

The Cynon Valley After Covid: action for recovery and renewal

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SUMMARY

The Covid-19 pandemic has had a profound impact on the Cynon Valley. As well as bringing a high rate of infection and death, it has also affected business resilience and dramatically reduced the number of people in employment. The pandemic came on top of long-standing economic and labour market challenges which affected the area's ability to adjust to change.

A lasting recovery for the Cynon Valley requires more than just a 'return to normal'. The area needs an approach that ensures that its people, economy and jobs are fairer and stronger than before.

Despite the many challenges, there are real and significant opportunities to create a better future for the Cynon Valley. The spending power of public bodies, households and businesses alike can be harnessed to stimulate and support the local economy. The key to impact is not just to spend locally but to encourage money to recirculate within the local economy.

Encouraging the creation of new firms and the growth of established firms is essential to maximise the impact of local spending. This in turn requires the availability of suitable premises and effective business support – both of which need significant boosts to reach Cynon Valley enterprises.

There are many different economic sectors that have potential, from tourism to town centre regeneration to waste reuse and recycling to construction and manufacturing. Some of these sectors have traditionally featured in economic policy more than others. Support for the economy must be coupled with support for workers, so that they have the right skills and are aware of and can exercise their rights in the workplace.

The Cynon Valley occupies an excellent strategic location and its future depends on making the most of planned rail, active travel and other infrastructure improvements, without which the area will be bypassed. It is possible to do so whilst working towards net zero, through reducing the need to travel as well as investment in sustainable transport such as electric vehicles and comprehensive bus, cycling and walking facilities.

We make the following recommendations to help realise a fairer and sustainable future for the Cynon Valley.

1. There is no single solution that can alone stimulate business growth or create the number of jobs on the scale required. **We recommend a more holistic approach which stimulates and supports ALL economic sectors.**
2. There is scope for more public bodies to use their budgets to help to support the local economy. **We recommend that the Cwm Taf Public Services Board establishes a joint procurement strategy to include those bodies which are not currently focusing on local purchasing.**
3. There is potential to retain and recirculate more local expenditure to increase its impact. **We recommend that Welsh Government and local authority business development teams work with procuring bodies to develop local supply chains.** The approach is likely to be most effective if focused on specific goods or services,

such as food, construction and retrofitting energy efficiency measures to social and private housing.

4. Business capacity urgently needs to grow. **We recommend the expansion of support services and infrastructure to support new and existing enterprises, including** extending the 9-5 club offer and providing affordable starter and co-working units.
5. **We recommend the creation of a vehicle such as a Cynon Valley Development Trust to stimulate community-based enterprises, with a strong focus on the green economy.**
6. Businesses in the Cynon Valley need support as they restructure to new ways of doing business. **We recommend that the Welsh Government and local authority and business support providers dramatically step-up their advice, support and financial assistance to businesses recovering from the pandemic.**
7. There are opportunities to increase capacity around existing employment sites through refurbishing and repurposing premises. In addition there is significant potential to create new units as part of the redevelopment of the former Tower Colliery site. **We recommend that the Welsh Government explores designating the broad Hirwaun / Tower / upper Cynon area as an 'economic action zone',** providing enhanced grants and loans to businesses which create jobs and recruit locally. All should be delivered to high environmental standards.
8. There are major opportunities to reshape town centres. **We recommend a fresh, bottom-up approach to town centre regeneration,** broadening the offer beyond retail, in which the local community and business are involved in creating a positive story and developing imaginative solutions.
9. There is clear demand for affordable owner-occupied housing, the provision of which has potential to create and support jobs. **We recommend small scale housing developments and the refurbishment and repurposing of existing properties, with high environmental standards.** There is potential to develop new tenures such as shared ownership.
10. Retrofitting energy efficiency measures to existing homes, including owner-occupied and privately-rented homes, has major job creating potential as well as reducing carbon emissions and improving the quality of homes. **We recommend a major initiative to install retrofit energy-saving measures in private and social housing alike,** using local good quality contractors.
11. The employment impact of renewables is modest, but different forms of ownership of renewable installations can provide income streams. **We recommend that future wind or solar developments in the Cynon Valley be taken forward as joint ventures to ensure that the dividends are retained within the community.**
12. The local landscape and nature are incredibly highly valued in the Cynon Valley. **We recommend a 'Green Cynon' programme which improves the local environment e.g. by removing litter and flytipping, creates and maintains paths and cycleways, and undertakes appropriate planting.** This could create jobs and opportunities to train in land-based skills, help tackle climate change and be part of flood mitigation measures.

13. There are significant gaps in provision of learning for adults over 24 years old. **We recommend boosting the range of skills and type of learning offered through Personal Learning Accounts and expanding the learning offer**, e.g. via increased awareness of the Open University's free provision.
14. Efforts to develop the economy must be done in tandem with enhancing adult skills. **We recommend establishing a mechanism to match up skills supply and demand and also to provide businesses with a voice and opportunity to network Cynon-wide.**
15. There is scope to drive up terms and conditions of work. **We recommend that public bodies which pay the real Living Wage should seek accreditation for doing so, and that local employers should be urged to pay it.** A local 'know your rights' programme could ensure that current and prospective workers are informed about their rights at work.
16. **We recommend a benefits take-up campaign** which could increase take-up of benefit entitlements especially Council Tax Reduction Scheme, Free School Meals, and Universal Credit for working households.
17. The south Wales Metro and the A465 dualling bring significant opportunities for increased connectivity including travel out of and into the Cynon Valley. **We recommend that the local authority, public transport providers and community work together to produce a comprehensive green travel plan to include:**
 - ensuring that the south Wales Metro is delivered, with an extension to Hirwaun and a direct service to Treforest Estate;
 - ensuring good public transport links within the Cynon Valley, including to and from Metro stations;
 - enhancing provision of cycle and bus priority measures on key routes (coupled with traffic calming of vehicles);
 - provision of sufficient electric vehicle charging points at key locations as well as in residential areas.

Last, but not least, the Welsh and UK Governments must redouble their efforts to boost prosperity and wellbeing in the least well-off areas. This requires refocusing all public policies to meet the circumstances of the Cynon Valley and similar places as well as targeted programmes.

1. INTRODUCTION

Like much of Wales and the UK, people and businesses in the Cynon Valley have been profoundly altered by the Coronavirus outbreak. At times people have experienced some of the highest infection rates in the UK and the area has also borne the brunt of Covid-related deaths. Up to the end of October 2021, a total of 938 people in Rhondda Cynon Taf have died with the virus, a fifth of all deaths that were registered in the local authority area during that time.¹ The pandemic has also affected the local economy, with many businesses closing and sharp rises in the number of claimants.

These effects come on top of long-standing challenges facing the Cynon Valley as a result of both its economic history and deep social and economic inequalities today. If the area is to recover from the pandemic and build a new and better future, its economic path needs to change. A new path must be one which is socially and economically equitable and is also environmentally sustainable, that is one where people receive fair rewards from work and in which carbon-emissions are reduced and nature restored.

This report sets out some of the many opportunities that could be explored within the area and makes recommendations for action. The opportunities and recommendations are drawn from interviews with 18 stakeholders, 29 local businesses and 70 members of the public conducted over August and September 2021. We have also analysed key data and reviewed numerous Welsh, regional and local policy documents. We have brought our own extensive experience of developing practical proposals for a fairer economy and society, especially in the south Wales valleys.

Conventional approaches to developing the economy are based on a mix of attracting inward investment and stimulating new firm formation. In the short term, south Wales as a whole has benefited from large numbers of new employers which have moved production here and created numerous jobs. In the longer term, many of these new businesses have not stayed in the region, nor have they necessarily become embedded in the local economy for example by using nearby suppliers. Crucially, as enterprises owned elsewhere in the UK or overseas, profits are neither retained in the area nor are necessarily shared with workers.

An alternative approach is to consider the assets of an area in its widest sense. Much of the Community Wealth Building approach emphasises public procurement, but the approach can and should include assets such as existing businesses, land and buildings and other public investment. We have drawn from the community wealth building approach in developing our proposals, although it is worth noting that there are some limits to community wealth building especially in a relatively deprived area, which needs some cross-boundary economic activity if its disadvantage is not to be locked in.

Achieving this is not the role of one organisation or individual. Nor is there a single solution that will stimulate business growth or create the number of jobs on the scale required. Successfully delivering a fairer, sustainable and more resilient Cynon valley depends on the efforts and collaboration of multiple tiers of government, anchor

¹ ONS Death registrations and occurrences by local authority and health board, release dated 26th October 2021
<https://www.ons.gov.uk/peoplepopulationandcommunity/healthandsocialcare/causesofdeath/datasets/deathregistrationandoccurrencesbylocalauthorityandhealthboard>

organisations,² civil society bodies and people and communities themselves. Each has a role to play and none can deliver the change required alone.

Our analysis and recommendations are not intended as a criticism of the work being undertaken by any public body. Indeed, in the course of this project we were often struck by the amount of activity being undertaken and significant achievements of many public bodies. We also identified some issues on which there is some activity but which is modest in relation to the scale of the challenge the area faces. However, some organisations and many people in the community were simply not aware of the efforts being made in the Cynon Valley, which suggests that there is scope to strengthen communications and partnership between different bodies and increase engagement with the wider public.

In making recommendations we have focused on changes that are deliverable in the short-term. They do not require changes in Welsh Government powers, substantial increases in public spending or dramatic shifts in people's lifestyles and habits. Rather, they focus on achieving a fair and sustainable recovery from Covid-19's impact on the Cynon Valley in a relatively short period.

The report was commissioned by Beth Winter MP to consider how the Cynon Valley's economy could recover from Covid-19. It has been undertaken and the findings developed independently by the Bevan Foundation team. We are grateful to the many people and organisations who have given their time and shared their ideas with us. We are also grateful to the individuals who have commented on earlier drafts of this report. We have given all the comments we received fair consideration and where relevant included them in this final version. However, the responsibility for the analysis and recommendations presented here is entirely that of the Bevan Foundation.

