



SCRUTINY COMMITTEE REPORT

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Report Author	Jared Green / Chris Long
Service Area	Community Regeneration
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To: Chair, Ladies and Gentlemen

Economic Growth Strategy and Partnership

1.0 SUMMARY OF THE REPORT

- 1.1 Economic regeneration, through increasing employment, encouraging business growth and tackling social disadvantage, is an important activity for Merthyr Tydfil County Borough Council and its partners. It contributes to local strategic aims in advancing Merthyr's economic well-being and underpins cross-cutting approaches to tackle deprivation as a result of industrial decline.
- 1.2 There are 4 key priority areas that have been highlighted to be addressed simultaneously to enable economic regeneration and bring economic growth to Merthyr Tydfil. These priority areas include:
- The economic base – the existing business and business infrastructure that exists locally and constitutes the sum total local GDP
 - The labour market – all residents of a working age who are employed, unemployed or economically inactive
 - Skills – those by qualification and work based skills
 - Physical infrastructure – physical infrastructure such as roads, buildings etc. and also ICT infrastructure
- 1.3 In order to achieve holistic economic growth these four elements must be developed and co-ordinated in a single strategic plan, (Economic Growth Strategy). It is imperative that all key delivery partners are engaged in setting the strategic priorities. The plan also requires a single operational planning process based on greater integrated planning. It is also critical that all internal departments within the local authority and partner organisations have clarity in their individual role in operational delivery arrangements.

- 1.4 Cabinet approval was received to create an Economic Growth Partnership in November 2015 which would involve both key stakeholders within the Local Authority and a number of strategic external partners. A mapping exercise was undertaken to secure a holistic picture of delivery partners' programmes (including contract and funding) enabling identification of the employment/training needs of key employers/inward investors etc.
- 1.5 Consultancy firm Wavehill were appointed in October 2016 to support the development of an Economic Growth Strategy. After some deliberation the Economic Development Team and the Economic Growth Partnership have agreed on a change to the document in its current state. The Economic Growth Strategy is a strategic document that will act as a working manuscript for MTCBC and will encompass the 4 key strands within the 'Plan on a page'.

The key priorities within our Economic Development Plan on a page are:

- AIM 1: To support the creation of the right type of businesses supported by the right type of business infrastructure
- AIM 2: Create a flexible, resilient and responsive labour market
- AIM 3: Improve skill levels to support business growth
- AIM 4: Create the right infrastructure to enable and accelerate business growth

Although the current draft touches upon all of the aims above, we feel that the strategy in its current format lends itself more towards - AIM 2: Create a flexible, resilient and responsive labour market. So what we have decided is to make the Wavehill Economic Growth Strategy a document dedicated to this aim and with this we have re-named the Wavehill document to – An Economic Growth Strategy for Merthyr Tydfil (A flexible, resilient and responsive labour market)

- 1.6 Wavehill have already presented us with a draft in relation to our **AIM 2: Create a flexible, resilient and responsive labour market**. However, we need the strategy to include the remaining 3 aims and this is something The Economic Growth Partnership would require support on. The internal and partnership knowledge to complete the remaining aims is in place however there is a need for support on bringing it all together in a cohesive and concise manner. We believe 'The Means' would be the ideal partner to help us achieve this.
- 1.7 By 2018, we want to see positive levels of business births and survivability reflecting a competitive business sector that is both resilient and competitive in a changing global market. In addition, through job creation we want to see a trend of continuous reduction in the JSA claimant population.
- 1.8 By 2018, we want the percentage of working aged adults with no qualifications to be lower in Merthyr Tydfil than the Welsh average and the percentage of adults with Level 1 and 2 qualifications to be higher than the Welsh average.

