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**Date: 5th February 2020**

Dear Sir/Madam,

A meeting of the **Cabinet** will be held in the **Sirhowy Room, Penallta House, Tredomen, Ystrad Mynach** on **Wednesday, 12th February, 2020** at **10.30 am** to consider the matters contained in the following agenda. You are welcome to use Welsh at the meeting, a minimum notice period of 3 working days is required should you wish to do so. A simultaneous translation will be provided if requested.

All Committee meetings are open to the Press and Public, observers and participants are asked to conduct themselves with respect and consideration for others. Please note that failure to do so will result in you being asked to leave the meeting and you may be escorted from the premises.

Yours faithfully,

A handwritten signature in black ink, appearing to read 'CHARRY'.

**Christina HARRY**  
INTERIM CHIEF EXECUTIVE

## A G E N D A

- 1 To receive apologies for absence.
- 2 Declarations of Interest.

Councillors and Officers are reminded of their personal responsibility to declare any personal and/or prejudicial interest(s) in respect of any item of business on the agenda in accordance with the Local Government Act 2000, the Council's Constitution and the Code of Conduct for both Councillors and Officers.

A greener place Man gwyrddach



To approve and sign the following minutes: -

3 Cabinet held on 29th January 2020. 1 - 6

To note the Cabinet Forward Work Programme.

4 Cabinet Forward Work Programme. 7 - 8

To receive and consider the following reports on which executive decisions are required: -

5 Sale of Land Adjacent Ty Dyffryn, Ystrad Mynach. 9 - 14

6 ERDF 4.4 Funding Opportunities - Ty Du, Nelson - Phase 1 Employment Units. 15 - 38

7 Draft Heads of the Valleys Masterplan. 39 - 160

8 Housing Revenue Account Charges - 2020/2021. 161 - 170

9 Budget Proposals for 2020/21 and Medium Term Financial Outlook. 171 - 206

**Circulation:**

Councillors C.J. Cuss, N. George, C.J. Gordon, Mrs B. A. Jones, P.A. Marsden, S. Morgan, L. Phipps and Mrs E. Stenner,

And Appropriate Officers.

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# Agenda Item 3



## CABINET

### MINUTES OF THE MEETING HELD AT PENALLTA HOUSE, TREDOMEN ON WEDNESDAY, 29TH JANUARY 2020 AT 10.30 A.M.

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#### PRESENT:

Councillor P. Marsden - Chair

#### Councillors:

C. Cuss (Social Care and Well Being), N. George (Environment and Neighbourhood Services), C.J. Gordon (Corporate Services), Mrs B. Jones (Education and Achievement) S. Morgan (Regeneration, Transportation and Sustainability), L. Phipps (Homes, Places and Tourism) and E. Stenner (Finance, Performance and Planning).

#### Together with:

C. Harray (Interim Chief Executive)

#### Also in Attendance:

J. Carpenter (Finance Manager (Revenues)), A. Dallimore (Regeneration Services Manager), S. Harris (Interim Head of Business Improvement Services and Acting S151 Officer), R. Tranter (Head of Legal Services and Monitoring Officer) and C. Evans (Committee Services Officer).

#### 1. APOLOGIES FOR ABSENCE

Apologies for Absence were received from M.S. Williams (Interim Corporate Director – Communities), R. Edmunds (Corporate Director – Education and Corporate Services) and D. Street (Corporate Director – Social Services and Housing).

#### 2. DECLARATIONS OF INTEREST

Councillor S. Morgan declared a personal and prejudicial interest and left the meeting on Agenda Item 7- To Determine a Specific Discretionary Rate Relief Scheme in Respect of Welsh Government (WG) 2019/20 Grant Funding as an owner of commercial premises whose tenant may benefit from the scheme.

#### 3. CABINET – 15TH JANUARY 2020

RESOLVED that subject to it being noted that Item 5 – Waste and Recycling Collection Systems (Page 3) should state that the Labour manifesto made a commitment to maintain the current green and brown bin collection system, the minutes were approved as a correct record.

#### **4. CABINET FORWARD WORK PROGRAMME – TO NOTE**

Cabinet were provided with the Cabinet Forward Work Programme, which detailed the scheduled reports from 15th January 2020 to 10th June 2020. Members were reminded that the Cabinet Forward Work Programme is a working document and therefore subject to change.

The Interim Chief Executive advised Cabinet that the Corporate Volunteering and Community Sport reports, scheduled for 29th January 2020 have been deferred to a further meeting, date is to be scheduled shortly. In addition, it was noted that a Housing Revenue Account Charges report has been scheduled for the 12th February 2020.

Following consideration and discussion, it was moved and seconded that the Forward Work Programme be noted. By a show of hands this was unanimously agreed.

RESOLVED that subject to the aforementioned amendment, the Cabinet Forward Work Programme be noted.

#### **MATTERS ON WHICH EXECUTIVE DECISIONS WERE REQUIRED**

#### **5. UPDATE ON RESERVES**

The report, which was considered by the Policy and Resources Scrutiny Committee on 14th January 2020 provided details of the usable reserves held by the Authority. Cabinet were provided with the audited balances as at the 1st April 2019 along with updated balances reflecting in-year adjustments to date for the 2019/20 financial year. The report also provided details of balances that are available for the one-off funding of capital schemes.

It was noted that the Authority's usable reserves totalled £118.524m as at the 1st April 2019, this is based on an assessment of in-year adjustments to date the current balance on usable reserves is £119.041m. The report included detailed commentary of balances held.

Cabinet thanked the Officer for the detailed report and discussion ensued.

A Member, in noting the figures within the report, expressed their concerns for a number of inaccuracies that had been reported in the press, which may have mislead members of the public into thinking that there are more funds available in reserves. Officers provided Cabinet with an explanation on the 3 types of reserves; non-cashback reserves, useable and Capital Programme reserves. It was noted that there are a reserves which have been earmarked, but not yet utilised, due to project timescales such as Band B 21<sup>st</sup> Century Schools Projects and Wales Housing Quality Standard (WHQS). A further report will be provided later in the year, which will identify investments.

Discussions took place around the Band B 21<sup>st</sup> Century Schools Programme and it was noted that, as a result of the current robust financial management, the programme can secure up to £12.5million in match-funding from Welsh Government. This can be obtained through the use of reserves which ultimately reduce costs and there would be no need for borrowing in order to deliver on the programme. It was noted that the business case is currently being developed.

Cabinet discussed further projects such as the Regeneration opportunities and grant schemes, as well as the WHQS and 21<sup>st</sup> Century Schools, all of which provide investment and improvements into communities, in schools, homes and environment. It was noted that a holistic approach has been applied in order to maximise funding streams and provide the most community benefit in each investment.



Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's Report that funding totalling £24.543m (Capital Earmarked Reserves £21.107m and Council Tax Reduction Scheme £3.436m) should be set aside pending the preparations of a report during the spring that will outline proposals to utilise this sum for investments in the Council's 'place shaping' agenda.

## **6. TARGETED REGENERATION INVESTMENT THEMATIC GRANT**

The report informed Cabinet of Welsh Government's Targeted Investment Urban Centre Property/Living Enhancements thematic grant programme, and sought delegated powers for the Council's Regeneration Project Board to make decisions on grant awards of up to £250,000 under this programme. The report also sought an allocation towards the overall management fees associated with the programme.

Welsh Government's (WG) flagship regeneration programme is the Targeted Regeneration Investment programme. In total £44 million has been ring-fenced to develop projects in targeted urban areas.

It was noted that £10 million has been top sliced from this budget to instigate an urban centres property enhancement grant programme. Each local authority will receive £920,000 to offer grants to improve buildings in town centres. As WG has recognised Caerphilly as one of its five key towns in the city deal area the focus of the overall Targeted Regeneration Investment (TRI) programme will be Caerphilly Town and thematic grant programme will therefore focus its attention on bringing both commercial and residential properties back into beneficial use.

The report outlined the grant programme in more detail and also requested that decision on grant awards can be delegated to the Regeneration Project Board. It also recognises the human resource requirement to manage the programme effectively and calls for additional financial resources to cover the costs associated with the necessary support services.

Cabinet thanked the Officers for the report and discussion ensued.

A Member queried whether consultation had been undertaken with local businesses within the area. Officers explained that feedback had been very positive as a result of the larger grants being made available, however, whilst the criteria and application process can be a little onerous, the level of available grant will encourage people to apply, and there are currently a number of property owners completing the application process at present.

Discussions took place around staffing to manage the process and concerns were raised that there may not be sufficient staff in place to manage and oversee the process. Officers explained that whilst there is a resource constraint, new staff have recently been employed within the department, whom as part of their role will include the management of promotion of such projects.

Clarification was sought on the funding for the scheme and it was noted that there is a 70% contribution from Welsh Government, along with a 30% input from private property owners. Members were assured that whilst there is no funding provided by the Authority, support services will be provided to the applicants from the staff in the Regeneration Team. Further assurance was provided that due diligence will also be undertaken to ensure that applicants are in an affordable position to undertake the scheme.

A Member, in supporting the scheme queried whether it could be rolled out to commercial estates within the area. Officers explained that the project is aimed at targeting and improving Town Centres, and therefore this will be focus of this particular project.

Following consideration and discussion, it was moved and seconded that the recommendation in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officer's Report:-

- i) the establishment of the TRI Urban Centre Property/ Living Enhancement thematic grant scheme be noted;
- ii) delegated decision powers be given to the Regeneration Project Board to approve grants of up to £250,000;
- iii) an allocation of £20k from the Council's Regeneration Project Board's Development Fund (Revenue) be approved to cover identified funding gaps associated with the provision of internal professional support fees linked to managing this grants programme.

#### **7. TO DETERMINE A SPECIFIC DISCRETIONARY RATE RELIEF SCHEME IN RESPECT IN WELSH GOVERNMENT (WG) 2019/20 GRANT FUNDING**

Councillor S. Morgan declared a personal and prejudicial interest in this item as an owner of commercial premises whose tenant may benefit from the scheme, and left the meeting during its consideration.

The report outlined that the Welsh Government (WG) has made funding available for a discretionary rate relief scheme for the financial year 2019-20 only; this funding is in addition to the WG 'High Street and Retail Rate Relief (HSRRR) Scheme'. Relief granted by the Authority under this discretionary scheme will be met by way of a specific cash-limited grant but, before any relief is awarded, the Authority must determine the details of the scheme.

The report provided details of £221k funding provided by WG for a new discretionary rate relief scheme for 2019-20 only and provides 2 options with a recommendation that the resolution at Appendix 2 be adopted.

Cabinet thanked the Officers for the report and discussion ensued.

A Member queried whether public houses would be subject to the reduction, following an announcement from the Chancellor of the Exchequer, relating to Public Houses in England. Officers explained that there has been no correspondence to suggest that Wales would follow a similar path; however the HSRRR Scheme and the Scheme on offer includes Public Houses.

In recognising the benefits of the scheme, and issues businesses could have for future planning, it was queried whether the scheme will be available for 2020/2021. Officers explained that since writing the report, it has been suggested that the scheme will be made available for 2020/2021. Whilst this is good news for businesses, the team shares the frustration of business owners, with specific issues around future planning.

Discussions took place around the uptake of the scheme. Officers explained that there is an estimated 70-80% take up of the scheme, some national companies are not eligible for the scheme, but are also included in the non-take-figures. Members were assured that Officers access all avenues to encourage take-up, including phone calls to businesses, letters and personal visits.

Cabinet requested additional information be provided in future reports on the businesses currently not taking up the scheme, to provide a clearer understanding and determine whether there are any barriers to take up.

Following consideration and discussion, it was moved and seconded that the recommendations in the report be approved. By a show of hands this was unanimously agreed.

RESOLVED that for the reasons contained in the Officers report that the resolution detailed in Appendix 2 of the report be adopted by the Authority with immediate effect and that the resolution in Appendix 1 not be adopted for the reasons outlined in paragraph 5.3 of the report.

The meeting closed at 11.14am.

Approved and signed as a correct record subject to any corrections made at the meeting held on 12th February 2020.

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CHAIR

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# Agenda Item 4

Forward Work Programme - Cabinet				
Date	Title	Key Issues	Author	Cabinet Member
12/02/20 10:30	Heads of the Valleys Masterplan	The report is seeking the view of members prior to its presentation to Cabinet, where Cabinet will be asked to endorse the Draft Masterplan as the basis for a public consultation exercise.	Kyte, Rhian	Clr. Stenner, Eluned
12/02/20 10:30	Land adjacent to Transcend, Ystrad Mynach	To consider options for the sale of land.	Williams, Mark	Clr. Phipps, Lisa
12/02/20 10:30	ERDF 4.4 Funding opportunities - Ty Du, Nelson	This report outlines the opportunities for the council to enhance the development at Ty Ddu, Neslon with further industrial units	Kyte, Rhian	Clr. Morgan, Sean
12/02/20 10:30	Budget proposals for 2020/2021 and Medium Term Financial Outlook	To endorse final budget proposals prior to consideration by Council.	Harris, Stephen R	Clr. Stenner, Eluned
12/02/20 10:30	HRA Charges Report	To propose the annual; rent increase to be applied to tenants of our council housing stock and garages for the 2020/21 financial year	Couzens, Shaun	Clr. Phipps, Lisa
26/02/20 10:30	Gateway to Employment - Caerphilly Skills and Apprenticeship Academy	To develop a model to deliver a sustainable and framework compliant programme that provides holistic skills, training and apprenticeship provision that includes work experience, placements and apprenticeships.	Kyte, Rhian	Clr. Morgan, Sean
26/02/20 10:30	Caerphilly LA FSM Strategy	Consider a coordinated approach to accelerating the progress of this group of learners	Warren, Paul	Clr. Jones, Barbara
26/02/20 10:30	Directorate Performance Assessments	To discuss and approve the new Directorate Performance Assessments and service planning framework.	Roberts, Ros	Clr. Stenner, Eluned
26/02/20 10:30	(17) Consultation & Engagement Framework	Part of #TeamCaerphilly Action Plan	Lancaster, Hayley	Clr. Gordon, Colin J
26/02/20 10:30	Post 16 Collaboration Arrangements	To update members on the progress made to date in relation to the post-16 aspects of the Post-16, Single Sex and Surplus Places Review underway within the County Borough and to seek Cabinet approval to procure and implement the required IT packages that will enhance and support students as they progress toward Post 16 Education.	Richards, Sue	Clr. Jones, Barbara
11/03/20 10:30	EAS Business Plan	To approve the EAS Business Plan for 20-21	Cole, Keri	Clr. Jones, Barbara
11/03/20 10:30	Caerphilly County Borough Council's Strategic Equality	To seek approval of the Strategic Equality Plan 2020-2024 to be formally adopted as Council Policy.	Cullinane, Anwen	Clr. Stenner, Eluned
11/03/20 10:30	Integrated Transport Unit with RCT CBC/ CCBC	Consideration of a collaborative approach to the delivery of Integrated Transport Unit services.	Lloyd, Marcus	Clr. Morgan, Sean
11/03/20 10:30	Gender Pay Gap	For CMT and Cabinet to agree the Gender Pay Gap report which has to be published by 31st March 2020	Donovan, Lynne	Clr. Gordon, Colin J
25/03/20 10:30	(16) Community Asset Transfer Policy to be finalised and approved by Cabinet	Strategic Plan - Development of a policy and options to deliver a framework for Community Asset Transfer	Peters, Kathryn; Broadhurs	Clr. Stenner, Eluned
22/04/20 10:30	EOTAS Strategy	The EOTAS Strategy sets out the background and rationale for change in order to meet the needs of an increasingly complex group of vulnerable learners. The Local Authority has a high level of ambition in regard to the provision to be offered to these learners and the Strategy sets out these plans in more detail.	Cole, Keri	Clr. Jones, Barbara
10/06/20 10:30	#Team Caerphilly - Transformation Strategy - 6 Monthly Update		Peters, Kathryn	Clr. Stenner, Eluned

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## CABINET 12TH FEBRUARY 2020

**SUBJECT: SALE OF LAND ADJACENT TY DYFFRYN, YSTRAD MYNACH**

**REPORT BY: DIRECTOR OF COMMUNITIES**

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### **1. PURPOSE OF REPORT**

- 1.1 The report outlines an opportunity to sell surplus land to a rapidly growing business and the associated benefits to the Authority and to the county borough. It seeks Cabinet approval to sell the land for the market value.

### **2. SUMMARY**

- 2.1 Transcend Packaging (TP) currently lease Ty Dyffryn from the Authority. The TP business appears to be flourishing and TP would like to expand onto land adjacent to the building which is also owned by the Authority.
- 2.2 The land is currently vacant and unused. The construction of industrial units on the land was previously considered but the payback period was commercially unattractive.
- 2.3 The District Valuer has assessed the land value to be £168,000 if sold to a special purchaser such as TP. TP have indicated that are willing to purchase the land for £168,000. The sale of the land to TP would potentially lead to increased employment and help anchor TP within the county borough. Conversely if TP do not expand onto the land in question the business may expand elsewhere and possibly outside of the county borough.

### **3. RECOMMENDATIONS**

- 3.1 That Cabinet approves the sale of the land to Transcend Packaging, or an associated company, for the sum of £168,000, (and otherwise on terms to be agreed) to facilitate expansion of the existing Transcend Packaging business.
- 3.2 Cabinet is also asked to approve that the negotiation of acceptable terms of the sale is delegated to the Interim Head of Property Services and the Cabinet Member for Homes, Places and Tourism. If the sale cannot be concluded on acceptable terms further recommendations for the utilisation of the land will be presented to Cabinet at a future date.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 The sale of the land to Transcend Packaging would potentially lead to increased employment within the borough and provide a significant capital receipt to the Authority.

4.2 Under the Disposal Protocol in the Constitution, in those cases where it is possible to market a property but the Head of Property is of the opinion that this course of action may not be in the best financial or service interests of the Authority, Cabinet approval will be obtained before direct negotiations are opened with a single party, and the views of ward members will be taken into consideration

## 5. THE REPORT

5.1 The Authority purchased Ty Dyffryn on the Dyffryn Industrial Estate, Ystrad Mynach in 2005 and the acquisition included a parcel of vacant land immediately to the north of the building. The land is level and has good access and occupies around 1.5 acres. A site plan is included below.

5.2 The Ty Dyffryn building and adjoining hardstandings were initially used by the Authority but were vacated and declared surplus in January 2016 when members approved a sale to Barola Properties/Curzon Real Estate with a collateral approval to take the property to the market should that sale not progress; it did not and the building and adjoining yard were marketed for disposal in January 2018 and a start-up business, Transcend Packaging (TP), signed a 10 year lease in July 2018 at an annual rent of £392,000 per annum.

5.3 The land to the north of Ty Dyffryn has never been put to use or formally marketed for sale but in 2017 a tenant on the industrial estate informally offered to buy the land for £250,000 to provide additional parking for goods vehicles. This option wasn't pursued largely because the sale would not directly lead to increased local employment.

5.4 The option for CCBC to construct starter industrial units on the land has been previously explored. There is strong demand for small units (up to 80 sqm) but lower demand and lower rental for larger units. Construction cost for small to medium sized units was estimated to be circa £1,265 psqm with rental income in the range in the range £37-£64 psqm per annum (£3.50-6.00 psqft). Assuming continuous full occupancy the projected simple payback was a lengthy at 19 – 34 years and this option was not progressed. The Authority owns other land that would support an industrial unit development.

5.5 Although the TP business is still fairly new it appears to be flourishing and already employs more than 100 people. There are two main strands to their current business, namely paper straws and packaging. TP forecasts continuing growth and expects to outgrow the existing building in the short to medium term. Consequently TP would like to expand onto the adjacent land which we own.

5.6 Ideally TP would like to purchase the land from the Authority. TP are not interested in leasing the land from the Authority as borrowing money to build on land they don't own would be difficult. TP would consider leasing a building built to their specification on the land from the Authority but the payback period for the Authority would be excessive and inferior to the payback period for industrial starter units. Furthermore, the risks are greater. This option would therefore be a poor investment for the Authority.

5.7 TP have expressed urgency in an email dated 22nd November 2019 stating '*We need to start progressing this if we intend to continue to expand at the Ty Dyffryn site. We will*



*potentially need extra space in 12 to 14 months and that would mean the purchase would need to be completed in the next 2 to 3 months time maximum.'*

- 5.8 The District Valuer has valued the land and reports a market value of £140,000 but if one or more special purchaser was interested the value could increase by 20% to £168,000.
- 5.9 TP have intimated that they could be willing to purchase the land at the DV valuation of £168,000. TP would then build on it and physically link the new building to Ty Dyffryn.
- 5.10 The sale of the land to TP would potentially lead to increased employment and help anchor TP within the county borough. Conversely if TP do not expand onto the land in question the business may expand elsewhere and possibly outside of the county borough
- 5.11 The sale would require the approval of Cabinet and if Cabinet were minded to approve the transaction it is proposed that the sale is time limited with completion of required within 12 months of the decision to sell. The sale contract would also ensure the land would be used for the purpose outlined above within 10 years of sale unless the Authority approves a change of use. Furthermore the sale contract would ensure the link structure would be removed if TP vacated Ty Dyffryn at some point in the future.

## **6. ASSUMPTIONS**

- 6.1 This simple payback periods quoted are based on current rents and costs and make no allowance for future inflation.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 The recommendation contributes towards or impacts the Corporate Plan 2018-2023 Well-being Objectives as follows:
- Objective 2 - Enabling employment.  
*The land sale would facilitate an expansion of the existing business and potentially increased employment*
  - Objective 5 - Creating a county borough that supports a healthy lifestyle in accordance with the sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015.  
*The business manufactures biodegradable containers and straws as alternatives to plastic.*

## **8. WELL-BEING OF FUTURE GENERATIONS**

- 8.1 This recommendation contributes to the Well-being Goals as follows:
- A prosperous Wales  
*The land sale will lead to increased employment opportunities*
  - A resilient Wales  
*The land sale will lead to increased employment opportunities*
  - A Wales of cohesive communities

*The land sale will lead to increased employment opportunities*

- A globally responsible Wales  
*The business manufactures biodegradable containers and straws as alternatives to plastic.*

8.2 The recommendation is consistent with the five ways of working and the Well-being of Future Generations (Wales) Act as follows:

- Long Term – The importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs  
*The land sale to Transcend Packaging is expected to facilitate expansion of an existing business and additional employment within the borough. The justification of the sale is the creation of sustainable employment opportunities within the county borough and enhancement of the well-being of current and future employees.*

## **9. EQUALITIES IMPLICATIONS**

9.1 There are no equalities implications associated with the suggested land sale.

## **10. FINANCIAL IMPLICATIONS**

10.1 Whilst not the main reason for the recommendation the sale would realise a capital receipt of £168,000.

## **11. PERSONNEL IMPLICATIONS**

11.1 There are none.

## **12. CONSULTATIONS**

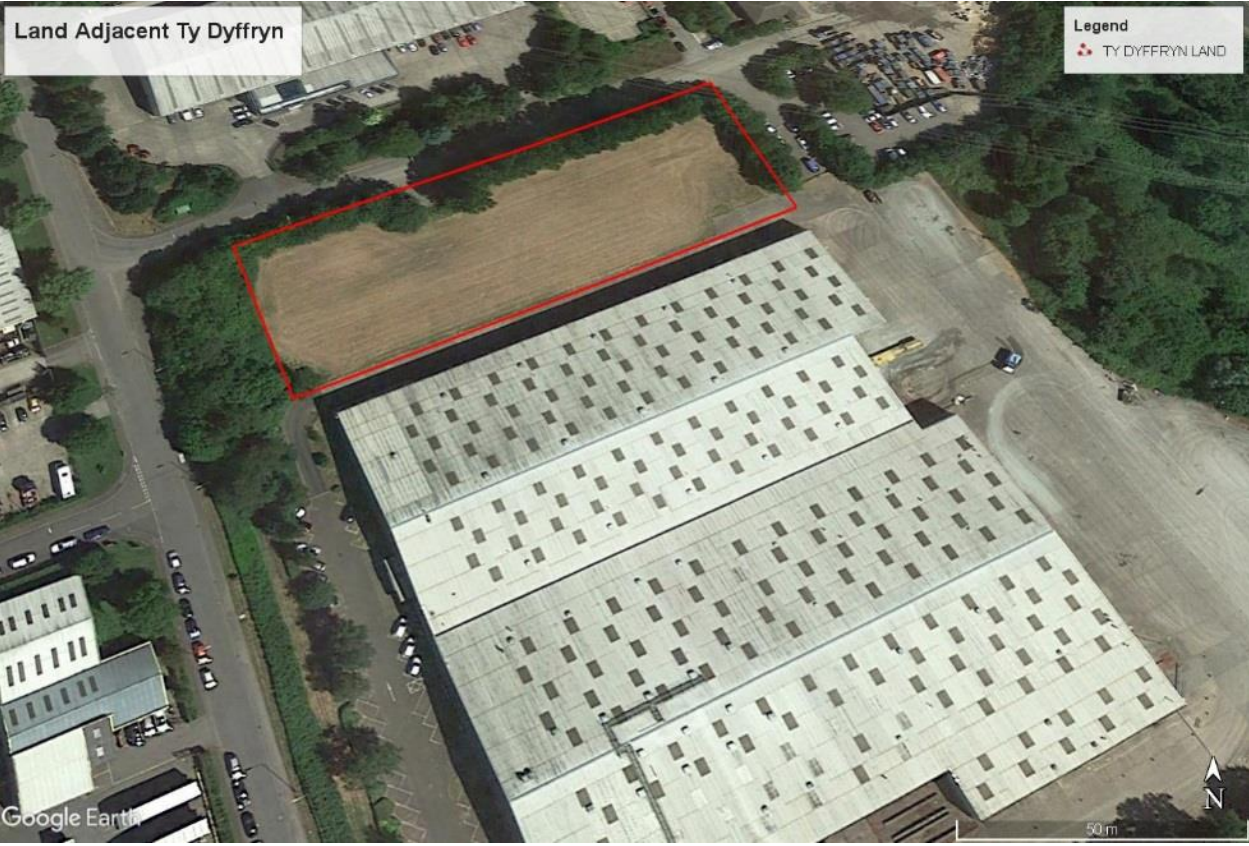
12.1 The report reflects the views of the consultees. .

## **13. STATUTORY POWER**

13.1 Local Government Act 1972; this is a Cabinet function

Author: Mark Williams, Interim Head of Property Services  
Consultees: Christina Harray, Interim Chief Executive  
Mark S. Williams, Interim Corporate Director – Communities  
Robert J. Tranter, Head of Legal Services/ Monitoring Officer  
Steve Harris, Acting Head of Finance/ S151 Officer  
Rhian Kyte, Head of Regeneration and Planning  
Anwen Cullinane, Senior Policy Officer – Equalities and Welsh Language  
Lynne Donovan, Head of People Services  
Cllr Lisa Phipps, Cabinet Member for Homes, Places and Tourism  
Cllr Alan Angel, Local Ward Member  
Cllr Martyn James, Local Ward Member

Site Location Plan



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## CABINET – 12TH FEBRUARY 2020

**SUBJECT: ERDF 4.4 FUNDING OPPORTUNITIES – TY DU, NELSON – PHASE 1 EMPLOYMENT UNITS**

**REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES**

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### **1. PURPOSE OF REPORT**

- 1.1 To update Cabinet of progress towards securing external funding from the European Structural Funds Investment Programme Priority 4 – Specific Objective 4.
- 1.2 To identify and agree the required levels of match funding to allow the full implementation of the Phase 1 Employment Units at Ty Du, Nelson.

### **2. SUMMARY**

- 2.1 On the 2<sup>nd</sup> October, Cabinet agreed additional Council capital funding of up to £402,234 to attract £1.386M of additional EU funds and up to £212k funding from Welsh Government Department of Economy & Infrastructure for additional units to be built at Ty Du, Nelson and the Lawn Rhymney
- 2.2 The Council's bid for additional funds was partially successful with a total grant offer of up to £778,000 ERDF from WEFO. This reduced grant offer will allow the full implementation of the scheme at the Lawns Estate; however, an additional contribution from the Council and Welsh Government will be required to implement the preferred construction Option for Ty Du.
- 2.3 This report concentrates on taking forward Option 2 (Plots 1-4) at Ty Du, Nelson, which would provide additional floorspace and is the preferred option of officers, our WG colleagues and WEFO. The additional building that Option 2 offers will provide significant added value to the Ty Du project, offering increased employment floor-space and hence increased potential for rental income.

### **3.0 RECOMMENDATIONS**

- 3.1 That Cabinet:
  - i) Approve £503,00 from Capital Earmarked Reserves for Ty Du to secure £713,750 WG funding to cover the costs associated with the development and full realisation of Option 2 (4 units) presented within this report.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To allow CCBC, working collaboratively with its partner organisations, to bring forward maximum employment opportunities at the strategically significant site at Ty Du, Nelson. This development will deliver a series of significant economic and social benefits in line with existing local, regional and national priorities.

#### **5. THE REPORT**

##### **Background:**

- 5.1 As the 2<sup>nd</sup> October Report covered in some detail the technical background, construction scope options and funding rationale for both the Ty Du and the Lawn project, this information is not repeated in this Report. (A copy of the 2<sup>nd</sup> October Report is provided at Appendix 1. Cabinet are referred to Section 5, paragraphs 5.1 to 5.40 for full details of the projects).
- 5.2 On 2<sup>nd</sup> October 2019, Cabinet approved an additional capital funding contribution £402,234 (split equally between Ty Du and the Lawn) to try to attract a further £1.386M ERDF and circa £212K of WG Department of Economy and Infrastructure Funding.

##### **Current Funding Position**

- 5.3 In November 2019, officers were informed by WEFO that the Council's bid for additional ERDF was partially successful with circa £778k secured. The bidding round was extremely competitive with a number of high quality submissions presented by the South East Wales Local Authorities. Cabinet should note that the lower than expected award is not a reflection of the project's merit but the rationale by WEFO to ensure a reasonable and fair apportionment of additional ERDF investment across South East Wales.
- 5.4 Whilst the confirmed ERDF allocation will allow the full scope of the Lawns Scheme to be implemented, there is now a funding gap for the preferred construction option for Ty Du (Option 2: plots 1-4). The remainder of this Report updates Cabinet on progress with the Ty Du project since 2<sup>nd</sup> October 2019 and the funding opportunities available to realise the full 4 plot Phase 1 scheme.

##### **Ty Du, Nelson Commercial Area – Phase 1 Employment Units – current position**

- 5.5 Land at Ty Du, Nelson is largely under the ownership of Welsh Ministers, and extends to approximately 19.2 hectares. In 2017, Outline Planning permission was granted to Welsh Ministers for an ambitious mixed use Masterplan, comprising residential provision, the development of 3.8ha (approx. 6,300 m<sup>2</sup>) of B1 Employment units, plus associated enabling highways infrastructure. A scheme to construct the enabling primary highways infrastructure for the site has recently been completed by Welsh Government.
- 5.6 Following Cabinet recommendations on 28<sup>th</sup> February 2018, the Council has formally entered into a Joint Venture Partnership Agreement with Welsh Government to develop the 3.8ha Ty Du "Commercial Area" for B1 Employment Use.
- 5.7 Development of the designated Commercial Area will be undertaken in a phased manner, subject to funding. The Phase 1 Area comprises land of approx. 1 ha at the south westerly edge of the plateau, for the provision of high quality B1 employment (office / light industrial) hybrid units. Completion of Technical Design (RIBA Stage 4) has been completed. A tender process for the main works contract has been undertaken and a main

works contractor appointed. Tenderers were asked to price four distinct “Scope Options” as set out below.

- **Base Scheme** – Comprising a maximum of 5 units;
- **Option 2** – 4 units (plots 1-4); (*recommended option*)
- **Option 3** – 3 units (plots 1-3);
- **Option 4** - 2 units (plots 1 & 2).

5.8 As set out in the 2<sup>nd</sup> October 2019 Report, the preferred option of the Joint Venture Project Partners remains **Option 2**, which would deliver 4 high quality employment buildings over 4 plots offering 1300 square metres of floor-space with the potential to accommodate up to 16 SME’s. See Appendix 2 for plans of scheme.

5.9 However, the confirmed ERDF funding offer for Ty Du of £350,222 means there remains a funding gap should the Council wish to deliver its full aspirations of delivering four buildings on site. Officers have proactively engaged with its Joint Venture partners in Welsh Government and they are prepared to advise their minister to approve circa 50% of the costs associated with developing out the fourth plot. WG Officers have prepared and submitted Ministerial Advice to secure their contribution and a decision is expected shortly.

5.10 The table below sets out the current Capital funding position. It highlights the funding currently available and also the anticipated costs of delivering all four buildings. The anticipated Capital Out-turn has been revised since the previous Cabinet Report in October 2019. Cost Estimates are now derived from the Preferred Contractors’ submitted Tender Prices (previously based on Pre Tender Estimates) including a healthy 15% construction contingency and an allowance for an increase in Professional Design and Supervision Fees.

Table 1

	Current Funding Position	Total Costs of delivering Option 2 - 4 buildings	Variance / Funding Shortfall
<b>ESTIMATED SCHEME CAPITAL COSTS</b>	£2,517,967	£3,734,717	£1,216,750
<b>Sources of Funding</b>			
ERDF (Capital)	£1,528,889	£1,528,889	£0
CCBC Capital	£600,370	£1,103,370	£503,000
Welsh Government	£388,708	£1,102,458	£713,750 (pending Ministerial Approval)
<b>Total Funding</b>	<b>£2,517,967</b>	<b>£3,734,717</b>	<b>£1,216,750</b>

5.11 As outlined in the above table, the total capital funding package for the project is **£2,517,967**. Based on submitted Tender Prices by the Preferred Contractor, the Total Project Capital Out-turn for Scope Option 2 (Plots 1-4) is estimated to be **£3,734,717**, resulting in an estimated funding shortfall in the region of **£1,216,750**.

5.12 Welsh Government officers have prepared Ministerial Advice to secure an additional £713k capital funding. To deliver Option 2, the Council would be required to contribute the remaining balance of **£503,000** (in addition to the £200,370 secured in October 2019).

5.13 In the event Cabinet are minded not to support Option 2, Officers will seek to implement a reduced scope project of Option 3 (Plots 1-3). Should Scope Option 3 be pursued, it is

recommended that a reduced capital contribution of £98,000 is allocated to the project (in addition to the monies approved on 2<sup>nd</sup> October 2019) to cover anticipated contingencies and risk allowances during the construction phase. However, Cabinet should note that a reduced project scope would not generate the same levels of anticipated economic benefits and would impact the anticipated financial contribution from Welsh Government.

- 5.14 Pursuing Option 2 (four buildings) will create a total GIFA of 1,328 m<sup>2</sup> (14,294 ft<sup>2</sup>) of high quality employment floor-space at a strategic mixed use development site. The additional fourth building will contribute 346 m<sup>2</sup> (3724 ft<sup>2</sup>) towards the total floor area. Each building has the potential to be sub-divided into 2/3/4 smaller units to suit a range of business needs.
- 5.15 Delivering Option 2 will increase the level of potential rental income to the Council. Cabinet should also be re-assured by feedback from Commercial Property Agents who have advised that there is a strong demand for this size of employment unit locally, particularly on sites with easy access to the A470. Cabinet should also note the level of interest already shown by interested parties who have contacted the Council over the units availability, even though they have not as yet been marketed.
- 5.16 The development of Option 2 (Plots 1-4) also remains the preferred option of the Council's Joint Venture partners Welsh Government who are preparing Ministerial Advice to financially support the delivery of this Option.
- 5.17 Officers recommend that Cabinet endorse taking forward Option 2 (Plots 1-4) in order to fully stimulate economic activity, react to the market and secure a strong rental income stream from this ambitious Joint Venture development.
- 5.18 Cabinet should note that a total CCBC capital contribution of £1.1m will effectively lever in circa £2.6m of external funding (see table 1 for more detail). Officers also recommend that the CCBC contribution is predicated on WG Ministerial approval being in place.

## 6. **ASSUMPTIONS**

- 6.1 This report assumes that Welsh Government will be able to secure the necessary match funding for the Ty Du Employment scheme and that all the costings presented in this report remain valid for a period of at least 6 months.
- 6.2 The report assumes an income per sq. ft. of up to £6.50 for Ty Du.

## 7. **LINKS TO RELEVANT COUNCIL POLICIES**

### **Corporate Plan 2018-2023:**

- 7.1 The report recommendations contributes towards or impacts predominantly on the following Corporate Well-being Objectives:

Objective 2 - Enabling employment.

Objective 6 - Support citizens to remain independent and improve their well-being.

### **Council's Local Development Plan:**

- 7.2 The proposals also align with the key aims within the Council's LDP, specifically:

To increase the economic prosperity of the people and communities of the County Borough through the provision of land for employment opportunities, supported by



appropriate housing and ancillary facilities and services and services (including community and health facilities, recreation, leisure etc).

Objective 18: Provide and protect a diverse portfolio of employment land for a variety of employment uses, focusing in particular on higher value employment opportunities and sites to meet local need, including waste management facilities.

Partial delivery of allocated site EM1.2 Ty Du, Nelson.

### **Regeneration Strategy 2018-2013 – A Foundation for Success:**

7.3 The proposal contributes towards the following key priorities of the Council's Regeneration Strategy - A Foundation for Success:

Priority SP3: Reducing worklessness – supporting mechanisms that encourage pathways to employment along with new facilities offering increased employment opportunities;

Priority SP5: Developing skills in key growth areas;

Priority SP9: Reduce inequality by reducing the number of lower super output areas within the top 10% most deprived areas within Wales;

Priority SP10: Ensure that Cultivational Procurement is a key consideration in the procurement of goods and services - ensure that local businesses and supply chains benefit from investment made by the public sector;

Priority SB1: Building a more resilient & diversified economy – supporting the growth of local companies;

Priority SB2: Supporting economic growth and innovation – build upon existing prominent economic sectors by the development of incubator/innovation centres and hubs;

Priority SB3: Creating than environment that nurtures businesses – improve the rate of emergence of new indigenous businesses within the county borough;

Priority SB4: Key Sites and Infrastructure for employment opportunities – economic development is guided to the most appropriate locations;

Priority SB5: Boost Business Support and Enterprise – promote enterprise and self employment to grow economic output and raise activity rates;

Priority CCP3: Promote place-making development around key transport hubs and nodes – promote economic development at key locations on the transport network to realise significant place making change.

## **8. WELL-BEING OF FUTURE GENERATIONS**

8.1 The proposals outlined in this report contribute to the Well-being Goals. As such it aligns with the following:

- A prosperous Wales – Providing more jobs in the area will create more wealth for the local population.
- A Resilient Wales – Providing additional and more diverse employment opportunities will make the area more resilient to external economic factors.
- A Wales of Cohesive Communities – providing local employment opportunities will help to stabilise and develop local communities and prevent outmigration as people seek work.

- 8.2 A long term approach to the economic well-being of the area will be taken to ensure that the programme of measures are targeted in a way that allows for long term growth through collaborative working with other public sector organisations and the private sector. The projects aim to integrate with other public bodies' goals and aspirations including those of the Welsh Government through the Cardiff Capital Region, the Valleys Metro and the Valleys Task Force.
- 8.3 The report recommendations are consistent with the five ways of working as defined within the sustainable development principle in the Act. The five ways of working of the sustainable development principle, listed in the Act are:
- Long Term – The importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs;
  - Prevention - How acting to prevent problems occurring, or getting worse, may help public bodies meet their objectives;
  - Integration – Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies;
  - Collaboration – Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives;
  - Involvement – The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 Equalities is a cross cutting theme for the European Structural Investment Funds programmes and each project must address this according to each Priority and Theme. The planned investments inherent in the EU Funding programmes will benefit many different groups in the community.
- 9.2 No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 The overall project costs for the preferred Scope Option 2 for Ty Du are now estimated to be circa £3,734,716.
- 10.2 With the £350,222 ERDF allocation, it is expected that the remaining identified funding gap will be shared with Welsh Government under the current Joint Venture arrangement. In light of this, the Council's requested contribution in addition to the £200,370 identified in October 2019 is a further **£503,000**
- 10.3 Officers recommend that the £503,000 is identified from Capital Earmarked Reserves.
- 10.4 As outlined in Section 5 above, this development will generate an income to the Council from lettings. Increasing the developed floor-space will increase the potential rental income. The rental is likely to generate upto £6.50 per sq ft for small units. The income on Ty Du will be shared with Welsh Government under the Joint Venture agreement.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 As the projects progress, technical advice and expertise from other external and internal

Service Areas including the Council's Engineering Projects Group, Building Consultancy, Corporate Finance, Procurement and Legal Service will be required with Officers from Regeneration and Planning's Team continuing to co-ordinate delivery.

- 11.2 The relevant staff time charges for support services (including financial grant management, procurement services and legal inputs) have been identified and included within the projects financial cost profiles.

## **12. CONSULTATIONS**

- 12.1 All consultation responses are reflected in the report.

## **13. STATUTORY POWER**

- 13.1 Local Government Acts.

- 13.2 Town and Country Planning Act 1990

Author: Allan Dallimore, Regeneration Services Manager

Consultees: Cllr Sean Morgan, Deputy Leader and Cabinet Member for Regeneration, Transportation and Sustainability  
Cllr Brenda Miles, Nelson Ward  
Cllr John Bevan, Moriah Ward  
Cllr David Harse, Moriah Ward  
Christina Harrhy – Interim Chief Executive  
Mark S. Williams, Interim Corporate Director Communities  
Stephen Harris, Interim Head of Business Improvement Services and Section 151 Officer  
Rhian Kyte, Head of Regeneration and Planning  
Marcus Lloyd, Head of Infrastructure  
Robert Tranter, Head of Legal Services/Monitoring Officer  
Mark Williams, Interim Head of Property Services  
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Paula Beaman, Grants Manager, Corporate Finance  
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language  
Lynne Donovan, Human Resources Service Manager  
Scrutiny Committee Chair and Vice Chair - Cllr Ridgewell and Cllr Forehead

Appendices:

Appendix 1 – Cabinet Report 02<sup>nd</sup> October 2019  
Appendix 2 – Ty Du Site Layout Plan



## CABINET – 2ND OCTOBER 2019

**SUBJECT: ERDF 4.4 FUNDING OPPORTUNITIES – THE LAWNS INDUSTRIAL ESTATE, RHYMNEY & TY DU, NELSON**

**REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES**

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### 1. PURPOSE OF REPORT

- 1.1 To agree that further external funding be sought via the European Structural Funds Investment Programme, Priority 4 - Specific Objective 4 and to identify and agree the required levels of match funding to allow the full implementation of the Phase 1 projects at both sites.

### 2. SUMMARY

- 2.1 This report updates Cabinet on opportunities that exist to bid for additional European funding to the Welsh European Funding Office (WEFO) for the phased provision of employment units at two sites in the county borough, namely, the Council owned Lawns Industrial Estate in Rhymney and Welsh Government (WG) owned land at Ty Du in Nelson.
- 2.2 External grant funding under the European Regional Development Fund (ERDF) Priority 4, Strategic Objective 4 has previously been sought by the Council to deliver the first phase of employment units and associated infrastructure at both sites. In order to draw down this external funding the Council has previously confirmed, via Cabinet approval on the 28<sup>th</sup> February 2018, match funding of up to £1.07m towards both schemes.
- 2.3 An opportunity has recently arisen (August 2019) to attract further ERDF funding towards both schemes to help fully realise the employment aspirations within the upper and mid regions of the County Borough. Cabinet is therefore requested to confirm additional match funding of up to **£402,234** to attract £1.386M of additional ERDF and circa £212K of WG Department of Economy and Infrastructure funding.
- 2.4 The additional funds sought will further provide significant added value to both the Lawns and Ty Du operations offering increased employment infrastructure and opportunities.
- 2.5 Cabinet should also be aware that both developments will generate an income to the Council from future lettings. By increasing the developed floor space with additional funding, the level of potential rental income will also increase.

### 3. RECOMMENDATIONS

- 3.1 That Cabinet:
- i) Approve the approach taken to pursue further ERDF funding towards both the Lawns and Ty Du schemes for the development of further employment use and associated infrastructure at both sites;

- ii) Agree that, should further additional ERDF grant become available, that the Authority progresses the schemes as set out in the report;
- iii) Agree to utilise the Capital earmarked reserve for the **£402,234** match funding to enable approximately £1.386M of additional ERDF to be secured for the development of new employment opportunities at both sites.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 To allow CCBC, working collaboratively with its partner organisations, to bring forward maximum employment opportunities at the strategically significant site at Ty Du, Nelson and the Council owned brownfield site at The Lawns Industrial Estate, Rhymney. These developments will deliver a series of significant economic and social benefits in line with existing local, regional and national priorities.

#### **5. THE REPORT**

##### **Background:**

- 5.1 On 28<sup>th</sup> February 2018 Cabinet approved the Council's employment focused priorities for the European Regional Development Fund (ERDF) Operational Programme, Priority 4, measure 4.4 as the Lawns Industrial Estate, Rhymney and Ty Du, Nelson to help create new employment opportunities within the County Borough.
- 5.2 Approval was also provided to work in partnership with Welsh Government (WG) on the Ty Du site, via a Joint Venture agreement, and to commit £1.07m Council Capital reserves towards both schemes, to help secure £2.58m of ERDF and £0.35m of WG funding.
- 5.3 It was further agreed that, should additional ERDF grant become available, that the relevant Head of Service investigate opportunities to secure additional funding towards the delivery of the Lawn and Ty Du sites, which is the focus of this current report.
- 5.4 Over the past 19 months, following Welsh European Funding Office (WEFO) and Council approvals, officers have been taking forward the employment focused projects at the Lawns and Ty Du sites. A synopsis and the current status of each scheme is briefly outlined below:

##### **The Lawns Industrial Estate, Rhymney**

- 5.5 The Lawns Industrial Estate is a Council owned site of moderate quality industrial units. The Lawns is centrally located in Rhymney, within a cluster of designated Employment sites, adjacent to key local facilities, the strategic road network (A465 Heads of the Valleys) and the Rhymney to Cardiff rail line.
- 5.6 There is a strong and ever increasing demand for the expansion and enhancement of the Estate for light industrial high quality 'starter units'.
- 5.7 The current proposal aims to bring into beneficial economic use a parcel of prime underutilised land (approx. 0.65Ha in size) adjacent to the existing Estate to significantly expand the site's employment offer. This will result in the design and construction of new high quality, light industrial factory units and associated infrastructure.
- 5.8 The site designs as outlined in Appendix 1a, 1b and 1c essentially consist of the following key elements:
  - New access highway infrastructure & parking areas;
  - New single storey employment buildings (x3) – with internal units ranging in size between 50, 70 & 100 sq.m;
  - Associated soft and hard landscaping features.

Planning Permission:

5.9 Full Planning Permission (Ref: 18/0408/LA) for the above scheme was submitted and validated on the 16<sup>th</sup> May 2018 and subsequently approved with conditions on the 19<sup>th</sup> July 2018.

Tender Process:

5.10 The Council has sought to appoint a contractor to develop and complete the design and construction of the new industrial units at the Lawns Industrial Estate, to BIM Level 2 using the JCT Design and Build Contract.

5.11 A procurement process was undertaken via Sell2Wales and the Proactis Plaza eTendering Portal in line with Appendix C of the Council's Standing Orders for Contracts (works between £75,000 and £4,551,413). The contract opportunity was published on 26<sup>th</sup> February 2019 using the open procedure and submissions were received by the published deadline of 10<sup>th</sup> May 2019.

5.12 Initial estimates for the works including fees exceeded the project budget available (of £2.293M) therefore bidders were asked to price against two delivery options;

- A "Base" scheme to complete all the works to the original specification (*comprising 3 employment buildings and up to 15 individual units and associated infrastructure*); and
- An "Optional" scheme for a reduced specification (*comprising 2 employment buildings and up to 10 individual units and associated infrastructure*).

5.13 Following the tender period the returned bids were successfully checked for compliance with the specification, pricing schedule and the quality submissions and a preferred bidder, **EnCon Construction Ltd**, has been appointed (6<sup>th</sup> August 2019) to deliver the "Optional" scheme over the next 12 month programme period.

5.14 However, while the award of contract has been based on the "Optional" scheme, there is an option to extend to the "Base" scheme and deliver the 3<sup>rd</sup> building unit (comprising a further 5 individual units and associated infrastructure) should additional funds become available.

5.15 While everything is in place (Planning Permission, Project Team & Contractor) to deliver the "Base" scheme current available budgets do not permit full implementation. To safeguard the successful and full execution of the project in accordance with the approved Project Business Plan and Planning Approval additional funding is required. Should further funding become available the full "Base" scheme can be implemented creating additional and much sought after building and employment space within Rhymney. Furthermore, such funds will help deliver and exceed the output targets for the operation outlined within the approved Business Plan.

Project Outputs:

5.16 The below table outlines the comparisons of the anticipated output targets between the approved Business Plan and the two delivery options:

- Option Scheme (reduced intervention);
- Base Scheme (full intervention).

Current Anticipated Outputs - BP		Option Scheme		Base Scheme	
Result Indicator	Anticipated Achievement	Anticipated Achievement	Variance	Anticipated Achievement	Variance
Land Developed (Ha)	1.132	0.65	-0.48	0.65	-0.48
Premises Created or Refurbished (sq.m)	727.50	644.50	-83.00	994.00	+266.50
Jobs Accommodated*	5 to 10	10	0	15+	+5

SME's Accommodated**	5 to 10	10	0	15+	+5
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\*Conservative figures based on 1 job per unit built.

\*\*Conservative figures based on 1 SME Accommodated per unit built.

- 5.17 Based on current Tendered Costs, the Total Project Out-turn for the Base Scheme is estimated to be **£2,923,309**. Currently the total funding package secured for the project is **£2,293,667**, resulting in an estimated Funding Gap of **£629,642**. It is proposed that this shortfall will be met through a further bid for ERDF monies, with additional match funding contributions sought from the Council. The table below gives an overview of the original funding position and anticipated out-turn figures.

Project Cost Heading	Approval @ 2017	Virements / additional funding	Current Position @ Sept 2019	Anticipated Out-turn (£) –based on Full Scope	Variance / to be funded
<b>Construction - Building &amp; External Works Costs</b>	<b>£1,706,000</b>	£199,993	<b>£1,905,993</b>	£2,461,986	
Design & Contract Supervision Fees	£194,072	£10,063	£204,135	£277,784	
Other Costs – Revenue (including Staff Project Management, Support Services, Marketing)	£183,539	-	£183,539	£183,539	
<b>Estimated Scheme Total Costs</b>	<b>£2,083,611</b>	<b>£210,056</b>	<b>£2,293,667</b>	<b>£2,923,309</b>	<b>£629,642</b>
<b>Sources of Funding</b>					
ERDF	£1,291,667	£200,000	£1,491,667	£1,919,445	£427,778 <i>(Requested)</i>
<b>Other Public Sector Funding</b>					
CCBC Capital	£791,944	£10,056	£802,000*	£1,003,864	£201,864 <i>(Requested)</i>
<b>Total Funding</b>	<b>£2,083,611</b>	<b>£210,056</b>	<b>£2,293,667</b>	<b>£2,923,309</b>	<b>£629,642</b>

\* 15<sup>th</sup> Feb 2017 Cabinet Approval = £50K

14<sup>th</sup> Aug 2017 agreed virement = £42K

28<sup>th</sup> Feb 2018 Cabinet Approval = £710K

### **Ty Du, Nelson Commercial Area – Phase 1 Employment Units**

- 5.18 Land at Ty Du, Nelson represents a significant economic regeneration opportunity as a major mixed use development. The total site, which is largely under the ownership of Welsh Ministers, extends to approximately 19.2 hectares, close to the A472 Nelson By-Pass and located in the Northern Connections Corridor of the adopted Local Development Plan. Ty Du is identified as one of three prioritised sites under Welsh Government's "Strategic Employment Sites" programme.
- 5.19 In 2017, Outline Planning permission was granted to Welsh Ministers (16/0373/OUT) for an ambitious mixed use Masterplan, comprising residential provision of up to 200 dwellings, including approximately 50 affordable homes, the development of 3.8HA (approx. 6,300 m<sup>2</sup>) of B1 Employment units, plus associated enabling highways infrastructure, including access routes, drainage, public open space, high quality public realm and landscaping. A scheme to construct the enabling primary highways infrastructure for the site is being undertaken by Welsh Government's Property & Infrastructure Team and their appointed contractors, Walters UK Ltd. The infrastructure works are anticipated to be complete by October 2019 and will include the construction of the estate roads into the designated 3.8HA "Commercial Area" within the plateau.
- 5.20 Following Cabinet recommendations on 28<sup>th</sup> February 2018, the Council has formally entered into a Joint Venture Partnership Agreement with Welsh Government to develop the 3.8HA Ty

Du “Commercial Area” for B1 Employment Use. The Joint Venture Agreement was agreed and engrossed by both parties in January 2019.

- 5.21 Development of the designated Commercial Area will be undertaken in a phased manner, subject to funding. The Phase 1 Site Feasibility Area comprises land of approx. 1 hectare at the south westerly edge of the plateau, for the provision of high quality B1 employment (office / light industrial) hybrid units, up to a maximum of 1,858 square metres.
- 5.22 To progress the Phase 1 proposals, the Council and Welsh Government have appointed via the National Procurement Services Framework, a multi-disciplinary consultancy Managing Design Team led by award winning Architects Darnton B3, to provide expert technical design, architectural and contract management services for the project.
- 5.23 The design proposals are currently at RIBA Stage 4 of 7 – Technical Design. The Phase 1 plans currently comprise (see Appendix 2a & 2b):
- A maximum of 5 buildings made up of 13 units, of varying sizes between 103 and 163 m2.
  - Associated operational and parking areas, landscaping, boundary treatment, drainage, signage, building and landscaping material and external lighting.
- 5.24 A Reserved Matters Planning Application (19/0572/RM) for the Phase 1 development of the Commercial Area was submitted on 27<sup>th</sup> June 2019 and subsequently granted Approval under Delegated Powers (subject to conditions) on 23<sup>rd</sup> August 2019.
- 5.25 **Future Anticipated Project Milestones**
- Completion of Technical Design (RIBA Stage 4) – September 2019;
  - Main Works Contract – Procurement of Contractor – October to December 2019;
  - RIBA Stage 5 (Construction) – commences January 2020.
- 5.26 Detailed Pre-Tender Cost Plans prepared by Cost Consultants Faithful + Gould indicate the build cost for all 5 buildings within the Phase 1 feasibility area will exceed the current construction budget of circa £1.6M by a considerable margin. Based on latest estimates, the available budget would enable construction of only 2 buildings (out of the maximum of 5 buildings proposed).

#### Proposed Tender Strategy

- 5.27 The tender contract strategy will be JCT Design and Build 2016 based on designs developed to RIBA Stage 4. Tenderers will be asked to price four distinct “Scope Options”, a similar approach to the Lawns scheme (as described at 5.12). This will allow the Council a degree of flexibility in build options, should additional funding become available. The four options are as follows:
- **Base Scheme** – Comprising a maximum of 5 units;
  - **Option 2** – 4 units (plots 1-4);
  - **Option 3** – 3 units (plots 1-3);
  - **Option 4** - 2 units (plots 1 & 2).
- 5.28 A speculative “Prior Information Notice” has recently been issued via Sell2Wales, in advance of the formal Contract Notice, to ascertain Contractor interest in the Scheme. The response rate has been high, indicating a keen interest in the project from suitably experienced construction companies.
- 5.29 Based on the upper limit of external funding likely to become available, and taking into consideration other factors including implementation timescales, it is Officers’ opinion that **Scope Option 2 - comprising 4 employment buildings and up to 12 individual units** is the preferred option at this time.
- 5.30 Scope Option 2 would deliver a significant positive increase to the anticipated Project Outputs, as set out in the table below.