² An anchor organisation is defined by the Centre for Local Economic Strategies as organisations which:

- a. Have an important presence in a place, usually through a combination of: being largescale employers, the largest purchasers of goods and services in the locality, controlling large areas of land and/or having relatively fixed assets;
- b. Are tied to a particular place by their mission, histories, physical assets and local relationships. Examples include local authorities, NHS trusts, universities, trade unions, large local businesses, the combined activities of the community and voluntary sector and housing associations.

2. CURRENT POSITION

Before looking at a new path ahead it is important to understand the starting point. This section looks at the current position of the Cynon Valley's economy and labour market, including the impact of the Coronavirus pandemic on workers and business.

2.1. Businesses

The Cynon Valley went into the pandemic with a relatively small local economy. Reflecting its economic past in which one industry dominated, there are today fewer than half the number of private businesses relative to its population as the British average. It also has a smaller number of businesses relative to its population than the rest of Wales. If the Cynon Valley is to have the same number of businesses per head as the British average it needs to double the number of enterprises in the area. Even to reach the Wales average number of businesses, the Cynon Valley needs nearly 1,000 new enterprises.

Cynon Valley businesses are found in almost all sectors of the economy, from agriculture to manufacturing and real estate. The largest numbers of enterprises³ are in construction, accommodation and food service, retail and professional services which together account for more than half of all the constituency's enterprises.

Cynon Valley enterprises are overwhelmingly micro and small establishments in terms of employees, with businesses with 0-9 employees accounting for 89.6% of all enterprises and those with 10-49 employees accounting for a further 9.6% of enterprises. There are in addition to local enterprises approximately 325 establishments which are branches of firms headquartered elsewhere. They are generally larger than locally-run businesses: they account for roughly half of all establishments with more than 10 employees and all of those with more than 250 employees.

2.2. Self-employment

Approximately 2,300 Cynon Valley residents of working age are self-employed, some 8.7% of all employment. This is lower than the rate of self-employment in Wales and the UK, but nevertheless at one in twelve of the workforce is a sizeable minority.

2.3. Public bodies

There is a relatively small number of public bodies with a substantial presence in Cynon Valley. While the local authority, college and largest housing association all have premises and employees based in Cynon Valley, their main offices are elsewhere. Cwm Taf Morgannwg Health Board has some limited headquarters functions at its office in Abercynon and operates Yspytty Cwm Cynon, although its responsibilities (and main staff locations) cover a much wider area. Cynon Taff Housing Group does however have both its head office and main responsibilities in the constituency.

The Cynon Valley's business structure means that the local economy was substantially affected by restrictions on businesses over the pandemic, such as the closure of non-essential retail and accommodation and food service establishments and limits on capacity. UK-wide evidence suggests that micro businesses and SMEs were more likely to

³ An enterprise is a business unit with substantial autonomy in how it operates.

temporarily close⁴ and experience a significant drop in turnover than larger businesses, ⁵suggesting that Cynon Valley enterprises were hard hit.

The experiences of businesses we interviewed confirmed these findings. Two thirds of interviewees said they had been required to close for a period: one business owner told us that their business had closed for 33 out of the previous 52 weeks, while another said:

We closed down in multiple periods including from the start of the pandemic to June 2020 when we opened one day a week. We also closed during the firebreak in October 2020, and from the first week of December 2020.

Small manufacturer

The timing of closures was as important for some businesses as the number of weeks of closure. For example the closure in December 2020 affected businesses whose busiest period was Christmas.

During the period of restrictions, businesses adopted many different strategies to survive. Some moved their operations online while others introduced take-aways and delivery services where they could, as one described:

Initially we had to close which forced us to start a delivery service ... The delivery service has meant we have done better than expected over the past six months.

Café

We developed a delivery and a collection-only service. We are going to retain our Facebook sales - we've got 8,000 people on our social media site.

Retailer

As restrictions have eased, businesses have experienced mixed fortunes. Amongst those we interviewed, a fifth said that turnover in the previous six months had been better than expected.

Demand has gone through the roof because everyone wants work done as they've had more time to spend at home so in that sense it's been good for business.

Construction business

However, twice as many businesses said that turnover in the last six months was less than expected, with trade yet to recover to pre-pandemic levels. Businesses cited pandemic-related issues such as changes in customer habits as well as UK-wide and even international concerns such as problems in their supply chains and local concerns such as nearby construction sites.

The first two months of re-opening were good but now it is dead

Hair and beauty business

Takings are nowhere near pre-pandemic levels

Retailer

⁴ Business insights and impacts on the UK: 19 November 2020

<https://www.ons.gov.uk/businessindustryandtrade/business/businessservices/bulletins/coronavirusandtheeconomicimpactsoneuk/latest#main-points>

⁵ Hurley, J. et al (2021) Impacts of the Covid-19 crisis: evidence from 2 million UK SMEs. Bank of England staff working paper. <https://www.bankofengland.co.uk/working-paper/2021/impacts-of-the-covid-19-crisis-evidence-from-2-million-uk-smes>

Work is starting to come in again now so it has been better than six months ago but compared to what it should be it is way down. I fit a lot of windows and there is a shortage of uPVC products.

Construction business

The combination of the blockage in the Suez Canal and the lockdown in India - which is where 90% of it [supplies] comes from - has caused supply issues.

Suppliers have added 10% onto everything.

Manufacturing business

The UK and Welsh Governments provided several business grants and loans to support businesses during the pandemic (some delivered by the local authority). There is a mixed picture here. The Self-Employed Income Support Scheme assisted a total of 2,700 people in Cynon Valley, with an average claim of £9,300 (only slightly below the UK average) and injected more than £23 million into the area⁶. Other UK Government schemes had more limited impact. Twenty-six establishments participated in the Eat Out to Help Out scheme, claiming discount of £223,000 – the 20th lowest value of all UK constituencies. But it is the UK Government's loan schemes which had the most limited reach. At first sight, the offer of £29.73 million in 990 loans appears significant. However, only the Western Isles of Scotland and Rhondda constituencies had lower levels of investment than Cynon Valley. The reasons for this are unclear, as in general retail and accommodation and food businesses together with SMEs were more likely to use loans than others.⁷

Constituency	Number of loans offered	Total value of loans offered (£)
Na h-Eileanan an Iar	557	16,666,656
Rhondda	823	23,057,401
Cynon Valley	990	29,728,501
Blaenau Gwent	818	33,532,813
Neath	1,133	33,780,546
Orkney and Shetland	942	34,801,074
Sheffield, Heeley	1,130	35,662,108
Arfon	1,024	36,306,276
Merthyr Tydfil and Rhymney	1,075	36,602,373
Inverclyde	912	37,180,408

Source: House of Commons library Coronavirus Business Support Schemes statistics

<https://commonslibrary.parliament.uk/research-briefings/cbp-8938/>

Similar data on Welsh Government schemes are not available. We were informed by Rhondda Cynon Taf Council that the total Welsh Government Covid-19 non-discretionary rates support and "discretionary grants" that it administered across the local authority area was almost £76 million.

⁶ Self-Employment Income Support Scheme statistics: July 2021,

<https://www.gov.uk/government/statistics/self-employment-income-support-scheme-statistics-july-2021>

⁷ House of Commons library (2021) Research briefing: Coronavirus business support schemes

<https://researchbriefings.files.parliament.uk/documents/CBP-8938/CBP-8938.pdf>

In interviews there was limited spontaneous reference to any form of government support, even though almost all business premises would have received financial contributions to their business rates. Where businesses did receive grants or loans we were told they were a lifeline:

Turnover has been as expected thanks to Welsh Government economic resilience grants

Hair and beauty business

Not everyone welcomed the support – one business felt that a neighbouring trader had used government grants to upgrade his premises which increased competition. Another said that while the support had helped his business stay afloat, he and his family were nonetheless plunged into personal financial hardship.

