources – Census)





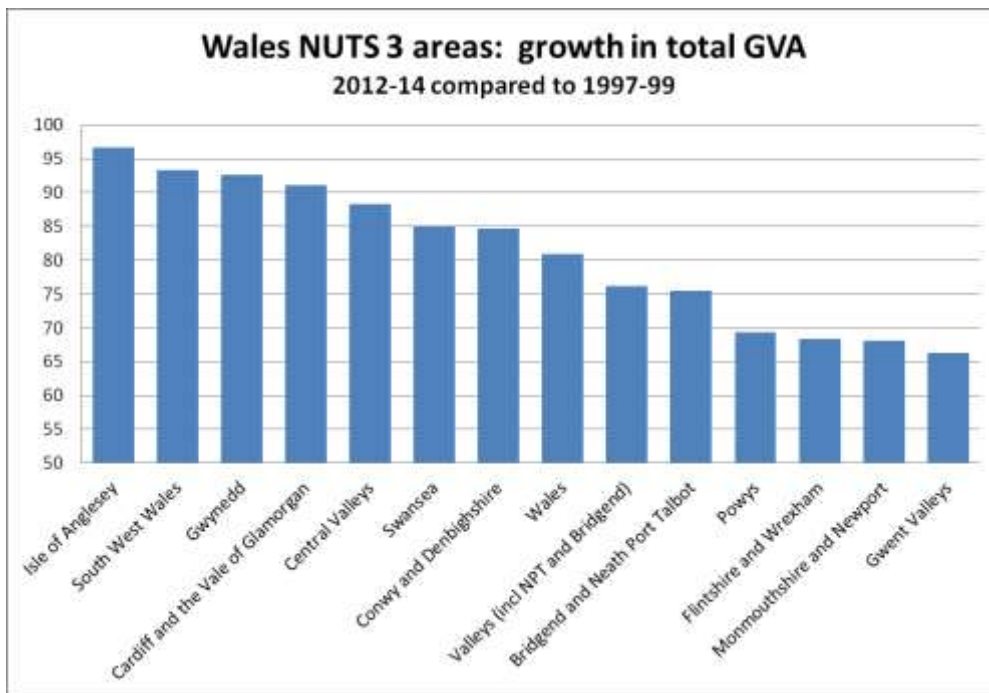
## Annex 5 Changes to Household Income and GVA in Valleys area (from Jonathan Price's paper on Economic Context, prepared summer 2016)



### Main messages:

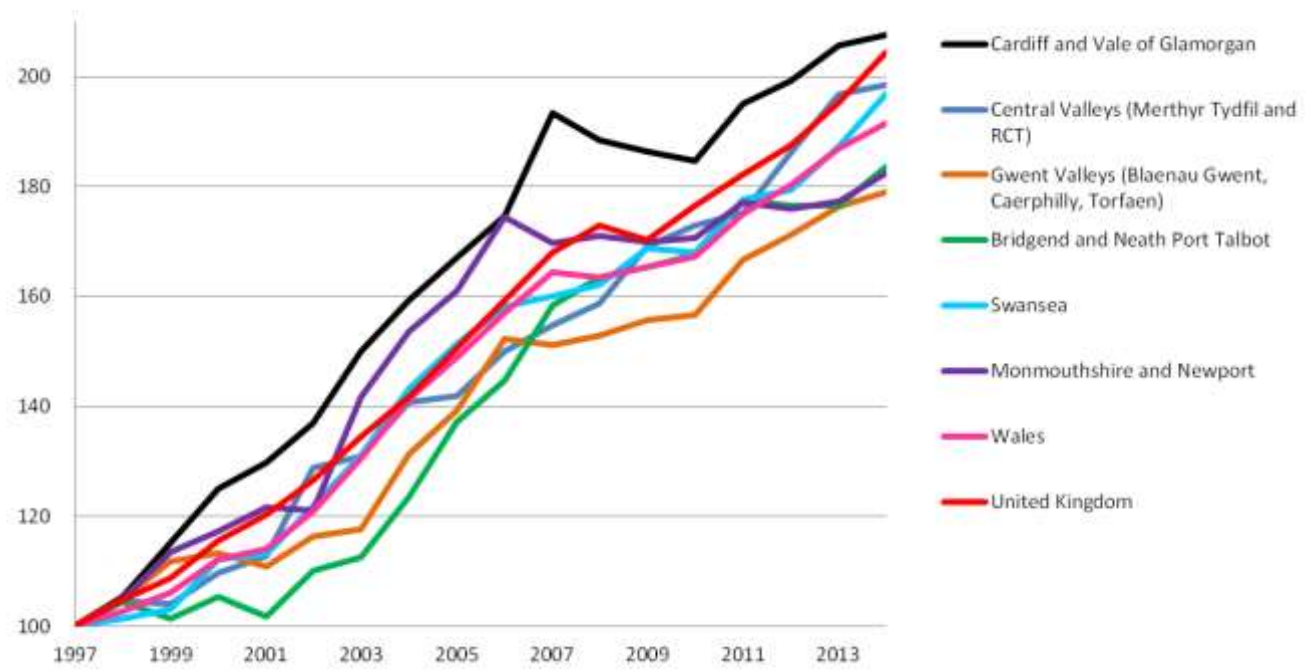
- The chart shows relative gross domestic household income (GDHI) per head. This is the income people receive after tax and other deductions and after receiving pension payments, tax credits and other benefits (it does not include public services received in kind).
- GDHI is probably the best available single indicator of material living standards. In contrast to GDP per head, the relative performance of the Valleys has fallen since around 2005, with Bridgend and Neath Port Talbot, and the Gwent Valleys, showing a longer run trend decline. The Central Valleys showed a marked relative improvement over their first five years of the new millennium.





### Main messages

- The chart shows the percentage growth in total GVA in current prices (i.e. it is shown as an aggregate figure, not on a per head basis).
- This provides a broad indication of relative rates of economic growth across Wales.
- Across the UK as a whole, dependence on manufacturing has been associated with relatively slow growth, and this pattern is also seen in Wales, with the Gwent area, and the Gwent Valleys in particular (Caerphilly, Blaenau Gwent, Torfaen), showing weakness.
- These patterns reflect multiple effects, so it is not possible to identify any single cause for the performance of an area.



## Annex 6 - Changes to health of Valleys residents over time