Current Anticipated Outputs - BP		Scope Option 2 – 4 buildings	
Result Indicator	Anticipated Achievement	Anticipated Achievement	Variance
Land Developed (Ha)	1.0	1.2	+0.2
Premises Created or Refurbished (sq.m)	700	1300	+600
Jobs Accommodated	Up to 10	24	+14
SME's Accommodated	Up to 10	12	+2

- 5.31 Based on Pre-Tender Cost Estimates provided by Cost Consultants Faithful + Gould, the Total Project Out-turn for Scope Option 2 is estimated to be **£3,500,278**. Currently the total funding package secured for the project is **£2,130,375**, resulting in an estimated Funding Gap of **£1,369,903**. It is proposed that this shortfall will be met through a further bid for ERDF monies, with additional match funding contributions sought from the Council and Welsh Government as Joint Venture Project Delivery Partners. The table below gives an overview of the original funding position and anticipated out-turn figures.

Project Cost Heading	Approval @ 2017	Virements / additional funding	Current Position @ Sept 2019	Anticipated Out-turn (£) –based on Scope Option 2	Variance / to be funded
<b>Construction - Building &amp; External Works Costs</b>	<b>£1,624,546</b>	-	<b>£1,624,546</b>	£2,954,628	
Design & Contract Supervision Fees	£204,693	£138,136	£342,829	£382,650	
Other Costs – Revenue (including Staff Project Management, Support Services, Marketing)	£163,000	-	£163,000	£163,000	
<b>Estimated Scheme Total Costs</b>	<b>£1,992,239</b>	<b>£138,136</b>	<b>£2,130,375</b>	<b>£3,500,278</b>	<b>£1,369,903</b>
<b>Sources of Funding</b>					
ERDF	£1,291,667	£50,000	£1,341,667	£2,299,538	£957,871 <i>(Requested)</i>
<b>Other Public Sector Funding</b>					
CCBC Capital	£350,286	£49,714	£400,000	£600,370	£200,370 <i>(Requested)</i>
Welsh Government	£350,286	£38,422	£388,708	£600,370	£211,662 <i>(To be Confirmed)</i>
<b>Total Funding</b>	<b>£1,992,239</b>	<b>£138,136</b>	<b>£2,130,375</b>	<b>£3,500,278</b>	<b>£1,369,903</b>

#### Current Position:

- 5.32 During the development of the aforementioned projects officers have been in regular dialogue with WEFO advisors and the opportunity to attract additional ERDF funds towards both schemes had been inferred, subject to project status and the availability of associated match funding.
- 5.35 As of the 12<sup>th</sup> August 2019 officers have been formally advised that additional ERDF, of circa £3m, is likely to become available for SE Wales regional ERDF P4.SO4 projects.
- 5.34 In order to attract additional ERDF funds, officers have been asked to put forward 'pipeline' projects to the appropriate Regional Board for prioritisation, in the form of new, standalone projects or additional phases of 'live' projects. In this instance and in light of the above both the Lawns and Ty Du projects have been put forward by the pre-determined deadline of the 28<sup>th</sup> August 2019.

- 5.35 It has been strongly advised that to be successful, WEFO will be looking for clear evidence that the applicant, in this case the Local Authority, can progress and deliver the project. With this in mind both the Lawns and Ty Du schemes are in a very strong position, subject to securing additional match funding.
- 5.36 In order to attract further ERDF funding via WEFO the Council would therefore be required to confirm a minimum of circa **£402,234** additional match funding, as further outlined in Section 10.
- 5.37 Cabinet should note that both developments will generate an income to the Council from lettings. By increasing the developed floorspace with additional funding, the level of potential rental income will also increase.
- 5.38 In this regard, the rental is likely to be circa £3.50 per sq. ft. per annum for the Lawns whilst the Ty Du site should generate £6.50 per sq. ft. for small units and £4.50 per sq. ft. for larger units. The income on Ty Du will be shared with Welsh Government under the Joint Venture (JV) agreement. Please refer to the table below, which shows the potential level of rental income generated from the Lawns and Ty Du development proposals.

The Lawns, Rhymney					
Total Project Income	Total CCBC Contribution	Projected Annual Income*	Projected Income – after 30 years		
£2,923,309	£1,003,864	£37,636	£1,129,065		
<i>* Based on a figure of at least £3.50 rental income per sq. ft. (10,753) per annum and 100% occupation</i>					
Ty Du, Nelson					
Total Project Income	Total CCBC Contribution	Projected Annual Income*	Projected Income – after 20 years	50% CCBC Income – as per JV	50% WG Income – as per the JV
£3,500,278	£600,370	£62,969*	£1,259,370	£629,685	£629,685
<i>* Based on a figure of at least £4.50 rental income per sq. ft. (13,993) per annum and 100% occupation</i>					
Total Project Income	Total CCBC Contribution	Projected Annual Income*	Projected Income – after 14 years	50% CCBC Income – as per JV	50% WG Income – as per the JV
£3,500,278	£600,370	£90,995*	£1,273,363	£636,682	£636,682
<i>* Based on a figure of at least £6.50 rental income per sq. ft. (13,993) per annum and 100% occupation</i>					

- 5.39 As indicated above and based on the full schemes being implemented, as outlined in this Report, the projected annual income would range between £100,605 and £128,631.
- 5.40 It is anticipated to take up to 30yrs (subject to 100% occupation) to recoup the full Council investment of £1,003,864 for the Lawns. In terms of the Ty Du site, given the JV agreement, it is anticipated to be between 14 and 20yrs for the Council to fully recoup the investment of £600,370 (subject to 100% occupation).

## 6. ASSUMPTIONS

- 6.1 This report assumes that Welsh Government will be able to secure the necessary match funding for the Ty Du Employment scheme and that all the costings presented in this report remain valid for a period of at least 6 months.
- 6.2 The table at section 5.38 above assumes an income per sq. ft. of at least £3.50 for the Lawns and at least £4.50 or £6.50 for Ty Du, along with a 100% occupation rate for the time periods shown, but makes no assumption to rent rises which could reduce the payback period assumed in the report.

## 7. LINKS TO RELEVANT COUNCIL POLICIES

### **Corporate Plan 2018-2023:**

- 7.1 The report recommendations contributes towards or impacts predominantly on the following Corporate Well-being Objectives:

Objective 2 - Enabling employment.

Objective 6 - Support citizens to remain independent and improve their well-being.

### **Council's Local Development Plan:**

- 7.2 The proposals also align with the key aims within the Council's LDP, specifically:

To increase the economic prosperity of the people and communities of the County Borough through the provision of land for employment opportunities, supported by appropriate housing and ancillary facilities and services and services (including community and health facilities, recreation, leisure etc).

Objective 18: Provide and protect a diverse portfolio of employment land for a variety of employment uses, focusing in particular on higher value employment opportunities and sites to meet local need, including waste management facilities.

Partial delivery of allocated site EM1.2 Ty Du, Nelson.

### **Regeneration Strategy 2018-2013 – A Foundation for Success:**

- 7.2 The proposal contributes towards the following key priorities of the Council's Regeneration Strategy - A Foundation for Success:

Priority SP3: Reducing worklessness – supporting mechanisms that encourage pathways to employment along with new facilities offering increased employment opportunities;

Priority SP5: Developing skills in key growth areas;

Priority SP9: Reduce inequality by reducing the number of lower super output areas within the top 10% most deprived areas within Wales;

Priority SP10: Ensure that Cultivational Procurement is a key consideration in the procurement of goods and services - ensure that local businesses and supply chains benefit from investment made by the public sector;

Priority SB1: Building a more resilient & diversified economy – supporting the growth of local companies;

Priority SB2: Supporting economic growth and innovation – build upon existing prominent economic sectors by the development of incubator/innovation centres and hubs;

Priority SB3: Creating than environment that nurtures businesses – improve the rate of emergence of new indigenous businesses within the county borough;

Priority SB4: Key Sites and Infrastructure for employment opportunities – economic development is guided to the most appropriate locations;

Priority SB5: Boost Business Support and Enterprise – promote enterprise and self employment to grow economic output and raise activity rates;

Priority CCP3: Promote place-making development around key transport hubs and nodes – promote economic development at key locations on the transport network to realise significant place making change.

## **8. WELL-BEING OF FUTURE GENERATIONS**

8.1 The proposals outlined in this report contribute to the Well-being Goals. As such it aligns with the following:

- A prosperous Wales – Providing more jobs in the area will create more wealth for the local population.
- A Resilient Wales – Providing additional and more diverse employment opportunities will make the area more resilient to external economic factors.
- A Wales of Cohesive Communities – providing local employment opportunities will help to stabilise and develop local communities and prevent outmigration as people seek work.

8.2 A long term approach to the economic well-being of the area will be taken to ensure that the programme of measures are targeted in a way that allows for long term growth through collaborative working with other public sector organisations and the private sector. The projects aim to integrate with other public bodies' goals and aspirations including those of the Welsh Government through the Cardiff Capital Region, the Valleys Metro and the Valleys Task Force.

8.3 The report recommendations are consistent with the five ways of working as defined within the sustainable development principle in the Act. The five ways of working of the sustainable development principle, listed in the Act are:

- Long Term – The importance of balancing short-term needs with the need to safeguard the ability of future generations to meet their long-term needs;
- Prevention - How acting to prevent problems occurring, or getting worse, may help public bodies meet their objectives;
- Integration – Considering how the public body's well-being objectives may impact upon each of the well-being goals, on their other objectives, or on the objectives of other public bodies;
- Collaboration – Acting in collaboration with any other person (or different parts of the body itself) that could help the body to meet its well-being objectives;
- Involvement – The importance of involving people with an interest in achieving the well-being goals, and ensuring that those people reflect the diversity of the area which the body serves.

## **9. EQUALITIES IMPLICATIONS**

9.1 Equalities is a cross cutting theme for the European Structural Investment Funds programmes and each project must address this according to each Priority and Theme. **The planned**

**investments inherent in the EU Funding programmes will benefit many different groups in the community.**

- 9.2 No potential for unlawful discrimination and/or low level or minor negative impact has been identified, therefore a full EIA has not been carried out.

## **10. FINANCIAL IMPLICATIONS**

### The Lawns:

- 10.1 The overall project costs for the Lawns scheme range between circa £2.293 (Optional Scheme) and £2.923m (Base Scheme).
- 10.2 Funding of £2.293m (£802K CCBC & £1,491,667m ERDF) is already in place to deliver the Optional scheme as outlined in Section 5 of this Report. However, the Council hope to attract a further £427,778, at the maximum grant rate of 65.66%, towards the project via ERDF resources. In light of this the Council's requested contribution is **£201,864**.

### Ty Du:

- 10.3 The overall project costs for the preferred Scope Option 2 are estimated to be circa £3,500,278 (based on the construction of 4 buildings, plus associated external works, design, contract supervision and revenue expenditure).
- 10.4 Funding of £2,130,375 (£1,341,667 ERDF, £400,000 CCBC, £388,708 WG) is currently secured. The resulting funding gap to deliver Option 2 is estimated to be £1,369,903. A further £957,871 ERDF is being sought by Officers, which would leave a remaining match funding contribution of £412,032. It is expected that this amount will be shared with Welsh Government under the current Joint Venture arrangement. In light of this the Council's requested contribution is **£200,370**.

### Lawns & Ty Du Combined:

- 10.5 The combined additional Council funding request is circa **£402,234** which will attract circa **£1.386M** additional ERDF and enable the full implementation of the intended and 'as designed' schemes at the Lawns and Ty Du sites.
- 10.6 Officers have identified the Capital earmarked reserve as a funding source for the Council contribution.
- 10.7 As outlined in Section 5 above both developments will generate an income to the Council from lettings. Increasing the developed floorspace will increase the potential rental income. The rental is likely to be circa £3.50 per sq ft per annum for the Lawns whilst the Ty Du site should generate £6.50 per sq ft for small units and £4.50 per sq ft for larger units. The income on Ty Du will be shared with Welsh Government under the Joint Venture agreement.
- 10.8 As further outlined in Section 5 the projected annual income would range between **£100,605** and **£128,631**. It is anticipated to take up to 30yrs (subject to 100% occupation) to recoup the full Council investment of £1,003,864 for the Lawns. In terms of the Ty Du site, given the JV agreement, it's anticipated to be between 14 and 20yrs for the Council to fully recoup the investment of £600,370 (subject to 100% occupation).

## **11. PERSONNEL IMPLICATIONS**

- 11.1 As the projects progress, technical advice and expertise from other external and internal Service Areas including the Council's Engineering Projects Group, Building Consultancy, Corporate Finance, Procurement and Legal Service will be required with Officers from Regeneration and Planning's Team continuing to co-ordinate delivery.

11.2 The relevant staff time charges for support services (including financial grant management, procurement services and legal inputs) have been identified and included within the projects financial cost profiles.

## 12. CONSULTATIONS

12.1 All consultation responses are reflected in the report.

## 13. STATUTORY POWER

13.1 The Planning and Compulsory Purchase Act 2004.

13.2 Local Government Acts.

13.3 Town and Country Planning Act 1990

Author: Allan Dallimore, Regeneration Services Manager

Consultees: Cllr Sean Morgan, Deputy Leader and Cabinet Member for Economy, Infrastructure, Sustainability & Wellbeing of Future Generations Champion  
Cllr Barbara Jones, Deputy Leader and Cabinet Member for Finance, Performance and Governance  
Cllr Brenda Miles, Nelson Ward  
Cllr John Bevan, Moriah Ward  
Cllr David Harse, Moriah Ward  
Mark S. Williams, Interim Corporate Director Communities  
Stephen Harris, Interim Head of Business Improvement Services and Section 151 Officer  
Rhian Kyte, Head of Regeneration and Planning  
Marcus Lloyd, Head of Infrastructure  
Robert Tranter, Head of Legal Services/Monitoring Officer  
Liz Lucas, Head of Customer and Digital Services  
Mark Williams, Interim Head of Property  
Paul Hudson, Business, Enterprise and Renewal Team Manager  
Ryland Llewellyn, Regeneration Projects Officer  
Glenn Cooper, Regeneration Projects Officer  
Nadeem Akhtar, Group Accountant, Corporate Finance  
Dave Roberts, Principal Accountant, Corporate Finance  
Paula Beaman, Grants Manager, Corporate Finance  
Richard Crane, Senior Solicitor, Corporate Services  
Anwen Cullinane, Senior Policy Officer, Equalities and Welsh Language  
Shaun Watkins, Human Resources Service Manager

Appendices:

### Lawns:

Appendix 1 – (a) Site Area/Layout Plan  
(b) Site Aerial View  
(c) Outline Unit Plan

### Ty Du:

Appendix 2 – (a) Site Area Plan  
(b) Elevation drawings



NOTES :-  
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 CONTRACTOR TO CHECK DIMENSIONS ON SITE  
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Line of exiting Waste Transfer Station

Site (Base Scheme) Boundary

Option  
 Option - Provide fencing ER 9.4.2 along 'Base' scheme unit line to close off site where 'Option' scheme taken.

Page 33

Key

Base Scheme - Contractors site boundary. Limited works to incoming services and highway lie outside this. Refer to drawing TH1209 - 203C



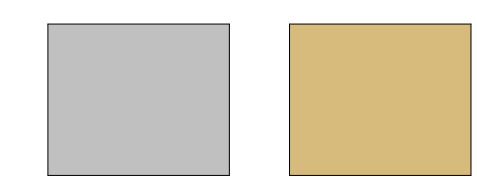
Option Scheme - As Base Scheme minus area within blue boundary



Landscaped areas as ER 10.0



Roads and Paving as Engineering ERs and drawings



Bryteg Crescent

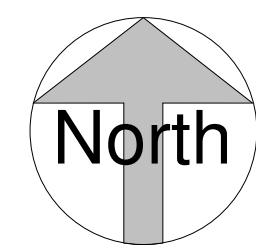
Site Access Point

8m wayleave allowed to culvert

Unit 1

Unit 3

Unit 2



Proposed Site Layout  
 1 : 250

A	180319	Boundary description amended	JCH	AY
rev	date	amendment	drawn	chckd
Preliminary <input type="checkbox"/>		Tender <input checked="" type="checkbox"/>		Construction <input type="checkbox"/>
Building Consultancy Unit 1 Woodfieldside Business Park Pontllanfraith Blackwood NP12 2DG Tel: (01495) 226622 Building Consultancy Manager: M. Williams B.Eng, C.Eng, M.I.C.E.				
project title <b>The Lawns Industrial Estate - New Industrial Units</b>				
drawing title <b>Proposed Site Layout</b>				
date	scale	drawn	checked	
02/27/18	As indicated	JCH	AY	
project no.	drawing no.		rev.	
4539	A102 A			

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Notes:-

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CONTRACTOR TO CHECK DIMENSIONS ON SITE

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South Aerial View

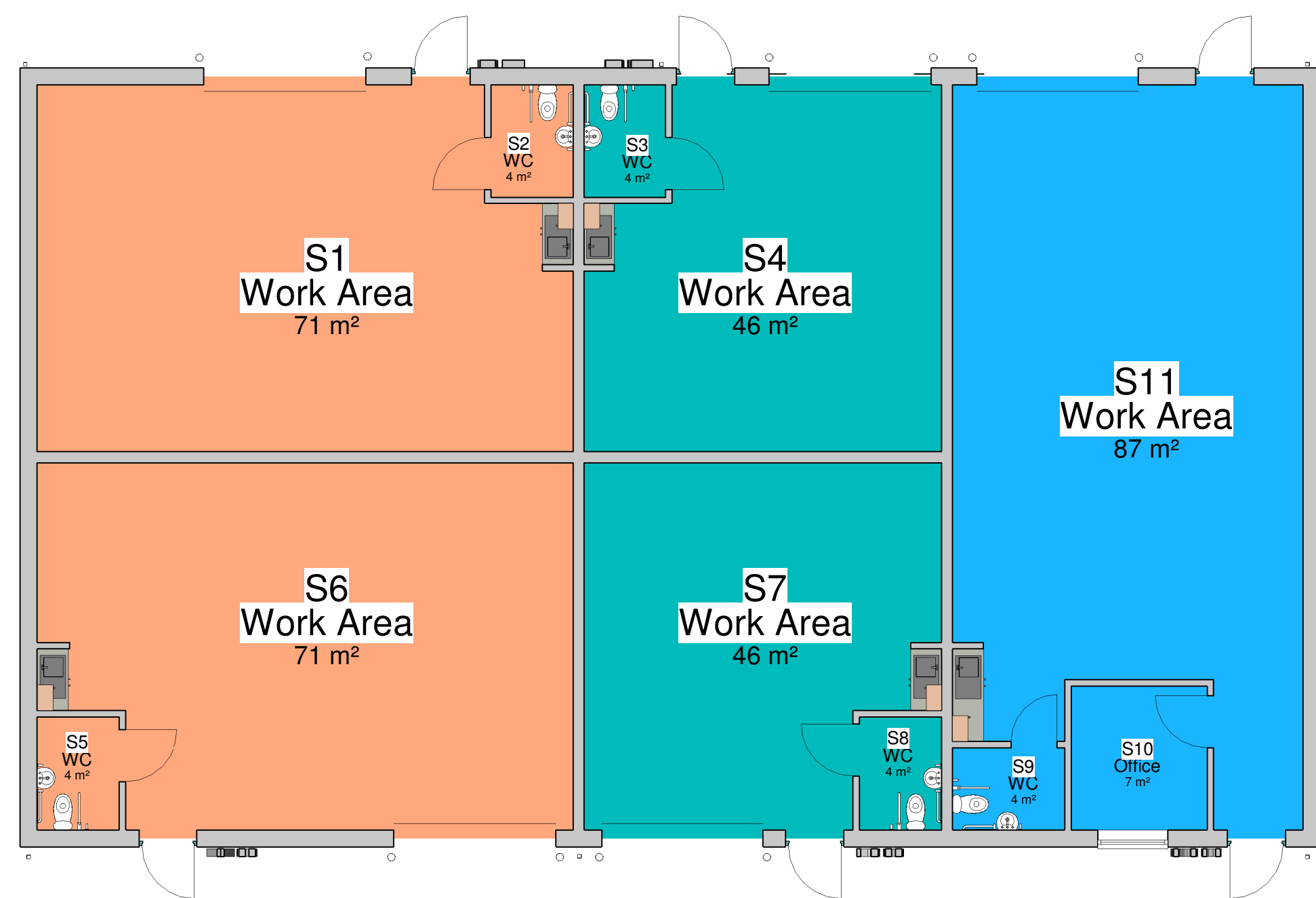


North Aerial View

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drawing status				
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		Building Consultancy Unit 1 Woodfieldside Business Park Pontllanfraith Blackwood NP12 2DG		
		Tel: (01495) 226622 Building Consultancy Manager: M Williams B.Eng, C.Eng, M.I.C.E		
project title				
The Lawns Industrial Estate - New Industrial Units				
drawing title				
Aerial Views				
date	scale	drawn	checked	
02/26/09		JCH	AY	
job no.	drawing no.		rev.	
4539	A110			



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**Standard Unit: Base Scheme x 3no / Option Scheme x 2 no :**

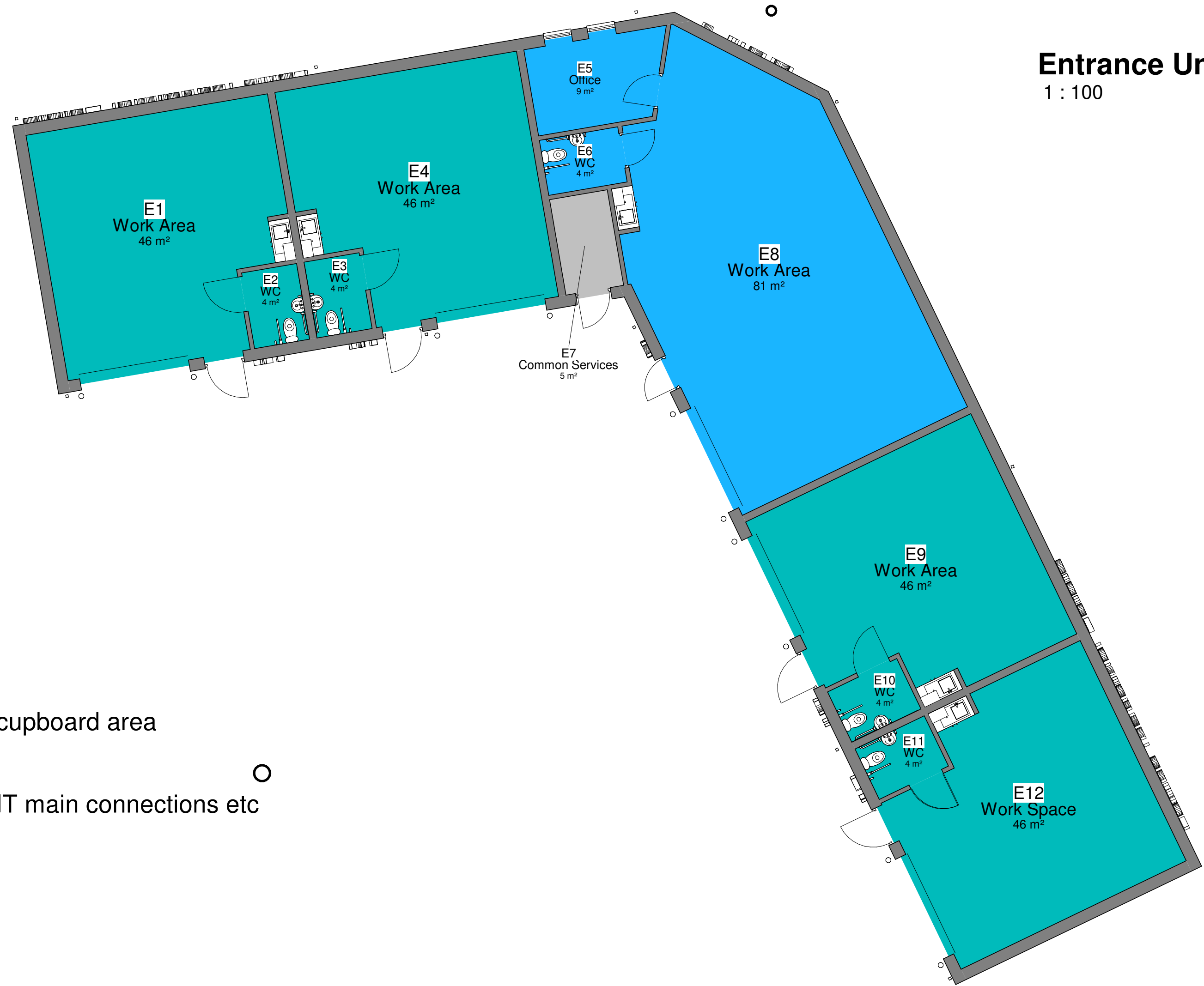
- 2no 50 sq m units
- 2no 75 sq m units
- 1no 98 sq m unit
- Areas include wcs and offices.

All units contain accessible wc plus sink and cupboard area  
 98 sq m unit contains office area in addition.

**Standard Unit**  
 1 : 100

**Unit Types**

- 50 sq m Unit
- 75 sq m Unit
- 100 sq m Unit



**Entrance Unit**  
 1 : 100

**Entrance Unit: Both Schemes 1no.:**

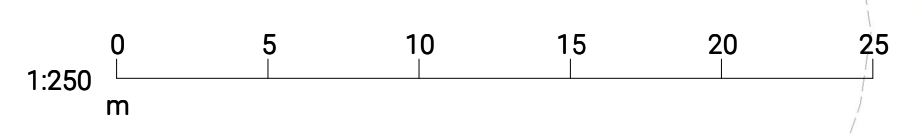
- 4no 50 sq m units
- 1no 95 sq m unit
- Areas includes wcs and offices

All units contain accessible wc plus sink and cupboard area  
 95 sq m unit contains office area in addition.

Common Services space included for CCTV/IT main connections etc

rev	date	amendment	drawn	chckd
drawing status				
Preliminary <input type="checkbox"/>		Tender <input checked="" type="checkbox"/>		Construction <input type="checkbox"/>
 Building Consultancy Unit 1 Woodfieldside Business Park Pontllanfraith Blackwood NP12 2DG Tel: (01495) 226622 Building Consultancy Manager: M. Williams B.Eng, C.Eng, M.I.C.E.				
project title				
The Lawns Industrial Estate - New Industrial Units				
drawing title				
Outline Unit Plans				
date	scale	drawn	checked	
09/29/17	1 : 100	JCH	AY	
project no.	drawing no.		rev.	
4539	A103			





#	24.06.19	PLANNING ISSUE	LH	BM
Rev	Date	Description	By	Chk

PLANNING ISSUE

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Tel: 029 2034 2688 www.darntonb3.com

CLIENT  
Caerphilly Borough Council

PROJECT  
Ty Du Employment Scheme

TITLE  
Site Plan - Colour

CREATION DATE	SCALE @ A1	DWN	CHK	STATUS
07/06/19	1:250	LH	BM	S2

SHEET NO  
13273 - DB3 - S01 - ZZ - DR - A - 90009 #

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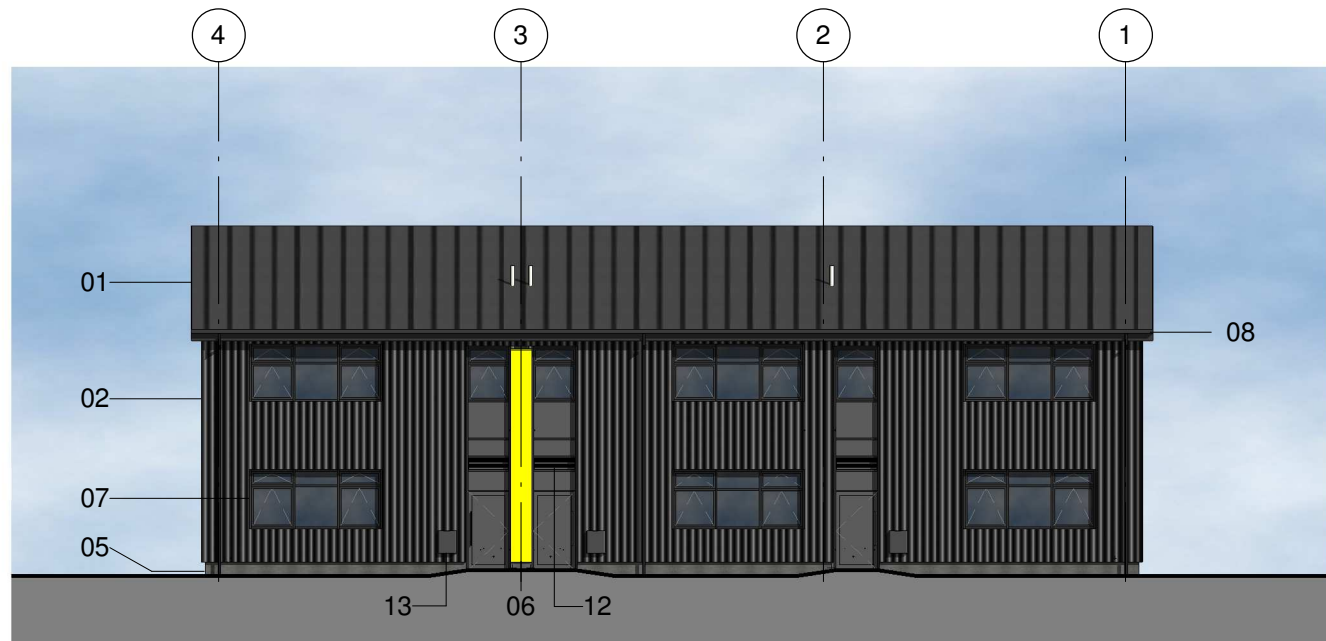
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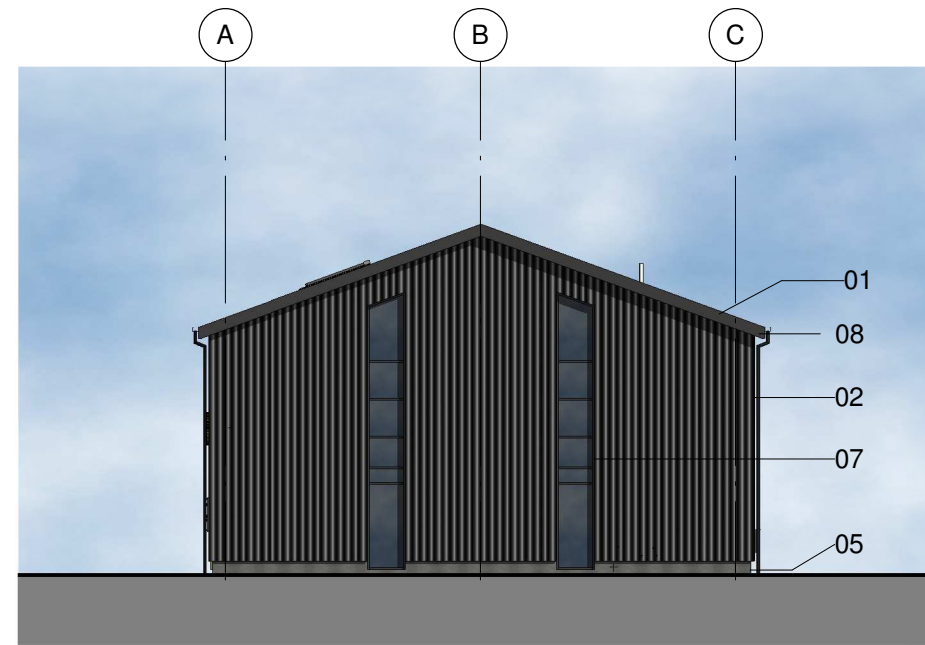
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1 : 200



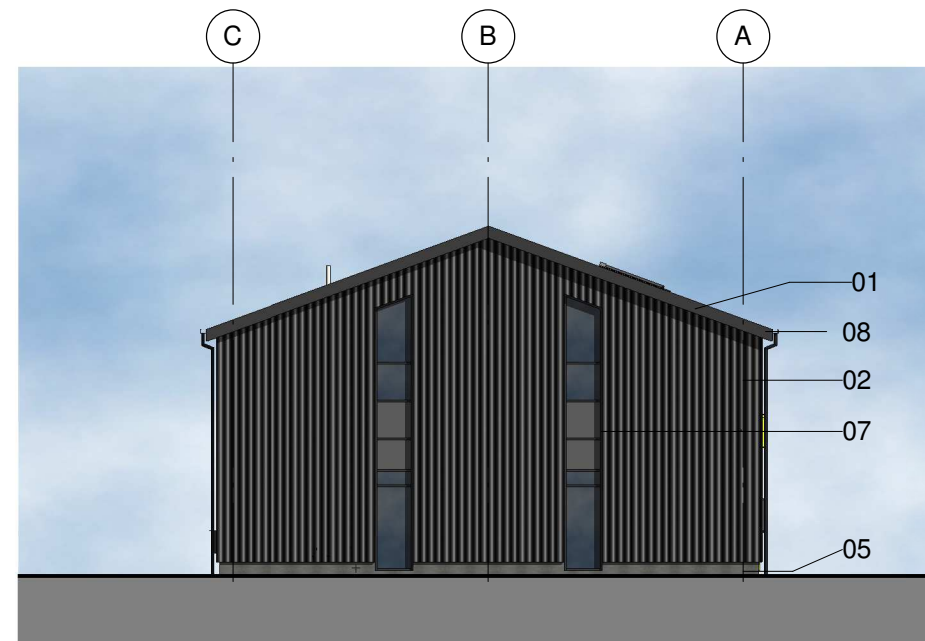
Elevation - Rear

1 : 200



Elevation - End 1

1 : 200



Elevation - End 2

1 : 200

- 01 Dark grey metal roof
- 02 Profiled metal cladding
- 03 Charred timber cladding
- 04 Flat grey metal cladding
- 05 Grey brick plinth
- 06 Flat yellow metal cladding
- 07 Aluminium windows
- 08 Metal rainwater goods and fascias painted grey
- 09 Contrast signage
- 10 Unified signage
- 11 Contrast colour doors
- 12 Ventilation louvres PPC dark grey
- 13 Gas connection service entry box

Rev	Date	Description	By	Chk
B	24.06.19	PLANNING ISSUE	LH	BM
A	14.06.19	Issued for costing	BM	LH
#	07.06.19	First Issue	BM	LH

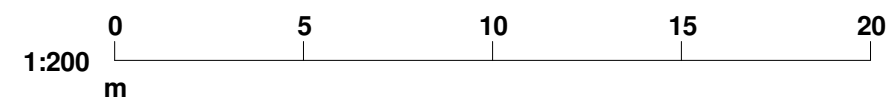
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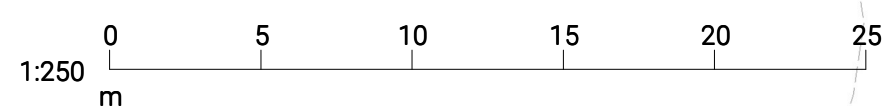
**CARDIFF**

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CLIENT Caerphilly County Borough Council				
PROJECT Ty Du Employment, Phase 1, Building 1				
TITLE Building 1 - Elevations				
CREATION DATE 10/05/19	SCALE @ A3 1 : 200	DRN LH	CHK BJM	STATUS S2
SHEET NO. <b>13273-DB3-B01-ZZ-DR-A-20_12</b>			REVISION B	
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CLIENT  
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PROJECT  
Ty Du Employment Scheme

TITLE  
Site Plan - Colour

CREATION DATE	SCALE @ A1	DWG	CHK	STATUS
07/06/19	1:250	LH	BM	S2
SHEET NO	PROJECT NO	REVISION		
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## CABINET – 12TH FEBRUARY 2020

**SUBJECT: DRAFT HEADS OF THE VALLEYS MASTERPLAN**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

- 
- 1.1 The attached report, which provided details of the Draft Heads of the Valleys Masterplan was considered by the Housing and Regeneration Scrutiny Committee on 28th January 2020. The report sought Members' views on the content of the Draft Masterplan, ahead of its presentation to Cabinet on 12th February 2019 for endorsement of the Masterplan as the basis for a public consultation exercise commencing 17th February 2020 until 30th March 2020.
  - 1.2 Officers outlined how the signing of City Deal and the Cardiff Capital Region Investment Fund has signalled an investment of £1.2 billion to support the region's economic growth. This investment, along with a £100 million commitment detailed by the Ministerial Taskforce for the South Wales Valleys in 'Our Valleys, Our Future', has the potential to make a positive impact in terms of addressing the challenges of social and economic deprivation that are faced in the Heads of the Valleys. Masterplans for Caerphilly Basin and Ystrad Mynach, the first two in a suite of five masterplans designed to complement the 'A Foundation for Success' strategy, were approved by the Council in July 2018 and April 2019 respectively.
  - 1.3 Members noted that these funding streams allied to improvements in connectivity to be delivered by Phase 2 of the South Wales Metro and the A465 dualling presented opportunities for renewal. Several priorities relevant to the Heads of the Valleys were outlined in the 'Our Valleys, Our Future' publication. These included creating 7,000 new jobs, maximising the potential of the A465 dualling and the creation of a Valleys Regional Park, which would link green spaces and visitor attractions and therefore create tourism opportunities.
  - 1.4 During the course of discussion on the item, a Member outlined concerns regarding the lack of timescales within the draft Heads of the Valleys Masterplan and the consequences if estimated targets were not met. Officers explained that the Regeneration Project Board monitors progress on a 6-monthly basis, but that it is difficult to include definite timescales within a draft Masterplan as certain proposals are dependent on attracting further funding.
  - 1.5 One Member raised the issue of land ownership at Markham Colliery in Argoed, which had been identified as a proposed country park, and was concerned that previously identified Welsh Government funding for this site would no longer be available. Officers advised that no specific briefing on land ownership at this site had been received to date.
  - 1.6 Discussion ensued on A465 dualling and initiatives to encourage those drivers travelling across the Heads of the Valleys to visit the northern part of the County Borough. The issue of limited bus services was also highlighted as an area of importance. Officers advised that whilst the South Wales Metro programme focussed initially on rail, under what was called "Metro+" there was the potential for bus services to be added to the overall scheme.

- 1.7 One Member queried if there was too much emphasis on cycle tracks in the draft Masterplan. Officers outlined the ambition that new cycle tracks would attract more cyclists which would have benefits in terms of tourism, sustainable transport and helping to meet the Council's well-being objectives on improving health.
- 1.8 A Member suggested that too much emphasis was placed on rail and that connectivity has to be improved away from the two railway stations in the Masterplan area. He pointed out that unless connectivity was spread out on a wider basis, travellers could become dependent on using cars and it would then be problematic to get them to transfer to other forms of transport. Officers outlined the importance of promoting sustainable transport and gave an example of how a neighbouring Authority had started to reduce car-parking space in an attempt to discourage travellers from using cars. Officers advised that in the future such measures aimed at reducing the use of cars would be more commonplace.
- 1.9 A question was asked on the Foundational Economy and whether or not attempts had been made to access specific Welsh Government funding. An Officer explained to Members how the Authority had successfully obtained funding from the Foundational Economy Challenge Fund. Members were informed about a recent event facilitated by Caerphilly Council to encourage local representatives from the private sector to generate unique ideas which could then be put forward by a panel of judges to the Welsh Government for funding consideration. Members were advised that out of the ideas submitted from across Wales, 16 were selected by WG for progression, including 3 from from Caerphilly County Borough Council.
- 1.10 Following consideration and discussion the Housing and Regeneration Scrutiny Committee unanimously recommended to Cabinet that:
- (i) The Draft Heads of the Valleys Masterplan be endorsed for public consultation;
  - (ii) The Draft Masterplan be the subject of public consultation commencing on 17<sup>th</sup> February 2020 and concluding on 30<sup>th</sup> March 2020.
- 1.11 Cabinet are asked to consider the report and the above recommendations from the Scrutiny Committee.

Author: Mark Jacques, Scrutiny Officer – jacqum@caerphilly.gov.uk

Appendices:

Appendix Report to Housing and Regeneration Scrutiny Committee 28<sup>th</sup> January 2020 – Agenda Item 9



## **HOUSING AND REGENERATION SCRUTINY COMMITTEE – 28TH JANUARY 2020**

**SUBJECT: DRAFT HEADS OF THE VALLEYS MASTERPLAN**

**REPORT BY: INTERIM CORPORATE DIRECTOR - COMMUNITIES**

---

### **1. PURPOSE OF REPORT**

- 1.1 For Members to consider the Draft Heads of the Valleys Masterplan. The report is seeking the view of members prior to its presentation to Cabinet, where Cabinet will be asked to endorse the Draft Heads of the Valleys Masterplan as the basis for a public consultation exercise commencing 17 February 2020 until 30 March 2020.

### **2. SUMMARY**

- 2.1 Caerphilly County Borough and the wider Cardiff Capital Region are entering a period of transformative change. The need for a strategy to coordinate regeneration initiatives and capitalise upon funding streams is urgent in order to maximise the potential benefits to the County Borough.
- 2.2 The signing of City Deal and the Cardiff Capital Region Investment Fund signals an unprecedented investment of £1.2 billion, to support the region's economic growth. The investment fund will be used to take forward a wide range of projects and schemes that contribute toward economic growth. Allied to this is the commitment from the Ministerial Taskforce for the South Wales Valleys, detailed in the publication of 'Our Valleys, Our Future', a high level plan that sets out strategic priorities for the region and which is supported by £100 million of Welsh Government investment over 10 years.
- 2.3 In terms of the Heads of the Valleys, the improvements in connectivity to be delivered by Phase 2 of the South Wales Metro and the A465 dualling present opportunities for economic renewal, allied to these additional funding streams. These interventions, along with strategic priorities concerning employment, skills and the Valleys Regional Park set out in 'Our Valleys, Our Future', have the potential to make a positive impact in terms of addressing the challenges of social and economic deprivation that are faced in the Heads of the Valleys.

### **3. RECOMMENDATIONS**

- 3.1 That the Draft Heads of the Valleys Masterplan be endorsed for public consultation;

3.2 That the Draft Masterplan be the subject of public consultation commencing on 17 February 2020 and concluding on 30 March 2020.

#### **4. REASONS FOR THE RECOMMENDATIONS**

4.1 To enable the formulation, through public engagement, of a framework for investment and regeneration opportunities within the Heads of the Valleys.

#### **5. THE REPORT**

##### **Background**

5.1 The signing of the Cardiff Capital Region City Deal signals the intention of the 10 South East Wales local authorities to increasingly work together through joint enterprise, on issues of long term development, infrastructure, land use, economic development and employment. It marks unprecedented investment from the UK and Welsh Governments, as well as local authorities, and offers the possibility of an integrated long term approach to investment within the region. The City Deal agreement sets out a series of priorities and recommendations for the future growth and investment within the Cardiff Capital Region, of which Caerphilly County Borough is part.

5.2 The County Borough's regeneration strategy, 'A Foundation for Success', was approved in July 2018 and provides the strategic framework for regeneration activity over the next five years. In addition to this, masterplans for Caerphilly Basin and Ystrad Mynach, the first two in a suite of five masterplans designed to complement this strategy, were approved by the Council in July 2018 and April 2019 respectively. These documents provide more detailed proposals for the regeneration and revitalisation of their respective areas.

5.3 The Valleys Taskforce Delivery Plan, 'Our Valleys, Our Future', identifies several priorities which are relevant to the Heads of the Valleys. These include:

- Creating 7,000 new jobs;
- Supporting entrepreneurship and helping businesses to grow;
- Ensuring people have the right skills for employment;
- Maximise the potential of the A465 dualling;
- More integrated community services;
- Creation of a Valleys Regional Park, linking green spaces and visitor attractions and increasing tourism.

5.4 In addition, Phase 2 of the Metro will have a positive impact in terms of connectivity, both through increased journey frequency and the provision of enhanced facilities. Regionally significant interventions such as the A465 dualling and the Ebbw Vale Enterprise Zone will require the Masterplan to take a strategic perspective, and to ensure that proposals for economic development in the Heads of the Valleys take advantage of these initiatives.

5.5 The Masterplan will form part of the implementation plan for 'A Foundation for Success', with the latter to be reviewed every five years. Whilst the Masterplan identifies investment and development opportunities within the Heads of the Valleys, the Regeneration Project Board will prioritise projects and proposals for consideration



by Cabinet and, therefore, delivery will be dependent on decisions made by Cabinet.

### **Draft Heads of the Valleys Masterplan**

- 5.6 The Draft Heads of the Valleys Masterplan has been developed with the following vision:

“The Heads of the Valleys will capitalise upon the major public investment in the A465 and its strategic location along this corridor, complementing and strengthening employment opportunities and creating an exciting, vibrant place where businesses will want to locate and where people will choose to live and work.

It will strengthen and diversify communities by improving connectivity, supporting the role of the foundational economy and developing its role as a visitor and tourism destination by utilising its distinctive industrial heritage and natural attractions and spaces.

It will enable the provision of, and promote accessibility to, those commercial, leisure and community services that will equip people to lead more healthy and prosperous lives.”

### **Conclusion**

- 5.7 The central theme of the Masterplan is a requirement to address ongoing issues of social and economic deprivation through an emphasis on economic development undertaken in line with regional priorities, the development of appropriate skills, increased east-west and north-south connectivity and a strengthened visitor and tourism sector through the concept of the Valleys Regional Park.

By putting in place a framework for investment and regeneration within the Heads of the Valleys that seeks to take forward these priorities, as well as implementing those of ‘A Foundation for Success’, the Masterplan has the ability to help bring about transformative change in this part of the County Borough.

## **6. ASSUMPTIONS**

- 6.1 No assumptions have been made in respect of this report.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 The following Council policies are relevant to the Draft Heads of the Valleys Masterplan:

### **Corporate Plan 2018-2023**

- 7.2 Appendix 3 of the Draft Masterplan sets out how each priority within the document relates to the Corporate Plan objectives.
- 7.3 The following Masterplan objectives assist in delivering the six Corporate Plan objectives:

### **Objective 1 - Improve education opportunities for all**

Objective B - Improve social and economic resilience through education, training and careers advice, and foster the development of the foundational economy within this area to ensure that economic growth accrues more equitably

**Objective 2 - Enabling employment**

Objective A - Complement, and integrate with, nearby initiatives such as the Ebbw Vale Enterprise Zone (EZ) in order to develop a strategic employment function for Rhymney, establishing it as a gateway to the Valleys;

Objective B - Improve social and economic resilience through education, training and careers advice, and foster the development of the foundational economy within this area to ensure that economic growth accrues more equitably;

Objective C - Expand the area's sphere of influence and improve connectivity

**Objective 3 - Address the availability, condition and sustainability of homes throughout the County Borough and provide advice, assistance or support to help improve people's well-being**

Objective G - Support the development and diversification of housing in sustainable locations to complement economic growth and resilience;

Objective I - Ensure that accessibility for all is embedded in all improvement schemes

**Objective 4 - Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment**

Objective C - Expand the area's sphere of influence and improve connectivity

Objective J - Ensure all communities within the Heads of the Valleys Regeneration Area are able to engage and benefit from the Masterplan

**Objective 5 - Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Wellbeing of Future Generations (Wales) Act 2015**

Objective E - Maximise the impact of the Valleys Regional Park, protecting and enhancing important green spaces and promoting tourism;

Objective H - Provide a suitable level of community, leisure and education facilities, and establish Integrated Well-Being Networks in order to connect communities' strengths and assets

**Objective 6 - Support citizens to remain independent and improve their well-being**

Objective H - Provide a suitable level of community, leisure and education facilities, and establish Integrated Well-Being Networks in order to connect communities' strengths and assets;

Objective I - Ensure that accessibility for all is embedded in all improvement schemes;

Objective J - Ensure all communities within the Heads of the Valleys Regeneration Area are able to engage and benefit from the Masterplan.

## 8. WELL-BEING OF FUTURE GENERATIONS

8.1 Led by 'A Foundation for Success', the Masterplan takes a systematic approach to dealing with distinct, yet interrelated, aspects of social and economic inequality, with the result that each of the seven Well-Being Goals are addressed by the objectives and priorities for intervention identified within it:

- A prosperous Wales;
- A resilient Wales;
- A healthier Wales;
- A more equal Wales;
- A Wales of cohesive communities;
- A Wales of vibrant culture and thriving Welsh Language;
- A globally responsible Wales.

8.2 Appendix 3 of the Draft Masterplan sets out how each priority within the document relates to the Well-Being Goals.

8.3 The development of the Masterplan has been informed by the five ways of working:

**Involvement** – The proposals contained within the Masterplan are subject to consultation with the local community, and have been developed through engagement with stakeholders such as landowners, partner organisations including the Local Health Board and Idris Davies School, and local authority ward members and community councillors representing the various communities within the Masterplan area;

**Collaboration** – The development of the Masterplan has drawn upon the expertise from key representatives across local authority departments, including Planning, Regeneration, Housing, Engineering and Countryside. The delivery of the projects identified within the Masterplan will involve collaboration between the public, private and third sectors, and the Council will work closely with these partners to deliver schemes in a collaborative manner;

**Long term** – The objectives identified, and the projects that will deliver these objectives, are part of a longer-term vision of enhancing the role of the Heads of the Valleys as a sub-regional economic hub capable of supporting local communities. The Masterplan recognises the need for development in order to support economic growth, but recognises that this development should be of a sustainable nature, both in terms of its purpose and its location;

**Integration** – The projects identified in the Masterplan will help deliver the objectives set out in the Council's regeneration strategy *A Foundation for Success* (as set out

within Section 7 of this document), as well as proposals contained within the adopted Local Development Plan. They will also deliver against the Council's own well-being objectives by identifying projects that will lead to job creation and training opportunities, promote more healthy and active lifestyles and reduce the carbon footprint through improved Active Travel routes and facilities locally;

**Prevention** – The Masterplan recognises that there are a number of challenges within the Heads of the Valleys that need to be addressed, in order to realise the vision. The proposals identified will respond to these key concerns and will raise the profile of the area, developing the economy within the context of the A465 corridor, increasing and improving the tourism offer and enhancing town centres – all from the basis of improved connectivity, infrastructural investment and an advantageous strategic location in regional terms – thereby improving quality of life for those visiting, living and working in the Masterplan area.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 An equality impact assessment has been undertaken as part of the process of formulating the Draft Masterplan. It is not considered that there are any potential equalities implications for those groups identified under Section 6 of the Council's Strategic Equality Plan.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 Funding sources (where known) for specific projects are identified in Section 7 of the Draft Masterplan. Decisions on the funding and delivery of specific projects will be made by Cabinet, on the basis of the priorities and recommendations of the Regeneration Project Board.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 There are no personnel implications.

## **12. CONSULTATIONS**

- 12.1 The consultees listed below have been consulted on the report and their views have been incorporated accordingly.

## **13. STATUTORY POWER**

- 13.1 Local Government Act 2000

Author: Ian Mullis, Planning Officer (mullii@caerphilly.gov.uk)

Consultees: Cllr. Sean Morgan, Deputy Leader and Cabinet Member for Regeneration, Transportation & Sustainability  
Cllr. Eluned Stenner, Cabinet Member for Finance, Performance & Planning  
Cllr. John Ridgewell, Chair, Housing & Regeneration Scrutiny Committee

Cllr. Christine Forehead, Vice Chair, Housing & Regeneration Scrutiny Committee  
Christina Harray, Interim Chief Executive  
Mark S Williams, Interim Corporate Director, Communities  
Richard Edmunds, Corporate Director, Education & Corporate Services  
Dave Street, Corporate Director, Social Services & Housing  
Steve Harris, Interim Head of Business Improvement Services & Acting S.151 Officer  
Robert Tranter, Head of Legal Services & Monitoring Officer  
Lynne Donovan, Head of People Services  
Rhian Kyte, Head of Regeneration & Planning  
Marcus Lloyd, Head of Infrastructure  
Mark Williams, Interim Head of Property Services  
Robert Hartshorn, Head of Public Protection, Community & Leisure Services  
Sue Richards, Head of Education Planning & Strategy

Appendices

Appendix 1 Draft Heads of the Valleys Masterplan



# Heads of the Valleys Regeneration Area

# *Masterplan*

Draft December 2019

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# Section 1: Introduction

This Masterplan sets out the future development and regeneration opportunities proposed for the Heads of the Valleys. It seeks to facilitate significant change in order to enhance the role of communities, enabling them to diversify, allowing industries to rise and demographics to alter for the better.

There is an exciting opportunity to facilitate significant change through the Cardiff Capital Region City Deal (CCRCD), which will provide resources to unlock significant economic growth in the region, delivering jobs and private sector investment. Whilst CCRCD seeks to revitalise Cardiff as its regional city it also seeks to promote growth in smaller towns and industrial communities in order to rebalance social justice and prosperity. This Masterplan seeks to provide a direction of travel to ensure a transition towards economic and social success.

The City Deal Investment Fund will also facilitate the delivery of the South East

Wales Metro, which will make substantial improvements to connectivity by public transport across the region. This investment will improve frequency of services to Rhymney Station from Cardiff, improving north–south connectivity and the Masterplan sets out how this opportunity can be maximised.

The Valleys Taskforce also sets out an ambitious programme for change, identifying actions and programmes designed to make a positive change to the South Wales Valleys through the ‘Our Valleys Our Future’ Delivery Plan. Whilst the Delivery Plan sets out a number of actions, most pertinent to this Masterplan is the focus on making more land available in order to maximise economic development opportunities, harnessing the potential of the local foundational economy, taking advantage of improved connectivity and the role of the Valleys Regional Park.

The role of this Masterplan is therefore

to provide a comprehensive framework for the future of the Heads of the Valleys Regeneration Area. This Masterplan is flexible and has the ability to adapt to changing economic and market conditions and meet the requirements and aspirations of both the private and public sector over this period through regular review. It is recognised that there are some projects that can be delivered within the short to medium term. However, in order to deliver long term regeneration goals, there is an aspiration to redevelop a number of key sites within the Masterplan area.

The Masterplan has been prepared within the context of the adopted Caerphilly County Borough Local Development Plan (LDP), which sets out the Council’s land use objectives for the County Borough in the period up to 2021, but it also sets out longer term goals to ensure that the momentum of change also extends well into the next decade. Many of the projects identified in





the Masterplan are aligned to proposals contained within the adopted LDP. The adopted LDP plan period ends in 2021 and the plan will need to be reviewed to provide the policy framework to control development for the period beyond 2021. Furthermore, relevant proposals may also be included within a Strategic Development Plan for the Cardiff Capital Region. The Masterplan will therefore need to be reviewed to take into account the relevant policies and proposals contained within the different tiers of development plans as they emerge.

The Masterplan has been prepared in the context of the overarching regeneration strategy for the County Borough, "A Foundation for Success" as well as the economic development strategy "Delivering Prosperity." "A Foundation for Success" sets out four key themes that need to be addressed:

- **Supporting Business**
- **Connecting People and Places**
- **Supporting People; and**
- **Supporting Quality of Life.**

The Heads of the Valleys Masterplan is the third area-specific strategy, in a series of five, which will identify projects that will help address key issues and objectives set out within the wider Regeneration Strategy. It forms part of the implementation plan for 'A Foundation for Success' and the Economic Development Strategy 'Delivering Prosperity' which will be reviewed every 5 years. The Masterplan identifies investment and development opportunities within the Heads of the Valleys Area.

In order to capture regeneration opportunities throughout the County Borough, two further Masterplans will be produced for Greater Blackwood and the Newbridge to Risca Corridor.

## Section 2: The Study Area

The Heads of the Valleys Regeneration Area is located in the northern part of Caerphilly County Borough, and comprises the Principal Town of Bargoed, the Local Centre of Rhymney, and the Upper Rhymney and Sirhowy Valleys. It incorporates the wards of Twyn Carno, Moriah, Pontlottyn, Darren Valley, New Tredegar, Aberbargoed, Bargoed, Gifach and Argoed.

This area suffers from significant challenges, as underlined by the Welsh Index of Multiple Deprivation (WIMD) 2019. Of the 20 lower super output areas (LSOAs) that constitute the nine wards, six of them are within the 10% most deprived in Wales in overall terms, with a further five in the 10 - 20% most deprived category. In addition, all nine wards are above average in terms of economic inactivity and unemployment, and the proportion of lower-skilled, lower-paying jobs is higher in the Heads of the Valleys Regeneration Area than

for the England and Wales average. Relevant data is presented as an appendix to this document.

