TO: Chairman, Ladies and Gentlemen


PURPOSE OF REPORT:
The purpose of this Report is to provide Councillors with an update on the preparation of the Heads of the Valleys Strategy and Action Plan and to seek approval of identified geographical project implementation areas in 2006/07 and 2007/08.

1.0 INTRODUCTION & BACKGROUND

1.1 The aim of the Heads of the Valleys Programme (HoV) is to support the delivery of an agreed vision for the region and develop a range of priority projects to assist in achieving this vision. Since publication of “Heads – We Win”: A Strategic Framework for the Heads of the Valleys (March 2005), the Heads of the Valleys Programme has been initially progressed through a framework comprising of:

- An appointed Programme Director.
- A Programme Board - chaired by the Welsh Assembly Government Minister for Enterprise, Innovation and Networks and senior representatives from a range of key stakeholders. Local Authority representation consists of Leaders and Chief Executives of each Council.
- A ‘seconded’ Programme Executive (consisting of representatives from various organisations, including Local Authorities). Representation from Merthyr Council is currently provided by the Regeneration Department, but it is important to note that the Council does not receive any financial income for providing this support, which may require review.
should this arrangement become a long-term proposal, due to internal priorities and capacity issues.

1.2 A total of £32m (2005-09) of additional, special funding has been identified for the region to stimulate and improve joined up service delivery and to secure investment in the delivery of key projects, which must be of benefit to the region as a whole.

1.3 During the first year of the programme (2005/06) HoV investment in the Merthyr Tydfil County Borough has included grant support of:

- £250,000 towards the implementation of the Taff Bargoed Gateways Scheme,
- £345,000 towards the capital infrastructure costs of establishing a Community Portal (Shape-it.org) in Merthyr Tydfil in partnership with Rhondda Cynon Taf; and
- £30,000 towards piloting the roll out of a successful Merthyr Tydfil community transport project (run by Aberfan and Merthyr Vale Youth and Community Project) into the Cynon Valley.

1.4 Further detailed update reports will be provided as the above projects are implemented.

1.5 At both Programme Board and Executive level, concerns have been raised with regards to the strategic nature of project implementation in 2005/06, but it has been acknowledged that during the first year of the programme it has been vital to demonstrate ‘quick wins’ and the delivery of a number of projects on the ground, hence the delivery of some projects that may initially only be of benefit to individual Local Authority areas. It has also been acknowledged, however, that from this financial year (2006/07) the Programme must work to deliver projects that are of benefit to the whole of the region, with effective input from relevant key stakeholders.

2.0 CURRENT SITUATION – HEADS OF THE VALLEYS STRATEGY AND ACTION PLAN

2.1 Draft Strategy

2.1.1 Building on the work undertaken to date, a draft ‘Heads of the Valley Strategy 2020’ has been prepared and is being launched on 5th June 2006. This sets out in further detail the direction and key priorities for the Programme to achieve the overall vision as identified in “Heads We Win”. It is intended that the draft Strategy and Action Plan, along with the draft sustainability appraisal will be the subject of a further detailed Cabinet reports and wider consultation exercise when available for circulation in June.
2.2 Key Project Development

2.2.1 To ensure, however, that the delivery of key themes and projects remain on schedule, an initial, broad programme of capital expenditure is being progressed. This outline programme plan provides a direction for capital expenditure in each Local Authority area based on a thematic approach for each of the following financial years:

- 2006/07 – Environment/Landscaping
- 2007/08 – Town Centres
- 2008/09 – Tourism

2.2.2 Funding support will be provided on an initial 3 year rolling period, with an approximate annual budget of £1m for capital expenditure on major regeneration projects in each Local Authority area within the Heads of the Valleys region. Additional funding for other projects covering the whole of the Heads of the Valley region will also be available, but the nature and scope of this expenditure has yet to be determined.

2.2.3 A key requirement of the area based capital regeneration programme outlined above is that there should be clear synergy between priority project areas in each of the 3 main themes. For example, an area prioritised for project development in year 1, must demonstrate clear links with project developments in years 2 and 3. This is important in ensuring maximum benefit from the available resources and in ensuring that resources are not spread too widely, thus minimising impact. Linkages between projects in each of the 3 themes are essential, as is the need to demonstrate wider strategic impact of projects within a regional context. It is also a requirement that each priority project secures additional match funding to maximise the HoV resources available and to ensure buy-in and commitment from other agencies.

3.0 PROPOSALS: PRIORITY PROJECT AREAS

3.1 2006/07: Environment / Landscaping

3.1.1 Delivery of this year’s programme of environmental and landscape improvements is aimed at supporting major iconic/landmark environmental improvement projects. The implementation of priority projects will largely be determined by the extent to which schemes can be progressed to implementation within the timescale of the current financial year. This requires that development work is well advanced in terms of project design, consultation and statutory procedures. In respect of potential projects, the Council is already advanced in planning for these developments, with a number of up to date strategies and outline proposals already in place.
3.1.2 In terms of potential projects, significant development work has recently been undertaken along the main river Taff corridor with the preparation of the Merthyr Tydfil River Corridors Strategy and the Merthyr Tydfil Approaches Strategy. Once approved, both strategies will provide a framework for the delivery of a number of major environmental initiatives and priority projects focussing primarily on the central area of the river Taff Corridor that can be implemented within the current financial year, in line with the overall HoV programme aims. In consultation with the Council’s Countryside Section, a number of other major landscape projects relating to key areas of the river corridor have been identified to complement delivery of the above strategies, that can also be progressed to implementation this financial year.

