

THE SOUTH WALES VALLEYS

ECONOMIC DEVELOPMENT TAILORED TO THE SPECIFIC NEEDS OF THE VALLEY COMMUNITIES

Background

During the 1990s, coal mining employment collapsed dramatically. This removed at a stroke the **economic** rationale of coalfield places, ruptured their cultural and social fabric, and precipitated a deep sense of loss. - "Coalfields Regeneration: Dealing with the Consequences of Industrial Decline", Joseph Rowntree Foundation, April 2000.

This sentiment is echoed in the Report by the Social Exclusion Unit - "A National Strategy for Neighbourhood Renewal" - April 2000 which states that the main driver of neighbourhood decay has, in most areas, been **economic**. Mass unemployment and the closure of particular industries have devastated communities.

Economic development

The report reaches a very clear conclusion - that there are four imperatives for successful regeneration. This paper deals with the first imperative - to revive the economy - as without jobs and businesses creating wealth, it is impossible for any area to turn itself around. The two main strands to economic regeneration of the Valleys are; providing the environment to attract companies and for indigenous companies to grow, both increasing the number and quality of jobs and; helping people to compete for jobs, in their own area and adjoining localities.

Creating the environment

To help create an advanced economy with a greater capacity to generate wealth and good quality jobs, the Valleys will need to take full advantage of the broader economic and tax measures proposed by the UK Government in the budget aimed at promoting a dynamic enterprise culture.

Other new and exciting opportunities to improve the economy of the Valleys' communities include Objective 1 status and the provisions under the assisted areas map which give the whole of the south Wales Valleys access to the highest level of financial assistance to aid business.

WDA activity

In future the WDA will redouble its efforts in the south Wales Valleys and work closely with others to maximise the benefits of Objective 1 funding.

Current land reclamation schemes include the former Deep Navigation and Taff Merthyr Collieries to create the Taff Bargoed Country Park and land at Baglan to enable the development of Baglan Energy Park to ultimately support up to 6,000 jobs.

Site and Property Development schemes provide a range of sites and premises for potential inward investors and indigenous companies looking to expand. Examples include strategic sites at Rhyd-y-Blew (Ebbw Vale), Oakdale Business Park (Blackwood) and Felindre(near Swansea), speculative property schemes at Merthyr and Tredegar; and bespoke properties for companies like International Rectifier (Swansea). Urban Development projects at Merthyr, Aberdare, Swansea and Llanelli help revitalise and regenerate Valley communities.

Local regeneration funding

The need to ensure closer integration between European and domestic programmes, and refocus effort on both the National Economic Development Strategy and the priorities adopted in the Objective 1 Single Programming Document, has resulted in new proposals to create a single Local Regeneration Fund to replace the existing Welsh Capital Challenge and Local Authority Rural Schemes.

Support for business and enterprise

The goal of a dynamic and healthy SME sector in the Valleys depends on properly co-ordinated and delivered business support services. The Business Connect Management Board aims to provide this "joined up" approach. Other Assembly policies include:

- the implementation of a new Entrepreneurship Action Plan, a key part of which is to help encourage many more businesses to start up and grow, including those in the social economy;
- encouraging more knowledge -based companies to locate in the area and helping existing companies to exploit ICT and other new technology more effectively;
- promoting innovation and technology transfer through innovation centres and closer links between colleges and business;
- establishing a new Development Bank or Fund to improve the flow of finance to SMEs.

New Deal

The New Deal, helping under 25s leave benefit for work or training and targeting inactivity amongst older age groups, lone parents and disabled people has helped tackle the high unemployment and inactivity levels in the Valleys.

Helping people compete for jobs

The second strand to economic development of the Valleys ie., helping people compete for jobs is dealt with in the papers "Appropriate and Accessible Training" and "Further and Higher Education Provision".

ECONOMIC

DEVELOPMENT

KEY PRIORITIES

RESULTS BY MARCH 2003

DELIVERY AGENT

Social Disadvantage

1. Encourage people to be creative and turn good

1. Rate of business start-ups to be closer to all Wales level

All partners

Ideas into new businesses through implementation of Wales Entrepreneurship

2. A stronger presence of service and knowledge-based businesses

All partners

Action Plan.

3. Inward investment projects to generate an average of 7,000 jobs a year

WDA/Assembly

2. Encourage the

Formation of more business in the social economy sector

Equal opportunities

1. Reduce unemployment and inactivity amongst groups which have traditionally experienced high unemployment eg. young people, lone parents, black

and ethnic minorities, disabled people and those

over 50.

2. Implement action on equality of opportunity as a cornerstone of all European Structural Funds

4. Expansion of home grown sector of industry to receive higher priority from public agencies

5. European Local Action Plans approved

6. Local Regeneration Fund proposals approved

WDA/Assembly

Partnerships/
WEFO

WEFO

Sustainable development

1. Intensify our Business and Environment campaign

activities.

2. Take account of likely impact on the environment of new companies and projects when making grants and agreeing schemes under Objective 1.

7. Independent Development "Bank" or Fund to be launched to help stimulate development among small and medium enterprises

8. Implementation of Objective 1 to result in 34,000 additional jobs in West Wales and the Valleys (20,000 to be filled by people over 50)

9. At least 50% of companies to use e-commerce

Business/
Assembly

All partners

Business/
Assembly

SOUTH WALES VALLEYS ECONOMIC INDICATORS - source A Statistical Focus on Wales - the Valleys - 1999 compiled by the Welsh Office

- over the ten years 1989-99 the proportion of people claiming unemployment-related benefits in the Valleys has been much higher than in the rest of Wales;
- long term un-employment for men living in the Valleys is much more prevalent than

elsewhere;

- in the Valleys high proportions of both un-employed men and un-employed women are under the age of 25 (figures slightly higher than rest of Wales);
- rate of economic inactivity is higher in the Valleys than in the rest of Wales;
- economic inactivity due to sickness is particularly high in the Valleys;
- in the Valleys there are proportionally fewer self-employed people than in the rest of Wales and a much higher proportion of employed people work in manufacturing industry;
- there is a lower proportion of managers and professionals when compared with the rest of Wales and a lower proportion of employees with a recognised apprenticeship.