The Heads of the Valleys Regeneration Area lies on the A465 at its northernmost point. This is a key transport artery for the South Wales economy, connecting the M4 at Neath to Abergavenny and Hereford, and providing links between West Wales and the Midlands. It is the only strategic east-west link that connects the Valleys communities providing access to employment, retail, leisure and other facilities. Significant levels of public funding has been already been spent on improving the A465 and further investment is being provided to complete the dualling of the route.

This Masterplan seeks to put into context the role that the Heads of the Valleys Regeneration Area plays within the wider A465 corridor and looks to complement, exploit and strengthen the opportunities that

exist. To the west is Merthyr, a sub-regional centre, major retail destination and service centre and home to Welsh Government offices and major tourism attractions such as Bike Park Wales. Immediately to the east is Blaenau Gwent, home to the Ebbw Vale Enterprise Zone (EZ) which is utilising publicly available finance to develop its automotive sector through the Tech Valleys initiative.

Whilst the study area of the Masterplan only relates to that part of the Heads of the Valleys within Caerphilly County Borough's administrative boundary, it has regard to the wider A465 corridor and identifies development and investment opportunities that will strengthen the Borough's position within this context.

# Section 3: The Context

In providing the context to the Masterplan it is important to understand the strengths, weaknesses, opportunities and threats that currently exist within the Heads of the Valleys.

## Strengths

- Excellent connectivity by road via the A465 Heads of the Valleys Road to the West Midlands, West Wales and Ireland;
- Located within a dramatic natural and semi natural environment;
- Improved public transport infrastructure in recent years including the provision of the new park & ride facilities and a new bus/rail interchange at Bargoed, Rhymney park and ride and frequency enhancements;
- Significant life-science companies are located in the HOVRA including Richards and Appleby, Williams Medical and Convatec;
- Provision of a new 3-18 teaching facility in Rhymney (Idris Davies School);

- A number of Welsh medium schools are located in the area, helping to promote and grow the Welsh language;
- The Integrated Health and Social Care Resource Centre for the north is located in Rhymney together with Hafod Deg Resource Centre, both of which provide vital cross cutting services to residents in the area;
- The existence of key community hubs e.g. local libraries, community centres, GP surgeries;
- The area contains two country parks within its boundary: Parc Coetir Bargod and Parc Cwm Darran; with Parc Bryn Bach straddling the boundary with Blaenau Gwent, providing excellent recreation, leisure and lifelong learning opportunities;
- A leisure centre at New Tredegar providing significant leisure opportunities;
- New house building is ongoing helping

- to diversify the housing stock in this area, e.g. the former Bedwellty School Site;
- Significant investment has been targeted at the council house stock throughout the area, improving the condition and quality of the stock and its energy efficiency;
- The Cadw-designated Historic Landscape of Gelligaer and Merthyr Common is located within the area, providing a significant cultural and historical resource for the County Borough;
- A number of heritage sites are based in the area e.g. Butetown and the Elliott Colliery Winding House;
- The Greater Bargoed Regeneration Scheme has improved the southern end of Bargoed town centre;
- A positive attitude towards community cohesion.



## Weaknesses

- The Masterplan area and the Upper Rhymney Valley in particular has the highest concentration of deprivation within the County Borough;
- The Twyn Carno 1 LSOA is currently ranked as the 8th most deprived LSOA in Wales (WIMD, 2019);
- The area has high levels of economic inactivity, unemployment and long-term illness;
- The area has low levels of attainment with regard to education & formal qualifications;
- The general topography of the area, consisting of valleys and steep hillsides, hinders accessibility and has contributed to the problem of poor transport links and general physical isolation;
- Bus transport in the area is infrequent and unreliable as a means of accessing employment opportunities;





- Bargoed town centre has the highest vacancy rate of all of the principal town centres;
- There is low diversity in the range of housing in the area;
- Many of the communities in the area are isolated and there is limited provision of facilities and services.

## Opportunities

- The City Deal for the region will provide an unprecedented level of funding for projects with the aim of promoting economic growth and job creation throughout the region, including addressing skills gaps and shortages;
- The decision by the First Minister not to progress with the M4 Relief Road has a potentially positive impact on the perception of the A465 as a strategically important and unencumbered transport route;
- Potential for the integration of the Rhymney employment land with the Ebbw Vale Enterprise Zone, in order to create a Heads of the Valleys Enterprise Zone focussed on complementary and beneficial economic development along the A465;
- The natural and semi-natural environment in the area provides excellent recreational opportunities;
- The potential to enhance the benefits of its location adjacent to the Brecon Beacons National Park;
- The Upper Rhymney Valley offers significant potential in terms of renewable energy production;
- The area is the subject of major infrastructure improvements, including the dualling of the A465, Metro improvements and the Dwr Cymru Welsh Water Rhymney to Bargoed works, all of which have the ability to provide training and apprenticeship schemes for the area as well as facilitating employment growth – the Dwr Cymru Welsh Water scheme also offers investment in community projects as part of scheduled works;
- The delivery of new industrial units at The Lawns will provide modern, affordable units for business start-ups and expansions;
- A significant level of employment land is available; although investment is needed to bring some of it back into beneficial use;
- The development of Angel Way and Lowry Plaza provides an excellent opportunity to act as a catalyst to regenerate and diversify Bargoed town centre;
- Capitalising on the improvements to the rail line and the increases in the frequency of services post 2023;
- Provision of a bus interchange on the A465 to improve east-west links by public transport, and to connect to the A469;
- Target training opportunities at Rhymney, New Tredegar and Bargoed and throughout the area, looking at the potential of delivering community transport through the RDP and Transport for Wales;

- Pilot improved use of digital technology for promoting green infrastructure and facilities and integrated digital technology training with employers and young people;
- Expansion of the area's leisure and tourism offer through the Valleys Regional Park would be beneficial both to the local economy and people's quality of life;
- Maximise the potential for heritage to be used as a tool for increasing tourism in the area;
- Potential to establish the Masterplan area as a visitor destination through increased tourist accommodation provision given its proximity to the National Park and other leisure and tourism facilities;
- The natural and semi-natural environment, including the country parks and the Historic Landscape of Gelligaer Common, provides excellent opportunities for local communities and visitors alike, including recreation, improved health and well-being and lifelong learning;
- Sections of cycle routes have already

been implemented and there are further opportunities to create a network of routes and paths integrated into a wider regional network;

- RDP funding is available which could be used to facilitate a number of developments in the area.

### Threats

- Merthyr and Ebbw Vale are identified as strategic hubs in the VTF Delivery Plan. The northern part of the Masterplan area therefore needs to ensure that it is able to develop its complementary employment role;
- No VTF 'hubs' are identified within the Masterplan area;
- The current vogue for experiential shopping and the growth in online retail are challenging for the existing town centres;
- Population decline is a significant threat to the Heads of the Valleys, potentially leading to the loss of local services and community sustainability;
- Socio-economic factors need to be addressed or they are likely to continue to have a significant impact on the Masterplan area;
- Levels of car ownership are low and IT infrastructure within the area is poor;
- Low land values and historic land conditions associated with the area's industrial past make many sites unviable and therefore unattractive to the private sector;
- Available financial resources may be insufficient to effectively address the challenges, especially as a result of the loss of EU funding;
- Low aspirations, low educational achievement and health issues may hinder the ability of residents to access employment opportunities;
- Negative perceptions of the area can undermine attempts at regenerating the area.

# Section 4: The Vision for the Heads of the Valleys Regeneration Area

The Heads of the Valleys Regeneration Area comprises the towns of Bargoed, Rhymney and the Upper Rhymney and Sirhowy Valleys, and lies alongside the A465 at its northernmost point. Development in this area needs to capitalise upon the major public investment in the A465, in order to help address deprivation within this area. A Vision and a series of Strategic Objectives have been identified, based on the findings set out in Section 3 – these seek to address the HOVRA's threats and weaknesses, by maximising the positive impact of its strengths and taking advantage of its opportunities.

## The Vision is as follows:

"The Heads of the Valleys will capitalise upon the major public investment in the A465 and its strategic location along this corridor, complementing and strengthening employment opportunities and creating an exciting, vibrant place where businesses will

want to locate and where people will choose to live and work.

It will strengthen and diversify communities by improving connectivity, supporting the role of the foundational economy and developing its role as a visitor and tourism destination by utilising its distinctive industrial heritage and natural attractions and spaces.

It will enable the provision of, and promote accessibility to, those commercial, leisure and community services that will equip people to lead more healthy and prosperous lives."

The Vision has been prepared having regard for the seven well-being goals set out within the Well-being of Future Generations (Wales) Act 2015.

The Vision for the Masterplan will be supported by a series of Strategic Objectives outlined below that will drive its delivery and

translate directly into a series of projects and actions that:

- A. Complementing, and integrate with, nearby initiatives such as the Ebbw Vale Enterprise Zone (EZ) in order to develop a strategic employment function for Rhymney, establishing it as a gateway to the Valleys** - *Identifying redevelopment proposals for Rhymney's employment sites that link into Metro improvements, the role of Rhymney Station and the close proximity of the A465. Establishing strong infrastructural and sectoral links with the EZ is central to this;*
- B. Improving social and economic resilience through education, training and careers advice, and foster the development of the foundational economy within this area to ensure that economic growth accrues more equitably** - *Tackling deprivation and improving access to economic*

opportunities through development of skills and integration of training initiatives with business. In terms of the foundational economy, ensuring that resources are more usefully spent shoring up indigenous businesses where profit and spend is more likely to remain or recirculate within the local economy. Central to this is building capacity within communities and establishing networks of collaboration;

**C. Expanding the area's sphere of influence and improve connectivity**

- Using the A465 and public transport infrastructure improvements to enable the population within the north of the County Borough to benefit from opportunities within the wider A465 corridor, including those that are presented in adjacent authorities;

**D. Reinforcing the role of Bargoed as a service centre for the north of the County Borough** - Promoting its

diversification for alternative uses, whilst retaining and consolidating a strong retail core;

**E. Maximising the impact of the Valleys Regional Park, protecting and enhancing important green spaces and promoting tourism** - Establishing

a vibrant network of tourism, visitor and leisure attractions and promoting the natural heritage of the area in order to encourage the use of green spaces and create a vibrant and accessible visitor destination;

**F. Supporting proposals for renewable energy generation and community benefit through utility infrastructure** -

Encouraging the development of renewable energy proposals in sustainable locations, including through the operation of community co-operatives, and ensure that community benefit can be derived from upgrades to public utilities;

**G. Supporting the development and diversification of housing in sustainable locations to complement economic growth and resilience** -

Unlock stalled housing sites in locations less favourable to volume builders and trial initiatives for innovative housing and self builds;

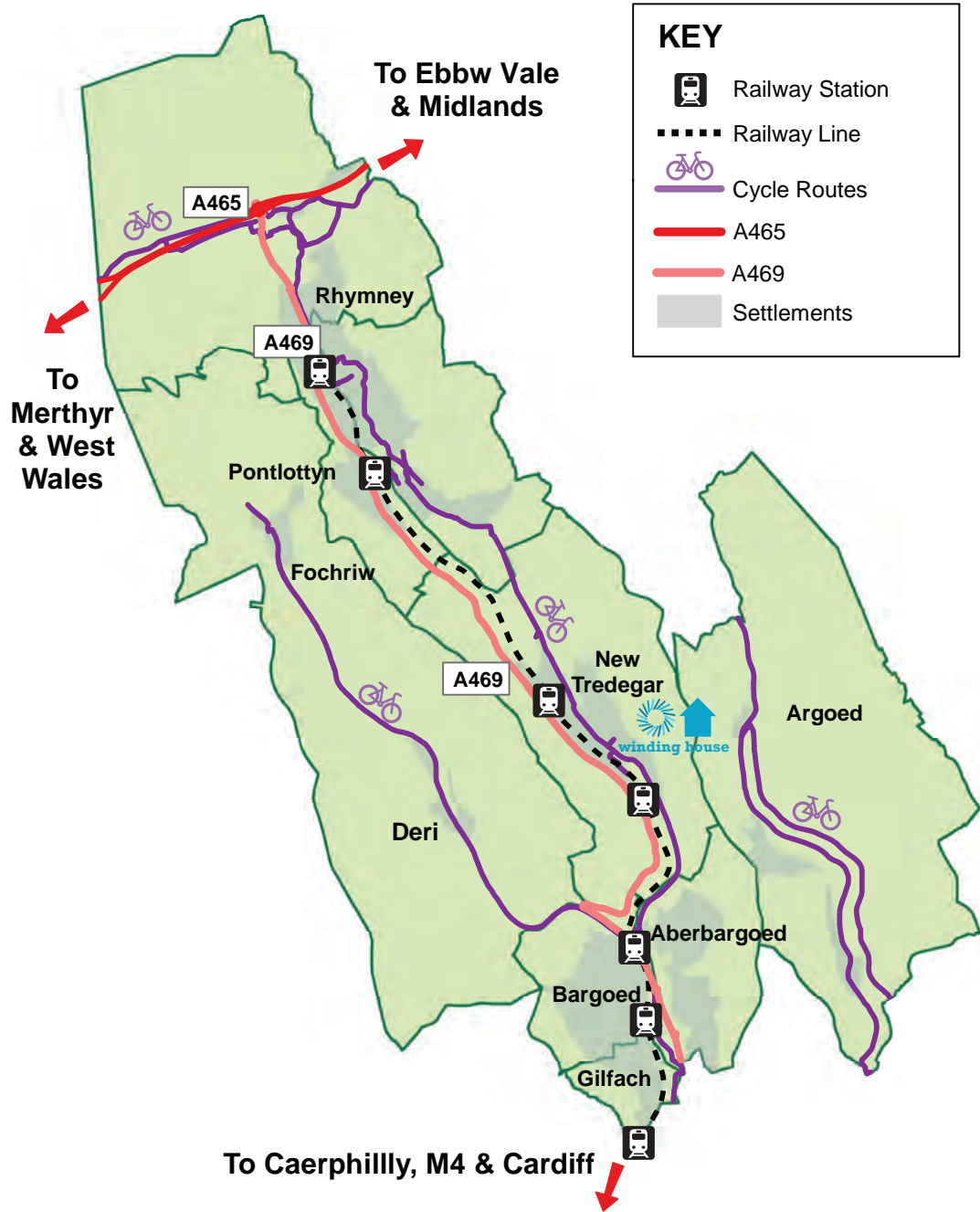
**H. Providing a suitable level of community, leisure and education facilities, and establish Integrated Well-Being Networks in order to connect communities' strengths and assets** -

Acknowledge that such facilities are important to the population and ensure that these facilities meet future needs.

Collaboration delivered through networks of community hubs and people who deliver services and support can build community relationships and have a positive impact on well-being and social capital, especially in conjunction with other community schemes;



## Study Area



- I. **Ensuring that accessibility for all is embedded in all improvement schemes** - A cross-cutting objective that recognises that people are disabled more by poor design, inaccessible services and other people's attitudes than by their own impairment;
- J. **Ensuring all communities within the Heads of the Valleys Regeneration Area are able to engage and benefit from the Masterplan** - Ensure that the proposals identified in the Masterplan have positive outputs for those that are living in those communities.

# Section 5: The Development Strategy

In order to deliver the Vision and Strategic Objectives, it is important to set out the development strategy in relation to the key land uses within the Masterplan area, having regard for the strategy of the adopted LDP, regional aspirations and the opportunities and challenges that form the context. The site specific delivery of the Masterplan is set out in Section 6.

## Employment and Skills

City Deal presents a significant opportunity to revitalise the economy of the A465 corridor, providing funds to develop growth in key sectors, establish a network of redeveloped and reconfigured employment sites and improve linkages with the rest of the region and beyond. Work has been undertaken to determine a sectoral breakdown of the HOVRA's economy, identify those areas of sectoral strength that may exist and to establish where opportunities for economic

growth may arise on the basis of this. This work is presented as an appendix to this document and its findings set out in Section 6.

The adopted LDP protects the following six sites within the Heads of the Valleys Regeneration Area for employment use and these should continue to be protected (additional land at Heads of the Valleys Industrial Estate is allocated for new development):

- Heads of the Valleys, Rhymney;
- Capital Valley, Rhymney;
- Maerdy, Rhymney;
- New Tredegar Business Park;
- Bowen, Aberbargoed;
- Angel Lane, Aberbargoed.

The Masterplan seeks to take advantage of the three Rhymney sites listed above plus The Lawns Industrial Estate by identifying them as potential redevelopment opportunities,

in order to provide new business space, to complement the role of the nearby Ebbw Vale Enterprise Zone (EZ) and maximise the potential offered by increased connectivity through the Metro initiative.

It is envisaged that this will involve the provision of new starter units suitable for small business start-ups, and some larger units that cater for businesses who wish to take advantage of existing and growth sectors. The area, along with Blaenau Gwent, does have a life sciences presence, and the automotive focus of the nearby EZ may present opportunities for complementary development in associated supply chains and service sectors.

Alongside physical improvements to land and premises, there is a need for this process to link to the development of direct recruitment schemes being implemented by the Council's Business Liaison Officer.

## Foundational Economy

The foundational economy provides essential goods and services for everyday life and includes infrastructure; utilities; food processing, retailing and distribution; and health, education and welfare. In Wales, it supports four out of every 10 jobs, and £1 in every £3 spent.

Common interventions utilised in relation to the foundational economy include those related to public sector procurement processes, ensuring that more of the revenue moving through it can be harnessed and retained in the local area. Other schemes include a pilot project in Blaenau Gwent, involving the collaboration of locally-active housing associations to support the development of SMEs.

Welsh Government has launched a £3m Foundational Economy Challenge Fund, offering support to organisations and businesses to introduce innovative ways of working. This is open to any organisation

working within the foundational economy, and projects must be for its benefit.

## Education and Training

Educational attainment and skills acquisition, along with other social and economic factors in respect of deprivation are key issues in respect of addressing inequalities in the Masterplan area. Data from the Welsh Index of Multiple Deprivation (WIMD) 2019 indicates that of the twenty LSOAs that constitute the HOVRA, six are in the most 10% deprived of all Welsh LSOAs in terms of education (details are set out in Appendix 5).

Working in partnership with Careers Wales, Business Support Wales and business and industry, the Council will seek to increase the availability of quality jobs and identify opportunities to enhance access for residents to those jobs. The availability of a workforce with the appropriate range of skills is essential, and the focus should be concentrated on the following areas:

- Providing appropriate career support to

aid people's understanding of the type of employment available to them and help them make the right choices to lead them into work;

- Ensuring that the appropriate soft skills and technical skills are provided, and engendering a culture of enterprise and entrepreneurship;
- Addressing the mismatch between the skills needed to access jobs (digital, technical and soft) and the training provided through the educational curriculum and by training providers;
- Ensuring that there are opportunities for upskilling in the current workforce, including the closing of skills 'gaps' in relation to potential growth sectors;
- Improving links between schools, further education and local businesses;
- Integration with the Community Regeneration-led Gateway to Employment model, providing key relevant training opportunities for existing workforces and unemployed participants.

## Connectivity

The A465 is the key strategic east-west route between West Wales and the Midlands and the ongoing dualling programme will increase its capability in this regard, as well as providing a vital link with nearby centres such as Merthyr and Ebbw Vale. The increased accessibility offered by Metro will have similar benefits in respect of accessibility to the south, aiding access to external markets for businesses, jobs and other facilities for residents. Increases in journey frequency and the provision of earlier and later services will allow more people to travel in a manner which is conducive to labour market requirements, taking account of shift patterns.

It will also have the potential to bring employees and visitors in, and therefore 'gateway' sites such as the Bargoed and Rhymney Stations and their environs are important, both in their own right and as a means of signposting to nearby facilities. There is therefore the potential for land around local rail stations to be configured to

have a positive impact on the local economy i.e. through the provision of business space and associated development, and to convey a positive image of the area by providing links to town centres and other facilities that exist elsewhere within the Heads of the Valleys Regeneration Area.

## Leisure and Tourism

The Heads of the Valleys is synonymous with both a strong industrial legacy and a series of distinctive landscapes, and the combination of these is a rich natural and cultural heritage. The Valleys Regional Park (VRP) initiative seeks to establish a model for the management of a network of a highly-visible, high quality country parks, other natural assets, heritage sites and attractions across the Valleys, linked with towns and villages and the Metro and maximising the opportunities for walking, cycling and riding.

There are three existing country parks and one proposed country park in the HOVRA that will contribute to the VRP, namely:

**Parc Bryn Bach (Blaenau Gwent Caerphilly);  
Parc Cwm Darran;  
Parc Coetir Bargoed;  
Markham Colliery.**

Other important heritage assets which will contribute to the VRP include:

**The Winding House Museum, New Tredegar;  
Bute Town Conservation Area;  
Hanbury Chapel and Library, Bargoed.**

## Town Centres

Retailing remains fundamental to the role and function of town centres. The Masterplan area comprises the Principal Town of Bargoed, the Local Centre of Rhymney and the smaller settlements of New Tredegar, Aberbargoed, Markham, Argoed, Hollybush, Deri, Fochriw, Pontlottyn and Abertysswg.

- **Bargoed** – the town centre includes one national supermarket (Morrisons), Peacocks and Dorothy Perkins and over 100 largely independent commercial units and key services;

- **Rhymney** – comprises a range of local shops and services;
- **Neighbourhood retailing** – in accordance with national and local planning policy, the Masterplan does not promote the provision of major retail development outside of designated retail areas, but the development of some retail to support local needs is a key part of promoting sustainable development.

Both Bargoed and Rhymney town centres have vacant units, and there is potential to diversify the range of uses within both towns, whilst ensuring that they expand on their roles as service centres with a viable and vibrant retail and commercial basis.

## Housing

The strategy for the adopted LDP seeks to exploit appropriate development opportunities where they exist, with a view to creating a viable future for all communities in the Heads of the Valleys. It also seeks to accommodate new housing in villages where

there is a need to diversify stock and in order to retain the existing population.

The Heads of the Valleys has experienced less development pressure over the lifetime of the LDP due to the perceptions of volume housebuilders regarding profitability. Whilst some small-scale development has taken place, many of the sites allocated for housing in the LDP remain undeveloped, despite their sustainable locations. However, there is significant potential for the development of sites by SME builders and self-build plots, as well as new housing association sites, to provide new sustainably located housing development in order to increase the amount and quality of housing stock in this area.

## Community Facilities

The provision and location of community facilities are of crucial importance to the sustainability of settlements and to the well-being of their populations. In addition to existing facilities in the HOVRA, a number of new facilities have opened, or existing ones

improved, since the adoption of the LDP:

- Bargoed Library and Customer First Centre (Hanbury Chapel);
- Rhymney Integrated Health and Social Care Centre;
- Hafod Deg Resource Centre, Rhymney;
- Idris Davies School, Abertysswg – the first English medium school in Wales which offers a through school education for pupils between the ages of 3 and 18;
- Rhymney Library.

The rationalisation and sharing of facilities to fulfil several community purposes can provide benefits in the form of community ‘hubs’, allowing people and groups to use them for a variety of uses. This can have a positive impact in terms of social capital, engendering networking opportunities, knowledge sharing and the development of transferable skills which are of invaluable importance in a modern social and economic context.



# Section 6: The Masterplan Framework

This section sets out the site specific projects and proposals that will collectively deliver the Vision and Objectives. Many of the projects are interrelated, and therefore implementation of some projects may be reliant on other proposals progressing sequentially or concurrently.

## **A – Complement, and integrate with, nearby initiatives such as the Ebbw Vale Enterprise Zone (EZ) in order to develop a strategic employment function for Rhymney, establishing it as a gateway to the Valleys**

City Deal presents an opportunity for the A465 corridor to develop its economy in an integrated way, exploiting improvements in connectivity to bring about sectoral growth on the basis of existing strengths, and in a manner which is complementary to other parts of the region, through the development of modern business premises.

Ebbw Vale Enterprise Zone comprises eight sites which are intended to deliver the objective of the Tech Valleys initiative – supporting the improvement of infrastructure links and development of 450,000 sq ft of new industrial/commercial floorspace, generating up to £20 million of private investment and potentially 1,000 permanent jobs.

### **The five ‘key’ sites within the Enterprise Zone (EZ) are as follows:**

- Bryn Serth (20.2 ha);
- Rassau Industrial Estate (7.1 ha);
- Rhyd-y-Blew (29.2 ha) – development of a technology park at this location in lieu of the Circuit of Wales scheme, including a 50,000 sq ft advanced manufacturing unit;
- The Works (6.2 ha) – development of 22,000 sq ft of B1/B2 starter units;
- Tredegar Business Park (2.1 ha)

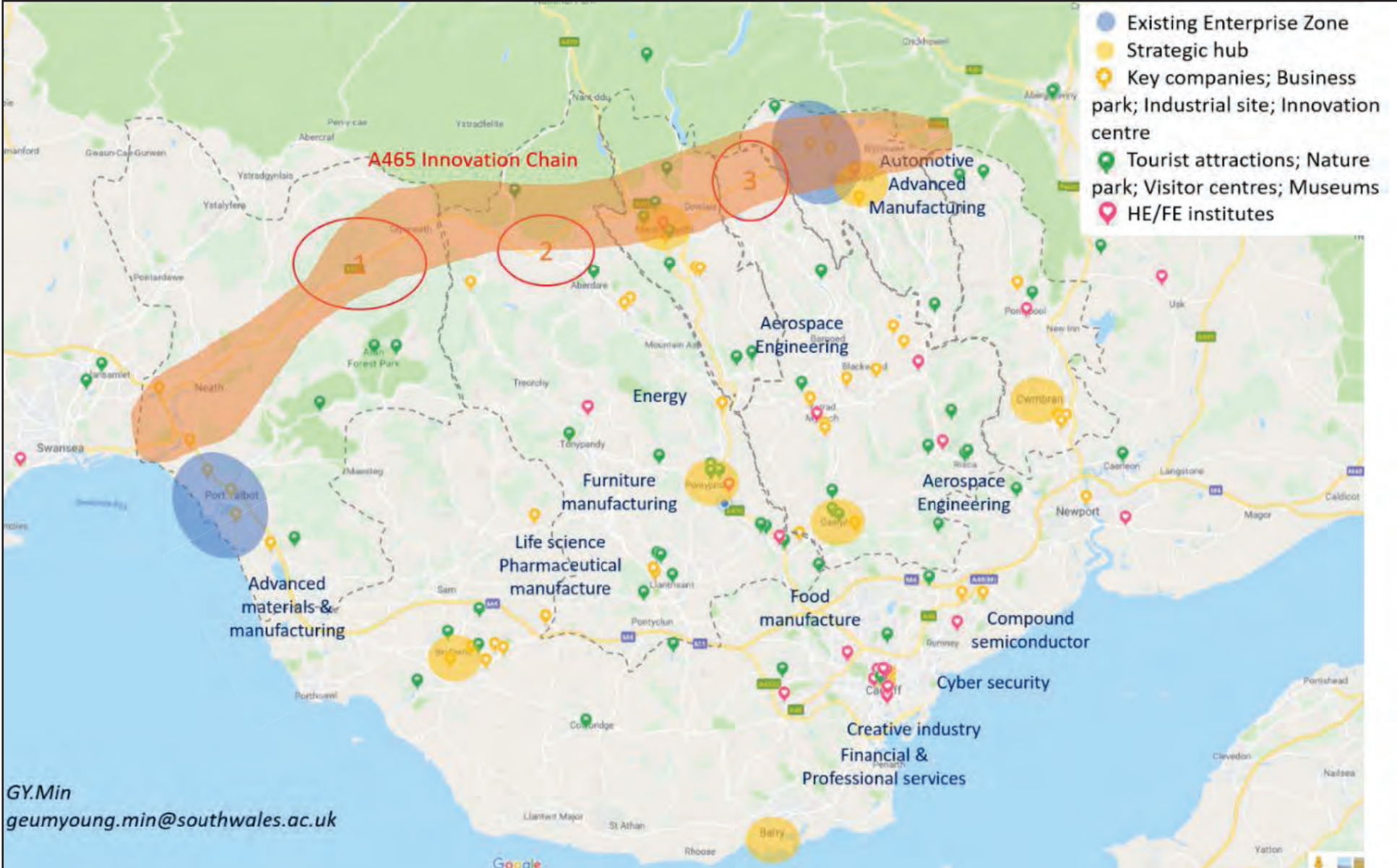
All of these sites benefit from close proximity to the A465, allocation within the Blaenau Gwent LDP for class B uses, a simplified planning regime via a local development order (LDO) and financial support from Finance Wales and the Welsh Business Rates Scheme. An opportunity exists to extend the EZ to incorporate employment sites in Rhymney to provide ancillary, complementary and service employment opportunities.

### **Establishment of an A465 Innovation Chain**

Work undertaken by the University of South Wales for the Valleys Taskforce recommends the establishment of an ‘innovation chain’ to maximise the impact of the A465 dualling. The aim of this is to provide a series of strong innovation clusters in order to boost the regional economy and attract external investment. Three zones are identified, based on existing characteristics:

# A465 Innovation Chain

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- Zone 1 (Glynneath area, Neath Port Talbot): energy/environment cluster;
- Zone 2 (Hirwaun-Aberdare area, Rhondda Cynon Taf): IT/digital cluster;
- Zone 3 (Dowlais, Merthyr - Bute Town, Caerphilly): extension of Tech Valleys and Merthyr industrial sites.

The main focus of Zone 3 is to provide greater connectivity between the automotive presence in Ebbw Vale and those additional facilities that exist in Merthyr – some industrial as well as retail and leisure. The USW work envisages the addition of R&D facilities, support for business start-ups and conferencing and hospitality facilities for business and investors along this corridor. The Masterplan seeks to build on this approach by developing the role of Rhymney's existing employment sites, in order to complement the focus on automotive and advanced manufacturing within the Ebbw Vale Enterprise Zone.

Rhymney is situated between Ebbw Vale

and Merthyr on the A465 and, although it has no designated role as set out within the VTF delivery plan, it possesses a 'critical mass' of existing employment land and premises which is a comparative strength in the HOVRA, which illustrated that Rhymney can compete with neighbouring areas to attract and retain business. The Rhymney employment cluster comprises the following sites:

- Heads of the Valleys (19.5 ha) – 5.2 ha of undeveloped land remains available for development;
- Capital Valley (14.8 ha) – 3.3 ha at the southern end is undeveloped;
- Maerdy Industrial Estate (12.5 ha);
- The Lawns Industrial Estate (7.3 ha) – there is planning consent to develop 15 new units on the residual land available.

This cluster of industrial estates is situated either side of the A469 north-south link road, in very close proximity to the A465, offering excellent vehicular and freight access to Merthyr Tydfil to the west and the Ebbw Vale

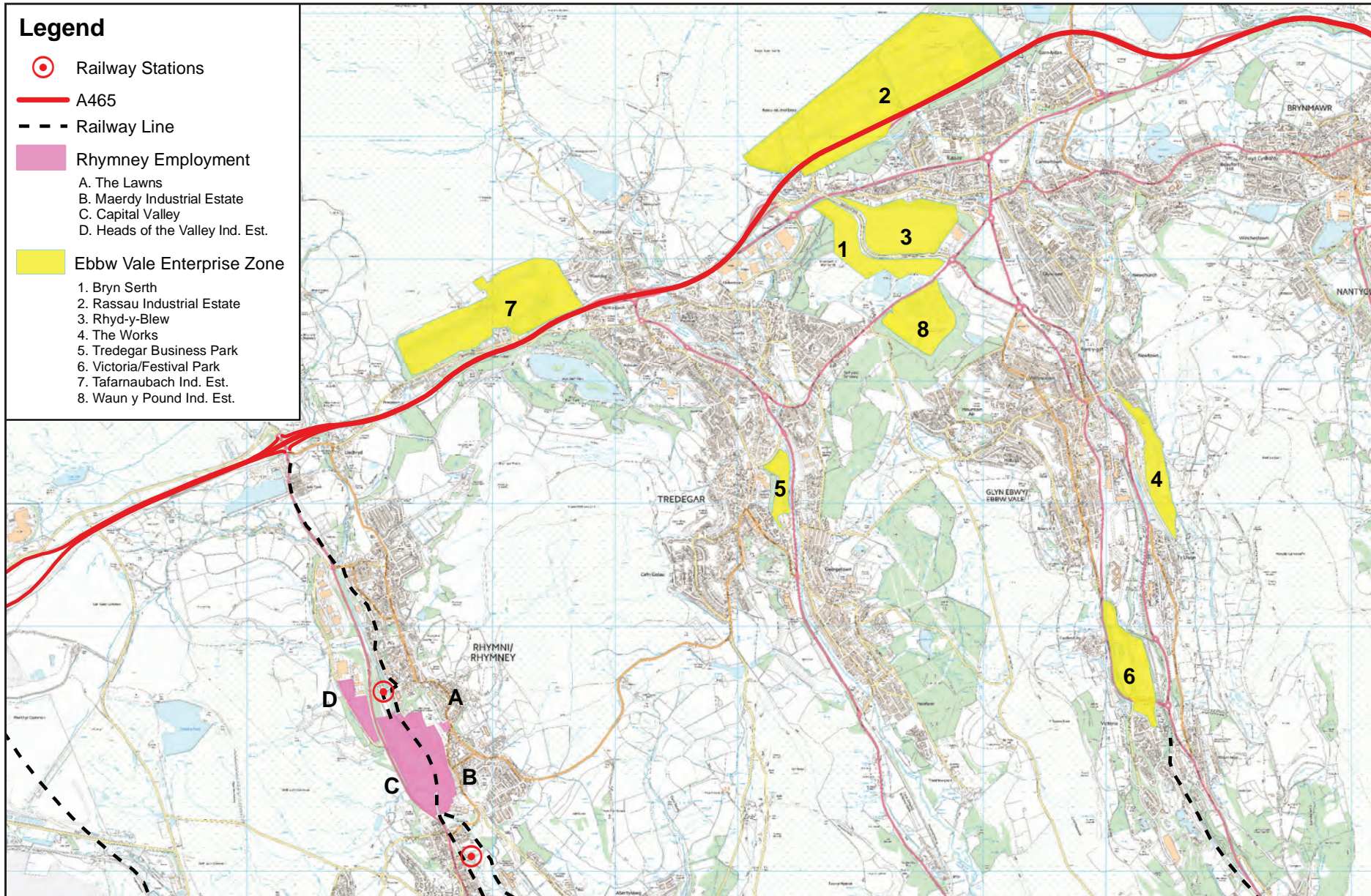
Enterprise Zone to the east. Rhymney Station provides excellent rail access through the County Borough to Cardiff, whilst there is the capability to transport freight from the Capital Valley railhead, which is unique in the Heads of the Valleys area.

The following map identifies the EZ sites as well as the Rhymney cluster, and the key transport routes that exist in the local vicinity:

Given Rhymney's proximity to the EZ and the need for mutually complementary employment growth in order to deliver economic benefits to this part of the A465 corridor, it is proposed that the scope of the existing Ebbw Vale EZ be expanded to create a **Heads of the Valleys Enterprise Zone**, complementing the planned growth in the automotive sector at Ebbw Vale and the retail/leisure offer at Merthyr (including the forthcoming Rhydycar West scheme). Collectively, these proposals will build on the benefits of the A465 dualling and the newly developed Metro hub at Rhymney Station.



## Ebbw Vale Enterprise Zone and Rhymney Employment Sites





In terms of the sectoral analysis undertaken in respect of existing sectors operating within the area, the Rhymney area does accommodate companies which are active in the area of healthcare more generally, be it manufacturing or supply. This part of the HOVRA, encompassing Rhymney and the broad cluster of related firms in Blaenau Gwent (including PCI Pharma at Tafarnaubach), therefore has the potential to build on this specialism, provided that a) a suitable workforce can be retained and expanded upon; and b) the customer base is sufficiently accessible.

An enlarged Heads of the Valleys Enterprise Zone may also present opportunities for the HOVRA more generally. Whilst the growth of the automotive sector has reportedly been slow, there are examples of firms operating within the sector and, should a critical mass be reached whereby the sector exhibits clustering characteristics in the area (technical expertise and social capital locally inherent to that particular field), opportunities for expansion will arise, either

in the form of additional automotive or other, complementary sectors. Whilst this process is heavily reliant on the development of technical expertise and skills, the Rhymney area does have sites that could accommodate such development in the form of Capital Valley (which requires redevelopment) and Heads of the Valleys Industrial Estate (which has undeveloped land).

Work undertaken by JLL/Sutton Consulting on behalf of the Cardiff Capital Region has presented findings in terms of take-up and demand for the different categories of employment premises and recommendations as to how these should be addressed spatially across the region. Those pertinent to the Heads of the Valleys Regeneration Area are:

### **Traditional Small B1/B2/B8 Industrial Units**

Studies across the CCR have identified very high occupancy rates for such units. It is recommended that the average site offered should be 1,500–2,000 sq ft. Focus

on provision of these units should be on those parts of the CCR outside Cardiff and Newport where new private sector development of such floorspace is viable. Potential locations in Caerphilly County Borough include Caerphilly/Bedwas, mid Valleys locations (Ystrad Mynach, Blackwood) and Rhymney. Further development of such premises will benefit local enterprise, including – potentially – some elements of the foundational economy.

### **Large B2 Industrial and Manufacturing Units**

There has been a steady take-up of floorspace across the CCR since the 2007-10 economic downturn and there is now a near historic low in terms of supply, particularly regarding modern floorspace. There is little speculative development but the flow of foreign direct investment remains slow but steady. Recommended locations for intervention include the provision of large manufacturing units at Oakdale and Rhymney (1 x 50,000 sq ft and 1 x 25,000).

## Metro Stations as Business Hubs

A pilot programme is suggested to explore the feasibility of converting stations into well-connected business hubs as part of a sustainable regeneration masterplan, with the local station at the centre. It is anticipated that Metro will generate sufficient commuter traffic to justify commercial development at key locations and, in time, facilitate investment beyond the immediate station environs. Public sector intervention will be required in the first instance to bring forward sites of sufficient quality and scale. Three pathfinder schemes are recommended as an exemplar (10,000 sq ft employment floorspace) with potential locations including Rhymney.

## Other

With the growth in prominence of electric vehicles, the lack of charging infrastructure across the CCR is highlighted. With the ongoing A465 dualling programme, there is potential to create an EV-friendly service station on the A465 which could also provide tourism and visitor services.

Rhymney is identified as being a location that would benefit from the development of small business start-up units, demand for which is strong a) across the region due to prevailing high occupancy rates; and b) locally due to a low proportion of suitable stock. Its location just outside the Ebbw Vale EZ, as well as good transport links provided by the A465 and A469 southbound would enhance its attractiveness as an area for developing complementary activities to those in the EZ with the provision of suitable premises. Other factors could also work in its favour, if public funding is utilised to develop the potential of these attributes:

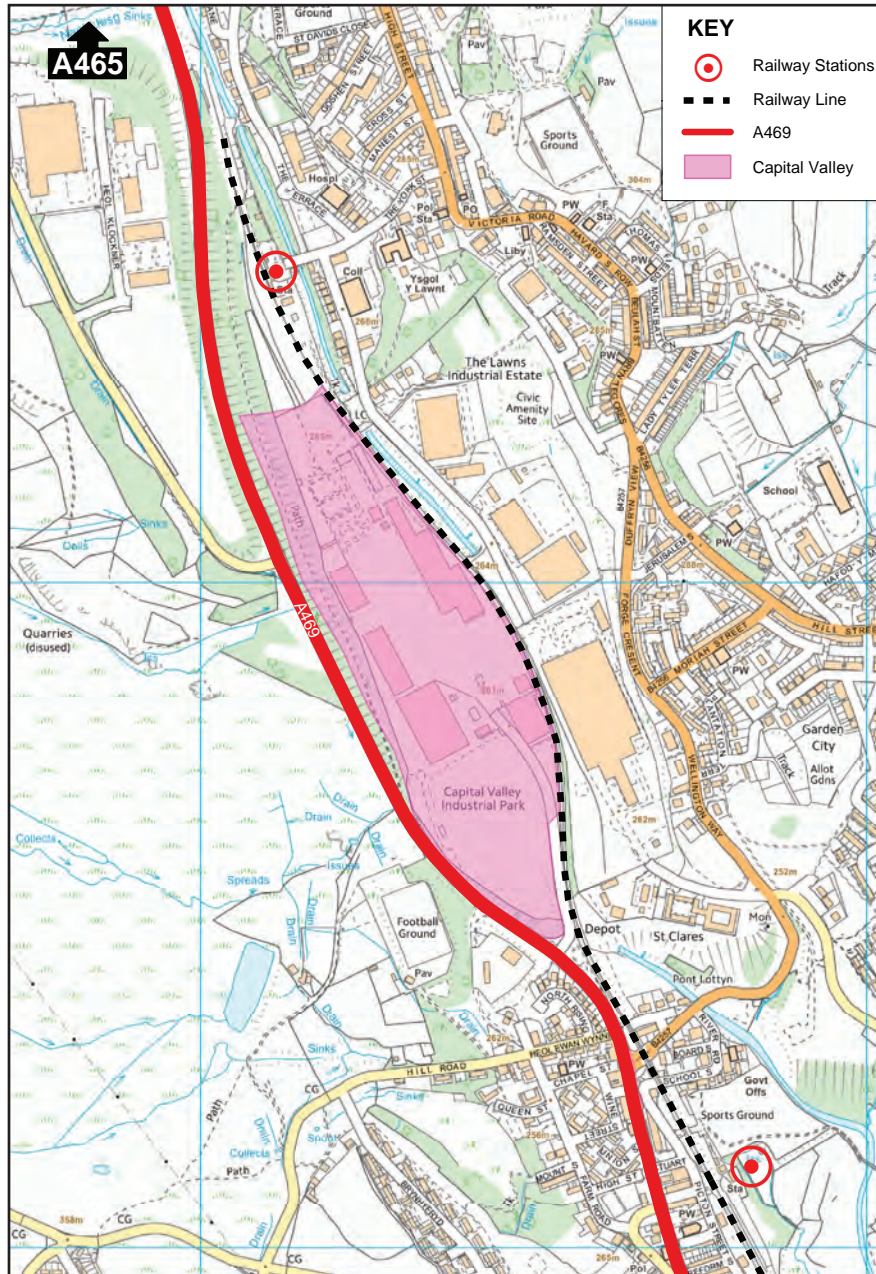
- Potential for increased economic integration with the rest of the region due to the increase in journey frequency at Rhymney Station and the potential role of the Station as an economic hub for the HOVRA;
- The existence of a railhead at Capital Valley gives the area freight transfer capability, which is unique in the wider EZ area;

- The collaborative aspect of the proximity of existing commercial/industrial uses elsewhere in Rhymney, particularly the adjacent Lawn and Maerdy Industrial Estates;
- Opportunities to encourage all industrial estate owners to re-brand their premises as a single business location, pooling resources and encouraging a partnership approach to development in this sector (possibly with those in the EZ);
- Rhymney does have an existing life sciences presence, and the provision of modern business stock could develop this further.

## A - 1 Capital Valley

Capital Valley is an existing industrial estate, comprising older, low quality industrial and warehouse accommodation. Land in the south is in use for open storage while there are multiple derelict/demolished buildings in the north. Much of it is within TAN 15 flood zone C2.

## Capital Valley



There is concern that the existing stock is not fit for purpose in places, specifically that there is a shortage of smaller, modern units suitable for new business start-ups. Vacancy rates on Capital Valley as of 2018 were 52.6% in terms of numbers of units; 37.2% in terms of floorspace. Notwithstanding this, the existing businesses on the site employ circa 200 people.

Redevelopment of the site to tailor it (at least in part) to the needs of specific sectors, complemented by investment in the development of a range of particular skill sets, would allow such businesses to take advantage of an appropriately trained and upskilled workforce. Key areas that could be targeted are manufacturing (potentially advanced manufacturing in relation to automotive), processing, energy and institutional.

### Development Principles

- Redevelopment of the site for small, start-up units, and larger B2 development;



- Maximising the existence of a railhead;
- Integration with Rhymney Station and the town centre, especially due to increased journey frequency;
- Targeting of complementary uses to those forming the basis of the existing EZ/Tech Valleys;
- Integration with the Community Regeneration-led Gateway to Employment model, providing key relevant training opportunities for existing workforces and unemployed participants.

## A - 2 The Lawns Industrial Estate

The Lawns Industrial Estate (lying immediately adjacent to The Maerdy Industrial Estate) is centrally located in Rhymney on the north eastern side of the cluster of estates and is the smallest of the four. Existing units are of moderate quality, and the majority of them are used for storage, office space or other less industrial facilities/ use, also on site is a civic amenity centre.

Access to the Lawns estate is only possible

from the southern end via a link road off the B4257. There is a strong and ever increasing demand for expansion and enhancement of the estate for light industrial, high quality 'starter units'. As well as potential, additional opportunities for expansion of the estate in the future, the Council aims to bring into beneficial economic use a parcel of prime underutilised land (approx. 0.65Ha in size) adjacent to the existing estate to significantly expand the site's employment offer. This will result in the design and construction of new high quality light industrial factory units and associated infrastructure, to be delivered in 2020. The scheme will consist of the following key elements:

- New access highway infrastructure & parking areas;
- New single storey employment buildings (x3) – with internal units ranging in size between 50, 70 & 100 sq.m;
- Associated soft and hard landscaping features.

## Development Principles

- Development of new start units to satisfy demand;
- Better integration of business space within the sites, enhanced legibility of access;
- Reduced commuting out of the area through increased provision of local jobs;
- Maximise opportunities brought about by Metro, due to proximity to Rhymney Station.

## A - 3 Heads of the Valleys Industrial Estate

Located off the A469 and divided into two parts, the northern part of the estate together with a portion of the southern part is protected for employment use in the LDP. The remainder is allocated for new employment development. The northern section comprises mid-sized industrial premises, the southern section comprises a row of smaller units, one large property and vacant land.

# The Lawns Industrial Estate



**Mynedfa'r Gogledd/North Entrance**  
1:100



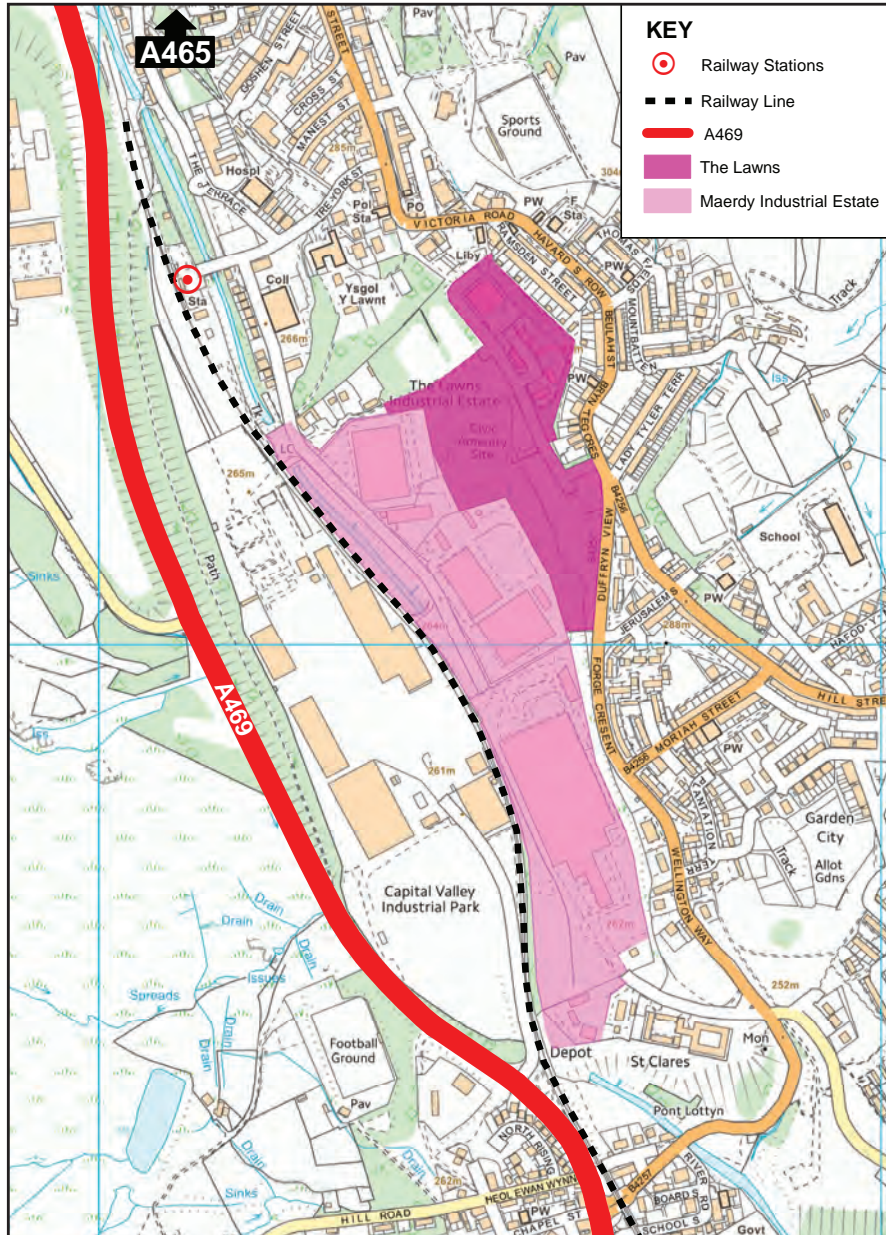
**Mynedfa Gwedd y De/Entrance South Entrance**  
1:100



**Mynedfa Gwedd y Gorllewin/Entrance West Elevation**  
1:100



## The Lawns and Maerdy Industrial Estates



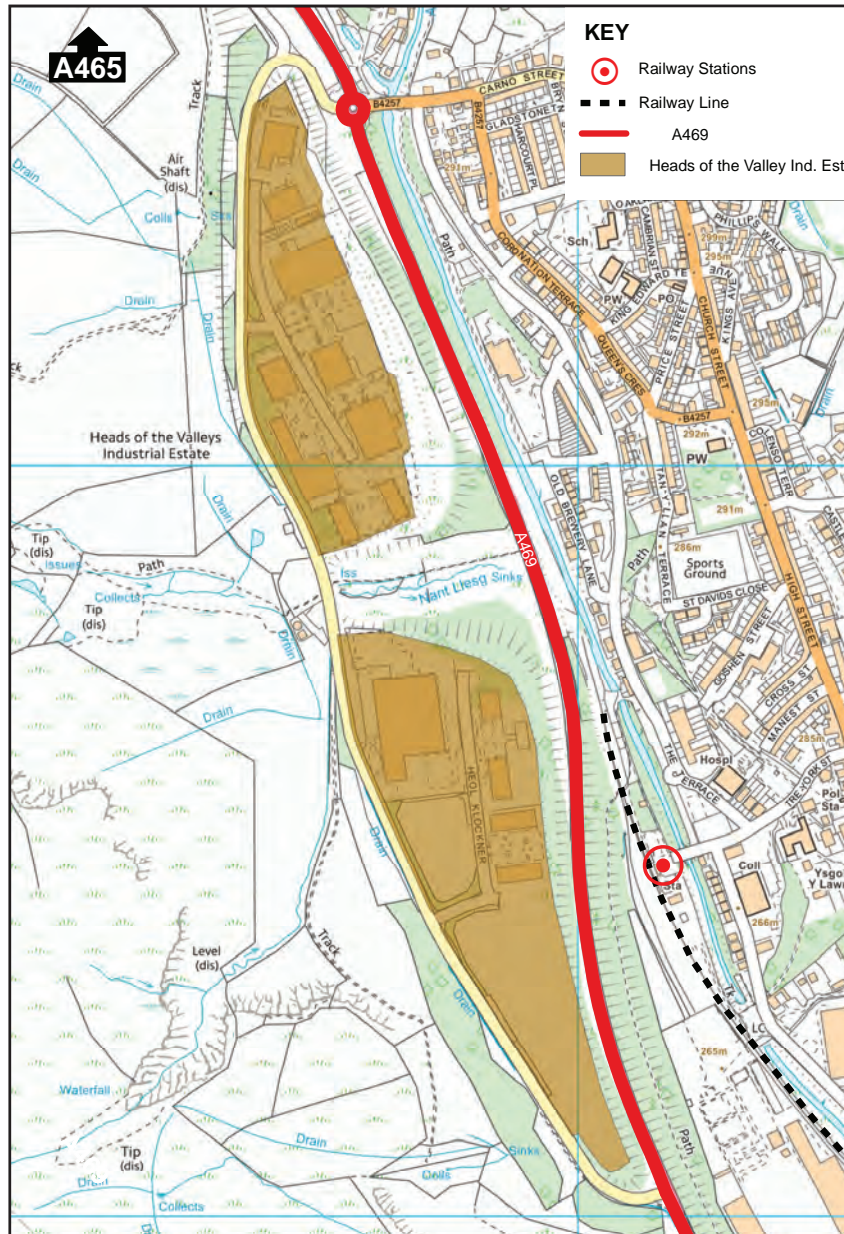
Sharp Clinical Services, part of UDG Healthcare plc, has recently invested £9m to fund a new multiple – phase pharmaceutical manufacturing, packaging and distribution facility at this location adding to the range of life science manufacturing facilities on the estate (Convatec Ltd is also located here) demonstrating the attractiveness of the area to multi-national life science companies.

The site's extremely good transport links in relation to the A469, as well as the availability of undeveloped land, enhance its status as a candidate for the location of life science facilities and for business conferencing provision to serve the wider A465 corridor.

### Development Principles

- Good strategic location on the A469 and very close to the A465;
- Availability of undeveloped land;
- Build on collaborative aspect of the proximity of existing commercial/ industrial uses elsewhere in Rhymney,

## Heads of the Valleys Industrial Estate



particularly Capital Valley and the Lawns and Maerdy Industrial Estates;

- Opportunity to develop role of existing sectors e.g. life sciences;
- Potential location for sub-regional business conferencing facility, to be developed as part of an overall improvement to the site's environment;
- Integration with the Community Regeneration led Gateway to Employment model, providing key relevant training opportunities for existing workforces and unemployed participants.

**B - Improve social and economic resilience through education, training and careers advice, and foster the development of the foundational economy within this area to ensure that economic growth accrues more equitably**

### **B - 1 Education, Training and Skills**

In order to combat the economic deprivation



that is present in much of the HOVRA and in conjunction with the physical proposals set out under Objective A, there is a need to ensure the provision of suitable education and training initiatives, programmes to reduce worklessness and the development of transferable skills.

This will provide several opportunities in relation to economic prosperity:

- To provide local people with the necessary skills required for employment, generally bringing about an increase in skill levels and improving people's access to good quality jobs;
- To foster a renewed spirit of confidence and entrepreneurship and increase the likelihood of higher levels of indigenous business formation and economic growth;
- To attract key employers, particularly those operating in higher value-added sectors, as part of an overall 'package' including modern, fit-for-purpose employment premises and good sub and inter-regional connectivity.

Having regard to the role of the HOVRA within the context of the wider Heads of the Valleys region, such an approach needs to be appropriately tailored to the economic aspirations set out by the Valleys Taskforce and the Tech Valleys initiative. In practice, this means the propagation of skills tailored to the area's key growth areas.

As outlined in A Foundation for Success and its supporting document Delivering Prosperity, there is a need for co-ordinated delivery between relevant organisations in order to ensure a comprehensive approach regarding the following:

- The provision of appropriate career support for children and adults;
- Addressing the mismatch between the skills needed to access jobs and the training provided through the curriculum and by training providers;
- Ensuring that there are opportunities for upskilling among the current workforce;
- Improve links between educational

institutions, including schools, and local businesses;

- Integration with the Community Regeneration led Gateway to Employment model, providing key relevant training opportunities for existing workforces and unemployed participants.

As part of this, Valleys Taskforce is piloting a project across its area which seeks to connect social and economic challenges with crowdsourced entrepreneurial solutions, utilising a cloud-based, open innovation platform to establish links with local educational institutions. Essentially, the project will connect local SMEs with a wealth of intelligence contained in Universities and Colleges to offer solutions to everyday business problems.

