



NEXT STEPS FOR THE VALLEYS



Industrial Communities Alliance Wales

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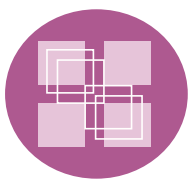
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Industrial Communities **Alliance** *Wales*



Industrial Communities Alliance

The Industrial Communities Alliance is the all-party association representing local authorities in the industrial areas of England, Scotland and Wales.

The Welsh membership of the Alliance comprises Blaenau Gwent, Bridgend, Caerphilly, Carmarthenshire, Merthyr Tydfil, Neath Port Talbot, Powys, Rhondda Cynon Taf and Torfaen councils.

The aim of the Alliance is to promote the economic, social and environmental renewal of the areas covered by its member authorities.

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Contents

Foreword

Summary

Check list of actions required

1. INTRODUCTION

2. ECONOMIC AND SOCIAL CONDITIONS

3. VALLEY TOWNS: A CLOSER LOOK

4. REGENERATION OVER NINE DECADES

5. LOCAL PERSPECTIVES

6. TEN PRIORITIES

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FOREWORD



**By Cllr Gareth Jones
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Chair, Industrial Communities Alliance (Wales)**

When the State of the Coalfields report was published in 2024, colleagues and I were shocked at the extent to which the Valleys appeared to be so much worse off than other former mining areas across Britain. We knew that there were problems, but it was painful to see the evidence.

The report inevitably triggered a discussion: if the situation is so bad, what exactly should be done to improve things in the Valleys? This is not something the 2024 report attempted to address so we decided to commission a new report, drawing on the expertise of the team behind State of the Coalfields and our own staff in the Industrial Communities Alliance.

Next Steps for the Valleys is the result of these efforts. It sets out not just a fuller analysis of where things currently stand but also clear proposals on a way forward. We've been 'road testing' these proposals too, with local players in the Valleys and with Welsh Government officials. We're confident that the proposals command support and set out a way forward around which many people should be able to rally.

It's now up to the governments in London and Cardiff, and to local authorities and organisations in and around the Valleys, to do their bit to deliver on the proposals set out here. It's no more than what the people of the Valleys deserve.

SUMMARY

The fundamental need in the South Wales Valleys is for more jobs and better jobs, closer to home. The economy and labour market of the Valleys remain mired in difficulty and in recent years the Valleys have through no fault of their own lost their competitive edge in attracting business investment. Restoring this competitive edge is a priority.

The private sector will ultimately have to deliver most of the jobs but it's the public sector that needs to underpin and foster this growth through its own policies and investments. Over the last decade too much key support has been allowed to lapse. The Valleys need to be a place where businesses know they can invest, grow and succeed.

The Valleys, which have a population of three-quarters of a million, are possibly the most disadvantaged former industrial region in Britain. This is reflected in a number of statistics:

- An exceptionally low job density – just 46 employee jobs per 100 residents of working age.
- Slow job growth too – up just 7 per cent between 2012 and 2022, compared to a GB average growth of 15 per cent.
- Large numbers of residents who travel a long way to work – net commuting out of the Valleys (the balance between flows in both directions) is an estimated 93,000.
- Very large numbers out-of-work on benefits of one kind or another – in total 19 per cent of all Valley residents between the ages of 16 and 64.
- To raise the employment rate in the Valleys to the GB average would require 27,000 additional residents to be in work. To match the rate in South East England – a guide to full employment – would require 37,000 more in work.

In addition, the Valleys suffer from unusually high levels of self-reported ill health and very high numbers on disability benefits.

Taking a closer look at several Valley towns¹, the figures show that poor health and high numbers on benefits are found everywhere though the extent of disadvantage is generally greatest in the places furthest from the M4 corridor. On a positive note, the larger Valley towns appear to be gradually becoming hubs in their own right, attracting commuters from surrounding areas and growing in employment.

(continued...)