2.0 RECOMMENDATION(S)

- 2.1 The judgements and evaluations are noted and debated.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 Economic regeneration, through increasing employment, encouraging business growth and tackling social disadvantage, is an important activity for Merthyr Tydfil County Borough Council and its partners. It contributes to local strategic aims in advancing Merthyr's economic well-being and underpins cross-cutting approaches to tackle deprivation as a result of industrial decline.
- 3.2 There are 4 key priority areas that have been highlighted to be addressed simultaneously to enable economic regeneration and bring economic growth to Merthyr Tydfil. These priority areas include:
- The economic base – the existing business and business infrastructure that exists locally and constitutes the sum total local GDP
 - The labour market – all residents of a working age who are employed, unemployed or economically inactive – this priority area has been covered in substantial detail by Wavehill.
 - Skills – those by qualification and work based skills
 - Physical infrastructure – physical infrastructure such as roads, buildings etc. and also ICT infrastructure
- 3.3 In order to achieve holistic economic growth these four elements must be developed and co-ordinated in a single strategic plan, (Economic Growth Strategy). It is imperative that all key delivery partners are engaged in setting the strategic priorities and are clear on the outcomes which are to be achieved. The plan also requires a single operational planning process based on greater integrated planning. It is also critical that all internal departments within the local authority and partner organisations have clarity in their individual role in operational delivery arrangements/accountabilities.
- 3.4 The vision of the Economic Growth Plan for Merthyr Tydfil is 'to create a diverse and vibrant economy with a skilled, flexible and well paid work force and well developed business infrastructure'. Achieving the vision will position Merthyr Tydfil as a key regional centre within the Cardiff City Region.
- 3.5 The Council cannot deliver the necessary intervention to facilitate this process alone. It is essential that key partners are engaged to develop an Economic Growth Strategy that will integrate the connection between the key priority areas. This is critical to achieving sustained and sustainable economic growth in Merthyr Tydfil.
- 3.6 If the Economic Growth Strategy is to become a 'game changer' in the economic fortunes of Merthyr Tydfil, the current pace of economic recovery must increase, which can only be achieved by doing things differently.
- 3.7 An outline strategy on a page to deliver a new Economic Growth Strategy has been produced. There are four strategic aims on which the plan is based:
- To support the creation of the right type of businesses supported by the right type of business infrastructure
 - Create a flexible, resilient and responsive labour market

- Improve skills levels to support business growth
- Create the right infrastructure to enable and accelerate business growth

4.0 WHERE WE WERE

4.1 In 2015/16, a mid-term review of the Single Integrated Plan was undertaken. During this process, the decision was taken to more closely align the Economic Development team and the Employability team. This has led to improved delivery and integration between 'physical' and 'social' regeneration teams within the Economic Development & Strategic Tourism Department.

The Economy

4.2 Cabinet approval was received to create an Economic Growth Partnership in November 2015 which would involve both key stakeholders within the Local Authority and a number of strategic external partners. A mapping exercise was undertaken to secure a holistic picture of delivery partners' programmes (including contract and funding) enabling identification of the employment/training needs of key employers/inward investors etc.

4.3 Wavehill was appointed in October 2016 to support the development of an Economic Growth Strategy. The key elements of the report included:

- Amalgamate the findings identified within the Skills Review into the current draft Economic Growth Strategy Document (action plan)
- Identify the indicators on a two tier level – firstly, the high level indicators higher strategic population levels that have been identified within the current draft Economic Growth Strategy and secondly, the programme level / local level indicators that the local authority have achieved / aspire to achieve. For the local indicators, benchmarking against other local authority areas will be important. Therefore indicators need to reflect what other areas are recording – particularly in relation to ESF Programmes / Work Programmes including Work Programme outputs and DWP Work Choice programmes and all Enterprise/Business support programmes, national and locally
- Identify what programmes are currently being implemented (particularly the ESF funded programmes) and what the current gaps in delivery are. Based on these findings outline a new programme / policy in future, potentially through new opportunities such as the City Deal.
- Using the 5 ways of working as a tool, we will develop a scheme of a local operating model to underpin the delivery of the EGS identifying its key components, delivery work strands and any gaps and requisite remedial action to address; these including proposed new project/programme development. It is anticipated there would be a need to link work strands directly to the strategic cornerstones identified in the skills needs action plan and identify how these specifically support the delivery of the EGS. It is expected that this will include coverage of issues related to Economic Development, Inward Investment, Skills, Education and Training, Education 14+ plus links to the local Poverty strategy.

4.4 The report will be finalised in September 2017.

4.5 The Enterprise Centre, managed by Tydfil Training, remains the first point of engagement for individuals needing business advice and support. It provides the

traditional resources to ensure the sustainability of enterprises. This mechanism is available to both new and existing businesses. The 'Meanwhile' scheme which provides opportunities for test trading will continue, linking new and existing businesses to derelict or under-utilised buildings in the Town Centre. The scheme supported the creation of 116 jobs and these job opportunities will be directly aligned to the Employability section of the Service Area.

The Labour Market

- 4.6 Small and medium-sized enterprises were supported to sustain their businesses moving forward and an example of success in this area is the EFFECT project. The EFFECT programme (Enterprise Facilitation for Effective Community Transformation) offered free, confidential business support to local people, start-up ventures, existing businesses and social enterprises. At the end of 2016; the programme had engaged with 98 individuals resulting in the creation of 24 new jobs; 17 new businesses whilst also safeguarding 17 jobs and helping 40 businesses (including 13 social enterprises).