Specific actions in relation to education, training and skills are set out within A *Foundation for Success*. In addition, the Council is preparing a Skills, Training and Employment Strategy which will further develop ways of improving skills attainment.

## B - 2 Foundational Economy

The foundational economy has been defined as the “social consumption of essential goods and services”. It includes things such as healthcare, education, food processing and retail, utilities and infrastructure. By its very nature, it exists where demand is localised and permanent and, therefore, the foundational economy exists across the whole of the HOVRA.

For this reason, this is a cross-cutting objective that covers the whole area, rather than particular sites. Resilience can be improved through investing in firms and organisations within the foundational economy, and the Welsh Government Foundational Economy Challenge Fund will offer support to organisations and businesses to introduce innovative ways of working. The Council’s Business Support service can assist organisations who may wish to access this funding.

Business Support also has a role in terms of working with businesses to establish

networks of collaboration, ensuring that local supply chains can be established where they don’t already exist, serving to keep money within the local economy. Related to this is the provision of suitable business stock – the delivery of modern start-up units on estates such as Capital Valley and The Lawns will assist in adding to existing premises in places such as New Tredegar and providing fit-for-purpose business space for local firms. The Community Regeneration-led Gateway to Employment model will provide key relevant training opportunities for existing workforces and unemployed participants (specifically relating in work support and upskilling existing workforces).

Council procurement processes can also assist by investing in Heads of the Valleys organisations on locally specific contracts where possible. This will ensure that contracts are socially beneficial, ensuring that infrastructure projects deliver community benefit. This needs to be done in such a way that builds capacity in local businesses, offering long-term employment and training.

Education and training providers will be important in building the relevant skills required to enable organisations to maintain networks of collaboration, and in accessing Welsh Government funding opportunities. Integrated Well-Being Networks, which seek to connect the strengths and assets of communities, will also be relevant, and these will be discussed more fully under Objective H.

## C - Expand the area’s sphere of influence and improve connectivity

The HOVRA lies within the wider A465 corridor, which stretches from Neath in the west to Abergavenny in the east (in a Welsh context) before crossing into the Midlands, with settlements in the northern part of the area in particular operating within the sphere of influence of nearby centres such as Merthyr and Ebbw Vale. Notably it now takes the same time by road from Rhymney to travel to the Midlands or London as it does from Cardiff. However the A465 route has the added benefit of avoiding the congestion of the Brynglas Tunnels and the Severn Bridge

making the HOVRA an attractive proposition for businesses to locate.

## A465 Dualling

Dualling of the A465 Heads of the Valleys trunk road continues with Section 3 (Brynmawr to Tredegar) finished in 2015. Section 2, from Gilwern to Brynmawr, is now well underway although is more technically challenging. Sections 5 and 6, from Dowlais Top to Hirwaun, will then follow and complete the project. Whilst the A465 provides opportunities in terms of increasing accessibility between settlements within the corridor, it risks concentrating development and its associated benefits in those that are regarded as being of strategic importance in a regional context i.e. Merthyr. The creation of a Heads of the Valleys Enterprise Zone will provide the basis for realising comprehensive economic benefits along the entirety of the A465 corridor, by matching investment in transport infrastructure with investment in the physical fabric of local economies and also in terms of the educational and

skills requirements that are vital to support economic growth sectors.

The A469 resilience route remains a key aspiration in terms of improving connectivity between the northern and southern ends of the HOVRA, and improving resilience in terms of the area's highways infrastructure.

## South Wales Metro

The South Wales Metro initiative will provide an opportunity to build on existing provision within the HOVRA:

- The creation of a multi-modal and integrated transport network, involving traditional rail, light rail and bus rapid transit (BRT);
- £77 million investment in a package of Phase 1 infrastructure improvements across the region;
- Phase 2, which will involve the major transformation of the existing rail network across the region, delivering faster and more frequent services (four

trains per hour), new stations, enhanced integration and the introduction of a new and improved rolling stock. This will deliver increased accessibility, improving access to employment and other services and facilities across the wider region and especially to communities on the core valley lines north of Cardiff and, specifically, the Rhymney Valley Line.

In terms of timescales, the implementation of Phase 2 is anticipated up to 2023, with further phases (beyond the core valley lines) to follow.

Metro is intended to act as a catalyst for transforming the economic and social prospects of the Cardiff Capital Region (CCR). Increased connectivity will bring about the following:

- Direct economic benefits through easier access to employment across the region;
- Agglomerative benefits;
- Development and regeneration benefits on key corridors and around key stations;

- Environmental and sustainability benefits;
- Ensuring the community is fully engaged and has valued input into proposed works. The use of existing Community Regeneration hubs can be developed upon to ensure all elements of work are integrated alongside existing community benefit related contracts.

Locally, the Rhymney Valley Line operational enhancements to enable more frequent and faster services will be delivered through Phase 2. Potential bus rapid transit routes between Rhymney and Ebbw Vale, and Rhymney and Merthyr, are also options for the future.

A pilot programme is suggested to explore the feasibility of converting stations into well-connected business hubs as part of a sustainable regeneration masterplan, with the local station at the centre. It is anticipated that Metro will generate sufficient commuter traffic to justify commercial development at key locations and, in time, facilitate

investment beyond the immediate station environs. Public sector intervention will be required in the first instance to bring forward sites of sufficient quality and scale. The Council will work with Welsh Government and Transport for Wales to pursue a pilot at Rhymney Station.

### Electric Vehicles

The Council is currently exploring the feasibility of providing electric vehicle charging points, following a commitment to increasing the use of electric vehicles and creating an all-electric public transport network. Funding has been obtained through the OLEV scheme for charging points in car parks near residential areas without off-street parking and a scheme is envisaged at Dyffryn Terrace, Eliot's Town, with the potential for additional locations to benefit including Pontlottyn Station and Parc Cwm Darran.

### Digital Connectivity

Digital Connectivity is critical if the economy of the HOVRA is to improve. Welsh

Government established the Superfast Cymru initiative in order to extend the coverage of superfast broadband to those areas across Wales not covered by commercial rollout. This programme concluded in 2016 and has had substantial success in rolling out superfast broadband provision across the country.

The quality and speed of such digital connectivity is of great importance for the business community, in terms of being able to address new market opportunities, the scaling up of operations and impacting positively on profitability. However, the success that can be delivered through the provision of such infrastructure is dependent on take-up rates, and therefore businesses throughout the HOVRA will be encouraged to unlock their full potential through the use of digital technology.

In some parts of the HOVRA, areas of poorer connectivity may persist, and therefore opportunities to address this should be pursued, both through:

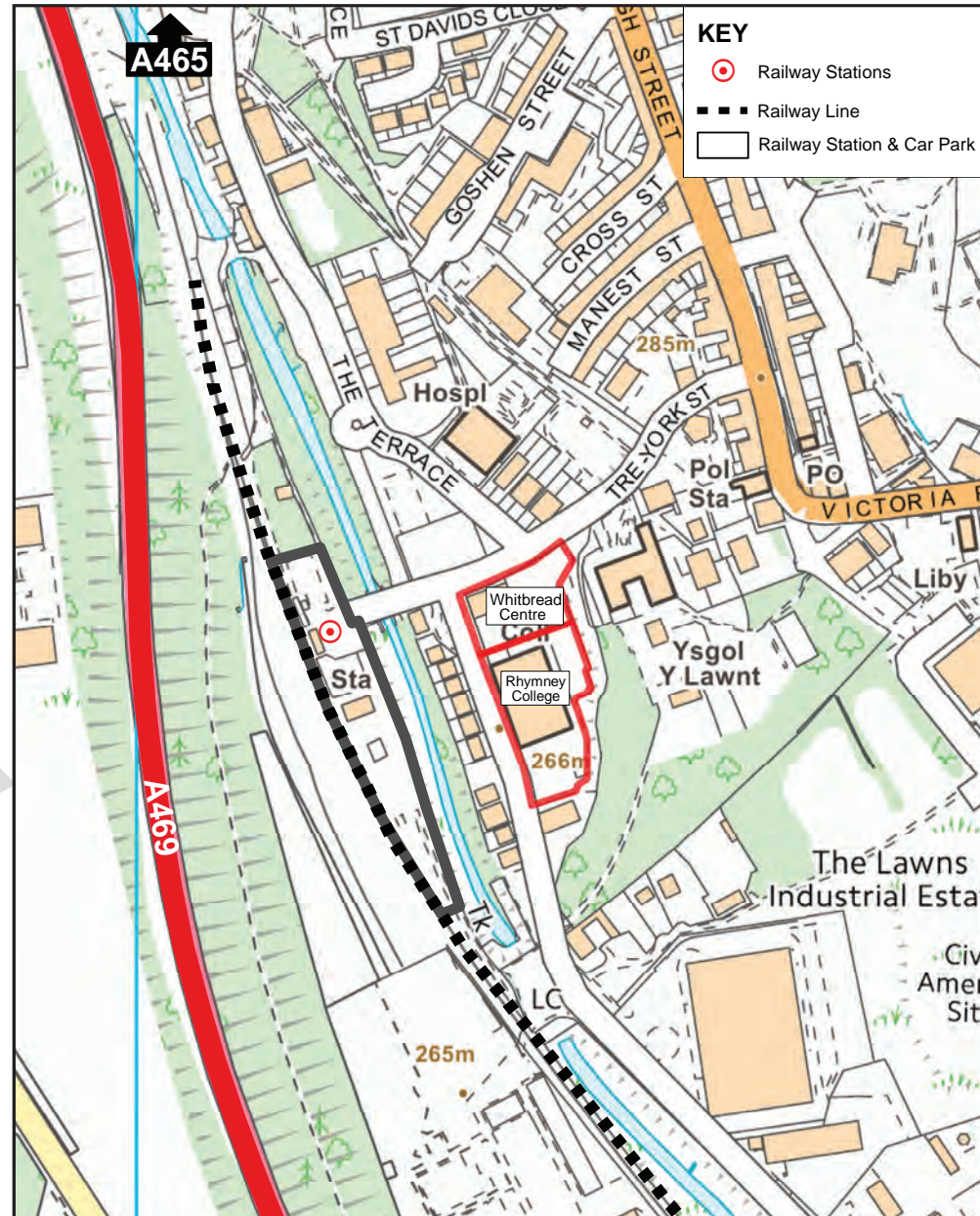


- Extended provision of enhanced digital infrastructure, where necessary; and
- The linking of enhanced infrastructure to businesses and homes, through redevelopment and adaptation;
- Use of existing services such as Digital Fridays, local libraries and local outreach venues to improve digital literacy and provide access to broadband in deprived areas where people would not be able to access ICT provision;
- Link to the Gateway to Employment model to improve basic skills in the most deprived and isolated communities.

### C - 1 Land around Rhymney Station

Within 100m of Rhymney Station lies the Whitbread Enterprise Centre and the former Rhymney College. There is potential for part of this land to be redeveloped as a multi-functional business hub, offering business units, live-work space and a commercial element including meeting facilities. In conjunction with the increased journey

### Land around Rhymney Station



frequency brought about by Metro, this would allow the station and its immediate environs to maximise the economic advantage offered by increased connectivity to external markets, as well as to create a multi-purpose focal point in close proximity to Rhymney town centre and to additional, new business premises at The Lawns.

As part of the investments being made in Metro, the Council is working with Transport for Wales to secure station improvements at Rhymney Station. The improvements will include enhanced stabling facilities, platform extension and remodelling, additional parking, a new toilet block and waiting rooms, cycle racks and ticketing and wifi upgrades.

### Development Principles

- Economically advantageous due to proximity to rail station, as well as existing firms located on nearby industrial estates;
- Optimisation of vacant/underused land;

- Provision of start-up/incubator units suitable for firms requiring access to transport infrastructure;
- Development of multi-functional element;
- Further enhancements to Rhymney Station as part of Metro;
- Increase in journey frequency.

### C - 2 Other Stations (Bargoed, Pontlottyn, Brithdir, Tirphil)

General improvements are planned by Transport for Wales under the Metro proposals for Bargoed Pontlottyn, Brithdir and Tirphil Stations, including level boarding, lighting and cycle racks, ticketing and wifi. There is also an aspiration for additional parking at Bargoed Station, which will be covered further on.

The possibility of installing electric vehicle (EV) charging infrastructure at Pontlottyn Station is also being considered under the OLEV grant scheme.

### C - 3 A465/A469 Transport Hub

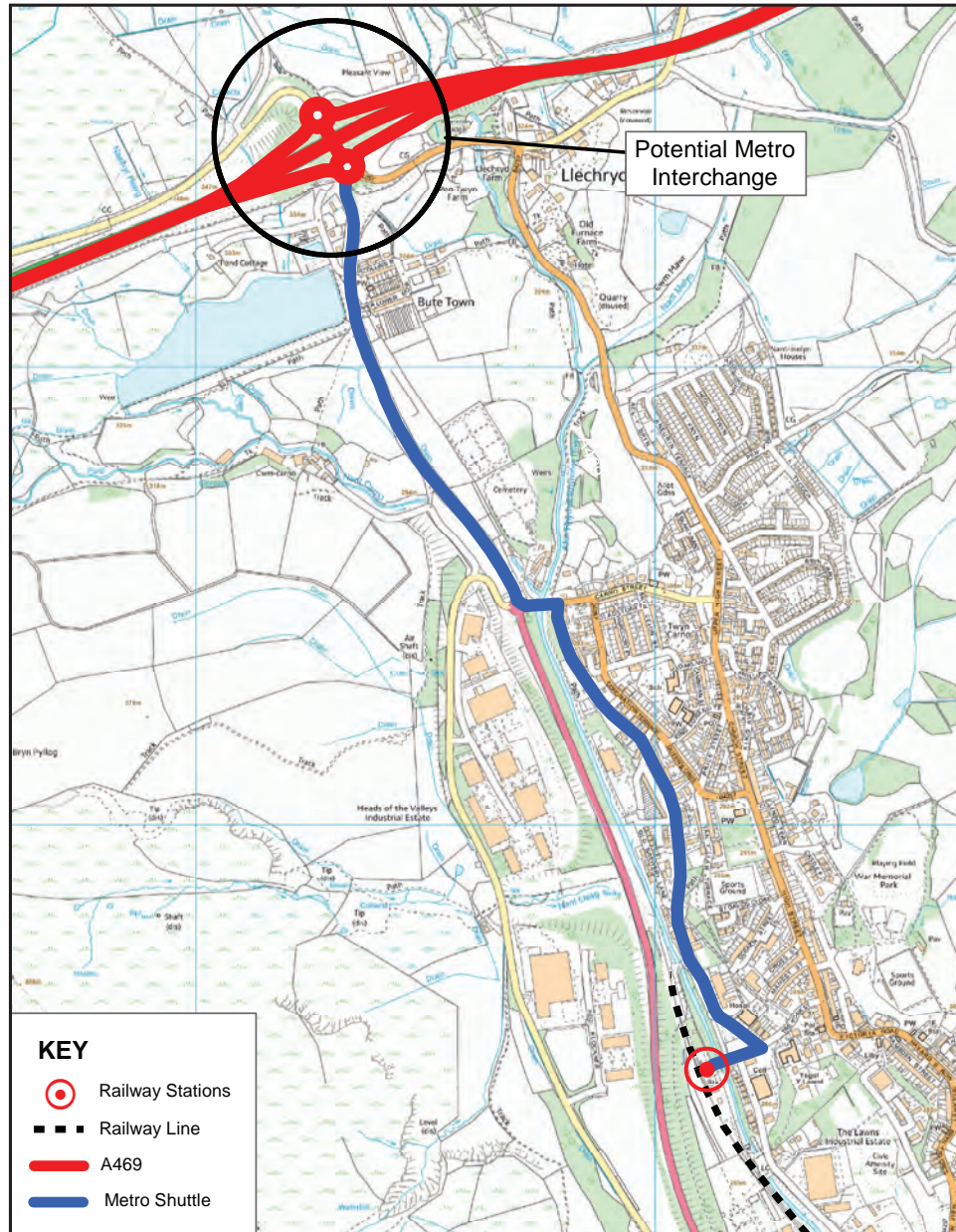
There is the potential to explore the development of a transport interchange close to the intersection of the A465 and A469, linking the major east-west and north-south routes in this part of the Heads of the Valleys corridor. This scheme would be likely to come forward under a later phase of investment (post Phase 2 of Metro) under Metro Plus, and financed through City Deal.

### Development Principles

- Provision of park and ride between the A465 and Rhymney Station;
- Development of links with planned and existing active travel routes (B - 4);
- Close to tourism and leisure amenities – Bute Town heritage offer, Bute Town Reservoir, Parc Bryn Bach;
- Creation of sustainable transport links between the A465 and new employment provision at the proposed Heads of the Valleys Enterprise Zone.



### A465/A469 Transport Hub

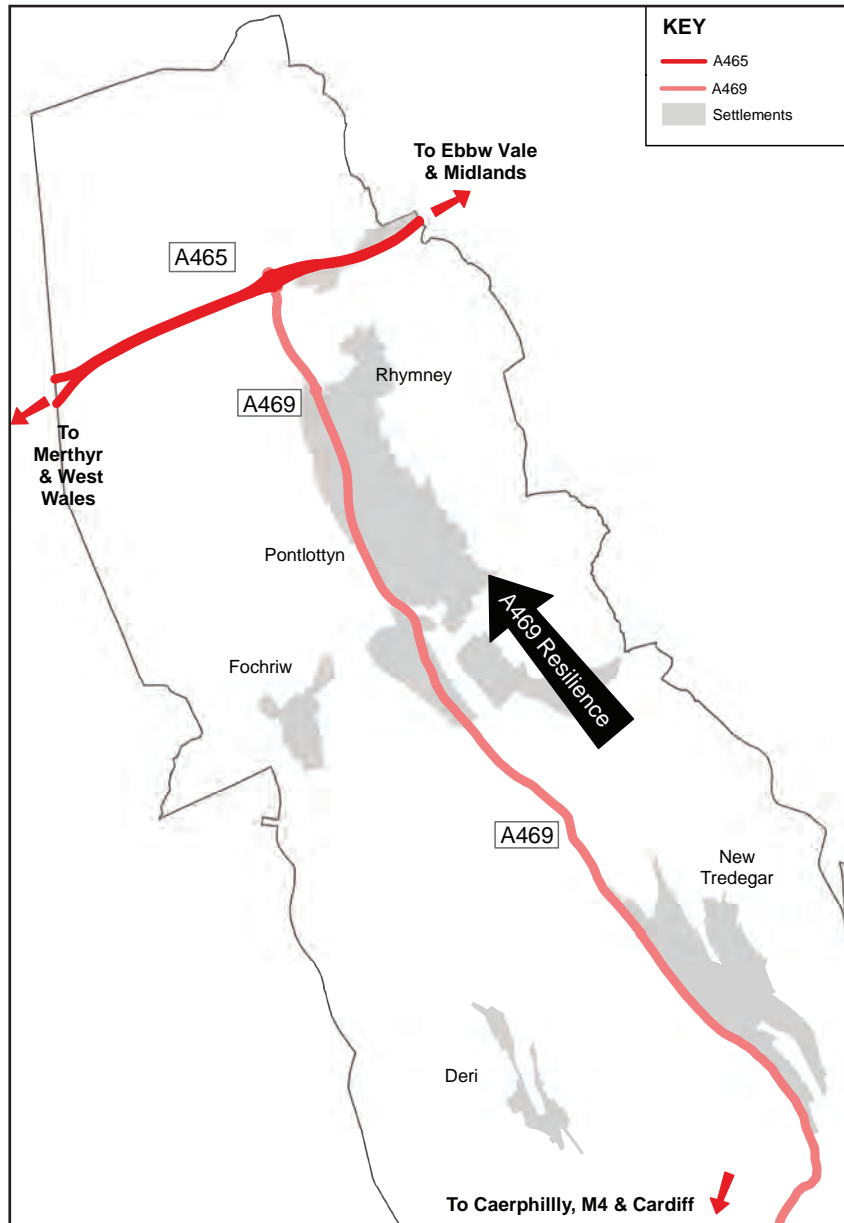


### C - 4 A469 Resilience Route

Whilst Metro and the increasing role of public transport is of key importance to the sustainable development of the HOVRA, the integration of different modes is of key importance in terms of ensuring that communities are well-connected. The closure of the A469 between New Tredegar and Rhymney, due to a landslip in February 2014, has demonstrated the importance of this route to the accessibility of the Masterplan area. Investment is required to ensure greater resilience for the route to maintain accessibility to this part of the county borough. Greater levels of connectivity is essential to the development of sustainable communities and increasing the area's attractiveness as a business and visitor destination.

Feasibility work has previously been undertaken regarding the development of a new highway route between New Tredegar and Abertyswg, in order to address the risk of further road closures due to future landslips. A

## A469 Resilience Route



preliminary assessment in relation to a series of potential routes was undertaken. It remains an aspiration to pursue the feasibility of the scheme, subject to the necessary funding being made available.

### C - 5 Former Skinner's Site, Rhymney

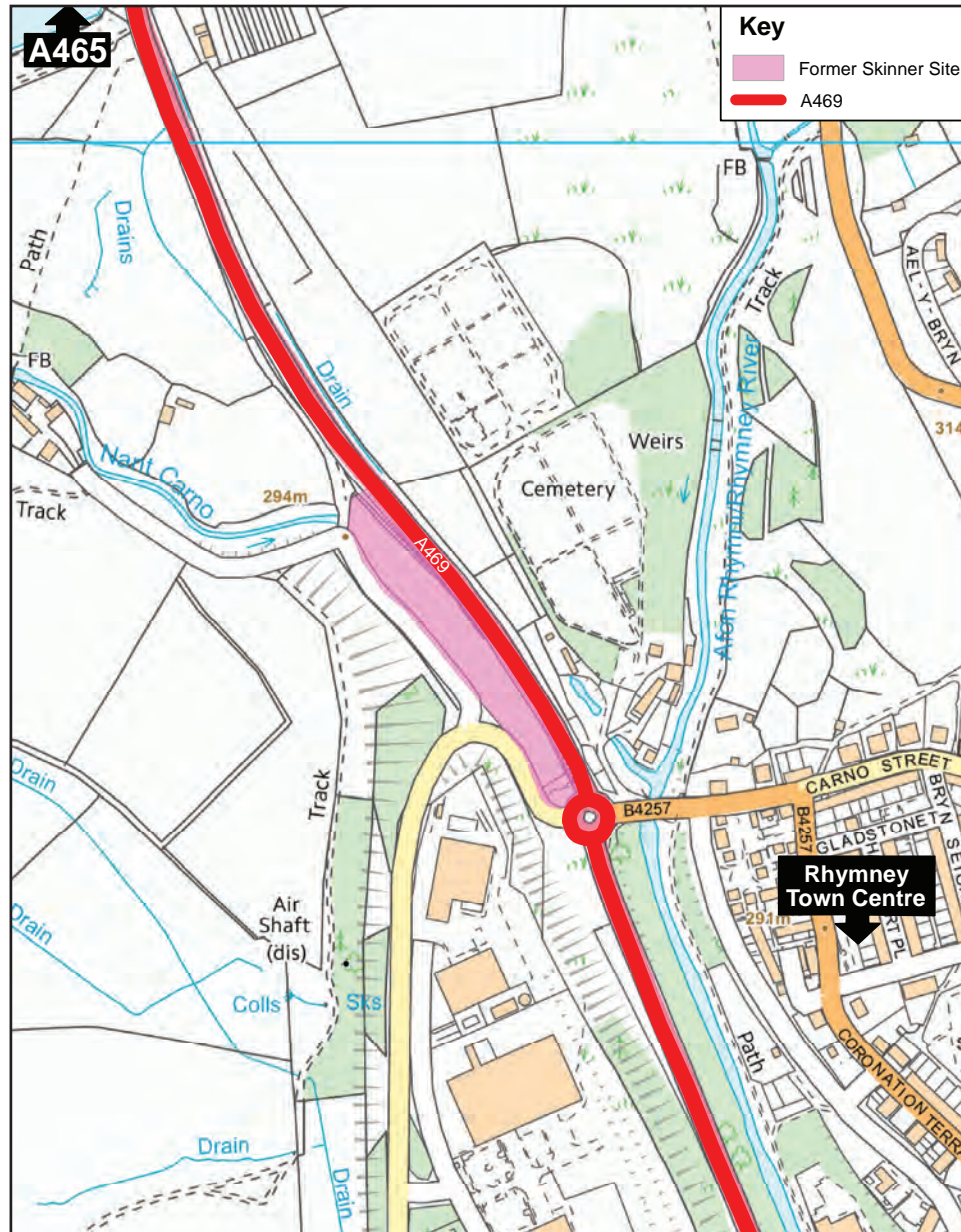
The site forms a vacant strip of land to the north of Heads of the Valleys Industrial Estate, which formerly accommodated the Ron Skinner car dealership. The site is approximately 0.8ha and is situated immediately adjacent to the A469 and in very close proximity (within 1 km) to the A465, although lies wholly within a C2 flood risk area.

The site's location, ideally situated along major transport arteries, provides an opportunity to tackle two issues:

- The need for a service location on this stretch of the A465, in order to act as an 'attractor' to traffic passing between Merthyr and Blaenau Gwent;



## Former Skinner's Site



- The shortage of electric vehicle charging points in this part of the County Borough and along this stretch of the A465 – there are none between Merthyr and Brynmawr.

## Development Principles

- The site has flood risk and, due to previous uses, potential contamination issues which need to be addressed;
- Highly accessible, cleared, developable brownfield site;
- Opportunity to realise some form of commercial/service-related development just off the A465;
- Development at this location would act as an 'attractor' to the area, increasing levels of consumer spending;
- Very close to Heads of the Valleys Industrial Estate – development of a regional business conferencing facility at this location could enhance the economic attraction of such a development;
- Integration with the Community



Regeneration-led Gateway to Employment model, providing key relevant training opportunities for existing workforces and unemployed participants.

### C - 6 Dyffryn Terrace, Elliots Town

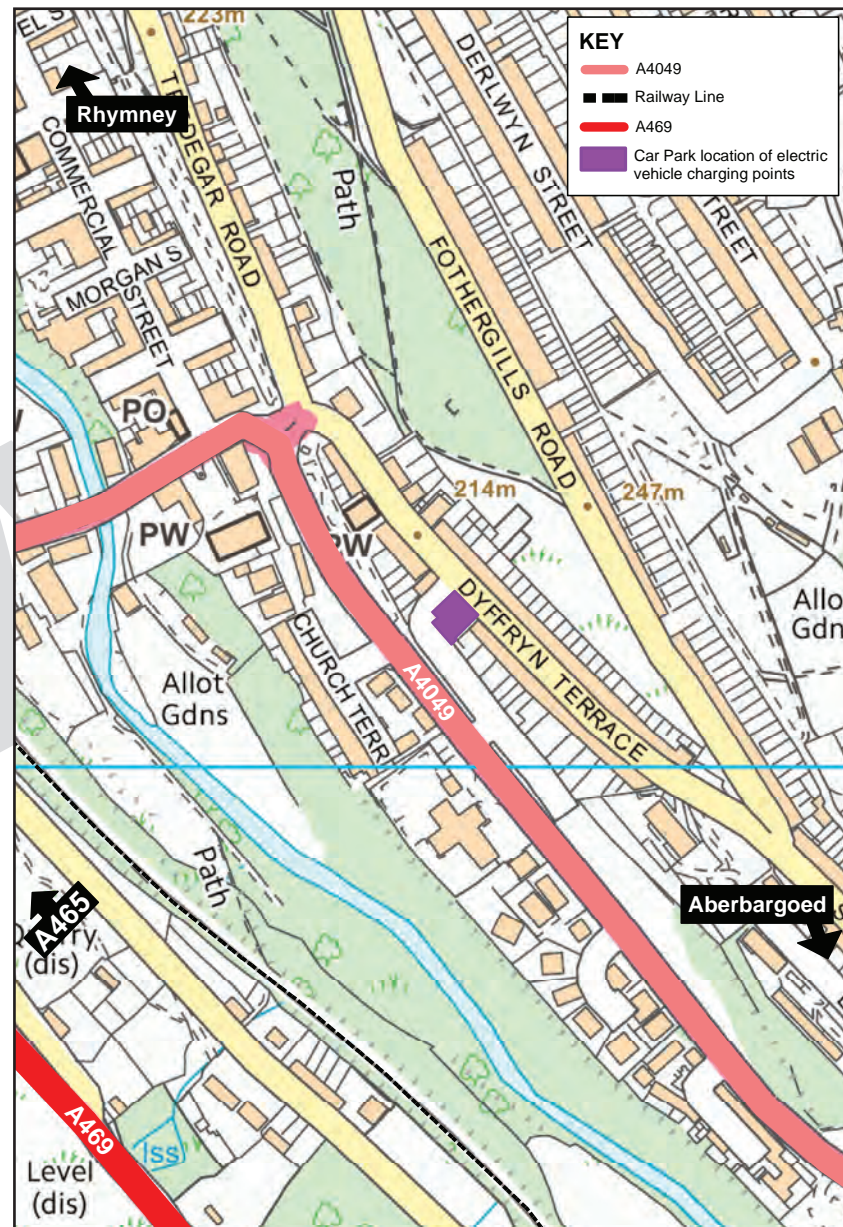
Funding has been obtained under the OLEV grant scheme for the installation of electric vehicle charging points at Dyffryn Terrace, Elliots Town. This will enable the provision of two charging posts serving four parking bays for residents without off-street parking.

### C - 7 Active Travel Routes

Active travel covers walking and cycling routes for everyday journeys, including to school, to work, to shops and to access services, such as health or leisure centres. Active travel routes are important for promoting healthier lifestyles and for increasing connectivity and accessibility.

The Active Travel (Wales) Act 2013 specifies designated locations for provision of active travel routes. Whilst not all locations

### Dyffryn Terrace, Elliots Town

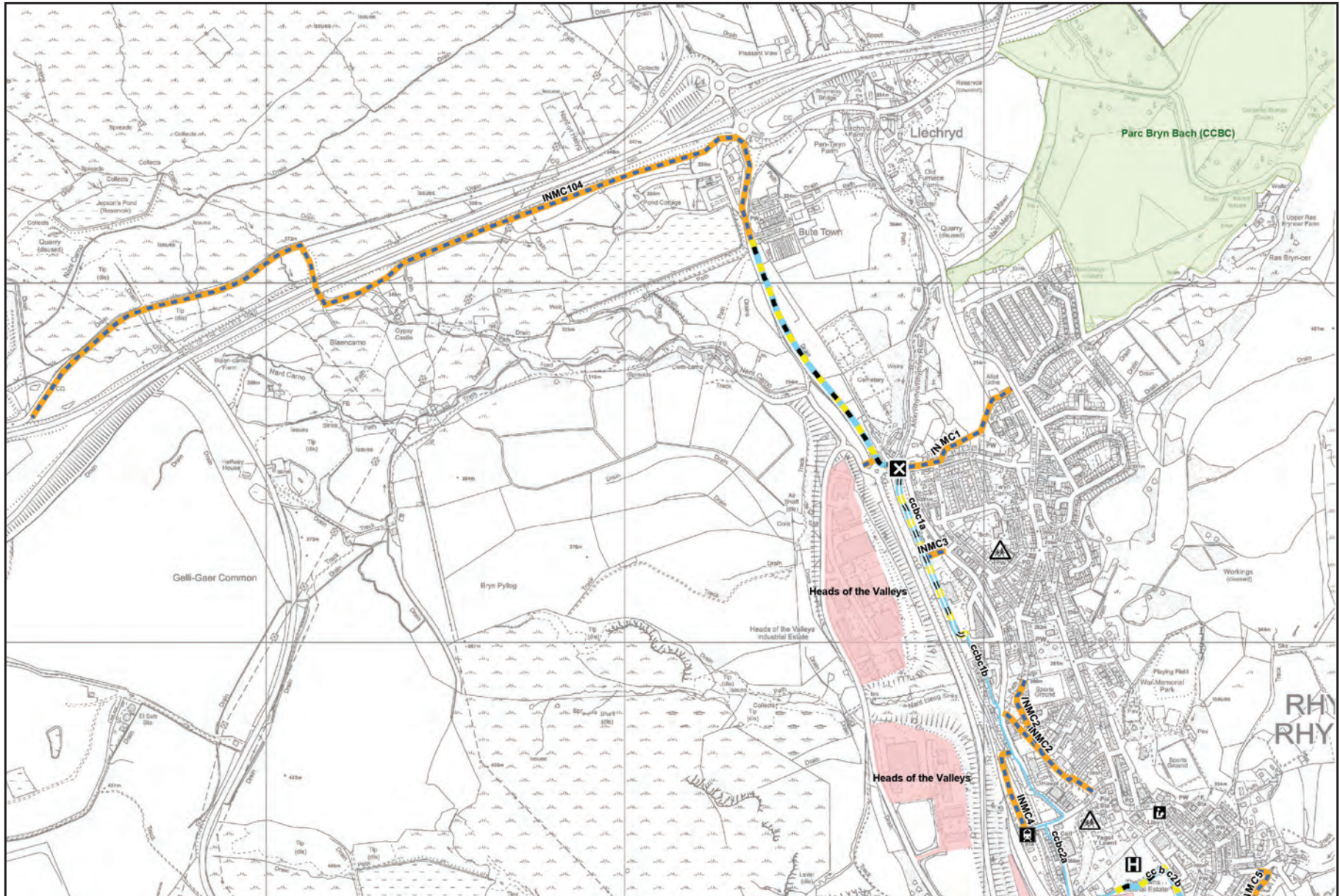


within the Masterplan Area fall within such designation, a number of schemes have been identified in the Masterplan area based on the Existing Routes Map (approved by Welsh Government in 2018) and the Integrated Network Map, which sets out the Council's proposals for the next 15 years. These are schemes incorporate a combination of cycle routes and footpaths as well as shared routes and are set out below:

Community	Description	Status	Type of Use
Rhymney	New link from Ty Coch to existing route and the Heads of the Valleys Industrial Estate	New	Shared use
Rhymney	New link from existing route to the primary school, town centre and leisure facilities	New	Shared use
Rhymney	New link from existing route to Twyn Carno residential area	New	Shared use
Rhymney	Alternative traffic free link from existing route direct to Rhymney Station	New	Shared use
Rhymney	Improvements to an existing link from Brynawel Primary School via recreational area to Mount Batten	Upgrade	Shared use
Pontlottyn	New traffic free link from Brynhyfyrd housing estate to Pontlottyn village centre via school site	New/upgrade	Shared use
New Tredegar	Improved shared use link from White Rose Primary School to Phillipstown via School Street	New	Shared use
Aberbargoed	New shared use traffic free link from Aberbargoed to Bargoed Station. Links to existing Active Travel route	New	Shared use
Gilfach	New link from Gilfach Fargoed/Ysgol Gymraeg Gilfach Fargoed to leisure facilities	New	Shared use

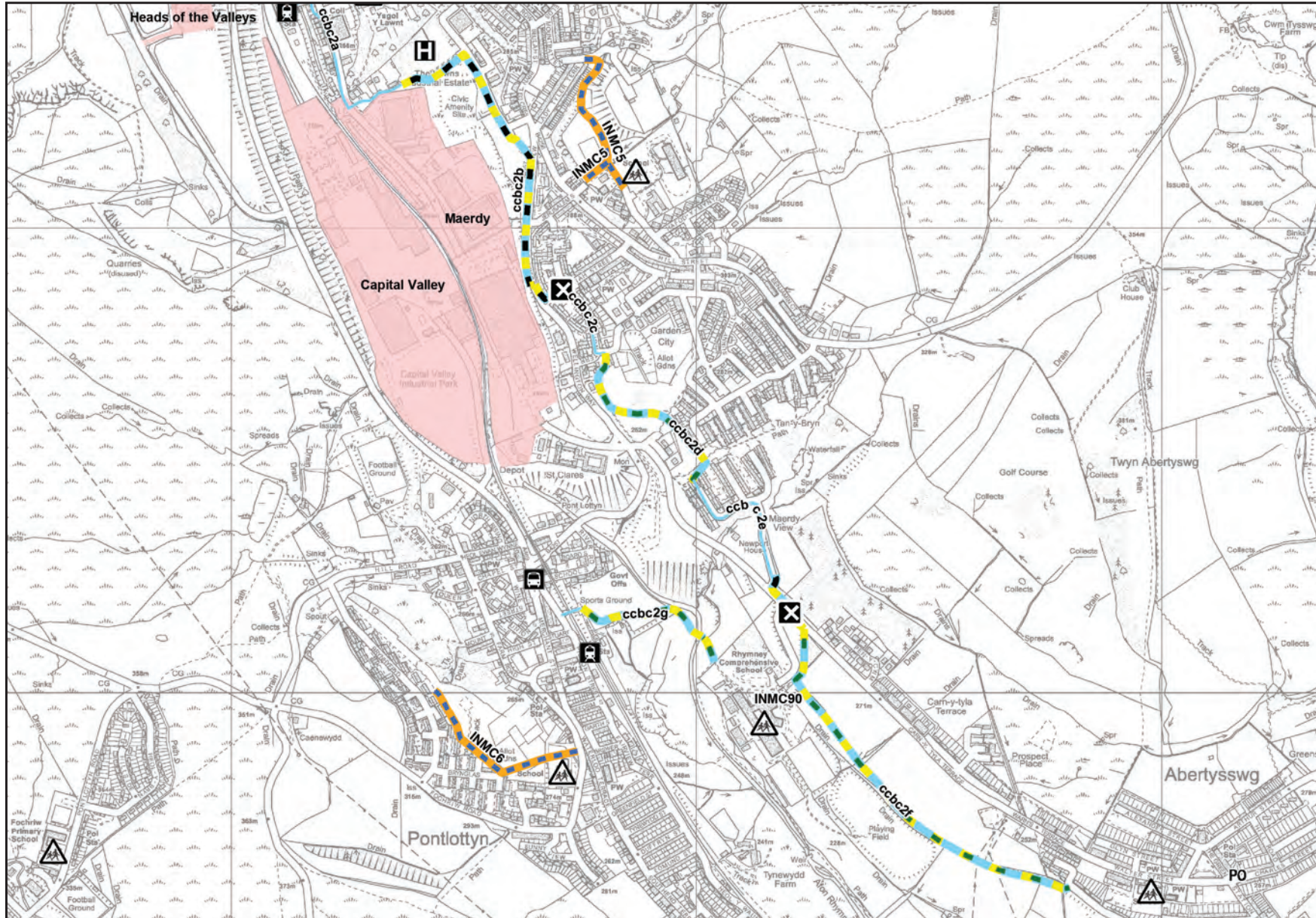


# Rhymney Active Travel Routes



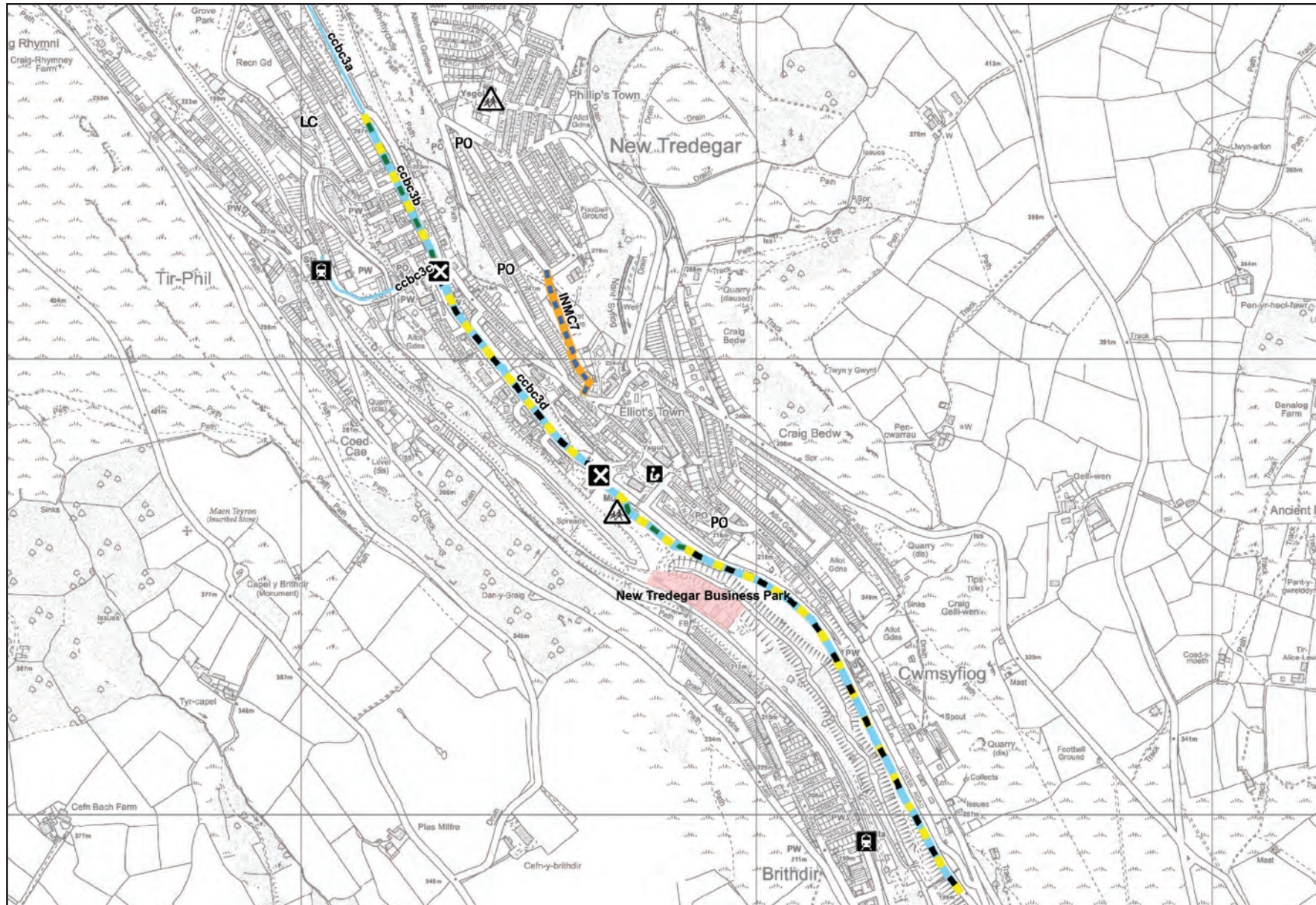


# Rhymney & Abertysswg



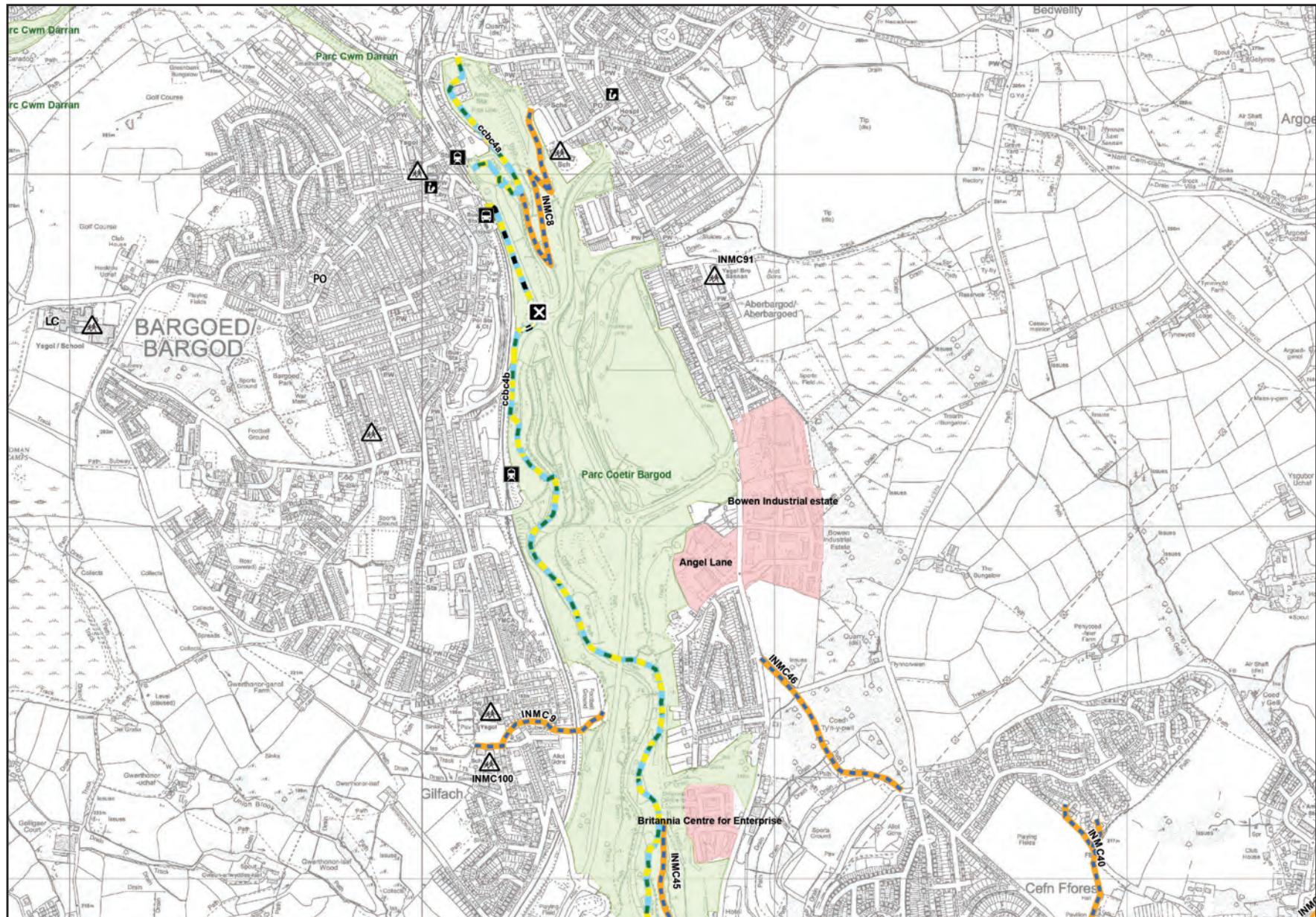


# New Tredegar





# Bargoed





## D - Reinforce the role of Bargoed as a service centre for the north of the County Borough

Bargoed serves as the principal town for the north of the County Borough and therefore has a role as its main retail, commercial and service location. In recent years, there have been positive developments in Bargoed town centre with the completion of Angel Way which has improved accessibility, the development of Morrison's and Lowry Plaza and the relocation of Bargoed Library and Customer First Centre into the former Hanbury Chapel. However, challenges remain in the form of high vacancy rates (22.9% in 2018), particularly at the northern end of the town centre close to the bus and rail stations.

The close proximity of the stations, coupled with the planned network improvements as part of the Metro proposals, provides an opportunity for Bargoed to diversify its role and increase other uses (offices, residential) in addition to consolidating its retail offer.

There remains a need for further commercial development on the remainder of the retail plateau, and the creation of a 'business quarter' at the northern end of the town centre involving redevelopment of the vacant retail units.

### D - 1 Land at Bargoed Station

An aspiration exists through the Metro initiative to expand car parking provision at Bargoed, in line with the planned increases in journey frequency, although land has not yet been specifically identified. As part of this, there is the potential for provision of EV charging infrastructure, in line with the Council's commitment to creating an all-electric public transport network. General station improvements, including a new toilet block, are also planned by Transport for Wales.

### Development Principles

- Increasing the capability of Bargoed to serve as a park and ride location, enhancing the facility's sustainability;

- Site's location adjacent to the bus station strengthens its potential as a multi-modal interchange;
- Greater utilisation of the station could increase footfall in the town centre;
- Optimisation of the role of the northern end of the town centre through the 'business quarter' concept (D-2).

### D - 2 Business Quarter and Bargoed High Street

The area of the town centre in question consists of a number of largely vacant retail units, the Emporium building, the Council's Ty Bargoed office and the associated car park.

Metro has the potential to expand Bargoed's sphere of influence within a regional context. The rail and bus stations are situated at the northern end of the town centre and can therefore act as a linkage with this area. The integration of these elements provides an opportunity for redevelopment of this part of the town centre and the attraction of additional, non-retail uses such as offices,

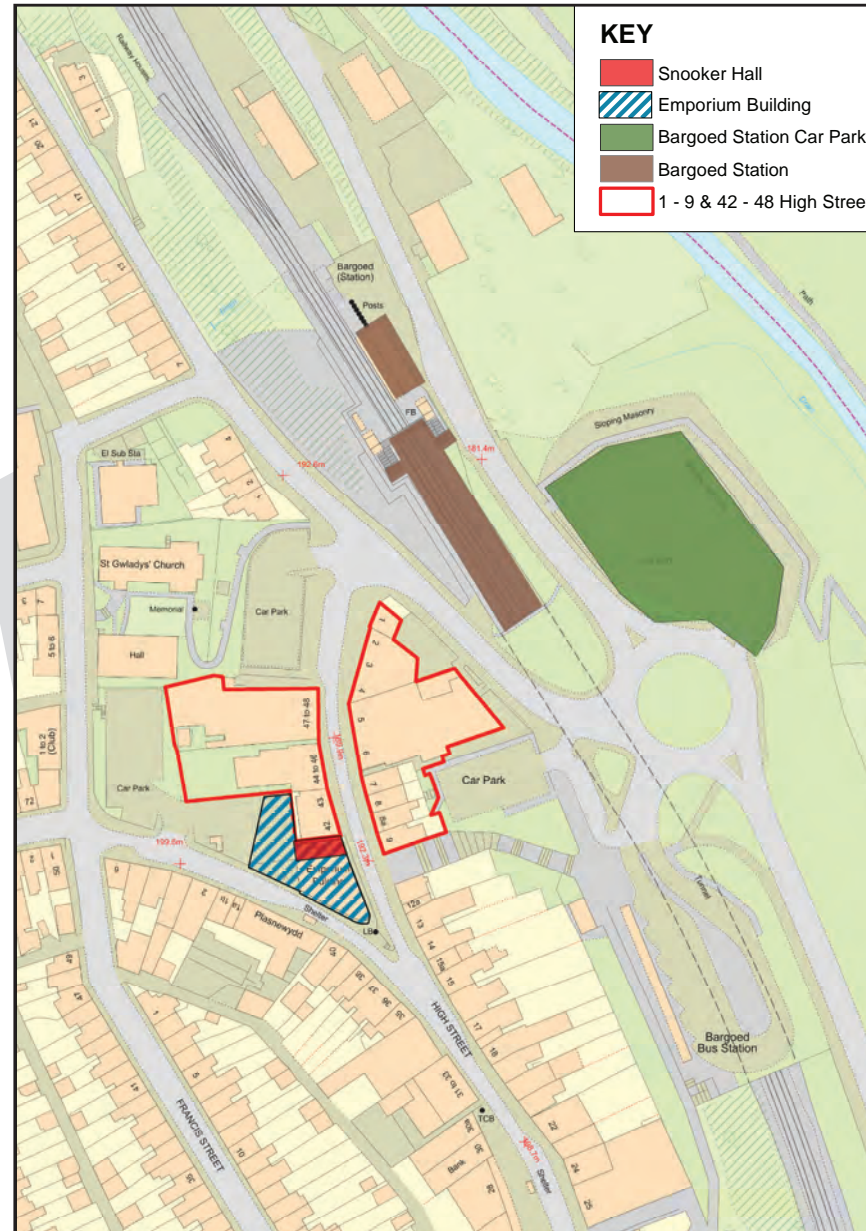
possibly incorporating housing as mixed-use development, diversifying the town centre's role and increasing the viability of existing retail and service uses. However, in order to achieve this, facilities such as the station need to be presented in a positive light in terms of their appearance, functionality and the links that exist with the area in its immediate vicinity, including the northern end of the town centre.

The distinctive quality of the Emporium building should be maximised as a focal point within the town, possibly as a location for independent retail, building on an increase in footfall brought about by the redevelopment of the northern part of the town centre.

### Development Principles

- Redevelopment of vacant premises for offices/residential;
- Opportunity for office development in close proximity to station, to take advantage of Metro links;

## Business Quarter and Bargoed Station





- Emporium building as a potential location for independent/artisan retail;
- Addition of uses that complement existing ones e.g. offices, thereby consolidating the viability of existing retail and service uses and increasing footfall.

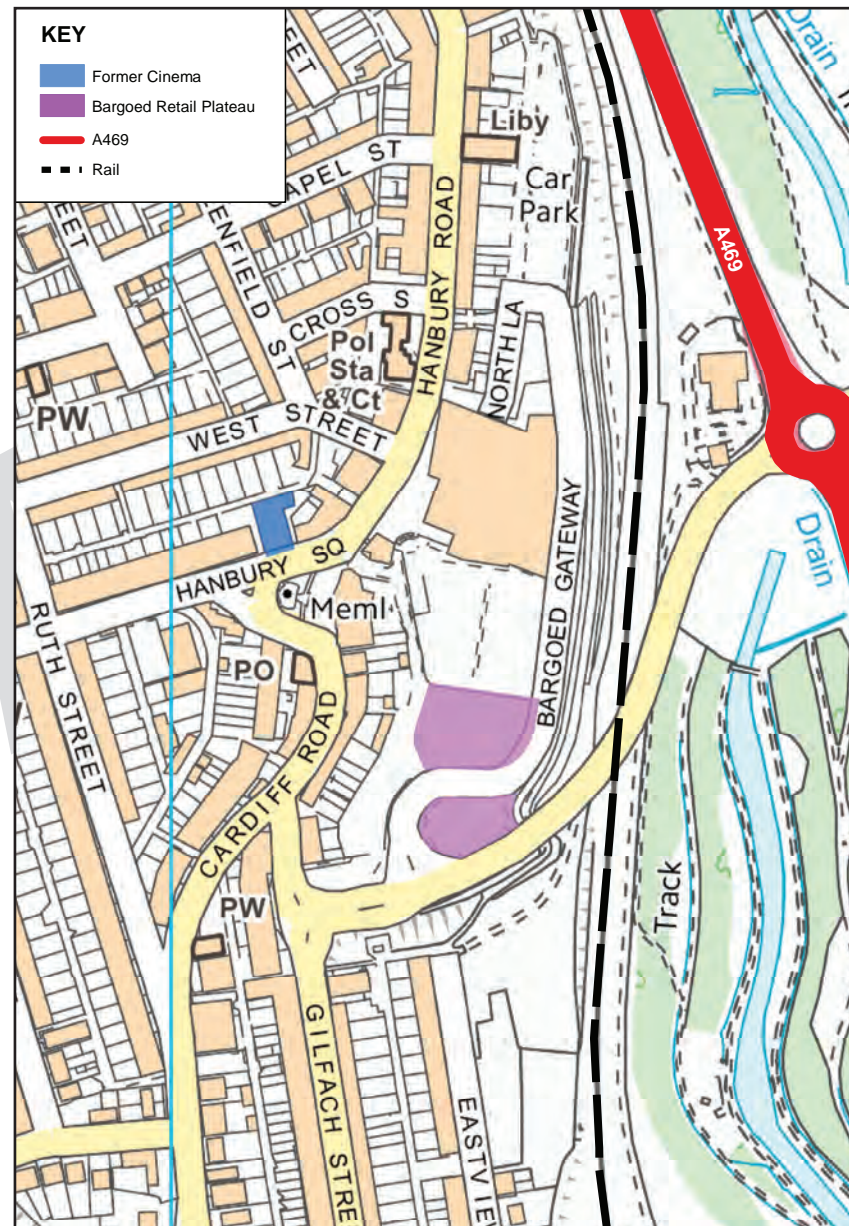
### D - 3 Bargoed Retail Plateau

The development of Bargoed Retail Plateau has helped to transform the southern end of the town centre, with the development of a new Morrison's supermarket, Lowry Plaza and public realm improvements. However, land remains at the southern end of the plateau which is ideally situated for additional commercial development, given its proximity to Angel Way. Permission was granted in 2019 for a family/pub restaurant, indicating market interest.

