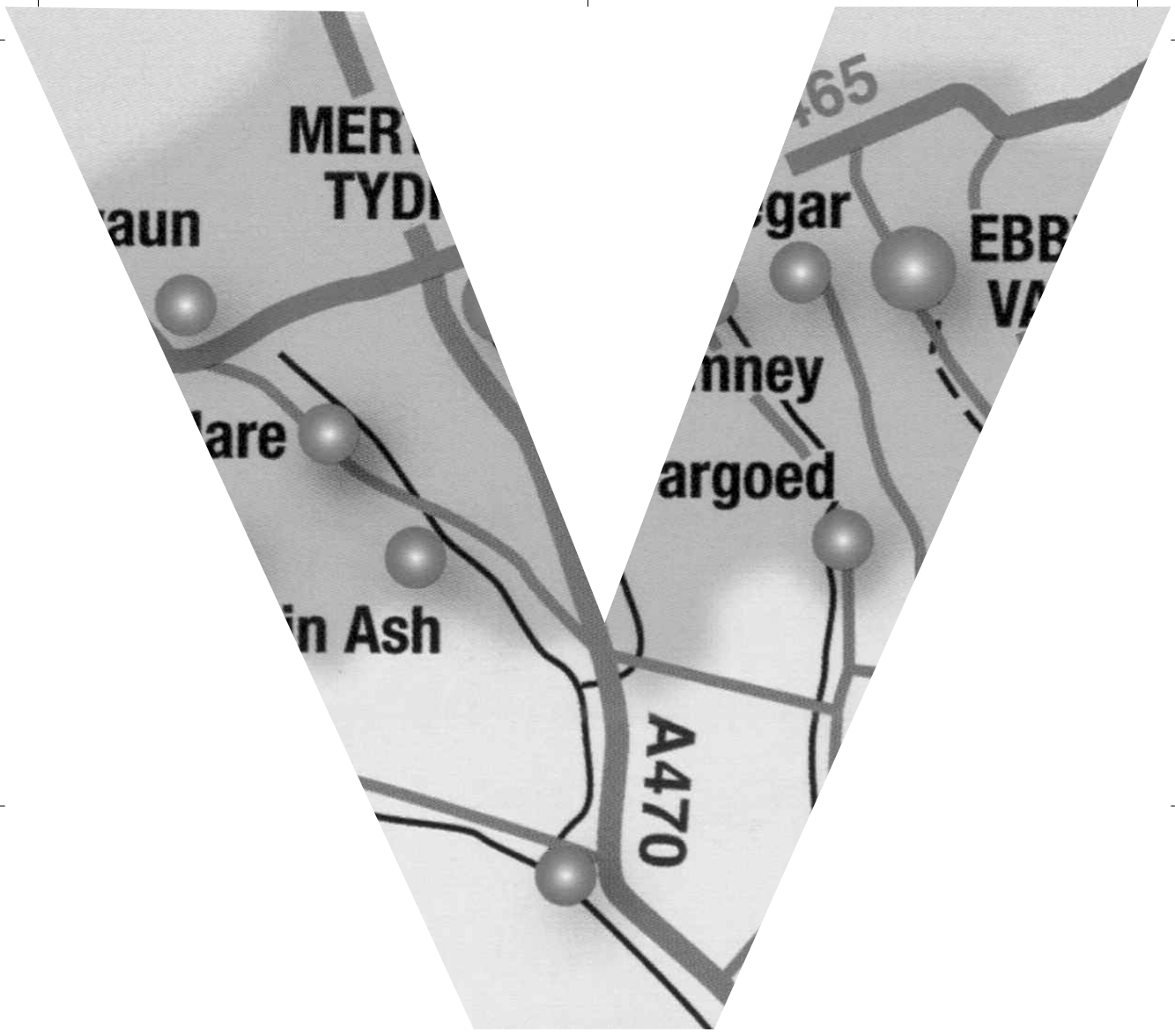

Futures for the Heads of the Valleys

edited by John Osmond

The Welsh Regeneration INSTITUTE
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Published in Wales by the
Institute of Welsh Affairs

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First Impression August 2008
ISBN 978 1 904773 35 1

Published with the support of the
JOSEPH ROWNTREE FOUNDATION

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PREFACE

The Valleys comprise the largest long-lasting regeneration region in the UK, first established as an area for economic assistance by the Special Areas Act in 1934. More than 70 years later many of the same problems addressed by that Act persist: economic inactivity and unemployment, high levels of morbidity, under-developed communications, poor housing, and low levels of workforce skills. As Steve Fothergill states, in the opening chapter of this volume:

> *"…the Heads of the Valleys have the most intractable development problems of any older industrial area in the whole of Britain".*

And as a wide-ranging study carried out by the Institute of Welsh Affairs on behalf of the Welsh Assembly Government during 2003–04 underlined, it is not so much the individual character of these problems that is the issue, but their impact in combination.[1] In Chapter 2 Professor Gareth Williams, of the Regeneration Institute, graphically shows how they underpin the poor health of many of the people of the Valleys. By now many of the problems have retreated in scale from much of the Valleys to coalesce within the core Heads of the Valleys. This reality was reflected in the creation of the Welsh Assembly Government's Heads of the Valleys Programme in 2006.[2]

Of course, it is one thing to analyse the problems of a region like the Valleys. It is another to come up with workable solutions. Nonetheless, this was the challenge that the IWA in association with the Regeneration Institute at Cardiff University set itself in the early part of 2008. To open a debate we organised a conference on the Heads of the Valleys in February 2008. This proved so popular, with more than 150 attending, that the event had to be moved from Tredegar to a larger venue, the Ty Newydd Country Hotel in Hirwaun. On the edge of the Brecon Beacons National Park, this location proved highly symbolic for some of the themes of the conference, as is demonstrated in Chapter 5, *The Landscape Opportunity* in the Heads of the Valleys.

The question we posed at the conference was this: how can we make a psychological breakthrough to enable people to envisage a different but viable future for the Heads of the Valleys? Much of the content of this volume has arisen from the conference. Professor Kevin Morgan, of the Regeneration Institute, presented the keynote address, developed here as Chapter 3, *Rival Visions: Relative Decline or Regional Renewal?* In this chapter he reports on a new analysis of population and socio-economic trends that offer hope that nearly a century of decline may finally be arrested. The trends show that the steep decline in population of recent decades has been slowed over the past five years which, if it is continued, could provide the basis of a rejuvenation.

1) Rhys David, *Socio-economic Characteristics of the South Wales Valleys*, IWA, 2004.
2) Welsh Assembly Government, *Turning Heads: A Strategy for the Heads of the Valleys 2020*, 2006.

Whether this opportunity is grasped will depend to a great extent on how we take forward the policy agenda. As Professor Morgan says, outlining rival scenarios for the future of the Heads of the Valleys:

> *"The future, far from being some ineluctable force that unfolds independently of us, is actually contingent on human action. What we do in the here and now can shape the kind of future that unfolds. In short, we can influence the future even if we cannot control it."*

The Appendix reports on the break-out sessions at the conference which dealt with some of the main policy arenas:

- **Regeneration Led by Housing**, led by Nick Bennett, Chief Executive, Community Housing Cymru.
- **Connecting the Valleys with the Coast**, led by Bob Brierly, Secretary, South-East Wales Transport Alliance.
- **Culture and Tourism**, led by David Davies, Chair, Herian Heritage Partnership.
- **Regeneration led by Skills**, led by Howard Burton, Principal, Coleg Gwent.
- **Social Entrepreneurship**, led by Jonathan Deacon, Lecturer, Newport Business School.
- **Quality of Life and Sustainable Development**, led by Patrick Lewis, Director, Heads of the Valleys Programme.

Chapter 4 provides a perspective from the Welsh Assembly Government, with contributions from Ieuan Wyn Jones, Deputy First Minister and Minister for Economic Development and Transport, and Leighton Andrews, Minister for Regeneration. It was noteworthy that, taken together, their contributions engaged with most of the issues raised in the break-out sessions.

The conference was followed up by an expert seminar, held at the Regeneration Institute in Cardiff University in April 2008, where the policy discussion was taken forward. An opening presentation was made by Professor Steve Fothergill, and this appears as the first chapter in this volume. What was striking about both the conference and the ensuing seminar was the extent to which there is a growing consensus on the policy interventions that could make a real difference to the Heads of the Valleys. Much of the ensuing discussion has focused around the need for a delivery mechanism to ensure that these interventions are effectively implemented. This is the theme of the final chapter in this report.

The IWA is grateful to all those who participated in this project, and not least the wide range of people, many from the Heads of the Valleys themselves, who attended the conference and contributed to the discussions. The project could not have been completed with this final publication without the support of the Joseph Rowntree Foundation.

John Osmond
Director, IWA

Chapter 1

The Most Intractable Development Region in the UK

Steve Fothergill

Local commentators in Wales can mostly be relied on to express a strongly held view about the Heads of the Valleys. The area will variously be described as the 'lost cause' of the Welsh economy, or as the cradle of the world's Industrial Revolution. But it perhaps takes an outsider to see the real truth, unencumbered by vested interest or personal attachment. Unfortunately, the truth is not very appealing: the Heads of the Valleys have the most intractable development problems of any older industrial area in the whole of Britain.

I do not make this statement lightly. It is based on knowledge of a wide range of socio-economic data. It is also rooted in first-hand and in many cases very detailed knowledge of just about all the older industrial areas of England, Scotland and Wales. The Heads of the Valleys not only lags furthest behind the rest of the UK in terms of prosperity, but also shows the least signs of catching up.

A raft of statistics could be quoted in defence of this assertion. Near the top of the list would surely be the low GDP per head, which has enabled the Valleys, along with west Wales, to continue to qualify for the highest category of EU regional aid. Cornwall, too, qualifies in this way, in theory with even lower GDP figures than west Wales and the Valleys, but there are special factors at work lowering the figure there. A visitor to Truro or Penzance would never be convinced that either town is as poor as Merthyr Tydfil or Ebbw Vale.

One of the most telling statistics illustrating the plight of the Valleys concerns the pace of recovery in former coalmining areas up and down Britain. The figure in question is the share of the job shortfall for men that has been eliminated. All the coalfields suffered from pit closures, of course, and most started off with high unemployment even before the redundancies of the 1980s and 1990s. But we have now had nearly a decade and a half of steady UK economic growth. As a result, in Nottinghamshire 60 per cent of the job shortfall for men has now been eliminated. In Yorkshire the proportion is 53 per cent, and in County Durham 40 per cent. But in the south Wales Valleys the proportion is just 35 per cent (see Table 1). Bearing in mind that the Heads of the Valleys are by general consent the most problematic part of the Valleys, furthest from the new investment in Cardiff and the M4 corridor, the proportion in the Heads of the Valleys themselves will be even lower.

Table 1: Share of job shortfall for men eliminated between 1981 and 2004 – selected former coalfields – %	
Warwickshire	66
Nottinghamshire	60
Yorkshire	53
Durham	40
Northumberland	38
Lancashire	37
South Wales Valleys	35

Source: C. Beatty, S, Fothergill, and R. Powell, 'Twenty years on: has the economy of the UK coalfield recovered?' *Environment and Planning*, Vol. 39, 2007.

This slow economic recovery in the Valleys in general, and in the Heads of the Valleys in particular, has occurred despite the fact that for seventy years the Valleys have been eligible for just about every form of regional assistance that has been available. This does not mean that regional policy has not had a positive impact. What the slow pace of recovery reflects, in part, is the sheer extent to which the Valleys were once dependent on industries – coal and steel for example – that have now entirely disappeared from the area. The slow recovery also reflects the difficult local geography – a shortage of flat land, isolation from the main motorway network and a relatively peripheral location in relation to the UK market as a whole. It is not hard to understand, for instance, why a company would choose to locate a UK distribution depot in Doncaster in south Yorkshire rather than in Aberdare.

What regional policy has done over the years is maintain a higher level of employment in the Valleys (and thereby population, by stemming out-migration) than would otherwise have been the case. Even so, the 'employment rate' in the Valleys – the share of adults of working age with jobs – is not impressive. In the five Heads of the Valleys authorities the employment rate ranges from 63 per cent in Merthyr to 68 per cent in Rhondda Cynon Taf (see Table 2). This compares with a British average of just under 75 per cent, and an employment rate of nearly 85 per cent in the most prosperous parts of south-east England.

Table 2: Share of adults of working age in employment, 2006–07	
Blaenau Gwent	66
Caerphilly	67
Merthyr Tydfil	63
Rhondda Cynon Taf	68
Neath Port Talbot	65

Source: Labour Force Survey.

Even these figures understate the economic weakness of the Valleys. It can plausibly be argued that in a community with no 'economic base' at all – in other words with no businesses selling goods or services to the outside world – it is probably possible to sustain an employment rate approaching 50 per cent on the basis of public sector jobs (health, education, and local authorities) and a residual consumer services sector supported by spending by public sector workers, commuters, pensioners, benefit claimants and, of course, the wages of the consumer services workers themselves. If this is indeed the case, the economic base of the Valleys is, in relation to population, probably only half as large as that in the most prosperous parts of Britain. Or to put this another way, the economic base of the Valleys would have to double if it were really to catch up.

Incapacity Benefit: the heart of the labour market problem

For many years, 'unemployment' was the defining feature of the less prosperous parts of Britain. This has changed. Claimant unemployment is well down everywhere, including in the Valleys. Instead, worklessness has taken on new forms. Above all, incapacity benefit claimants now dominate the jobless figures. Across Britain as a whole, more than 2.6 million non-employed adults of working age claim incapacity benefits – three times the number of claimant unemployed and more than double the number of lone parents claiming Income Support.

The south Wales Valleys are the epicentre of the Incapacity Benefit (IB) phenomenon. The five Heads of the Valleys authorities have a total of 65,000 IB claimants, accounting for 16 per cent of all adults aged between 16 and state pension age. In terms of their incapacity claimant rate, these Valley authorities occupy five of the six highest slots (out of more than 400 districts) across the whole of Great Britain. Merthyr Tydfil has the dubious distinction of having the highest incapacity claimant rate of all – 19 per cent, or almost one-in-five of all adults of working age (see Table 3).

Table 3: Incapacity Benefit claimants, August 2006

	Number	% working age
Blaenau Gwent	7,340	17.9
Caerphilly	16,040	15.8
Merthyr Tydfil	6,290	19.0
Rhondda Cynon Taf	22,310	15.8
Neath Port Talbot	13,240	16.3

Source: Department of Work and Pensions and ONS.

It is no exaggeration to say that Incapacity Benefit lies at the heart of the current labour market problem in the Valleys, and in much of the rest of older industrial Britain as well. Reliance on IB is far and away the most common form of benefit dependency among

working-age men and women and one of the principal forms of social exclusion. The big increase in the number of men and women claiming Incapacity Benefit represents the single most important way in which local labour markets have adjusted to the enormous loss of jobs from older industries during the 1980s and early 1990s. When the pits and steelworks were still working in the Valleys, large numbers of men and women did not languish on IB. Only when the job losses took place did the IB numbers really take off.[3]

A lot of survey evidence is now beginning to accumulate about IB claimants (summarised in Table 4). Though this is often from areas in England, there is little reason to suppose that most of the key findings cannot be generalised to the Heads of the Valleys, especially as several of the English surveys were in places that share very high IB claimant rates.[4] We know for example that approaching half of all IB claimants are over 50, and more than three-quarters are former manual workers. Around 60 per cent have no formal qualifications at all – a shocking figure given that the proportion of all working age adults with no formal qualifications has been falling as a generation of older workers passes into retirement.

Table 4: What we know about Incapacity Benefit claimants

Nearly half are over 50.
Around three-quarters are former manual workers.
About 60 per cent have no formal qualifications.
Mental health problems account for around 40 per cent.
Ill health is not always the prime cause of job loss.
The proportion of those who would like a job is falling.
Very few are actively looking for work.

Health problems are the norm among IB claimants, but only around a quarter say they 'can't do any work'. This does not indicate fraud, it is worth pointing out, since eligibility for IB does not depend on an individual being incapable of all work in all circumstances, and in any case all IB claims have to be sanctioned by a medical practitioner including, after six months, by doctors working on behalf of the Department for Work and Pensions.

We also know that the labour market attachment of most IB claimants is very tenuous. Only around a third say they are interested in working again, either now or in the future, and very few actively look for work. Disillusion has set in, especially among the longer-term claimants, and the proportion who are interested in working again seems to be falling through time.

On the other hand there are myths about IB claimants that need exploding. First, they are no longer predominantly men. Women move across onto state pension earlier than

3) See for example C, Beatty and S. Fothergill, 'Labour market adjustment in areas of chronic industrial decline: the case of the UK coalfields', *Regional Studies*, Vol. 30, 1996.

4) The figures quoted here refer to Sheffield Hallam University survey data covering more than 3,500 IB claimants in eight districts across England (Barrow in Furness, Blackpool, Easington, East Lindsey, Great Yarmouth, Hull, Knowsley and Wansbeck).

men (at 60 rather than 65). Stripping out the cohort of men on IB aged 60–64, for which there is no comparable group of women, the ratio between men and women claiming IB is now only 52:48 in favour of men.

Second, IB claimants are not mainly ex-miners and ex-steelworkers, made redundant some years ago. These were key groups in the IB numbers during the 1990s but time has moved on. A 45-year-old miner made redundant in 1985, say, will now have reached retirement age, passed out of the figures and moved onto state pension. In fact, present-day IB claimants are dominated by 'bottom of the market' workers from across a wide range of industrial and service sectors – men and women with poor health but also poor skills. Few are likely to be an employer's first choice.

Third, there is little reason to think that the IB numbers will simply fade away as an older generation of claimants reaches retirement. True, the headline number of IB claimants in the Valleys is down on its peak levels, but crucially as older IB claimants finally reach pension age they do not free up jobs for the younger generations that follow behind. If there is an imbalance in the local labour market between demand and supply this therefore persists, and the IB data certainly shows that as an older generation passes into retirement a slightly younger generation of claimants ages to fill their place and new claimants in their 30s, 40s and 50s join the figures all the time.

What seems to happen is that in places like the Heads of the Valleys, where there are not enough jobs to go around, normal competition in the labour market squeezes out those least able or least willing to hold onto employment. Many of these are men and women with poor health and poor skills, and their advancing years also count against them in the eyes of many employers. These days ill health or injury, rather than redundancy, is more likely to be the trigger for job loss, but once out of work these men and women have few chances of breaking back in, especially as their duration on benefit grows and their lack of recent work experience begins to count against them. Out of work, these men and women nearly all claim incapacity benefits rather than unemployment benefits – partly because their health problems entitle them to do so and partly because in many household circumstances incapacity benefits are more generous.

As the economy has grown over the last decade, even in the least prosperous parts of Britain, conventional claimant unemployment – that is the numbers on Jobseeker's Allowance (JSA) – has fallen because JSA claimants are on average younger, fitter and have to stay in touch with job opportunities as a condition of their benefit. The numbers on Incapacity Benefit, in contrast, have barely fallen. Now that low skill, less healthy workers on IB also face competition from better qualified and healthy migrant workers, the opportunities for moving back into work have been squeezed further.

Quite how many IB claimants might be considered to be 'hidden unemployed' is a contentious question. The Heads of the Valleys have a higher underlying level of poor health than parts of south-east England, so IB claimant rates in the Valleys are never going to match the lowest in the country. Estimates from Sheffield Hallam University suggest that 1 million of the 2.6 million+ incapacity claimants could be regarded as hidden unemployed in the sense that they would probably have been in work in a genuinely fully employed economy. In the five Heads of the Valleys authorities the figure is 34,000 out of the headline total of 65,000 incapacity claimants, or approaching 10 per cent of all adults of working age (see Table 5).

Table 5: Estimated hidden unemployment on Incapacity benefit, August 2006

	Number	% working age
Blaenau Gwent	4,000	9.9
Caerphilly	8,700	8.4
Merthyr Tydfil	3,300	10.1
Rhondda Cynon Taf	10,600	7.5
Neath Port Talbot	7,500	9.3

Source: C Beatty, S. Fothergill, T. Gore, and R. Powell, *The Real Level of Unemployment*, Sheffield Hallam University, 2007.