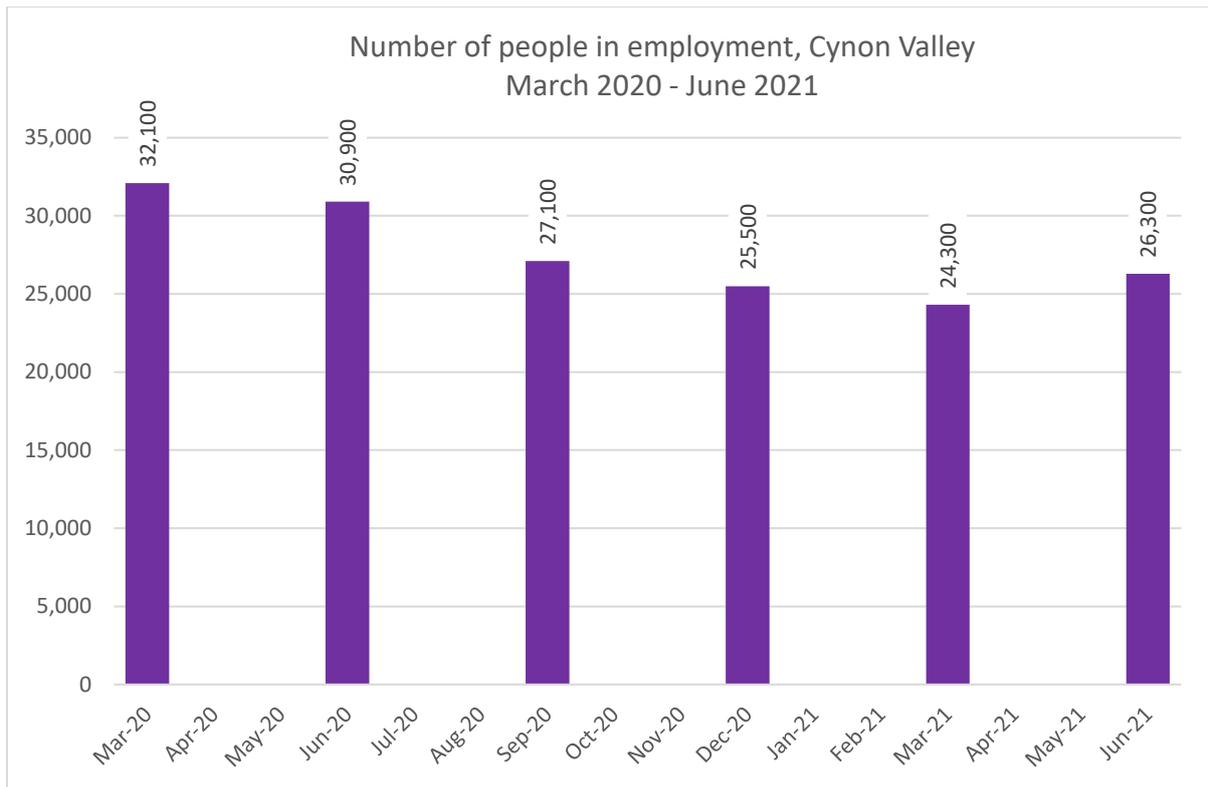
2.4. Employment

The Cynon Valley's local labour market was weaker than the British and Welsh averages before the pandemic and continues to struggle. At the start of the pandemic, 69.4 per cent of Cynon Valley's population of working age was in employment, compared with 76 per cent in Britain. There is a relatively high level of travel to work outside the area. In Rhondda Cynon Taf as a whole nearly half of working residents (48 per cent) work outside the local authority area. Just under half of commuters travel to work in Cardiff, but Bridgend, Caerphilly, Merthyr Tydfil, southwest Wales and Monmouthshire are also important employment destinations.

The education, health and public administration sector is by far the most common economic sector in which employees work, accounting for 42 per cent of all Cynon Valley workers. Manufacturing accounts for 16 per cent of employment, with retail, distribution and hotels and food accounting for a further 14 per cent. In terms of occupations, Cynon Valley has fewer managers and professionals than the Welsh average and a significantly larger proportion of people in caring and leisure roles.

The pandemic has had a severe impact on employment in Cynon Valley. There was a staggering drop in employment of 24 per cent between March 2020 and March 2021 – a loss of 7,400 people in work. There has been small recovery up to June 2021 (the latest data) but there are nevertheless nearly 6,000 fewer people in work than before the pandemic.

While the figures should be used with some caution because there is a margin of error in the data and they are rolling averages to March 2021, the fall in employment in Cynon Valley is far greater than that recorded in neighbouring constituencies, or in Wales or Britain more widely. By June 2021, just over half (56.3 per cent) of the population of working age was in employment (including those on furlough). If employment is to reach Wales or the GB rate, then 8,000 more people in Cynon Valley need to be in paid work.



Source: Annual Population Survey, via NOMIS

The Coronavirus Job Retention Scheme (CJRS) has played a critical role in the local labour market during the pandemic. Over its duration, a total of 10,500 people have been furloughed. At its peak, nearly a third (31 per cent) of eligible employees in Cynon Valley were on furlough. As the economy has re-opened and the scheme has wound down the number of employees in the CJRS has fallen. Nevertheless, at mid-September 2021 – just before the scheme closed -1,100 people remained on furlough in Cynon Valley⁸. This is equivalent to around one in twenty workers. It remains to be seen whether those workers will return to their jobs or be made redundant as the CJRS ends.

The sudden changes in employment during the pandemic generated an urgent need for advice and support for workers. One stakeholder noted that the demand for advice matched major announcements from the Welsh or UK governments, such as ‘am I a key worker? does furlough apply to me or not?’ She noted that there was:

“a lot of confusion, worry and fear”.

2.5. Unemployment

Unfortunately the data for Cynon Valley on the estimated number of people who are unemployed according to the ILO definition⁹ are too unreliable to use. Instead, there are data on the number of claimants of Department for Work and Pensions benefits – these

⁸ House of Commons Library (2021) Coronavirus Job Retention Scheme: statistics

<https://commonslibrary.parliament.uk/research-briefings/cbp-9152/>

⁹ Refers to people without a job who were available to start work in the two weeks following their interview and who had either looked for work in the four weeks prior to interview or were waiting to start a job they had already obtained

exclude people who are unemployed but do not claim but include claimants who are in work but required to seek additional employment.

In Cynon Valley as elsewhere the number of claimants nearly doubled in the early months of the pandemic, from 1,625 – 6.1 per cent of the economically active population aged 16 plus – to 2,960, or 11.1 per cent. The rate continued to rise to a peak in May 2020, before very slowly falling. In September 2021 the number of claimants remained well above pre-pandemic levels (2,330 claimants, 8.2 per cent of economically active people). More than half of claimants are aged 25-49, with similar numbers aged 16-24 and aged 50 and over.¹⁰

Some stakeholders considered the claimant statistics to be an underestimate of unemployment. One told us that young people do not sign on because their families support them and do not see themselves as 'unemployed'. Similarly, it was suggested that older people who are redundant will not claim e.g. if they have a working partner or a redundancy package:

People will coast it out until their pension comes in, or get a part time job

The increase in unemployment is generating increased demand for 'back to work' programmes including those operated by Rhondda Cynon Taf Council. We were told that there was a high demand for support, about half of which came from people who had either been furloughed or made redundant whereas pre-pandemic clients were mostly young or long-term unemployed.

Several stakeholders referred to the difficulties some people face in finding suitable work. We were told that workers with qualifications and transport could find employment relatively easily, but people who lacked skills or qualifications or who had limitations on their ability to work because of their health or caring responsibilities faced real challenges. Their job search was restricted to their immediate locality, where opportunities were often much more limited, typically to zero-hours and minimum wage positions.

2.6.Economic inactivity

The rise in unemployment has been accompanied by people withdrawing from the labour market completely, for example because they are sick, a carer, retired or a full-time student. The proportion of the Cynon Valley's population which is economically inactive has long been above the Welsh and British averages. However, the pandemic saw the number of people dropping out the labour market increase markedly, so that by March 2021 more than 42 per cent of people of working age were out of the labour market. This is the highest economic inactivity rate of all constituencies in Britain.¹¹

By far the main reason for people not working is long-term sickness, which accounts for three-quarters of the increase in economic inactivity. Although there are no figures on the nature of the illness of people who are not working, it is hard not to conclude that the pandemic has taken a heavy toll on the health, both physical and mental, of Cynon Valley residents.

¹⁰ Annual Population Survey data, via NOMIS

¹¹ Ibid.

Stakeholders confirmed that they had seen an increase in the number of people who were not working, in particular older men. They suggested that it probably reflected people made redundant in early pandemic choosing to retire early or people living with or caring for people who were shielding (or felt vulnerable) who left work rather than take the virus home.

2.7. Incomes and earnings

There is a wide range of household incomes in the Cynon Valley.¹² Several areas have incomes above the UK average with the highest of £37,100 a year being in the Cilfynydd / Pont Sion Norton area (the Middle Super Output area called Rhondda Cynon Taf 19). The lowest average incomes are £20,600 and £21,500 in Mountain Ash and Penrhiwceiber respectively (Rhondda Cynon Taf 8 and 6).

While there are some higher earners in the constituency, median earnings of working residents are well below both the Welsh and British average. Before the pandemic the median weekly wage of a full-time worker was £506.70, £80 a week less than the typical British worker. In terms of hourly pay rates, a Cynon Valley resident earns £2.03 an hour less than the British average, with the gap being larger for women than men. Wage rates are such that more than a quarter (28.4 per cent) of Cynon Valley residents were estimated to earn less than the real Living Wage in 2020.¹³ This is higher than both the Wales and Britain figures of 22.4 per cent and 20.1 per cent respectively.

The pandemic has had a mixed impact on incomes and earnings. Many people in employment saw no change in their pay, as they continued to work either from home or in their usual workplace. Those who were furloughed saw a reduction of 20 per cent in earnings if their employer did not top up their pay – with workers in lower paid jobs being less likely to have their earnings topped up than those in higher paid jobs. Sickness with Covid-19 also affected earnings. Many workers are not covered by occupational sick pay schemes and so had to rely on Statutory Sick Pay of £96.35 a week. Some workers were not even eligible for this payment. In addition, workers could lose pay if they were required to isolate as a Covid-19 contact. The Welsh Government's isolation payment was welcome but is limited to claimants of social security benefits and may not fully compensate for lost earnings.

We heard of workers who had felt that they could not abide by the isolation rules because of the financial detriment to their families:

They were at risk of infection and of spreading it but not disclosing this

Since restrictions eased, median earnings have increased – in Rhondda Cynon Taf typical monthly earnings in August 2021 were up by £129 on March 2020, a 7.3 per cent rise.

¹² Office for National Statistics (2020) Income estimates for small areas, England and Wales
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/datasets/smallareaincomeestimatesformiddlelayerssuperoutputareasenglandandwales>

¹³ Annual Survey of Hours and Earnings
<https://www.ons.gov.uk/employmentandlabourmarket/peopleinwork/earningsandworkinghours/adhocs/12439annualsurveyofhoursandearningsasheestimatesofthenumberandproportionofemployeejobswithhourlypaybelowthelivingwagebyworkgeographylocalauthorityandparliamentaryconstituencyukapril2019andapril2020>

2.8. Conclusions

The Cynon Valley's economy and labour market were relatively weak before the Coronavirus outbreak, with a modest number of mostly small businesses and few public sector anchor bodies. This is accompanied by a below-average proportion of people in work, a lot of whom commute out of the area. Median earnings are substantially lower than elsewhere.

The pandemic has hit businesses and workers hard. The UK and Welsh Government schemes provided a lifeline to businesses and workers, without which the impact would have been even worse. That said the limited take-up of business loans and the Eat Out to Help Out scheme is a concern. There are some signs of recovery amongst businesses, although trading remains challenging for many. Amongst the workforce, there is a worryingly steep rise in unemployment and economic inactivity. More positively, there is a welcome boost in median earnings.

