

FULL COUNCIL REPORT

Date Written	25 th June 2021
Report Author	Zoe Thomas / Chris Long / Geraint Morgan
Service Area	Community Regeneration
Exempt/Non-Exempt	Non-Exempt
Committee Date	14 th July 2021

To: Mayor, Ladies and Gentlemen

Cyfarthfa Heritage Area Special Purpose Vehicle

1.0 SUMMARY OF THE REPORT

- 1.1 The Cyfarthfa Foundation was established in June 2020 and in October 2020 Council approved the appointment of two Councillors as directors and trustees onto the SPV.
- 1.2 The Cyfarthfa Foundation are currently in the process of applying for charitable status.
- 1.3 On 4th November 2020, Council approved The Cyfarthfa Plan and a launch of the Plan was held in January 2021.
- 1.4 The Board of the Foundation is limited to 12 members and currently includes the two elected members of Merthyr Tydfil CBC whose first duty is to 'The Cyfarthfa Foundation' and three other trustees.
- 1.5 Saxton Bamflyde has been appointed to recruit the remaining Trustees. These trustees will include people who will give a community representation together with a range of relevant specialist expertise decided and agreed by the Council.
- 1.6 In March 2021, Welsh Government approved the award of £1.2m Development Funding to The Cyfarthfa Foundation. The purpose of the award was to establish a team to support development and delivery of The Cyfarthfa Plan, to put the necessary policies, structures and mechanisms in place to oversee any work and to undertake any appropriate studies as required.

- 1.7 An internal Cyfarthfa Heritage Area Asset Group has been established including Regeneration, Estates and Legal. The purpose of the Group is to review the current assets identified within the Plan and to document all existing lease arrangements.
- 1.8 A decision needs to be made as to which assets are to be leased to The Cyfarthfa Foundation and on what terms they are to be leased. Discussions also need to be undertaken with Merthyr Tydfil Leisure Trust to ensure that there is a smooth transition of the assets.
- 2.0 RECOMMENDATION that**
- 2.1 The contents of the report be approved.

3.0 INTRODUCTION AND BACKGROUND

- 3.1 On 21st October 2017 the Design Commission for Wales and the Welsh School of Architecture at Cardiff University held a design charrette at Cyfarthfa Castle. The event - supported by the Council as well as by the Merthyr Tydfil Leisure Trust and the Merthyr Heritage Trust - brought together more than 60 creative minds. This intense day of ideas generation considered how Cyfarthfa Castle, its extended landscape and built heritage, might become an international quality visitor destination and experience.
- 3.2 The charrette led to the publication of a report – *Crucible: Design Charrette Report - Cyfarthfa Heritage Area* - which was considered by the Council on 6th June 2018.
- 3.3 At that meeting the Council accepted unanimously the report and its recommendations and charged an ‘Interim Working Group’ with exploring the establishment of an appropriate development vehicle to realise the proposals. In doing so it accepted that the delivery of the proposals would require “human and financial resources beyond those of the local authority itself”.
- 3.4 The working group - known as the Cyfarthfa Working Group - has steered progress since that date. It is composed of Council Officers, Carole-Anne Davies, Chief Executive of the Design Commission for Wales (DCFW), The Cyfarthfa Foundation and Merthyr Tydfil Leisure Trust.
- 3.5 A key recommendation of the charrette report had been:
- “That a Special Purpose Vehicle be created to steer this project, to bring all governmental and community stakeholders together with the best specialist expertise and to ensure continuity of vision over the long term and beyond political cycles.”*
- 3.6 The report went on to say that experience with projects of this scale suggests that a special purpose vehicle with charitable status would be essential as a framework within which:

“to marshal the right mix of skills, to develop the proposals and to seek funding from major trusts and foundations.”

- 3.7 The Cyfarthfa Foundation was established in June 2020 and in October 2020 Council approved the appointment of two Councillors as directors and trustees onto the SPV.
- 3.8 The Cyfarthfa Foundation are currently in the process of applying for charitable status.
- 3.9 On 4th November 2020, Council approved The Cyfarthfa Plan and a launch of the Plan was held in January 2021.