These hidden unemployed on IB are not necessarily active jobseekers. Indeed, their disillusion and distance from the labour market means that most do not look for work. But the scale of this form of hidden unemployment is a salutary reminder that, whatever the achievements during a decade and a half of continuous UK economic growth, the Valleys are still a long way from full employment.

Will Cardiff save the day?

With economic problems so deeply entrenched in the Valleys, one of the common claims is that they will have to look to Cardiff – the city, that is, not the Assembly Government located there – to save the day. The theory is simple. Cardiff, like many other UK cities, is now a prime centre of economic and employment growth. The long-term future of the Valleys, it is argued, lies in a combination of commuting to Cardiff and local overspill of jobs that cannot easily be accommodated in Cardiff itself. In essence, the Valleys will become a dormitory suburb.

This theory is not unique to south Wales. It can be heard in other parts of Britain as well where the fashion is equally for promoting growth in the 'core cities' and trusting that the rest of the regions will follow behind. One of the key stumbling blocks is simply one of scale. The south Wales Valleys as a whole have a population of around three-quarters of a million. Even the Central Valleys, closest to Cardiff, have a population of around 450,000. By contrast, the total population of Cardiff itself is only 315,000. That is a surprisingly small city to support a very large hinterland.

It is certainly true that employment in Cardiff has grown impressively in recent years. A recent study looking at the relationship between three former coalfields (the Valleys, South Yorkshire, and Lothians) and their neighbouring cities (Cardiff, Sheffield and Edinburgh respectively), noted that between 1998 and 2003 employment in Cardiff had grown by 27,000 but in the Central Valleys coalfield by only 2,500.[5] This pattern of growth in the city outstripping its hinterland is not universal – in Yorkshire the former coalfield has seen faster employment growth than Sheffield – but the Welsh figures once more point to the difficulty of achieving economic growth in the Valleys themselves (see Table 6).

Table 6: Growth in employment in Central Valleys and Cardiff, 1998–2003

	Men	Women	Total
Central Valleys	0	2,500	2,500
Cardiff	12,500	15,100	27,600

Source: Annual Business Inquiry

There must be a suspicion that the extraordinary recent job growth in Cardiff rests in part on the unusual features of UK economic growth since the mid 1990s, the steep rise in consumer spending (which flows to shops and leisure facilities in cities), the big increase in public spending (boosting universities and teaching hospitals, again in the cities) and, in Cardiff's case, the exceptional investment in physical renewal of the docks area. If the UK economy goes into recession, even Cardiff's growth may slow dramatically.

Nevertheless, it is striking just how far the concentration of employment in Cardiff has already gone (see Table 7). In Cardiff in 2003 there were 584 jobs per 1,000 residents, compared to just 293 per 1,000 in the Central Valleys. In every major category of employment except for manufacturing, the ratio of jobs to people was higher in Cardiff. There were 183 public service jobs per 1,000 residents in Cardiff compared to 103 per 1,000 in the Central Valleys, for example. In construction – a good touchstone of the dynamism of the local economy – there were 33 jobs per 1,000 in Cardiff but only 8 per 1,000 in the Central Valleys.

Table 7: Jobs per 1,000 residents in Cardiff and the Central Valleys

	Cardiff	Central Valleys
Manufacturing	39	76
Construction	33	8
Distribution, hotels	123	55
Transport & communications	34	12
Banking, finance	128	23
Public services	183	103
Other services	40	14
All jobs	584	293

Source: ABI, Census of Population

5) T. Gore, S. Fothergill, E. Hollywood, C. Lindsay, K. Morgan, R. Powell and S. Upton, *Coalfields and Neighbouring Cities: Economic Regeneration, Labour Markets and Governance*, Joseph Rowntree Foundation, 2007.

Yet even with this exceptional concentration of job opportunities in Cardiff, commuting from the Valleys has never been overwhelming. Census data shows that in 2001 just 9 per cent of men of working age in the Central Valleys, and just 8 per cent of working-age women, commuted into Cardiff (see Table 8). These low figures cast doubt on the extent to which the Valleys could ever function primarily as just a residential suburb for the city.

Table 8: Commuting flows from the Central Valleys

	Men		Women	
	Number	% working age	Number	% working age
To all locations	31,100	23	20,100	16
To Cardiff	11,800	9	10,100	8

Source: Census of Population

Commuting to Cardiff is important for some Valley residents, but its present and possible future contribution need to be kept in perspective. Expectations also need to be realistic: Pontypridd and Caerphilly may be within tolerable commuting range, but Ebbw Vale and Merthyr Tydfil are a step or two further away. If the employment renumeration in Cardiff for Heads of Valleys residents is at or close to the minimum wage, the travel costs and commuting times are likely to conspire to make travelling to work there an unrealistic option.

Is there a way forward?

We should, therefore, rule out the fanciful idea that the future of the Heads of the Valleys is primarily as a dormitory for Cardiff. The arithmetic and the distances do not stack up. What that implies, of course, is that if there is to be an economic revival in the Valleys a substantial part of the job generation must occur in the Valleys themselves.

Let us also cast aside the idea that Valley residents are to blame for the problems of their own area. It is true that skills and educational attainment are often weak in the Valleys and that this is a drag on economic performance, but more than anything this is a consequence of so many years of job loss from once-dominant industries. Where large job losses occur there is always out-migration, and it is the men and women with training and skills who are always first to leave because they are most able to find work elsewhere.

Economic revival in the Valleys in general, and the Heads of the Valleys in particular, will require painstaking development activity across a broad front. Some of this may involve 'more of the same' – and it would be quite wrong to write off all previous regeneration efforts as failures. Some activity may be new. However, in reality there are no short-cuts.

What the regeneration of the Heads of the Valleys would benefit from, nevertheless, is an injection of 'something special'. Quite what form this might take is not clear, and certainly not for an outsider to propose. But it is worth noting that the regeneration of another former coalfield – in south Yorkshire – did have an injection of 'something special', and to huge effect. This was the designation of an Enterprise Zone at its core. The former pit sites had been cleared, a new road built, and training schemes put in place, but it was the designation of Enterprise Zone status in 1995 that capitalised on these foundations and led to take-off. In the very heart of the old south Yorkshire coalfield there are now more than 10,000 new jobs on Enterprise Zone sites.

The lesson is not necessarily that Enterprise Zone status is the way forward for the Heads of the Valleys. In any case, the Treasury would staunchly oppose a new zone. The point is that big problems, such as those in the Heads of the Valleys, often require big, bold solutions. It is not yet clear that, in Wales, those solutions are in place.

Chapter 2

Where There's Wealth There's Health

Gareth Williams

In Roath and Rumney now, washing strung
down the narrow gardens will stay clean.
Lethargy settles in front rooms and wives
have lined up little jobs for men to do.
At East Moors they've closed the steelworks.[6]

A Martian leafing through the *Western Mail* would be forgiven for concluding that the health problems of the people of Wales are caused by poor health services. When asked how we can improve the health of these people he would no doubt answer, with justifiable pride in his own logic: make the health services better! While I might forgive a Martian for believing this, I am less inclined to be so indulgent towards the politicians, policy analysts, pundits and other self-ordained experts who perpetuate this myth, whether out of ignorance or political mischief-making. The fact of the matter – a fact that is well documented and well known – is that however necessary high quality, well-organised health services most certainly are to people who are ill, injured, impaired or distressed, "…most of the major drivers of population health and of the distribution of health lie outside the NHS".[7]

What we should all know is that the health of the population of Wales, or any other territory for that matter, improves first of all in line with improvements in the economy. That much is simple, straightforward and widely documented. However, as is always the case, an apparently simple phrase like 'improvements in the economy' disguises something quite complex.

Economic development and population health

The primary importance of developments in economy and society can be seen today in the patterns of health in less developed countries. There the most sensitive indicator of population health, the 'infant mortality rate', responds dramatically to economic development, as does 'life expectancy'.[8] Similarly, when Thomas McKeown first pointed out that mortality from major infectious diseases in Britain in the 19th and early 20th Century began to decline sharply well before the introduction of specific curative or preventative interventions, it came as something of a surprise to people who were accustomed to

6) Gillian Clarke, 'East Moors', in *Collected Poems*, Carcanet, 1997.
7) See S. Macintyre, 'Modernising the NHS: prevention and the reduction of inequalities', *British Medical Journal*, 320, 2000.
8) See the World Health Organization's annual *World Health Report*, Geneva.

prioritising medical care services.[9] The point McKeown was making, and others have made since, is that the inexorable decline in death rates between 1750 and 1950 was based on three factors: improvements in nutrition, advances in sanitation, and developments in the bacteriological basis of public health.[10] Medical care made its impact in an environment of already improving health. In our current situation, dominated by cancer, heart disease and other 'degenerative diseases', the role of medicine is of course quite different. But even here the evidence indicates that medicine is not the key determinant of health in modern populations.[11]

The basic narrative is this: where there's wealth, there's health. Wealthier societies have lower mortality and higher life expectancy. However, the simplicity of this narrative has been disturbed by the observation that the relationship between Gross National Product per head and life expectancy seems to weaken once societies attain a certain level of wealth.[12] Richard Wilkinson, the leading thinker in this field, goes on to make three further arguments:

- The weakening relationship between income and health is associated with what he calls the 'epidemiological transition' from societies dominated by mortality from infectious diseases, to those characterised by mortality (and long-term morbidity) from chronic or degenerative diseases.
- In developed societies, levels of population health seem to be influenced less by increasing wealth and more by the distribution of that wealth – the impact of relative deprivation and investments in the social and welfare infrastructure.
- In relatively wealthy societies the impact of economic inequality on health seems to work, at least in part, through the effect is has on social cohesion: the more economically unequal the society the more society or social order breaks down, which in turn leads to a wide range of negative physical and mental health consequences.

One further point to make is that notwithstanding the 'epidemiological transition', there are wide, and widening, health inequalities between rich and poor or 'upper' and 'lower' classes within the same society, whether those societies are 'poorer' or 'wealthier'. In other words: "…health inequalities have persisted because both the structures of society and the circumstances in which people live have remained unequal".[13]

Health in Wales

Within Wales, as in the rest of the UK, the record is one of gradual, but continuing health improvement.[14] The main causes of death in Wales are circulatory diseases (stroke and heart

9) See, for example, T. McKeown, R. G. Record and R. D. Turner, 'An interpretation of the decline in mortality in England and Wales during the twentieth century', *Population Studies*, 29, 1975.

10) In our own time think of the dramatic impact of Robert Mugabe's land policy on life expectancy in Zimbabwe: this has now fallen to the mid-30s for both men and women.

11) W. C. Cockerham, *Social Causes of Health and Disease*, Polity, 2007.

12) See R. Wilkinson, *Unhealthy Societies: the Afflictions of Inequality*, Routledge, 1996; and R. Wilkinson, *The Impact of Inequality: How to Make Sick Societies Healthier*, Routledge, 2005.

13) H. Graham, *Unequal Lives: Health and Socioeconomic Inequalities*, Open University Press/McGraw-Hill, 2007, page177.

14) Chief Medical Officer for Wales, *Annual Report 2006*, Welsh Assembly Government, 2007.

disease) which accounted for 38 per cent of all deaths in 2005, especially for those over the age of 75; and cancer which accounted for 28 per cent of all deaths, and is the chief cause of death in those aged 45–64. Respiratory disease also remains significant. In Wales, as elsewhere, mortality has fallen steadily since the 1980s, including mortality from major causes of death. Infant mortality rates fell until the early 1990s but have fluctuated since, with figures for 1999 showing a higher rate in Wales than in Scotland or England.[15] In broad terms, taking age-standardised mortality rates as the measure of overall health in the population, the health of the people of Wales is worse than that in England, but slightly better than Scotland and broadly similar to Northern Ireland. Life expectancy is two or three years shorter than the best in Europe and death rates are relatively high. The average life expectancy at birth in Wales in 2003–05 was 80.6 years for women and 76.2 for men.

However, in the UK as a whole, inequalities in health by social position, whether measured in terms of income and wealth or occupation, or indeed length of education or the quality of housing, are reiterated in regional mortality and morbidity, and at smaller area level.[16] There is high premature mortality in the post–industrial regions of central Scotland, Northern Ireland, north-west and north-east England, inner London and the Valleys of south Wales. Although the health of the people of Wales is improving, rates of improvement vary across the country. These 'health inequalities' were made one of the main targets of the new Government in Wales in its 1998 policy document *Better Health, Better Wales*. This was probably the most radical and progressive public health policy to have been produced anywhere in the UK, and set in train a number of interesting and innovative initiatives.

Health inequalities in Wales have typically been examined in relation to local authority boundaries, for the good reason that these authorities are in a position to do something about them. But it is important to bear in mind that there are often 'hidden' differences within such areas that are as great as the visible differences between them. Mortality rates for particular post-industrial communities may be higher than other 'similar' communities a relatively short distance away.[17] In general, however, age-standardised mortality rates are overall higher in the south Wales Valley areas of Merthyr Tydfil, Blaenau Gwent, Caerphilly and Rhondda Cynon Taff, and lower in the more rural areas of Ceredigion, Monmouthshire and Powys. Merthyr Tydfil, the highest, has mortality rates 50 per cent higher than the area with the lowest, Ceredigion. This translates into life expectancy of around 71 years in Merthyr Tydfil and 76 years in Ceredigion. While the mortality figures in the worst parts of Wales are not quite as bad as those of the worst Scottish areas, nonetheless the life expectancy figures in the worst local authority areas in Wales in the period 1995–97 had not reached the UK average for 1986. If you look at potential years of life lost, rural areas with high injury rates (often related to agricultural work) such as

15) Chief Medical Officer for Wales, *Health in Wales: Chief Medical Officer's Report, 2001-2002*, Welsh Assembly Government, 2003.

16) P. Boyle, S. Curtis, E. Graham and E. Moore (Eds.), *The Geography of Health Inequalities in the Developed World*, Ashgate, 2004.

17) The most recent (2005) Welsh Index of Multiple Deprivation uses as its reporting level the Lower Tier Super Output Area which provides deprivation information on areas smaller than electoral wards.

Denbighshire have high rates of potential years lost, but Merthyr Tydfil remains the worst on this measure, too, with rates in Monmouthshire being about 50 per cent lower. This kind of poor health in particular localities is not new, with Merthyr Tydfil and Rhondda, for example, often being cited in historical accounts. [18]

Wales has very high rates of limiting long-term illness (LLTI) – chronic illness that prevents you from getting on with work or other everyday activities – compared with the rest of the UK. They are higher even than Scotland, in spite of the higher mortality rates in Scotland, and this is true across all age groups. Prevalence of LLTI is particularly high in coalfield areas everywhere, higher than inner London areas and rivalled only by old port and industrial areas. However, the rates of long-term and limiting long-term illness in Wales are higher than you would predict on the basis of mortality rates. The LLTI rates are particularly high in the south Wales Valleys. At a county/regional level, Mid Glamorgan, West Glamorgan and Gwent have the highest rates of LLTI in Britain. At the level of district authorities, based on 1991 data, seven of the ten highest scoring districts are in south Wales. When the 1991 data are analysed at the level of wards and 'pseudo postcode sectors', 15 of the top 20 areas are in Wales (14 in south Wales, one in Wrexham in north-east Wales), with communities such as Maerdy (Rhondda), Bettws (Ogwr), Pen-y-Waun (Cynon Valley) and Gurnos (Merthyr Tydfil) scoring particularly highly. Analysis of the 2001 Census indicates broadly the same league table, with the only challenge to this undesirable Welsh dominance coming from Easington in county Durham, a former coalmining area in the north-east England. The lowest rates are in Guildford, Chichester and other towns in southern England.

Six of the ten worst areas for LLTI in 2001 were in south Wales, with Merthyr Tydfil, along with Easington in Durham, recording 30 per cent or more of the population having some kind of LLTI. Reports of LLTI are more likely amongst people with heart disease, respiratory illness, mental illness, back pain or arthritis. While rates of LLTI are high across Wales compared with elsewhere in the UK, within Wales there is a greater than ten percentage points difference between the worst and the best local authority areas.[19] These very high rates of LLTI in Wales are repeated for other measures with 15 per cent or more of the populations of Merthyr Tydfil, Blaenau Gwent, Neath – Port Talbot, Rhondda Cynon Taf and Caerphilly reporting their general health as 'not good', and the same areas getting higher scores (worse health) on measures of functioning relating to health status. In the Communities First area of Gurnos in Merthyr Tydfil:

- Almost 60 per cent of households have one or more persons with a LLTI, compared with 42.4 per cent in Wales as a whole; and
- 21.6 per cent of the population describe themselves as 'not being in good health' compared with 12.5 per cent in Wales.[20]

18) See, for example, C. Williams, *Capitalism, Community and Conflict: the South Wales Coalfield, 1898-1947*, University of Wales Press, 1998.

19) National Assembly for Wales, *A Statistical Focus on Disability and Long-Term Illness in Wales*, Statistical Directorate, 2003.

20) Welsh Assembly Government, *Communities First: A 2001 Baseline*, Cardiff: Statistical Policy Unit, 2006.

The same six Welsh local authority districts mentioned above rank in the top ten for self-reports of general health not being good and for the percentages of those of working age who are unable to work and claiming benefit for permanent sickness or disability.

Towards a political economy of health

Tracing the connections, or beginning to make precise statements about probable cause and effect between particular features of economic development or underdevelopment and patterns of health in the population of Wales, or anywhere else, is enormously difficult. Wales is one territory of one of the wealthiest economies in the world. For the most part it does not display the kind of absolute poverty that is found in lesser developed countries. Infant mortality and life expectancy data bear this out. However, within the economy of the UK there are large and widening inequalities in the experience of economic well-being within particular territories. The Valleys of south Wales, along with those post-industrial regions of England and Scotland mentioned earlier, display uneven development, giving rise to the varying patterns of economic activity described by Steve Fothergill in the opening chapter. Looking at small area data indicates that the Heads of the Valleys are particularly depressed or 'distressed areas' in that respect.

Nonetheless, it is still difficult to understand why such relative deprivation, such economic inequalities, should have the impact that they do on the health of regional and local populations. In spite of the accumulation of overwhelming evidence, from Sir Douglas Black's celebrated 1980 Report on inequalities in health onwards, that material circumstances of employment, income and housing are the key, there remains a tendency to jump from a nod of assent and a shrug of the shoulders to dark rumours about the consumption of vast quantities of 'beer, fags, egg and chips' by the feckless underclass allegedly inhabiting Heads of the Valleys housing estates.[21] If only they pulled themselves together, we say; if only they stopped smoking and binge drinking, we say; if only they would leap off incapacity benefit to grasp one of the shiny New Labour training opportunities or jobs on offer: they would be healthier, wealthier and wiser all in one go. It is as if the economic and health problems of these areas were some kind of outbreak of mass malingering that individuals themselves had the capacity to change. The historical amnesia is breathtaking. How quickly the massive contribution of these now stigmatised communities to Welsh, British and global capitalism can be forgotten!

I have no easy prescription for what should be done for the economies in these Heads of the Valleys communities, and that is not my remit. Others in this volume are able to do that. However, what I do want to emphasise, is the enormous impact that historical and contemporary social and economic conditions have had, and continue to have, on the health of these populations, and the reciprocal impact that chronic poor health can have on people's ability to participate in economic life, and social life more generally.

21) J. Popay, S. Bennett, C. Thomas, G. Williams, A Gatrell, and L. Bostock, 'Beyond "beer, fags, egg and chips": exploring lay understandings of social inequalities in health', *Sociology of Health and Illness*, 25, 2003.

Contrary to some of the media-fuelled debate we have been hearing recently, incapacity is not a life-style choice, though it may represent economically rational behaviour when the employment choices available are time-limited, insecure, low paid, disrespectful and purposeless. As Fothergill and his colleagues have clearly shown, the levels of incapacity benefit claims are fundamentally related to the losses of jobs in coal and steel in the 1980s and 1990s. Those currently on incapacity benefit are overwhelmingly former manual workers. Gillian Clarke was right: lethargy does indeed settle in front rooms, but only because the steelworks have closed.