The result is that the local economy faces a huge challenge – there need to be at least 1,000 new businesses in the Cynon Valley and 8,000 more people in work if the economy is to reach UK or Welsh averages. It needs 5,000 more people into work simply to return to pre-pandemic levels of employment.

3. PUBLIC POLICIES

A review of relevant all-Wales and regional public policies and strategies reveal relatively little that is specific to Cynon Valley. National and regional policy documents are more likely to refer to the south Wales valleys in general rather than specifically to Cynon Valley. Even within regional documents, the local authority area of Rhondda Cynon Taf does not always feature prominently. For example, the Cardiff Capital Region Industrial and Economic Plan does not identify any strategic sites based in the constituency and just one is designated as such in the wider local authority area (in Pontypridd).

Public policy documents that relate most to places within Cynon Valley are various local plans, typically those developed by or in partnership with Rhondda Cynon Taf County Borough Council such as its Local Development Plan, the South East Wales Valleys Local Transport Plan and some publications relating to the South Wales Metro.

3.1. South Wales Metro

In “Rolling out our metro” (2016) both Aberdare and Abercynon are listed amongst densely populated areas that are served poorly by rail (p12). Hirwaun is also identified as an area for potential metro extension (p20) and bus rapid transit across the Heads of the Valleys area. Phase two of the metro also proposes Aberdare and Merthyr line enhancements for more frequent and faster services. Many of the comments we received from Cynon Valley residents reflected that they felt poorly served by public transport, with one commenting that the “car is king”.

3.2. South East Wales Valleys Local Transport Plan

Published in 2015, the South East Wales Valleys Local Transport Plan, developed by five valleys local authorities including Rhondda Cynon Taf, has some of the richest level of detail relating to Cynon Valley. This includes developments such as the Cynon Gateway, Aberdare Bus Station upgrade and noting the need to link isolated communities in the Cynon Valley to the Cynon Valley trail as part of a phased approach. Given the age of the strategy, a number of the initiatives mentioned in the document are now partially or totally complete, such as the Mountain Ash Cross Valley rail link.

3.3. Rhondda Cynon Taf’s Local Development Plan 2011-2021

Rhondda Cynon Taf’s Local Development Plan (LDP) to 2021 illustrates a range of issues that continue to remain highly relevant, in some cases even more so given the impact of the Covid-19 pandemic, despite being adopted as a strategy over a decade ago. For example, Aberdare is defined as a “principal town” for the purposes of the LDP as a gateway for innovation and investment. It describes how, unlike many other places in the Northern Strategy Area (which includes Mountain Ash and Hirwaun), Aberdare had seen considerable growth over the previous decade, yet also alludes to the challenges it faces, noting “The vision for Aberdare will be realised when the performance of the town centre is above the UK average with low vacancy rates and increased business turnover. To achieve this, the town will need a diverse retail offer, including high street retailers, niche and local stores.”. The strategy also references issues pertinent to the long term future of Cynon valley including depopulation, emphasising building “sustainable communities”.

The plan draws on local studies of Cynon Valley communities such as the 2008 Hirwaun Study commissioned by the local authority and concludes that growth in development must be matched by an increased provision of local services and facilities, which has not always been the case. A number of sites in the constituency are also identified for mixed large-scale development including the former Phurnacite Plant, Abercwmboi; land at Robertstown, Aberdare and land South of Hirwaun, some of which have since come to fruition. The document also discusses redevelopment of the former Tower Colliery site presenting an opportunity for the passenger rail services to be extended to Hirwaun.

Reflecting on the development of the plan since publication and the changed circumstances ten years on underscores the importance of the next LDP responding to these new circumstances dynamically and appropriately.

3.4. Rhondda Cynon Taf Economy Plan

Rhondda Cynon Taf's 2018 Economy Plan follows with further detail on some themes and opportunities identified in the 2011-2021 LDP. These include the re-development of Guto Square in Mountain Ash and Robertstown, the Boot Hotel, Black Lion Hotel and Exchange Buildings (Aberdare) as well as Cynon gateway, Hirwaun Industrial estate and scoping re-development of Tower Colliery site. This forms part of a wider thematic thread in the document on the benefits of membership of the Cardiff Capitol Region City Deal, and collaborations with other authorities. The three overarching priorities of the plan are all based around responding to the Sustainable Development Principles in terms of regeneration, house building, job creation, making RCT schools amongst the best in Wales and providing a broad offer of skills and employment programmes for all ages.

3.5. Rhondda Cynon Taf Tourism Strategy

Within this local authority owned strategy, tourism is ambitiously described as having the potential "be the main driver of the local economy and source of employment in large parts of the County Borough" As part of this, it highlights connectivity including the duelling of the A465 to increasing access to the North Cynon Valley. The potential of Zip World is discussed but acknowledges the importance of ensuring the benefits of visitor tourism are retained and captured through incidental and additional tourist spend.

The strategy also outlines existing and upcoming opportunities such as investment from Visit Wales and the Valleys Regional Park for Dare Country Park and for parts of the valley to be marketed as 'adventure gateways' to the Brecon Beacons National Park, noting that the Global Adventure Tourism Market Report 2016–2020 predicted a 46 per cent growth in the adventure market globally by 2020. The document also outlines the potential of turning 'day visitors' into longer stay visitors (1.5 million day visitors 2019 compared to 500k overnight visitors) and the potential of well-being tourism.

4. LOCAL PURCHASING POWER

The key plank in the community wealth building approach is to retain and recirculate local spending power, which in turn helps to stimulate local economic activity. Reducing the leakage of money out of an area, and in particular reducing the size of profit extracted, helps to build and spread wealth in the local population. There are three important elements of this purchasing power: the expenditure of local public bodies, the expenditure of the local population, and the expenditure of local businesses.

4.1. Public procurement

The Welsh Government has encouraged public bodies to procure within Wales for some time. The public bodies that work in Cynon Valley mostly cover a wider area than the constituency, but nevertheless have scope for their expenditure to boost demand in local business.

Some public bodies have already taken steps to ensure that a large proportion of the expenditure is local. In 2015/16, Rhondda Cynon Taf CBC's procurement budget was approx. £250 million,¹⁴ covering a huge range of purchases from foster care to public transport to stationery to electricity. At that time its procurement function exceeded the UK Public Services Procurement benchmark by some margin,¹⁵ earning it the designation of 'developing towards advanced'. An assessment of its local procurement in 2012/13 found that 73 per cent of total procurement spend at that time was with organisations based in the boundary, with the authority aiming to achieve 76 per cent.¹⁶

Rhondda Cynon Taf council informed us that its procurement spend with suppliers with a CF44 and CF45 postcode in 2020/21 was £18 million and in the year to October 2021 had totalled just under £12 million. The authority has reaffirmed its commitment to local expenditure including contracting with SMEs where appropriate.¹⁷ The authority is also committed to maximising community benefits from procurement and meeting the Welsh Government's guidance on ethical procurement.

The picture in respect of other bodies is less clear. Trivallis has committed to maximising its expenditure within Rhondda Cynon Taf and estimates that 80 per cent of its expenditure is within the area. Some, such as Cwm Taf Morgannwg Health Board, procure via all-Wales services e.g. for its laundry and electricity supplies, or have specialist procurement requirements e.g. for equipment. There appears to be some potential for other public bodies, such as other social landlords and education providers, to increase their local procurement.

The economic benefits of local procurement are maximised when suppliers source the goods and services needed to fulfil the contract from other local firms, making the local

¹⁴ Wales Audit Office **Public Procurement in Wales**

<https://senedd.wales/laid%20documents/agr-ld11235/agr-ld11235-e.pdf>

¹⁵ *ibid*

¹⁶ Centre for Local Economic Strategies (undated) **Public Procurement: making the most of small business**

<https://cles.org.uk/wp-content/uploads/2016/10/FSB-procurement-2013.pdf>

¹⁷ Rhondda Cynon Taf County Borough Council **Record of urgent joint decision of the deputy leader and cabinet member for corporate services – Procurement Policy**, 20th March 2020

<https://www.rctcbc.gov.uk/EN/Council/CouncillorsCommitteesandMeetings/DelegatedDecisions/RelatedDocuments/Decisions/2019to2020/ProcurementPolicySocialResponsibility.pdf>

supply chain as long as possible. Rhondda Cynon Taf Council's procurement policy states that: 'Wherever possible and practicable, the Council encourages its main suppliers to provide opportunities for SMEs to deliver elements of appropriate contracts.' There is an opportunity to encourage the diversification of existing businesses or the creation of new businesses to fill any gaps in the supply chain, as well as to use the leverage of public procurement to encourage suppliers to be fair work employers and environmentally sustainable businesses.

4.2. Household spending

Although the population of Cynon Valley is modest, it nevertheless has significant combined spending power. Local consumption already provides the bedrock of a wide range of retail, food service, health and beauty, financial services and construction businesses. Businesses interviewed were near unanimous in citing that the biggest strength of the Cynon Valley was its loyal customer base.

It's good to have a relationship with customers who keep us ticking over with behind closed doors sales

We have good customers that we get to know well

Of residents we interviewed, most wanted to be able to do more of their everyday business locally although some preferred to buy online or visit Merthyr Tydfil, Pontypridd or Cardiff. We asked interviewees if there was anything that they would like to be able to buy or access locally, which generated a wide range of responses. The one mentioned most often was to have a wider range of good quality, healthy and locally available foods. Some suggested that they would welcome a delicatessen, others suggested a farmers' market, others wanted a vegan café – but the underlying call was for a more varied food offer.

Food and restaurants. Independent homeware shops. Independent clothes retailers. Higher end cafes. Delicatessens.

Fresh meat. Fresh fish. Local produce

A farmers' market in Cynon Valley would be good

While some stakeholders countered that the food offer in Cynon Valley is more diverse than perhaps perceived, the number of people who expressed a desire for a more varied offer suggests there is more that can be done to raise awareness and promote patronage of existing businesses in the area.