### Development Principles

- Development for commercial use, complementing existing retail uses at Lowry Plaza and Hanbury Road/High St;

### Bargoed Retail Plateau and Former Cinema, Hanbury Square





- Good access to town centre and Angel Way;
- Diversification of the town centre offer through additional commercial use e.g. pub/restaurant;
- Potential for increased footfall, benefiting existing uses.

#### **D - 4 Former Cinema, Hanbury Sq.**

The site comprises the former cinema on Hanbury Square, which is presently vacant and allocated for commercial development in the adopted LDP. Planning permission had been granted for office development in 2007. The site lies in close proximity to the new development at Lowry Plaza and Bargoed Retail Plateau. It is anticipated that development of the remainder of the retail plateau for commercial use will increase footfall at this end of the town centre and heighten developer interest. Consequently, there is an opportunity to redevelop the cinema for an alternative use, such as offices or mixed-use retail/residential.

#### **Development Principles**

- Reutilisation of existing stock;
- Opportunity to bring cinema back into a beneficial, town centre use;
- Potential for increased developer interest and diversification of town centre uses.

#### **E - Maximise the impact of the Valleys Regional Park, protect and enhance important green spaces and promote tourism**

The Valleys Regional Park (VRP) initiative seeks to establish a model for the management of a network of country parks, other natural assets, heritage sites and attractions across the Valleys, linking with towns and villages. It seeks to do this through three interlinked delivery themes:

- Conserve and enhance the area's distinctive landscape qualities;
- Promote well-being through the enjoyment and understanding of its landscapes;

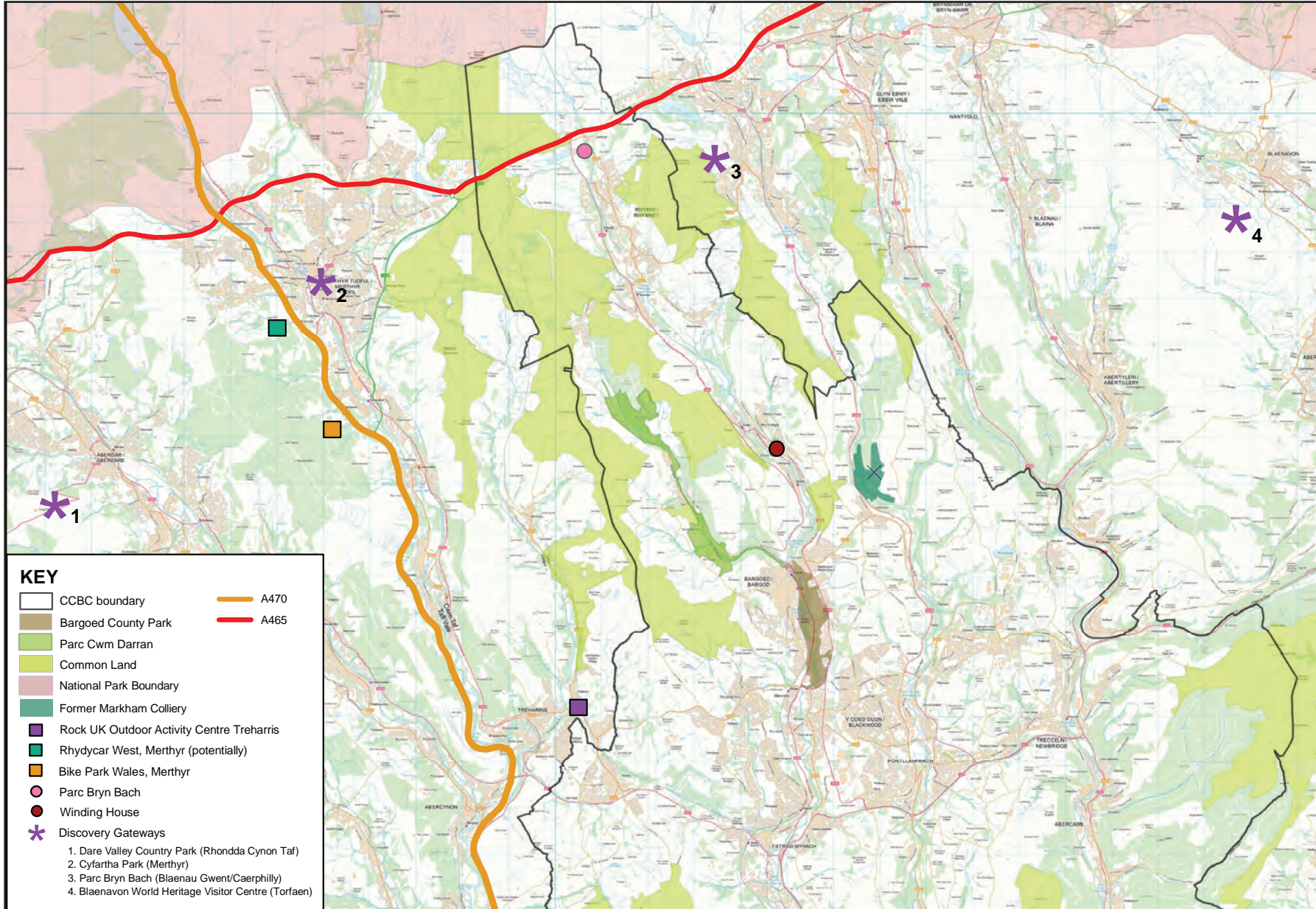
- Promote sustainable natural resource management and economic and community development that support its cultural heritage.

Welsh Government has identified four sites within the wider A465 corridor as VRP 'Discovery Gateways':

- Blaenavon World Heritage Visitor Centre (Torfaen);
- Dare Valley Country Park (Rhondda Cynon Taf);
- Cyfartha Park (Merthyr);
- Parc Bryn Bach (Blaenau Gwent Caerphilly).

Work is ongoing to assess the attributes of these sites with a view to putting in place development plans, which aim to provide consistently high quality facilities to act as a framework for the development of a network across the Valleys. In the HOVRA this will include opportunities for facilities that can complement the existing offer within the County Borough and further afield at:

## Discovery Gateways, Country Parks and Existing Attractions





- Parc Cwm Darran;
- Parc Bryn Bach;
- Bute Town Conservation Area, Bute Town Reservoir;
- Winding House, New Tredegar;
- Markham Colliery;
- Parc Coetir Bargod;
- Common land.

Activity needs to focus on maximising visitor demand, as well as establishing networks between facilities, having regard for the Discovery Gateways in the area and the additional attractions that are interlinked. In the context of the wider A465 corridor, these include:

- Brecon Beacons National Park;
- Bike Park Wales, Merthyr;
- Rhydycar West, Merthyr (potentially);
- Zip World facility, Hirwaun (potentially);
- Rock UK outdoor activity centre, Treharris.

## Accommodation

Accommodation is one aspect that, along with the wider themes of economic development and the growth of the tourism and visitor sectors, can contribute to economic growth in more general terms.

The Heads of the Valleys Regeneration Area is presently lacking in terms of good quality accommodation and this correlates with a need to increase the value of its local economy and to maximise its offer as a location for visitors with the attractions and facilities to match.

The increased connectivity brought about by Metro and the A465 dualling will be beneficial in terms of providing stronger links between visitor attractions, but also between the Heads of the Valleys, the remainder of the Cardiff Capital Region, and elsewhere. This can therefore aid the area in terms of marketing itself as a destination based on three aspects:

- Its natural environment, including the

opportunities that this provides as an activity destination;

- Its social and cultural heritage;
- Its developing and strengthening economic base, which offers new business opportunities.

Experience from elsewhere demonstrates that the accommodation sector develops on the back of increased demand as a destination e.g. accommodation has been developed in Merthyr on the back of Bike Park Wales. In the HOVRA, the focus of this needs to be twofold, concentrating on accommodation provision for employment/business purposes as well as for leisure visitors.

### E - 1 Parc Cwm Darran

Parc Cwm Darran is one of the County Borough's five country parks and is situated two miles north of Bargoed. It offers the following facilities:

- Walking routes;
- Waymarked trails;



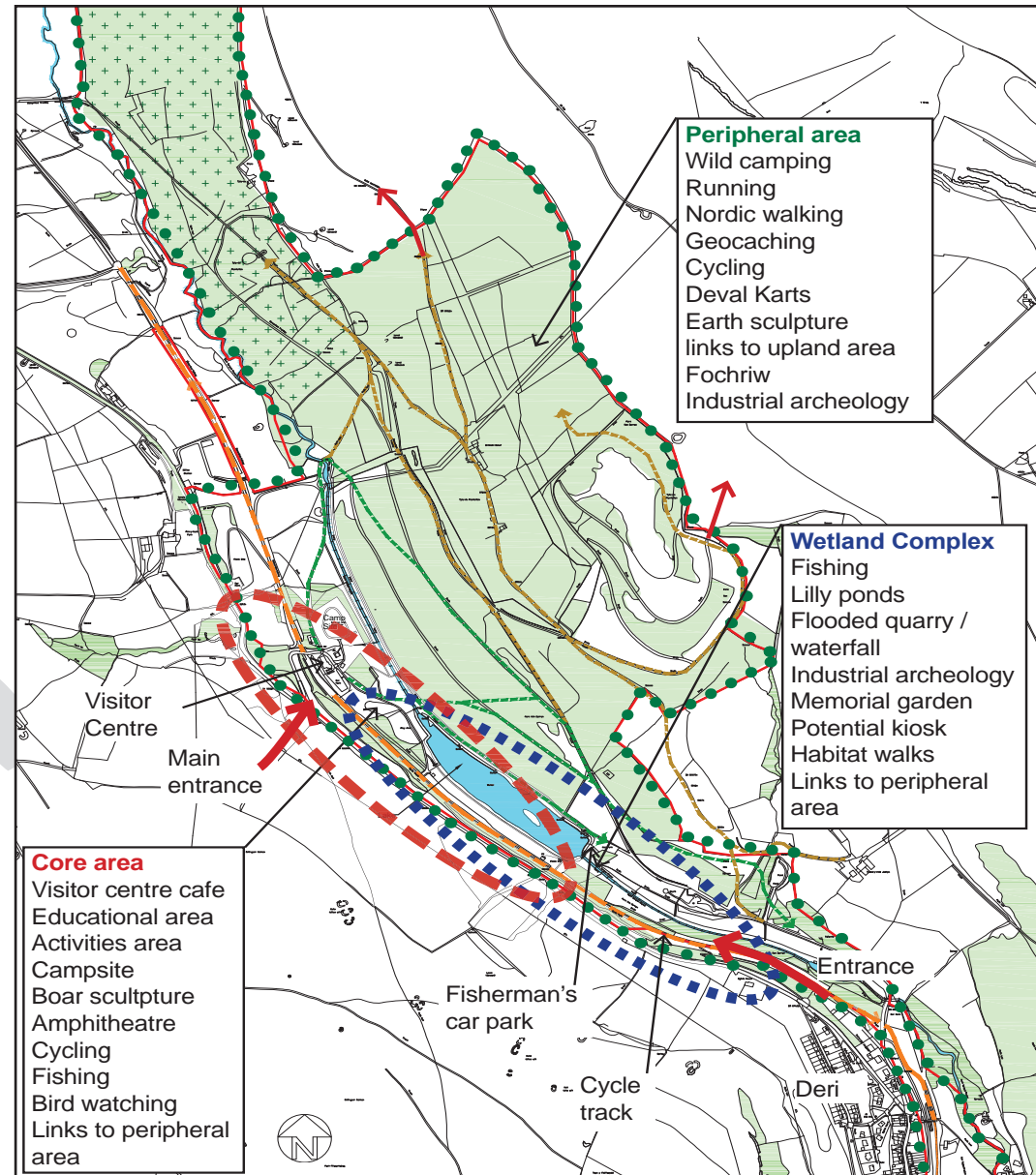
- Cycle route;
- Lake, including angling facilities;
- Picnic areas;
- Campsite;
- Visitor centre and café.

There are opportunities for Parc Cwm Darran to expand its role as a visitor attraction and community resource, within the remit of the Valleys Regional Park (VRP) initiative.

It is already regarded as being a 'centre of excellence' for the provision of environmental training with the Probation Service, and this aspect of the park's role could be utilised to increase social capital within the community through the provision of training and education, and the development of community woodland projects in conjunction with the work being done by Community Regeneration.

From a visitor perspective, there is an intention to optimise the use and offer of the park's facilities. A visioning exercise has

## Parc Cwm Darran Visioning



been undertaken which seeks to create 'two parks in one' in order to make it a regionally attractive destination:

- Core area – shop, appropriately located micro businesses, more welcome information, extension of campsite with a wider range of accommodation, installation of electric vehicle charging points;
- Wetland area – centred around the southern car park, retention of fishing area and creation of additional ponds and wilder areas to add interest;
- Potential for use of NRW land within the park as a 'peripheral area', with development of wild camping and activities such as Nordic walking. The foundational economy could be assisted by supporting local contractors to access felling contracts, and ensure that wood is used by local firms and organisations – social contracts could be utilised to secure possible placement opportunities, in this regard.

Work is also ongoing in relation to the reclamation of Fochriw Tips to the north of the park, which could help facilitate the extension of the cycle route and provide a link to the Brecon Beacons National Park, thereby opening the site up to a wider network.

### Development Principles

- Extension of cycle route to provide better linkages;
- Maximising visitor facilities to a wider market;
- Development of an improved range of facilities, marketing the park to a wider audience;
- Development of social capital through education, training and working in partnership with the community;
- Increased visitor accommodation through expansion of the campsite.

## E - 2 Parc Bryn Bach, Bute Town and Relevant Links

### Parc Bryn Bach

Parc Bryn Bach is a 340 acre country park straddling the boundary between Blaenau Gwent and Caerphilly, and forms one of the two VRP 'Discovery Gateways' situated in the A465 corridor. It offers a range of outdoor activities and opportunities for skills development and contains within it a:

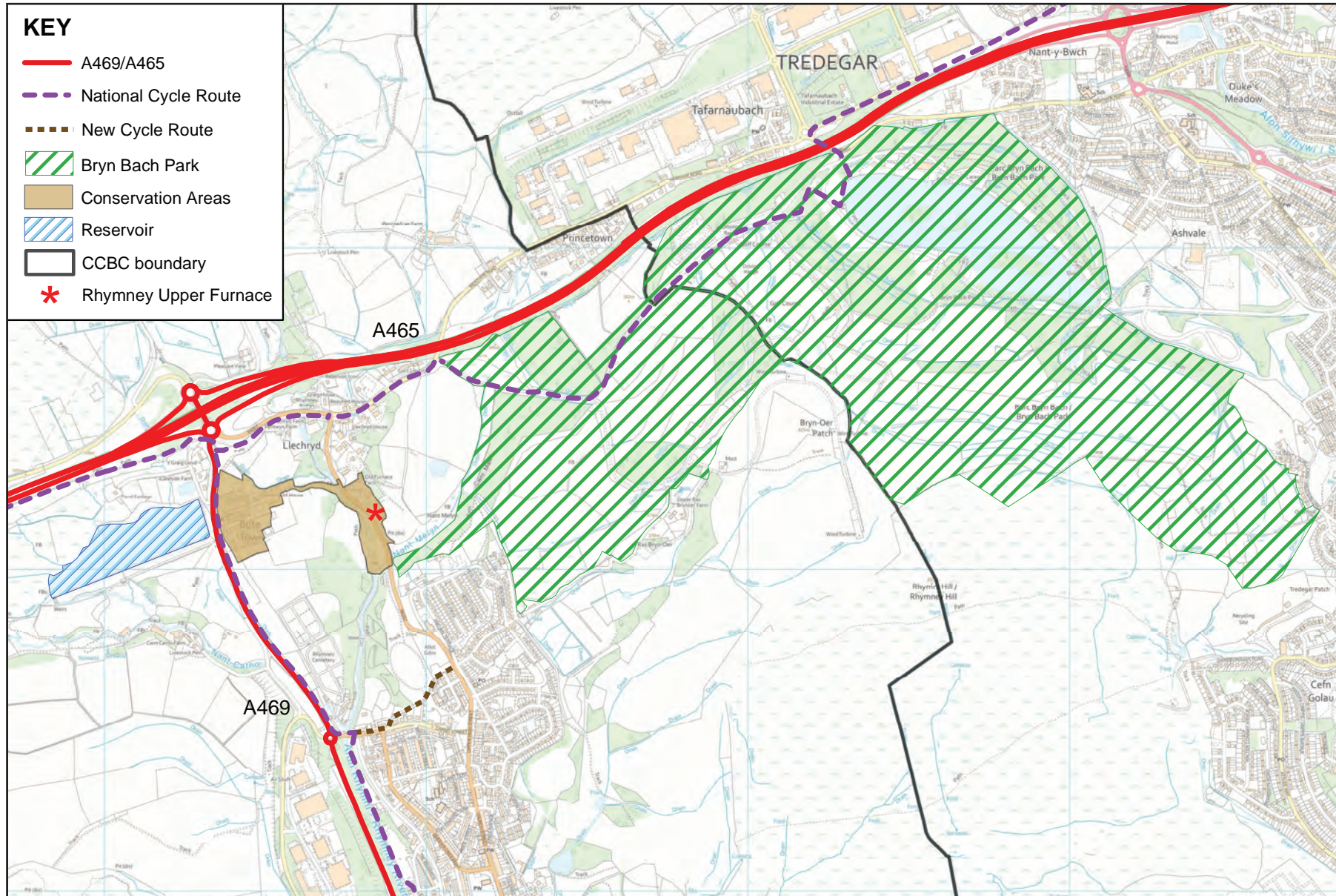
- 36 acre lake;
- Visitor centre;
- Caravan and campsite.

### Bute Town

Bute Town is a good example of a 19th century model village built to house workers at the nearby ironworks. The three rows of houses are listed and, along with the pub and church which remain in operation, they lie within the Bute Town Conservation Area. The village lies in close proximity to the Rhymney Valley Riverside Walk and Rhymney Upper Furnace, the site of the first ironworks to be built in the Rhymney Valley which survives as a scheduled ancient monument (SAM).



## Parc Bryn Bach, Bute Town, Reservoir, Cycle Routes





Interpretation work in respect of the SAM remains an aspiration and would better highlight this historically and culturally important site. The proximity of Bute Town and Rhymney Upper Furnace to Parc Bryn Bach and the upper stretch of the Rhymney Valley Riverside Walk presents an opportunity for co-ordination of these elements as visitor attractions under the VRP initiative.

### **Bute Town Reservoir**

Bute Town Reservoir, located across the road from the village, is a popular local destination for activities such as walking and angling and is served by the existing Rhymney Valley Cycle Route. There is potential to develop the role of this facility through the extension of the cycle route network to link it to Parc Bryn Bach. The route of this potential extension is set out in the adopted LDP.

### **Development Principles**

- Co-ordination of Parc Bryn Bach, Bute Town and the Bute Town Reservoir as a network of attractions with an extension

of the cycle route and utilisation of existing public rights of way to improve connectivity between them;

- Interpretation work in relation to Rhymney Upper Furnace, providing a link to the area's heritage;
- Extension of links to attractions elsewhere in the area – Bryn Oer Tramroad in Brecon Beacons National Park, Parc Cwm Darran.

### **E- 3 Winding House, New Tredegar**

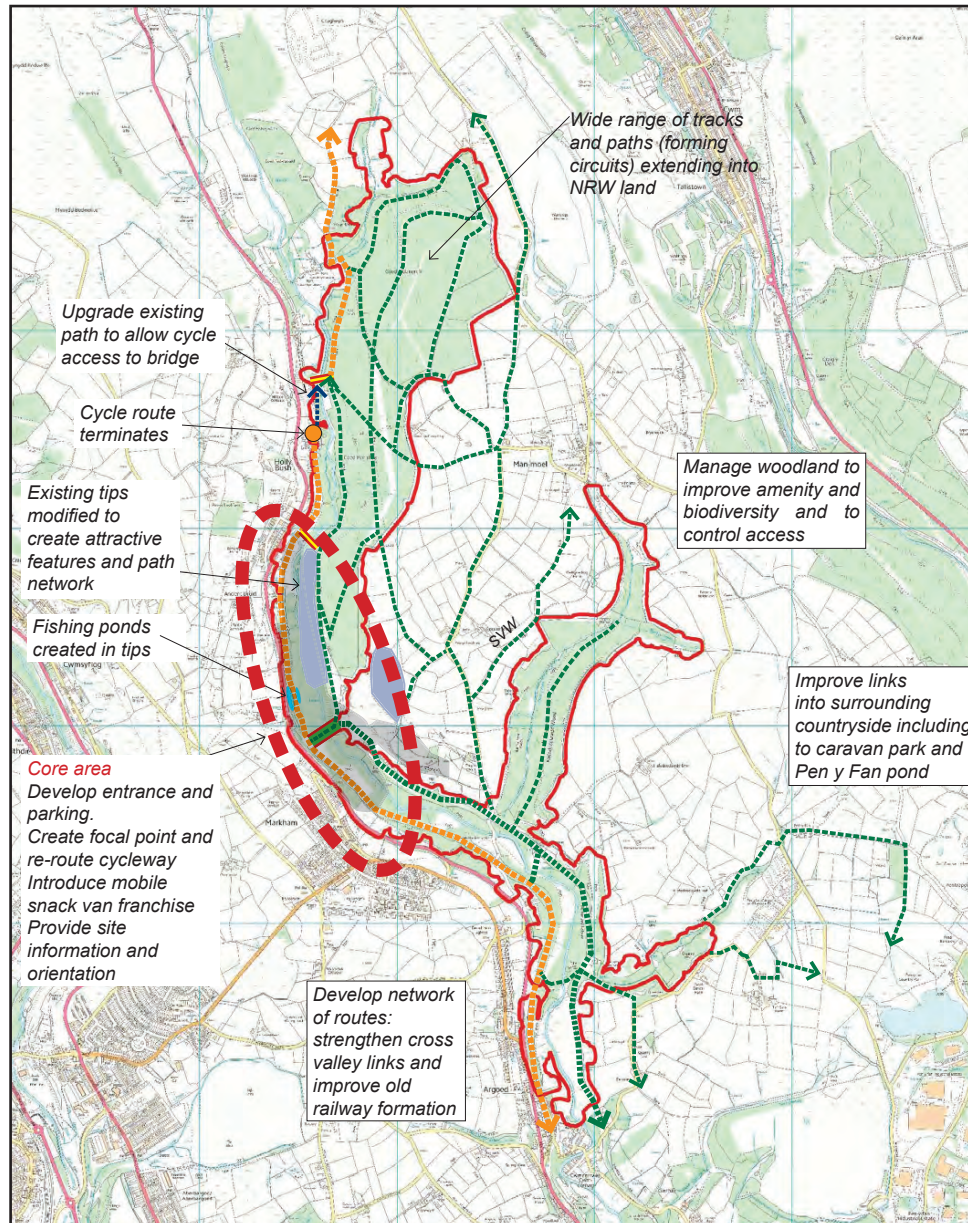
The Winding House in New Tredegar was developed on land formerly occupied by Elliot Colliery and offers extensive exhibition space, a gallery, and catering and office/meeting facilities. The museum seeks to act as a mechanism for economic regeneration where the impact of visitor revenue is likely to be greatest. There is an aspiration to widen the appeal of the exhibitions, in order to bring in an audience from further afield.

The 5 to 9 Club has been successful in terms of offering assistance to new start-ups, whilst future activity seeks to build on this

by using part of the facility for developing local business activity. In addition, office space will be utilised on a temporary basis by Dwr Cymru Welsh Water when they roll out infrastructure improvement to the HOVRA. This presents an opportunity to integrate tourism, educational and economic activity as well as to increase interaction between these areas and the role of public institutions such as utility providers, leading to the potential sharing and broadening of skills and widening the scope of future business models. Building on the success of the 5 to 9 Club and Welsh ICE in Caerphilly, the Council aspires to utilise some of this space to allow new businesses to innovate and grow, based on a culture of knowledge sharing and collaboration.

Whilst utilisation of office space within the facility will increase the supply of business space available locally, it will also help to broaden its base as a valuable community asset, serving as a hub from which the local community can build social and business-related networks.

## Markham Colliery Visioning



## Development Principles

- Maximise potential as a visitor attraction e.g. exhibition space;
- Providing assistance to local business start-ups;
- Broadening the area's supply of business space;
- Role as a community hub, and development of social capital through integration of visitor, educational and economic activity;
- Links with Community Regeneration employment programmes.

## E - 4 Markham Colliery

This site has been vacant since the closure of the colliery in the mid 1980s and is allocated in the adopted LDP as a new country park to establish a key, local component of the Valleys Regional Park. An extension of the Sirhowy Valley Cycle Route between Hollybush and Argoed passes through the site. Options include utilising the attractive, parkland

landscape for leisure activities that will increase dwell time through expanding the site's visitor offer, and exploring the potential for development that can link into the rural economy.

A visioning exercise has been undertaken which seeks to maximise the potential of the site as a visitor destination, based on its woodland and riparian characteristics, and for contributing to the local economy. Other than forestry operations in the east of the area, the only interventions to date have been the development of the site entrance and the cycle route. Proposals include:

- Developing the site as a 'gateway' to the north and east over an extended period, once the function has been established, including:
  - Links to Penylan Pond and the caravan park and equestrian centre;
  - Extension of the cycle route;
  - Creation of a circuit of tracks and paths, extending into NRW land for

uses such as horse riding, building on the accessibility offered by the existing network of routes;

- Woodland management, allowing for camping, and providing a visual connection between the tips and the cycle route;
- Sculpting of the tips and maximisation of the site's cultural heritage for positive interpretation and activities such as low-level adventure play.
- Around the core area, developing the car park as a focal point, including:
  - A potential visitor centre;
  - Fishing ponds;
  - Small café;
  - Site information;
  - Sale of local firewood;
  - Live-work units.

### Development Principles

- Development and extension of existing routes, to facilitate a wider range of

activities and provide links to additional facilities;

- Developing the function of the site to widen visitor appeal;
- Diversification of the local economy into appropriate uses, based within the park;
- Maximisation of the area's industrial and cultural heritage.

### E - 5 Gelligaer and Merthyr Common

Gelligaer Common is an expanse of open moorland situated between the Taf and Rhymney Valleys straddling the boundary between Caerphilly and Merthyr County Boroughs, and occupies much of the Upper Rhymney Valley west of the A469. It is designated by Cadw as a Historic Landscape.

On the Caerphilly side, the ridgetop occupied by the Common rises up 470m at Mynydd Fochriw, and slopes eastwards towards the Nant Bargod Rhymney. The landscape is diverse in form and in its archaeological and historical content.

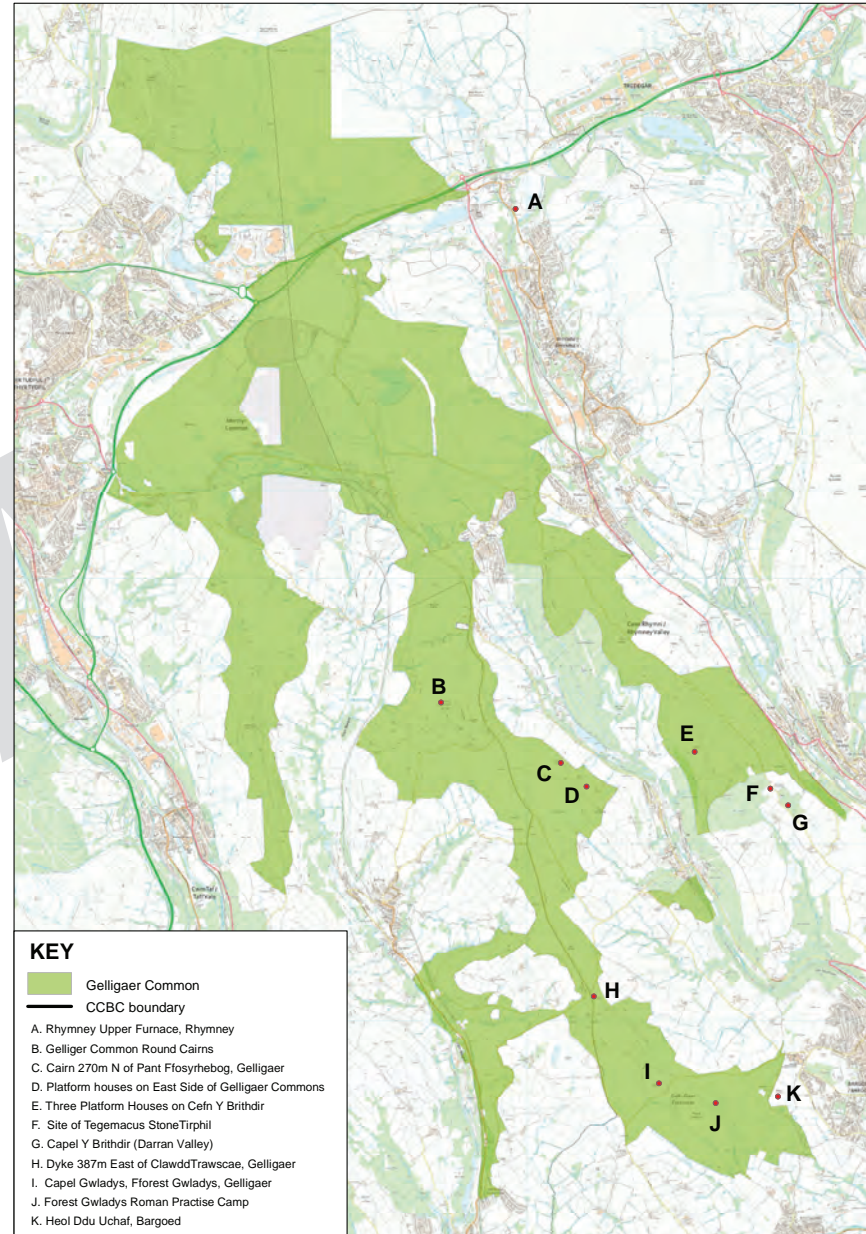


## Tourism

In terms of tourism, the Common could serve as an integral element of the HOVRA's offer. The characteristics of the landscape raise the potential for:

- Utilising the area's archaeological and historical context;
- Providing a linkage to other facilities within the HOVRA e.g. Parc Cwm Darran; Bute Town as well as those outside – the Common's close proximity to the National Park could enable it to attract visitors southwards;
- Maximising the attractiveness of features such as Rhaslas Pond for tourism and leisure purposes;
- Provision of accommodation and the hospitality sector in settlements such as Rhymney, Fochriw and Deri – this will be dependent on sufficient demand being created in the first instance.

## Gelligaer Common



## Community Development

The Common provides important economic, social and environmental value to the communities that surround it. However, the landscape is threatened by anti-social behaviour including fly-tipping, littering, off-road vehicles and environmental damage. A pilot project, Tirwedd y Comin (Common Landscape) is being launched and will be led by the Commoners' Association, the two local authorities and others in order to work with the local community and restore, maintain and protect the Common. This will ensure custodianship of it can be passed on to future generations.

*Tirwedd y Digidol* (Digital Landscape) seeks to work with local communities to establish a virtual digital centre for the landscapes of Caerphilly and Blaenau Gwent, which will provide an information platform for residents and visitors alike.

These schemes, within the context of the Common and other landscapes, will:

- Enable the development of new skills locally in relation to landscape stewardship and digital technology, linking with Community Regeneration programmes;
- Facilitate community cohesion and development;
- Provide an information platform for local residents from which they can engage with local natural resources;
- More effectively utilise technology to highlight the attributes of the Common, and other important local landscapes, to potential visitors.

### E - 6 Parc Coetir Bargod

Parc Coetir Bargod is the County Borough's newest country park, created on land formerly occupied by Gilfach, Bargoed and Britannia Collieries, and provides a route along the Rhymney River in attractive surroundings which can be accessed from 11 different gateways.

New Active Travel routes are planned which will improve connections between the park and the following surrounding communities:

- Pengam;
- Fleur-de-Lis;
- Gilfach;
- Aberbargoed

It is anticipated that this will increase the park's accessibility as a local visitor destination, and have benefits in terms of health and well-being.

### E - 7 Bargoed Park

Bargoed Park is the largest park in the County Borough at over 19 ha and contains a number of facilities:

- Formal gardens;
- Children's playground;
- Multi-use games area;
- Skateboarding area;
- Football and rugby pitches.



## Parc Coetir Bargod



The Council will look for opportunities to optimise the role of the park in terms of the sustainability of the town, including:

- Ensuring that facilities maximise the number of visitors;
- Reinforcing the vitality of the town centre, and maintaining links.

### F - Support proposals for renewable energy generation and community benefit through utility infrastructure

The HOVRA is well-placed to deliver structural benefits through energy schemes. Whilst climate change is a challenge, it can also present opportunities. Welsh Government is embracing the transition to a low-carbon economy through Planning Policy Wales and the *Well-Being of Future Generations Act*, and has set out a commitment to delivering the following outcomes in Energy Wales: *A Low Carbon Transition*:

- Reducing the amount of energy we use;



- Reducing our reliance on energy generated from fossil fuels;
- Actively managing the transition to a low-carbon economy;
- Utilising existing services provided by Groundwork Wales around energy efficiency within homes – connecting with communities and schools to capitalise on global warming awareness, recycling and food waste initiatives.

Landscape Area (SLA) designation identified through the adopted LDP. Part of the site is a SINC designation.

Given the upland nature of the site and its location north of the A465, this area has the potential to accommodate a renewable energy generation scheme, although work will need to be undertaken to determine its feasibility and environmental impact, particularly in respect of the visual impact on the Common and the Brecon Beacons National Park. Any energy generated on this site can be fed back into the grid, giving the proposal an economic, as well as a sustainability, benefit and would also generate potential community benefits.

There is the potential for a scheme to be developed in conjunction with adjoining land in Blaenau Gwent, complementing schemes already operating along this corridor and forming part of a Heads of the Valleys 'Energy Belt', thereby increasing the sustainability credentials of the wider A465 corridor.

## Development Principles

- Creation of a sustainable energy generation scheme;
- Less reliance on non-local, non-sustainable forms of energy;
- Economic advantages of supplying energy to the grid;
- Community benefits derived for local community groups;
- Potential local job creation.

In terms of energy generation and public utilities schemes, the upgrading of infrastructure can deliver community benefit, not only in terms of improved provision to people's homes but through greater community interaction with utility providers, the development of social capital and the extension and creation of community networks, training opportunities and skills.

There is also an economic benefit, as such schemes operate within the context of some

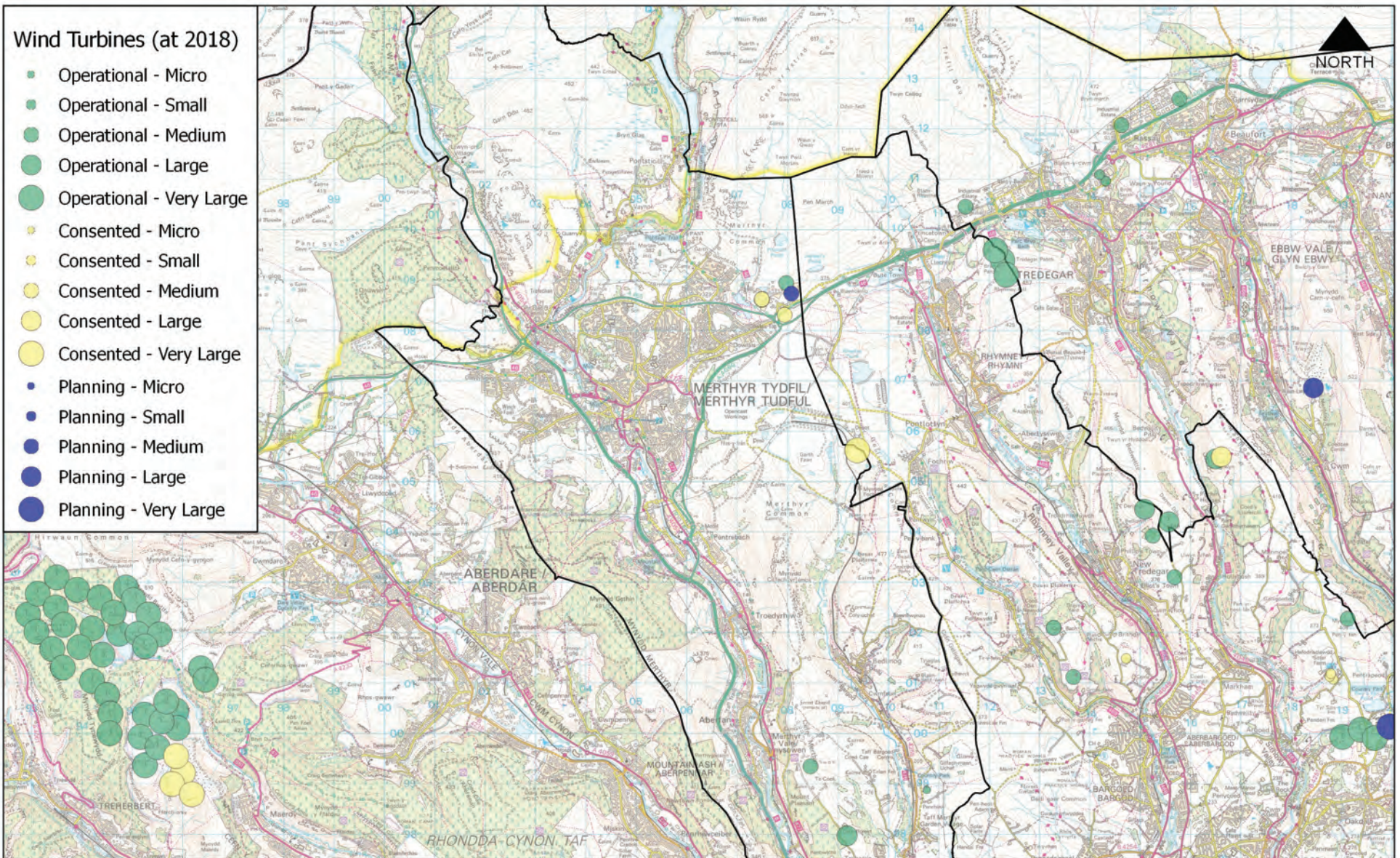
Page 105 Renewable energy can be a way of meeting some of these objectives, as well as providing a means of building economic resilience, providing clean growth and contributing to improved health. Suitable renewable energy schemes will therefore be supported, in appropriate locations.

### F - 1 North of the A465

Land immediately north of the A465 consists of upland, greenfield land in close proximity to the boundary with the Brecon Beacons National Park and is located within a Special



## Operational and Planned Windfarm Developments in the A465 Corridor





degree of community ownership. Examples exist from elsewhere of utility providers and renewable energy companies investing in community development with the help of a community fund established for that very purpose. Where such organisations are involved in the development of proposals within a particular locality, they should be encouraged to:

- Engage with the community to establish its needs and aspirations;
- Make funding available for the benefit of that community as part of a community fund, possibly as match funding in conjunction with other initiatives;
- Allow community representatives to take a lead in terms of how such funds are spent.

### **F - 2 Markham Renewable Energy Scheme**

The Council, in partnership with Argoed Community Council and Renew Wales, is

investigating the potential for a community-focused renewable energy generation scheme on land at Markham Colliery, and is also considering the options for hydro, solar and wind generation. Initial scoping work has been undertaken and has determined that such a scheme could supply enough electricity for 1,500 homes.

#### **Development Principles**

- Creation of a sustainable energy generation scheme;
- Increased community resilience;
- Integration with country park development at Markham Colliery;
- Increasing the potential range of rural economic uses to be located within the envisioned country park;
- Job and training opportunities delivered through community benefit;
- Linking with similar initiatives and partners to improve awareness.

### **F - 3 Rhymney to Bargoed Water Resilient Communities**

Dwr Cymru Welsh Water are presently producing plans for increasing water resilience in the HOVRA. Work regarding physical improvements in terms of infrastructure will commence in early 2020. In addition, however, this will involve local engagement to ensure that the concept of water resilience is embedded within the local community. This will involve:

- Engagement through existing community networks e.g. Parent Network, Flying Start, Community Regeneration;
- Dissemination of information and good practice through local schools, community groups;
- Establishing links with private landlords' networks;
- Obtaining increased resilience through Council's portfolio of housing (monitoring usage and downsizing meters in Council properties, where appropriate & beneficial).



## Principles

- Embedding sustainability principles within the community;
- Ensuring a joined-up approach between stakeholder organisations;
- Increased community development and confidence;
- Physical improvements to utility infrastructure.

## G - Support the development and diversification of housing in sustainable locations

Despite the success of the LDP Strategy in delivering new housing elsewhere within the County Borough, this is not the case in the HOVRA where, despite some small-scale development having taken place, many of the sites allocated for housing in the LDP remain undeveloped, irrespective of the sustainability of their locations.

There is therefore a need to provide new sustainably located housing development in

order to increase the amount and quality of housing stock, and to support the role and function of settlements, in tandem with the economic improvements that are anticipated as a result of City Deal, Metro and the council's regeneration aspirations.

New models of housing delivery are required to bring development forward and these will include:

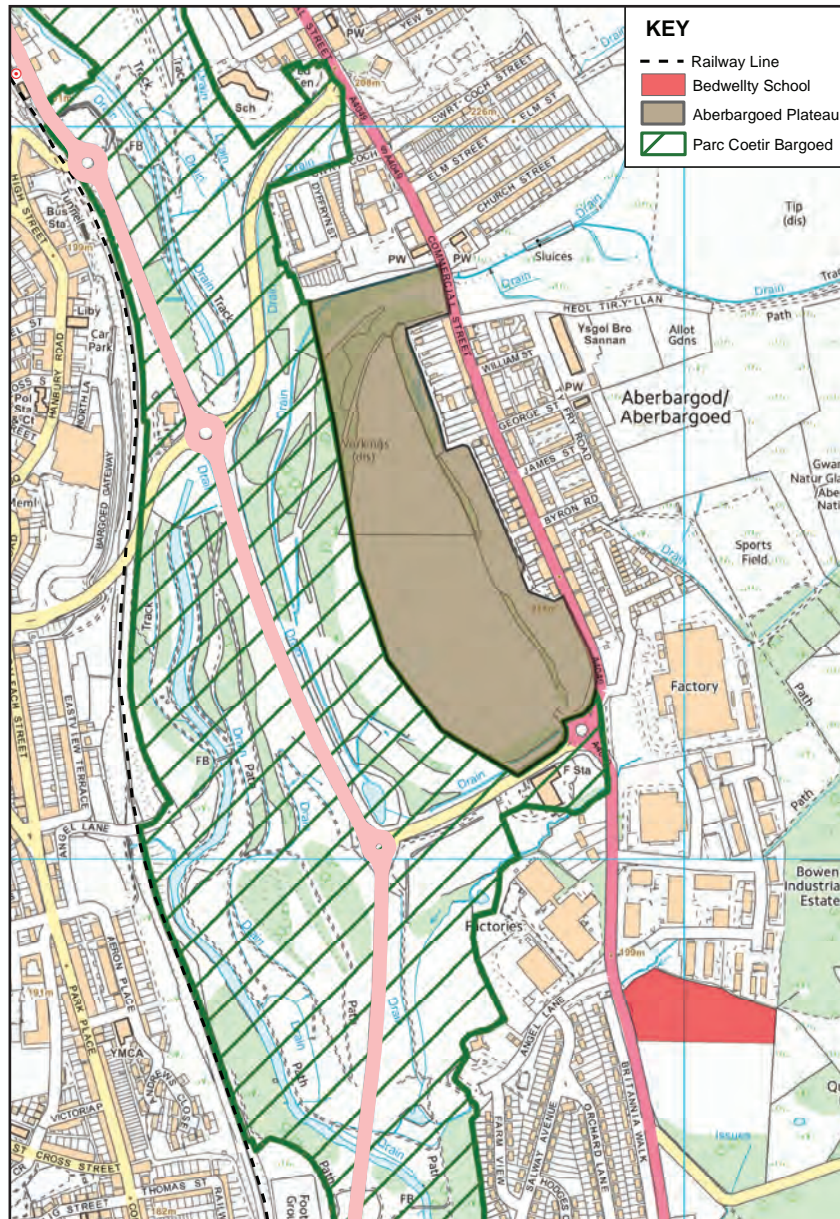
**Self Build:** Welsh Government has introduced a self-build scheme aimed at encouraging first time house buyers to build their own homes. Through the Development Bank of Wales, Welsh Government will offer loans to self-builders to assist in building their own homes and Welsh Government is setting up a database of sites that are being promoted for self-build development.

**Stalled Sites:** Welsh Government has introduced a system of loans to assist in bringing housing sites, which have stalled for various reasons, forward for development.

**Small-scale council house building:** Through the WHQS process the council may bring forward a number of small-scale sites for housing development. In doing so the council will seek to maximise use of the foundational economy of the area, which will ensure goods and services are procured locally and that the schemes will assist in developing appropriate skill sets within the population.

These options will bring forward new housing, which will increase the range and choice of housing available in the Masterplan area. However, these will not be sufficient to address the situation completely. Consequently the council will continue to lobby Welsh Government to provide mechanisms for incentivising housing development in the Masterplan area, as well as the wider A465 corridor, is made available to ensure that a sufficient level and range of housing is developed to sustain the existing communities.

## Aberbargoed Plateau & Bedwelty School



## G - 1 Aberbargoed Plateau

The plateau is the result of the reclamation of the old Bargoed Colliery tip, and is situated on the Aberbargoed side of the Rhymney Valley. It is allocated for housing in the adopted LDP, though remains undeveloped, and is in Council ownership. Redevelopment of the plateau would utilise an important brownfield site and provide an opportunity for the diversification of the housing stock in the area. However, the viability of the site for residential development remains an issue.

The site is in close proximity to the neighbourhood centre of Aberbargoed and is adjacent to Parc Coetir Bargoed, one of the council's country parks, providing a sustainable location with an attractive environmental setting.

A review is presently being undertaken of sixth form provision across the County Borough and there is the possibility that part of the site could be utilised for a new further education college to serve this part

of the County Borough. This would facilitate the development of a mixed-use scheme for the plateau, enabling housing to come forward on the remainder. The formulation of an appropriate scheme would enable such a scheme to meet its full potential, from a sustainability perspective.

## Development Principles

- Sustainable mixed-use scheme taking advantage of the site's location on Angel Way;
- Some provision for housing development, providing new build development in the area and adding variety and choice to existing housing stock, close to existing employment facilities;
- Development of a new FE college to cover the Upper Rhymney Valley;
- Providing access to Parc Coetir Bargod through extension of the cycle route.

### G - 2 Bedwellty School

Planning permission was granted in 2019 for

residential (55 units) on the former Bedwellty School site and development is underway. The development of this site will result in the diversification of housing stock in the Aberbargoed area, sustainably located within close proximity of Aberbargoed town centre, the A4049 and employment uses at Bowen Industrial Estate and Angel Lane. Cabinet approval has since been forthcoming to release land immediately to the south for a second phase of development.

## Development Principles

- Diversification of housing stock within the local area, adding variety and choice to the local housing market;
- Ease of accessibility in relation to local facilities;
- Utilisation of vacant, brownfield land.

### G - 3 Empty Homes Grant Scheme

Following the implementation of a successful model in Rhondda Cynon Taf, £10 million has been provided by Welsh Government

to fund the Empty Homes Grant Scheme across the VTF area, which offers purchasers funding for the renovation of empty homes, bringing them back into beneficial use. Property owners can only apply in relation to owner occupation and the grant is not open to builders or landlords for the purposes of renting out accommodation. The scheme will be rolled out over two phases:

- Phase one will be rolled out with the following conditions:
  - Homes would need to have been empty for a six-month period (the immediate six months prior to approval of the grant);
  - Property owners can apply once, to avoid landlords and builders from benefiting;
  - Maximum grant of £20,000.
- Phase two will involve working with local authorities on developing frameworks to support local supply chains, with links to:
  - Skills and apprenticeships;



- Local supply chains;
- Foundational economy.

## Principles

- Potential reduction in the number of empty homes;
- Increase in the diversity of housing stock;
- Development of skills;
- Strengthening of local supply chains through use of local firms.

## H - Provide a suitable level of community, leisure and education facilities, and establish Integrated Well-Being Networks in order to connect communities' strengths and assets

The provision and location of community facilities are of crucial importance to the sustainability of settlements and to the well-being of their populations. New facilities that have opened since the start of the LDP plan period in 2006 include:

- Bargoed Library and Customer First Centre (Hanbury Chapel);
- Hafod Deg Resource Centre;
- Rhymney Integrated Health and Social Care Centre;
- Idris Davies School, Abertysswg.

Whilst constraints on public resources have an impact on the provision of such facilities, this does present an opportunity for new models of delivery. For instance, the rationalisation and sharing of facilities as multi-purpose 'hubs' can provide community benefits, as well as providing opportunities for more cost-effective managing and resourcing of facilities. This can have a positive impact in terms of social capital, engendering networking opportunities, knowledge sharing and the development of transferable skills which are of invaluable importance in a modern social and economic context.

### H - 1 21st Century Schools

The 21st Century Schools and Education programme is a major, long-term and

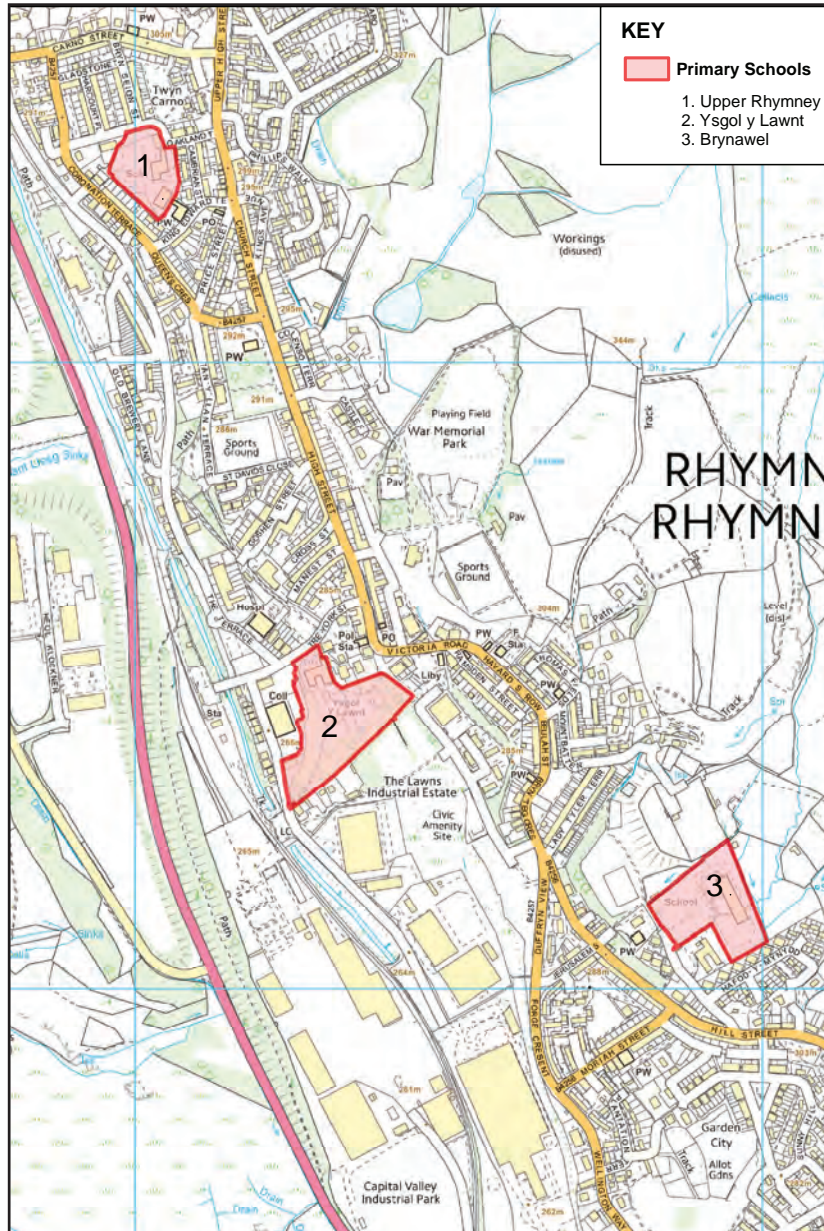
strategic capital investment programme supporting large-scale capital projects with the aim of enhancing school buildings to meet modern educational and community needs.

### The key aims are to:

- Reduce the number of schools in poor condition;
- Ensure the right size schools in the right location;
- Ensure the effective and efficient use of the educational estate for both schools and the wider community.

Idris Davies School in Abertysswg was developed under Band A of the programme as a replacement for Abertysswg and Pontlottyn Primary Schools on land within the existing Rhymney Comprehensive School site. As well as the school, it also accommodates a nursery, Flying Start unit and integrated children's centre offering after-school and wraparound provision.

## Upper Rhymney and Brynawel Primaries and Ysgol y Lawnt



Band B of the 21st Century Schools programme runs between 2019 and 2026 and proposals have been developed. However, these remain proposals at this stage, subject to a business case submission and Welsh Government approval; in addition, consultation with stakeholders will be a key part of the process. Proposals concerning primary education will be dependent on the review of secondary education that is ongoing. Band B proposals in Rhymney include:

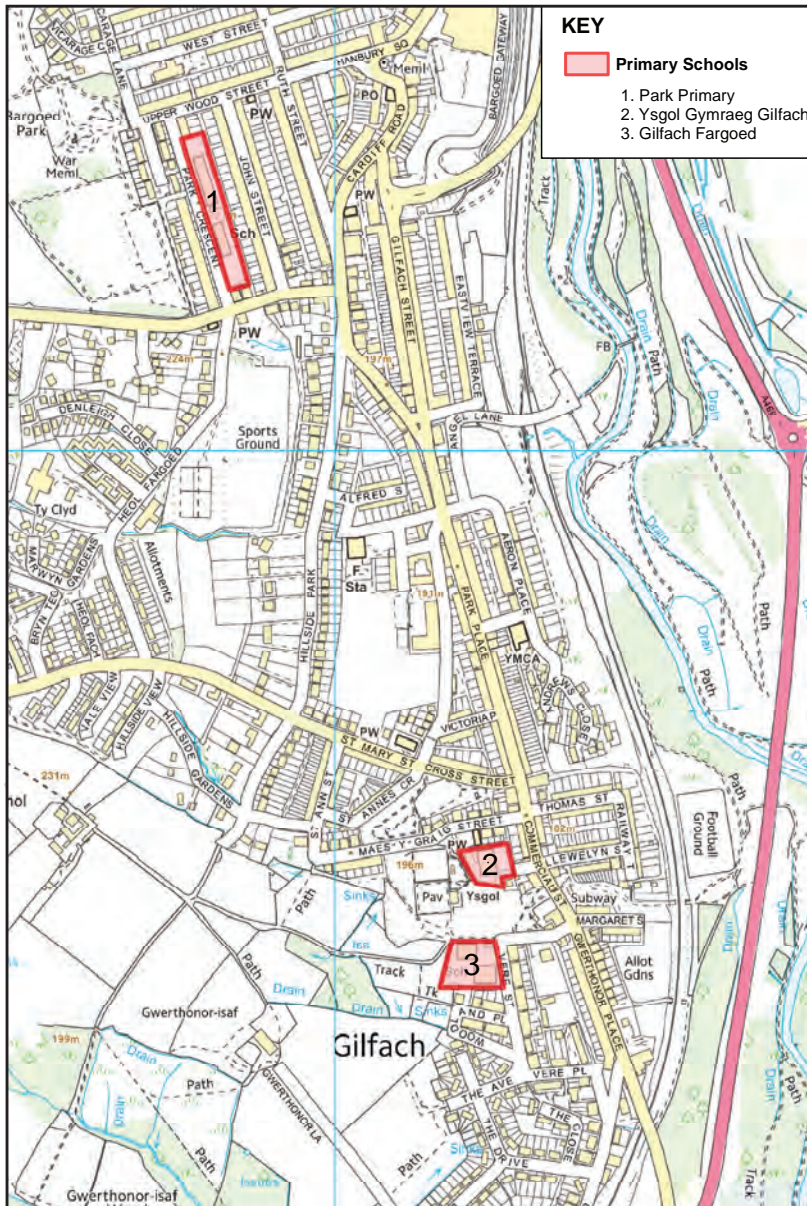
- New build school to replace the existing Upper Rhymney Primary School;
- Relocation of Brynawel Primary School pupils to Upper Rhymney Primary and Idris Davies Schools;
- Refurbishment of a school site to relocate Ysgol y Lawnt.