Although it is certainly the case that Incapacity Benefit "…lies at the heart of the current labour market problem in the Valleys"[22], we must also recognise that high Incapacity Benefit claims are closely connected to the inequalities in health in Wales, and it is important that we see incapacity-driven economic inactivity in that context. Whether you take objective measures (such as mortality rates), or subjective measures (Census questions about limiting long-term illness, for example), the health of the working age population in south Wales is amongst the poorest in the UK. In other words, incapacity is a function of the reciprocal relationships between changes in the labour market, the impact of those changes on what Raymond Williams referred to as the 'structures of feeling' in particular places, and the poor health of working age populations in post–industrial south Wales.[23]

What is to be done?

The relationship between health and the economy is a complex and reciprocal one. If the data on population health and the distribution of health is robust, and the theoretical interpretations of it persuasive, we would have to conclude that health services are bound to play no more than a supporting role in addressing the 'wicked problem' of health inequalities: the offices, clinics and laboratories of new hospitals and polyclinics are merely manufacturers of sticking plasters as far as this problem is concerned. So, what is to be done? How do we 'work for a healthier tomorrow'?[24]

First of all, we cannot let the health services off the hook. They should at the very least provide a point of entry to those services and benefits which can protect and support people against the worst consequences of poverty, inequality and worklessness. This is not something to be done by doctors and nurses alone, though they have often done it successfully. The last few years have seen considerable progress in building up the habit of working in partnership at a local level. Health, social care and well-being partnerships have encouraged local health boards and local authorities to work more closely together on a health improvement agenda, including things like the use of health impact assessment as a means of putting health into all public policies. Let us hope that the

22) S. Fothergill in this volume.

23) See, D. Smith, for an excellent discussion of Raymond Williams' continuing relevance: *Raymond Williams: a Warrior's Tale*, Parthian, 2008.

24) C. Black, *Working for a Healthier Tomorrow*, TSO, 2008.

Health Minister's proposals for aboloshing the 22 Local Health Boards and merging their functions witht the eight NHS Trusts does not fracture this hard-won partnership working.[25] In addition, there is now considerable impetus for a transformation of public services to make the connections, not only across policy sectors but with citizens, in different shapes and forms.[26] This is important if we are to develop 'full engagement' in health improvement.[27]

However, in developing his strategic framework for public health in Wales the Chief Medical Officer for Wales defines the key factors in health improvement as: socio-economic inequalities, housing, education, employment, family/community and lifestyles.[28] Looking at that list we would have to conclude that for a public health strategy to be successful it really is the economy, stupid, which has to be addressed. The evidence for this is unequivocal. But that still leaves wide open the question of how we interpret that fact, and how we use it in debating, framing and implementing different kinds of policies.

Against this background we need to make the argument, in the Assembly and outside it, that the trend to widening economic inequalities needs to be reversed. This will require income security for 'the underclass', constructive and progressive use of structural funds for economic initiatives, and taxation of 'the overclass' or the 'greedy bastards'.[29] At the meso-level there is clear evidence that European countries which put a larger proportion of their wealth into building up the social and welfare infrastructure have better health and narrower health inequalities. More secure and equitable employment policies, safe and supportive physical and psychosocial working environments, and effective social security for people on low incomes and 'precarious employment' are three areas which are known to protect people against the health consequences of globally-generated economic inequalities.[30] If Wilkinson's ideas about the social impact of economic inequality are right, more appropriate education and training are crucial for building up people's capacities and skills, as is building the capability and resilience of people in communities to resist the impact of social deprivation and exclusion by developing community regeneration policies. Communities First (now replaced by Communities Next) has been a tentative step in this direction.

What all this should lead us to conclude is that any future discussion of the economic regeneration of the Heads of the Valleys should automatically invite the full participation of those professionals and citizens engaged in the strategic and operational development of the health of the people of Wales.

25) Following the response to the Welsh Assembly Government document, *Proposals to Change the Structure of the NHS in Wales: Consultation Paper*, 2008.

26) Welsh Assembly Government, *Making the Connections – Delivering Beyond Boundaries; Transforming Public Service in Wales*, 2006.

27) See, D. Wanless, *Securing Good Health for the Whole Population (Final Report)*, HM Treasury, 2004.

28) Chief Medical Officer for Wales, *Annual Report 2006*, Welsh Assembly Government, 2007.

29) G. Scambler, *Health and Social Change: a Critical Theory*, Open University Press, 2002.

30) J. Mackenbach and M. Bakker (Eds.), *Reducing Inequalities in Health: a European Perspective*, Routledge, 2002.

Chapter 3

Rival Visions: Relative Decline or Regional Renewal?

Kevin Morgan[31]

The fate of the Welsh Valleys has been a controversial political question ever since the area was classified as one of the UK's 'special areas' in 1934, a classification that signalled the birth of area-based regeneration policy.[32] If the trends of the past 70 years are not arrested soon, the Valleys could be in the inglorious position of marking 100 years of relative decline, heralding the anniversary from hell. The stubborn persistence of these problems – particularly the twin problems of joblessness and population decline – has provoked two radically different political responses over the years.

On the right of the political spectrum, the population of the Valleys is perennially berated for its over-dependence on the public sector, for both work and welfare, and for its alleged lack of enterprise. This neo-liberal view was all too evident in a recent report that claimed that the poorer nations and regions of the UK had been rendered into collectivist 'colonies' of Whitehall.[33] Drawing on the American philosophy of limited state welfare and maximum labour market flexibility, this perspective tends to emphasise the role of migration – taking workers to the work rather than bringing work to the workers. Although migration has been a reality of life in the Valleys since the inter-war depression, politicians have stopped short of adopting it officially because of the furore over a proposal in 1938 to 'export' the entire population of Merthyr to more buoyant labour market areas.[34]

On the left of the political spectrum the overriding policy prescription has been to take work to the workers. This was the main pillar of UK regional policy until it was neutered by the Thatcher government in the 1980s. The strategy tends to absolve local areas of any responsibility for their plight, preferring to attribute the causes to external circumstances – usually in the form of London governments that have betrayed the area or malign economic forces that have little or no sense of corporate social responsibility. A recent example of this outlook comes from the Bevan Foundation which concluded a report on the Heads of the Valleys in May 2008 by saying:

31) I wish to thank Roger Tanner, for information on regional planning issues, and Embrius Research, for their help with data analysis and population projections.

32) The passage of the Special Areas (Development and Improvement) Act of 1934 may have heralded the birth of area-based regeneration policy in the UK, but the first regional policy occurred in the 1920s, with the creation of the Industrial Transference Board, which sought to encourage 'surplus labour' to migrate to more prosperous areas.

33) Bosanquet, N. et. al., *Whitehall's Last Colonies: Breaking the Cycle of Collectivisation in the UK Regions*, Reform, July 2006.

34) Rowlands, T., *'Something Must Be Done': South Wales v Whitehall 1921-1951*, TTC Books, Merthyr Tydfil, 2002.

> *"We should never again hear the idea that the problems of the Heads of the Valleys are caused by the problems in the Heads of the Valleys, and not by the vagaries of the economy or by a failure of policy".*[35]

In other words, right-of-centre analysts attribute the problems of the Valleys entirely to the Valleys, while left-of-centre analysts locate the problems totally beyond the Valleys. Rather than engage in the blame game, this chapter tries to identify the key trends that are reshaping the Valleys, trends which could spawn two very different futures. The aims of the chapter are threefold:

- To identify the key socio-economic trends in the south-east Wales region, some of which belie the stereotyped picture of the 'Valleys' as a uniformly depressed area.
- To outline two very different futures for the Heads of the Valleys, where the most intractable problems of the Valleys are concentrated. The first is a future that offers unrelieved relative decline, while the second is more hopeful, suggesting that regional renewal is a feasible proposition.
- To argue that the current stock of regeneration strategies – the Heads of the Valleys Programme and the Welsh Housing Quality Standard in particular – could help the Valleys to avoid the anniversary from hell so long as they are adequately funded and properly coordinated.

Key socio-economic trends: the Valleys in a comparative perspective

Because the fate of the Valleys is such a politically contentious question, one that tends to generate more heat than light, it is worth identifying some of the key socio-economic trends that have reshaped the region in recent years. At least since the inter-war period it has been a convention to draw a distinction between the coalfield areas and the coastal areas in south-east Wales for the purposes of statistical analysis, a convention that conceals as much as it reveals as we will see.

However, if we use this conventional distinction – between the six local authorities of the Valleys and the four local authorities of the coast – we can see the broad patterns of differential development, with the latter outdoing the former in both employment and population terms, shown in Table 1.

Table 1: Employment and population change in the Valleys and the Coast, 1984–2004 (%)

	Coastal Zone	Valleys	Wales
Employment change	40.4	18.1	30.9
Population Change	9.0	-0.8	5.4

Sources: NOMIS and Official Mid-Year Estimates, The Registrar General's Office

35) Winckler, V., *Rethinking Regeneration: The Heads of the Valleys*, Bevan Foundation, 2008.

The dominant economic entity in the Coastal Zone is of course Cardiff, which has performed well relative to many other cities in the UK in recent years, as we can see from Table 2.

Table 2: Employment change for selected cities, 1998–2006

City	1998	2006	Change	% Change
Cardiff	150,600	190,700	40,100	26.6
Newcastle	149,000	180,500	31,500	21.1
Manchester	267,900	306,100	38,200	14.3
Leeds	365,900	417,300	51,400	14.0
Glasgow	347,200	392,800	45,600	13.1
Liverpool	202,200	226,400	24,200	12.0
Sheffield	224,000	248,600	24,600	11.0
Edinburgh	278,100	306,000	27,900	10.0
Greater London	3,764,100	3,996,600	232,500	6.2
Birmingham	469,200	491,800	22,600	4.8
Bristol	220,500	229,600	9,100	4.1
Nottingham	185,500	182,400	–3,100	–1.7

Source: Derived from ABI Employment Totals from NOMIS

However, Cardiff's relative position in the UK slips when the comparison shifts from the city to the wider city-region. As we can see from Table 3, both the Bristol and Newcastle city-regions outperform the Cardiff city-region in terms of employment growth, largely because of the performance of their respective regional hinterlands.

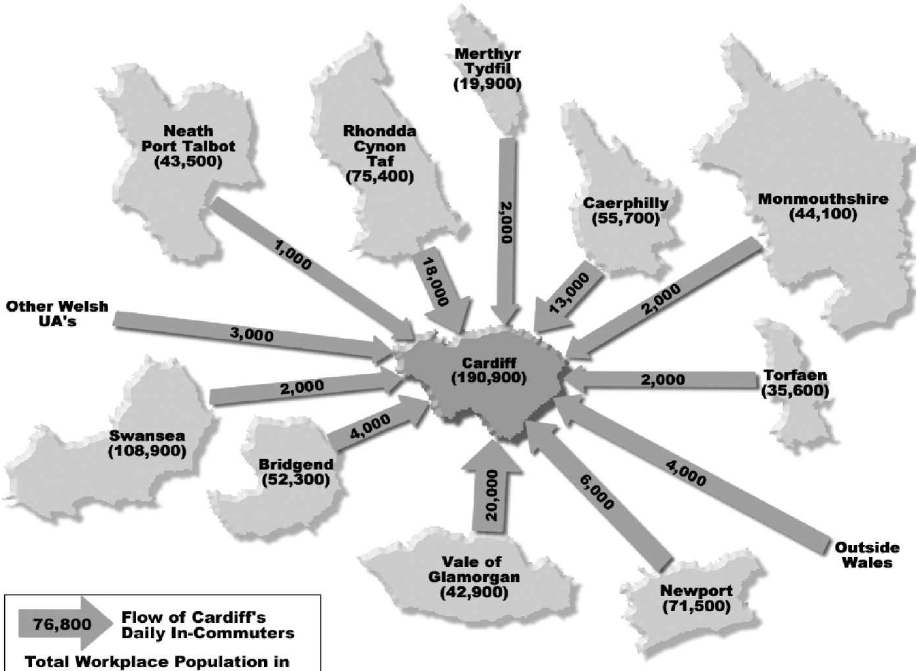
Table 3: Employment change for major city–regions, 1998–2006

City Region	1998	2006	Change	% Change
Bristol	451,800	512,700	60,900	13.5
Newcastle	441,300	499,400	58,100	13.2
Cardiff	534,300	595,900	61,600	11.5
Glasgow	743,900	826,300	82,400	11.1
Edinburgh	552,400	607,800	55,400	10.0
Sheffield	652,400	710,800	58,400	9.0
Leeds	1,176,300	1,274,300	98,000	8.3
Manchester	1,360,300	1,466,300	106,000	7.8
Liverpool	551,100	590,300	39,200	7.1
Greater London	3,764,100	3,966,600	232,500	6.2
Birmingham	1,871,100	1,945,900	74,300	4.0
Nottingham	323,100	332,400	9,300	2.9

Source: Derived from ABI Employment Totals from NOMIS

Cardiff's strong performance within south-east Wales has had a ripple effect on the whole regional economy, the most tangible sign of which is the growth of commuting into the city. Figure 1 shows the most recent commuting flows to Cardiff.

Figure 1: Commuting flows to Cardiff, 2006



Although Cardiff and the Valleys became mutually dependent during the coal era, when the former exported what the latter produced, the nature of this relationship changed radically after 1920, when coalfield employment peaked. Thereafter, the economic flows from the coalfield to the coast were decreasingly of products in search of an export market and increasingly of people in search of a labour market. But these flows were not confined to the prosaic world of work. Over time, these travel-to-work flows from north to south were complemented by travel-to-shop, travel-to-travel and travel-to-play flows as Cardiff evolved into a larger and more differentiated consumption centre for the region as a whole, particularly for young people.

Figure 1 illustrates the growing integration of the labour markets of the coalfield and the coast, with more than one in three of Cardiff's workforce commuting into the city. As we can see, the Vale to the south and the Valleys to the north are becoming more and more

dependent on Cardiff's urban labour market. Within the Valleys there is a marked contrast among the local authority districts, with Rhondda Cynon Taf and Caerphilly having the highest number of commuters, and Merthyr, Torfaen and Blaenau Gwent the lowest, though the eastern districts have traditionally had stronger links with Newport than Cardiff.

The post-war economic history of south east Wales has been dominated by two themes – the growing polarisation between the Valleys and the Coastal Zone and the robust growth of Cardiff as a capital city.[36] We have become so accustomed to these twin narratives that we have lost sight of a third spatial narrative that is just as important – that the lower Valley communities (the hearts and mouths of the Valleys) have performed at least as well as the region, the nation and the UK in population terms. As we can see from Table 4, the 'Valleys' is not a uniformly depressed area which is haemorrhaging population as the stereotype would have us believe.

Indeed, when we refine our spatial focus we can pick up the nuances within the Valleys and begin to appreciate that the population increase in the lower Valleys has been as great as that for Cardiff, Newport, the Vale of Glamorgan and Monmouth, or what we collectively called the 'City, Coast and Rural' in Table 4.

Table 4: The unreported history of the Valleys: total population change (%)

	1991 – 2001	2001 – 2005	1991 – 2005
Heads of the Valleys	-6.9	-1.0	-7.9
Hearts and Mouths of the Valleys	3.4	1.8	5.3
City, Coast and Rural	3.4	1.8	5.3
South East Wales	0.7	1.2	1.9
Wales	1.3	1.5	2.8
United Kingdom	2.9	1.9	4.9

Source: Derived from various official data sources including ONS

If Table 4 shows that the hearts and mouths of the Valleys have fared as well as the coastal zone in terms of population growth, it also illustrates the plight of the Heads of the Valleys, where the population decline was five times greater than the national average in Wales in the 1991–2001 decade. What Table 4 also shows, however, is that the Heads of the Valleys managed to arrest its steep decline in the 2001–2005 period, suggesting that population decline is not inevitable. The following section uses these different population trends to generate two radically different scenarios for the Heads of the Valleys. The key question is what lies ahead – relative decline or regional renewal?

36) Cardiff's growth owes as much to politics as it does to economics. It was the interplay between the city and the nation that enabled Cardiff to reinvent itself by means of a triple dividend: (i) by becoming the capital city of Wales in 1955; (ii) by reaping the benefits of administrative devolution to Wales before and after the formation of the Welsh Office in 1966; and (iii) by becoming the official 'seat of government' in Wales following the creation of the National Assembly in 1999. See Morgan, K., *The Challenge of Polycentric Planning: Cardiff as a Capital City Region?* School of City and Regional Planning, Papers in Planning Research 185, Cardiff University, 2006; and 'Cardiff and the Valleys: The Rise of a New City-Region?' *Llafur: Journal of Welsh People's History*, Volume 9, Number 4, 2007.

Relative decline versus regional renewal

Although scenario building is a highly fraught exercise, not least because it assumes that the past is a reliable guide to the future, it does have its benefits. Most importantly perhaps, it reinforces the point that the future, far from being some ineluctable force that unfolds independently of us, is actually contingent on human action. What we do in the here and now can shape the kind of future that unfolds. In short, we can influence the future even if we cannot control it.

The scenarios outlined below are derived from trend-based population changes in the Heads of the Valleys area from 1991 to 2005. Because this period conceals some very different population trends, it is useful to distinguish between the long period (1991–2005) and a more recent period (2001–2005). The average annual components of population change – that is, natural change and net migration – for the Heads of the Valleys are shown in Table 5.

Table 5: Average annual components of population change in the Heads of the Valleys area

Period	Births	Deaths	Natural Change	Net Migration	Population Change
1991–2001	4,266	4,441	–145	–2,317	–2,462
2001–2005	3,702	4,034	–342	–483	–825

Source: Derived from official data sources including ONS

Table 5 deepens the aggregate analysis of earlier tables by highlighting the components of population change. As we can see, the population of the area has been declining throughout the study period as a result of natural decline (more deaths than births), and net–out migration of population. Total population declined by 24,615 in the 1991–2001 period, a decrease of 6.9 per cent, and by a further 3,299 person in the 2001–2005 period, a decrease of 1 per cent.

The most striking feature of these trends is the significant difference in the average annual population decrease, which is largely the result of a massive decrease in annual average net–out migration.

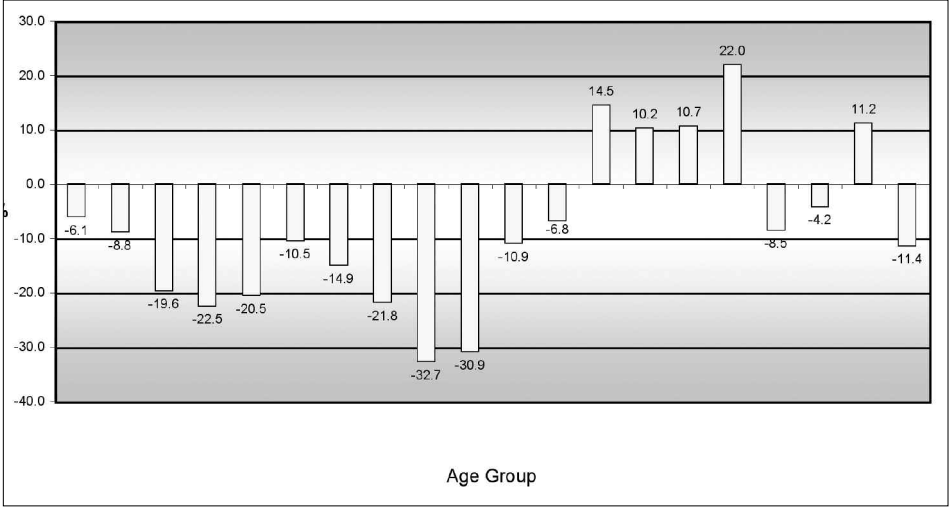
Having assessed the trend-based population changes in the Heads of the Valleys area for the period between 1991 and 2005, we can now present our two scenarios for the Heads of the Valleys in 2025. The Relative Decline scenario is basically a continuation of the extreme average population decline over the long period (1991–2005), while the Regional Renewal scenario is a continuation of the more recent (and more modest) population trend (2001–2005). Table 6 provides a detailed breakdown of the Relative Decline scenario:

Table 6: The Relative Decline Scenario: Population Projection for 2025

	Male	Female	Total	Change	% Change
Initial Population 2005	158,738	168,235	326,973	–	–
New Population 2010	153,706	163,821	317,527	-9,466	-2.9
New Population 2015	148,792	159,652	308,444	-9,083	-2.9
New Population 2020	143,688	155,658	299,346	-9,098	-2.9
New Population 2025	**138,758**	**151,052**	**289,810**	**-9,536**	**-3.2**
Total Projection Change	**-19,980**	**-17,183**	**-37,163**	**–**	**-11.4**

True to its name, this scenario results in a dramatic decrease in total population across the 20-year projection period. Total population falls by 37,163 people, equivalent to 11.4 per cent. This figure actually conceals much bigger population decreases for key age groups. As we can see from Figure 2, these projections include a decrease of a fifth for the 10–24 age groups and a staggering decrease of a third for the 40–49 age groups.