3.1.3 At this stage, further development work is required to assess the feasibility of individual projects and to establish outline project costs. However, it is important that the likely area for project implementation is determined at an early stage in order to permit further development work through the commissioning of consultants. (Consultancy appointments can be funded through the Heads of the Valleys Programme). This will ensure that the timescales for project implementation within the current financial year can be met. At the same time, should the implementation of works along the main river corridor be supported this year, it will be necessary, as a pre-requisite, to undertake a comprehensive programme of Japanese Knotweed eradication along the main river corridor and its tributaries. This is a major operation requiring initial survey work and treatment, prior to any project work being undertaken within this area later in the year.

3.1.4 For the reasons outlined above, the high visual impact of the area and potential synergy with years two and three of the HoV 3 year rolling programme, it is proposed that the area to be progressed for environmental regeneration project development and landscaping, supported by the Heads of the Valleys Programme in 2006/07 is the central area of the River Taff corridor.

3.2 2007/2008: Town Centre Improvements

3.2.1 In relation to the 2007/08 programme, a main requirement of the Heads of the Valleys Programme at this stage is the prioritisation of a preferred town centre for capital investment in 2007/08. In addition to the need for linkages to be maintained with this year’s environmental programme, each Authority is asked to consider, the following criteria as part of the appraisal process:

- Whether the chosen settlement will have wider strategic impact?
- Whether it will attract people from a wider catchment?
- Whether there are plans in place that have been consulted upon?
3.2.2 Within the context of the Programme requirements, 2 town centres within the County Borough could potentially be put forward for consideration, namely, Merthyr Tydfil and Gurnos. Whilst both ‘town centres’ have plans developed at various stages, when considered against criteria a) and b), it is evident that Merthyr Tydfil town centre scores highest. In addition, the focus on Merthyr Tydfil town centre will complement the priority projects recommended for this year and will add substantial value to the major programme of regeneration work already underway in the town centre as part of the Objective One Town Centre Project.

3.2.3 It is proposed for the reasons outlined above (particularly added value) and the potential synergy between years one and three of the HoV programme that Merthyr Tydfil Town Centre is identified as the priority town centre for regeneration activity in 2007/08.

3.2.4 It is important to note that as this will be a rolling programme of investment, it is envisaged that there will be an opportunity to prioritise other town centres in future three year programmes, which will commence in 2009. This would also enable synergy with the completion and ongoing delivery of other ongoing development work such as the Gurnos Town Centre study and Taff Bargoed Regeneration Strategy.

3.3 2008/09: Tourism

3.3.1 As yet the tourism theme has still to be fully developed, though, in accordance with the requirements of the Heads of the Valleys Programme, this will need to build on the work undertaken on the initial programme themes and priority areas over the next 2 years, once these have been finalised.

4.0 NEXT STAGES

4.1 Approval to proceed to the next stage will allow further development work and consultation to be undertaken on potential environmental / landscaping projects for implementation this financial year and as part of the preferred town centre developments next year. It is intended that further reports will be presented to Cabinet detailing potential projects within the identified areas for Members’ consideration and approval in due course.

4.2 It should be noted that whilst the initial focus of the Heads of the Valleys Programme over the next 3 years is aimed at the key themes of environment/landscape, town centres and tourism, priorities for the remainder of the Programme have yet to be determined. As outlined above, however, it is envisaged that the existing ‘area based’ themes will be re-visited on a 3-year ‘rolling’ basis with a view to targeting specific areas within each Local Authority boundary over the respective three-year period. The Heads of the Valleys Programme is committed to special funding of £32m within the
programme area over the duration of the programme period, and therefore the opportunity exists for other potential projects throughout the County Borough to come forward for consideration at that time.

5.0 FINANCIAL IMPLICATIONS

5.1 Finance to support the three-year Heads of the Valleys Action Plan Projects as highlighted above will be resourced through capital funding from the Heads of the Valleys Programme. The opportunity also exists to secure additional funding support from the Welsh Assembly Government (DEIN) and other agencies, as required by the Heads of the Valleys Programme.

5.2 Officer time will be required to support project implementation, which will require evaluation as projects are developed. There are no other direct financial implications to the Council.

6.0 RECOMMENDATIONS

6.1 That Cabinet supports the implementation of priority projects under this year’s Heads of the Valleys Environment/Landscape theme along the main river Taff corridor through Merthyr Tydfil and along the town’s associated strategic highway network and approaches.

6.2 That Cabinet supports the choice of Merthyr Tydfil as the preferred town centre for project implementation under the Heads of the Valleys town centre theme for 2007/08.

6.3 That Cabinet receives further reports in due course detailing potential projects for implementation within the initial 3 year Heads of the Valleys Programme.

JILL SHUKER
DIRECTOR OF CORPORATE CENTRE

INTERNAL REPORT CONSULTATION:

The following officers have been consulted in respect of the proposals and recommendations set out in this report.

<p>| Chief Executive | Deputy Chief Executive / Director of Customer Corporate Services | Director of Customer Community Services | Director of Integrated Children’s Services | Director of Integrated Adults Services | Chief Officer, Finance, Audit and Risk Management |</p>
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