Skills

- 4.7 At the end of March 2016, 3 ESF funded employability programmes were approved and started to be rolled out: Bridges into Work 2; Communities4Work and Working Skills for Adults 2. A delivery model was devised and venues secured for community-based provision to begin. A separate report "Making skills work for Merthyr Tydfil: Developing the workforce of the future", has been prepared, which includes an update on the ESF projects and this will be presented at Scrutiny on 12th September 17 as part of the Wellbeing Objectives: Working Life 1 Report.

Infrastructure

- 4.8 In 2015/16 and 16/17, the Regeneration Team continued to support the development of infrastructure across the County Borough. This included the completion of the ERDF Funded Town Centre Regeneration Programme including the gyratory system to support an improvement in traffic flow and direct access through the Town Centre in particular. 2017 also saw the completion of the Vibrant and Viable Places Programme which developed and delivered a series of infrastructure projects in the Town Centre and surrounding areas.

5.0 WHERE WE ARE NOW

- 5.1 A number of projects have been identified for reporting on against the aims and objectives of the Economic Growth Strategy:

5.2 Redevelopment of the Hoovers site

Discussions with the current owners of the site and Welsh Government (WG) are ongoing with the view to develop a site master plan

5.3 Bus Station Development

The central Bus Station is due to relocate to a new site at the southern end of the Town Centre. This is being undertaken to meet increasing demand and support Merthyr Tydfil's role as a regional transport interchange. The re-location of the Bus Station will create a redevelopment opportunity in the heart of the Town to attract a new retail or leisure development to enhance the viability and vitality of the Town Centre. The views of the public were gathered through a series of consultation

events linked to the re-siting of the Bus Station; their feedback was used when reaching a final decision. The team will continue to monitor the five case business model which has been submitted to Welsh Government and deliver on the £30,000 secured through the Local Transport Fund by March 2018. Discussions with the owners of St. Tydfil's Shopping Centre regarding the acquisition of land for the bus station development will also continue.

5.4 Townscape Heritage (TH – HLF)

Heritage Lottery has approved a grant of £1.2 million towards continuing the conservation and restoration of buildings in the Pontmorlais Heritage Quarter. The programme currently has £1.9 million of funding in total with contributions from CADW and MTCBC for 9 buildings, public realm improvements, traditional building skills training and community activities. This funding is secured to deliver the programme from April 2017 until March 2022.

5.5 Town Centre and wider area (Phase 3) Master Plan

The Town Centre over a period of 10 years has seen a significant amount of EU funding to regenerate the area. This next phase will now incorporate a wider area inclusive of Town Centre and the current Hoover site.

5.6 Taff Bargoed Redevelopment

The Taff Bargoed area over a period of 10 years has seen a significant amount of EU funding to regenerate the area. This next phase will now look to develop the next phase Strategy / Action Plan taking into consideration the Taff Bargoed Park and investment taking place at ROCK UK.

5.7 MTCBC has secured a range of ESF programmes to provide learning/training and employment opportunities throughout the County Borough and these programmes include:

- The Aspire Shared Apprenticeship Programme will offer 10-15 Shared Apprenticeship places in the manufacturing/engineering related occupations.
- The Working Skills for Adults 2 programme aims to increase skills at all levels from basic to level 2 across the workforce through community provision. The programme will improve opportunities for currently low level skilled workers to sustain employment and increase earnings potential
- The Bridges into Work 2 Programme provides a boost to individuals and opportunities for improving skills in areas that are in demand by employers. The aim is to help people in Merthyr Tydfil into sustainable employment.
- The Communities 4 Work Programme has been developed to help those adults furthest away from the labour market into employment. It builds on existing programmes to tackle poverty to help get people into work.

5.8 Trago Mills

The Economic Growth Partnership is currently providing an unprecedented level of support that was assessed by the Economic Growth Partnership in relation to the required support for this development. Discussions regarding recruitment solutions ideas were shared with Senior Management, and this has now been delivered effectively and continues to do support Trago with ongoing recruitment and training

needs. A detailed implementation recruitment plan was developed with the Partners and lead partner Job Centre Plus and this was implemented in September 17 in readiness of the official opening April 18.

5.9 General Dynamics

The Economic Growth Partnership is actively engaged with General Dynamics and has presented the Recruitment and Training plan in order to support their recruitment needs. As a result of the Economic Growth Partnership engagement, Merthyr College have an apprenticeship programme running which gives young students studying the Enhanced Engineering Programme the opportunity for full time employment within General Dynamics.