Figure 2: Projected Percentage Change in Population by Age Group



If this future were allowed to happen, the Heads of the Valleys would be saddled with a markedly less balanced population in 2025. Among other things, this would denude the local economy of an employable workforce, and place enormous burdens on the health and social services as they struggled to cope with an ageing population. In short, this scenario would be a recipe for the creation of unsustainable communities.

In stark contrast to this dystopian vision, the Regional Renewal scenario offers a more hopeful vision of the future. As we can see from Table 7, the Regional Renewal

scenario is associated with a very modest decline in population across the 20-year projection period, resulting in 11,799 fewer persons, equivalent to a decrease of just 3.6 per cent by 2025.

Table 7: The Regional Renewal scenario: population projection for 2025

	Male	Female	Total	Change	% Change
Initial Population 2005	158,738	168,235	326,973	–	–
New Population 2010	157,149	167,181	324,330	-2,643	-0.80%
New Population 2015	155,894	165,326	321,220	-3,110	-0.96%
New Population 2020	154,475	163,974	318,449	-2,771	-0.86%
New Population 2025	**152,825**	**162,349**	**315,174**	**-3,275**	**-1.03%**
Total Projection Change	**-5,913**	**-5,886**	**-11,799**	**–**	**-3.61 %**

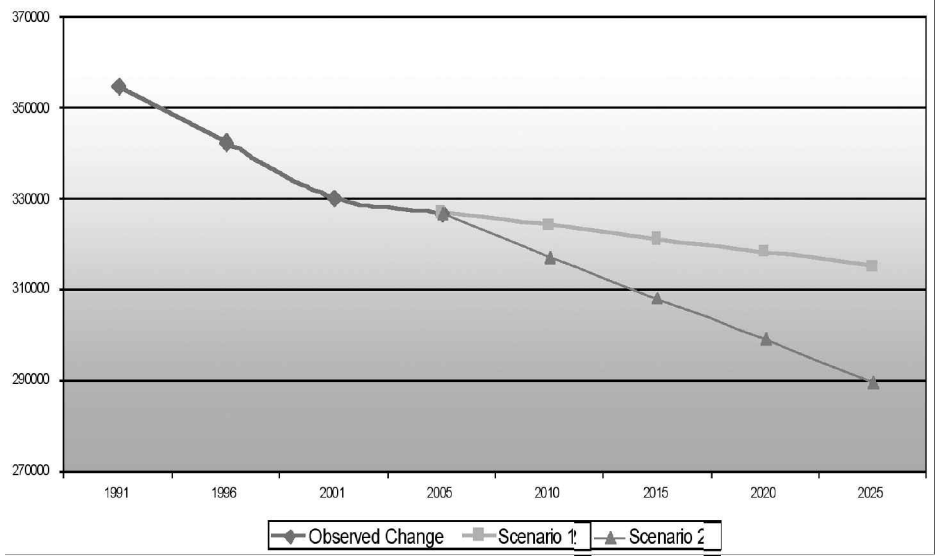
Although it may seem odd to refer to this scenario as Regional Renewal, when it actually shows population decline, the optimism is justified on at least two counts. First and foremost, the Heads of the Valleys area has suffered from a steep and debilitating loss of population since the 1930s, a cancerous process that can lead to a vicious cycle of decline. However, in the opening years of the new millennium the Heads of the Valleys managed to stem that heavy loss of population, reducing the level of decline to just 1 per cent in the 2001–2005 period. Some towns, like Aberdare, even recorded a slight increase, proving that population decline is not inevitable.

The second reason for being cautiously optimistic is because the Heads of the Valleys Programme was not even launched until 2006. So there was little or no targeted regeneration programme for the area, although it was part of the Objective 1 programme for west Wales and the Valleys. The point to establish is that the area was moving in the right direction before a concerted regeneration strategy came into being.

Taken together, the two scenarios outlined here provide the most powerful incentives for the regeneration policy community to raise its game in the Heads of the Valleys. Politicians and policy-makers alike ought to recoil in horror from the Relative Decline scenario, which would surely push the Heads of the Valleys beyond the tipping point of recovery. Conversely, the Regional Renewal scenario ought to embolden the policy community because it proves, against all the odds, that the world's oldest depressed area can re-discover the ingredient that every viable community needs – confidence in its future.

To give these scenarios a more graphic expression, Figure 3 shows the observed and projected population changes over the whole period, from 1991 to 2025.

Figure 3: Observed and projected population change in the Heads of the Valleys: 1991–2025



The new wave regeneration programmes: will they make a difference?

One of the underlying assumptions of this chapter – and it may transpire to be a heroic assumption – is that the current wave of regeneration programmes could make a real difference to the renewal of the Heads of the Valleys. Critics will be forgiven for being sceptical about this assumption because they say, after more than 70 years of regeneration policy, an area that was genuinely capable of being regenerated would have recovered by now. However, some historical perspective is in order here. As the recent Bevan Foundation report rightly says:

> *"Whilst it is true to say that the area has been eligible for regional support for more than 70 years, that is not to say that the area has benefited from regional aid. In terms of the long-term impact on the region, it is not that the Heads of the Valleys have failed but rather there has been a failure of policy and will."*[37]

This underlines the need not merely for more continuity in regeneration policy but, equally important, for more effectiveness of regeneration policy. Indeed, some economists take the view that market forces may have had more effect in arresting

37) Winckler, 2008, op. cit.

population decline in the Heads of the Valleys than regeneration policy. They argue that the recent construction boom in the Valleys is partly a response to burgeoning house prices in and around Cardiff, forcing young people in particular to forage further north for affordable housing.

If this trend continues it would mean that, in contrast with the past 70 years, state-sponsored regeneration policy would be working with rather than against the grain of market-driven development pressures. But this potential synergy should not be exaggerated. As we will see later, there is already a serious political conflict between regional planners and the home-builders federation over the spatial allocation of future households.

To be really effective, the new wave regeneration programmes need to be properly synchronised, or 'joined-up' in the jargon of government. A major reason is to avoid one of the biggest problems of the past when different programmes had their own aims and objectives, each with different regulations governing funding and reporting. The result was a Byzantine governance structure in which the process was very often an end in itself. The new wave regeneration programmes that I have in mind are the following:

- The Heads of the Valleys Programme: a £140 million commitment scheduled to run for 15 years from 2006.
- The EU Convergence Programme: like its precursor, the Objective 1 Programme, this is focused on West Wales and the Valleys for the period 2007–2013 with a budget in excess of £1 billion.
- Welsh Housing Quality Standard Plus: Local Authorities and Registered Social Landlords must ensure that all their social housing stock reaches the WHQS by 2012, which is expected to be maintained over a 30 year period. Meeting the standard by 2012 will require an estimated investment of between £3-4 billion and an additional £4 billion to maintain it. The 'plus' element refers to the determination to use this investment to trigger a localised process of housing-led regeneration.
- Communities First: originally launched in 2001 as the flagship regeneration programme for the poorest areas in Wales, it was revamped in 2008 as Communities Next to put more emphasis on economic outputs and less on community capacity building.
- JobMatch: this is a highly targeted labour market programme to reduce economic inactivity by helping long term jobless people in the Heads of the Valleys, part of the wider 'welfare to work' strategy. The primary aim of this five-year programme is to move 10,000 jobless people back into work by offering customised mentoring and individual action plans.

As it is impossible to do justice to all these programmes in a short chapter, let us briefly focus on two of them – WHQS Plus and the Heads of the Valleys Programme.

WHQS Plus: tapping the potential of public procurement

Although people outside the housing policy community have probably never heard of it, WHQS Plus could be a critically important part of the strategy for regenerating the Heads of the Valleys. The scale of the resources involved – up to £4 billion to meet the standard and another £4 billion to maintain it – makes WHQS Plus at least as important as the Objective 1 and Convergence Programmes, yet the latter dwarfs the former in terms of media attention and political status.

While the driving force behind WHQS Plus is the need to ensure that tenants' homes are brought up to decent standards, there is a growing awareness of the wider opportunities for leverage to enhance investment in housing-led regeneration. This means using it as a vehicle to provide training and employment in areas of high economic inactivity. Even though a minority of local authorities hope to achieve the standard by retaining control of their council housing stock, the general view is that most authorities will not be able to afford to do so. This means they will have to consider transferring their stock to a new Registered Social Landlord, a process that requires the support of tenants in a ballot. To date five authorities in south Wales – Bridgend, Rhondda Cynon Taf, Torfaen, Monmouth and Newport – have won tenant ballots for this option, involving over 45,000 council homes. These five Registered Social Landlords are on track to deliver a WHQS improvement programme of over £750 million by 2012.

The long-term nature of WHQS investment means that each local authority or RSL has to have a 30-year business plan, creating unprecedented planning opportunities for sustainable regeneration schemes. Although WHQS Plus is a profoundly challenging concept, it is beginning to attract support from local authorities and RSLs as they come to realise that it has the potential to deliver three important benefits:

- Increased levels of community participation, ownership and control of housing.
- Sustainable local employment and community regeneration.
- More effective region-wide coordination and collaboration between organisations involved in the delivery of housing-led regeneration (see box 1 overleaf). [38]

Of all the new wave regeneration programmes, WHQS Plus has been the most politically contentious. While the goal of better homes for the poorest sections of society commands universal support, the means to achieve it has provoked a bitter ideological battle over housing stock transfer.

Opponents – especially in the trades unions and in some sections of Labour and Plaid Cymru – have sought to portray it as part of a neo-liberal strategy of privatisation in which tenants' rights are being sacrificed on the altar of profit. However, in reality it is

38) Savills Property Consultancy, *South Wales WHQS Collaboration Model*, London, 2007.

nothing of the sort. Instead, as applied in the Welsh context it is part of a strategy to build community-based models of housing-led regeneration in which tenants are part of the governance structure of the new bodies.[39]

Box 1: Becoming a 21st Century client

Many of the client members are lacking in sufficient skilled client side resource due to the fact that south Wales has not experienced such a major works programme in social housing before. Many of these organisations are also major regeneration agencies and will need to become 21st Century clients with appropriate up-skilling. This will require recognition of the level of new skills needed. Organisations need to skill up in a number of ways:

- They need to become smarter clients – they will be dealing with the expectations and demands of government, local authorities, contractors, local businesses and communities.
- They need to clearly lead their main programmes and manage contractors/suppliers/consultants effectively.
- In the case of transfer RSLs, the transition from social housing provider to community regeneration agency will pose challenges for boards, staff, tenants and other stakeholders.
- They need to work smarter through collaboration with colleagues in other organisations reducing risk of being played off by contractor/consultants.

Inevitably, this commitment will require relationship building internally across stakeholders and externally with the contracting sector. Already it is evident that there are too many similar initiatives within Wales which are running in parallel and the model needs to somehow draw these together as cohesively as possible and provide direction and focus.

The majority of Local Authorities/LSVTs have a shortage of project management resource with suitable experience of delivering large volume WHQS work. This lack of experience starts with the fundamentals of strategic investment planning and extends up to delivering programmes through collaborative partnering working environments. This is not surprising under the current circumstances and relatively low levels of investment but emphasises the fact that there will be a huge culture shift from current practices required in delivering such a vast programme.

Source: Savills, South Wales WHQS Collaboration Model, London, 2007.

The real issue here is not the means – to transfer or not to transfer – but the ends: how best to meet the WHQS by 2012. If local authorities can do it without transferring their stock, so be it. If they cannot, then they should transfer as soon as possible by putting the

39) Morgan, K. and Smith, R., Letters: Tenants Misled, *Western Mail*, 9 February, 2006.

social interests of tenants above their political misgivings about losing council housing, the control of which was an important source of local influence in the past.

Making a success of WHQS Plus will be one of the most challenging regeneration tasks of all, not least because the scale of inter-organisational collaboration required is unprecedented. This organisational challenge has been outlined in an admirably clear way in a report from the property consultancy, Savills. This said that the public sector organisations in south Wales will need to significantly raise their game, and to become "21st century clients", if they are to make a success of the WHQS opportunity (see Box 1 on the previous page).

Leaving aside the organisational details, the big issue at the heart of WHQS Plus is whether the public sector in Wales has the competence and the confidence to collaborate for mutually beneficial ends. A litmus test will be whether it can bring its collective power of public procurement to bear on the regeneration problems of the Heads of the Valleys.

Turning Heads: a strategy for the Heads of the Valleys 2020

The other programme that merits attention is *Turning Heads*, the official name of the Heads of the Valleys Programme.[40] As a result of a local consultation exercise, the strategy has been developed around five priority themes shown in Table 9, with related expenditure plans for the period 2006-09.

Table 9: Turning Heads: Action Plan Expenditure 2006–09

Strategic theme	2006–07 £m	2007–08 £m	2008–09 £m	Total £m	% total spend
Environment	6.75	5.0	2.0	13.75	45.8
Economy	1.25	1.5	1.75	4.5	15.0
Educated, skilled, healthier population	0.5	0.75	0.75	2.0	6.7
Tourism and leisure	0.75	0.25	5.0	6.0	20.0
Public confidence in a shared future	0.75	2.5	0.5	3.75	12.5
Total	**10**	**10**	**10**	**30**	**100**

Source: Welsh Assembly Government, 2006

Although the *Turning Heads* programme has been widely welcomed across the political spectrum, it was critically reviewed by the Bevan Foundation, which has been in forefront of the campaign for a more targeted strategy for the Heads of the Valleys. The Foundation suggested three new directions for the future development of the programme:

- **More funding** With an allocated budget of some £10 million a year for the next 15 years, the *Turning Heads* programme is said to be seriously under-funded because the budget is too modest to cope with the scale of the regeneration problems it faces. A

40) Welsh Assembly Government, *Turning Heads: A Strategy for the Heads of the Valleys 2020*, 2006.

doubling in the cash allocated to the programme, says the Bevan Foundation, would still amount to less than £100 per resident over its life.

- **Action on what matters** Uneasy about the expenditure priorities of the first three years, particularly the emphasis accorded to environmental improvements, The Bevan Foundation calls for more emphasis on "the fundamentals of regeneration". These include four key priority actions: a greater focus on full employment; more support for social infrastructure like child care and local transport; more investment in learning and skills; and more emphasis on health care.
- **Public engagement** There needs to be far more public engagement with the *Turning Heads* programme because, aside from those involved in its delivery, there has been little or no popular involvement. The Objective 1 and Convergence Programmes have raised the bar for programme transparency, and *Turning Heads* needs to emulate these higher standards. Equally important, there needs to be more rigorous scrutiny of the programme, not just from the National Assembly but from civil society as well.[41]

By and large these are sound and sensible recommendations offering a constructive way forward, and they deserve to be seriously considered by the Welsh Assembly Government. On the debit side, the Bevan Foundation Report has two serious shortcomings:

- It is unfairly critical of the initial spending priorities of the programme.
- It has an extremely jaundiced conception of the city-region concept, which it dismisses out of hand.

Let us briefly elaborate on each of these problems. No one has ever suggested that "a poor environment is the root cause of the area's difficulties", says the Bevan Report, the implication being that it is not one of the fundamentals of regeneration. However, the rationale for the decision to invest early to create an attractive and well-used environment rests on two very sound arguments. Firstly, it was one of the key priorities that emerged from the local consultation exercises, and this is the main justification for seeking 'quick wins' on the environmental front.

Secondly, to criticise the programme for investing too much in the environment and too little in health and employment fails to appreciate the linkages between these spheres. In other words, an attractive and well-used environment can contribute to local job creation. It can also form part of a real health service by offering opportunities for locals as well as visitors to engage in routine physical activity in pleasurable natural settings. The *Turning Heads* programme has funded feasibility studies of a Valleys Regional Park, a concept that looks at the tremendous range of countryside recreation assets across the Valleys. The aim is to create a comprehensive network of open recreational spaces linked by cross-cutting cycle ways and footpaths that will serve every community in the Valleys as well as being an enormous attraction to visitors.[42]

41) Winckler, 2008, op. cit.

42) Tanner R., et al, *Heads of the Valleys Spatial Strategy 2006-2021*, Welsh Assembly Government, 2007.

Indeed, it is hard to imagine a more compelling project than a Valleys Regional Park, if the aim is to create an attractive and well-used environment that can create jobs and offer health-promoting activities. Extra investment will need to be found for health, education and employment of course, but it is a serious mistake to exclude the environment from 'the fundamentals of regeneration'.

The second shortcoming of the Bevan Foundation report is its extremely jaundiced view of the city-region concept. Here is what it says:

> *"The idea that Cardiff serves a broad hinterland, which extends as far north as Hirwaun, Cefn Coed and Rassau has, in my view, little foundation. Indeed, I believe the city-region idea is deeply unhelpful to attempts to regenerate the Heads of the Valleys, because it justifies the continued pouring of investment into the capital, ignores the need to generate jobs locally, and condemns residents of the Heads of the Valleys to long, tedious and costly journeys."*[43]

Every one of these points can be challenged. No reasonable conception of the city-region would call for all the investment to be concentrated in Cardiff. No reasonable conception would ignore the need for local job creation in the Heads of the Valleys. And no reasonable conception would champion long travel to work journeys from Hirwaun to Cardiff. Indeed, a reasonable definition of the city-region concept can help us to think about the challenges of polycentric planning in south east Wales. A regional framework is necessary to plan for economic development, housing, transport, waste management and other strategic planning issues.[44]

At the same time the city-region concept needs to be rescued from the crude 'boosterism' of its champions as well as from the jaundiced criticisms of its opponents. Some of its champions in Cardiff are simply using the concept to promote a city-centric agenda, a form of CITY-regionalism which pays little or no regard for the welfare of the wider region.

The Bevan Foundation is right to reject this competitive model of city-regionalism because it is unreasonable and unsustainable. However, there is a collaborative model of city-regionalism emerging that seeks to give expression to the vision of the Wales Spatial Plan. As shown in Box 2, this calls for the creation of 'a single networked city-region'. Far from perfect though it is, this conception of the city-region deserves to be seriously debated rather than summarily dismissed.

43) Winckler, 2008 op. cit.

44) Morgan, K., *The Challenge of Polycentric Planning: Cardiff as a Capital City Region?* School of City and Regional Planning, Papers in Planning Research 185, Cardiff University, 2006.

Box 2: A single networked city–region

"South east Wales is Wales's most populous area. It is characterised by major economic and social disparities. The coastal zone is now the main economic driver, and its competitiveness needs to be sustained to help raise the economic potential of Wales as a nation. The heavy commuting flows between the Valleys and the coast mean that the area functions as an interdependent but unplanned urban network. This gives rise to pressure on the transport infrastructure. Cardiff is a relatively small capital city. It is important for Wales as a whole that Cardiff becomes significant internationally, but to do this requires a much greater 'mass' of population and activity. Already, Cardiff has a close functional relationship with its immediate neighbouring towns, particularly Barry, Pontypridd and Caerphilly. This needs to be built on constructively, making Cardiff the focal point of a coherent and successful urban network in south east Wales, enabling it to share its prosperity… The area will function as a single networked city-region on a scale to realise its international potential, its national role and to reduce inequalities."

Source: Wales Spatial Plan, Welsh Assembly Government, 2004.

No-one in the regional planning process in south-east Wales has seriously suggested that Cardiff can regenerate the Heads of the Valleys. Quite apart from the woefully inadequate transport links between the two areas, Cardiff simply does not have the job vacancies that could support the numbers of unemployed and economically inactive in the Valleys. Although notified job vacancies at Jobcentre Plus do not account for total vacancies, it is worth noting that there were just 2,980 official vacancies in Cardiff in December 2007, far too few for the capital to rescue the jobless in the Valleys, even if the people without jobs could be matched with the jobs without people.