4.0 THE CYFARTHFA FOUNDATION

- 4.1 The Members of the company include the directors of the company and a range of stakeholders, including Merthyr Tydfil CBC and other community representatives.
- 4.2 The Board of the Foundation is limited to 12 members and currently includes the two elected members of Merthyr Tydfil CBC whose first duty is to ‘The Cyfarthfa Foundation’ and three other trustees.
- 4.3 Saxton Bamflyde has been appointed to recruit the remaining Trustees. These trustees will include people who will give a community representation together with a range of relevant specialist expertise decided and agreed by the Council.
- 4.4 In early 2021, The Cyfarthfa Foundation commenced discussions with Welsh Government regarding the opportunity to secure Development Funding to support the Foundation with the development and delivery of The Cyfarthfa Plan. A Business Case was submitted to Lee Waters MS: Deputy Minister for Economy and Transport and subsequent discussions were held with the Deputy Minister, Welsh Government Officials and the Chair and Vice Chair of The Cyfarthfa Foundation.
- 4.5 In March 2021, Welsh Government approved the award of £1.2m Development Funding to The Cyfarthfa Foundation. The purpose of the award was to establish a team to support development and delivery of The Cyfarthfa Plan, to put the necessary policies, structures and mechanisms in place to oversee any work and to undertake any appropriate studies as required.
- 4.6 The offer letter was issued to Merthyr Tydfil CBC as the grant recipient body. An offer letter has been issued to The Cyfarthfa Foundation following approval of the award by Cabinet. Merthyr Tydfil CBC will have responsibility for the allocation to and monitoring of funding undertaken by The Cyfarthfa Foundation.
- 4.7 The funding will be available for a 3-year period.
- 4.8 A condition of the grant is that a ‘Board’ is established for monitoring the delivery of The Cyfarthfa Plan and Welsh Government Officials will be invited to sit on this Board. The Board will be aligned to the Welsh Government’s Valleys Regional Park Programme.

- 4.9 Development funding has been secured by The Cyfarthfa Foundation, which will enable the appointment of staff resource and consultants.

5.0 CYFARTHFA HERITAGE AREAS ASSETS

- 5.1 The Cyfarthfa Heritage Area consists of Cyfarthfa Park (which includes all properties within the Park), Cyfarthfa Furnaces, Joseph Parry's Cottage, Ynysfach Engine House and the Pandy Farm. With the exception of the Pandy Farm, the Council is the freehold owner of all of the assets. These assets are currently leased to Merthyr Tydfil Leisure Trust, with the exception of the Furnaces.
- 5.2 An internal Cyfarthfa Heritage Area Asset Group has been established including Regeneration, Estates and Legal. The purpose of the Group is to review the current assets identified within the Plan and to document all existing lease arrangements.
- 5.3 A decision needs to be made as to which assets are to be leased to The Cyfarthfa Foundation and on what terms they are to be leased. Discussions also need to be undertaken with Merthyr Tydfil Leisure Trust to ensure that there is a smooth transition of the assets.
- 5.4 A condition survey has been undertaken on Pandy Farm, Ynysfach Engine House and Joseph Parry's Cottage. A condition survey will be undertaken on the Castle in summer 2021.
- 5.5 The Group has identified that it will take approximately 18 months to two years to deal with the transfer of assets. This information will be detailed further in the next report to Council.
- 5.6 In principle, Merthyr Tydfil Leisure Trust agree to the assets being transferred. Discussions will need to be undertaken with Merthyr Tydfil Leisure Trust to ensure that there is a smooth transition of the assets and to agree the associated timescales.

6.0 FINANCIAL IMPLICATIONS

- 6.1 There are no financial implications for the Council.

7.0 INTEGRATED IMPACT ASSESSMENT

	Positive Impacts	Negative Impacts	Neutral/Not Applicable	
1. Merthyr Tydfil Well-being Objectives	4 of 4	0 of 4	0 of 4	
2. Sustainable Development Principles - How have you considered the five ways of working? <ul style="list-style-type: none"> • Long term • Prevention • Integration • Collaboration • Involvement 	5 of 5	0 of 5	0 of 5	
3. Protected Characteristics (including Welsh Language)	2 of 10	0 of 10	8 of 10	
4. Socio-economic Disadvantage	0 of 6	0 of 6	6 of 6	
5. Consultation and Engagement	Undertaken	Due to be Undertaken	Not Required	
	1 of 1	1 of 1	0 of 1	
6. Data and Evidence to inform the proposal	Yes		No	
	1 of 1		0 of 1	
7. Biodiversity and the resilience of Ecosystems	Maintained	Enhanced	Reduced	Neutral/Not Applicable
	1 of 1	0 of 1	0 of 1	0 of 1
Summary				
The main positive impacts are:	The main positive impacts are that the SPV will support Well-being Objectives and Sustainable Development Principles through targeting economic growth, the protection of key heritage assets and the development of the landscape. The project will have a positive effect on the economy, socially and on heritage.			
The main negative impacts are:	No negative impacts have been identified.			

ALYN OWEN
DEPUTY CHIEF EXECUTIVE

COUNCILLOR GERAINT THOMAS
CABINET MEMBER FOR
REGENERATION, TRANSFORMATION
AND COMMERCIALISATION

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

Consultation has been undertaken with the Corporate Management Team in respect of each proposal(s) and recommendation(s) set out in this report.