Banking, including post offices and cash machines, was also mentioned by residents and by stakeholders. These services are not only essential to people's everyday lives but provide a reason for people to visit town or village centres. The loss of banking services from Mountain Ash was mentioned many times, with the relative lack of permanent and fixed banking services – including lack of cash machines -being problematic

Small cash-based businesses are also affected by the loss of banking services as they are unable to bank takings.

Other goods and services that residents would like to be able to access locally included a book shop, clothing especially children's clothing, electrical goods, hardware and

furniture, and repairs. Online and local competition may make local provision of these services challenging, but there may be scope for social enterprises or local entrepreneurs to develop an offer.

4.3. Business expenditure

Harnessing business expenditure is less often considered as a tool in economic development, although some areas with few public sector anchor bodies like the Cynon Valley are exploring the potential of private businesses to use their purchasing power. This is a much less well-developed approach, but there would be some merit in the local authority exploring how best local businesses could source essential supplies and services within the area. As a start, re-establishing a thriving business group might help to stimulate local business-to-business trading. Our conversations with local businesses suggested that many would welcome new opportunities to bring businesses together and network. While the Aberdare BID is helping to play a role in this for businesses in the immediate area, we suggest there is wider potential for such activity across the whole of Cynon Valley.

4.4. Conclusion

The Cynon Valley does not have its own public sector anchor bodies. Two major local organisations are already directing a large proportion of their purchasing power towards local businesses, although there is potential to encourage more public bodies to do so and to ensure that their expenditure is retained along supply chains. There is also scope to harness the local population's spending power and to encourage proactively local purchasing by businesses.

5. BUSINESS CAPACITY

The full benefits of a community wealth building approach can only be realised if there are sufficient businesses in an area able to contract with public bodies (or their main contractors). Although the existing business base in Cynon Valley is modest, there are opportunities to grow and strengthen the number, range and resilience of local firms. This is all the more important given the impact of the pandemic.

Attracting new jobs and supporting new businesses were also strongly favoured by the community. Nearly three-quarters of people we interviewed said they strongly supported attracting new jobs, and two thirds supported supporting local businesses.

5.1. Encouraging new enterprises

The stock of businesses urgently needs to grow in the Cynon Valley, not only to increase the absolute number of enterprises but also to be a seed bed for future growth. Bringing up the percentage of the workforce who are self-employed to the UK average would create more than 1,000 new self-employed roles, which in turn could stimulate more self-employment opportunities.

Boosting self-employment is not easy. However there is good evidence that the main determinants of successful self-employment are a family background or in its absence participation in entrepreneurial networks or 'enterprise role models', prior experience of self-employment and possession of soft skills (such as communications skills and creativity) as well as business skills. Targeting support on people likely to succeed and measuring success in the long-term rather than short-term improve outcomes.

Rhondda Cynon Taf Council is supporting a 5-9 Club for budding entrepreneurs. It also offers an 'enterprise investment fund' which offers help with up to 50 per cent of costs up to a maximum of £10,000 for businesses in commercial premises. However as its website notes the 'schemes are discretionary and may have restricted eligibility'.¹⁸

There is potential for economic development bodies to step up intervention to offer intensive programmes of support, guidance and advice, and modest financial help. Involving young people via Aberdare College, as well as social entrepreneurs, is an important part of this process.

5.2. Increase the range of business units

A number of stakeholders told us that there was a shortage of commercial premises in the Cynon Valley. They said that there had been limited investment in the stock of units in recent years, and that the quality and availability of the premises that did exist often did not meet business owners' requirements. These findings are confirmed by a recent analysis of the commercial property market which found a widespread shortage of commercial premises across Wales, with significant market failure.¹⁹

Stakeholders reported that there is considerable current demand for commercial premises. The shortage of units elsewhere makes relatively marginal locations such as

¹⁸ <https://www.rctcbc.gov.uk/EN/Business/FundingandGrants/EnterpriseInvestmentFund.aspx>

¹⁹ <https://gov.wales/sites/default/files/publications/2020-08/market-analysis-and-potential-interventions.pdf>

along the A465 and Hirwaun appealing to business owners and managers, while there is also potential for a mix of premises elsewhere in the valley. The review of commercial property for Welsh Government recommended growing the provision of managed offices for starter-units and grow-on units for local demand, and increasing the number of industrial starter-units and grow-on spaces especially at strategic sites. The local authority informed us that Mountain Ash Town Hall has recently been re-developed as part of a partnership to improve the offer of flexible office and co-working spaces in addition to the Valleys Innovation Centre in Abercynon.

The Robertstown Industrial Estate is a multi-million-pound investment... with strong interest. The quality and size of industrial units are an issue Wales wide (Stakeholder)

The developments of the units in Aberdare are positive (Local business)

There are plans in place to bring forward a number of commercial developments. These developments have real potential to increase the number of jobs and businesses within the Cynon Valley, and it is vital that they come to fruition.

Within these developments, there is also potential to ensure they contribute to carbon reduction. Units should be designed with the highest environmental standards, including high levels of energy efficiency, integrated solar panels, and rainwater harvesting. They should include priority access for pedestrians and cyclists, public transport, and electric vehicle charging points. Occupiers should be encouraged to reduce, reuse and recycle their waste.

5.3. Boosting tourism

One of the economic sectors that some stakeholders highlighted was tourism, although there were mixed views about the size of its potential. Some pointed to Zip World as well as the many local, and often unsung, assets within the valley. Zip World has already created around 150 jobs and there is potential to create more in ancillary industries such as accommodation and food service outlets. That said, some stakeholders noted that the potential for large scale tourism is limited due to the nature of the local offer and competition for visitors from other similar valleys and indeed elsewhere in Wales. Others have expressed concerns about the nature of jobs in much of the tourism sector, a high proportion of which are low paid and insecure.

Amongst the community, there was some reticence about the implications of growing visitor numbers. Only a third of people interviewed said they strongly agreed with the growth of tourism, although only a minority disagreed with it. Some also questioned the scale of change it could deliver

It's only a small place. We need [tourism], renewable energy too but we also need something else - I'm not sure what it is but neither of those things are enough on their own

Rhondda Cynon Taf Council's tourism strategy provides a good basis from which to develop tourism in the Cynon Valley. The most obvious opportunities are around adventure experiences, building on Zip World but also including cycling and walking, and an expansion in hotel accommodation in Aberdare and camping / glamping at Dare Valley Country Park. Many of the proposals require further scoping and development and it will

be important that momentum is maintained to realise change on the ground. They also need to be matched by further improvements in basic tourist infrastructure such as signage, parking, provision of toilets and litter bins, in addition to the current local authority investment.

While there are good reasons to encourage the expansion of tourism, even with active promotion, tourism alone is unlikely to be the solution to the long-term development of the economy in Cynon Valley – the potential and the benefits are simply too limited.

5.4. Networking and voice

There is real potential to engage more local businesses with business support agencies and measures. Although it is not clear why so few Cynon Valley businesses took up UK Government Coronavirus loans, research on other parts of the south Wales valleys found that mainstream economic development programmes had limited reach into valleys businesses or foundational economy sectors. This suggests that there is an important opportunity to connect Welsh Government economic development programmes, via Business Wales and the Development Bank for Wales, and UK Government programmes such as R&D programmes, with Cynon Valley businesses.

Many businesses grow through contact with other businesses in the area or in their sector. Yet most businesses we interviewed did not have contact with other enterprises, other than via the Aberdare BID. The BID was generally highly valued, although its geographical coverage and the type of business it included were recognised to be necessarily limited. As mentioned, there is scope to bring businesses together into a network or forum that would enable peer-to-peer contact, building on previous engagement and activity and allow liaison with public bodies such as the local authority and college, and strengthen the business voice. This will require consideration of the factors that led to the dissolution of previous networks

I used to be involved with the chamber of trade but it disbanded. I've been so proactive over the years but I've just given up

Not all business groups or clubs manage to engage successfully with businesses themselves, but business networking was said by stakeholders to work well in the Treforest Growth group, hosted by Rhondda Cynon Taff Council and Coleg y Cymoedd and could be replicated in the Cynon Valley on a constituency wide basis. Demonstrating value to participants would be key.

Business co-operation would also help to build a set of business anchor bodies. Comprising employers who are locally rooted in the area and which are committed to its development, they could act as local business leaders, demonstrate good business practice and utilise their combined purchasing power to build local suppliers including co-operatives and social enterprises.

5.5. Conclusions

Supporting businesses is a relatively well-established economic development approach although recently Welsh and UK Government policies have focused on high tech and fast growth enterprises. There is potential to encourage the creation of new businesses in all kinds of sectors, especially startups, and to encourage and support them to grow. It is clear that there is market failure in the provision of suitable premises for everything from

start-ups to growing firms, so ensuring a supply of a range of sizes of units that are attuned to and keep up with modern business needs will also be important. Linking firm formation and growth to a refocusing of procurement could help to give new and expanding businesses a market.

6. A GREEN AND SUSTAINABLE ECONOMY

Reducing carbon emissions and restoring nature are both urgent, and while they bring challenges to Cynon Valley they also create opportunities. Cynon Valley residents are responsible for fewer carbon emissions per head than the Welsh average, and although the area has been previously severely blighted by industrial development it now offers a rich and diverse environment.

There is strong local support for action to protect and enhance the natural environment. In interviews, the landscape and natural environment stand out as being one of the aspects of living in the Cynon Valley that residents liked the most, as these quotes show:

Green and quiet.

Beautiful scenery and places to walk that doesn't cost a penny.

The mountains - I spend a lot of time up them in the local area

Conversely, the condition of the built environment especially town centres were a matter of considerable concern, in terms of the state of repair of buildings, the number of empty properties and associated poor environmental quality as these quotes illustrate:

Cynon trail is embarrassingly dirty, people use it just to dump things.

The worst thing is the state of our town. Merthyr has a new bus station, Pontypridd is being upgraded but we are the poor relation, the town is dying. There is not anything for the youth - the town is dirty, the cobbles were laid on sand so now they have become uneven and a hazard.

The local authority told us about some steps it was taking to address some of these concerns, from new signage and street furniture to flower planters and re-painting of public walkways.