To be politically acceptable, city-regionalism in south-east Wales should aim to combine equity and efficiency. In other words, while it should recognise the social needs of the upper Valleys, it should also acknowledge the powerful economic dynamics of the urban economy, which incorporates the lower and middle Valleys whether we like it or not. City-regionalism, therefore, should make it more likely that the city and the region collaborate for mutually beneficial ends. It should highlight their ever growing inter–dependence, which means they have more to gain by acting in concert than in acting alone. However, the politics of city-regionalism are not sustainable unless the benefits of collaboration are shared between the city and the region.[45]

The future of the Heads of the Valleys will therefore be shaped both by what happens in the area itself and beyond – in the region, the country and indeed the global economy. This chapter has outlined two radically different futures for the area using population as an index of decline or renewal. Whereas many old industrial regions in the UK are

45) See Morgan, K., 'Cardiff and the Valleys: The Rise of a New City-Region?' *Llafur: Journal of Welsh People's History*, Volume 9, Number 4, 2007.

unlikely to arrest population decline, the population of south east Wales is forecast to increase by 130,000 people by 2022. How much of the new increase in population will find its way into the Heads of the Valleys? The answer to this question will help to determine the prospects for the area. Regional planners are calling for half of the net increase to be allocated to the six Valleys authorities. However, the House Builders Federation want to build in and around Cardiff.[46]

Although no-one knows precisely where this increased population will be located in the years ahead, we do know that housing and transport policy will play a vitally important role in shaping the final spatial outcome. The Spatial Strategy for the Heads of Valleys makes it abundantly clear that better quality housing will be needed in every local authority district, to stem the flow of people from the area and to attract new residents. But the Spatial Strategy saves its most ambitious and most important proposals for the field of transport policy, where the planners issued an urgent call for better connectivity within the area and for better links to Cardiff and Newport, which are deemed to be "the most important to the Heads of the Valleys area in strategic terms". The planners conclude by saying:

> *"Poor transport links were perceived as a major problem almost everywhere. This is a fundamental issue affecting the viability of all other regeneration initiatives."*[47]

The futures of the Heads of the Valleys will be shaped by a whole series of factors, the crucial one being the number of people who choose to live in the area. This, in turn, will be influenced by three other considerations, namely:

- Scope for local and regional employment.
- Range of housing choice.
- Quality of the transport network.

If the new wave of regeneration programmes can be orchestrated to make a difference in each of these spheres, then it is perfectly possible for the Heads of the Valleys to avoid the anniversary from hell and do something that it has not been able to do for more than 70 years: to look ahead with confidence.

46) The growth of new house building came to a dramatic halt in the summer of 2008 as the credit crunch rippled through the construction industry, prompting fears that the number of new homes built in Britain will plunge to the lowest level since 1945 and triggering the loss of up to 100,000 construction jobs (see Mendez, S., 'House building starts to shut down', *Western Mail*, 11 June 2008; and Mathiason, N., 'New homes slump worst since 1945', *The Observer*, 15 June 2008.)

47) Tanner, R. et. al., *Heads of the Valleys Spatial Strategy 2006-2021*, Welsh Assembly Government, 2007.

Chapter 4

The Welsh Assembly Government's View

The Regeneration Challenge

Leighton Andrews, Minister for Regeneration

In looking forward to the future of the Heads of the Valleys it is as well to pause and first look back. Here is a description of part of the Heads of the Valleys by the writer Benjamin Heath Malkin in 1804:

> *"The upper part of Ystradyfodwg parish is as untameably wild, as anything that can be conceived; and the few, who have taken the pains to explore the scattered magnificence of South Wales, agree in recommending this untried route to the English traveller, as one of the most curious and striking in the principality."*

Fifteen years later, in 1819, the Rev. T. Rees, travels from Aberdare to Cardiff through the Rhondda, and says:

> *"The first part of this route lies over an Alpine country of almost unrivalled wildness, presenting scarcely a human habitation to diversify or enliven the scene… This valley possesses many attractions for the tourist. … The neighbourhood of Ystradyfodwg, in the hilly country through which it passes, is peculiarly striking, but from the difficulty of access to it, the roads being scarcely practicable even for horses, it has been rarely visited by strangers."*

Two hundred years ago there were about 500 people in the Rhondda. In the following fifty years it hadn't even doubled. In 1851 the population of the Rhondda was 951 people. Ten years later, in 1861, it was just over 3,000.

Fifty years futher on, in 1911, when my great grandfather, a miner from the Forest of Dean, came to the Rhondda, the population had risen to just under 153,000, a growth of 150,000 people in 50 years. And of course, the population of Wales as a whole grew from 1,163,000 in 1851 to 2,523,000 in 1914. You could not say that this pattern of growth was spatially planned.

It is the extraordinary speed of growth of Wales as an industrialised nation between the early 19th century and the First World War, as we rose to become the world leaders in coal and iron and steel, that has left us with many of our regeneration challenges.

The subsequent decline after the First World War, with 242,000 people leaving the Valleys in the 1920s, has left successive generations with the challenges of developing a more diverse industrial base for these communities. In 2005, the Wales Audit Office recognised this, saying:

> *"Due to its unique history many areas in Wales need regeneration. Wales was the world's first industrial nation… It is important to understand the history of entrenched and profound deprivation and the difficulties inherent in finding integrated solutions."*

Of course, finding integrated solutions remains the biggest challenge. As a Valleys Assembly Member, I sympathize with people who feel that it has taken some time to get a real focus on the needs of the area. That was why I and other Valleys AMs and MPs pushed for a new approach at the start of the last Assembly in 2003.

Since 2006, the Welsh Development Agency has been merged into the Welsh Assembly Government. The WDA was good at many things but regeneration now covers a much wider range of activities than land reclamation and property development. Our approach now is determined by clear and integrated priorities. In July 2007 the First Minister Rhodri Morgan brought together responsibilities for both economic and community regeneration under one minister. Since my appointment I have set up a Regeneration Board on a cross-departmental basis to enable us to plan our activities far more strategically than in the past.

Our vision for regeneration is quite clear. We want to ensure balanced communities in Wales where people want to live, to work, to play and to invest. Communities themselves must be at the heart of development plans. There are some clear principles that underpin this vision.

We welcome private sector engagement in regeneration. There is no point in the public sector undertaking regeneration projects which the private sector is keen to undertake itself, though the public sector will obviously have a major role in planning policy, in assisting with key infrastructure issues and in ensuring community benefit.

We will be more strategic in the way we invest our public funding for regeneration. We will not invest somewhere just because we always have. Our economic regeneration investments

have to have a clear purpose, and clear targets for the return on public investment. When targets are achieved – for example, for private sector investment generated – we should consider whether it makes sense to continue to put in public funding.

We will be creative in our approach to funding vehicles. We are exploring how the EU's Jessica[48] programme can ensure additional investment for regeneration. We are also open to other ideas that can generate additional funds for investment, including private sector funding. We will be far more strategic in the deployment of EU Convergence and Competitiveness funding.

We know that it is not enough to invest in the place: if that is the only focus, then the benefits may not flow to the local people themselves. Therefore the impact of our approach to community regeneration matters. This will in future be linked more directly to achieving real regeneration outcomes, as set out in our consultation document on the Communities First programme, published in late January 2008.

So what are the challenges? It is a long list and includes economic inactivity, child poverty, social exclusion, ill health, deprivation, poor perception (in some ways misguided), educational attainment, blighted landscape and industrial scarring, poor transport, and population decline. According to the latest statistics

- The working age employment rate in the Heads of the Valleys is six percentage points below Wales as a whole.
- Nearly one in three working age people living in the Heads of the Valleys are economically inactive, compared to under 1 in 4 for Wales as a whole.
- The unemployment rate amongst those living in the Heads of the Valleys is 8.3 per cent, 3.1 percentage points higher than for Wales as a whole.
- Over one fifth, 22 per cent of the working age population in the Heads of the Valleys have no qualifications, compared to 16 per cent across the rest of Wales.
- Eighteen per cent of the working age population in the Heads of the Valleys area were claiming Incapacity Benefit or Severe Disablement Allowance in May 2007, compared to around 10 per cent across the rest of Wales.
- Twenty six per cent of the population in the Heads of the Valleys are living in an area classed amongst the 10 per cent most deprived in Wales as a whole.

However, we have seen some progress recently. Depopulation appears to be slowing, including amongst those in the workforce. People in employment have increased from 63 per cent to 65.1 per cent since 2003. Meanwhile the economically inactive have fallen from 32.5 per cent to 29 per cent since 2003. And the number claiming incapacity benefit or severe disablement allowance has fallen from 20 per cent to 18 per cent. At the same time, gross domestic household income in the central Valleys rose by 6 per cent between 1999 and 2005.

48) Joint European Support for Sustainable Investment in City Areas.

The vision for the Heads of the Valleys set out in our strategy in June 2006 entailed:
- An attractive and well-used natural, historic and built environment.
- A vibrant economic landscape offering new opportunities.
- A well-educated, skilled and healthier population.
- An appealing and coherent tourism and leisure experience.
- Public confidence in a shared bright future.

Encouragingly there is already much good work being undertaken on the ground. The private sector is investing in areas which previously no-one would have expected. Recently, I arrived for a meeting with Torfaen council to find them celebrating the fact that 'The British' site had been acquired by Spring UR, a sub-division of Castlemore Securities, for a £100 million housing, business and retail development scheme.[49]

The Tower colliery site is the subject of a major private sector development proposal. We have been in discussion with Tower on how best to take this forward, offering a mixed use development, taking advantage of cutting edge environmental technologies, whilst providing much needed employment opportunities plus new housing developments. In my own Rhondda constituency, after the disappointments of the Chubb and Burberry closures of the last few years, I am pleased that these sites – both in Heads of the Valleys wards – have been acquired for development.

In other cases, the public sector is in the lead. The site of the former Ebbw Vale steelworks, acquired by Blaenau Gwent County Borough Council and the Assembly Government, is now the centre of a £300 million mixed-use re-development, with the first plot of land for housing already released on the market. Once completed, 2,000 people will be employed on this 185-acre site.

In Bargoed, the £20 million Angel Way funded by the Assembly Government will improve transport links in the upper Rhymney Valley. The scheme will add value to plans to rejuvenate the town centre, including a site for a major food store, leisure facilities and extensive new shopping facilities.

If you drive through the Heads of the Valleys there are sites and premises prime for redevelopment, towns and villages looking to be next under the regeneration spotlight. Public sector expenditure in the Heads of the Valleys is in excess of £1 billion. The question is how do we capture the full value of that investment and recycle the public sector pound for best effect?

One of the most exciting prospects opening up is the opportunity to use housing investment as a major driver for regeneration. The Chartered Institute of Housing has noted how important housing is to our Heads of the Valleys Strategy, as councils seek to

49) 'The British' is a 1,500 acre former industrial site in Talywain, Torfaen.

achieve the Welsh Housing Quality Standard (WHQS) by 2012 and then maintain it over the next 30 years. Until recently much of this investment was hypothetical – not least because many authorities needed to secure tenant support for stock transfer. Events have taken a dramatic turn in the last 12 months with five local authorities joining the Bridgend Registered Social Landlord, Valleys to Coast, on the transfer journey.

So what does this mean? In purely financial terms the five transfer organisations in south Wales alone will be spending £750 million on the 40,000 homes they own and manage – levels of investment not seen at least since the immediate post war years, and arguably never before.

It is not simply about the size of the investment, massive though this is. It is also about getting the maximum added value, particularly as most of the investment will be taking place in the most disadvantaged and economically inactive communities in Wales. That's why my officials have been working in partnership with housing colleagues at *i2i-inform* to commission Savills to identify the opportunities.[50] Some of these are shown in Tables 1 and 2:

Table 1: the Welsh Housing Quality Standard Opportunity

	Maximum over 10 years
kitchens	57,163
bathrooms	57,022
re-wiring	51,660
heating systems	43,973
boilers	58,695
windows (houses)	30,578
doors (houses)	28,260
external walls	28,260
roofs	23,5456

These are major opportunities that are both once in a generation, social housing in Wales has not seen this level of investment before; and sustainable. The WHQS is not a 'task and finish' standard but in effect a rolling programme over 30 years and beyond. To reach and maintain the standard will require two-and-a-half times the investment levels currently going into the maintenance and improvement of social housing.

How do we ensure that local people benefit from this not only in terms of having the quality of their homes improved but also in terms of getting the employment benefits that flow from it? How do we ensure that the housing investment gives us holistic regeneration benefits? How do we ensure it leads to sustainable employment and indigenous business growth?

50) Funded through the Assembly Government's Heads of the Valleys programme *i2i inform* provides support to local authority staff, councillors and tenants in the process of achieving the Welsh Housing Quality Standard.

Table 2: Jobs generated by achieving the Welsh Housing Quality Standard

	Year 1	Year 3	Year 8
carpenters	85	199	78
plumbers	62	170	76
gas engineers	21	67	30
electricians	90	219	101
wall tilers	12	35	12
floor tilers	12	26	12
plasterers	26	74	46
decorators	32	95	69
handypersons	400	432	344
roofers	64	86	99
bricklayers	12	22	23
Total	**816**	**1,462**	**889**

We will have to hard wire the added value that WHQS can bring into contracts, work programmes and support services. We need to engineer in, job-by-job, training place by training place so that we deliver genuine long-term benefit in the process. To achieve this, we want to use procurement intelligently, as was done in the design and construction of the Porth and lower Rhondda Fach relief road, as shown by the following statistics:

- 47 people long term economically inactive were employed and given training to minimum NVQ2.
- £1.2 million worth of wages were injected into the local economy.
- £8 million worth of wages found their way into the local economy through the supply chain.
- 80 per cent of external spend was delivered to SME companies in the postal code areas of Newport, Cardiff, and Swansea and west Wales areas.

We now intend to embed this 'community benefit' approach in public sector procurement throughout Wales. Value Wales has set up a Community Benefits Project Board to take this forward. A 'Step by Step Methodology for the Application of Community Benefits/Social Requirements in Public Sector Procurement' has been produced.

We have also embarked on the ambitious Jobmatch programme, funded by the Heads of the Valleys programme and the Department for Work and Pensions through its city strategies programme. This is modelled on Blaenau Gwent's pioneering scheme which had considerable success in combating economic inactivity – helping 1,350 people into work – and is now being rolled out across other Heads of the Valley areas. JobMatch supports people with long-term advice and encouragement to sustain them in employment, by providing a range of support from childcare to transport.

Our Construction JobMatch initiative will work to ensure there is a skilled local construction workforce to meet the needs of the WHQS implementation. We are well aware that skills will be even more important for labour market success in the future. This all points to uptake of skills, having a higher skilled population, and jobs that are not going to offshore, including retail and tourism, construction and traditional trades. We are positioning the Heads of the Valleys to capitalise on this.

As well as all this we need a root and branch approach to changing perceptions of the Heads of the Valleys, in which cultural tourism initiatives have a vital role to play. Recent initiatives co-ordinated by the Assembly Government's *Visit Wales* organisation and Heads of the Valleys local authorities have included:

- Restoring and upgrading the iconic Grade II listed Bedwellty House and Park in Tredegar.
- Creating a contemporary garden based on the theme of the environment and climate change anticipated to attract up to 90,000 visitors on the site of the former Markham Colliery.
- Improving Cyfarthfa Park as an activities and events venue.
- Upgrading the visitor centre at Dare Valley Country Park with a glass atrium and key environmental features including solar voltaic panels, rain collection facilities and a biofuel boiler.
- The extension of the Pontypool and Blaenafon Railway southwards to Blaenafon High Level, to link key attractions which is expected to double visitor numbers to the town in three years.

We are investing £5 million directly in to these five projects, levering in a further £37 million, creating up to 300 jobs, and bringing in a further 250,000 visitors every year on top of the current 2.6 million underway. These projects support two of the great tourism opportunities for the Valleys: the fantastic outdoor arena, and the industrial heritage which represents the people's history.

All this investment builds on the work by a host of organisations, from the Forestry Commission, the Countryside Council for Wales and Groundwork to a range of smaller community organisations, including Communities First partnerships. Together they are promoting the outdoor opportunities of the Valleys, including cycling, walking, climbing, hang-gliding, riding and golf, as well many individual entrepreneurs developing bed and breakfast and other amenities.

In terms of industrial heritage, as well as the work already being done by Herian, I hope we can begin to exploit the enormous interest in family history which is bringing people back to the Valleys, from celebrities like Donny Osmond to ordinary people looking for their personal stories.

We are determined to learn from best practice across the UK, and we have drawn on that for our new approach to Communities First. We are currently planning a major regeneration summit which will bring together some of the top practitioners and experts.

Under the Heads of the Valleys programme we are also establishing a task and finish group to scope the potential for a national centre for excellence in Regeneration. We will invite relevant stakeholders including Community Housing Cymru, the Regeneration Skills Collective, the Welsh Local Government Association, and the private sector to take part. We would expect the centre to be located in the Heads of the Valleys. However, it will draw on existing academic and professional expertise in Wales. The centre could be affiliated to one or a number of existing academic institutions in south Wales.

The regeneration agenda for the Heads of the Valleys is a long one. But we have made a start and there is good progress in many places. We want to work with partners from all sectors to deliver real outcomes for the people of the Heads of the Valleys. We are open to ideas which work, wherever they come from.

Developing Social Cohesion

Ieuan Wyn Jones, Deputy First Minister and Minister for Economic Development and Transport

Our *One Wales* government's vision for the Heads of the Valleys is based on three strands:

- Physical regeneration
- Communications
- The People of the Valleys

As the Minister for regeneration has indicated, the Valleys developed in a haphazard way. Housing was of poor quality, communications followed the route of the coal to the sea and out of Wales, and the few institutions that existed were built by the workers themselves – the chapels, libraries, and lodges.

The one thing that the Valleys excelled in from the earliest day was education, a yearning for knowledge and a thirst for expertise that lead to the establishment of the Glamorgan School of Mines – now the University of Glamorgan – and a rich culture of self-improvement and respect for learning.

We have wrestled with that poor infrastructure since the strike of 1926 and the following slow decline in the Valleys' economic wealth. We now need a new concept of development to replace the pattern that has drained wealth and creativity down the Valleys to the coast. This concept is completely in line with our *One Wales* commitment

to an all-Wales approach to economic development and a labour market strategy with a long term goal of full employment at a rate of 80 per cent.

To achieve that aim the physical regeneration of the Valleys must continue to create an environment in which people will want to live and to which investors and businesses will be attracted. In particular, our housing stock needs to be improved and institutions created or supported that give communities the framework which encourages vibrant expression and social cohesion.

In this context I want to draw particular attention to the Government's investment of £250,000 to examine the creation of a Cultural Enterprise Centre in Merthyr Tydfil and the continuing work on creating a higher education institution in Merthyr. Together with the Government's own multi-million pound investment in our offices in Merthyr, we are working hard to create and sustain viable Valley-based institutions that we can all take pride in.

Those with a sense of Welsh history will know of the great woods that once filled the Valleys. In the words of Harri Webb from the anonymous Welsh language original:

Aberdâr, Llanwynno i gyd
Merthyr i Lanfabon
Y mwya adfyd fu erioed
Pan dorred coed Glyn Cynon.

Aberdare, Llanwynno through,
all Merthyr to Llanfabon;
there never was a bigger disaster
than the cutting down of Glyn Cynon.

It is time to recreate those woods again. Existing and potential woodlands provide a valuable backdrop to any 'Head of the Valleys' growth zone concept, through improving environmental quality and offering opportunities for community and local economic development.

The Government owns a large area of public forest estate in the Valleys. This existing resource has further potential to support the aims of both initiatives. In addition, there is a substantial derelict land resource in the area which could be targeted for environmental improvement, in part through woodland expansion.

We have already committed ourselves in *One Wales* to enhance our native woodlands and develop the concept of a Welsh National Forest. I now invite the Forestry Commission and all other interested parties to develop this concept further into a 'Forest for the Valleys'. Such an initiative could provide:

- Improved health and well-being of the local people, through development of recreational opportunities but also through improving the landscape generally to address self esteem and mental well being.
- An improved visitor destination to attract inward investment into tourism.
- A generally more attractive environment to work and live which will attract inward investment and skills and which addresses the current net outward migration.