6.0 WHERE WE WANT TO BE

- 6.1 By 2018, we want to see positive levels of business births and survivability reflecting a competitive business sector that is both resilient and competitive in a changing global market. In addition, through job creation we want to see a trend of continuous reduction in the JSA claimant population. Although the Local Authority has no direct responsibility for these population indicators and there is no direct accountability; the work being undertaken by the Service Area can be seen to contribute to support positive progression in this area.
- 6.2 By 2018, we want the percentage of working aged adults with no qualifications to be lower in Merthyr Tydfil than the Welsh average and the percentage of adults with Level 1 and 2 qualifications to be higher than the Welsh average.
- 6.3 As detailed in 4.5, the Enterprise Centre, managed by Tydfil Training, will continue to be the first point of engagement for individuals needing business advice and support, predominantly in the Town Centre. It provides the traditional resources to ensure the sustainability of enterprises. This mechanism is available to both new and existing businesses. The meanwhile scheme which provides opportunities for test trading will continue, linking new and existing businesses to derelict or under-utilised buildings in the Town Centre. The scheme will continue to create jobs and these job opportunities will be directly aligned to the Employability section of the Service Area.
- 6.4 Upon completion, the Economic Growth Strategy and action plan will enable the Economic Growth Partnership with the identification and continued support of the employment/training needs of key employers/inward investors etc.
- 6.5 In relation to inward investment, the Economic Growth Partnership will continue to explore recruitment solutions for the creation of jobs attributed to Inward Investment in line with the process used to support the c. 250 jobs for General Dynamics and c. 350 jobs for Trago Mills.
- 6.7 In March 17 Welsh Government invited MTCBC to develop a proposal linked to the development of a manufacturing / engineering shared apprenticeship programme for Merthyr Tydfil, replicating the model operating in Blaenau Gwent encouraging the development of business growth, enhancing skills whilst tackling unemployment; one

of the key issues driving poverty in the area. A proposal was submitted to Welsh Government and funding to deliver the programme was secured which will result in the creation of the Aspire Shared Apprenticeship Programme within the manufacturing / engineering sector targeting 16-24 year olds. The programme is currently employing 4 apprentices with a further 4 going through informal interviews with Host Employers within Merthyr Tydfil.

- 6.8 The Regeneration Team will continue to support the development of infrastructure across the County Borough through programmes such as the Townscape Heritage scheme. The Bus Station project has become a key priority for delivery which will improve access to the Town Centre. The Team will also target other Regeneration Programmes from Welsh Government and Welsh European Funding Office.
- 6.9 The Economic Growth Strategy has 1 of the 4 key priority areas complete by Wavehill with the other 3 priority areas being touched upon in some detail but not enough for it to be considered complete in terms of the final Economic Growth Strategy. We are now looking to commission 'The Means' to pull the remainder of the priorities together into the final draft of the Economic Growth Strategy.

7 WHAT WE NEED TO DO NEXT

- 7.1 Deliver on the £30,000 secured from the Local Transport Fund by March 18 and further develop the fundraising strategy for the Bus Station.
- 7.2 Continue discussions with the St. Tydfil's Shopping Centre regarding the acquisition of the land for the Bus Station development and complete the acquisition of land process for the wider development site.
- 7.3 Agree procurement strategy for the TH architect and contractors framework.
- 7.4 Conclude current evaluation being undertaken by The Means on the TH Programme with the businesses and landlords in the area to gauge thoughts on programme effectiveness.
- 7.5 Develop a new Strategy / Action Plan for the Taff Bargoed Area taking into consideration developments at Taff Bargoed Park and investment at Rock UK.
- 7.6 Explore usages for the Pavilion and identify sustainable solutions for usage of the lakes in Taff Bargoed Park.
- 7.7 Finalise the Economic Growth Strategy and deliver on the findings within the action plan.
- 7.8 Deliver the Aspire Shared Apprenticeship Programme to offer 10-15 Shared Apprenticeship places in the manufacturing / engineering related occupations.
- 7.9 Continued delivery of the ESF Funded Programmes.

7.10 Continue to offer the recruitment model to support recruitment of people into employment for Trago Mills and General Dynamics through the Economic Growth Partnership along with all potential inward investors and existing growth businesses.

8.0 CONTRIBUTION TO WELLBEING OBJECTIVES

8.1 In terms of the Wellbeing Objectives set down in Focus on the Future; a separate report “Making skills work for Merthyr Tydfil: Developing the workforce of the future’ has been prepared, which includes an update on the ESF projects and this will be presented at Scrutiny on 12th September 17.

8.2 The EGS also contribute to another Wellbeing Objective within Focus on the Future: “Developing the Environment and Infrastructure for Businesses to flourish”. A report will be prepared and presented at a forthcoming Scrutiny meeting to inform Elected Members of the work being undertaken in this area.

ALYN OWEN
CHIEF OFFICER COMMUNITY
REGENERATION

COUNCILLOR GERAINT THOMAS
CABINET MEMBER: REGENERATION
AND PUBLIC PROTECTION

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
Does the report contain any issue that may impact the Council’s Constitution?		No