### Band B proposals in Bargoed include:

- Amalgamation of the Park and Gilfach Fargoed Primary Schools into a new build school;



## Park and Gilfach Fargoed Primaries and Ysgol Gymraeg Gilfach Fargoed



- Refurbishment of Park Primary School to accommodate the relocation of Ysgol Gymraeg Gilfach Fargoed.

These are expected to realise the following benefits:

- Target areas of high social deprivation;
- Creation of fit-for-purpose, energy efficient schools;
- Significant reduction of surplus places;
- Estimated saving on backlog maintenance costs;
- Increased opportunities for community use and on-site childcare provision;
- Expansion of Welsh medium education.

## H - 2 Rhymney Integrated Health and Social Care Centre and Hafod Deg Resource Centre

The Integrated Health and Social Care Centre for the north of the County Borough brings together several different community health functions in an integrated way, including:



- Two GP practices, complementing a continuing presence at New Tredegar and Deri;
- Dental practice;
- Optometry services;
- Social services day care facilities;
- In-patient facilities;
- A base for health and social services staff delivering a range of services across the north of the County Borough.

Hafod Deg Resource Centre delivers a range of support services for people in the local area, including:

- Citizens Advice;
- Mental health organisations;
- Credit union;
- Nutritional and dietary advice;
- Space for volunteering and community groups.

Through the integration of service delivery from facilities such as these, the capacity of

public sector resources to have a positive impact within the community is maximised. However, it is necessary that this approach ensures the delivery of services for the whole community, and therefore the Council will work with key organisations such as the Local Health Board, the 'third sector' and others to ensure that community-based services and well-being can continue to be delivered in a sustainable and coordinated manner.

### H - 3 Integrated Well-Being Networks

In keeping with the Welsh Government's £100m NHS Transformation Fund aimed at driving integration and its "long term future vision of a 'whole system approach to health and social care' focused on health and wellbeing, and on preventing illness"; the Gwent Regional Partnership Board is supporting Aneurin Bevan Health Board, in conjunction with the Council and other partners, to develop and deliver the concept of Integrated Well-Being Networks (IWNs).

Integrated Well-Being Networks are place-

based models of more effective collaborative, integrated working to support and sustain community well-being. In essence, this means effectively connecting and coordinating the disparate assets that contribute to well-being in a location.

#### There are four elements to IWN development:

- Place-based collaboration;
- Connecting community-based 'hubs';
- People who deliver services and support;
- Easily accessible well-being information.

The initial focus for IWN development in the County Borough is the area covered by Caerphilly North Neighbourhood Care Network, much of which lies within the HOVRA. Initial mapping work has been undertaken for part of the area and there is an intention to roll this out, as part of a programme of community engagement, in order to help make existing networks of facilities more identifiable for service users.

# Integrated Well-Being Networks

## HOW INTEGRATED WELL-BEING NETWORKS WORK

PEOPLE IN GWENT HAVE ALL THE THINGS THEY NEED TO KEEP WELL AND ARE LIVING HEALTHIER LIVES, FOR LONGER.

### 1. PLACE-BASED COLLABORATION

WE ARE COLLABORATING WITH PARTNERS IN OUR COMMUNITIES, BUILDING RELATIONSHIPS AND WORKING TOGETHER BETTER TO MAKE THE BEST USE OF WHAT WE HAVE.



### 3. PEOPLE WHO DELIVER SERVICES & SUPPORT

WORKING CO-PRODUCTIVELY WITH PEOPLE, BUILDING ON THEIR STRENGTHS TO FIND THEIR OWN SOLUTIONS AND CONNECTING PRIMARY CARE TEAMS TO WELL-BEING RESOURCES.

### 2. COMMUNITY-BASED HUBS

HUBS CONNECT PEOPLE WITH HEALTH AND WELL-BEING RESOURCES, ACTIVITIES, AND OTHER PEOPLE. LINKING OUR HUBS IN THE COMMUNITY TO IMPROVE THEIR WELL-BEING ROLE AND ACCESS TO THE RIGHT SERVICES AND SUPPORT.

### 4. EASY ACCESS TO WELL-BEING INFORMATION

PROVIDING WAYS FOR PEOPLE TO ACCESS RELIABLE WELL-BEING INFORMATION, THIS CAN BE THROUGH:

- FAMILY, FRIENDS OR A SERVICE
- A LINK WORKER
- A HUB IN THE COMMUNITY
- TECHNOLOGY, INCLUDING DEWIS CYMRU



INTEGRATED WELL-BEING NETWORKS ARE NOT ABOUT CREATING SOMETHING NEW - IT'S ABOUT STARTING WITH WHAT WE ALREADY HAVE. USING THE UNIQUE STRENGTHS AND ASSETS THAT EXIST IN OUR COMMUNITIES: OUR PEOPLE - RELATIONSHIPS, KNOWLEDGE AND SKILLS  
 OUR PLACES - HEALTHY PEOPLE NEED HEALTHY PLACES  
 OUR PROVISION - WELL-BEING SUPPORT AND SERVICES.

PLEASE VISIT [WWW.WALES.NHS.UK/IWNGWENT](http://WWW.WALES.NHS.UK/IWNGWENT) AND SHARE INFORMATION ABOUT INTEGRATED WELL-BEING NETWORKS GWENT USING #IWNGWENT



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The recommended approach to delivering IWNs will contribute to the delivery of the Public Service Board's Well-Being Plan. This approach includes:

- Establishing the core offer of well-being services that exist across:
  - Health and social care hubs e.g. GP surgeries;
  - Local authority hubs libraries, Customer First Centres, provision of housing advice;
  - Community hubs – shared spaces for people, community groups and recreational activities;
- Agreeing the role of lead organisations, including the Council, Health Board, Public Health Wales, Housing Associations, GAVO and others;
- Review 'linking' roles to ensure the effective use of resources and address identified gaps – 'linking' roles are people and organisations that provide connections

between people, professionals and different parts of the well-being network.

### **I - Ensure that accessibility for all is embedded in all improvement schemes**

Accessibility is a cross-cutting objective which is relevant to schemes within the HOVRA. All development proposals should adhere to the principles of inclusive design to ensure that schemes meet the accessibility needs of all those living, working and visiting the HOVRA, including those with mobility and sensory impairments and learning difficulties.

### **J - Ensure all communities within the Heads of the Valleys are able to engage and benefit from the Masterplan**

As a result of the 2019 Welsh Index of Multiple Deprivation (WIMD), it has been agreed that there will be a priority focus to implement a new way of working in a number of the deprived communities within the County Borough.

A fundamental change to how public services are collectively approached and delivered is required to address the multifaceted needs in the County Borough's most deprived communities. There should be more emphasis upon local government working with communities as enablers, rather than delivering for them.

A greater emphasis on identifying community assets is required. When practitioners begin with a focus on what communities have, as opposed to what they don't have, a community's efficacy in addressing its own need increases, as does its capacity to lever in external support. Currently, services are designed to 'fill gaps' and 'fix problems', creating dependency and disempowering individuals who become passive recipients of services.

The Council's new approach to service provision will provide a changing perspective on building bridges with communities, mobilising individual and community assets and enabling a process of co-production,



with community members as active agents in their own and their families' lives. Co-production requires users of services to be seen as experts in their own circumstances and capable of making decisions, while service providers move from being fixers to facilitators. This will necessitate new relationships to be developed with front line professionals, and an enabling role being adopted.

The projects identified in the HOVRA have the potential to provide far-reaching benefits for all residents, including those living in deprived areas within the Masterplan area and the wider County Borough.

This will require an approach to public service provision that seeks to better coordinate services to achieve maximum impact. The intention is to adopt a place-based focus, with a review of public services to assess how well they meet the outcomes required by residents, and how they could improve their impact and value for money. The role of the Public Service Board, with the support of its partners, is key to implementing this approach and it provides an opportunity to develop this across a number of key areas across the County Borough.

## Section 7: Delivering and Implementing Change

The table below sets out the projects identified in Section 6 of the report, together with the expected outputs that the project will deliver and how these proposals will address the objectives of A Foundation for Success. The table identifies the indicative costs of each scheme and highlights any funding that has been secured to date. It should be noted that many of these projects are at an embryonic stage and, as such, the outputs and costs can only be estimated.

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
A - Complement, and integrate with, nearby initiatives such as the Ebbw Vale Enterprise Zone (EZ) in order to develop a strategic employment function for Rhymney, establishing it as a gateway to the Valleys	A - 1 Capital Valley, Rhymney	Redevelopment for modern, fit-for-purpose class B premises	<ul style="list-style-type: none"> <li>● Creation of a Heads of the Valleys Enterprise Zone (expansion of Ebbw Vale EZ)</li> <li>● Development of underutilised land/older premises for employment use;</li> <li>● Accelerate business growth within the Rhymney area;</li> <li>● Creation of physical premises required for growth of complementary sectors to the EZ;</li> <li>● Potential to capitalise on Metro improvements and greater connectivity with external markets, through existence of a railhead;</li> <li>● Reduction in commuting through provision of local jobs;</li> <li>● Inclusion of social clauses in relevant public sector contracts to encourage local community benefit</li> </ul>	<ul style="list-style-type: none"> <li>● SP1</li> <li>● SP3-5</li> <li>● SP9-11</li> <li>● SB1-4</li> <li>● CPP2-5</li> </ul>	<p>Funding secured: none to date, expected to come from VTF or CCRCD</p> <p>Total cost: to be determined</p> <p>Dialogue is ongoing between the Council, Welsh Government and site owner in relation to potential investment</p>

Strategic Objective	Project	Description	Expected/Indicative Outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
<b>A - Complement, and integrate with, nearby initiatives such as the Ebbw Vale Enterprise Zone (EZ) in order to develop a strategic employment function for Rhymney, establishing it as a gateway to the Valleys</b>	A - 2 The Lawns Industrial Estate	Development of additional (modern, fit-for-purpose) start-up units at The Lawns	<ul style="list-style-type: none"> <li>● Creation of a Heads of the Valleys Enterprise Zone in conjunction with Ebbw Vale;</li> <li>● Development of additional (modern, fit-for-purpose) start-up units at The Lawns;</li> <li>● Better integration of business space within the sites, enhanced legibility of access;</li> <li>● Additional space for business start-up provision to cater for demand;</li> <li>● Potential to capitalise on Metro improvements through proximity to Rhymney Station;</li> <li>● Reduction in commuting through provision of local jobs;</li> <li>● Inclusion of social clauses in relevant public sector contracts to encourage local community benefit</li> </ul>	<ul style="list-style-type: none"> <li>● SP1</li> <li>● SP3-5</li> <li>● SP9-11</li> <li>● SB1-5</li> <li>● CPP2-5</li> </ul>	Funding secured: ERDF match-funded with CCBC core capital funding  Future phases: Privately financed or via UK Shared Prosperity Fund
	A - 3 Heads of the Valleys Industrial Estate	Development of modern, fit-for-purpose class B premises, potentially including redevelopment of existing stock and provision of a business conferencing facility to serve A465 corridor	<ul style="list-style-type: none"> <li>● Creation of a Heads of the Valleys Enterprise Zone in conjunction with Ebbw Vale;</li> <li>● Development of underutilised land/older premises for employment use;</li> <li>● Utilisation of vacant land for business conferencing facility and/or B2 use;</li> <li>● Additional space for business start-up provision to cater for demand;</li> <li>● Capitalising on good transport links (adjacent to A469, just south of A465);</li> <li>● Reduction in commuting through provision of local jobs;</li> <li>● Creation of physical premises required for growth of key sectors, including existing life sciences presence</li> </ul>	<ul style="list-style-type: none"> <li>● SP1</li> <li>● SP3-5</li> <li>● SP9-11</li> <li>● SB1-6</li> <li>● CPP2-4</li> </ul>	Funding secured: likely to be privately financed  Total cost: to be determined



Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
B - Improve social and economic resilience through education, training and careers advice, and foster the development of the foundational economy within this area to ensure that economic growth accrues more equitably	B - 1 Education, training and careers advice	This is a cross-cutting objective that should be addressed as part of strengthening the area's employment function	<ul style="list-style-type: none"> <li>Coordinated approach to education and training between relevant organisations;</li> <li>Improving links between education and training providers and business;</li> <li>Tailored education/training programmes to meet the requirements of business;</li> <li>Provision of appropriate career support through the curriculum and for adults;</li> <li>Addressing the mismatch between the skills needed to access jobs and the training provided;</li> <li>Upskilling to ensure that 'skills deficits' are addressed in relation to current employment</li> <li>Attracting employers and improving prospects for indigenous growth</li> </ul>	<ul style="list-style-type: none"> <li>SP1-3</li> <li>SP4-9</li> <li>SP11</li> <li>SB1-3</li> <li>SB5-6</li> <li>CPP5</li> </ul>	<p>Funding secured: dependent on a range of stakeholders from the public and 'third' sectors</p> <p>Total cost: to be determined</p>
	B - 2 Foundational economy	This is a cross-cutting objective that should be addressed as part of ensuring widespread economic and social benefit	<ul style="list-style-type: none"> <li>Working with local businesses to establish networks of collaboration</li> <li>Ensure that Council procurement processes invest in local firms and organisations by utilising local expertise and putting in place social contracts that benefit the community</li> <li>Developing the necessary skills base to maintain networks of collaboration and access funding opportunities (WG Foundational Economy Challenge Fund)</li> </ul>	<ul style="list-style-type: none"> <li>SP1</li> <li>SP3-6</li> <li>SP8-11</li> <li>SB1-3</li> <li>SB5-6</li> <li>CPP5</li> </ul>	<p>Funding secured: £1.5m will be available for the VTF area through the Welsh Government Foundational Economy Challenge Fund</p> <p>Total cost: to be determined</p>

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
C - Expand the area's sphere of influence and improve connectivity	C-1 Land around Rhymney Station	Station improvements, additional car parking and creation of a multi-function business hub	<ul style="list-style-type: none"> <li>Enhanced stabling facilities, platform extension and remodelling, additional parking, toilet block, new waiting rooms, cycle racks and ticketing and wifi upgrades;</li> <li>Creation of multi-functional business hub, offering business units, live-work space and a commercial element including meeting facilities;</li> <li>Enhancing Rhymney's business and commercial focus by taking advantage of increased connectivity;</li> <li>Additional space for local start-up provision;</li> <li>Potential to capitalise on Metro improvements through proximity to Rhymney Station;</li> <li>Reduction in commuting through provision of local jobs;</li> </ul>	<ul style="list-style-type: none"> <li>SP3-5</li> <li>SP9</li> <li>SP11</li> <li>SB1-5</li> <li>SQL3</li> <li>CPP2-4</li> </ul>	<p>Funding secured: dependent on Transport for Wales commitments</p> <p>Total cost: to be determined</p>
	C - 2 Other stations (Pontlottyn, Brithdir, Tirphil)	Station improvements at Pontlottyn, Brithdir and Tirphil Stations	<ul style="list-style-type: none"> <li>Enhanced facilities plus potential for EV charging infrastructure;</li> <li>Optimising increased journey frequency through facilities improvements, to encourage use of sustainable modes</li> </ul>	<ul style="list-style-type: none"> <li>CPP2</li> <li>CPP4</li> </ul>	<p>Funding secured: dependent on Transport for Wales commitments - EV infrastructure dependent on OLEV funding</p> <p>Total cost: to be determined</p>
	C - 3 A465/A469 Transport Hub	Development of a transport interchange close to the intersection of the A465 and A469	<ul style="list-style-type: none"> <li>Provision of park and ride between A465 and Rhymney Station;</li> <li>Creation of sustainable transport links between A465 and new employment provision at Capital Valley et al;</li> </ul>	<ul style="list-style-type: none"> <li>SP1</li> <li>SP3</li> <li>SP6-9</li> <li>SB1-4</li> <li>CPP2-4</li> </ul>	<p>Funding secured: Metro Enhancement Framework to be drawn up</p> <p>Total cost: to be determined</p>

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
C - Expand the area's sphere of influence and improve connectivity			<ul style="list-style-type: none"> <li>● Development of links with planned and existing Active Travel routes;</li> <li>● Enhancing multi-modal connectivity along A465 corridor between Merthyr and Ebbw Vale;</li> <li>● Increased access to employment, leisure, essential services for residents;</li> <li>● Increased attractiveness of businesses to external markets and investors</li> </ul>		
	C - 4 A469 Resilience Route	Pursue consideration of an A469 resilience route between New Tredegar and Rhymney	<ul style="list-style-type: none"> <li>● Adding north-south resilience to the highway network in the Masterplan area;</li> <li>● Increase in business confidence due to better intra-area links, enabling more firms to reach external markets;</li> <li>● Potential for local business growth due to better connectivity;</li> <li>● Reduction in commuting through provision of local jobs;</li> <li>● Increased access to employment, leisure, essential services for residents</li> </ul>	<ul style="list-style-type: none"> <li>● SP3-4</li> <li>● SP9</li> <li>● SB1-4</li> <li>● CPP1</li> <li>● CPP4</li> </ul>	<p>Funding secured: none to date</p> <p>Total cost: to be determined</p>
	C - 5 Former Skinner's Site, Rhymney	Development of a commercial or service-related facility, incorporating EV charging points to serve this stretch of the A465 corridor	<ul style="list-style-type: none"> <li>● Addition of an 'attractor' to encourage potential passing trade between Merthyr and Ebbw Vale, taking advantage of the site's location just off the A465;</li> <li>● 'Plugging a gap' in terms of regional EV charging infrastructure, adding to the area's sustainability credentials;</li> <li>● Very close to Heads of the Valleys Industrial Estate – development of a regional business conferencing facility at this location could enhance the economic attraction of such a development</li> </ul>	<ul style="list-style-type: none"> <li>● SP4-5</li> <li>● SP9</li> <li>● SB1-4</li> <li>● CPP1</li> <li>● CPP3</li> <li>● CPP5</li> </ul>	<p>Funding secured: EV infrastructure dependent on OLEV funding</p> <p>Total cost: to be determined</p>



Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
C - Expand the area's sphere of influence and improve connectivity	C - 6 Dyffryn Terrace, New Tredegar	Development of EV charging points	<ul style="list-style-type: none"> <li>● Roll-out of the Council's all-electric public transport network to the north of the County Borough;</li> <li>● Sustainability benefits of EV charging provision;</li> <li>● Utilisation of a public car park will increase accessibility of the scheme</li> </ul>	<ul style="list-style-type: none"> <li>● SP4</li> <li>● SP9</li> </ul>	<p>Funding secured: EV infrastructure dependent on OLEV funding</p> <p>Total cost: to be determined</p>
	C - 7 Active Travel Routes	Developing a network of cycle routes and pathways over the next 15 years, as per the Integrated Routes Map	<ul style="list-style-type: none"> <li>● Increasing the network of sustainable connections between, and within, places;</li> <li>● More comprehensive utilisation of Active Travel as a means of integrating different modes;</li> <li>● More opportunities to utilise Active Travel as a means of accessing employment and essential services;</li> <li>● Potential to link to additional routes, such as those associated with leisure and tourism facilities</li> </ul>	<ul style="list-style-type: none"> <li>● SP6</li> <li>● SP8</li> <li>● SQL3</li> </ul>	<p>Funding secured: £390k Core Active Travel Fund allocation for 2019/20</p> <p>Total cost: LAs required to bid for funding annually</p>
D - Reinforce the role of Bargoed as a service centre for the north of the County Borough	D - 1 Land at Bargoed Station	Expansion of car parking provision and general station improvements	<ul style="list-style-type: none"> <li>● Maximising usage through enhanced station facilities and additional parking;</li> <li>● Enhancing Bargoed's business and commercial focus by taking advantage of increased connectivity; Increased attractiveness of development opportunities at northern end of town centre</li> </ul>	<ul style="list-style-type: none"> <li>● SB1-4</li> <li>● SQL3</li> <li>● SQL7</li> <li>● CPP2-4</li> </ul>	<p>Funding secured: Metro Enhancement Framework to be drawn up</p> <p>Total cost: to be determined</p>

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
D - Reinforce the role of Bargoed as a service centre for the north of the County Borough	D - 2 Business Quarter and Bargoed High Street	Redevelopment of vacant units for office use, some retail and complementary commercial uses	<ul style="list-style-type: none"> <li>● Enhancing Bargoed's business and commercial focus by taking advantage of increased connectivity;</li> <li>● Maximising the benefits arising from its proximity to bus and rail stations - opportunity to market Bargoed for office use, with better access to external markets;</li> <li>● Reduction in commuting through provision of local jobs;</li> <li>● Reuse of underutilised space;</li> <li>● Diversifying role of town centre, increasing economic resilience</li> </ul>	<ul style="list-style-type: none"> <li>● SB1-4</li> <li>● SQL3</li> <li>● SQL5</li> <li>● SQL7</li> <li>● CPP2-3</li> <li>● CPP5</li> </ul>	<p>Funding secured: VTF funding may become available. Possibility of expanding scope of Welsh Government's Urban Centre Property Enhancement Fund (which targets redevelopment of vacant and underused premises)</p> <p>Total cost: to be determined</p>
	D - 3 Bargoed Retail Plateau	Development of remaining part of Bargoed Retail Plateau for commercial use	<ul style="list-style-type: none"> <li>● Development of complementary uses to existing retail in the vicinity;</li> <li>● Potential for increased town centre footfall, thereby benefiting town centre as a whole;</li> <li>● Development of underutilised land;</li> <li>● Diversifying role of town centre, increasing economic resilience</li> </ul>	<ul style="list-style-type: none"> <li>● SQL3</li> <li>● SQL7</li> <li>● CPP3</li> </ul>	<p>Funding secured: likely to be from private sector investment</p> <p>Total cost: to be determined</p>

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
<b>D - Reinforce the role of Bargoed as a service centre for the north of the County Borough</b>	D - 4 Former Cinema, Hanbury Square	Redevelopment of the former cinema for commercial/ office use	<ul style="list-style-type: none"> <li>• Development of complementary uses to existing retail in the vicinity;</li> <li>• Taking advantage of improved connectivity through Metro;</li> <li>• Reutilisation of existing premises;</li> <li>• Diversifying role of town centre, increasing economic resilience</li> </ul>	<ul style="list-style-type: none"> <li>• SB1-4</li> <li>• SQL3</li> <li>• SQL7</li> <li>• CPP3</li> </ul>	<p>Funding secured: VTF funding may become available. Possibility of expanding scope of Welsh Government's Urban Centre Property Enhancement Fund (which targets redevelopment of vacant and underused premises)</p> <p>Total cost: to be determined</p>
<b>E - Maximise the impact of the Valleys Regional Park, protect and enhance important green spaces and promote tourism</b>	E - 1 Parc Cwm Darran	Expansion of the park's role as a visitor attraction and community resource	<ul style="list-style-type: none"> <li>• Improved tourism facility for local residents and visitors;</li> <li>• Economic benefits of increased dwell time and spending;</li> <li>• Knock-on benefits for additional facilities and services in nearby locations e.g. shops and pubs;</li> <li>• Development of social capital through education and training programmes in relation to community woodland;</li> <li>• Promoting more active, healthier lifestyles through increased provision of outdoor activities</li> </ul>	<ul style="list-style-type: none"> <li>• SP5-6</li> <li>• SP8</li> <li>• SB1-2</li> <li>• SB6</li> <li>• SQL1-2</li> <li>• SQL4</li> </ul>	<p>Funding secured: none to date</p> <p>Total cost: £567k (£55k design costs) according to Visioning Study</p>



Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
<b>E - Maximise the impact of the Valleys Regional Park, protect and enhance important green spaces and promote tourism</b>	E - 2 Parc Bryn Bach, Bute Town and Relevant Links	Better coordination of existing facilities (Parc Bryn Bach, Bute Town) through extension of cycle routes, interpretation work re. Rhymney Upper Furnace	<ul style="list-style-type: none"> <li>Better linkage of tourism facilities in the area;</li> <li>Increase in visitor numbers to Rhymney attractions as a result of Parc Bryn Bach patronage;</li> <li>Developing a greater role for Bute Town Reservoir; Knock-on benefits for additional facilities and services in nearby locations e.g. shops and pubs;</li> <li>Promoting more active, healthier lifestyles through extension of walking and cycling links</li> </ul>	<ul style="list-style-type: none"> <li>SP8</li> <li>SB1-2</li> <li>SQL1-2</li> <li>SQL4</li> </ul>	<p>Funding secured: none to date</p> <p>Total cost: to be determined</p>
	E - 3 Winding House	Utilisation of office space and better integration of educational, visitor and economic development functions	<ul style="list-style-type: none"> <li>Increased office provision for local businesses and others, inc. Dwr Cymru Welsh Water;</li> <li>Assistance to local business start-ups;</li> <li>Strengthening of a multi-purpose community hub through integration of different services and uses;</li> <li>Retention of a locally important cultural facility</li> </ul>	<ul style="list-style-type: none"> <li>SP1</li> <li>SP3-7</li> <li>SP9</li> <li>SB1-3</li> <li>SB5-6</li> <li>SQL2-4</li> <li>CPP5</li> </ul>	<p>Funding secured: temporary contract with DCWW for duration of infrastructure works (2 years)</p> <p>Total cost: to be determined – DCWW use will generate income</p>
	E - 4 Markham Colliery	Development of country park including extension of existing routes, widening visitor appeal and creation of appropriate economic uses	<ul style="list-style-type: none"> <li>Improved tourism facility for local residents and visitors;</li> <li>Economic benefits of increased dwell time and spending, plus links to other facilities such as Penyfan Pond;</li> <li>Diversification of local economy to include appropriate rural economic uses;</li> <li>Community development through activities such as woodland management;</li> <li>Promoting more active, healthier lifestyles through increased provision of outdoor activities</li> </ul>	<ul style="list-style-type: none"> <li>SP4-5</li> <li>SP8</li> <li>SB1-2</li> <li>SB5-6</li> <li>SQL1-2</li> <li>SQL4</li> </ul>	<p>Funding secured: none to date</p> <p>Total cost: £1 million (£87k design costs) according to Visioning Study</p>

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
E - Maximise the impact of the Valleys Regional Park, protect and enhance important green spaces and promote tourism	E - 5 Gelligaer and Merthyr Common	Enhanced custodianship, community development and increased utilisation of the Common as a visitor attraction	<ul style="list-style-type: none"> <li>● Launch of <i>Tirwedd y Comin</i>, to protect and maintain the Common;</li> <li>● Launch of <i>Tirwedd y Digidol</i>, which will establish a virtual data centre for residents and visitors;</li> <li>● Linkage to other attractions e.g. Parc Cwm Darran, Bute Town;</li> <li>● Potential for accommodation and hospitality provision in adjacent settlements;</li> <li>● Community development through landscape stewardship and digital technology</li> </ul>	<ul style="list-style-type: none"> <li>● SP4-6</li> <li>● SP8</li> <li>● SB1-2</li> <li>● SB6</li> <li>● SQL1-2</li> <li>● SQL4</li> <li>● CPP6</li> </ul>	<p>Funding secured:</p> <p><i>Tirwedd y Comin</i> £160k (£128k RDP funding via two local action groups, £32k from GMCA);</p> <p><i>Tirwedd y Digidol</i> £33.5k (£26.8k RDP funding via Cwm y Mynydd LAG, £6.7k from CCBC)</p> <p>Total cost: <i>Tirwedd y Comin</i> £160k, <i>Tirwedd y Digidol</i> £33.5k</p>
	E - 6 Parc Coetir Bargod	Increase park's accessibility in relation to local settlements via new and extended cycle and walking routes	<ul style="list-style-type: none"> <li>● Increase park's accessibility as a local visitor destination;</li> <li>● Increased opportunities to utilise the most sustainable forms of travel;</li> <li>● Greater opportunity for linkages to additional nearby facilities through the VRP;</li> <li>● Promoting more active, healthier lifestyles through use of the park</li> </ul>	<ul style="list-style-type: none"> <li>● SP6</li> <li>● SP8</li> <li>● SQL1-2</li> <li>● SQL4</li> <li>● CPP2</li> </ul>	<p>Funding secured: £390k Core Active Travel Fund allocation for 2019/20</p> <p>Total cost: LAs required to bid for funding annually</p>
	E - 7 Bargoed Park	Optimise the role of the park in terms of the sustainability of the town	<ul style="list-style-type: none"> <li>● Look at opportunities to maximise visitor numbers;</li> <li>● Ensure that facilities are fit for purpose</li> </ul>	<ul style="list-style-type: none"> <li>● SP8</li> <li>● SQL1-3</li> </ul>	<p>Funding secured: none to date</p> <p>Total cost: to be determined</p>

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
F – Support proposals for renewable energy generation and community benefit through utility infrastructure	F - 1 North of the A465	Potential development of a renewable energy scheme as part of the Heads of the Valleys 'Energy Belt'	<ul style="list-style-type: none"> <li>Development of a renewable energy scheme would give the area an economic purpose, as part of the wider 'Energy Belt';</li> <li>Potential job creation within the energy sector;</li> <li>Sustainability benefits of renewable energy;</li> <li>Utilisation of funds for community benefit, and community development as a result of engagement by developers</li> </ul>	<ul style="list-style-type: none"> <li>SP4-5</li> <li>SB1-2</li> <li>SQL1</li> </ul>	<p>Private sector investment predominantly in on-shore wind, could be opportunities for CCBC to co-invest</p> <p>Total cost: to be determined</p>
	F - 2 Markham Renewable Energy Scheme	Potential development of a community renewable energy scheme	<ul style="list-style-type: none"> <li>Contribution to the HOV 'Energy Belt';</li> <li>Sustainability benefits of renewable energy;</li> <li>Community resilience;</li> <li>Integration with, and contribution to, the range of rural economic uses within the country park</li> </ul>	<ul style="list-style-type: none"> <li>SP4-5</li> <li>SP9</li> <li>SB1-2</li> <li>SQL1</li> </ul>	<p>Funding secured: none to date</p> <p>Total cost: to be determined</p>
	F - 3 Rhymney to Bargoed Water Resilient Communities	Increasing water resilience through improvements to physical infrastructure and community engagement	<ul style="list-style-type: none"> <li>Embedding sustainability principles within the community;</li> <li>Ensuring a joined-up approach between stakeholder organisations;</li> <li>Increased community development and confidence;</li> <li>Physical improvements to utility infrastructure</li> </ul>	<ul style="list-style-type: none"> <li>SP4-6</li> <li>SP8</li> <li>SP9</li> <li>SP11</li> <li>SB6</li> </ul>	<p>Scheme funded by DCWW</p>



Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
<b>G - Support the development and diversification of housing in sustainable locations</b>	G - 1 Aberbargoed Plateau	Mixed-use scheme comprising some residential, FE provision and extension of the cycle route to Parc Coetir Bargod	<ul style="list-style-type: none"> <li>Realisation of some residential development in close proximity to existing employment uses (Angel Lane, Bowen Ind Est);</li> <li>Investment in training and education through FE provision;</li> <li>Establishing further links with Parc Coetir Bargod, promoting walking and cycling;</li> <li>Enhancing Aberbargoed's role as a sustainable settlement</li> </ul>	<ul style="list-style-type: none"> <li>SP1-6</li> <li>SP8-9</li> <li>SB2</li> <li>SB6</li> <li>SQL2-3</li> <li>SQL5-6</li> </ul>	<p>Funding secured: none to date</p> <p>Total cost: to be determined</p>
	G - 2 Bedwellty School	Development of former Bedwellty School site for residential	<ul style="list-style-type: none"> <li>Utilisation of vacant, brownfield land;</li> <li>Diversification of housing stock</li> </ul>	<ul style="list-style-type: none"> <li>SQL5-6</li> </ul>	Funding secured: privately funded
	G - 3 Empty Homes Grant Scheme	Grant funding for purchasers of empty homes for renovation	<ul style="list-style-type: none"> <li>Reduction in the number of empty homes;</li> <li>Increase in the housing supply, and in the diversity of housing stock;</li> <li>Development of skills;</li> <li>Strengthening of local supply chains through utilisation of local firms</li> </ul>	<ul style="list-style-type: none"> <li>SP1</li> <li>SP3-6</li> <li>SP10</li> <li>SB1-3</li> <li>SB5</li> <li>SQL5-6</li> </ul>	£10m over two years provided by Welsh Government for the VTF area
<b>H - Provide a suitable level of community, leisure and education facilities, and establish Integrated Well-Being Networks in order to connect communities' strengths and assets</b>	H - 1 21st Century Schools	Replacement and relocation of school buildings in Rhymney and Bargoed via 21st Century Schools programme	<ul style="list-style-type: none"> <li>Developing fit-for-purpose school buildings in areas of high deprivation;</li> <li>Expansion of Welsh medium education;</li> <li>Reduction of surplus places and savings in financial terms;</li> <li>Increased opportunities for community use and childcare provision</li> </ul>	<ul style="list-style-type: none"> <li>SP2</li> <li>SP6</li> <li>SP8-9</li> <li>SB6</li> <li>SQL2-3</li> </ul>	<p>Funding secured: £110 million for Band B proposals across CCBC - £78m capital funding (50% met by CCBC), £32m revenue funding (25% met by CCBC)</p> <p>Total cost: £4.9 million (Rhymney), £5.9 million (Bargoed)</p>

Strategic Objective	Project	Description	Expected/Indicative outputs	Objectives of Regeneration Strategy met	Funding Secured and Potential Costs
H - Provide a suitable level of community, leisure and education facilities, and establish Integrated Well-Being Networks in order to connect communities' strengths and assets	H - 2 Rhymney Integrated Health and Social Care Centre and Hafod Deg Resource Centre	Continued integration of community-based services	<ul style="list-style-type: none"> <li>Ensuring public availability and awareness of available support;</li> <li>Better coordination of distinct, yet complementary, services;</li> <li>Provision of workspace for community and volunteering groups</li> </ul>	<ul style="list-style-type: none"> <li>SP1-9</li> <li>SB5-6</li> <li>SQL2-3</li> </ul>	Funding secured: dependent on a range of stakeholders from the public and 'third' sectors Total cost: to be identified
	H - 3 Integrated Well-Being Networks	Establish IWNs for the Masterplan area	<ul style="list-style-type: none"> <li>Undertake a mapping exercise of existing facilities, in order to make networks more identifiable;</li> <li>Connection of community-based 'hubs' and service deliverers;</li> <li>Avoidance of duplication in terms of provision of advice and signposting;</li> <li>Greater clarity for service users and accessibility of information</li> </ul>	<ul style="list-style-type: none"> <li>SP1-9</li> <li>SB5-6</li> <li>SQL2-3</li> </ul>	Funding secured: funded by ABHB
I - Ensure that accessibility for all is embedded in all improvement schemes		This is a cross-cutting objective that should be considered an integral part of all projects	<ul style="list-style-type: none"> <li>Accessibility for those living, working or visiting the Masterplan area</li> </ul>	<ul style="list-style-type: none"> <li>SQL3</li> </ul>	
J - Ensure all communities within the Heads of the Valleys are able to engage and benefit from the Masterplan		Address multi-faceted needs in the most deprived communities by adopting a place-based focus that seeks to better coordinate services to achieve maximum impact	Social, economic and environmental outputs for deprived communities	<ul style="list-style-type: none"> <li>SP1-11</li> <li>SB1</li> <li>SB6</li> <li>SQL3</li> <li>SQL6</li> </ul>	

# Appendix 1 – A Foundation for Success Objectives

Supporting People	Supporting Business	Supporting Quality of Life	Connecting People and Places
SP1: Increase employability	SB1: Building a more resilient and diversified economy	SQL1: Manage the natural heritage and its resources appropriately for future generations, whilst accommodating much-needed sustainable development, protecting wildlife and encouraging the use of green spaces to promote well-being	CPP1: Promote and identify major highway projects that would significantly improve connectivity and accessibility
SP2: Raise educational attainment	SB2: Supporting economic growth and innovation	SQL2: Improve access to culture, leisure and the arts	CPP2: Promote public transport integration and connectivity
SP3: Reduce worklessness	SB3: Creating an environment that nurtures business	SQL3: Active place marking	CPP3: Promote place-making development around key transport hubs and nodes
SP4: Improve resilience and support development of the foundational economy	SB4: Key sites and infrastructure for employment opportunities	SQL4: There is a need to increase tourism in Caerphilly, focusing on the historic and natural heritage of the area and the opportunities that this presents	CPP4: Actively promote rail improvements and the reinstatement of new links
SP5: Develop skills in key growth areas	SB5: Boost business support and enterprise	SQL5: Improve the delivery of new housing and diversify housing across all tenures	CPP5: Seek to reduce travelling distance and reduce out-commuting
SP6: Targeted intervention of key groups	SB6: Improve the links between businesses, schools and education and training providers	SQL6: Improve the quality of the existing housing stock through targeted intervention, particularly in terms of Council-owned housing stock	CPP6: Promote digital connectivity



Supporting People	Supporting Business	Supporting Quality of Life	Connecting People and Places
SP7: Ensure a clear, coordinated 'package of services is available in order to reconnect people to employment		SQL7: Refocus town centres to serve the needs of residents and businesses	
SP8: Support interventions to improve health			
SP9: Reduce inequality by reducing the number of lower super output areas within the top 10% deprived in Wales			
SP10: Ensure that cultivational procurement is a key consideration in the procurement of goods and services			
SP11: Tackle in-work poverty			

# Appendix 2 Well-being of Future Generations

The Masterplan has had regard for the seven well-being goals set out within the Well-Being of Future Generations (Wales) Act 2015. In order to demonstrate this, an assessment has been made as to which well-being goals each strategic objective would support. The Strategic Objectives of the Masterplan are:

- A.** Complement, and integrate with, nearby initiatives such as the Ebbw Vale Enterprise Zone (EZ) in order to develop a strategic employment function for Rhymney, establishing it as a gateway to the Valleys;
- B.** Improve social and economic resilience through education, training and careers advice, and foster the development of the foundational economy within this area to ensure that economic growth accrues more equitably;
- C.** Expand the area's sphere of influence and improve connectivity;
- D.** Reinforce the role of Bargoed as a service centre for the north of the County Borough;
- E.** Maximise the impact of the Valleys Regional Park, protect and enhance green spaces and promote tourism;
- F.** Support proposals for renewable energy generation and community benefit through utility infrastructure;
- G.** Support the development and diversification of housing in sustainable locations;
- H.** Provide a suitable level of community, leisure and education facilities, and establish Integrated Well-Being Networks in order to connect communities' strengths and assets;
- I.** Ensure that accessibility for all is embedded in all improvement schemes;
- J.** Ensure all communities within the Heads of the Valleys are able to engage and benefit from the Masterplan

Goal	Description of the goal	How it will be achieved by the Masterplan
<b>A prosperous Wales</b>	An innovative, productive and low-carbon society which recognises the limits of the global environment and therefore uses resources efficiently and proportionately (including acting on climate change); and which develops a skilled and well-educated population in an economy which generates wealth and provides employment opportunities, allowing people to take advantage of the wealth generated through securing decent work.	<i>Relevant Strategic Objectives - A, B, C, D, F</i> Objectives A - D seek to increase employment by producing investment in specific sites and locations within the context of national and regional initiatives such as City Deal, VTF, Tech Valleys and Metro. Ensuring that education and training are undertaken with this context in mind will produce the skills and employment base that lends additional sustainability to this approach. Metro, and the Masterplan's role within the VTF's 'Energy Belt', will contribute to a society that recognises the need to generate sustainable resources, and respects the limits of the environment.
<b>A resilient Wales</b>	A nation which maintains and enhances a biodiverse natural environment with healthy, functioning ecosystems that support social, economic and ecological resilience and the capacity to adapt to change (for example climate change).	<i>Relevant Strategic Objectives - C, E, F</i> The Valleys Regional Park and the promotion of tourism relies, in large part, on the natural environment in which it is set, and therefore protection of this is paramount in its success. Improving accessibility and connectivity by way of expanding the capabilities of the public transport network through Metro, and the supporting of renewable energy schemes, are two ways in which the Masterplan seeks to strengthen environmental resilience and sustainability.
<b>A healthier Wales</b>	A society in which people's physical and mental well-being is maximised and in which choices and behaviours that benefit future health are understood.	<i>Relevant Strategic Objectives - A, E, G, H</i> All objectives will positively impact on this goal to a degree, but strengthening the area's economy, developing measures to ensure a supply of good quality housing stock, opportunities to utilise the natural environment for leisure purposes and ensuring access to facilities and services that directly enhance health and well-being are of utmost importance.



Goal	Description of the goal	How it will be achieved by the Masterplan
A more equal Wales	A society that enables people to fulfil their potential no matter what their background or circumstances (including their socioeconomic background and circumstances).	<i>Relevant Strategic Objectives - A, B, C, E, G, H, I, J</i> Objectives concerning connectivity in relation to job opportunities and key services, leisure and the Valleys Regional Park and ensuring the delivery of new housing are important in terms of enabling people in the Masterplan area to access such things. However, the strengthening of the local economy, along with adequate levels of education and training to enable more people to access such opportunities, will help reduce inequality.
A Wales of cohesive communities	Attractive, viable, safe and well-connected communities	<i>Relevant Strategic Objectives - A, B, C, D, E, F, G, H, I, J</i> Improving the economic fortunes of the area and the redevelopment of key sites in line with this ethos, along with the Metro proposals, will make the area increasingly viable as a series of distinctive, yet connected and interdependent, communities. Programmes such as the Valleys Regional Park will add to its attractiveness, both in terms of residents and visitors alike.
A Wales of vibrant culture and thriving Welsh language	A society that promotes and protects culture, heritage and the Welsh language, and which encourages people to participate in the arts, sports and recreation.	<i>Relevant Strategic Objectives – E</i> Developing the Valleys Regional Park concept and maximising the impact of the area’s cultural heritage will encourage understanding of this aspect and participation in related activities. The Masterplan will be available bilingually.
A globally responsive Wales	A nation which, when doing anything to improve the economic, social, environmental and cultural well-being of Wales, takes account of whether doing such a thing may make a positive contribution to global well-being.	<i>Relevant Strategic Objectives – C, E, F</i> There are strong links between this goal and ‘A resilient Wales’. The Valleys Regional Park proposals require the protection and enhancement of green spaces in its effort to develop the area for tourism. The Masterplan promotes the use of more sustainable modes of transport in the form of Metro and Active Travel, and references the opportunity to promote renewable energy generation.

The development of the Masterplan has also been informed by the five ways of working:

**Involvement** – The proposals contained within the Masterplan are subject to consultation with the local community, and have been developed through engagement with stakeholders such as landowners, partner organisations including the Local Health Board and Idris Davies School, and local authority ward members and community councillors representing the various communities within the Masterplan area.

**Collaborate** – The development of the Masterplan has drawn upon the expertise from key representatives across local authority departments, including Planning, Regeneration, Housing, Engineering and Countryside. The delivery of the projects identified within the Masterplan will involve collaboration between the public, private and third sectors, and the Council will work closely

with these partners to deliver schemes in a collaborative manner.

**Long term** – The objectives identified, and the projects that will deliver these objectives, are part of a longer-term vision of enhancing the role of the Heads of the Valleys as a sub-regional economic hub capable of supporting local communities. The Masterplan recognises the need for development in order to support economic growth, but recognises that this development should be of a sustainable nature, both in terms of its purpose and its location.

**Integration** – The projects identified in the Masterplan will help deliver a number of the objectives of within the Council's regeneration strategy A Foundation for Success (as set out within Section 7 of this document), as well as proposals contained within the adopted Local Development Plan. They will also deliver against the Council's own well-being objectives by identifying

projects that will lead to job creation and training opportunities, promote more healthy and active lifestyles and reduce the carbon footprint through improved Active Travel routes and facilities locally.

**Prevention** – The Masterplan recognises that there are a number of challenges within the Heads of the Valleys that need to be addressed, in order to realise the vision. The proposals identified will respond to these key concerns and will raise the profile of the area, developing the economy within the context of the A465 corridor, increasing and improving the tourism offer and enhancing town centres – all from the basis of improved connectivity, infrastructural investment and an advantageous strategic location in regional terms – thereby improving quality of life for those visiting, living and working in the Masterplan area.

# Appendix 3 - Assessment of Site-Specific Proposals against the National Well-Being Goals and the CCBC Well-Being Objectives

This appendix provides an initial assessment of the projects identified within the Masterplan against the national well-being goals and the Council's well-being objectives, as set out within the Corporate Plan 2018-23. The national well-being objectives are set out in Appendix 2, and the corporate objectives are set out below. It should be noted that many of the projects identified are at an embryonic stage and therefore a detailed analysis of the relationship between proposals and the well-being goals and objectives cannot be undertaken at this stage.

## Caerphilly CBC Well-being Objectives

Number	Description
<b>Objective 1</b>	Improve education opportunities for all
<b>Objective 2</b>	Enabling Employment
<b>Objective 3</b>	Address the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve people's well-being
<b>Objective 4</b>	Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment
<b>Objective 5</b>	Creating a county borough that supports a healthy lifestyle in accordance with the Sustainable Development Principle within the Wellbeing of Future Generations (Wales) Act 2015
<b>Objective 6</b>	Support citizens to remain independent and improve their well-being



Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
A	A - 1 Capital Valley, Rhymney	Redevelopment for modern, fit-for-purpose class B premises	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities</li> </ul>	Enabling employment; Support citizens to remain independent and improve their well-being
	A - 2 The Lawns Industrial Estate	Development of additional (modern, fit-for-purpose) start-up units at The Lawns	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A healthier Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities</li> </ul>	Enabling employment; Support citizens to remain independent and improve their well-being
	A - 3 Heads of the Valleys Industrial Estate	Development of modern, fit-for-purpose class B premises, potentially including redevelopment of existing stock and provision of a business conferencing facility to serve A465 corridor	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A healthier Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities</li> </ul>	Enabling employment; Support citizens to remain independent and improve their well-being
B	B - 1 Education, training and careers advice	This is a cross-cutting objective that should be addressed as part of strengthening the area's employment function	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities</li> </ul>	Improve education opportunities for all; Enabling employment; Support citizens to remain independent and improve their well-being
	B - 2 Foundational economy	This is a cross-cutting objective that should be addressed as part of ensuring widespread economic and social benefit	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities</li> </ul>	Improve education opportunities for all; Enabling employment; Support citizens to remain independent and improve their well-being

Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
C	C - 1 Land around Rhymney Station	Station improvements, additional car parking and creation of a multi-function business hub	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Enabling employment;</p> <p>Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;</p> <p>Support citizens to remain independent and improve their well-being</p>
	C - 2 Other stations (Pontlottyn, Brithdir, Tirphil)	Station improvements at Pontlottyn, Brithdir and Tirphil Stations	<ul style="list-style-type: none"> <li>● A resilient Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;</p> <p>Support citizens to remain independent and improve their well-being</p>
	C - 3 A465/ A469 Transport Hub	Development of a transport interchange close to the intersection of the A465 and A469	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Enabling employment;</p> <p>Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;</p> <p>Support citizens to remain independent and improve their well-being</p>
	C - 4 A469 Resilience Route	Pursue consideration of an A469 resilience route between New Tredegar and Rhymney	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Enabling employment;</p> <p>Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;</p> <p>Support citizens to remain independent and improve their well-being</p>

Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
C	C - 5 Former Skinner's Site, Rhymney	Development of a commercial or service-related facility, incorporating EV charging points to serve this stretch of the A465 corridor	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Enabling employment;</p> <p>Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;</p> <p>Support citizens to remain independent and improve their well-being</p>
	C - 6 Dyffryn Terrace, New Tredegar	Development of EV charging points	<ul style="list-style-type: none"> <li>● A resilient Wales</li> <li>● A Wales of cohesive communities</li> <li>● A globally responsible Wales</li> </ul>	<p>Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;</p> <p>Support citizens to remain independent and improve their well-being</p>
	C - 7 Active Travel Routes	Developing a network of cycle routes and pathways over the next 15 years, as per the Integrated Routes Map	<ul style="list-style-type: none"> <li>● A resilient Wales</li> <li>● A Wales of cohesive communities</li> <li>● A globally responsible Wales</li> </ul>	<p>Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;</p> <p>Support citizens to remain independent and improve their well-being</p>



Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
<b>D</b>	D - 1 Land at Bargoed Station	Expansion of car parking provision and general station improvements	<ul style="list-style-type: none"> <li>● A prosperous Wales</li> <li>● A resilient Wales</li> <li>● A Wales of cohesive communities</li> </ul>	Enabling employment; Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment; Support citizens to remain independent and improve their well-being
	D - 2 Business Quarter and Bargoed High Street	Redevelopment of vacant units for office use, some retail and complementary commercial uses	<ul style="list-style-type: none"> <li>● A prosperous Wales</li> <li>● A more equal Wales</li> <li>● A Wales of cohesive communities</li> </ul>	Enabling employment; Support citizens to remain independent and improve their well-being
	D - 3 Bargoed Retail Plateau	Development of remaining part of Bargoed Retail Plateau for commercial use	<ul style="list-style-type: none"> <li>● A prosperous Wales</li> <li>● A Wales of cohesive communities</li> </ul>	Enabling employment; Support citizens to remain independent and improve their well-being
	D - 4 Former Cinema, Hanbury Square	Redevelopment of the former cinema for commercial/office use	<ul style="list-style-type: none"> <li>● A prosperous Wales</li> <li>● A more equal Wales</li> <li>● A Wales of cohesive communities</li> </ul>	Enabling employment; Support citizens to remain independent and improve their well-being

Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
E	E - 1 Parc Cwm Darran	Better coordination of existing facilities (Parc Bryn Bach, Bute Town) through extension of cycle routes, interpretation work re. Rhymney Upper Furnace	<ul style="list-style-type: none"> <li>● A resilient Wales;</li> <li>● A healthier Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A Wales of vibrant culture and thriving Welsh language;</li> <li>● A globally responsive Wales</li> </ul>	<p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p> <p>Support citizens to remain independent and improve their well-being</p>
	E - 2 Parc Bryn Bach, Bute Town and Relevant Links	Better coordination of existing facilities (Parc Bryn Bach, Bute Town) through extension of cycle routes, interpretation work re. Rhymney Upper Furnace	<ul style="list-style-type: none"> <li>● A resilient Wales;</li> <li>● A healthier Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A Wales of vibrant culture and thriving Welsh language;</li> <li>● A globally responsive Wales</li> </ul>	<p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p> <p>Support citizens to remain independent and improve their well-being</p>
	E - 3 Winding House Museum	Utilisation of office space and better integration of educational, visitor and economic development functions	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A healthier Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A Wales of vibrant culture and thriving Welsh language</li> </ul>	<p>Improve education opportunities for all;</p> <p>Enabling employment;</p> <p>Support citizens to remain independent and improve their well-being</p>

Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
E	E - 4 Markham Colliery	Development of country park including extension of existing routes, widening visitor appeal and creation of appropriate economic uses	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A healthier Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A Wales of vibrant culture and thriving Welsh language;</li> <li>● A globally responsive Wales</li> </ul>	<p>Enabling employment;</p> <p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p> <p>Support citizens to remain independent and improve their well-being</p>
	E - 5 Gelligaer and Merthyr Common	Enhanced custodianship, community development and increased utilisation of the Common as a visitor attraction	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A healthier Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A Wales of vibrant culture and thriving Welsh language;</li> <li>● A globally responsive Wales</li> </ul>	<p>Improve education opportunities for all;</p> <p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p> <p>Support citizens to remain independent and improve their well-being</p>
	E - 6 Parc Coetir Bargod	Increase park's accessibility in relation to local settlements via new and extended cycle and walking routes	<ul style="list-style-type: none"> <li>● A resilient Wales;</li> <li>● A healthier Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A Wales of vibrant culture and thriving Welsh language;</li> <li>● A globally responsive Wales</li> </ul>	<p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p>



Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
E	E - 7 Bargoed Park	Optimise the role of the park in terms of the sustainability of the town	<ul style="list-style-type: none"> <li>● A resilient Wales</li> <li>● A healthier Wales</li> <li>● A Wales of cohesive communities</li> <li>● A Wales of vibrant culture and thriving Welsh language</li> <li>● A globally responsible Wales</li> </ul>	<p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p> <p>Support citizens to remain independent and improve their well-being</p>
F	F - 1 North of the A465	Potential development of a renewable energy scheme as part of the Heads of the Valleys 'Energy Belt'	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Enabling employment;</p> <p>Support citizens to remain independent and improve their well-being</p>
	F - 2 Markham Renewable Energy Scheme	Potential development of a community renewable energy scheme	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Enabling employment;</p> <p>Address the availability, condition and sustainability of homes through the County Borough and provide advice, assistance or support to help improve people's well-being;</p> <p>Support citizens to remain independent and improve their well-being</p>
	F - 3 Rhymney to Bargoed Water Resilient Communities	Increasing water resilience through improvements to physical infrastructure and community engagement	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A resilient Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A globally responsive Wales</li> </ul>	<p>Improve education opportunities for all;</p> <p>Enabling employment;</p> <p>Address the availability, condition and sustainability of homes through the County Borough and provide advice, assistance or support to help improve people's well-being;</p>

Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
<b>G</b>	G - 1 Aberbargoed Plateau	Mixed-use scheme comprising some residential, FE provision and extension of the cycle route to Parc Coetir Bargod	<ul style="list-style-type: none"> <li>● A prosperous Wales</li> <li>● A more equal Wales</li> <li>● A Wales of cohesive communities</li> <li>● A Wales of vibrant culture and thriving Welsh language</li> </ul>	<p>Improve education opportunities for all;</p> <p>Address the availability, condition and sustainability of homes through the County Borough and provide advice, assistance or support to help improve people's well-being;</p> <p>Support citizens to remain independent and improve their well-being</p>
	G - 2 Bedwellty School	Development of former Bedwellty School site for residential	<ul style="list-style-type: none"> <li>● A Wales of cohesive communities</li> </ul>	<p>Address the availability, condition and sustainability of homes through the County Borough and provide advice, assistance or support to help improve people's well-being;</p> <p>Support citizens to remain independent and improve their well-being</p>
	G - 3 Empty Homes Grant Scheme	Grant funding for purchasers of empty homes for renovation	<ul style="list-style-type: none"> <li>● A resilient Wales;</li> <li>● A healthier Wales;</li> <li>● A Wales of cohesive communities</li> </ul>	<p>Address the availability, condition and sustainability of homes through the County Borough and provide advice, assistance or support to help improve people's well-being;</p> <p>Support citizens to remain independent and improve their well-being</p>

Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
H	H-1 21st Century Schools	Replacement and relocation of school buildings in Rhymney and Bargoed via 21st Century Schools programme	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A healthier Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> <li>● A Wales of vibrant culture and thriving Welsh language</li> </ul>	<p>Improve education opportunities for all;</p> <p>Support citizens to remain independent and improve their well-being</p>
	H-2 Rhymney Integrated Health and Social Care Centre and Hafod Deg Resource Centre	Continued integration of community-based services	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A healthier Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> </ul>	<p>Improve education opportunities for all;</p> <p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p> <p>Support citizens to remain independent and improve their well-being</p>
	H-3 Integrated Well-Being Networks	Establish IWNs for the Masterplan area	<ul style="list-style-type: none"> <li>● A prosperous Wales;</li> <li>● A healthier Wales;</li> <li>● A more equal Wales;</li> <li>● A Wales of cohesive communities;</li> </ul>	<p>Improve education opportunities for all;</p> <p>Enabling employment;</p> <p>Creating a County Borough that supports a healthy lifestyle in accordance with the sustainable development principle within the Well-Being of Future Generations (Wales) Act 2015;</p> <p>Support citizens to remain independent and improve their well-being</p>



Strategic Objective	Project	Description	National well-being goals	CCBC Well-being objectives 2018 - 2023
I	I - Ensure that accessibility for all is embedded in all improvement schemes	This is a cross-cutting objective that should be considered an integral part of all projects	<ul style="list-style-type: none"> <li>● A more equal Wales</li> <li>● A healthier Wales</li> </ul>	Promote a modern, integrated and sustainable transport system that increases opportunity, promotes prosperity and minimises the adverse impacts on the environment;
J	J - Ensure all communities within the Heads of the Valleys are able to engage and benefit from the Masterplan	Address multi-faceted needs in the most deprived communities by adopting a place-based focus that seeks to better coordinate services to achieve maximum impact	<ul style="list-style-type: none"> <li>● A more equal Wales</li> <li>● A Wales of cohesive communities</li> </ul>	Address the availability, condition and sustainability of homes through the County Borough and provide advice, assistance or support to help improve people's well-being

## Appendix 4: Sectoral Analysis

Almost 68 ha. of allocated or protected employment land lies in the HOVRA across six sites, making it the County Borough's smallest area in terms of economic/industrial presence. The table below sets out the economic sectors on sites within the HOVRA, by floorspace and numbers of units

Economic sectors on HOVRA sites, expressed by floorspace and numbers of units (2018)

Sector	Floorspace (sq m)	% Occupied Floorspace	Units	% Occupied Units
Mining & quarrying	3,285	2.2	1	0.7
Food, drink & tobacco	184	0.1	2	1.4
Textiles	623	0.4	3	2.1
Wood & paper	11,627	7.7	2	1.4
Printing & recording	56	0.0	1	0.7
Non-metallic mineral products	3,973	2.6	10	6.9
Metals & metal products	1,415	0.9	4	2.8
Machinery	714	0.5	2	1.4
Other manufacturing & repair	25,016	16.6	16	11.0
Electricity & gas	239	0.2	2	1.4
Water, sewerage & waste	21,998	14.6	8	5.5
Construction	50,593	33.7	10	6.9
Motor vehicles trade	5,311	3.5	11	7.6
Wholesale trade	343	0.2	1	0.7

Sector	Floorspace (sq m)	% Occupied Floorspace	Units	% Occupied Units
Retail trade	910	0.6	5	3.4
Land transport	826	0.5	1	0.7
Warehousing & postal	5,301	3.5	20	13.8
Food & beverage services	545	0.4	6	4.1
Head offices & management consultancies	211	0.1	4	2.8
Architectural & engineering services	1,841	1.2	8	5.5
Other professional services	2,415	1.6	7	4.8
Business support service	6,324	4.2	12	8.3
Public administration & defence	4,351	2.9	1	0.7
Education	387	0.3	1	0.7
Health	43	0.0	1	0.7
Arts	330	0.2	3	2.1
Recreational services	1,029	0.7	1	0.7
Other services	380	0.3	2	1.4
TOTAL	150,270	100	145	100

In terms of sectors, there is a great deal of variety with nearly 30 represented. Only two sectors, 'warehousing and postal' and 'other manufacturing and repair' account for

at least 10% of occupied units. In terms of floorspace, this is dominated by 'construction', which accounts for over a third. Other notable sectors regarding floorspace are

'other manufacturing and repair' and 'water, sewerage and waste', both of which account for over 10%.