I believe this could form an exciting bid under EU Structural Funds.

We also need to improve communications. The idea that the people and wealth of the Valleys drain like the rivers to the sea is relatively new and a direct result of the industrial revolution. Before then, the communities of the Valleys spread out across the mountains and valleys.

I am encouraged at the emergence of economic development once again on this pattern. Though the Heads of the Valleys are a central concern, we should not ignore the potential of the emerging arc of job creation from Bridgend to Cwmbran, via Llantrisant – where I recently opened the new Purolite research and development facility, a £1 million investment rescued from going to the USA by dint of the local management team.

Here in the Heads of the Valleys itself, good communications are vital to enable our people to access that arc of growth and also to build economic development across the Heads of the Valleys.

The dualling of the A465 is a key to this aim and I want to make clear that the timetable for this work remains unchanged. It fits very well with our *One Wales* aim of improving both north/south links and communications throughout the nation.

Investment in our public transport infrastructure is increasing. In February 2008, I travelled on the first train from Ebbw Vale to Cardiff. Some may say, yes but that was 46 days late opening. However, when you have waited 46 years, the excitement is palpable. Here in Wales, we are opening railways which were once closed by UK governments. We are introducing new methods of operating bus travel. The Valley lines have increased their capacity considerably.

I also want to ensure that we make the best use of broadband to bring opportunities to all areas, particularly those that are otherwise isolated. Our Regional Innovative Broadband Support (RIBS) project has already connected 7,000 lines and I want to see SMEs in the Heads of the Valleys helped to access broadband.

This is the infrastructure that will ensure we can retain and attract jobs in the Valleys. I am delighted therefore to confirm that Nissin Showa UK, a Japanese owned automotive component manufacturer in Aberdare, is expanding its operations and creating fifty new jobs. The investment has been supported by the Welsh Government with Regional Selective Assistance and will create forty new production jobs, ten support jobs and safeguard an existing twenty jobs. This is on top of the 156 people employed on the Aberaman Industrial Estate.

All companies in the Valleys, whether they are manufacturing brake components or not, rely on one vital component – the people and the skills they have. Here, I want to see the Valleys reclaim its inheritance of respect for learning and enthusiasm for skills. I know full well the energy, drive and determination that people share in the Valleys. These are independent communities, towns and villages, that share a common history of coal and iron and steel but are fiercely proud of their own traditions and values. I am determined to give this energy an opportunity to flourish. Our Skills Strategy – jointly launched by myself and Education Minister Jane Hutt – aims to encourage young people to pursue the most appropriate qualifications in those skills vital for our future – science, technology, engineering and mathematics.

Once they have the skills, we must ensure they can be applied. One way is to ensure that public procurement is open to SMEs, which are such an important element of growth for an area like the Valleys. At present, 49 per cent of public sector spending in Wales is delivered by Welsh based businesses. Our aim is to build on this performance. To that end, Andrew Davies, Minister for Finance and Public Sector Delivery chairs a Business Procurement Task Force which in conjunction with my department, is playing a key role in ensuring business in Wales competes effectively for public contracts.

Development of social clauses in public sector contracts to secure wider benefits such as the training and employment of local people is a concept deployed with continuing success in the Heads of the Valleys. Indeed, this is now mainstream policy across all Assembly government sponsored spending. The development of the Porth Relief Road is a good example of such a 'community benefit' approach.

Unfortunately, too many of our people do not have the basic skills that today's workplace demands. I want to give you an early indication of how we will remedy this. Many of you will be wondering about Convergence Funding. I have been told several times this week that we are late in making funding available. This is not the case. Wales is ahead of other Convergence areas in the UK and mainland Europe. I am confident that we will be able to deliver basic skills training in the workplace under Convergence Funding as well as other projects that will help with childcare, apprenticeships and social enterprises.

In an another initiative, the Welsh Government will be making use of the European Investment Bank. Under the European Commission and EIB's 'Jeremie' programme[51], I want to see a £150m fund set up to invest in SMEs, drawing on Structural Funds, the EIB and other private investment.

Many SMEs – particularly in unfashionable areas – find it hard to get capital to grow. A risk capital fund for Wales will provide that boost and just as importantly, provide an ongoing investment legacy for Welsh businesses, as investment and loans are paid off by growing companies. This legacy will outlast the Convergence and Competitiveness programmes and will be available throughout Wales.

Similarly, I am investigating how we can utilise the European Commission and EIB 'Jessica' programme in the Valleys. This initiative is focused on urban areas and offers huge potential for regeneration. By putting together EIB money, private equity, public money and assets such as surplus land, we can create a regeneration fund for the Valleys, that – once again – will outlive Convergence Funding. This is subject now to a feasibility study.

At the top end of the Cynon Valley, Tower colliery's windhouse provides a gesture against the politics of Thatcher and the untamed free market. We have all been encouraged by the example of Tyrone O'Sullivan and the miners of Tower. They demonstrated that the people of the Heads of the Valleys did not lack guts, determination or vision.

What they lacked, and still sadly do to an extent, is the opportunity to bring their vision to fruition. When determination turns to frustration, and drive to aggression, we find the social problems that benight many communities. Our job as the Government is to give the people their opportunity to shine. I am determined to do that. Our challenge now is not to mine our land but our people and make the vision of *One Wales* a reality in south Wales.

51) The European Investment Bank's Joint European Resources for Micro to Medium Enterprises.

Chapter 5

The Landscape Opportunity in the Valleys

Jonathan Adams and David Brook

Since the decline of heavy industry, regeneration efforts in the Valleys have been focused on retaining industrial employment. However, there has been little attention to activity that specifically ties that employment to the Valleys location. Without the magnet of indigenous resources, the topography of the Valleys becomes a considerable obstacle to cost-effective industrial development. As a consequence, and despite vast public investment, industry-led regeneration has been unsuccessful.

The Valleys area has one valuable, sustainable asset that can provide the basis of true regeneration. We can be confident that this asset does have the potential to provide the basis of prosperity, because there are numerous precedents elsewhere in the UK, and even elsewhere in Wales. This valuable asset is, obviously, the landscape itself.

There are few areas of landscape in the UK as dramatic and as beautiful as the Valleys region. It is noteworthy, too, that all the comparable areas also occupy the fringes of the British Isles, far from the major centres of wealth and population.

Were it not for industrialisation, the Valleys would undoubtedly be one of the UK's most visited National Parks. As the scars of industry continue to fade beneath a 're-mediated' landscape, they becomes harder to remember how the Valleys used to appear, and easier to imagine how it might have looked two hundred years before.

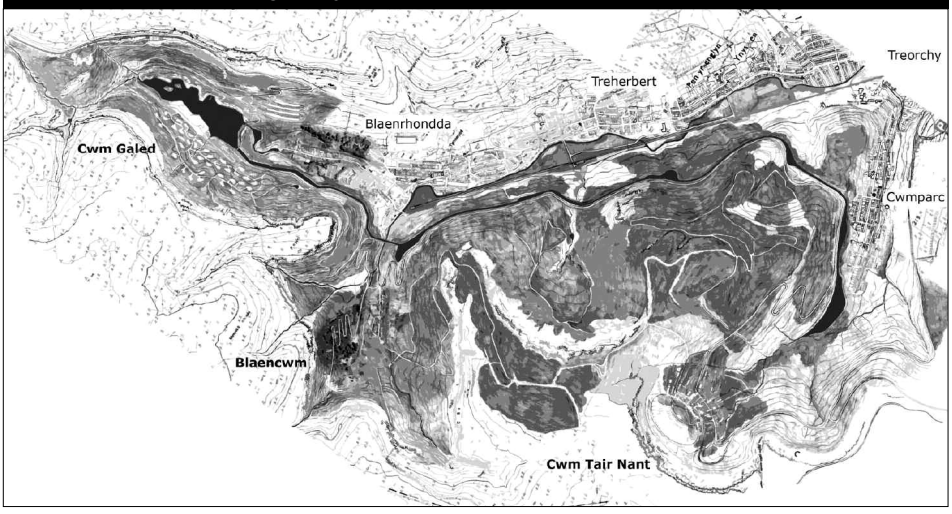
If, for example, you bring some new visitors to the Rhondda via the Heads of the Valleys and the Rhigos Roads – in other words, so as to avoid urban areas as much as possible – you can be guaranteed that they will be amazed both at the prospect that opens up before them and by the fact that they are but a short drive from England's main motorway network. If you do this on a day of fine weather, the effect is redoubled.

The proposed project outlined in this chapter, known as 'The Valley', starts at precisely this location, where the Rhigos Road crosses over the ridge towards Hirwaun. The view to the south is along the length of the Rhondda Fawr, but down below you to your right there is a steep drop to a flattened and, so far, un-landscaped coal tip. Beyond the tip, to the west the valley side rises up in an impressive escarpment. The escarpment folds

northwards like a curtain and turns into a cleft which is cut by a narrow waterfall – the head water of the Rhondda river. Disappointingly, at present, the river almost immediately flows into a culvert beneath the spoil tip, emerging a kilometre to the south alongside the nearest settlement, Blaenrhondda. This valley head, Cwm Galed, was the site of Fernhill Colliery, which operated for over a century before it closed in 1978.

The notional site of the project extends to the southwest, from Cwm Galed, following the line of the escarpment around Pen Pych – one of the few flat-topped mountains in Europe – into the remarkable natural bowl of Blaencwm. From there the study area takes a long step southwards across Mynydd Ty-Isaf, and missing out the gorgeous wooded scoop of Cwm Saerbren, to a barren, isolated but, again, stunningly impressive arena called Cwm Tair Nant. The nearest settlement to Cwm Tair Nant is Cwm Parc, a branch of Treorchy, about a mile away to the east.

Location of 'The Valley' Project



In essence, then, the study area comprises these three cwms: all ex-colliery sites, all substantially 'brownfield' sites with little population or infrastructure. The elements of the first stage of the proposal are as follows:

- Major investment to complete an imaginative 'restoration' of the pre-industrial landscape of the key sites, to provide a vigorous and self–sustaining mixed forest environment.
- Major investment in an appropriate infrastructure of foot/cycle ways, roads and waterways to connect the development sites and to enable quick simple access from the motorway infrastructure, without having to negotiate the already congested urban routes up through the valley floor.

- New building development of low to medium density to create leisure and associated facilities that will transform perceptions and bring in visitors from outside the area the whole year round.

The outcome of these three areas of investment will be:
- The creation of a large number and large variety of new jobs, to suit the particular range of employment needs in the Valleys.
- The re-imaging of the Heads of the Valleys – an area which has always been viewed as the most difficult to revive – thereby changing perception of opportunity in the Valleys region as a whole.
- Increase in value of property, transforming the context of decision-making around housing and commercial development – in other words, acting as a powerful catalyst for subsequent waves of regeneration within the existing Valleys settlements.

In effect this latter outcome becomes the second stage of the proposal – the re-shaping and regeneration of Blaenrhondda, Blaencwm, Treherbert and Treorchy based around the upgrading and extension of the existing railway and the areas around the railway stations.

In working on the project, it will only require an initial commitment to proceed with a development along the lines of the first-stage leisure-based proposal in order for the second-stage regeneration of the nearby towns to become viable. In other words, the two stages may as well proceed side-by-side, such is the inevitability of the regeneration 'spin–off'.

The project is all about changing perceptions. The expectations of Valleys people, and the perceptions of people in Wales towards the Valleys will be changed by a project of this kind. However, the change in perception that really matters is that of the community of investors that largely resides outside of Wales. Once their attention can be drawn towards the existence of such a potentially valuable indigenous resource in the Valleys, in such a convenient and accessible location, and with a ready and able workforce, then the opportunity will become a powerful magnet to those investors. All that is required is for that initial revelation to be made.

Development of 'The Valley'

The first stage of the project is concerned with leisure-based development of the three cwms. The spoil tip at Cwm Galed (Fernhill, see photograph on the following page) at the north would be re-contoured to create a reservoir. The reservoir has three functions:
- It provides a setting for the development of a leisure complex with lodges on the re-forested hillside for holiday rental.
- It feeds a canal that follows the 250m contour around the three cwms, providing transport infrastructure and a setting for holiday boating before it spills back into the Rhondda river.

• It provides a source of hydro-electric power.

The second of the three cwms, Blaencwm, differs from the other two in that it has a village at it base. This comprises around one hundred homes.

The spoil tip at Cwm Galed (Fernhill) – seen at the bottom left of the photograph

However, it is unusual (maybe unique) in that it is completely detached as a settlement from the main strip of the Rhondda valley bottom. The proposal for Blaencwm is to concentrate firstly on restorative forestation and landscaping, including the remodelling of the large tips that fill the base of the cwm. The canal that starts at Cwm Galed crosses the mouth of Blaencwm on an aqueduct which also acts to screen the view outwards to the urban area from within the cwm.

The new road, which generally follows the line of the canal, swings down from the 250 metre level to connect to the central street of the existing village and then climbs the northern side of the cwm in a series of switchbacks to lead to a magnificent new spa hotel. The road is designed for pleasure rather than speed. The incorporation of 'hair-pin' bends is deliberate. It slows the pace of travel, opens more vistas, and builds a sense of anticipation for the traveller.

Waterfall at the north side of Blaencwm

Unique design of the Spa Hotel

The design of the Spa Hotel will be unique, straddling one of the several streams that cascade down the sides of the cwm and rooting itself into the rockface on each side. Like all of the buildings that are proposed, the design will exemplify the principles of sustainability, constructed with locally sourced natural materials and designed for minimal energy consumption. At the same time, the architecture is deliberately contemporary in style – designed to capture the imagination of visitors and to carry the image of the development around the world.

The village of Blaencwm will, of course, be profoundly affected by the proposed changes to its surroundings. The same is true for Blaenrhondda, a similar 'one street town' just to the south of the proposed new reservoir at Cwm Galed. The changes to these two settlements must become part of the initial development. The building stock will be assessed with poor quality buildings removed, good quality buildings upgraded, and new amenities provided. This will transform the villages into self-contained, sustainable settlements that can directly benefit from the influx of visitors with money to spend. Any poor quality housing that is removed would be replaced by new, high-quality low-energy housing in the same district.

This particular aspect of the proposals could be interpreted as high-handed, and therefore potentially controversial. However, there is no escaping the necessity for the upgrading of many of the homes in the northern part of the Rhondda Fawr, the replacement of many others and the complete removal of some areas of severe dilapidation. In this, as in the whole of the project, the close engagement of all the communities that will be affected by the changes is an imperative. Most importantly, it is vital to the integrity of the project that no-one with an honest stake in the areas affected by the proposed changes will be allowed to lose out. There is no reason why everyone should not benefit.

The third of the three cwms, Cwm Tair-Nant, is the most isolated and the most barren in appearance. It is a natural bowl over a kilometre wide with almost vertical sides, like a vast theatrical arena. Like the other two sites, it has a flattened spoil tip in its base. This would be the last of the three sites to be developed. The content of the development here will be determined largely by changes in perception prompted by the proposals for the preceding sites. However, the working basis for the development is that it will be centred on a combination of leisure and higher education, with sustainable living as the unifying theme. The concept design shows a large focal feature that could have something in common with Cornwall's Eden Project, but with a less specifically horticultural purpose.

It would be a 'bio-dome', but part of a comprehensive experiment in future sustainable living, linked to a university campus. It would have a large open-air event space,

Concept plan of the 'bio-dome' and sustainable community at Cwm Tair Nant, Cwmparc, is at the lower right

Overlooking the 'bio-dome', the view east from Bwlch across Cwm Tair Nant

conference and leisure facilities, and sufficient residential development to provide a sustainable living and working community. As with the other two sites, much depends on the enabling investment in landscaping, forestation and transport infrastructure, including the proposed new canal which would terminate here with a large pool discharging via hydro-electric turbines back into the river.

Implementing 'The Valley' Project

With encouragement from the Welsh Assembly Government and Rhondda Cynon Taff County Borough Council, the project is in the process of moving from the concept stage into the first of a series of technical and commercial feasibility studies. Readers with knowledge of the area may be aware that some of the sites are affected by land–slips and other geotechnical challenges. These need to be fully quantified, and that exercise could have major implications for the layout of the current plan. Be that as it may, the opportunity still exists, the quality landscape is there in abundance and the vision can be realised in any number of forms. Site assembly is progressing. Fortunately, almost all of the land that is needed is in public ownership, and discussions are progressing well concerning the part that is privately owned.

The plan is for the project to be taken forward as a public private partnership. The Welsh Assembly Government is an active partner with a consortium of specialist developers known as the NOW group of mainly Welsh-based companies. The NOW Group focuses on regeneration projects, predominantly with a property bias. These projects are not about building houses or shops, but about rebuilding economically successful and sustainable communities. Collectively we have resolved that we should by guided by the following ethical principles:

- Avoid negative impact on the environment as a result of our activities and where possible actively enhance it.
- Raise social standards by paying upper quartile pay rates and improve working conditions.
- Source all materials and services from within a fifty mile radius of major business activity.
- Where local businesses do not exist to fulfil needs, we should support the creation of these businesses.

The following is how we organise our businesses:

- Broad participation in equity for those involved.
- Profits should be broadly distributed: one third to the equity providers, one third to be re-invested in the business and one third into a local NOW Foundation, whose funds will be used for social regeneration and development, including new business support

These commitments are fundamental to building a sustainable community and environment. Our business model is needed because the world in which we conduct our

business has fundamentally changed and continues to change. It is no longer enough to focus solely on making a profit at the expense of the world around us.

The NOW group has come together to address these concerns. Our philosophy is to operate a business model that continuously improves ecological, economic and social wellbeing. Moreover, it aims at distributing its profits more equitably according to the following formula: two thirds retained in the business for reinvestment and distribution to equity holders, and one third reinvested in the communities within which those profits have been generated.

Many businesses nowadays claim some ethical component, most often as a necessary add-on to the business of making money in their usual way. For NOW, it's the other way round: 'doing the right thing' is fundamental to our business. Over the last decade, the business community has become increasingly aware of the need for social, economic and ecological change. We hear calls for pollution reduction, corporate social responsibility and ethical trading. We are slowly recognising that the business community can only exist as part of a larger social and ecological system. The age of the 'ethical business' has arrived.

Chapter 6

A New Direction For Policy

John Osmond and Rhys David

Analysing the problems of the Heads of the Valleys is a relatively straightforward matter. The statistics tell their own story. As Steve Fothergill remarks in the opening chapter, "The Heads of the Valleys have the most intractable development problems of any older industrial area in the whole of Britain." Coming up with policy approaches that can make a real difference is the challenge.

One of the conclusions of an earlier study carried out by the IWA was that while none of the problems of the Valleys are unique, what is different about them compared with similar old industrial areas of the United Kingdom is the extent of their combination.[52] It was in 1934 that the Special Areas Act first established the Valleys as an area for economic assistance. More than 70 years later all of the problems addressed by that Act persist, including unemployment and economic inactivity, under-developed communications, poor housing, poor health, and low levels of workforce skills.

The successive waves of policy initiatives that have been devised in recent decades – from the Development Area designations of the 1960s and 1970s, through the Valleys Initiative of the 1980s, to today's targeted European funding combined with the Assembly Government's latest *Turning Heads* strategy launched in June 2006 – have signally failed to bring the Heads of the Valleys into the mainstream of Welsh economic life. Something different is needed. At the end of the opening chapter in this volume, Steve Fothergill calls for the injection of "something special". It was noteworthy that in his contribution in Chapter 4 Ieuan Wyn Jones, Deputy First Minister responsible for economic development and transport, echoed this sentiment. As he puts it:

> *"We now need a new concept of development to replace the pattern that has drained wealth and creativity down the Valleys to the coast."*

What should be the basis of this new concept? The report from the IWA conference on the Heads of the Valleys, summarised in the Appendix, rehearsed the opportunities that exist for regeneration, and many of these themes were echoed by the two Ministers most closely responsible for the Valleys in their contributions reproduced in Chapter 4. In summary, they were:

52) *The Socio-Economic Characteristics of the South Wales Valleys*, IWA, 2004.