¹ Aberdare, Abertillery, Ammanford, Caerphilly, Glynneath, Maesteg, Merthyr Tydfil, Pontypool, Ystradgynlais

On the other hand, commuting times from most parts of the Valleys into Cardiff, Swansea or Newport remain substantial – often more than an hour – especially by public transport.

Regeneration efforts in the Valleys date back many years and whilst there is evidence of success too often these efforts have been thwarted by downturns and deindustrialisation.

Recent developments in UK regional policy have seriously weakened the ‘competitive edge’ of the Valleys in attracting investment and jobs. ‘Assisted Area’ status and regional investment aid have been abolished and the replacement for EU funding – the UK Shared Prosperity Fund – is worth a lot less. Even the Valley’s traditional advantage of a plentiful supply of labour has been eroded because only a proportion of the very large numbers out-of-work on benefits are active job seekers.

The history of regeneration nevertheless highlights important lessons:

- Long-term commitment and funding certainty is essential
- Physical infrastructure remains a foundation
- Strategic coherence and coordination are vital
- Market-led approaches require complementary public investment
- Community engagement and leadership are crucial

The view from residents and community leaders is far from positive. The shortage of good job opportunities is stressed as are the strains of lengthy commuting. For those who don’t have a car, travel to hospital appointments, to training and to work can be a real problem.

The report identifies ten priorities, all of which have been ‘road-tested’ with key players in local and regional development. We’re confident they will gain support:

1. Keep the funding flowing

Wales and the Valleys have traditionally done well out of UK and EU regeneration monies. This needs to be maintained.

2. Support manufacturing

Manufacturing still accounts for 34,000 jobs in the Valleys – one-in-six of the total – and remains a key driver of the local economy and a contributor to growth.

3. Restore regional investment aid

For decades this was a key tool of regional development until the abandonment of Assisted Area status in the wake of Brexit.

4. Invest in business sites and premises

No suitable space generally means no investment. Public investment can kick start development and break through barriers to growth.

5. Deliver an apprenticeship system that works

It's what's needed to provide opportunities for young people and to lay the foundations for business growth.

6. Make the most of the Heads of the Valleys road

A unique opportunity following the dualling of the A465 to bring forward new sites and new opportunities to travel to work, education, training and public services.

7. Build on the strengths of Valley towns

Encourage their development into local hubs for jobs and services, building their distinctive identities and opportunities.

8. Look after the fabric of smaller places

Recognise that to make them attractive places to live their historic buildings need to be restored and brought back into use for housing, jobs, services and community life.

9. Speed up journey times

There's still a lot that needs to be done to speed travel by train and bus to Cardiff, Swansea and Newport, including local bus services linking to the rail network.

10. Balance momentum along the M4 with investment in the Valleys

Keep investing for growth along the M4 and surrounding areas, but where possible push more development into the Valleys themselves.

CHECK LIST OF ACTIONS REQUIRED

UK Government

- Commit to no further reductions in regeneration funding in Wales and in the Valleys in particular.
- Implement an Industrial Strategy that supports a wide range of manufacturing in the Valleys, not just a handful of high-tech sectors.
- Restore the system of Assisted Areas and investment aid that previously underpinned regional development.
- Work with National Grid and the National Energy Supply Operator (NESO) to bring critical infrastructure to strategic investment sites across the Valleys, including as a 'pipeline' along the Heads of the Valleys corridor.
- Deploy more of the Growth and Skills Levy to fund the training for which it was intended and ensure it works for all employers and all sizes of company.

Welsh Government

- Lean on the UK Government to sustain regeneration funding and feed it through to partners in the Valleys.
- Press the UK Government to restore regional investment aid, without which the Valleys and other disadvantaged parts of Wales are deprived of their competitive edge in attracting business investment.
- Build on the UK Government's Industrial Strategy and fill any gaps as far as possible.
- Take responsibility for ensuring there is plenty of funding to deliver the sites and premises that businesses need.
- In particular, re-examine and support the Coalfield Regeneration Trust's proposals for investment in small business units.
- Deliver on the Young Person's Guarantee to provide all 16-24 year-olds in Wales access to employment, education or training, and support businesses to create apprenticeships and work experience opportunities.