6.1. Town Centres

The Cynon Valley is not alone in its town centres facing major challenges. Across the UK, retail has contracted sharply with local authorities and others seeking futures for their towns based on non-retail uses including community uses and residential. The increase in working from home for some workers has the potential to support new functions in town centres.

We need to promote the idea of all the facilities of a medium-sized town but surrounded by hills. It's about an experience, you could hot-desk then discover what is all around you (Town centre-based business).

A key feature of successful town centres is that they are more than just places to shop. They provide a wide range of other services and activities, including civic services such as libraries or visiting council offices, and cultural services including places to meet friends and enjoy other leisure activities. Rhondda Cynon Taf Council and Trivallis are already taking steps to support the conversion of empty properties into new uses and there has

been investment in some developments of town centres in the area²⁰ but there is potential to do more.

Town centres occupy an important place in people's sense of place and pride in it. Successful towns also have a good and positive story to tell about themselves, and crucially their story is rooted in people's experiences. Communities and businesses, as well as public bodies, can foster the creation of their town's story and use it to shape its future.

As part of this, Audit Wales recommends that local authorities and other stakeholders explore in depth how access to towns including public transport, cycling and walking, and parking (on- and off-street) can support their development. The local authority informed us that much of this is already happening through the Transforming Towns agenda. It is worth noting that the construction of cycle routes, footpaths and pedestrianisation have both carbon-reduction benefits and job creation potential.²¹ At all-Wales level, Audit Wales recommend a more robust approach to 'town centre first' priorities, a national review of Non-Domestic Rates and the consolidation of various funding streams. Rhondda Cynon Taf Council told us it already offers business rates relief over and above Welsh Government programmes, but this does not preclude national reform.

6.2.Housing

The construction of new homes to high environmental standards can create substantial numbers of jobs as well as contributing to lower carbon emissions. Unprompted, large numbers of community interviewees reported that the cost of purchasing a home was out of reach for them (despite Cynon Valley having below-average house prices). They called for more affordable homes including new builds and conversions which should offer not only high environmental standards but also the facilities such as gardens and parking spaces that many of the valley's traditional homes lack.

I can't afford to buy a house, even though I earn more than the UK average. I just can't afford a terraced house for 150k and up. Even if I could afford it, they're all bought up almost immediately.

The fact that it is pretty much impossible for me to get on the property ladder. As a single, first time buyer, I am hardly able to compete in the current market.

Housing developments are often contentious, and the possibility of new homes did not win universal support with less than half of interviewees supporting the idea at all and one in five being opposed.

The emphasis in the provision of affordable housing is inevitably on social housing – for example 80 per cent of Trivallis' planned 658 homes between 2019/20 and 2023/24 are for social rent. The local authority also provided us with a breakdown of recent housing initiatives (see annex 1). But other tenures such as rent to own and shared ownership, both new build and conversions, could create jobs, reduce carbon emissions and also help to retain (or even increase) the number of people living in Cynon Valley. The

²⁰ i.e Guto Square, Mountain Ash, activities linked to the Aberdare BID

²¹ Wales TUC (2021) **Infrastructure investment could create 59,000 jobs and boost economic recovery** <https://www.tuc.org.uk/news/wales-tuc-infrastructure-investment-could-create-59000-jobs-and-boost-economic-recovery>

provision of small scale, low carbon housing developments delivered through co-operatives, by social landlords and using local authority powers and innovative private investment have potential to increase the housing offer in Cynon Valley.

6.3. Energy efficiency

Retro-fitting of existing homes with energy efficiency measures to at least EPC C will be vital to fulfilling Wales' carbon goals, and can also create substantial numbers of jobs. The local authority told us that there had been considerable interest in the Arbed scheme. However investment to date has not been at the scale required either to retrofit all homes that need it or to stimulate the economy. Across Wales as a whole, investment of approx. £15 bn is estimated to be needed to decarbonise the housing stock by 2030, also creating 26,500 new jobs, increasing GDP and also boosting tax revenues.²² There is an opportunity for the Cynon Valley to lead the way in becoming energy efficient and net zero carbon.

6.4. Renewable energy generation

There are already several wind and solar power sites in or near the area, as well as an energy from waste plant. These developments have often been controversial and both public and stakeholder views continue to be divided. In addition Rhondda Cynon Taf Council has installed solar panels on the roofs of many public buildings to meet its own needs.

In terms of the economy, wind and solar farms generate some employment during construction but the direct economic impact thereafter is limited. Indirectly, many renewable installations contribute to community funds, sometimes on a substantial scale - Penycymoedd Wind Farm for example invests £1.8 million in its community fund each year.²³

One way of harnessing the benefits of future renewable energy developments could be through shared ownership, or payment of community dividends. For example Caerphilly County Borough Council has recently reached agreement with RWE to explore shared ownership of possible wind developments, while in north Wales the same company is taking forward an onshore wind farm at Alwen with Community Energy Wales.

6.5. Waste reduction, reuse and recycling

The job creation potential of the 'circular economy' is considerable²⁴, although the main benefits result from re-manufacturing of goods rather than from repair, reuse or recycling. There are already several waste recycling plants in the Cynon Valley, with the Eco-Parc at Bryn Pica and the Enviropark development at Hirwaun. The former has several developments in prospect including recycling absorbent hygiene products and recycling plastic pellets into waste bins. At local level, TooGoodToWaste's unit in Aberaman sells donated items such as furniture, white goods and other goods and

²² Wellbeing of Future Generations Commissioner (undated) <https://www.futuregenerations.wales/news/we-can-end-fuel-poverty-with-15bn-retrofit-investment-plan-for-our-homes-says-future-generations-commissioner-for-wales/>

²³ Vattenfall – Penycymoedd <https://group.vattenfall.com/uk/what-we-do/our-projects/pen-y-cymoedd>

²⁴ WRAP (undated) **Employment and the circular economy** <https://wrap.org.uk/resources/report/employment-and-circular-economy#>

employs more than 30 people. Rhondda Cynon Taf Council also informed us that it is opening a repair shop on Canon Street, Aberdare.

Although aspects of these developments have been controversial, it is worth noting that members of the community broadly supported waste-related developments. As Wales progresses towards its zero waste target, the opportunities for both local and larger waste reuse and recycling businesses and ways to extend product lifecycles will increase further.

6.6. Natural environment

Restoring nature was the second most strongly supported idea by the public, with more than eight out of ten interviewees agreeing that more should be done to protect and enhance the natural environment. Across Wales as a whole, tree-planting has been identified as having potential to create jobs²⁵ although Rhondda Cynon Taff as a whole already has a high level of tree cover so that opportunities for planting may be more limited. There may however be small scale job creation potential in making use of wood products, and in the restoration of other environments such as upland peat bogs and heath land and new forms of woodland management.

Contact with nature is proven to offer health benefits – access programmes could both improve well-being as well as create jobs. Cynon Valley Organic Adventures is successfully providing 'green prescribing', educational courses and other activities based on its 5 acre site, while the local authority's tourism strategy identifies 'wellness' as a niche market with potential.

6.7. Conclusions

It is clear there is a wealth of opportunities in the natural and built environment. Some of the opportunities are in the reduction of carbon emissions in sectors not usually thought of as green, such as housing, although the job gains and carbon reductions are both significant. Other more obviously green sectors, such as waste reuse or renewable energy generation, have more limited job creation potential at least in the short term, but their scope should nevertheless be explored and developed. Neither feature strongly in local or Wales-wide economic development policies, and so will need local action to develop.

²⁵ Wales TUC (2021) **Job creation in Wales from a Covid recovery infrastructure stimulus**
<https://www.tuc.org.uk/sites/default/files/2020-08/Wales%20TUC%20-%20Transition%20Economics%20-%20Job%20Creation%20Just%20Recovery.pdf>

7. FAIR WORK AND A DECENT INCOME

A key but sometimes neglected element of the community wealth building approach is the importance of ensuring that the rewards from work are fair. With wages and household incomes in Cynon Valley being well below the UK and Welsh averages, there is a real opportunity to both strengthen the local economy and increase personal well-being and resilience through increased earnings and fairer social security benefits. The focus in raising incomes must be on the least well-off half of the population – raising incomes at the top end of the income distribution in the hope that some expenditure will ‘trickle down’ is proven to have limited impact.

This section identifies some key areas of potential in Cynon Valley.

7.1. Boost the real Living Wage and worker rights

The statistics on earnings make clear the challenge of low pay and the opportunity to raise it. They are reinforced by the large number of interviewees in the community who, unprompted, told us about their struggles on low wages coupled with insecure hours.

As much as I love my job, I've found myself working increasingly longer hours , particularly since working from home. ... It's difficult as there is no cut off to work and family life. I find myself starting the day at 7.30 often till gone 6pm or later

Poor employment opportunities

Limited finances

A growing number of public bodies and private sector businesses recognise the importance of paying the Living Wage and have committed to do so.

*To get better staff you have to offer more
Stakeholder*

There are benefits to businesses in terms of higher staff productivity and better retention, and worker benefits in that employees have higher take-home pay, can work fewer hours if they wish and feel valued. The most effective way of increasing the number of businesses paying the real Living Wage is to create a visible Living Wage movement comprising employers, employees and community activists. Accreditation as a Living Wage employer is one of the most important ways of ensuring that visibility, with potential for more employers in Cynon Valley to gain that recognition.

Stakeholders and community groups also shared their experiences of some employers in the Cynon Valley who adopt employment practices such as zero-hours contracts combined with minimum wage rates.

A lot of places ... take people on on a zero our contract or a six hour contract. They keep them for a few weeks and if the person they take on wants to stick to their contract hours and doesn't want to do extra they find some reason to let them go

These practices make working and managing household budgets extremely difficult. The long-term solutions lie in workers organising collectively to drive up terms and conditions combined with higher legal minimum standards and more effective enforcement,

although in the short term individuals can ensure that they can exercise the rights they do have. There is therefore potential to ensure workers (including young workers about to enter the job market) are aware of their rights, that there is sufficient expert advice available for workers who are concerned about their rights, and that current and future workers understand the role of trades unions and know how to join.