On a site-by-site basis, this level of variety is also borne out, though some sites do appear to display some degree of specialism (though this must be tempered by the fact that these sectors are somewhat generic compositions of various sub-sectors):

- Heads of the Valleys – ‘other manufacturing’ (including manufacture of furniture, repair of machinery and miscellaneous manufacture that does not fall into any other sector);
- Maerdy – ‘other manufacturing’ (as above);
- Capital Valley – ‘construction’ (construction of buildings, specialised construction and civil engineering).

These sectoral groupings conceal the fact that the HOVRA is home to some key local employers, including Convatec (manufacturer of medical products) and Richards and Appleby (manufacturer of cosmetics) at Heads of the Valleys Industrial Estate, and Williams Medical (medical supplier) at Maerdy. Each of these companies employs between 100 and 200 people.

There is a need to highlight how firms are categorised within particular sectors. The three employers mentioned above are all categorised within ‘other manufacturing’. However, Williams Medical is arguably a better fit within ‘wholesale trade’, or all three companies within ‘health’. Only one unit is identified as being within the ‘health’ category – City and Country Healthcare Group, which occupies a small unit on Bowen Industrial Estate. Due to the size of this operation, this company is unlikely to feature as a key player in the area of health and life sciences in isolation, although it is possible that it may have strong links with others in the local area.

The HOVRA sites presently support some businesses categorised as ‘other professional services’ which could, theoretically, include scientific-based operations with potential links to healthcare-related industries. However, in reality, these include solicitors, driving instructors and other small businesses which offer services to the local community and no ostensible links to the area’s larger employers.

Despite the presence of a diverse economic foundation, it is clear that some of the area’s larger firms have a common basis in healthcare-related occupations, though further definition is not possible due to the slightly different nature of those firms i.e. the fact that manufacturers exist as well as suppliers, each with a focus on different types of products. It is therefore necessary to look further afield across the HOVRA in order to identify whether there is sectoral strength in this area, and whether the potential for linkages between these firms may exist.

### Regional Context

As well as the northern part of Caerphilly County Borough, the HOVRA also incorporates the entirety of Blaenau Gwent and Merthyr Tydfil, and the northern parts of the Torfaen and Rhondda Cynon Taf administrative areas. However, although information was sought from all of these, it was only provided by Blaenau Gwent.

Blaenau Gwent is particularly pertinent to the Caerphilly context due to:

- it being the location of the Ebbw Vale Enterprise Zone (EZ) – a Welsh Government-supported network of eight industrial sites designed to accommodate automotive-based uses; and
- its proximity to the Rhymney sites.

Although a comprehensive, sectoral-based inventory of businesses in Blaenau Gwent is not available, manufacturing remains dominant which, like Caerphilly, is diverse in nature. There are two potential areas of focus here:

- The presence of firms operating in healthcare/life sciences, which, in conjunction with the firms operating in Rhymney, may demonstrate the importance of this sector to this part of the HOVRA; and
- The success of the EZ sites in developing an automotive base, which could provide an opportunity for the development of complementary uses in the Caerphilly part of the HOVRA.

In terms of healthcare/life sciences, the following firms are of potential importance, given its role as a targeted sector within the CCR Industrial and Economic Plan:

- Crown Business Park – Eurocaps Ltd (capsule/soft gelatine manufacture);
- Rassau Industrial Estate – Weiss Technik UK Ltd (environmental test chambers);
- Roseheyworth Business Park – Neem Biotech (laboratory);
- Tafarnaubach Industrial Estate – Nordic Care Services (supplier of healthcare products), PCI Pharma Services (pharmaceutical manufacture).

Each of the firms mentioned above occupy units of 1,000 sq m+, suggesting that each has a not insignificant role in the local economy. Together with Convatec, Williams Medical and Richards and Appleby, this indicates the importance of the Ebbw Vale-Rhymney stretch of the A465 corridor as being a geographical nucleus for healthcare/life sciences, with the existence of a cluster

that itself displays some diversity within its field, including pharmaceuticals, testing, other health-related manufacture and supply.

Of the EZ sites, the following accommodate firms that may have some direct value in developing the area's role as an automotive hub:

**Rassau Industrial Estate** – G Tem (manufacture of car components), Sears Manufacturing (seat assembly/manufacturing);

**Tafarnaubach Industrial Estate** – Tenneco Walker (exhausts);

**Waun-y-Pound Industrial Estate** – Continental Teves UK Ltd (hydraulic brake systems).

Of the additional (non-EZ) sites, Sogefi Filtration Ltd (automotive manufacture) at Crown Business Park also falls into this category. Again, all of these firms occupy units of 1,000 sq m+.

The Ebbw Vale Enterprise Zone is particularly relevant to the north of Caerphilly County Borough as it encompasses sites that are a few miles from those at Rhymney, including Tafarnaubach Industrial Estate which lies on the Caerphilly-Blaenau Gwent boundary. Therefore, an attempt to develop the automotive focus of this location could have an impact on those other sites within its immediate environs, in terms of creating opportunities for the development of complementary uses – albeit without the benefit of publicly-funded financial incentives as is the case in the EZ.

For instance, the CCR Employment and Skills Plan identifies advanced materials and manufacturing as being a priority sector for employment and skills support. Whilst this might include life sciences, it would also include businesses in other areas, some of which could help diversify and strengthen the EZ's economic base. However, the 2018 ELAS does not identify any examples of existing firms, other than those already provided,

that might be regarded as being currently operational in the north of the County Borough.

### Premises

The JLL report makes the case for the development of different types of units, three of which would appear to be relevant to the HOVRA:

- Sites developed in conjunction with Metro stations, such as Rhymney, could benefit from some level of small business unit/ office provision as part of a 'business hub pathfinder' scheme;
- Larger B2 units – larger sites are best-placed to cater for units of 25,000+ sq ft due to the lack of remaining, vacant floorspace. Some of the Rhymney sites such as Capital Valley would appear to meet the required criteria, along with sites in the Ebbw Vale EZ;
- Small B1/B2/B8 units – existing premises have very high occupancy rates and

strong levels of demand suggest that these would be suitable for smaller estates as well as some larger sites in order to complement the portfolio of stock at these locations. Again, these units could be considered for 'business hub' schemes in relation to Metro stations. Whilst some provision is being made for new start-up units at The Lawn, additional provision at Capital Valley would add further capacity and take advantage of the site's proximity to the station.



# Appendix 5: Welsh Index of Multiple Deprivation (2019)

Data is collated for the Welsh Index of Multiple Deprivation (WIMD) at super output area (SOA) level. Of the twenty LSOAs that constitute the HOVRA, six are in the most 10% deprived of all Welsh LSOAs. A further five are in the most 10%-20% deprived. Data regarding each of the indices is set out below, for each of the LSOAs:

Twyn Carno 1	Rank (of 1909)	Deprivation
Overall	8	10% most
Income	21	10% most
Employment	8	10% most
Health	25	10% most
Education	9	10% most
Access to Services	510	20-30% most
Community Safety	148	10% most
Physical Environment	450	20-30% most
Housing	1198	50% least

Twyn Carno 2	Rank (of 1909)	Deprivation
Overall	473	20-30% most
Income	509	20-30% most
Employment	303	10-20% most
Health	642	30-50% most
Education	817	30-50% most
Access to Services	1075	50% least
Community Safety	71	10% most
Physical Environment	426	20-30% most
Housing	1059	50% least

Moriah 1	Rank (of 1909)	Deprivation
Overall	391	20-30% most
Income	497	20-30% most
Employment	331	10-20% most
Health	230	10-20% most
Education	221	10-20% most
Access to Services	1657	50% least
Community Safety	863	30-50% most
Physical Environment	976	50% least
Housing	476	20-30% most

Moriah 3	Rank (of 1909)	Deprivation
Overall	67	10% most
Income	137	10% most
Employment	44	10% most
Health	186	10% most
Education	62	10% most
Access to Services	562	20-30% most
Community Safety	27	10% most
Physical Environment	629	30-50% most
Housing	552	20-30% most

Moriah 2	Rank (of 1909)	Deprivation
Overall	228	10-20% most
Income	368	10-20% most
Employment	122	10% most
Health	189	10% most
Education	477	20-30% most
Access to Services	1464	50% least
Community Safety	70	10% most
Physical Environment	310	10-20% most
Housing	582	30-50% most

Pontlottyn	Rank (of 1909)	Deprivation
Overall	315	10-20% most
Income	370	10-20% most
Employment	180	10% most
Health	447	20-30% most
Education	258	10-20% most
Access to Services	1079	50% least
Community Safety	219	10-20% most
Physical Environment	1013	50% least
Housing	843	30-50% most

Darren Valley 1	Rank (of 1909)	Deprivation
Overall	832	30-50% most
Income	958	50% least
Employment	819	30-50% most
Health	682	30-50% most
Education	816	30-50% most
Access to Services	860	30-50% most
Community Safety	712	30-50% most
Physical Environment	1731	50% least
Housing	219	10-20% most

New Tredegar 1	Rank (of 1909)	Deprivation
Overall	578	30-50% most
Income	768	30-50% most
Employment	594	30-50% most
Health	538	20-30% most
Education	651	30-50% most
Access to Services	1204	50% least
Community Safety	25	10% most
Physical Environment	1299	50% least
Housing	1421	20-30% most

Darren Valley 2	Rank (of 1909)	Deprivation
Overall	137	10% most
Income	338	10-20% most
Employment	98	10% most
Health	71	10% most
Education	50	10% most
Access to Services	736	30-50% most
Community Safety	621	30-50% most
Physical Environment	1526	50% least
Housing	606	30-50% most

New Tredegar 2	Rank (of 1909)	Deprivation
Overall	246	10-20% most
Income	348	10-20% most
Employment	308	10-20% most
Health	188	10% most
Education	280	10-20% most
Access to Services	383	20-30% most
Community Safety	241	10-20% most
Physical Environment	1369	50% least
Housing	279	10-20% most



New Tredegar 3	Rank (of 1909)	Deprivation
Overall	59	10% most
Income	73	10% most
Employment	83	10% most
Health	77	10% most
Education	104	10% most
Access to Services	367	10%-20% most
Community Safety	41	10% most
Physical Environment	1075	50% least
Housing	222	10-20% most

Bargoed 2	Rank (of 1909)	Deprivation
Overall	704	30-50% most
Income	711	30-50% most
Employment	553	20-30% most
Health	623	30-50% most
Education	871	30-50% most
Access to Services	1861	50% least
Community Safety	129	10% most
Physical Environment	1035	50% least
Housing	551	20-30% most

Bargoed 1	Rank (of 1909)	Deprivation
Overall	538	20-30% most
Income	626	30-50% most
Employment	381	10-20% most
Health	300	10-20% most
Education	778	30-50% most
Access to Services	1049	50% least
Community Safety	297	10-20% most
Physical Environment	1464	50% least
Housing	1038	50% least

Bargoed 3	Rank (of 1909)	Deprivation
Overall	456	20-30% most
Income	635	30-50% most
Employment	422	20-30% most
Health	486	20-30% most
Education	341	10-20% most
Access to Services	1539	50% least
Community Safety	248	10-20% most
Physical Environment	954	30-50% most
Housing	153	10% most

Bargoed 4	Rank (of 1909)	Deprivation
Overall	29	10% most
Income	23	10% most
Employment	18	10% most
Health	29	10% most
Education	161	10% most
Access to Services	343	10-20% most
Community Safety	146	10% most
Physical Environment	1613	50% least
Housing	765	30-50% most

Aberbargoed 1	Rank (of 1909)	Deprivation
Overall	349	10-20% most
Income	426	20-30% most
Employment	286	10-20% most
Health	349	10-20% most
Education	233	10-20% most
Access to Services	764	30-50% most
Community Safety	318	10-20% most
Physical Environment	1280	50% least
Housing	877	30-50% most

Gilfach	Rank (of 1909)	Deprivation
Overall	482	20-30% most
Income	576	30-50% most
Employment	248	20-30% most
Health	501	20-30% most
Education	710	30-50% most
Access to Services	1182	50% least
Community Safety	464	20-30% most
Physical Environment	1096	50% least
Housing	514	20-30% most

Aberbargoed 2	Rank (of 1909)	Deprivation
Overall	177	10% most
Income	162	10% most
Employment	139	10% most
Health	210	10-20% most
Education	282	10-20% most
Access to Services	1335	50% least
Community Safety	180	10% most
Physical Environment	1297	50% least
Housing	149	10% most

Argoed 1	Rank (of 1909)	Deprivation
Overall	213	10-20% most
Income	156	10% most
Employment	192	10% most
Health	267	10-20% most
Education	155	10% most
Access to Services	1375	50% least
Community Safety	604	30-50% most
Physical Environment	1584	50% least
Housing	411	20-30% most

Argoed 2	Rank (of 1909)	Deprivation
Overall	710	30-50% most
Income	913	30-50% most
Employment	958	50% least
Health	1198	50% least
Education	826	30-50% most
Access to Services	260	10-20% most
Community Safety	678	30-50% most
Physical Environment	1294	50% least
Housing	44	10% most

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## CABINET – 12TH FEBRUARY 2020

**SUBJECT: HOUSING REVENUE ACCOUNT CHARGES – 2020/ 2021**

**REPORT BY: CORPORATE DIRECTOR FOR EDUCATION AND CORPORATE SERVICES**

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- 1.1 The attached report was considered by the Housing and Regeneration Scrutiny Committee on 28<sup>th</sup> January 2020 and will be reported to Cabinet on 12<sup>th</sup> February 2020.
  - 1.2 Members were advised that in previous years the Welsh Government determined the annual guideline rent increases. The standard uplift policy for Local Authorities used to be based on the previous September Retail Price Index (RPI) plus a 2% real increase in support of rent convergence. The Minister for Housing and Regeneration changed this uplift policy as part of the new Policy for Social Housing Rents in April 2015 and was accepted by Members in the 2015/16 HRA charges report. The policy set a target rent band for each Authority and if the average weekly rent is below the target rent, the Authority will have to increase average rents, and if the average weekly rent is above the target rent, average rents will increase at a lower rate, to bring the rent back within the target envelope.
  - 1.3 However, in April 2019 the Affordable Housing Supply Review was published which recommended that the Welsh Government should implement a five year rent policy from 2020-21, and that landlords should focus on Value for Money alongside affordability.
  - 1.4 Members were advised that in light of this Review the Minister for Housing and Local Government published the 2020/21 Rent Policy. It established an annual uplift of up to Consumer Price Index (CPI)+1% each year for 5 years from 2020-21 to 2024-25 using the level of CPI from the previous September each year. This would be the maximum increase allowable. The Rent Policy also outlined how social landlords should make an annual assessment of cost efficiencies, value for money and affordability for tenants.
  - 1.5 The scrutiny committee were advised that as the previous September's CPI inflation figure was 1.7%, the policy allowed a maximum increase of 2.7% increase on the Council's total rental income. However, the Business Plan had assumed a rent increase of 3% for 2020/21 to 2024/25. Members were therefore asked to recommend to Cabinet the level of increase per property from April 2020 based on the options in the report (2.7%, 1.7% or no increase), and were also asked to support the undertaking of an exercise to consider tenant affordability when setting future rent increases.
  - 1.6 Discussion took place regarding the proposed levels of rent increase outlined in section 3.1 of the report. A Member queried how rents could be set before the affordability exercise with tenants had taken place. Officers explained that as Local Authorities were made aware of the Rent Policy in the latter stages of 2019, it left limited time for a full affordability exercise but that such consultation was planned for the future. Members were also reminded that even if the maximum 2.7% was applied, rents within the County Borough would still be within the lowest Target Rent Band.



- 1.7 A Member asked about the help available to tenants who struggled to afford their rent. Officers outlined the role of Tenant Support Officers who help people in arrears and gave examples of the work carried out, with tenants, such as debt management advice and energy efficiency measures.
- 1.8 Discussion turned to the impact of the reduction of income by £1M assumed within the Council's business plan. Officers explained that the Authority was looking at different ways of delivering services and reducing costs. It was also explained that there were external costs associated with borrowing based on the forecasted 3% increase in rent revenue. These costs would no longer be incurred.
- 1.9 A Member raised a question on the need to decarbonise existing housing stock and in particular fitting solar panels to roofs. Officers gave a brief update on the work being carried out in this area.
- 1.10 Having considered the options set out in section 3 of the report, option (i) was moved and seconded, and by a show of hands Housing and Regeneration Scrutiny Committee unanimously recommend to Cabinet:
- (i) That from April 2020 a rent increase of 2.7% (CPI plus 1%), – (£90.65/52 week) be agreed.
  - (ii). That an exercise be undertaken so that tenants affordability can be considered when setting future rent increases in accordance with the rent policy.

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Appendices:

Appendix 1 Report to Housing & Regeneration Scrutiny Committee 28<sup>th</sup> January 2020 – Agenda Item 8: Housing Revenue Account Charges 2020/ 2021



## HOUSING AND REGENERATION SCRUTINY COMMITTEE – 28TH JANUARY 2020

**SUBJECT: HOUSING REVENUE ACCOUNT CHARGES – 2020/2021**

**REPORT BY: CORPORATE DIRECTOR OF SOCIAL SERVICES & HOUSING**

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### 1. PURPOSE OF REPORT

- 1.1 For Members to consider and take a view on the increased Council Housing rent charges proposed in this report, prior to consideration by Cabinet on the 29<sup>th</sup> January 2020. The charges predominantly focus on council house rents and are intended to be effective for the Housing Revenue Account (HRA) for the 2020/201 financial year.

### 2. SUMMARY

- 2.1 Members will be aware that the preparation of the Housing Revenue Account (HRA) budget is quite separate to the work involved in setting the General Fund Budget and Council Tax. The HRA is funded by rental income received from council tenants rather than the Council Tax Payer. Whilst there is a clear separation of these funds, the majority of the proportion of council tenants rent is funded from financial support in the form of Housing Benefit or Universal Credit (72%) which is derived from the tax payers' purse, therefore value for money must always be sought. We charge our council tenants rent over a 48 week basis but The Welsh Government (WG) base their rents on a 52 week basis so this report shows the 52 week equivalent.
- 2.2 In previous years WG determined the annual guideline rent increases. The standard uplift policy for Local Authorities used to be based on the previous September Retail Price Index (RPI) plus a 2% real increase in support of rent convergence. The Minister for Housing and Regeneration changed this uplift policy as part of the new Policy for Social Housing Rents in April 2015 and was accepted by Members in the 2015/16 HRA charges report. The policy set a target rent band for each Authority and if the average weekly rent is below the target rent, the Authority will have to increase average rents, and if the average weekly rent is above the target rent, average rents will increase at a lower rate, to bring the rent back within the target envelope.
- 2.3 The uplift on the revised rent policy was fixed for five years up to 2018/19 and used the previous September Consumer Price Index (CPI) inflation figure (as opposed to the RPI inflation figure) and also applied a 1.5% real increase to the average local authority rent. There was also an option to add up to £2 per week if social landlords needed to increase their rent to keep in line with their rent envelope, or if rents were being restructured and if their local rent policy was being revised.
- 2.4 2018/19 was the final year of the five year agreement and it was expected that rent increases will see a reduction due to the pressure The Minister for Housing and Local Government had when comparing Welsh rents to those in England, where rents were required to be reduced by 1% a year for 4 years from their 2015/16 baseline. The Minister considered the position for 2019/20 and agreed that the increase should be CPI only which was 2.4%. The discretion to apply "up to £2 per week" was removed for those social landlords whose average weekly rent is within or above their Target Rent Band. This decision applied for one year only (2019/20)

while Welsh Government awaited the outcome of the Affordable Housing Supply Review. As we were below the target rent band we could apply the “up to £2” discretion which resulted in a 3% increase in 2019/20.

- 2.5 The Affordable Housing Supply Review was published in April 2019. The purpose of the review was to examine current arrangements supporting the development of affordable housing, and to make recommendations for changes designed to increase supply and improve delivery from the resources available. One of the tasks included making a recommendation on how a sustainable rent policy can help determine long term affordability for tenants and the viability of existing and new housing developments.
- 2.6 The key recommendations from this review in correlation to the rent policy was
1. *The Welsh Government should implement a five year rent policy from 2020-21*
  2. *There should be a focus on landlords considering Value for Money alongside affordability. An explicit annual assessment on cost efficiencies should be part of the rationale for justifying any rent increase*
- 2.7 In reaction to this review, The Minister for Housing and Local Government has stated “*There must be a clear balance between the interest of landlords and residents. Affordability for tenants must take into account the whole cost of living in a property and Landlords are expected to consider these costs when setting rents each year. Affordability is an issue I take very seriously and I am mindful of not placing excessive financial burdens upon tenants*”..
- 2.8 Having considered the review, along with wider factors such as the pressures arising from growing levels of homelessness, the need to decarbonise our existing stock, to maintain the Welsh Housing Quality Standard and to build new high quality homes that are near zero carbon, The Minister has confirmed the following for the 2020/21 Rent Policy:-
1. An annual uplift of up to CPI+1% each year for 5 years from 2020-21 to 2024-25 using the level of CPI from the previous September each year.
  2. CPI+1% will be the maximum increase allowable in any one year but this must not be regarded as an automatic uplift. Landlords decisions on rent should take into account the affordability of rents for tenants.
  3. The level of rents for individual tenants can be reduced or frozen or can rise by up to an additional £2 over and above CPI+1%, on condition that total rental income collected by the landlord increases by no more than CPI+1%.
  4. As an intrinsic part of the 5 year policy, landlords will be expected to set a rent and service charge policy which ensures that social housing remains affordable for current and future tenants. As part of their annual decision they should make an assessment of costs efficiencies, value for money and affordability for tenants which should be discussed at the Board/Cabinet/Council.
- 2.9 The previous Septembers CPI inflation figure was 1.7%. The policy therefore allows a maximum of 2.7% increase on our total rental income.
- 2.10 The Business Plan has assumed a rent increase of 3% for 2020/21 to 2024/25.
- 2.11 By applying 2.7% to our average rent means we are just within the lowest Target Rent Band.
- 2.12 There is limited time to consider a full affordability options appraisal for setting the rent for 2020/21.



### **3. RECOMMENDATIONS**

3.1 Members are requested to consider and give a view on the following recommendations which will be presented to Cabinet on the 29<sup>th</sup> January 2020. The options do not fully consider tenants affordability at this time, but this is an exercise that will be undertaken during 2020.

- (a) Members recommend to Cabinet the level of increase per property from April 2020 based on the options explained in the report, which are :-
- (i) 2.7% (CPI plus 1%) – (£90.65/52 week) the maximum allowed under the rent policy which will set our rent just within the low end of the policy rent band but will reduce our income by £1m to that assumed within our business plan.
  - (ii) 1.7% (CPI only) – (£89.77/52 week) this would be insufficient for rents to remain within the policy rent band and would reduce our income by £1.5m to that assumed within our business plan. Higher increases may need to be considered in the future to get back within the policy rent band.
  - (iii) 0% (No increase) – (£88.27/52 week) this would set our rent considerably below the policy rent band and would reduce our income by £1.9m to that assumed within our business plan. Higher increases may need to be considered in the future to get back within the policy rent band.
- (b) To agree that an exercise be undertaken so that tenants affordability can be considered when setting future rent increases in accordance with the rent policy.

### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 Inflationary increases on providing all aspects of the housing service are experienced annually, however as the HRA cannot legitimately set a deficit budget, the loss of additional income will result in reduced resources being available to effectively manage and maintain the stock.
- 4.2 Housing Benefit/Universal Credit will cover the increased costs for the rent charge in this report for 72% of our tenants up to the Housing Benefit limitation rate (yet to be confirmed).
- 4.3 If charges are not increased annually it has a detrimental effect on subsequent years as higher increases are then needed to recover the shortfalls from previous years.
- 4.4 The Council's Business Plan relies on inflationary increases to remain viable and cover increasing costs associated with the delivery of the service.
- 4.5 Additional resource is necessary to be able to meet the demands from Welsh Government on maintaining the WHQS, the provision of new affordable housing, decarbonisation of the existing stock and increasing support for tenants in order to sustain tenancies and reduce homelessness.

### **5. THE REPORT**

#### **5.1 Rent Increase**

- 5.1.1 For a number of years the WG have effectively determined the level of annual rent increases, and these increases have been linked with the Housing Revenue Account Subsidy (HRAS) calculations, thus restricting an Authority from completely controlling its rental income. Members will be aware of the buy out of the HRAS system which introduced self financing from April 2015.

- 5.1.2 Under the current rent policy a target rent band for each Authority is set by WG so there is still some degree of control retained by WG however, all of the rental income will be retained by the Authority and used to fund expenditure, service debt and create borrowing headroom to support the delivery of WHQS and future investment.
- 5.1.3 As a result of the housing benefit limitation scheme, rent increases above DWP rent limits do not produce extra income from the benefits system, as any shortfall would be required to be met by the tenant. This would therefore be an added financial burden to some of our most vulnerable tenants. At this stage however, as in previous years, details regarding the DWP limit under the current rent policy are yet to be confirmed, but as all the recommendations contained within this report are compliant with the WG rent policy, it is assumed that the proposed increases will be within the DWP rent limits. Approximately 72% of tenants are in receipt of financial support in the form of Housing Benefit or Universal Credit.
- 5.1.4 The WG draft proposal for 2020/2021 of its policy rent band for CCBC is
- Low end           £90.41           per week
  - Mid point       £95.17           per week
  - High end       £99.92           per week
- 5.1.5 CCBC's average rent debit for 2019/20 is £88.27 (52 week basis) which met the minimum rent band for 2019/20. By applying the maximum of 2.7% increase means our average rent would be £90.65, which is just within the low end of the rent envelope. The 2019/20 Housing Business Plan however assumed a 3% rent increase for 2020/21 which was on the assumption that the rent policy would be CPI +1%, and that CPI would be 2%.
- 5.1.6 Initially, WG have stated in their policy that "*The rent policy allows you to apply the inflation plus £2 (per week) if you are aiming to move to a higher point within the Target Rent Band to meet your business plan commitments...*" This was removed for 2019/20 and was only applicable if Social Housing Landlords were below the rent envelope. This has subsequently changed under the 2020/21 policy, and the "plus £2" can now only be applied on condition that the total rental income collected by the landlord is no more than CPI +1% ( 2.7%).
- 5.1.7 The latest business plan submitted to WG in March 2019 included a rent increase of 3% for 2020/21 (assuming CPI would be 2%) and this resulted in a £34m borrowing requirement in order to meet the WHQS by 2020. Meeting the WHQS standard by December 2020 is a statutory requirement. As there is a restriction on the rental increase, this would mean a shortfall on the business plan. However, during 2019/20 it was necessary to reprofile the WHQS programme as a consequence of performance issues with external contracting. This meant our In-house workforce taking on an additional 150 properties, which led to an extension from March 2020 to June 2020 to complete the programme in order to absorb the extra work. In effect, this has consequently reprofiled the expenditure and the borrowing requirement over 2 financial years. With the 0.3% reduction in rent this means the business plan will need to be amended to reflect reduced income of £1m for 2020/21.
- 5.1.8 Furthermore, the business plan should now reflect the restriction placed on the 2020/21 rent policy and reduce the anticipated rent level for the next 5 years. The current plan assumes 3% rent increase and it would be prudent to reduce this to 2% especially as CPI has seen a reduction over the last few years. However, after the WHQS Programme is achieved in 2020, the business plan reduces its expenditure to reflect the ongoing planned maintenance of the WHQS programme. This will assist in absorbing the rent reduction, albeit the planned maintenance programme will need to react to the funding that is available as a consequence.
- 5.1.9 However, whilst there is some flexibility in the business plan to support the commencement of a new affordable housing build programme, the current plan does not include any detailed projections for future new build or increased costs expected for decarbonisation , and any

reductions in rental income will therefore reduce the funding available to deliver on these initiatives.

- 5.1.10 In addition, affordability for tenants is now an issue that has to be considered as part of setting any rent increases. This would involve engaging with tenants to capture relevant data and establishing a suitable model that would evidence affordability and a system for accurately recording such information. This will take considerable time to implement and as such cannot be actioned in time to set this year's rental charge. The Chief Housing Officer will consider the resources that are needed so that tenants affordability can be reflected for future rent increases. This could have a significant impact on rental income going forward.
- 5.1.11 A rent increase of less than 3% will mean less income to deliver housing services which will obviously result in a review of the services and the way they are currently delivered, the extent of work to be undertaken, alternative options for increasing income or an increase in borrowing. Considering options of less than the maximum such as CPI only and a nil increase has been tested against the current business plan.
- 5.1.12 An increase of CPI only at 1.7% for 2020/21 would increase the average weekly rent by £1.50 to £89.77/wk which is below the policy rent band set by WG and would require higher future rent increases to get back into the envelope range. This would also result in reduced income of £1.9m to that assumed within our business plan to ensure the WHQS programme is financed and maintained. Again to be prudent we should also reduce the forthcoming years to reflect the pattern of reducing CPI. This in itself does not hinder the WHQS programme any further, but members must consider the pressure Local Housing Authorities are facing from Welsh Government on increasing housing supply and ensuring we meet the decarbonisation agenda, both of which require significant investment. The recent report to The Housing and Regeneration Scrutiny committee on 26<sup>th</sup> November outlined the need for £14m additional borrowing to kick start the new build programme with the aim to deliver 400 affordable homes between 2020 and 2025. This directly links with the Councils commitment contained within the Corporate Plan 2018-2023 and Wellbeing Objective 3 which aims to address the supply, condition and sustainability of homes throughout the county borough. The £14m was on the assumption of a 3% rental increase over the next 5 years.
- 5.1.13 A nil increase for 2020/21 with a reduction to 1.7% for the next four years would mean the rent would remain at £88.27 but this would be well below the policy rent band set by WG and would require considerable future rent increases to get back into the envelope range. This would also result in reduced income of £1.9m to that assumed within our business plan. Again members must consider the ongoing effect of this reduced rent to address the significant investment required as explained above.
- 5.1.14 Additional borrowing must be affordable under the Prudential Code and also means an increase in debt and interest charges which takes resources away from the HRA to manage and maintain our housing stock and support our tenants.

## **5.2 Garage Charges**

- 5.2.1 The garage rationalisation and refurbishment programme, linked to the WHQS programme has led to a reduction in our garage stock and will result in improvements to our remaining stock. This work, which is ongoing, is currently having a significant impact on void levels as the blocks of garages must be fully vacated prior to commencement of works on each site. On completions of works to each block, former garage tenants and former leaseholders of garage plots will be offered new tenancies of the newly built or refurbished garages, prior to new tenants being sought for the remainder from existing waiting lists or through marketing. In addition a number of garages have been demolished due to unsuitability and lack of demand. Therefore until the rationalisation programme is fully completed and take up of existing garages assessed, it is not proposed to increase the rent on Council owned garages this year. Currently our garage charge is £8.11 per week



### Tenants in receipt of benefit

- 5.2.2 Garage rents are not eligible for housing benefit and the majority (75%) of garage tenants are not actually council house tenants.

### Financial impact

- 5.2.3 The Business Plan has included a 2% increase on garage rental income. Not increasing the income will mean a loss of approximately £5k in the Business Plan in 2020/21. This will not have an immediate impact on the borrowing requirement in the short term.

## **6. ASSUMPTIONS**

- 6.1 Assumptions are prevalent within the Housing Business Plan and are necessary to create a 30 year projection as requested by Welsh Government. Assumptions are included on key drivers such as (i) Interest rates (ii) Inflation (iii) Rental Increases (iv) Staffing levels (v) stock movement (vi) capital programme expenditure (vi) level of rent arrears, and (vii) level of voids and are taken from projections, local knowledge and Welsh Government guidance.

## **7. LINKS TO STRATEGY**

- 7.1 The recommendations within this report provide the council with additional income that will be used to supplement existing funding arrangements to provide management, repair and improvement of the housing stock. This funding is used to maximize the resources available to assist in meeting and maintaining the WHQS. The rent increase is applied equally to all tenants. The report therefore links to the following strategic objectives:
- The Caerphilly We Want (CCBC, 2018-2023) – Well-Being Plan Objective 4: Positive Places – Enabling our communities to be resilient and sustainable
  - Corporate Plan (CCBC, 2018-2023) Well-being Objective 3: the availability, condition and sustainability of homes throughout the county borough and provide advice, assistance or support to help improve peoples well-being.
  - Caerphilly Homes Service Plan.
- 7.2 Improving Lives and Communities: Homes in Wales (Welsh Government, 2010) which sets out the national context on meeting housing need, homelessness and housing related support services.
- 7.3 Effective financial planning and financial control contribute to the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -
- A prosperous Wales.
  - A resilient Wales.
  - A healthier Wales.
  - A more equal Wales.
  - A Wales of cohesive communities.
  - A globally responsible Wales
- 7.4 Whilst Housing services contribute towards the Act, this is a financial report for information only and therefore does not directly contribute towards the above wellbeing goals.

## **8. WELL-BEING OF FUTURE GENERATIONS**

- 8.1 Effective financial management is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 An EIA screening has been completed in accordance with the Council's Strategic Equality Plan and supplementary guidance. No potential for unlawful discrimination and/or low level or minor negative impact has been identified; therefore a full EIA has not been carried

## **10. FINANCIAL IMPLICATIONS**

- 10.1 This report deals with the financial implications of the proposed rent increases which affects the HRA.
- 10.2 The impact of the Welfare Reform Act is not taken into consideration

## **11. PERSONNEL IMPLICATIONS**

- 11.1 The proposals contained in this report will not alter the current arrangements for the collection of housing revenue account monies.

## **12. CONSULTATIONS**

- 12.1 All consultation responses have been reflected in this report. The report will be presented to Cabinet on the 29th January 2020.

## **13. STATUTORY POWER.**

- 13.1 Local Government Acts 1972 . This is a Cabinet function.

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Consultees:

Cllr J Ridgewell	- Chair Housing & Regeneration Scrutiny Committee
Cllr C Forehead	- Vice Chair Housing & Regeneration Scrutiny Committee
Cllr L Phipps	- Cabinet Member for Homes, Places & Tourism.
Dave Street	- Corporate Director Social Services & Housing
Shaun Couzens	- Chief Housing Officer
Robert Tranter	- Head of Legal Services/Monitoring Officer
Stephen R Harris	- Interim Head of Business Improvement Services & Acting S151 Officer
Sandra Isaacs	- Rents Manager
Amanda Main	- Acting Benefits Manager
Fiona Wilkins	- Housing Services Manager
Paul Smythe	- Housing Technical Manager

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## CABINET – 12TH FEBRUARY 2020

**SUBJECT: BUDGET PROPOSALS FOR 2020/21 AND MEDIUM-TERM FINANCIAL OUTLOOK**

**REPORT BY: DIRECTOR OF EDUCATION & CORPORATE SERVICES**

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### 1. PURPOSE OF REPORT

- 1.1 To seek Cabinet endorsement of the 2020/21 budget proposals contained within this report prior to final determination at Council on the 20<sup>th</sup> February 2020.
- 1.2 To provide a brief update on the medium-term financial outlook.

### 2. SUMMARY

- 2.1 Details of the Welsh Government (WG) Provisional Local Government Financial Settlement are normally announced by WG in early October each year. However, due to a combination of the uncertainty around Brexit along with the announcement of the General Election, details of the 2020/21 Provisional Settlement were not released until the 16th December 2019.
- 2.2 On the 13<sup>th</sup> November 2019 Cabinet received a report providing details of draft budget proposals, which had been prepared in advance of the 2020/21 Provisional Settlement being released. The report was based on a range of updated assumptions and information available at that time, and included proposed savings totalling £8.485m for the 2020/21 financial year along with a proposed increase in Council Tax of 6.95%.
- 2.3 The Draft Budget Proposals were endorsed by Cabinet thus ensuring that sufficient time was allowed for consultation pending details of the Provisional Settlement becoming available.
- 2.4 The Provisional Settlement announcement on the 16<sup>th</sup> December 2019 resulted in a favourable position for Local Authorities and allowed for flexibility in determining final budget proposals.
- 2.5 This report presents details of updated 2020/21 budget proposals reflecting the favourable Financial Settlement and feedback from the budget consultation process. Cabinet is asked to endorse the recommendations contained in the report prior to consideration and approval at Council on the 20<sup>th</sup> February 2020.

### 3. RECOMMENDATIONS

- 3.1 Prior to consideration and determination at Council on the 20<sup>th</sup> February 2020, Cabinet is asked: -
  - 3.1.1 To endorse the revenue budget proposals for 2020/21 of £356.130m as detailed throughout the report and summarised in Appendix 1.

- 3.1.2 To endorse the proposed savings for 2020/21 totalling £3.047m as set out in paragraph 5.4.3 and Appendix 2.
- 3.1.3 To support the proposal to allocate £500k from savings in advance to Environmental Projects as set out in paragraph 5.4.7 and 5.4.8.
- 3.1.4 To support the proposal to allocate the balance of £1.471m from savings in advance to Capital Earmarked Reserves pending the preparation of a report in the spring setting out details of capital investments to support the Council's 'place shaping' agenda (paragraph 5.4.7).
- 3.1.5 To support the recommendation of the Acting Section 151 Officer to maintain the General Fund balance at 3% of the 2020/21 Net Revenue Budget i.e. £10.684m (paragraph 5.5.5).
- 3.1.6 To support the proposal to allocate the projected surplus General Fund balance of £2.577m to Capital Earmarked Reserves to support investments in the 'place shaping' agenda (paragraph 5.5.5).
- 3.1.7 To endorse the proposed Capital Programme for the period 2020/21 to 2022/23 as set out in Appendix 4.
- 3.1.8 To support the proposal to increase Council Tax by 4.7% for the 2020/21 financial year to ensure that a balanced budget is achieved (Council Tax Band D being set at £1,184.38).
- 3.1.9 To note the updated position on the medium-term financial outlook.

#### **4. REASONS FOR THE RECOMMENDATIONS**

- 4.1 Council is required annually to approve proposals to set a balanced budget and agree a Council Tax rate.
- 4.2 Council is required to put in place a sound and prudent financial framework to support service delivery.

#### **5. THE REPORT**

##### **5.1 Background and Context**

- 5.1.1 The Council's financial position underpins its ability to make strategic decisions in order to deliver high quality effective services to our residents.
- 5.1.2 The financial picture of the Council is complex, but in summary it consists of four key elements: -
  - **The Revenue Budget** – This funds the day-to-day expenditure on the 800+ services we provide to our citizens including the staff costs, maintaining our buildings and other assets such as the highway network, utility costs, maintaining our fleet of vehicles and the cost of servicing debt (i.e. loan and interest payments).
  - **The Capital Budget** – This funds one-off investments to create or enhance our assets such as schools, libraries and the highway network. This would include the construction of new buildings, major refurbishments and the acquisition of specialist vehicles and equipment.

- **Reserves** – These are approved one-off sums that have been set aside or earmarked for a range of different purposes. A report is prepared annually providing details of the reserves held by the Council and identifying any reserves that are uncommitted and can be released for other purposes such as supporting the Capital Programme.
- **Grants** - The Council receives a number of grants from external bodies such as the Welsh Government. These grants are for specific purposes and the Council must comply with detailed grant terms and conditions. Some of the grants are also subject to audit by our External Auditors.

5.1.3 To date the Council has managed the austerity measures using a “salami slicing” approach i.e. reducing budgets gradually across the whole organisation, whilst trying to protect key services such as Education and Social Services. This approach has served us well, with £103m of savings being achieved over the last 12 years.

5.1.4 However, if we are to remain an innovative, modern and adaptive organisation, whilst managing increasing demands against reducing funding, we must take a long-term strategic approach that mobilises our staff, our elected members, our partners and our communities.

5.1.5 This new whole-authority transformation operating model is entitled “Team Caerphilly – Better Together”, with the underlying principle of being a Council that has a “social heart and a commercial head”. The key elements of this new operating model are: -

- Improving the way we work.
- Enhancing relationships with our communities and partners.
- Developing proud and trusted staff.

5.1.6 It is within the context of our new operating model that we have framed the 2020/21 budget proposals.

5.1.7 It is important that we strike a balance between investing in our day-to-day services and providing financial support to improve how we deliver services.

5.1.8 Our revenue budget is used to support service delivery on an annual basis and our capital budget is used to fund infrastructure projects across the county borough. We also make use of our reserves wherever we can to support the Council’s capital expenditure and at its meeting on the 29<sup>th</sup> January 2020, Cabinet approved a proposal to earmark £24.5m of reserves to boost the capital programme by investing in our ‘place shaping’ agenda. Detailed proposals setting out how this funding will be used will be the subject of a further report during the spring and this will involve detailed engagement with elected members.

5.1.9 It is crucial that we manage our revenue and capital budgets and our reserves closely and as a collective, in order to maximise the return on investments. As part of our new operating model we will undertake a forensic review of our financial position through the following: -

- Introducing a structured programme of Service Reviews that will evaluate the services that we provide to ensure that they remain relevant, are provided in the most effective and efficient way and are providing value for money.
- Encouraging and supporting more innovative approaches to service delivery.
- Embracing new technologies to modernise the way that we work, streamline processes, improve workflow and drive out efficiencies.
- Adopting a more commercial approach to service delivery to generate additional income to reinvest in services to help them remain resilient i.e. “profit for purpose”.
- Routinely reviewing our reserves to identify further sums that may be available to support the Capital Programme moving forward.

## **5.2 The Welsh Government (WG) Provisional Local Government Financial Settlement for 2020/21**

- 5.2.1 The Local Government Financial Settlement received from WG on an annual basis is referred to as Aggregate External Finance (AEF). This consists of a Revenue Support Grant (RSG) and Redistributed Non-Domestic Rates (business rates). Details of the Provisional Local Government Financial Settlement are normally announced by WG in early October each year. However, due to a combination of the continuing uncertainty around Brexit, along with the delay in undertaking the UK Government spending review and the announcement of the General Election, the announcement of the Provisional Local Government Financial Settlement for 2020/21 was delayed until the 16<sup>th</sup> December 2019.
- 5.2.2 Cabinet will recall that at its meeting on the 21<sup>st</sup> February 2019 Council was presented with an updated Medium-Term Financial Plan (MTFP) which showed an anticipated savings requirement of £15.658m for the 2020/21 financial year. In response to this significant work was undertaken during the summer and early autumn to identify a range of new savings proposals for consideration.
- 5.2.3 On the 13<sup>th</sup> November 2019 Cabinet received a report providing details of draft budget proposals, which had been prepared in advance of the 2020/21 Provisional Settlement being released. The report was based on a range of updated assumptions and information available at that time, which reduced the anticipated savings requirement for 2020/21 from £15.658m to £8.485m. The Cabinet report also included a proposed increase in Council Tax of 6.95%.
- 5.2.4 The Draft Budget Proposals were endorsed by Cabinet thus ensuring that sufficient time was allowed for consultation pending details of the Provisional Settlement becoming available.
- 5.2.5 The Provisional Settlement announcement on the 16<sup>th</sup> December 2019 resulted in a favourable position for Local Authorities which allowed for flexibility in determining final budget proposals. The key elements of the Provisional Settlement are as follows: -
- An all-Wales increase in the Aggregate External Finance (AEF) of £184m, which is 4.3% higher than 2019/20 on a like-for-like basis (i.e. after adjusting for grants transferring into the Settlement in respect of teachers' pensions, teachers' pay and Funded Nursing Care).
  - The increases for individual Local Authorities vary due to the funding formula and movements in a number of key datasets. The lowest increase is in Monmouthshire CC at 3% with the highest being for Newport CC at 5.4%.
  - The increase in the AEF for Caerphilly CBC is 4.1%, which increases to 5.49% (£14.753m) after allowing for the grants that have transferred into the Settlement and changes in the Council Tax base.
  - This favourable Settlement provides headroom of £10.580m for Caerphilly CBC in determining the final 2020/21 revenue budget.
  - The Capital allocations available to Caerphilly CBC in the Revenue Support Grant and the General Capital Grant increased by £161k from the 2019/20 financial year.
- 5.2.6 Details of the 2020/21 Final Local Government Settlement will not be announced until the 25<sup>th</sup> February 2020, however WG officials have indicated that this will not vary significantly from the position set out in the Provisional Settlement. In the event that the Final Settlement results in an increase or decrease in the funding for Caerphilly CBC then this will either increase or decrease the savings in advance of £1.971m that are identified later in this report.

## **5.3 Updated 2020/21 Budget Proposals**

- 5.3.1 The following sections of this report provide details of updated 2020/21 budget proposals reflecting the favourable Financial Settlement and feedback from the budget consultation process. Cost pressures have also been further reviewed and updated where necessary.
- 5.3.2 The updated position will deliver a balanced budget for 2020/21 on the basis that Council Tax



is increased by 4.7%. Table 1 provides a summary: -

Table 1 – Summary

Paragraph	Description	£m	£m
5.2.5	Aggregate External Finance (+5.49%)		14.753
5.3.3 – 5.3.12	Schools cost pressures	5.471	
5.3.13 – 5.3.19	General Fund Services inflationary cost pressures	5.289	
5.3.20 – 5.3.30	General Fund inescapable service pressures	3.303	
5.3.31	Reinstatement of 2019/20 temporary savings	3.272	
5.3.32	Reinstatement of 2019/20 2% cut for schools	2.126	
5.4.1 – 5.4.5	Draft savings proposals 2020/21		3.047
5.4.6	Savings in advance	1.971	
5.6.1 – 5.6.2	Council Tax uplift (4.7%)		3.632
	<b>TOTAL: -</b>	<b>21.432</b>	<b>21.432</b>

5.3.3 The Schools cost pressures totalling £5.471m are set out in Table 2 below -

Table 2 – Schools Cost Pressures

	£m
Teachers Pay at (2.75% / 2%)	1.753
Living Wage	0.016
Teachers Employer's Pension Contributions at 7.12% (5/12ths)	2.288
APT&C Pay at 2%	0.261
APT&C Pay Contingency	0.098
Employer Pension Contributions (APT & C)	0.000
Non-Pay Inflation at 1.7%	0.337
Schools Service Pressures	0.674
Trinity Fields Transport Costs (Demographic Growth)	0.044
<b>TOTAL: -</b>	<b>5.471</b>

- 5.3.4 **Teachers Pay at 2.75%** - Teachers pay increased across the majority of the scale ranges by 2.75% with effect from September 2019. A one-off grant has been made available by WG to assist with the part-year additional cost of the pay award for the 2019/20 financial year. The full cost of the September 2019 pay award has now been provided for in the Provisional Settlement for 2020/21. For financial planning purposes it is currently assumed that there will be a further 2% uplift in teachers pay from September 2020.
- 5.3.5 **Foundation Living Wage** – Caerphilly CBC is a Living Wage Foundation employer so a sum is included in the budget proposals in respect of relevant school staff to allow for annual increases in the Foundation Living Wage hourly rate.
- 5.3.6 **Teachers Employer's Pension Contributions** – For the 2019/20 financial year there is a significant new cost pressure for schools in relation to increases in employer contributions to the Teachers' Pension Scheme from September 2019. There was no funding included in the Final Local Government Financial Settlement for 2019/20 to meet this additional cost, albeit that the part-year impact has subsequently been funded through an in-year grant from WG. Funding has now been provided in the Provisional Settlement for 2020/21 in respect of the increased cost of the Teacher's Pension Scheme.
- 5.3.7 **APT&C Pay at 2%** - A pay award of 2% is assumed for schools based APT&C staff from April 2020. This is not confirmed and is subject to ongoing negotiation.
- 5.3.8 **APT&C Pay Contingency** – Due to the ongoing negotiations in respect of the APT&C pay award it is recommended that a contingency is established which will allow for a pay award of

up to 2.75%. It is proposed that this contingency will be held centrally in the first instance and only released to service budgets (if required) once the pay award is agreed.

5.3.9 **Employer Pension Contributions (APT&C staff)** – The Greater Gwent (Torfaen) Pension Fund is subject to an independent triennial valuation of its assets and liabilities. The 2020/21 Draft Budget Proposals presented to Cabinet on the 13<sup>th</sup> November 2019 assumed a 1% increase in the employer contribution from April 2020, pending the outcome of the latest triennial valuation. The results of this valuation have now been released and no increase will be required in the employer contributions for the 2020/21 and 2021/22 financial years. An increase of 1% will be required for 2022/23.

5.3.10 **Non-pay inflation at 1.7%** - This is based on the average monthly Consumer Prices Index (CPI) inflation rate for the last 12 months.

5.3.11 **Schools Service Pressures** – This includes the following: -

- Funding formula revisions.
- Floor area and National Non-Domestic Rates (NNDR) changes.
- Demographic growth linked to Trinity Fields pupil numbers.
- Additional costs linked to Free School Meal numbers in respect of additional social needs funding in primary and secondary schools.
- Additional Free School Meal costs in secondary schools.

5.3.12 **Trinity Fields Transport Costs** – This is directly related to an increase in pupil numbers and costs can also vary based on pupil needs.

5.3.13 The General Fund Services inflationary cost pressures totalling £5.289m are set out in Table 3 below: -

Table 3 – General Fund Services Inflationary Cost Pressures

	<b>£m</b>
Pay at 2% (APT&C staff)	2.467
Pay Contingency (APT&C staff)	0.868
Living Wage (APT&C staff)	0.049
Non-pay inflation at 1.7%	2.169
Employer Pension Contributions (APT & C)	0.000
Non-pay inflation (Fees and Charges) at 1.7%	<b>(0.264)</b>
<b>TOTAL: -</b>	<b>5.289</b>

5.3.14 **Pay at 2% (APT&C staff)** - A pay award of 2% is assumed for non-schools based APT&C staff from April 2020. This is not confirmed and is subject to ongoing negotiation.

5.3.15 **Pay Contingency (APT&C staff)** – As explained in paragraph 5.3.8 due to the ongoing negotiations in respect of the APT&C pay award it is recommended that a contingency is established which will allow for a pay award of up to 2.75%.

5.3.16 **Foundation Living Wage** – Caerphilly CBC is a Living Wage Foundation employer so a sum is included in the budget proposals in respect of APT&C staff to allow for annual increases in the Foundation Living Wage hourly rate.

5.3.17 **Employer Pension Contributions (APT&C staff)** – As explained in paragraph 5.3.9 the results of the latest independent triennial valuation of the Pension Fund’s assets and liabilities reveal that no increase in the employer contribution level will be required for the 2020/21 financial year.

- 5.3.18 **Non-pay inflation at 1.7%** - This is based on the average monthly Consumer Prices Index (CPI) inflation rate for the last 12 months.
- 5.3.19 **Non-pay inflation (Fees and Charges) at 1.7%** - A generic increase of 1.7% is assumed for Fees and Charges. Increases in excess of this are proposed in some areas and details of these are provided in Appendix 2.
- 5.3.20 It is incumbent upon the Council to set a realistic budget each year. Table 4 provides details of the 2020/21 General Fund inescapable service pressures that have been identified and require consideration in respect of funding: -

Table 4 – General Fund Inescapable Service Pressures

	<b>£m</b>
Council Tax Reduction Scheme (CTRS) additional liability	0.693
Funded Nursing Care	0.101
WG funding for Private Finance Initiative (PFI) contracts	<b>(0.202)</b>
Social Services cost pressures	0.800
Education & Lifelong Learning cost pressures	0.875
Coroner's growth requirement	0.048
Sustainable Waste Management Grant reduction	0.093
City Deal (Partnership revenue contribution)	0.002
City Deal (debt charges)	0.044
Private Finance Initiative (PFI) review	0.849
<b>TOTAL: -</b>	<b>3.303</b>

- 5.3.21 **CTRS Additional Liability** – The Authority is required to fund a Council Tax Reduction Scheme (CTRS). This replaced Council Tax Benefit a number of years ago and is a means-tested benefit that assists in full or part towards a resident's Council Tax bills. The additional liability arises from the proposal to increase Council Tax by 4.7% in 2020/21.
- 5.3.22 **Funded Nursing Care** – Funding has been transferred into the Provisional Settlement to meet additional costs arising from a review of Local Authority and NHS contributions to the cost of Funded Nursing Care placements. This funding will be passported to the Directorate of Social Services.
- 5.3.23 **WG Funding for Private Finance Initiative (PFI) Contracts** – Funding is provided by the Welsh Government through the Financial Settlement towards costs associated with the Private Finance Initiative contracts operating within the Authority. This funding is front-loaded and reduces annually over the life of the PFI contracts.
- 5.3.24 **Social Services cost pressures** – The MTFP presented to Council in February 2019 included further anticipated Social Services growth of £1.5m for 2020/21. Based on updated information the projected 2020/21 growth requirement is now £800k. The draft budget proposals presented to Cabinet on the 13<sup>th</sup> November 2019 recommended that for 2020/21 only the anticipated growth requirement would be met through a one-off contribution of £800k from Social Services reserves. This was proposed on the basis that there are a number of initiatives currently underway that will reduce costs in the medium to long-term and therefore mitigate the current cost pressures in the system.
- 5.3.25 The favourable Financial Settlement now means that £800k growth can be allocated to Social Services, thus protecting the level of reserves for use on capital projects that will be the subject of further reports in due course. Savings arising from the range of initiatives that are underway in the Directorate will be made available to support the budget from 2021/22 onwards.
- 5.3.26 **Education and Lifelong Learning cost pressures** – Growth requirements of £875k have been identified with a range of cost pressures within this service area. Support for our most

vulnerable learners, in particular in relation to our Education Other Than At School (EOTAS) provision, continues to be a pressure. Work is well underway with regards to the strategy and delivery model moving forward and further reports will follow in due course. There are also additional cost pressures linked to requirements around the Additional Learning Needs (ALN) Reform Bill and Well-Being.