- Support a multicentric pattern of development within the Valleys rather than further reliance on the M4 corridor.
- Enhance and expand initiatives to save and repurpose many of the Valleys' historic buildings before it's too late.
- Find the funding to enable Transport for Wales to deliver what's needed in the Valleys, including by tapping into monies held by the Department for Transport in London.
- Take care of the M4 corridor, but where possible push more growth and jobs up the Valleys.

Local authorities

- Lobby hard for the volume of regeneration funding to be sustained.
- Working with partners in the Corporate Joint Committees, invest in sites and advance factories in the places that private developers normally avoid.
- Make land available for development along the Heads of the Valleys road.
- Support the development of your largest town as a hub for jobs and services.
- Be creative and bold in finding solutions for historic buildings in need of refurbishment and re-use, including through the use of 'community wealth building' business models.
- Through the CJCs, keep pressure on the Welsh Government and Growth Deal partners to deliver regeneration across the Valleys.

Private sector

- Seize the opportunities that a reinvigorated Industrial Strategy provides for investment in the Valleys.
- Don't abdicate responsibility for training and draw down all the Levy money to which you're entitled.
- Take a fresh look at the new development opportunities along the Heads of the Valleys corridor.

(continued...)

Transport for Wales

- Introduce bus services that link up places along the newly-dualled Heads of the Valleys road.
- Take the present investment in the Valleys rail network several stages further and faster to speed up journey times and link it with bus services.

Growth Deal partners

- Sustain the funding for employability initiatives to help reduce the number of economically inactive.
- Ensure Valley residents have access to opportunities along the M4 by working to remove barriers to training and commuting, and follow through on projects, sites and infrastructure investments in the Valleys to deliver economic development.

1. INTRODUCTION

The South Wales Valleys are arguably the most disadvantaged former industrial region in Britain. Yet the Valleys were once a powerhouse of the industrial revolution and their workers helped shape the coal and steel industries that underpinned the nation's prosperity. Generations of families built their lives and communities in the Valleys, committed to the promise of better futures for their children.

Forty years have now passed since the miners' strike that presaged the final demise of the coal industry but the Valleys remain stagnant – economically isolated, underserved and struggling with the fallout from only partially successful attempts at regeneration. Even after decades of national and EU-led initiatives, the Valleys continue to grapple with high levels of worklessness and a shortage of quality jobs.

Their story is one not just of missed opportunities but also of misaligned priorities, underwhelming commitments and a failure to understand what sustainable economic regeneration demands.

It hasn't helped that for far too long the Valleys have been viewed through a single lens, treated as one uniform region. The reality is more nuanced. The unique geography, the rich history and the enduring community culture that define each valley tell a story of decline – and potential renewal – that is not the same everywhere. We need to acknowledge the lessons of the past and adjust our approach to deliver long-term regeneration that does more than just bandage over the wounds of the past but takes the circumstances and opportunities of communities into account.