- Take maximum advantage of the investment opportunities being opened up by the stock transfer of social housing in the Heads of the Valleys.
- Upgrade the skills of young people coming into the labour market. The Assembly Government's 2006 strategy commented that only 41 per cent of 15-year-olds in the Heads of the Valleys were achieving 5 GCSEs at A*–C grades, compared with a Welsh average of 52 per cent, which itself is extremely low.[53]
- Improve public transport: it has often been noted that the geography and population density of south-east Wales makes the region ideally suited to the creation of a fast light tram or rail system of the kind that is common in comparable regions across the European Union.
- Develop social entrepreneurship as a well-tried means of encouraging the long-term economically inactive into full-time employment.
- Invest in the environmental improvement opportunities such as the proposed Valleys Regional Park.
- Promote the tourism offer which has a substantial, but largely untapped potential, as demonstrated in the previous chapter outlining proposals for a new leisure complex at the top end of the Rhondda Valley.

There is general agreement about the desirability of these aspirations, and that initiatives in all these areas are needed if a real difference is to be made to the future of Heads of the Valleys. In his chapter on the 'rival visions' around population trends confronting the Valleys, Kevin Morgan stresses that

> *"… the future, far from being some ineluctable force that unfolds independently of us, is actually contingent on human action. What we do in the here and now can shape the kind of future that unfolds. In short, we can influence the future even if we cannot control it."*

However, what is missing in all of this is a delivery mechanism to ensure that, whatever the priorities in terms of aspirations or targets, a strategy for the Heads of the Valleys is implemented. We need a mechanism to enable us, in Kevin Morgan's words to shape the future of the Valleys in an effective way.

The Assembly Government might argue that the Heads of the Valleys Programme Board, chaired by the Economic Development Minister, that has been in place as a result of the 2006 *Turning Heads* strategy, is the delivery mechanism. However, this is an in-house civil service structure which has a small budget of just £10 million a year for, at present, three years between 2006–09. Moreover, it has little more than a co-ordinating role in bringing together different departments within the Assembly Government, the Welsh European Funding Office, four local authorities (Rhondda

53) Welsh Assembly Government, *Turning Heads: A Strategy for the Heads of the Valleys 2020*, June 2006, page 11.

Cynon Taf, Merthyr, Caerphilly, Blaenau Gwent and Torfaen), voluntary organisations and NHS Wales.

We contend that there is a lack of urgency or dynamism around this process. The absence of easily understood targets for improving the socio-economic profile of the Heads of the Valleys, coupled with the woefully inadequate budget, underscore the lack of concrete commitment. There are plenty of aspirations and declarations from the policy makers and planners. But they have yet to be accompanied by the necessary budgets or the leadership that a robust governance structure would supply.

One possibility we have considered, that was proposed at the IWA Heads of the Valleys conference, is the establishment for a set period of a stand-alone public authority dedicated to transforming the economic, social, educational and environmental prospects of the Heads of the Valleys region. Under this proposal most of the administration and funding for the region would be the responsibility of a Heads of the Valleys Regeneration Corporation, with a board appointed by, and directly responsible to, the Welsh Assembly Government. The model would be the urban development corporations that in the 1990s were given sweeping powers and significant funding to seek the revival of disadvantaged communities in London Docklands, Manchester, Birmingham, Liverpool, Tyneside and, within Wales, Cardiff Bay.

However, there are a number of problems associated with this potential solution. Because it would not be elected, such a body would lack democratic accountability, a defect that would make it much more difficult for it to gain the support it would need from the Valleys communities themselves. It would need to take over responsibility for key functions currently carried out by elected local authorities in the area, such as planning and land acquisition, assuming these were among the powers it would be granted. Indeed, it might seem odd if only a decade or so after the National Assembly was voted into existence, in no small part on the basis that it would democratise Welsh decision-making, another non-elected quango was created with wide-ranging powers to influence peoples' lives.

The fixed term nature of any such body presents another difficulty. The problems of the Welsh Valleys have lasted for generations so it is unlikely a regeneration corporation, even with a writ running for, say, 25 years, would be able to complete its work and then be put to bed. In Cardiff Bay and in the other areas covered by urban development corporations – all of which enjoyed much more favourable city centre canvases to work on – much still remains to be done, more than ten years after the corporations were wound up.

Urban development corporations were a 1980s solution to a different set of problems from those faced by the Heads of the Valleys. Cities such as Cardiff and Liverpool needed

to find ways of re-using large amounts of urban space formerly used for port-related or other industrial activities that had become redundant. The cities where urban development corporations were established were all regional metropolises. They all entailed reclaiming city centre land that could be reasonably easily used to accommodate the rising demand from increasingly affluent young professionals for new types of living in modern apartment blocks. New leisure activities could relatively easily be promoted as well, ranging from bars and restaurants to modern concert and sports venues. These conditions are not replicated in the Heads of the Valleys to anything like the same extent.

A better alternative would be to create a new regionally-based democratic structure in the Valleys, offering real empowerment to its people. The May 2008 elections for Mayor of London are the example we recommend. The contest – the third since the office was set up in 2000 – showed how a democratic post of this sort has the ability to energise the political debate, and draw in candidates who can appeal to the electorate.

In contrast with local council elections elsewhere in England and Wales on the same day the turn-out for the London mayoral elections won by the Conservative candidate, Boris Johnson, was relatively high at 45 per cent, and higher for the second consecutive time. Just as importantly the London mayoral elections won the attention not just of London's media but the UK media in general, with daily commentary in the closing stages. In the process issues affecting London became the subject of real debate and the solutions offered by the main candidates the recipient of proper scrutiny.

What, then, does the London mayor do and how easily could such a system be adopted the Valleys? The Greater London Authority, set up with the support of 72 per cent of those who voted in a referendum in 1998, covers the area of the 32 London boroughs and the City of London, which in turn vote to elect a mayor and 25 members to the Greater London Assembly. The Authority is responsible for transport, economic development, strategic planning, culture, health, the environment, police, fire service and emergency planning. The Greater London Assembly performs the task of regulating and scrutinising the mayor's decisions in these fields, and of putting proposals to him.

The London boroughs continue to have responsibility for building regulations, cemeteries, consumer protection, education, youth employment, environmental health, electoral registration, food, drugs, housing, leisure services, libraries, local planning, local roads, museums, parking, recreation, refuse collection and street cleansing, social services, town planning and traffic management – traditional UK local government functions.

Crucially, most of the powers acquired by the London mayor's office have been devolved from central government rather than transferred upwards from the existing local authorities. In the Valleys a similar approach would be adopted. In much the same way as

the administrative devolution that flowed from Whitehall to the Welsh Office in Cathays Park has been followed by political devolution from Westminster to the Senedd, a new Valleys authority led by a mayor would be invested with a range of new powers devolved from the Senedd, though the Valleys authority would ultimately be answerable to the elected Welsh Government in Cardiff. Local government across the Valleys would continue to carry out very broadly its current range of functions, avoiding the necessity for a costly re-organisation.

Under the London structure, using funds voted by central Government, the Greater London Authority finances Transport for London, the body responsible for overseeing the capital's tubes and buses, and some rail services, and manages key elements within the roads network. It also funds the London Development Agency, the equivalent of the development agencies in the English regions. Its tasks are to promote business efficiency, investment and competitiveness, promote employment, enhance skills and create sustainable development.

The Mayor is also responsible for strategic planning in London, drawing up the overall spatial planning strategy, while leaving the boroughs to deal with planning applications and to produce development plans. His office also promotes healthy living and has an important role in developing London's cultural strategy. This includes endorsing bids for major sporting events, such as the Olympics or the football World Cup, developing the creative industries and encouraging tourism. Since the Greater London Authority was set up the mayor has also been given additional powers over housing. The Mayor now prepares and publishes a statutory housing strategy and a strategic housing investment plan, as well as deciding on the broad distribution of regional housing funds and how public money for new affordable housing will be spent.

There will naturally be arguments over how well or badly the first London mayor, Ken Livingstone, performed. He was, after all, voted out of office in the 2008 elections after eight years in post. Nevertheless, few could dispute that London changed in many ways for the better under his rule, and the scrutiny of that rule by the elected Assembly. Public transport saw major investment, particularly in buses, where the fleet was completely renewed and expanded in number. Traffic pollution and congestion were reduced by the congestion charge, a policy unlikely to have been implemented by a Westminster government of any hue. Police numbers were also greatly increased. A raft of other policies sought to improve London's environment, boost business and advance the City's position as one of the main financial centres of the world.

Just as importantly the mayor has proved to be a voice for London. In his role as cheerleader for London Livingstone backed the Olympics bid and helped to secure massive government funding for the event. He also championed the case for

Crossrail, which will bring the city's first ever mainline east-west rail link, succeeding, as in the case of the Olympics, in extracting large sums of money from central Government for the purpose. Ken Livingstone also became the visible face of London for the rest of the world during his period of office, in much the same way as Mayor Giuliani or Mayor Bloomberg of New York, or in an earlier period Mayor Chirac of Paris.

How would such a system work in the Valleys? Some powers invested in the Mayor of London, such as control of the police and fire and rescue services, are not relevant in the Heads of the Valleys case and are not needed. Others most definitely are. Transport is regularly cited as one of the main constraints preventing individuals and businesses from reaching their full potential, and it would be fully appropriate for the new Mayor to have responsibility, working with the relevant transport companies and consortia such as the South East Wales Transport Alliance (SEWTA), for deciding on spending priorities. The Valleys mayor's transport commissioner, if he were to appoint one, might choose to work on better integration of bus services, support for new rail services, bus lanes, and investment in new roads to better link outlying communities with the main spine roads. He would work with the Welsh Assembly Government's transport minister – and local authorities in the area – in developing the strategy but most importantly he would make sure the Heads of the Valleys voice was heard when overall Wales transport strategies and funding were being decided.

Similarly, one could expect a skills commissioner appointed by the mayor to tackle the persistent problem of low educational attainment among the communities of the Heads of the Valleys. He or she would encourage schools and colleges to develop more fully the talents of their students by spreading best practice, and would seek to ensure that educational institutions throughout the area were offering the courses needed to give Valleys young people the best chance of moving into well-paid and rewarding employment. Likewise, in health there is a big job to be done, working alongside the National Health Service and local authorities health services to improve the health of the population and to reduce the incidence of premature death from largely preventable causes such as smoking, drinking to excess, drug-taking and poor diet.

Other areas where the mayor would have a major input would be strategic planning, as in London. The mayor would decide, for example, which settlements should or should not be expanded and where major new retail, commercial, industrial, housing, and leisure facilities should be placed. The Mayor would also be responsible for drawing up a cultural and tourism strategy embracing the whole area and for seeking out new economic development. For instance, he or she would be likely to accompany Assembly Government Ministers on overseas trade visits to make the case for the Valleys and to support its exporters and other businesses.

What area would the authority cover? Three, or possibly more, different geographical regions could be included within the new Valleys area for which a mayor could be elected:

- The Heads of the Valleys, comprising an area from Maerdy and Hirwaun in the west to Blaenafon in the east, with the A465 its central spine, excluding the lower valleys towns of Llantrisant/Talbot Green/Pontyclun, Pontypridd, Caerphilly, and Pontypool.
- The Central Valleys, comprising the whole of Rhondda Cynon Taf, Merthyr Tydfil, Blaenau Gwent and Caerphilly (and possibly Bridgend).
- The above region, plus Torfaen, and Bridgend and Neath Port Talbot, in other words the whole of the area considered, generally speaking, to constitute 'the Valleys', as defined by the coalfield.

We believe the second of these three options to be the best. The Heads of the Valleys solution would lead to a confusion of responsibilities within the local authority areas covered and would make it difficult to tackle in a coherent manner issues such as transport planning. It would also fail to recognise that some of the social and economic problems evident in the Heads of the Valleys occur with equal force in lower Valleys areas much nearer to Cardiff, in Pontypridd and Caerphilly.

The all-Valleys solution would create other equally difficult problems bringing together a very wide area comprising the whole of the former local authority areas of West Glamorgan, Mid Glamorgan and Gwent (minus Swansea and Newport). Such a combination would be largely artificial, with different settlements in east and west having little connection with each other (other than similar problems) and for that reason probably unmanageable.

In contrast, the Central Valleys, with a population of around 440,000 (excluding Bridgend), broadly speaking have a common focus, created to a large extent by communications running to and from Cardiff. This area also includes those parts of the total Valleys region where perhaps the greatest concentration of social and economic problems persist. If the election of a Mayor succeeds in transforming the area, the path could be opened for mayors in the more easterly and westerly parts of the valleys covering Swansea and its Valleys and Newport and Torfaen, or other combinations to be decided. Cardiff, too, might wish to consider such an approach. With a mayor in place in the Valleys to the north it would certainly find itself dealing with a much more potent political force as well as a more viable partner in discussing issues affecting the whole region surrounding the capital.

Of course, in its mayoral elections London has been fortunate in attracting candidates able to galvanise support and possessing the enthusiasm and energy to put forward contrasting choices for the public. A powerful post, which had the task of solving one of

the most intractable difficulties Wales faces, could bring forward equally charismatic candidates with strong programmes for reviving Valleys communities. Imagine, for instance, a contest that included Peter Hain for Labour, Ron Davies as an Independent and Dafydd Wigley for Plaid Cymru. All three – and Conservative and Liberal Democrat counterparts – could be expected to bring original ideas to the table and to offer strong leadership, including a no-nonsense approach towards Ministers in Cardiff Bay when putting forward the case for the Valleys.

Moreover, instead of being the product of another top-down approach to the area like so many previous initiatives, the elected Mayor's proposals and policies would have behind them the endorsement of the Valleys electorate. Seeing their views being directly represented could only assist in developing greater civic engagement from people within the area and in boosting local confidence and pride.

As *Guardian* and *Sunday Times* columnist Simon Jenkins has put it:

> *"Elected mayors may terrify politicians, which is why they oppose them tooth and nail, but Londoners have tasted the forbidden fruit of participation and seen benefits flow. After such a festival of democracy they will be in no hurry to turn back the clock but rather cry to the world, come on in, the water's fine."*[54]

We need to be bold enough to bring new thinking and new dynamism to solving one of our most persistent problems. A Central Valleys Authority, led by a Mayor of the Valleys, would be such a step. Certainly, it would represent the injection of 'something special', called for by Steve Fothergill in the opening chapter.

54) *Every City needs Ken v Boris show – it brings local politics back to life, Sunday Times,* 20 Apri 2008.

Appendix

Regeneration Opportunities

Reports from the IWA conference by Nick Morris, Rhys David, and John Osmond

Housing

New housing investment, estimated to be some £3 billion to meet the Welsh Housing Quality Standard – £1 billion of which should be spent in the Valleys – offers a profound regeneration opportunity. In providing the mechanism for stock transfer, housing associations should also be regarded as regeneration agencies and mainstreamed as such to embrace an overall strategic approach involving:

- Economic development
- Training opportunities
- Improved health outcomes

Housing associations are not just an arm of the public sector but are social enterprises with scope for levering private sector investment as well. Their aim is to provide a mix of social and market housing provision. During 2007–08 Welsh housing associations spent £210 million on housing development and maintenance, and £88 million on regeneration. In the stock transfers that have been so far been carried out in Wales – in Bridgend, Monmouth, Rhondda Cynon Taf, and Torfaen – at least 800 jobs have been created.

The Assembly Government has acknowledged the regeneration opportunities of housing investment by providing an additional £30 million investment in Social Housing Grant in the 2008–11 Comprehensive Spending Review budget period. A key challenge is to use such expenditure in a strategic way. So far as the Valleys are concerned an essential context is the use of investment to promote maximum economic regeneration.

During 2007–08 the regulation of Housing Associations was reviewed by a task and finish group led by former Minister Sue Essex. A more appropriate, risk based regulatory regime could lever an additional £110 million investment in housing and community regeneration investment. Meeting the WHQS could result in the creation of 1,000 jobs a year across south Wales. This should be set against the Welsh statistics for unemployment and economic inactivity amongst social housing tenants, as shown in Table 1.

Table 1: Unemployment and Economic Inactivity amongst Welsh Social Housing Tenants 2005 (percentages)

	Unemployment	Economic Inactivity
Men	12	42
Women	5	59

Source: ONS Statistical Bulletin, 2005.

Table 2: Proportion of Welsh Unemployed and Economically Inactive living in Social Housing 2005 (percentages)

	Unemployed	Economic ally Inactive
Men	32.3	28.5
Women	31.7	34.1

Source: ONS Statistical Bulletin, 2005.

It is noteworthy that these are all-Wales figures. The statistics for the Valleys will be worse. It is noteworthy, too, that around a third of the Welsh unemployed and economically inactive live in social housing, as shown in Table 2.

These statistics are a key reason why Welsh average incomes are 20 per cent below the UK average. Housing stock transfer provides an opportunity to do something about these problems in an integrated way: boosting employment and community participation whilst also improving housing stock quality and reducing carbon emissions. There should also be opportunities for levering in EU Convergence Funding by match-funding projects which:

- Boost skills, employment and enterprise
- Improve community infrastructure
- Develop community assets
- Reduce carbon footprint

At the same time a number of key policy challenges need to be addressed around procurement, training, European Union convergence funding, and leadership:

Procurement

This is a key factor in maximising investment opportunities. However, the bottom–line price consideration still works against local providers in many instances. There is no overall strategic approach providing mechanisms to favour local procurement.

Procurement should be regarded as providing an opportunity for capacity building. An example is RCT Homes which is currently involved in procurement bids worth some

£100 million in which both quality and price were calibrated. Quality rules included:
- Social inclusion – if suppliers are not local they have to establish a local base for the lifetime of the project.
- Local job creation benchmarking and training opportunities for the economically inactive.

These are thresholds which have to be crossed before price is considered. Between 30–40 per cent of those tendering to RCT Homes are local suppliers. It is possible to get around the price issue if quality factors are hard-wired into the system. Consortia arrangements should be promoted to ensure value for money. These should also be used to develop local supply chains to generate jobs locally.

Training

The system needs to be demand-led in terms of training and skills development. The scale of the challenge was demonstrated when Rhonda Cynon Taf Homes advertised six apprenticeships during late 2007 and received 780 applications. At the same time it had found great difficulty in finding suitable college courses for the apprentices that were recruited.

Convergence Funding

Opportunities for levering in extra European investment are not being used to optimum effect.

Leadership

This is a key, often missing, ingredient but it is not clear where it should come from. There is an overriding need for overarching co-ordination and collaboration between the various agencies in the field, in the public, private and voluntary sectors. One suggestion was for the creation of a Heads of the Valleys Development Corporation along the lines of the Cardiff Bay Development Corporation which provided the catalyst for successful development there.

Skills

In December 2007 the publication *Promise and Performance*, the Assembly's Government's Review of Further Education in Wales led by Sir Adrian Webb, laid out in stark terms the challenge faced in addressing the skills deficit. It observed that substantial inroads have yet to be made into the following problems :
- Tackling the underlying causes of the Basic Skills deficit.

- Ensuring a full range of vocational and academic learning opportunities for all 14–19 learners.
- Implementing a system that is fully responsive to the skills needs of employers.
- Reducing the number of adults who are economically inactive and of young people 'Not in Employment, Education or Training' (NEET).
- Delivering a joined-up approach for the most socially disadvantaged.
- Developing programmes for the gifted and talented, especially effective science education.

All these issues are sure to be amplified in the Heads of the Valleys, with statistics on the basic skills deficit underlining how far the region is behind the rest of Wales. The 2004 Basic Skills Survey found that 25 per cent of adults in Wales have literacy skills below Level 1, with 53 per cent having numeracy skills below Level 1. However, the statistics for the Valleys authorities are generally higher, as shown in Table 3:

Table 3: Literacy and numeracy attainment in selected Valley authorities

	Literacy below Level 1 (%)	Numeracy below Level 1 (%)
Blaenau Gwent	36	69
Bridgend	25	50
Caerphilly	33	64
Merthyr Tydfil	32	63
Monmouthshire	21	50
Newport	24	59
Rhondda Cynon Taff	26	56
Torfaen	26	60

The Webb report also drew attention to the numbers in Wales leaving full–time education with inadequate qualifications: 40 per cent of young people lack five good GCSEs. It also quoted 2007 research by the Learning and Skills Council that shows that qualifications lead to significant extra earnings over a lifetime. Five good GCSEs result in a person being £150,000 better off, three A Levels or their equivalent £211,000, while the average graduate can expect to earn a further £587,000.