- 5.3.27 **Coroner's Growth Requirement** – Notification has been received from the Coroner that additional funding will be required in 2020/21 to meet inescapable service pressures.
- 5.3.28 **Sustainable Waste Management Grant Reduction** – The Provisional Settlement includes a reduction in the Sustainable Waste Management Grant for 2020/21. This grant supports Local Authorities in developing, implementing and operating waste prevention and waste recycling initiatives. The reduction for Caerphilly CBC equates to £93k and it is proposed that growth should be allocated to the Communities Directorate to offset the reduction and thus avoid any detrimental impact on service delivery.
- 5.3.29 **City Deal partnership revenue contribution and City Deal Debt Charges** – There is a small increase of £2k required for 2020/21 in respect of the revenue contribution for the City Deal Partnership. The City Deal also includes a borrowing requirement of £120m for the ten partner Local Authorities and an additional £44k is required for 2020/21 to meet the current anticipated cost for Caerphilly CBC's share of potential borrowing that may be undertaken during the year.
- 5.3.30 **Private Finance Initiative (PFI) review** – A review of the Council's schools PFI contracts is currently being undertaken. These contracts relate to Fleur de Lys (Ysgol Gyfun Cwm Rhymni) and Pengam (Lewis School) Secondary Schools. To assist with this review the services of a company called Local Partnerships have been commissioned. This organisation has a proven track record in relation to supporting public sector bodies through reviews of operational PFI contracts and was recommended by WG Officers. To date the review has focussed on contract management arrangements, benchmarking and affordability and will now progress to reviewing options for the future. It is currently anticipated that an options appraisal will be presented to Cabinet in spring 2020. In the meantime, there is an estimated growth requirement of £849k that will need to be recognised in the draft budget proposals for 2020/21, pending the outcome of the review and agreement on the way forward for these contracts.
- 5.3.31 The Final 2019/20 Budget Proposals approved by Council on the 21<sup>st</sup> February 2019 included temporary savings totalling £3.272m. In determining the budget proposals for 2020/21 the budgets for these temporary savings have been reinstated.
- 5.3.32 The 2019/20 budget proposals approved by Council in February 2019 also included a reduction of 2% (£2.126m) in the funding allocated to schools. The favourable Financial Settlement for 2020/21 provides an opportunity for this to be reviewed and it is therefore proposed that the cut of £2.126m should be reinstated into school budgets from April 2020.
- 5.4 2020/21 Savings Proposals**
- 5.4.1 The 2020/21 Draft Budget Proposals presented to Cabinet on the 13<sup>th</sup> November 2019 included proposed savings totalling £8.485m. Following the announcement of the Provisional Settlement on the 16<sup>th</sup> December 2019 and after considering the feedback from the budget consultation process the list of savings has been subject to a detailed review.
- 5.4.2 Appendix 2 provides details of the full list of draft savings presented to Cabinet in November 2019 totalling £8.485m. Details are also provided of the updated position as follows: -



Table 5 – Updated 2020/21 Savings Position

	<b>£m</b>
Savings proposals to be retained for 2020/21	2.862
Savings proposals to be withdrawn	4.638
Savings proposals to be deferred pending Service Reviews	0.985
<b>TOTAL: -</b>	<b>8.485</b>

- 5.4.3 **Savings proposals to be retained for 2020/21** – In the main these savings proposals are those that have been assessed as having ‘Nil Impact’. Since the preparation of the Cabinet report in November 2019 additional savings have been identified that will result in a revised proposed savings total of £3.047m as shown in Table 6: -

Table 6 – Updated 2020/21 Savings Proposals

	<b>£m</b>
Savings proposals to be retained for 2020/21	2.862
Additional savings identified: -	
- Removal of Deputy Chief Executive budget	0.019
- Staff Restaurant price increase at 5% instead of the 3% originally proposed	0.004
- Reduction in Fire Service Levy budget	0.162
<b>TOTAL: -</b>	<b>3.047</b>

- 5.4.4 **Savings proposals to be withdrawn** – These total £4.638m and the most significant saving in this category is the proposed further reduction of 2% (£2.060m) in the budget allocated to schools. The withdrawal of this proposed saving along with the proposed reinstatement of the 2% cut applied to schools in 2019/20 will mean that all school cost pressures totalling £12.784m for 2019/20 and 2020/21 will be fully funded moving forward.
- 5.4.5 **Savings proposals to be deferred pending Service Reviews** – It is proposed that these savings proposals totalling £985k will be deferred for the 2020/21 financial year on the basis that they will be subject to Service Reviews under the Council’s Transformation Programme. As these Reviews are completed individual reports will be presented to Scrutiny Committees prior to consideration by Cabinet.
- 5.4.6 The proposed savings totalling £3.047m, along with the proposed increase in Council Tax of 4.7% will allow for savings in advance of £1.971m and provide a balanced budget position for 2020/21.
- 5.4.7 The savings in advance will provide a solid foundation for anticipated further budget reductions in future years and also provides an opportunity to make one-off investments in the 2020/21 financial year. It is proposed that £500k of the £1.971m is allocated to Environmental Schemes, with the balance of £1.471m being transferred to Capital Earmarked Reserves and added to the £24.5m reserves that have been set aside to invest in our ‘place shaping’ agenda. As mentioned in paragraph 5.1.8, detailed proposals setting out how this funding will be used will be the subject of a further report during the spring.
- 5.4.8 The proposed one-off £500k funding for Environmental Schemes will be used for 3 teams with vehicles and associated equipment and the types of work to be undertaken (not an exhaustive list) will include the following: -
- Works to enhance our gateway entrances to the county borough. The priorities currently are Ynysddu to Wattsville, Blackwood to Hollybush, Ystrad Mynach, and Machen to Trethomas.

- General weed, moss and silt removal and grubbing out/back edging footpaths etc.
- Renovating our 16 chevron tile roundabouts.
- Sign cleaning.
- Dealing with special requests from Members which current operational budgets / service delivery cannot easily address.
- Railing, bench and other street furniture repairs / renovations where required/requested.

## 5.5 General Fund Balances

- 5.5.1 Details of the projected movement on General Fund balances are provided in Appendix 3.
- 5.5.2 As previously agreed by Council the Council Tax surplus each year is channelled through the General Fund to support the base budget in the following financial year.
- 5.5.3 A total of £2.380m has been transferred from the General Fund into Capital Earmarked Reserves during the 2019/20 financial year as agreed by Council at its meeting on the 30<sup>th</sup> July 2019.
- 5.5.4 Cabinet will note that projected underspends for 2019/20 will result in £1.602m being transferred into the General Fund. This results in a projected General Fund balance of £13.261m
- 5.5.5 It is proposed that the General Fund balance should be set at 3% of the 2020/21 Net Revenue Budget i.e. £10.684m. This is the minimum balance recommended by the Council's Acting Section 151 Officer and results in a projected surplus balance of £2.577m. It is recommended that this sum is transferred into Capital Earmarked Reserves to support investments in the 'place shaping' agenda.

## 5.6 Council Tax Implications 2020/21

- 5.6.1 The budget proposals within this report include a proposed increase of 4.7% in Council Tax for the 2020/21 financial year. This will increase the Caerphilly CBC Band D precept from £1,131.21 to £1,184.38 i.e. an annual increase of £53.17 or weekly increase of £1.02.
- 5.6.2 The proposed increase of 4.7% for 2020/21 will result in the following totals for the Caerphilly CBC element of the Council Tax (the Police & Crime Commissioner and Town/Community Council precepts will be added to these totals): -

Table 7 – 2020/21 Council Tax (CCBC Element) at 4.7% Increase

<b>Band</b>	<b>Council Tax (CCBC Element) £</b>	<b>Annual Increase £</b>	<b>Weekly Increase £</b>
<b>A</b>	789.58	35.44	0.68
<b>B</b>	921.18	41.35	0.80
<b>C</b>	1,052.78	47.26	0.91
<b>D</b>	1,184.38	53.17	1.02
<b>E</b>	1,447.57	64.98	1.25
<b>F</b>	1,710.77	76.80	1.48
<b>G</b>	1,973.96	88.61	1.70
<b>H</b>	2,368.75	106.33	2.04
<b>I</b>	2,763.55	124.06	2.39

## 5.7 Capital Programme

- 5.7.1 The proposed Capital Programme for the three-year period 2020/21 to 2022/23 is detailed in Appendix 4 of this report and summarised in Table 8.

Table 8 – Summary of Capital Programme 2019/20 to 2021/22

	2020/21	2021/22	2022/23
	£m	£m	£m
Capital Programme proposals	11.363	9.846	9.726
WG funding available	(8.636)	(7.885)	(7.885)
<b>Capital funding gap</b>	<b>2.727</b>	<b>1.961</b>	<b>1.841</b>
<b>Funded by: -</b>			
Surplus/(Deficit) b/fwd	0.000	0.454	0.199
Capital Underspends from previous years	0.306	0.000	0.000
One-Off funding from MRP Policy Review	1.640	1.578	1.514
RCCO budget (Miscellaneous Finance)	0.128	0.128	0.128
Additional General Capital Grant	1.107	0.000	0.000
<b>Total Additional Funding</b>	<b>3.181</b>	<b>2.160</b>	<b>1.841</b>
<b>Surplus/(Deficit) carried forward</b>	<b>0.454</b>	<b>0.199</b>	<b>0.000</b>

5.7.2 As outlined in paragraph 5.1.8, at its meeting on the 29<sup>th</sup> January 2020, Cabinet approved a proposal to earmark £24.5m of reserves to boost the capital programme by investing in our 'place shaping' agenda. Furthermore, the proposals in this report in respect of savings in advance and the surplus General Fund balance will result in a further £4.048m being available for investments in the 'place shaping' agenda.

## 5.8 Financial Outlook for Future Years

5.8.1 Due to the ongoing programme of austerity and increasing demand for a number of services, the financial position for Local Government has been very challenging in recent years. During the period 2008/09 to 2019/20 Caerphilly CBC has already delivered savings of £103m to address reductions in funding and inescapable cost pressures. In addition to this, further savings of £3.047m are proposed in this report for the 2020/21 financial year.

5.8.2 Whilst the positive Financial Settlement for 2020/21 is clearly welcomed there remains considerable uncertainty surrounding the funding position for future years. The UK Government has undertaken a spending review for 2020/21 only at this stage, so there is no indication of likely funding levels in the medium to long-term.

5.8.3 The Chancellor of the Exchequer has announced that details of the UK Government Budget will be released on the 11<sup>th</sup> March 2020. This will hopefully provide some clarity around the outlook for public finances in the medium-term. However, a further dynamic to consider will be how the Welsh Government prioritises any additional funding that it may receive moving forward.

5.8.4 Due to the uncertainty around funding levels an updated Medium-Term Financial Plan (MTFP) is not being provided at this stage. Following the budget announcement on the 11<sup>th</sup> March 2020 the position will be reviewed and a further report on the future financial outlook will be prepared for Cabinet consideration.

## **6. ASSUMPTIONS**

- 6.1 The updated budget proposals detailed in this report are based on the 2020/21 Provisional Local Government Financial Settlement and it is assumed that there will be no material changes in the Final Settlement due to be announced by the Welsh Government on the 25<sup>th</sup> February 2020.
- 6.2 A range of other assumptions have been made throughout the report in respect of pay and non-pay inflationary increases and inescapable service pressures moving forward.

## **7. LINKS TO RELEVANT COUNCIL POLICIES**

- 7.1 The budget setting process encompasses all the resources used by the Council to deliver services and meet priorities.
- 7.2 Effective financial planning and the setting of a balanced budget support the following Well-being Goals within the Well-being of Future Generations Act (Wales) 2015: -
- A prosperous Wales.
  - A resilient Wales.
  - A healthier Wales.
  - A more equal Wales.
  - A Wales of cohesive communities.
  - A Wales of vibrant culture and thriving Welsh Language.
  - A globally responsible Wales.

## **8. WELL-BEING OF FUTURE GENERATIONS**

- 8.1 Effective financial planning is a key element in ensuring that the Well-being Goals within the Well-being of Future Generations Act (Wales) 2015 are met.

## **9. EQUALITIES IMPLICATIONS**

- 9.1 Equalities Impact Screenings have been undertaken for all of the 2020/21 savings proposals and Equalities Impact Assessments (EIA's) have also been completed where they are required. This is to ensure that decisions that affect different individuals and groups with protected characteristics are assessed at an appropriate and relevant level and at the correct stage in the process. Completed EIA's are available on the Council's website.
- 9.2 Consultation with residents, when done in accordance with the Council's Communications & Engagement Strategy and the Equalities Consultation and Monitoring Guidance, also ensures that every resident, regardless of circumstances, has the opportunity to have their views heard and considered in the Council's decision-making process.

## **10. FINANCIAL IMPLICATIONS**

- 10.1 As detailed throughout the report.

## **11. PERSONNEL IMPLICATIONS**

- 11.1 Where staff reductions are required as a consequence of savings proposals the Council will firstly try to achieve this through 'natural wastage' and not filling vacancies. However, where



this is not possible the Council will utilise agreed HR policies and compulsory redundancies will only be considered when all other options have been fully exhausted.

11.2 The Trade Unions have been consulted on the 2020/21 draft budget proposals.

## 12. CONSULTATIONS

12.1 Following Cabinet endorsement of the draft 2020/21 budget proposal on the 13<sup>th</sup> November 2019 a period of extensive consultation has been undertaken over a period of eight weeks. Appendix 5 provides a summary of the feedback from the consultation process and the full detail is available on the Council's website.

12.2 As part of the consultation process Special Scrutiny Committees were held during December 2019 to focus on the savings proposals. The Special scrutiny reports presented to these meetings along with the minutes of these meetings are also available on the Council's website.

12.3 Feedback from the consultation process has been a key consideration in determining the final budget proposals for the 2020/21 financial year.

## 13. STATUTORY POWER

13.1 The Local Government Acts 1998 and 2003.

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Consultees: Corporate Management Team  
Andrew Southcombe, Finance Manager, Corporate Finance  
Rob Tranter, Head of Legal Services and Monitoring Officer  
Lynne Donovan, Head of People Services  
Cllr Philippa Marsden, Leader  
Cllr Eluned Stenner, Cabinet Member for Finance, Performance and Planning

Background Papers: -

- Budget Proposals for 2019/20 and Medium-Term Financial Plan 2019/20 to 2023/24 (Council 21/02/19).
- Future Caerphilly Transformation Strategy - #TeamCaerphilly – Better Together (Cabinet 12/06/19).
- Draft Budget Proposals for 2020/21 (Cabinet 13/11/19)
- WG Provisional 2020/21 Local Government Financial Settlement (16/12/19)

Appendices: -

Appendix 1 - Net Revenue Budget 2020/21  
Appendix 2 - 2020/21 Draft Savings Proposals  
Appendix 3 - Movement on General Fund  
Appendix 4 - Capital Programme 2020/21 to 2022/23  
Appendix 5 - Budget Consultation 2020/21 Summary Report

**NET REVENUE BUDGET 2020/21**

	£'000	£'000
<b>Base Budget 2019-20</b>		<b>337,745</b>
<b>Whole-Authority Cost Pressures</b>		
Pay Inflation	4,481	
Pay Contingency 2020-21	966	
Living Wage	65	
Non-pay Inflation at 1.7%	2,242	
Teacher's Employer Pension Contributions	2,288	
Schools Service Pressures	674	
Trinity Fields Transport Costs (Democratic Growth)	44	
	<hr/>	<b>10,760</b>
<b>General Fund Inescapable Service Pressures</b>		
Council Tax Reduction Scheme (CTRS)	693	
Funded Nursing Care	101	
WG Funding for PFI Contracts	(202)	
Social Services Cost Pressures	800	
Education & Lifelong Learning Cost Pressures Contingency	875	
Coroner's Growth Requirement	48	
Sustainable Waste Management Grant Reduction	93	
City Deal - Partnership Revenue Contribution	2	
City Deal - Debt Charges	44	
PFI Review	849	
	<hr/>	<b>3,303</b>
<b>Reinstatement of 2019-20 Temporary Budget Reductions</b>		<b>3,272</b>
<b>Reinstatement of 2019-20 2% Cut in Schools Budget</b>		<b>2,126</b>
<b>Savings In Advance</b>		<b>1,971</b>
<b>Savings Proposals 2020-21</b>		<b>(3,047)</b>
<b>Proposed Expenditure</b>		<b>356,130</b>
Funding		
WG Support		(283,367)
Council Tax (4.7%)		(71,713)
Council Tax Surplus		(1,050)
<b>Total Funding</b>		<b>(356,130)</b>

Ref.	Proposed Saving	Original List £000's	Retained Savings £000's	Withdrawn Savings £000's	Service Reviews £000's	Public Impact
	<b>A) BEING MORE EFFICIENT</b>					
	<b>Education &amp; Lifelong Learning: -</b>					
A01	Adult Education - Delete vacant Manager's post.	42	42			Nil
A02	14 to 19 Initiative Transport Costs - Budget realignment.	25	25			Nil
A03	Support Services and Resources - Delete vacant post.	15	15			Nil
A04	Library Service - Delete Library Manager post.	50	50			Nil
A05	Education Welfare Service - Restructure of service.	28	28			Nil
A06	Music Service - Curriculum Leader - Vacant post.	59	59			Nil
A07	Music Service - Delete Music Teacher post but some hours retained.	26	26			Nil
A08	Music Service - Delete Music Teacher post.	53	53			Nil
A09	Language Support Primary - Delete vacant post.	33		33		Minor
A10	Library Service - Back office efficiencies & transport related savings.	18	18			Nil
A11	Youth Service - 1 Caretaker at Crumlin Institute not replaced (vacant post).	11	11			Nil
A12	Youth Service - Deletion of admin post.	21	21			Nil
A13	Youth Service - Duty Officer/Caretaker post not to be replaced when the postholder leaves in the Autumn.	25	25			Nil
A14	Youth Service - Deletion of part-time Grade 10 vacant post.	28	28			Nil
A15	Early Years Team.	15	15			Nil
A16	Education Achievement Service (EAS) - 1.5% reduction in contribution.	15	15			Nil
A17	Gwent Sensory & Communication Support Unit (SenCom) - 1% reduction.	7	7			Nil
	<b>Social Services &amp; Housing: -</b>					
A18	Private Housing - Minor restructure.	27	27			Nil
	<b>Communities: -</b>					
A19	Business Support & Funding - Budget realignments	40	40			Nil
A20	Business Support & Funding - Increased rental income from Lowry Plaza Unit Shops.	5	5			Nil
A21	Urban Renewal - Reduction in Publicity & Promotion budget.	2	2			Nil
A22	Urban Renewal - Reduction in mileage, printing and miscellaneous expenditure budgets.	2	2			Nil
A23	Tourism - Blackwood Miners Institute - Reduced Box Office opening hours.	8	8			Nil
A24	Tourism - Blackwood Miners Institute - Staffing restructure.	20	20			Nil
A25	Tourism - Winding House - Budget realignment and reduction in staffing budget.	30	30			Nil
A26	Tourism - Marketing and Events - Reduction in marketing spend.	8	8			Nil
A27	Tourism - Additional budget efficiencies across all venues.	21	21			Nil
A28	Infrastructure Division - Minor restructure.	31		31		Minor
A29	Community & Leisure Services - Deletion of Admin post.	25	25			Nil
A30	Community & Leisure Services - Budget realignment.	56	56			Nil
A31	Registrars - Vacancy Management.	10	10			Nil
A32	Public Protection - Budget realignment.	39	39			Nil
A33	Corporate Property - Penmaen House - Running costs to be met by new tenant.	33	33			Nil
A34	Corporate Property - Ty Penallta - Reduction in building cleaning.	25	25			Nil

Ref.	Proposed Saving	Original List £000's	Retained Savings £000's	Withdrawn Savings £000's	Service Reviews £000's	Public Impact
A35	Corporate Property - Other Offices - Reduction in building cleaning.	20	20			Nil
A36	Corporate Property - Reduction in utility costs.	15	15			Nil
	<b>Corporate Services: -</b>					
A37	Corporate Finance - Vacancy management.	208	208			Nil
A38	Building Cleaning - Reduction in printing costs.	4	4			Nil
A39	Building Cleaning - Reduction in subscriptions.	4	4			Nil
A40	Building Cleaning - Reduction in training budget	4	4			Nil
A41	Building Cleaning - Reduction in fleet costs.	5	5			
A42	Legal & Governance - Deletion of vacant solicitor post.	12	12			Nil
A43	Legal & Governance - Reduction in supplies and services expenditure.	20	20			Nil
A44	Legal & Governance - Reduction in Counsel Fees budget	50	50			Nil
	<b>Sub-Total: -</b>	<b>1,195</b>	<b>1,131</b>	<b>64</b>	<b>0</b>	
	<b>B) DOING THINGS DIFFERENTLY</b>					
	<b>Education &amp; Lifelong Learning: -</b>					
B01	Library Service - Deletion of 2 Community Librarian posts (Grade 8).	80	80			Minor
B02	Library Service - Full-year effect of workforce remodelling savings approved as part of the 2019/20 budget.	32	32			Nil
	<b>Social Services &amp; Housing: -</b>					
B03	Social Services - Temporary use of reserves to underpin alternative ways of working.	800		800		Nil
	<b>Communities: -</b>					
B04	Infrastructure - Reduction in Street Lighting maintenance budget.	40		40		Minor
B05	Community & Leisure Services - Bowling Green Rationalisation.	10	10			Nil
B06	Community & Leisure Services - Closure and sale or lease of Ynys Hywel Farm.	40	40			Nil
B07	Community & Leisure Services - Closure of Penallta Parks Depot.	24	24			Nil
B08	Community & Leisure Services - Closure of Trehir Household Waste Recycling Centre (HWRC).	15			15	Moderate
B09	Public Protection - Merge Community Safety Wardens with the Environmental Health General Enforcement Team.	160			160	Significant
B10	Corporate Property - All leaseholders to discharge maintenance obligations.	20	20			Minor
	<b>Corporate Services: -</b>					
B11	Corporate Policy - Reduction in external Welsh Language Translation budget.	15	15			Nil
B12	Customer Services - Service redesign	68			68	Moderate
B13	Central Services - Service redesign in Mail Room.	24			24	Low
	<b>Sub-Total: -</b>	<b>1,328</b>	<b>221</b>	<b>840</b>	<b>267</b>	
	<b>C) SERVICE REDUCTIONS/CUTS</b>					
	<b>Education &amp; Lifelong Learning: -</b>					



Ref.	Proposed Saving	Original List £000's	Retained Savings £000's	Withdrawn Savings £000's	Service Reviews £000's	Public Impact
C01	2% reduction in Individual Schools Budget.	2,060		2,060		Moderate
C02	2% reduction in Former Key Stage 2 Grant	30		30		Minor
C03	2% reduction in Secondary Additional Funding	22		22		Minor
C04	Youth Service - Reduction in top-up to grant funded projects.	15			15	Moderate
C05	Youth Service - Withdrawal of service from Bedwas High School.	6	6			Nil
	<b>Social Services &amp; Housing: -</b>					
C06	Housing - Withdrawal of General Fund Housing contribution to Community Environmental Warden Service.	45			45	Moderate
	<b>Communities: -</b>					
C07	Business Support & Funding - Reduction in the revenue budget for the Community Enterprise Fund.	50			50	Minor
C08	Urban Renewal - Reduction in Town Centre/Community Projects budget.	8			8	Minor
C09	Community Regeneration - Reduction in Community Projects budget.	35	35			Minor
C10	Infrastructure - Withdraw the School Crossing Patrol sites that no longer meet the national standards criteria.	158		158		Moderate
C11	Infrastructure - Blackwood to Ystrad Link - Withdrawal of subsidy.	80			80	Moderate
C12	Infrastructure - Reduction in Carriageway maintenance budget.	514		514		Significant
C13	Infrastructure - Reduction in other Highway maintenance budgets.	95		95		Moderate
C14	Infrastructure - Reduction in Traffic Management maintenance budget.	10		10		Moderate
C15	Infrastructure - Reduction in Risca Canal budget.	40		40		Moderate
C16	Community & Leisure Services - Reduction in playground maintenance budget.	10		10		Minor
C17	Community & Leisure Services - 50% Reduction in maintenance of land budget.	16		16		Minor
C18	Community & Leisure Services 50% Reduction in Public Rights of Way budget.	32		32		Minor
C19	Community & Leisure Services - Reduction in Cemeteries Maintenance budget.	20		20		Minor
C20	Community & Leisure Services - Reduction in War Memorial Maintenance budget.	5		5		Minor
C21	Community & Leisure Services - Reduction in Allotment budget	2		2		Nil

Ref.	Proposed Saving	Original List £000's	Retained Savings £000's	Withdrawn Savings £000's	Service Reviews £000's	Public Impact
C22	Community Centres - Withdrawal of funding for 2 Centres not in CCBC ownership (Rudry and Glan-y-Nant).	13	13			Minor
C23	Community Centres - Reduction of 1 hour Caretaker support across all Centres.	18			18	Minor
C24	Waste Management - Reduction in Cleansing staff numbers (6 posts).	145			145	Moderate
C25	Public Protection - Decommission all BT line rental cameras.	24		24		Moderate
C26	Corporate Property - Reduction in DDA budget.	30	30			Nil
C27	Corporate Property - 7% reduction in building maintenance budgets.	106		106		Minor
<b>Corporate Services: -</b>						
C28	Corporate Policy - Reduction in Voluntary Sector budget.	80			80	Significant
C29	Corporate Policy - Delete remaining Technical Assistance budget.	11			11	Moderate
C30	Corporate Policy - Further reduction in the Well-being budget.	6			6	Moderate
C31	Corporate Policy - Further reduction in publicity and promotion budgets.	2	2			Nil
<b>Miscellaneous Finance: -</b>						
C32	Miscellaneous Finance - Deletion of Match Funding for Community Schemes budget.	15			15	Minor
<b>Sub-Total: -</b>		<b>3,703</b>	<b>86</b>	<b>3,144</b>	<b>473</b>	
<b>D) #TEAMCAERPHILLY - BETTER TOGETHER</b>						
<b>Fees and Charges</b>						
<b>Social Services &amp; Housing: -</b>						
D01	Housing - Increase in Housing Revenue Account (HRA) recharges - Minor works of adaptation.	25	25			Nil
<b>Communities: -</b>						
D02	Planning - Income from charging for advice.	6	6			Minor
D03	Urban Renewal - Increased staff fee income from project management on grant funded projects.	2	2			Nil
D04	Tourism - Cwmcarn Visitor Centre - Additional income.	10	10			Nil
D05	Tourism - Caerphilly Visitor Centre - Additional catering income.	5	5			Nil
D06	Tourism - Blackwood Miners Institute - Additional income.	5	5			Nil

Ref.	Proposed Saving	Original List £000's	Retained Savings £000's	Withdrawn Savings £000's	Service Reviews £000's	Public Impact
D07	Tourism - Marketing and Events - Additional income from review of Pitch Fees.	12	12			Nil
D08	Waste - Increase charges for bulky collections (from £16 to £25 for 1 to 3 items).	25			25	Minor
D09	Public Protection - Review Pest Control Fees and Charges and introduce a charge for rat treatments.	20			20	Moderate
D10	Corporate Property - Ty Duffryn rental income.	69	69			Nil
D11	Corporate Property - Penmaen House rental income.	31	31			Nil
<b>Corporate Services: -</b>						
D12	Meals Direct - Increase price of meals by 25p from April 2020.	5		5		Minor
D13	Catering - Increase price of primary school meals by 10p from April 2020.	28		28		Minor
D14	Catering - Increase price of secondary school meals by 10p from April 2020.	54		54		Minor
D15	Catering - Increased income in Secondary Schools (budget realignment).	12	12			Nil
D16	Catering - Increase price of meals in the staff canteen by 3%.	6	6			Nil
D17	Building Cleaning - Increase in income.	12	12			Nil
D18	Building Cleaning - Increase income from window cleaning.	4	4			Nil
D19	Building Cleaning - Increase charges for Portable Appliance Testing.	3	3			Nil
D20	Building Cleaning - Increase in charges for Trinity Fields.	14	14			Nil
D21	Building Cleaning - New contract with Morrison Utilities	5	5			Nil
D22	Procurement - Income generation through collaboration.	10	10			Nil
D23	Catering - Introduce a charge for providing current free provisions to meeting rooms i.e. water.	3		3		Nil
D24	<b>Corporate Services - Digital Services - Efficiency savings through process reviews and automation.</b>	200			200	Nil
D25	<b>Review of Investment Strategy</b>	718	718			Nil
<b>Sub-Total: -</b>		<b>1,284</b>	<b>949</b>	<b>90</b>	<b>245</b>	
<b>E) OTHER</b>						
E1	Miscellaneous Finance - Temporary reduction in Debt Charges budget.	500		500		Nil
E2	Miscellaneous Finance - 2019/20 savings in advance.	475	475			Nil
<b>Sub-Total: -</b>		<b>975</b>	<b>475</b>	<b>500</b>	<b>0</b>	
<b>TOTAL: -</b>		<b>8,485</b>	<b>2,862</b>	<b>4,638</b>	<b>985</b>	

**Additional Savings: -**

- Deputy CEO Salary Payment	19
- Staff Restaurant Price Increase of 5%	4
- Reduction in Fire Service Levy	162

**Total 2020/21 Savings: -**

**3,047**

**APPENDIX 3****MOVEMENT ON GENERAL FUND**

	£'000	£'000
<b>Opening Balance 01/04/2019</b>		<b>15,089</b>
<b>2018-19 Council Tax Surplus to support 2019-20 Budget</b>		<b>(1,050)</b>
<b>Take From General Fund Agreed by Council (30/07/19): -</b>		
Transfer to Capital Earmarked - Corporate Projects	<u>(2,380)</u>	<b>(2,380)</b>
<b>Projected Take to General Fund from 2019-20 Underspends :-</b>		
Education and Corporate Services	874	
Social Services & Housing	283	
Communities	0	
Miscellaneous Finance	<u>445</u>	<b>1,602</b>
<b>Estimated 2019-20 Council Tax Surplus</b>		<b>1,050</b>
<b>2019-20 Council Tax Surplus to support 2020-21 Budget</b>		<b>(1,050)</b>
<b>Projected Balance 31/03/2020</b>		<b><u><u>13,261</u></u></b>



**Capital Programme 2020/21 to 2022/23**

<b>Scheme</b>	<b>2020/21 £000's</b>	<b>Indicative 2021/22 £000's</b>	<b>2022/23 £000's</b>
<b><u>Education and Lifelong Learning</u></b>			
Health & Safety Regulations Works	296	296	296
Basic Needs Accommodation	221	221	221
School Security	62	62	62
Asset Management	591	590	590
School Boiler Replacement Programme	253	253	253
<b>Total Education &amp; Lifelong Learning</b>	<b>1,423</b>	<b>1,422</b>	<b>1,422</b>
<b><u>Communities</u></b>			
Sport Pitches	30	30	30
Abertridw Park	40	0	0
<b>Total Community &amp; Leisure Services</b>	<b>70</b>	<b>30</b>	<b>30</b>
Environmental Schemes	228	200	200
<b>Total Countryside</b>	<b>228</b>	<b>200</b>	<b>200</b>
Voluntary Sector Capital Grants	98	80	50
<b>Total Economic Development</b>	<b>98</b>	<b>80</b>	<b>50</b>
Infrastructure Retaining Walls	314	314	314
Street Lighting	50	50	50
Land Purchase-Future Schemes	41	40	40
Major Highway Reconstruction	739	739	739
Bridge Strengthening	441	441	441
Land Drainage- Corporate	123	123	123
Land Drainage - Non Corporate	123	123	123
Vehicle Restraint Systems	148	148	148
Corporate Maintenance - Tips Mines Spoils	246	246	246
Monmouth & Brecon Canal.	208	200	200
Footway Reconstruction	148	148	148
<b>Total Engineers</b>	<b>2,581</b>	<b>2,572</b>	<b>2,572</b>
Commercial And Industrial Grants	0	30	30
Town Centres	20	18	18
<b>Total Urban Renewal</b>	<b>20</b>	<b>48</b>	<b>48</b>
CCTV Replacement	74	74	74
Kitchen Refurbishments	419	419	419

<b>Total Public Protection</b>	<b>493</b>	<b>493</b>	<b>493</b>
Corporate Asset Management	690	690	690
<b>Total Property</b>	<b>690</b>	<b>690</b>	<b>690</b>
<b>Total Communities</b>	<b>4,180</b>	<b>4,113</b>	<b>4,083</b>
<b><u>Social Services &amp; Housing</u></b>			
Condition Surveys	344	340	340
<b>Total Social Services</b>	<b>344</b>	<b>340</b>	<b>340</b>
Disabled Facility Grants	1,133	1,130	1,133
Home Imp Grants/Miscellaneous	246	240	246
Home Repair Grant	788	780	788
<b>Total Private Housing</b>	<b>2,167</b>	<b>2,150</b>	<b>2,167</b>
<b>Total Social Services &amp; Housing</b>	<b>2,511</b>	<b>2,490</b>	<b>2,507</b>
<b><u>Corporate Services</u></b>			
IT Hardware & Software	230	220	200
<b>Total ICT</b>	<b>230</b>	<b>220</b>	<b>200</b>
<b>Total Corporate Services</b>	<b>230</b>	<b>220</b>	<b>200</b>
Capital Earmarked Reserve	1,663	1,601	1,514
Unallocated General Capital Grant	1,356	0	0
<b>Total Capital Programme</b>	<b>11,363</b>	<b>9,846</b>	<b>9,726</b>

# Caerphilly County Borough Council

## Budget Consultation 2020/21

### Summary Report

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## **Introduction**

A series of draft budget proposals totalling almost £8.5 million were considered by Cabinet on 13<sup>th</sup> November 2019 alongside a proposed Council Tax rise of 6.95% to cover the remaining shortfall.

The views of residents and stakeholders views were sought on the draft proposals over a period of 6 weeks from **18<sup>th</sup> November 2019 to 13<sup>th</sup> January 2020**, with views expressed as part of this consultation to be fed back and considered by Cabinet on 12<sup>th</sup> February 2020 prior to the final budget for 2020/21 being agreed at a special meeting of full Council on **20<sup>th</sup> February 2020**.

## **Methodology**

A formal consultation on the draft savings proposals for 2020/21 took place between **18<sup>th</sup> November 2019 and 13<sup>th</sup> January 2020**. This was preceded by a period of engagement - information sharing and awareness raising.

Key elements of the engagement and consultation include:

- A media and digital media campaign
- A survey distributed via the Council's newsletter "Newslite", made available on the Council's website and at all main Council buildings and libraries
- Written communication with stakeholder groups (including Councillors, Town and Community Councils)
- Face to face conversations
  - drop in sessions held at 9 libraries across the county borough
  - a "Viewpoint Panel" meeting held on 25<sup>th</sup> November 2019
- Additional face-to-face meetings with
  - Voluntary Sector Liaison Committee
  - Special Scrutiny Committees
  - Trade Unions and other key stakeholder groups

The main elements of the engagement and consultation process are summarised below. Further details of each element of the public and stakeholder consultation can be found in the annexes to this report.



## **Media and Digital Media Campaign**

Prior to the launch of the consultation and throughout the consultation period, a range of web, media and social media activity was carried out to raise awareness of the financial situation facing the Council and to promote and encourage residents to take part and have their say on the draft savings proposals.

A key element of the activity prior to and during the consultation period focussed on increasing understanding of the financial situation and the reasons why the Council is faced with having to make such difficult financial decisions.

It highlighted the financial pressures that the Council must fund, the significant (but relatively small in the grand scheme) role that Council Tax has in funding council services and the rationale for the Council needing to ask residents to pay more, through Council Tax, for the services they receive.

Following a positive provisional settlement from Welsh Government in December, the media and digital media campaign reminded residents how important it was for them to have their say on the services that are most important to them.

Activities carried out as part of this work included:

- Video
- Web content
- Infographic/information leaflet
- Media releases
- Digital media including Facebook, Twitter and NewsOnline

## **Survey**

A short open ended questionnaire was developed to seek views on the draft budget proposal. A copy of the questionnaire can be found in [Annex 1](#).

The survey and supporting consultation information (draft proposals, completed Equality Impact Assessments and budget templates for each proposal) was included on the CCBC website for the duration of the consultation period with a prominent front page banner and a link directly to the survey.

Details of draft budget proposals were highlighted on the front page of the December 2019 edition of the Council's newsletter "Newsline" with further information and the questionnaire included in a central pull out section of the publication. "Newsline" is delivered to every household within the county borough.

## **Written Communication with those directly impacted and key stakeholder groups**

Details of the proposals and a link to the survey was shared widely with a range of key stakeholders and groups (as outlined in [Annex 2](#)) via e-mail and/or in printed format as appropriate.

Those for whom certain proposals were considered to have a direct impact were engaged directly including:

- Meals Direct clients
- Parents in relation to school crossing patrol and school meal price increases
- Voluntary sector organisations (Citizens Advice Bureau, GAVO and Groundwork)

## **Face to Face Engagement**

Due to the election taking place on 12<sup>th</sup> December 2019, elected members were unable to participate in the face to face public engagement around the budget proposals for 2020/21 as they have done in previous years.

### ***Public Drop in sessions***

Face to face drop in sessions were held at 9 libraries across the county borough between 27<sup>th</sup> November and 9<sup>th</sup> December 2019 as shown in **Table 1**.

Drop-in sessions were facilitated by officers from the Service Improvement and Partnerships/Communications and Corporate Finance teams alongside senior officers. The sessions were publicised widely at the venues and at the main Council premises across the county borough. Local Councillors were asked to promote the sessions and regular reminders were sent out via social media. Residents were encouraged to come in and speak with officers to find out more about the draft proposals and to provide feedback through completing a questionnaire. This approach allowed face to face interaction with individuals and encouraged debate and discussion.

Across the 9 drop in sessions, **68** residents engaged in discussion with officers with Blackwood Library seeing the greatest footfall. A number also took the time to vote on the proposed Council Tax increase and took away a copy of the survey to complete. The demographic composition of attendees was skewed towards older age groups, with a larger number of female attendees than male.

**Table 1: Face to Face Session**

<b>Date and time</b>	<b>Venue</b>	<b>Engaged with</b>
27.11.19 (10.00am - 12.30pm)	Rhymney Library	5
27.11.19 (3.30pm - 6.00pm)	Caerphilly Library	6
28.11.19 (10.00am - 12.30pm)	Newbridge Library	9
29.11.19 (10.30am - 1.00pm)	White Rose Resource Centre, New Tredegar (and Parent Network PLANET event at Fochriw Community Centre)	9 (6)
02.12.19 (10.00am - 1.00pm)	Bargoed Library	7
04.12.19 (2.00pm - 4.00pm)	Nelson Library	8
05.12.19 (10.30am - 12.30pm)	Blackwood Library	15
06.12.19 (10.30am - 12.30pm)	Ystrad Mynach Library	5
09.12.19 (3.00pm - 6.00pm)	Risca Palace Library	4

### **“Viewpoint Panel” Meeting**

On Monday 25<sup>th</sup> November 2019, **27** residents from across the county borough attended a meeting at Penallta House. Groups represented included the Caerphilly County Borough Viewpoint Panel, Caerphilly Youth Forum, Caerphilly Parent Network and Caerphilly 50+ Forum.

Prior to the meeting, attendees were provided with details of the proposals and on arrival, were welcomed by Richard Edmunds, Corporate Director of Education and Corporate Services of Caerphilly County Borough Council. After listening to a presentation by the Head of Corporate Finance in the Council Chamber, attendees were asked to vote on their preference for Council Tax increase then split into smaller groups where they were invited to discuss the draft proposals in more detail.

The aim of the meeting was to facilitate discussion in relation to the following:

- the proposed savings that participants most agreed and disagreed with
- suggestions for alternative ways to achieve the required savings
- how the Council can work together with our communities to deliver services differently

Throughout the discussion, senior officers were available to clarify details relating to the draft proposals and provide context where needed.

## **Additional Face to Face Stakeholder Engagement**

Additional face to face discussions were held with

### **Voluntary Sector Liaison Committee**

Prior to the full meeting of the VSLC, the Voluntary Sector Representatives met on 20<sup>th</sup> November to discuss the budget proposals in detail.

The Voluntary Sector Liaison Committee met on 5<sup>th</sup> December 2019 to consider the draft budget proposals for 2020/21. (Draft meeting notes were available at the time of reporting and these can be found in [Annex 3](#)).

### **Trade Unions**

The Trade Unions were consulted on the draft budget proposals through our internal Joint Consultative Committee process.

### **Special Scrutiny Committees**

Each scrutiny committee consists of 16 councillors and has a statutory 'watchdog' role to ensure that the Council carries out its responsibilities properly and where necessary, are accountable for their actions. The following Special Scrutiny Committee meetings were held to consider the draft budget proposals and medium term financial plan for 2020/21:

Social Services - 3<sup>rd</sup> December 2019

Housing & Regeneration, - 5<sup>th</sup> December 2019

Education - 9<sup>th</sup> December 2019

Environment & Sustainability - 10<sup>th</sup> December 2019

Policy & Resources - 11<sup>th</sup> December 2019

The details of Scrutiny Committees discussions are recorded outside of this report and are available on the Council's website [www.caerphilly.gov.uk](http://www.caerphilly.gov.uk) .



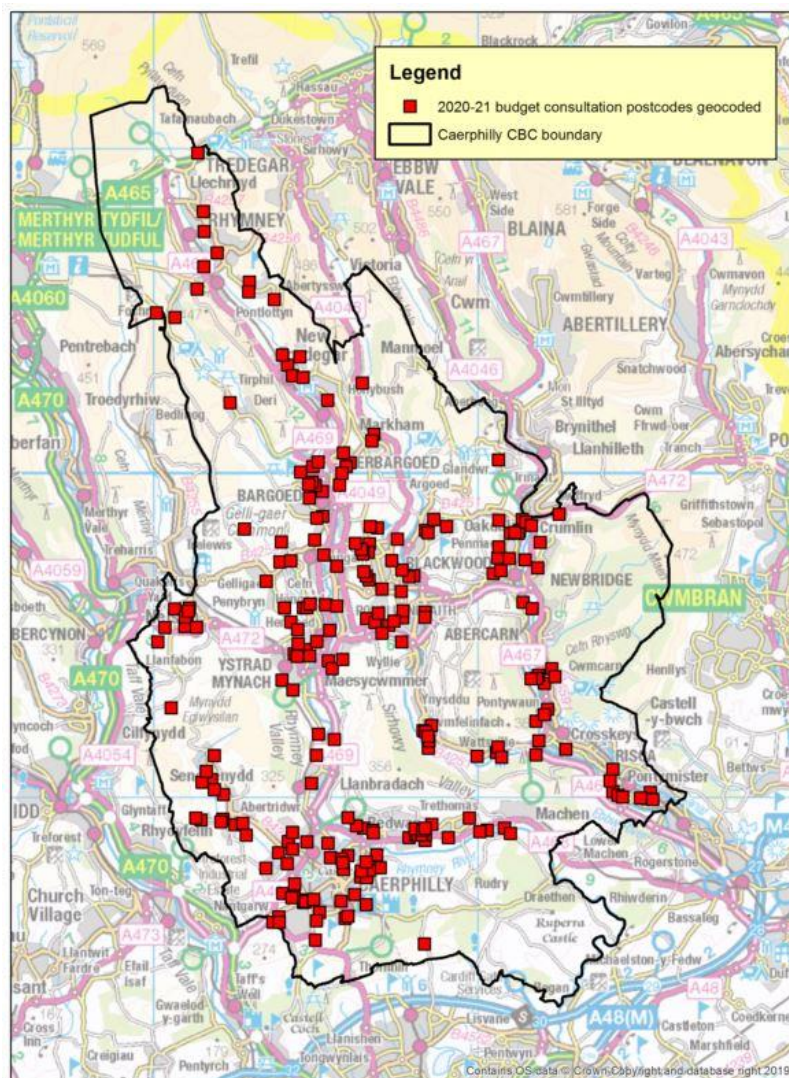
# Responses

## Survey

The total number of responses received to the survey was 371 (5 were completed in Welsh).

Ninety five percent of respondents were residents of the county borough and as shown in **Map 1**, there was a good geographical distribution from across the area. Fifty two percent of respondents were female, 42% were male and 15% indicated that they have a disability. A full respondent profile can be found in [Annex 4](#). A digest of comments received via the survey can be found in [Annex 5](#).

**Map 1: Postcode distribution of survey respondents**



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Further responses were received from residents via e-mail, letter and social media. In addition, written responses were received from the following elected representatives/groups/organisations:

**Annex 6 - Digest of additional responses received.**

- a) Letter from Caerphilly Blaenau Gwent Citizens Advice Bureau
- b) Response from GAVO
- c) Response from Gelligaer Community Council
- d) Response from Llanbradach and Pwll y Pant Community Council
- e) Response from Aber Valley Partnership
- f) Response from Blackwood Town Council
- g) Response from Bedwas, Trethomas and Machen Community Council
- h) Response from Cllr James Pritchard
- i) Response from Croeso Club
- j) Response from Groundwork
- k) Response from Hefin David AM
- l) Response from Nelson Community Council
- m) Response from Voluntary Sector Liaison Committee
- n) Response from Wayne David, MP
- o) Additional written responses and e-mails received

**Annex 7 - Summary of Viewpoint Panel meeting discussion**

**Annex 8 - Feedback from face to face drop in sessions**

**Annex 9 - A digest of social media response**

## **Petitions**

A number of petitions have been received and will be presented and considered alongside the consultation findings:

1. Save our Children, Save our Crossing Patrol – Waunfawr Primary School, Crosskeys. 271 signatories plus 1 letter
2. Save our Crossing Lady – Cwmcarn Primary School – 197 signatories
3. We the undersigned call on Caerphilly County Borough Council, not to go ahead with the proposed decommissioning of CCTV Cameras in the villages of Senghenydd and Abertridwr, as part of its budget proposals for 2020-21.

## Key Findings and Themes

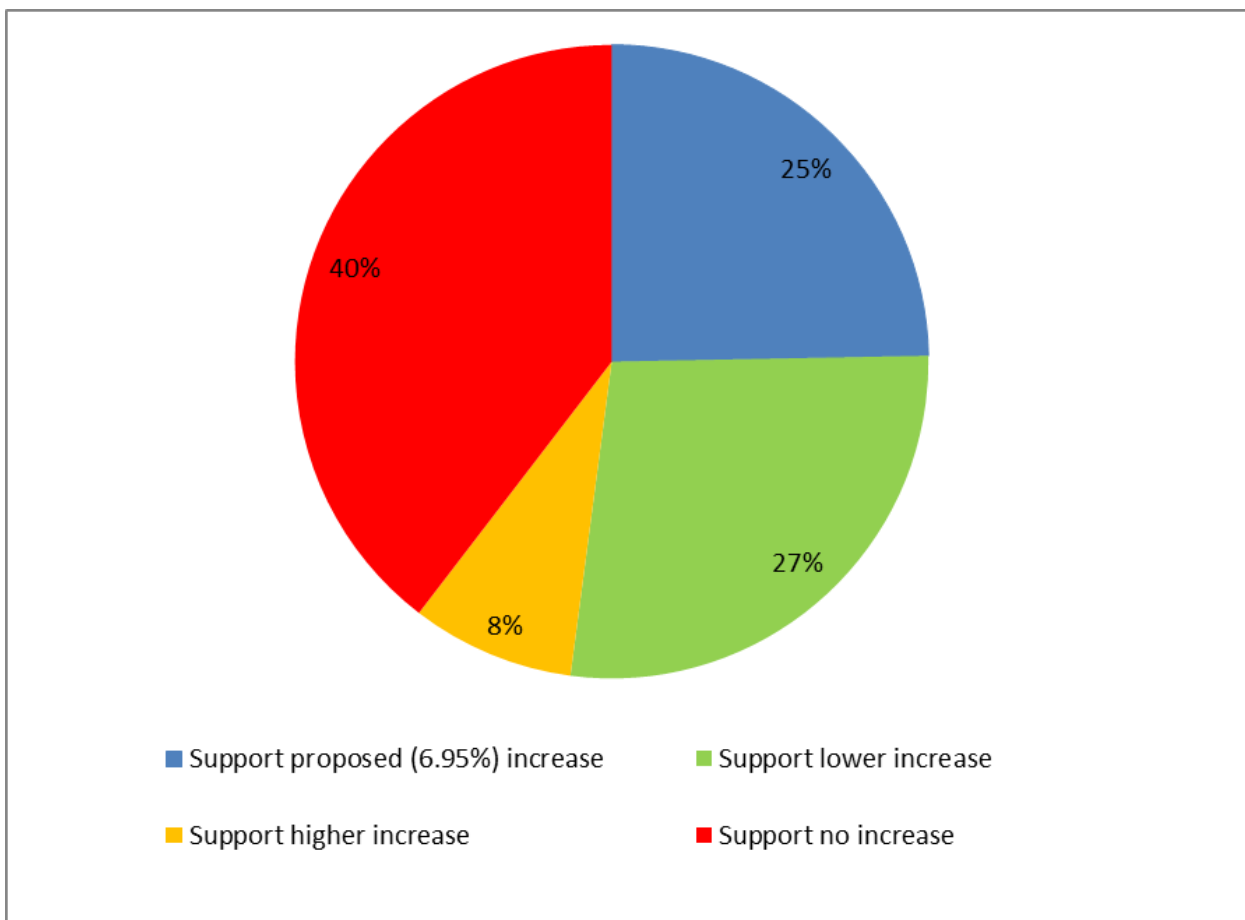
### Council Tax Increase (239 responses)

In relation to the proposed increase in Council Tax, survey respondents were asked to choose from 4 options:

1. I support the proposed increase in council tax (6.95%)
2. I do not support the proposed council tax increase – it's too much. However, I'd support a lower increase in council tax
3. I support the proposed increase in council tax and would be prepared to pay an even greater increase if required
4. I do not support any increase in council tax

**Graph 1** shows that 25% of respondents would support the proposed increase with a further 8% being prepared to pay an even greater increase and 27% supporting a lower increase. However, 40% do not support any increase in Council Tax.

**Graph 1: Preference for Council Tax Increase (n= 336)**



An analysis of the text responses highlighted the reasons behind preferences for the proposed Council Tax increases.

## **If not through an increase in Council Tax, how else do you feel we can achieve the required savings**

A number of respondents felt that it is unfair to expect residents to pay more when their services are being reduced and the proposed increase is too great in line with other cost of living rises.

The more favourable settlement from Welsh Government in early December was noted by respondents who felt that an increase in council tax would therefore not be required.

Many of the responses to this question were of a similar nature to those given in relation to “Ideas for delivering services differently to meet the current and future needs of residents” below.

## **Views on the savings proposals**

Areas of specific concern and those where there was a level of agreement with the proposals are outlined below:

### ***Areas of widest concern***

- Closure of Trehir Household Waste Recycling Centre
- 2% schools budget reduction
- School crossing patrol
- Highway maintenance budget
- Voluntary sector cuts
- Street lighting maintenance budget (some comments referred to light switch off rather than specifically this proposal)
- Charging for bulky waste
- Cleansing staff reduction
- Youth service
- CCTV
- School meal price increase
- Meals Direct
- Community centres
- Pest control charging

### ***Mixed Views***

There were mixed views in relation to merging Community Safety Wardens with the Environmental Health General Enforcement Team.

Library Services – there were mixed views in relation to library services. Some felt cuts were appropriate whilst others felt that libraries are a valuable resource and should be used more.



### ***Areas of agreement***

There was a general agreement that the Council should work towards being more efficient, delete vacant posts and wherever possible limit the impact of savings proposals on residents themselves.

Increasing charges: with the exception of charging for meals direct, school meals, pest control and bulky waste (noted above), there was general agreement that charges could be increased for specific services e.g. planning – income from charging for advice and staff meals.

### ***General themes***

General themes that emerged from the consultation

- Some proposals were considered counterproductive e.g.
  - closure of Trehir and increase in bulky waste charges leading to more fly tipping
  - removing funding to voluntary sector considered to support the work of the Council
- Concerns over safety (school crossing patrols/street lighting and to a lesser extent CCTV/Community Safety Wardens)
- Concerns over the environmental impact of some proposals e.g.
  - rat treatment fees
  - Trehir Civic Amenity Site closure
  - Bulky waste charges
- Concerns over impact on the most vulnerable (particularly older people, young people and disabled people) and economically disadvantaged
- There were a number of comments about
  - the council wasting money
  - having too many senior officers and Councillors and
  - paying senior staff and Councillors too much

### ***Equalities implications***

Respondents highlighted a number of areas where they felt proposals would have a detrimental impact on those who are more vulnerable in our communities on the basis of their protected characteristics, for example:

- School crossing patrols (age, carers)
- School meals and Meals Direct (age)
- CCTV and reduction in street lighting (age, gender and disability)
- Highway and footpath maintenance (disability)
- Libraries (age, disability)

A number also referenced the socio-economic impact of some of the proposals e.g. increase in charges and a reduction in transport would have a more detrimental impact on those on low incomes.

## **Ideas for delivering services differently to meet the current and future needs of residents**

A number of themes and suggestions emerged:

- Review internal working practices and structures
  - Reduce senior management
  - Multi-skill staff
  - Reduce bureaucracy and avoid duplication
- Share resources – collaboration, joined up working, joint procurement
- Focus on priorities – be clear about what they are
- Income generation to fund investment in key services
- Be creative
- Reduce the number of local elected members
- Consider environmental impact and carbon reduction in delivery of services
- Digital but not to the detriment of face to face contact for those who need it – services accessible to all – improved transport
- Longer term planning rather than reactive spending – prevention
- Use data to make informed decisions and in forward planning
- Transparency
- Work with communities – consult more effectively and meaningfully – clearly explained
- Work with businesses
- Prioritise education and youth services – these are key foundations for thriving future communities
- Utilise volunteers

## **How the wider community can work to support the council to deliver services differently**

Key recurring themes in the comments received:

- Improve engagement with communities
  - People feel disengaged. There is a need to reach out and regain the trust of communities – without this, communities will not take ownership and support the Council to help deliver services
  - Be accountable
  - Show that the Council values residents views and has listened
  - Engaging young people through education, schools

- Understanding is key - ensure residents have a clear understanding of the role of the Council and the services it provides
- Support and utilise volunteers and the voluntary sector
  - Many already volunteer
  - Continue to support voluntary organisations
  - Provide incentives for volunteering and recognise and value skills
  - Encouraging and support local community groups (e.g. through advice and legal support) to take more responsibility
- Share resources – between service areas, with partners, local volunteering organisations, local businesses and wider with neighbouring authorities
  - Use existing buildings (e.g. libraries) as Hubs for service delivery by co-locating (to include voluntary organisations)
- Transfer assets to communities e.g. community centres, playing fields – communities to take responsibility
- Asset rationalisation – reduce the number of office buildings etc
- Embrace technology in delivering services more efficiently
- Charge for services – if people want to use them, they will pay

**List of Annexes:**

- 1 [Consultation Survey](#)
- 2 [Stakeholder list](#)
- 3 [Voluntary Sector Liaison Committee Draft meeting notes](#)
- 4 [Survey respondent profile](#)
- 5 [Survey digest of comments \(redacted\)](#)
- 6 [Additional written responses received](#)
- 7 [Viewpoint Panel Meeting Feedback](#)
- 8 [Feedback from drop-in sessions](#)
- 9 [Digest of Social Media comments](#)