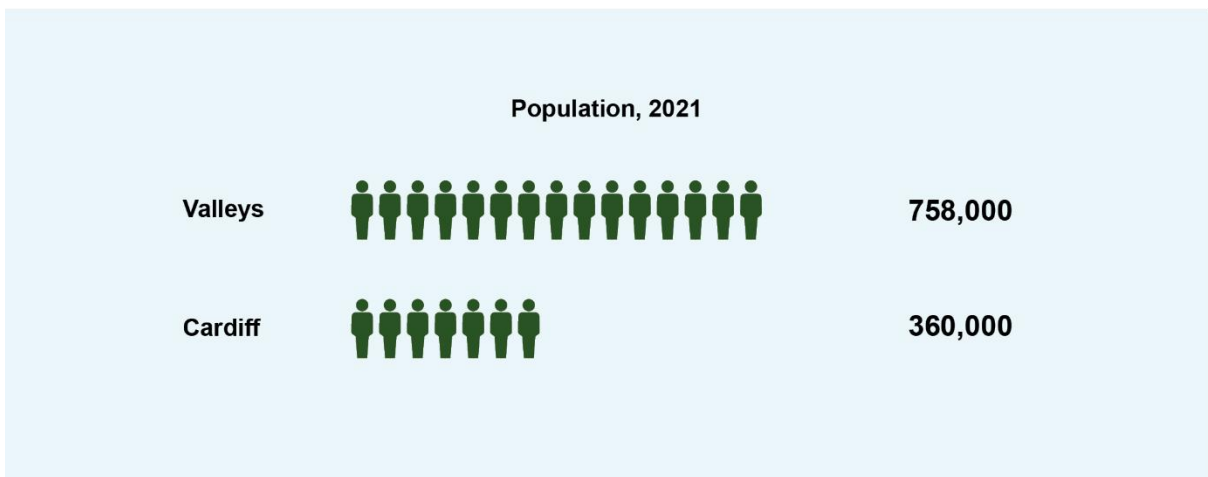
In this report, we review the up-to-date evidence on the economic and social well-being of the Valleys. Data is assembled too for a number of specific communities, varying in size and location. We explore where regeneration has worked, where it has not, and most importantly why.

We also attempt to reflect, albeit in a limited way, the reality for communities and people across the area – what's really going on and what it's like to live there – because despite the negative picture painted by the statistical evidence and the reality of living with day-to-day struggles, the Valleys, its towns and communities and people are also full of opportunities and possibilities. It's time for the potential to be recognised and released.

The end result is a set of proposals – a roadmap for renewal that is ambitious, grounded, and reflects the reality of the Valleys today, and the future they deserve.



South Wales Valleys



2. ECONOMIC AND SOCIAL CONDITIONS

To present data on economic and social conditions we first need a working definition of the Valleys. Here we use the map developed by Sheffield Hallam University and deployed in the 2024 *State of the Coalfields* report², from which we draw most of the statistics presented here.

This ties the definition of the Valleys to the former coalfield but in practice the two are intimately linked. In local authority terms it covers the whole of Blaenau Gwent, Caerphilly, Merthyr Tydfil and Rhondda Cynon Taff, just about all of Torfaen, the relevant parts of Bridgend, Carmarthenshire, Neath Port Talbot and Swansea and a small corner of Powys. The coastal strip, along the M4 corridor falls outside this definition.

On this definition the Valleys have a total population of 758,000. That compares with a population in Cardiff of just 360,000 and it means that the Valleys account for around one-in-four of the total population of Wales (3.1 million).

Barely any population growth

Over the last decade or so the UK has been going through a period of rapid population growth. Wales as a whole, and the Valleys in particular, have largely been by-passed by this growth.

Population growth 2011-21 (%)

London	7.3
South East England	7.3
Main regional cities	7.1
GB average	5.9
Wales average	1.8
South Wales Valleys	0.1

Sources: Census of Population, ONS

Between the 2011 and 2021 censuses the population of the Valleys grew by just 1,000 – just one-tenth of one percent. A slow-growing population is almost always a sign of a weak local economy, which fails to attract people from elsewhere and leads to an outflow of younger people in search of work. The Valleys are no exception to this rule.

² S Fothergill, T Gore and D Leather (2024) *State of the Coalfields 2024: economic and social conditions in the former coalfields of England, Scotland and Wales*, CRESR, Sheffield Hallam University. A report commissioned by the Coalfields Regeneration Trust. The original version of the map defined the coalfields as the wards where in 1981 at least 10 per cent of male residents in employment worked in the coal industry. The current version replaces wards by Lower Super Output Areas (LSOAs), which are the finest grain at which most statistics are available.

In 2021, 18 per cent of Valley residents were aged under 16 while 21 per cent were aged 65 or over – figures not greatly out-of-line with the Welsh and GB averages³. On the other hand, only 23 per cent of Valley residents were aged 16-34, compared to 32 per cent in Britain’s ten main regional cities⁴ – a clear reflection of migration by young adults.