7.2. Invest in adult learning and skills

The local economy has changed dramatically in recent years and is set to change again in the future as a result of greater use of digital and AI technology, the impact of Brexit and the transition to low carbon. Independent analyses show that the south Wales valleys are amongst the areas most severely affected by these changes.

Adults will need to be equipped with a wide range of skills if they are to be able to adapt and adjust to economic changes during their working lives. However, the Cynon Valley population of working age has a higher proportion of people with no or low-level qualifications than the British average and a lower proportion of people with higher level qualifications. People in work are slightly less likely to have received work-related training in the previous 13 weeks. Qualifications are not a perfect measure of skills but nevertheless suggest potential for upskilling in the area.

Rhondda Cynon Taf Council told us that it operates a Communities for Work programme, which supports job entry and is a Gateway provider for the WG kickstart scheme for 16-24-year-olds. It hosts two Careers Fairs a year to support employers and residents, and that the EET team supports and delivers various career and employment workshops to secondary and SEN schools in Cynon. It also noted that 65 per cent of its apprentices and graduates live within the authority's area.

Notwithstanding the authority's provision, the provision for people aged 25 and over wanting to learn at above entry level is limited. Coleg y Cymoedd Aberdare campus focuses on full-time courses for the 16-21 age group. Personal learning accounts provide part-time learning for lower-paid workers, but we found that the information available about opportunities is limited and is unlikely to appeal to adults considering learning after a long break.

It is also worth noting that many skills do not require college-based learning, such as a certificate of basic training in forklift truck driving, construction skills certificate (CSCS card) or working in security (SIA Card). The costs of training and certification can be high for individuals – we heard of workers paying over £400 to gain the necessary license and some course costs can be even higher. Our internet searches suggest that most course and test centres are outside Cynon Valley itself.

There is unquestionably potential to increase opportunities for adults in Cynon Valley to learn new skills and access education, ranging from increasing provision and affordability of short courses to improve immediate employment prospects to investment in increasing learning opportunities at all levels in a range of vocational areas. With limited public funding for adult education, increasing provision is challenging. In the short term an alternative is to increase awareness of and access to online offers such as free short courses provided by the Open University in Wales.

7.3. Strengthen the benefits safety net

Social security benefits and various local authority and Welsh Government grants and allowances are critically important in supporting people whether they are in or out of work. The south Wales valleys were very hard hit by welfare reforms introduced in 2011 onwards, particularly in respect of disabled people and people occupying homes with a 'spare bedroom'. The freeze in Universal Credit and Local Housing Allowance has also affected large numbers of claimants, although other benefits notably Personal Independence Payment and Carer's Allowance are also important benefits.

For some residents their treatment as claimants was one of the worst things they faced:

Being treated like scum by the DWP and this government and being made to live in poverty by them

While the medium-term solutions lie in reducing the number of people who need to claim and establishing an adequate level of benefits, in the immediate term there is potential to ensure that people claim and receive their full entitlement. This applies not only to UK Government benefits but also devolved schemes such as Council Tax Reduction Scheme, Free School Meals and PDG-Access and Healthy Start Vouchers. Benefit take-up campaigns can help to increase household incomes and also benefit the local economy and extra income is typically spent on local goods and services. Similarly, support for people whose rights are denied or where there are errors or incorrect deductions is important.

7.4. Conclusions

The labour market is a significantly neglected area of public policy in Wales even though responsibility for skills is devolved to the Welsh Government. The emerging interest in fair work provides an opportunity to address the lack of provision of learning and training for adults, increase awareness of workers' rights and improve the take up of social security benefits and devolved grants and allowances.

8. STRATEGIC LOCATION

The Cynon Valley occupies an important strategic location. The southern part of the constituency is very close to the A470 which provides rapid access to Cardiff and the M4, while the northern part of the constituency sits on the A465, whose upgrading will improve safety and accessibility to the rest of the heads of the valleys as well as south West Wales and the midlands.

Making the most of the Cynon Valley's strategic location does not inevitably increase its carbon emissions. Journeys between the Cynon Valley, its immediate surroundings as well as the wider region are likely to continue to be necessary, so the challenge is to reduce the number of trips as well as to switch journeys that are made to more sustainable modes.

Reducing the number of trips will involve more people working from home when they can, and making more goods and services available locally – or at least closer to home – than they are at present.

The conversion of all light vehicles to be fully electric by 2032 at the latest and all vehicles including heavy-goods vehicles to be fossil fuel free by 2050 would enable the Cynon Valley to play its part in achieving the UK's net zero target.²⁶ Carbon reduction could be designed-in to new developments, which could include vehicle recharging infrastructure, cycle-friendly road layouts and bus priority lanes and stops, as well as nature-friendly measures such as wildlife verges.

The Cynon Valley's strategic location creates several opportunities.

8.1. Gateways to the Cynon Valley

There is the opportunity to stimulate the economy at the gateways to the Cynon Valley, i.e. where the strategic routes of the A465 and A470 pass the north and south ends of the valley respectively. There are already business or industrial estates at both Abercynon and Hirwaun, as well as a large development site at the former Tower Colliery. The former are established business areas and provide a good platform for existing businesses to grow, while we were told that the latter has the potential to create up to 1,000 jobs depending on the type of business located there. An added opportunity is that there is currently a high level of demand for good quality, immediately available units of all sizes.

8.2. Access to goods and services

Improved transport links help to provide access to a larger market for Cynon Valley businesses. The population of the area is relatively small, which limits the market for many goods and services. This is especially the case for businesses that rely on volume trading and also for businesses offering relatively specialist products or services. Several businesses interviewed said that there was not enough demand in the Cynon Valley itself, and so they looked to customers in the Cardiff and Vale of Glamorgan areas.

²⁶ Climate Change Committee **Briefing document: The UK's transition to electric vehicles**
<https://www.theccc.org.uk/wp-content/uploads/2020/12/The-UKs-transition-to-electric-vehicles.pdf>

I do most of my work in Cardiff as that is where the money is, I don't do enough work in the Cynon to fill a full year. I do work locally but just not enough, I don't know if it is because people don't have as much money or what. (local worker)

In terms of local demand, easier access can increase the number of visitors to Cynon Valley, helping to boost demand for certain types of businesses. These are most obviously tourists whose spend can increase custom for food and accommodation businesses. For example, stakeholders informed us that the opening of Zip World had increased demand for overnight stays in the area. However there may be potential worth exploring to attract other types of visitors, including business visitors for residential conferences and training.

Access to wider markets is also important for residents and businesses which need products from elsewhere. We understand the drive to use as many locally-produced goods and services as possible and reduce unnecessary transport of supplies around the UK. However while there is potential to manufacture and supply some goods such as foodstuffs locally, other items, such as medicines or computing equipment, simply cannot be produced effectively within the boundaries of a small locality.

8.3. Access to jobs

The third opportunity is for residents to reach a larger pool of jobs. Although local jobs are important, enabling residents to travel to work in surrounding areas allows them to access a wider range of job opportunities and fulfil their aspirations.

A level of commuting and travel is the case for a wide range of roles, from engineering at GE or General Dynamics to specialist nursing jobs at nearby hospitals to roles to jobs in higher education. It is important to stress that improving travel to work does not necessarily mean high levels of daily commuting - changes in office working patterns following the Covid-19 pandemic may mean that more people work from home even though their employer is based elsewhere, with travel to main workplace being one or two days a week at most. However not all jobs are or can be home-based.

We heard from numerous stakeholders that public transport provision severely limited opportunities for residents. For example it was near-impossible for workers to get to Hirwaun industrial estate or Merthyr Tydfil for their shifts by bus, while Aberdare – Cardiff trains do not stop at Treforest Estate for workers travelling to work there.

For somebody who haven't got a car it's quite difficult really [to get to Merthyr Tydfil] because it's either two trains or two buses. It's the same up to Hirwaun mind, if a shift starts at 7 o'clock in the morning you've got no chance (stakeholder)

If you do not have a car working is impossible.

We also heard that travel from communities not served by the rail network was also very difficult and the costs of public transport were also raised

It is an easy place to get out of but expensive if you have to rely on public transport. The cost of transport is prohibitively high (stakeholder)

Investment in the South Wales Metro will greatly improve the speed and frequency of journeys from Aberdare southwards towards Cardiff. However what matters to residents

is being able to get from their homes to stations and from stations to their workplace. Extending the rail network to Hirwaun and ensuring good links from communities to stations are as important as the new metro itself. Similarly, improvements to bus and cycle infrastructure on the A465 and A470 could also improve speed and safety of journeys.

8.4. Digital connectivity

The pandemic revealed the importance of high speed broadband connections, and opened up opportunities for many more people to work remotely. At the same time it highlighted the lack of devices, data and skills in many groups of the population and amongst businesses. We were told that there is good internet connectivity in most of the area other than around Penderyn (being addressed through the Openreach Local Broadband Fund), and that most town centres now have public wifi. We also heard of investment in higher-level computing skills at the Aberdare campus of Coleg y Cymoedd.

There is potential to make more of the area as a location for remote working, including establishing co-working spaces where freelancers and remote workers can work, and enhancing skills.

8.5. Conclusions

The Cynon Valley's location is an asset that enhances its attraction as a location for tourism and new and growing businesses. It also enables local residents to reach a wider range of opportunities, not least as not all roles are capable of being adapted to remote working. Major road and rail investments are already underway: the opportunities lie in ensuring they maximise people in the Cynon Valley rather than providing a faster bypass or route out.

9. AGENDA FOR ACTION

The Cynon Valley faces an enormous challenge if it is to see businesses grow and the population have decent paid work. The challenge is partly the result of its economic past, but also a result of pandemic. There are within the Cynon Valley the seeds of a stronger economic future: ranging from the potential of public purchasing power to the scope for tourism to the emerging green economy. Having reviewed the challenges and opportunities, this section sets out an agenda for action by a wide range of individuals and organisations.