Barriers to employment and good pay include the following:
- Lack of skills and qualifications
- Lack of a car
- Being young
- Working part-time
- Working in hospitality and retail
- Working in the public sector
- Lack of on-the-job training.

The Webb report contains a raft of recommendations on raising Wales's skills levels, highlighting the need to reconcile demand and supply. A key suggestion is to shift an element of further education funding to employers, to make the system more demand-led. Programmes that focus on work-related qualifications have the advantage of:

- Clarity of purpose
- Measurable goals and outcomes
- Calculable monetary value

On the other hand they may discriminate between those who are already in employment and those who are not. However, there was a general approval at the conference for the re-focusing of provision to make it more demand led. More co-ordination between further education institutions and employers, and stronger leadership at all levels would, however, be needed.

Priority should also be given to the enhancement of vocational qualifications. The Webb report's recommendation that the Welsh Baccalaureate should be improved and extended would be one way of achieving this.

More generally there was a need to inject a culture of challenge into the system. Both senior managers and politicians needed to take greater responsibility for engaging and leading the debate around improvement.

Transport

High inactivity rates and low incomes in the Heads of the Valleys also result in transport poverty. Some 30 per cent of households have no access to a vehicle and in a further 38 per cent only one vehicle – limiting the opportunities for one or other partner in an area with patchy public transport provision. In total around 400,000 people are affected. Yet, some 80 per cent of those who travel to work use a vehicle, with buses and coaches accounting for only 4–7 per cent, rail 2–4 per cent, and the remainder walking or cycling.

For many people in the Valleys car usage is not a luxury or even an alternative option but a necessity, with journey times by bus or train services (where available) often taking two or three times as long as a car journey over the same distance. Especially if shared, cars are often a cheaper and sometimes a much cheaper option than public transport. It is inevitable that car ownership will rise with prosperity, with more households owning more than one car.

While investment in rail is welcome, the nature of the service means it can only deliver to main centres such as Cardiff and is not flexible enough to carry individuals to other

employment destinations, for example along the M4. Nor can the current rail infrastructure cope with significant further traffic growth without heavy investment. Bus services have improved, with investment by new incoming operators such as Veolia putting high quality new vehicles on the road. However, congestion is limiting the contribution bus services can make. Population growth is adding to the need for solutions. In the coming decades the population of south east Wales is expected to increase by some 137,000.

Assembly Government policy as outlined in the Wales Spatial Plan is to link the 14 most prominent settlements in the Heads of the Valleys with transport to Cardiff and Newport to access jobs in these cities. This would normally be 'turn up and go' transport, typically offering services every 15 minutes or less during daytime. The South East Wales Transport Alliance is in the process of responding to this objective.

A significant transport investment programme is being undertaken, as exemplified by the re-opening in February 2008 of the rail link between Ebbw Vale and Cardiff (and ultimately Newport). A total of £100 million has been invested in rail improvements to the Valley lines between Cardiff, Merthyr and Rhymney to cope with an annual traffic growth of 10 per cent a year. A further £150 million will be spent over the next 10 years. There is some evidence, too, that the decline in bus usage of recent years has bottomed out.

In future the planning system should respond more closely to the need for sustainable transport. Job creation, new housing and leisure facilities, health developments and other public services should be placed where they can be easily accessed by public transport. This would give individuals greater choice of modes of transport. Developers seeking to regenerate old sites with housing and mixed use schemes are often given too easy a ride in this respect. What is common practice in England should be followed, with planning requiring the incorporation of employment, recreation, community and other facilities in new private sector developments.

Home working offers the possibility of cutting down unnecessary travel. However, in parts of the Valleys there are problems of incomplete broadband coverage and lack of IT skills. A co-ordinated approach is needed to overcome these problems.

There is a danger that too much money is being spent on road schemes to the detriment of other more sustainable options. As in Scotland, Wales should aim to achieve something close to a 70–30 per cent split between sustainable and non-sustainable projects. A higher level of priority should be given to providing an inexpensive, reliable, clean and safe public transport system.

Greater efforts also need to be made to stimulate two way flows on public transport, through the promotion to those living in the southern coastal belt of the attractions of the Heads of

the Valleys, including countryside, hill-walking, scenery, and heritage sites. Such flows would result in an injection of spending into the area's retail and other leisure facilities, and also improve the viability of public transport services, with possible beneficial effects on frequencies. Tourist promotion bodes should co-operate with bus and rail service providers to create attractive literature promoting tourist trails, as happens in the Lake District. Public transport also needs to be extended to make it easier to take advantage of entertainment and other leisure facilities in Cardiff and elsewhere during a longer period of the day.

Small-scale transport schemes need to be developed and promoted, including car sharing, possibly built around exchanges at M4 junctions/service stations, and sustainable community transport schemes.

The use of congestion charging in Cardiff to support investment in public transport services for the wider area should be examined, though this could be politically difficult. Public transport services into Cardiff could be made more effective by the use of timed bus lanes from the city centre to the A470/M4 junction, enabling faster and more frequent services to be run to Valley towns.

Social Enterprise

Social entrepreneurship is a process for carrying out business activities that includes both economic and social motives and needs to be distinguished from entrepreneurship as such, which operates primarily to deliver a profit. Social entrepreneurship's different motivation enables it to meet social needs, and makes it possible for it to play a pivotal role in changing the moral structure of society and the way in which communities operate. In summary, what we need is social gain, not shareholder gain.

Current Environment

Social entrepreneurs operate where the market is failing and the normal business environment will not meet society's requirements. Indeed, in some areas in the Heads of the Valleys the social entrepreneurship sector is the economy.

In this environment social entrepreneurship schemes face a number of difficulties. Fund–raising for maintaining the current level of social entrepreneurship is becoming harder and this leads many organisations to spend more time chasing grants than carrying out their main objectives. Often, too, social enterprises are called upon to pick up the pieces when communities are under stress but their good work can come naught when funding disappears.

Local authorities also play a not wholly constructive role, sometimes failing to build on work done by existing social entrepreneurship groups. Instead, there is a regrettable tendency to intervene anew at operational levels, repeating work already done and re-learning old lessons. There remains a lack of overarching networking and as a result good practice is not being spread. By acting as they do local authorities are felt to be cannibalising existing efforts, re-inventing what is already being done or inviting different organisations to carry out tasks already done elsewhere. The approach adopted by local authorities can also at times appear excessively bureaucratic, with the red tape involved in meeting audit requirements diverting effort away from the social entrepreneurship's primary purposes.

Problems also exist in some of the attitudes of social entrepreneurs who, because they do not see themselves as needing to meet normal business goals, fail to operate in a businesslike manner. As a result, they run the risk of not being sustainable and hence of failing.

Too many people within the sector face the stress of working on short term contracts for short term projects, leading to insecurity and possibly a reluctance to take risks. At the same time because social entrepreneurship has become the fastest-growing part of the economy in some areas, there is a danger of its becoming a 'Town Hall' jobs creation agency.

The external perception of the sector also needs improving, with social entrepreneurship seen as inferior compared with mainstream sectors.

The Way Forward

Social entrepreneurship should not be seen as a way to provide cheap service delivery nor merely as a stepping stone to enterprise but as an end in itself. Local authorities should be more supportive and recognise the difficulties caused when sources of finance disappear.

Social entrepreneurs themselves need to develop a business ethos and to pay more attention to the key management aspects of social businesses, including marketing. Other skills are needed within the sector, which government can help to provide. Social entrepreneurs need help in the often complicated process of bidding for contracts.

This points to a need to improve the professionalism of the sector, which would also help to ensure funding is used in the most efficient manner. However, professionalism needs to be injected in such a way as will avoid the dangers of losing the creative spark that is so vital.

Efforts must continue to be made to ensure people think positively about a career in the sector. If high morale is to be maintained, those working in the sector need to be shown they are valued, with more attention given to their pay and prospects.

In Wales there is an opportunity to establish the sector as a viable alternative to the conventional business model, capable of competing for example in the local services procurement process. In this way social enterprise could play a valuable role in re-circulating the 'local pound', and preventing the leakage of resources out of the area.

Cultural Tourism

In the worldwide context of cultural tourism Wales struggles to be in the forefront of places to visit. The pyramids of Egypt or the Taj Mahal in India are more likely to spring to mind than any area chosen from industrial south Wales. In Europe, cities such as Rome, Paris, Barcelona, and Verona will be mentioned before any Valley town or even the capital Cardiff. It has been estimated that there are 2,000 established cultural destinations in Europe alone, with each destination vying for tourists and putting forward what it thinks it has in the way of a unique contribution. This highly competitive market begs the question: "Does Wales have, or can it discover, a unique selling point of its own?"

Another question is whether the effort of getting into this competitive market is worth it. Is there money to be made by investing in the cultural product? The 2006 *Visit Wales* survey suggests that there is indeed an opportunity for Wales. It estimates that the annual value of United Kingdom residents visiting Wales with cultural activity mainly in mind is around £120 million. Visitors who note culture as being part of their reason for visiting Wales bring in another £465 million or so. Together this makes a total of just under £600 million which is generated without much co-ordinated effort to attract the tourist to Wales or the Valleys as a specifically cultural destination.

Underpinning any strategic approach should be greater investment in marketing. In the past funding has come from the Millennium Commission, the Lottery, the Welsh Assembly Government and the European Commission. In the last three years £6.8 million has come from the Assembly Government leading to 83 projects with a capital expenditure of £76 million.

However, funding is always under pressure and all these sources could decline in the coming years. The impact of the London Olympics on lottery funding is well known. So money needs to be spent wisely, embracing private as well as public sector investment. Winners in the cultural arena have to be selected to ensure the greatest impact is made.

In developing policy the product, customers, marketing and management need to be considered as priorities.

Product

How should we set about improving the Valleys cultural offer and what are the costs and outputs? There is a need to brand the Valleys as a region, placed within Wales and United Kingdom as a whole. It should be conceded that in many respects the Valleys suffer from negative outside perceptions, dated though these may be. Developing the area for cultural tourism would be an important step in changing such perceptions.

However, the Valleys product has to be more than just image. Creativity is needed in terms of design, architecture, and landscaping to create a truly attractive natural and built environment. Arts and crafts linked to the Valleys should also express the culture and heritage of Wales as a whole. There is a job to be done in lifting the esteem of all involved. The Herian concept of community and the people telling their own story could differentiate Wales from the rest of the competition.

Customers

Customers and the competition need to be reviewed. What does the customer want? How can the experience be made better for the elusive customer? What can be learnt from the competition? It is often forgotten that part of that customer base are the residents of the Valleys themselves. Customers can be thought of as 'user tribes' that have different needs in their visits. A marketing strategy should segment customers in terms of age, gender and other groupings.

The competition's offering for customers should be researched to see which successful strategies can be emulated, especially from other older industrial regions across the European Union.

Marketing

Once clear about the product and the customer the next step is effective marketing to transmit the message to the customer. There is an important marketing job to be done in tackling the negative perceptions both outside and inside the Valleys. There needs to be a collaborative effort between the Assembly Government, local authorities and other agencies. There should be co-ordination in identifying high-profile ambassadors for the Valleys. Realism is important and must underpin marketing strategy. As a small nation Wales needs to identify a niche in the marketplace. Replicating nearby attractions such as the Hay Festival is not required.

The emphasis should be on developing complementary attractions, augmenting rather than duplicating.

There is also a debate to be had on whether heritage and culture can stand alone as a marketing subject or form an essential plank or pillar within a larger marketing message. But perhaps the key consideration is a need for clarity. Messages should be simple with a unity of purpose in all the agencies involved mobilising support. Mixed messages lead to confusion.

Management

Effective management of the process is essential. Politics and parochialism should not hinder the essential need to provide what the customer wants. This will be a considerable task. Co-ordination is essential to aim at avoiding clashes of events, for example between the Abertillery Blues and Brecon Jazz festivals. The *One Wales* coalition agreement between Plaid and Labour mentions the key role of the unitary authorities in funding and coordination of culture. However, strategic management should lie with *Visit Wales*, within the Assembly Government.

Sustainable Development

The environmental impact of development should be at the centre of policy-making. There are contradictory trends. As people become wealthier they demand more and have a greater impact on the environment in terms of CO_2 emissions. For example, we can expect a growth of car ownership in the Valleys. At the same time there are environmental opportunities:

- The imperatives of recycling should be the source of a whole new industry for the Valleys.
- Housing stock transfer provides opportunities to upgrade up to 40,000 homes, with environmental improvements at the fore – including double-glazing, insulation and micro electricity generation.
- The notion of a Valleys Forest Park is being taken seriously.

Against such aspirations is the reality that thus far new Valleys development has concentrated on road improvements and building new retail parks, with little sense that the impact on Wales's carbon footprint has been taken into account.

There is insufficient co-ordination between developments. So, for example, large-scale land reclamation schemes have been undertaken at the same time as leaving adjoining villages bereft of investment and improvement. There have been key heritage investments with little thought given to making linkages with nearby communities. An outstanding

example is the Big Pit development at Blaenafon which is attracting some 150,000 visitors a year. However, in the past these have largely by-passed the town of Blaenafon itself, a problem that should now be addressed by the opening of the new Visitor Centre.

We need a strategy that ensures developments have a built-in legacy of change. Long-term benefits should be locked into all large investments. The Heads of the Valleys need to capitalise on their twin attributes of being close to the Brecon Beacons National Park and within easy commuting distance of Cardiff. At the same time we need to be realistic in ensuring that new housing developments are located to minimise adverse weather conditions and are not placed in unsustainable locations, as has occurred in the past. Looking ahead to the next ten years we can expect:

- More people in work.
- More people in work-based training.
- More housing investment.
- Development led by housing and tourism investment. For example three new hotel complexes are currently being developed in Ebbw Vale, Merthyr and Aberdare.
- Meeting the Welsh Housing Quality Standard will result in £1 billion investment in the Valleys over the next decade.

To an encouraging extent these developments are being driven by the private sector, and the housing market in particular. So, for example, Blaenau Gwent had the largest increase in house prices in Wales during 2007. The Cardiff housing market has had a ripple effect which is now pushing up to the top end of the Valleys. The underlying pressures of supply and demand should ensure that this process will be resumed following the 2008–09 housing market recession.

One overall result was that by late 2007 private investment had reached levels that had not been expected for another five years. This is crucial since without private sector involvement there cannot be a shared agenda and common outlook between the public, private and voluntary sectors. One key collaboration will be to produce a design guide for new developments that ensure quality and an individuality attuned to the Valleys inheritance.

Notes on the Contributors

- **Jonathan Adams** is from Caerleon, but has parental roots in the Valleys. His architectural training took place at the Welsh School of Architecture and the Architectural Association School in London. He worked for GLC architects and for many years with Will Alsop architects, before returning to Wales in 1998 to design the Wales Millennium Centre. In 2000, with the Institute of Welsh Affairs, he instigated the debate that led to the establishment of the Design Commission for Wales. He is immediate past-President of the Royal Society of Architects in Wales, a member of the Design Review panel of DCfW, and a Director of Safle (Public Arts Wales). He is Special Projects Director of Capita Percy Thomas and a Director of the newly incorporated *Now to Regenerate Ltd.*, working on the regeneration of the Valleys.

- **Leighton Andrews** AM was first elected to the Assembly, as Labour AM for the Rhondda, in May 2003. He was born in Cardiff and studied at the University of Wales, Bangor and the University of Sussex. A former head of public affairs with the BBC, he lectures at Cardiff University Journalism School. He was co-founder of the Yes for Wales campaign which fought the 1997 referendum, and in 2007 appointed a Deputy Minister in the *One Wales* coalition government.

- **Rhys David** was formerly a journalist with the Financial Times, and has been with the IWA since 2002 as Associate Director, and since 2008 as a Trustee. He was co-author of recent IWA reports on the Valleys and on Industrial Clusters and has been responsible for developing the IWA's marketing and administrative systems. While at the FT he worked as a specialist correspondent covering a number of industrial sectors and as a regional correspondent. He also held the post of surveys editor, with responsibility for the paper's 200 annual country, financial, management, IT and regional reports. From 1988–1991 he held the position of publisher and managing director of Business Magazine, a joint venture between the FT and Conde Nast, the publishers of Vogue. From 1995–2001 he was a member of the editorial advisory board of New Welsh Review, the Welsh literary quarterly.

- **David Brook** has held senior managerial and director appointments with Travel International, Citicorp and the BBC, and been a consultant with other organisations, including Shell International, Marks and Spencer, and Pfizer Pharmaceuticals. He is an associate lecturer with the Open University on its MBA course module on Creativity, Innovation and Change. He is joint founder of *No Other Way*, an organisation leading ecological, social and economic change, and regeneration.

- **Steve Fothergill** has been a Professor within the Centre for Regional Economic and Social Research at Sheffield Hallam University since 1992. An economist by background, he is an experienced researcher with a track record extending back over thirty years at a number of academic institutions and an international reputation. Most of his work has been within the field of urban and regional development, particularly in the UK context, including studies of cities, rural areas, coalfields and seaside towns. Over the last decade his work on hidden unemployment and incapacity benefits has proved particularly influential. Outside academia, he is Director of the newly-formed Alliance, the association of local authorities in Britain's traditional industrial areas, in which capacity he leads the lobbying for economic, social and environmental regeneration. Previously, he was Director of the Coalfield Communities Campaign, and played a key role in the regeneration of Britain's former mining areas.

- **Ieuan Wyn Jones** AM is Deputy First Minister in the *One Wales* coalition government. He is Leader of Plaid Cymru – The Party of Wales in the National Assembly, and was MP for Ynys Môn from 1987 to 2001. He was elected to the National Assembly as AM for Ynys Môn in 1999. He was educated at Liverpool Polytechnic and was a solicitor before his election as MP.

- **Kevin Morgan** is Professor of Governance and Development in the School of City and Regional Planning at Cardiff University and a Co-director of The Regeneration Institute. He has a personal and professional interest in the fate of the Valleys, having been born and bred in Rhigos, on the northern rim of the Cynon Valley, and having studied the region as part of his PhD at Sussex University. Throughout his career he has written on the problems and prospects for the Valleys. With Adam Price he wrote *Rebuilding Our Communities: A New Agenda for the Valleys* (Friedrich Ebert Foundation, 1992) and *The Other Wales: The Case for Objective 1 Funding Post 1999* (IWA, 1998). More recently he was a co-author of *Objective One in Wales: An Assessment and Lessons for the Future* (BBC Wales, 2007) and *Coalfields and Neighbouring Cities* (Joseph Rowntree Foundation, 2007).

- **Nick Morris** has been a Research Officer at the IWA since 2007 and is also Assistant Editor of the IWA journal, Agenda, and co-editor of *Assembly Bwletin Cynulliad*, a Welsh politics newsletter produced jointly with a political consultancy. He co-authored the IWA's recent *Media in Wales: Serving Public Values*. He is a history graduate from Cardiff University and specialised in economic and social history, working in market research before joining the IWA.

- **John Osmond** has been Director of the Institute of Welsh Affairs since 1996. A former journalist and television producer, he has written widely on Welsh politics, culture, and devolution. He was Welsh Affairs Correspondent with the *Western Mail* in the 1970s, Editor of *Arcade-Wales Fortnightly* in the early 1980s, before moving to work in television. He was a journalist and producer with HTV Wales before forming an independent production company which made programmes for BBC Wales, S4C, STV and Channel 4. He was deputy editor of Wales on Sunday for two years during its launch, 1988–90. His publications include *Ending Sovereignty's Denial* (2008), *Crossing the Rubicon: Coalition Politics Welsh Style* (2007); *Birth of Welsh Democracy* (2003); *Welsh Europeans* (1996); *The Divided Kingdom* (1988); and *The National Question Again – Welsh Political Identity in the 1980s* (1985).

- **Gareth Williams** is a Professor in the School of Social Sciences at Cardiff University. He has worked in the field of the sociology of health and illness for twenty years. During that time his work has ranged from micro-sociological studies of the experience of health and illness, through cultural analysis of disability, to macro-sociological research on health policy and social inequalities in health. He is now developing with colleagues new work looking at the relationships between economic regeneration, community development and sustainable health, with particular reference to post-industrial south Wales.

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