9.1. Overall approach

One of the most crucial messages to emerge from our research is the importance of the overall approach. This is as significant as the specific actions that we recommend should be taken.

First, it is very clear that there is no single solution that has the ability to stimulate business growth or create the number of jobs on the scale required. During our research different organisations and individuals were keen to stress the potential of their preferred approach, sometimes to the exclusion of others. But if there is to be just one message, it is that there is no silver bullet – everything with potential must be tried.

This is illustrated by the example of possible new industrial units at the former Tower Colliery site: even this site, with its potential to create up to 1,000 jobs, would provide just 10% of the jobs that are needed to bring the Cynon Valley's employment rate up to the Welsh average. Many of the other opportunities we have identified involve much smaller levels of job creation – at best 10 jobs here and there. They should not be dismissed, not least because cumulatively they could make a valuable contribution.

Having a broader approach to regenerating the local economy also helps to increase the area's longer-term resilience – if it has a greater diversity of business types, in a wide range of sectors and relying on a mixture of markets, it is more likely to be able to withstand future economic storms.

We therefore recommend that the Welsh Government and Rhondda Cynon Taf Council adopt more holistic approach to economic development, in which the mainstays of standard approaches to developing the economy – supporting manufacturing and tourism - are complemented by increased support for other economic sectors such as retail, social care, the green economy and construction.

The second key feature of our proposed overall approach is that there is more effective integration of local skills and labour market policies with economic development policy. Without this consideration of how growing businesses will attract and retain the employees they need, there is a risk that new jobs do not benefit Cynon Valley residents because they lack the skills required.

9.2. Action to maximise the benefits of public spending

Despite the extensive local procurement by some bodies, there is scope for more public bodies to use their budgets to grow the local economy. Crucially this involves more than simply choosing a local supplier – there must be action to develop supply chains so as

much as possible of local expenditure is retained and circulated within the area and helps to leverage more fair work. Where there are gaps in business capacity, there should be action to develop local suppliers to fill them.

We recommend that the Cwm Taf Public Services Board establishes a joint procurement strategy, and that it works with business development teams to develop local supply chains. This approach should include organisations which are not currently prioritising local procurement, and should focus not just on increasing *local* expenditure but on retaining that spend in the local economy and releasing wider social and environmental benefits. The approach is likely to be most effective if focused on specific goods or services, such as food, construction and retrofitting energy efficiency measures to social and private housing.

In respect of household spending, enhanced support for individual and social entrepreneurs could develop businesses to fill some of the gaps in goods and services sought by residents (and visitors).

9.3. Action to stimulate new businesses

Local organisations can have an on-the-ground presence and local knowledge that is needed to drive change from the bottom up, particularly smaller developments. Development or enterprise trusts can be a local catalyst for economic change. They operate in economic and policy spaces that local authorities and other bodies cannot reach, and can support the emergence of new small enterprises, particularly those that meet local needs, encourage community-ownership of enterprises, and support their growth into larger businesses. The most successful development trusts are professional, business-oriented with robust governance and can make a real difference to their areas.

We recommend the expansion of services and infrastructure to support new enterprises. This should include extending the 9-5 club offer to cover the whole area, involving Aberdare Campus of Coleg y Cymoedd and providing affordable starter and co-working units across the area.

We also recommend the creation of a Cynon Valley Development Trust to stimulate community-based enterprises, with a strong focus on the green economy. There are plentiful opportunities to do so, from the potential in the circular economy, expanding the food offer, advising on energy efficiency, repurposing unused premises and meeting health and wellbeing needs. There are already successful social enterprises in the area and much more could be achieved with active support. The Trust would need to be staffed by people with business expertise and work closely with the local authority and other business organisations.

9.4. Growing business capacity

Businesses in the Cynon Valley have been hard hit by the pandemic and have sometimes missed out on support during the pandemic. They need support as they recover and restructure to new ways of doing business. **We recommend that the Welsh Government and local authority dramatically step-up their advice, support and financial assistance to businesses recovering from the pandemic.** This requires an ongoing and visible presence in the area, as well as targeted and tailored support.

There is also potential around the two main employment sites at Abercynon and Hirwaun, with the latter likely to benefit from additional premises at the Tower site. **We recommend the designation of the broad Hirwaun / Tower / upper Cynon area as an 'economic action zone'**.²⁷ Designation would provide enhanced business grants and loans to businesses which create jobs and recruit locally, and also set high environmental standards e.g. in terms of conversion to electric vehicles and waste reduction and recycling. There may be potential to co-locate an industrial skills training and testing centre, e.g. in construction or road haulage skills.

9.5.Green economy

Consideration of environmental issues is usually separate to economic issues, yet there are major opportunities in both the built and natural environment.

Town centres

There are major opportunities to reshape town centres. We are aware that Rhondda Cynon Taf Council is considering the future of Aberdare and Mountain Ash, but few people appeared to be involved in those discussions.

We recommend a fresh, bottom-up approach to town centre regeneration, in which the local community and business are involved in creating a positive story and developing imaginative solutions. Embedding a town centre first approach to future developments, ensuring that essential services such as banks and post offices are available, and enabling adequate access by public transport, cycles and pedestrians as well as cars will support the changes.

Housing

There is clear demand for new and affordable owner-occupied housing for Cynon Valley residents, the construction of which has potential to create and support jobs. **We recommend small scale housing developments with high environmental standards, with the introduction of alternative tenures such as shared ownership.**

Retrofitting energy efficiency measures to existing homes also has major job creating potential as well as reducing carbon emissions **We recommend a major initiative to install energy-saving measures in private and social housing alike**, using local good quality contractors.

Energy generation

Although renewables are essential to reduce carbon emissions, their economic impact is mainly in the construction phase. There may be longer-term benefits from joint ventures between energy companies and public bodies or the community, so that revenues are retained and circulated locally. **We recommend that consideration be given to any future wind or solar developments being taken forward as joint ventures.**

Natural environment

The local landscape and nature are incredibly highly valued in the Cynon Valley, and there may be potential to develop these as 'unique selling points' of the area (such as

²⁷ Or even an 'eco-nomic action zone'

most wooded valley, most scenic views or similar). Maintenance of the countryside environment e.g. through the construction of paths, litter picking and tree planting can create valuable jobs as well as supporting nature.

We recommend a 'Green Cynon' programme which removes litter and flytipping, creates and maintains paths and cycleways, and undertakes appropriate planting. This could create jobs and opportunities to train in land-based skills.

9.6. Fair work and skills for adults

As well as pursuing all economic opportunities, efforts to develop the economy must be done in tandem with enhancing adult skills and increasing household incomes through fair work and a more effective social security system. If action is not taken to enhance people's skills and improve conditions at work, there is a real risk that jobs created will not benefit Cynon Valley residents. Combining development of businesses and development of the workforce means that businesses, economic development bodies and skills providers need to work together to plan and ensure delivery of learning and training for all ages and at all levels.

We recommend a three-pronged approach:

- **Achieving a step-change in provision of learning opportunities for adults aged 24 plus** who are in employment, through an enhanced Personal Learning Account offer and increased access to existing online learning e.g. via the Open University.
- **Adapting the Treforest Growth model to the needs of the whole Cynon Valley to match up skills supply and demand and also to provide businesses with a voice and opportunity to network.** We are aware that a previous business group was wound up so it is imperative that any new group has a clear purpose and can deliver outcomes.
- **Encouraging take up of the real Living Wage by local public bodies and others seeking accreditation and celebrating their status.** The benefits of paying it should be explained to those which do not. Community action which 'names and shames' local businesses can often be effective.
- **Establishing a local 'know your rights' programme.** It could be initiated by Beth Winter MP with support from local advice agencies, trades unions and solicitors. We suggest starting by targeting at learners in year 11 and in college, traineeships or apprenticeships then approaching the wider community.
- **A benefits take-up campaign** to increase take-up of benefit entitlements especially Council Tax Reduction Scheme, Free School Meals, and Universal Credit for working households.

9.7. Strategic potential

The south Wales Metro and the A465 dualling are already in development and bring significant opportunities for increased travel out of and into the Cynon Valley. While travel needs to be reduced, switching from road to electric vehicles and public transport will also help to cut emissions.

We recommend that the local authority, public transport providers and community work together to produce a comprehensive green travel plan. The plan should include:

- ensuring that the south Wales Metro is delivered, including connectivity to Hirwaun and a direct service to Treforest Estate;
- ensuring good public transport links within the Cynon Valley, including to and from Metro stations;
- provision of sufficient electric vehicle charging points at key locations as well as in residential areas;
- enhancing provision of cycle and bus priority measures on key routes (coupled with traffic calming of vehicles).

9.8. Prioritise the valleys

Last but not least, there is no clear priority to favour development in the valleys compared with other areas. With the more difficult terrain and more remote locations, the valleys need to offer something extra to be able to compete with more favoured business locations and address historic market failure. The limited advantages provided by the availability of EU funds has now gone. We have previously urged the Welsh Government to enhance the grants and loans on offer to areas with the greatest economic challenges and to increase capacity in adult learning and skills provision and re-iterate this call for the Cynon Valley and other areas facing similar challenges.

Annex 1 Housing initiatives in Cynon Valley (information provided by Rhondda Cynon Taf Council)

Social Housing Grant - the main capital grant provided by Welsh Government (WG) for the provision of affordable housing	Since April 2020 there have been 11 schemes funded in Cynon Valley, which plan to deliver 92 units (25 of which have already been delivered).
Homestep	14 units delivered in Cynon Valley through Section 106 agreements
Valleys Taskforce Empty Homes Grant Scheme	81 grants made for empty homes in Cynon Valley
Houses into Homes loan	26 loans were made for 34 homes in Cynon Valley (As of 1 st April 2021)
Arbed scheme Penrhiwceiber	Of the 277 were eligible, 124 homes continued with the project and over the last 10 months 113 of these homes have received energy measures with a further 11 homes in progress.
Heat and Save Grant	Established in November 2020 as a pilot. Currently 10 applications.