Another reflection of migration is that in 2021 just 3 per cent of Valley residents were born outside the UK, compared to a GB average of 16 per cent⁵.

Poor health

The Valleys are an outlier in terms of health. Average life expectancy is two years less than the average for Wales and for GB, among both men and women, and four years less than in South East England⁶. This tells only part of the story. In the Valleys the incidence of self-reported ill health is more than fifty per cent higher than the GB average and double the level in South East England.

Residents aged 16+ reporting ‘bad or very bad’ health, 2021 (% of total pop.)

South Wales Valleys	8.5
Wales average	6.9
Main regional cities	6.1
GB average	5.5
South East England	4.2

Source: Census of Population

Mirroring this extensive ill health, an astonishing 13 per cent of all residents in the Valleys (including under-16s and over 65s) claim either Disability Living Allowance (DLA) or its replacement Personal Independence Payment (PIP).

% of residents claiming disability benefits (DLA/PIP⁷), September 2023

South Wales Valleys	13.3
Wales average	10.5
Main regional cities	8.9
GB average	7.7
South East England	5.8

Sources: DWP, Scottish Government

³ Source: Census of Population.

⁴ Birmingham, Cardiff, Edinburgh, Glasgow, Leeds, Liverpool, Manchester, Newcastle upon Tyne, Nottingham, Sheffield.

⁵ Source: Census of Population.

⁶ Source: ONS local authority data for 2020-22.

⁷ Or equivalent Scottish benefits.

Not enough jobs

One of the defining features of the Valleys is a shortfall in local job opportunities. Communities in the Valleys were originally built on coal, or in some cases iron and steel, but just about all these jobs have now disappeared. For decades, it has been a struggle to find replacements.

The stock of private sector businesses in the Valleys, at 247 per 10,000 residents, lags well behind the Wales average of 346 and still further behind the GB average of 407⁸.

The weakness of the local economy is reflected in the 'job density' – the ratio between the number of employee jobs located in the Valleys and the local working age population. This stands at just 46 jobs per 100 adults of working age, compared to a Wales average of 68 and a GB average of 75.

No. of employee jobs in area per 100 residents of working age, 2022

London	93
Main regional cities	88
GB average	75
South East England	74
Wales average	68
South Wales Valleys	46

Sources: BRES and Census of Population

Over the last decade or so the UK has been successful in growing employment (though much less so in raising productivity). In the Valleys, however, job growth has been modest. The UK government's Business Register and Employment Survey (BRES) shows that between 2012 and 2022 the number of employee jobs in the Valleys increased by 14,000. This represented a 7 per cent increase in the stock of jobs but expressed in relation to the population of working age – a better measure of labour demand – this represented just a 3 per cent increase. Both figures are well below the GB average and even further behind the growth in the big cities.

Increase in employee jobs, 2012-2022

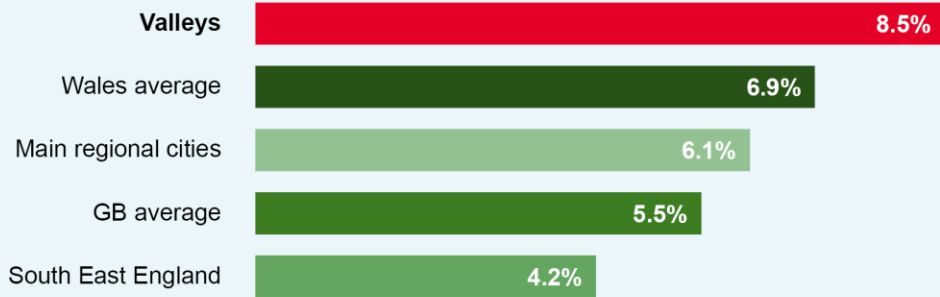
	as % of jobs	as % of pop. aged 16-64
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London	25.3	18.7
Main regional cities	16.4	12.4
GB average	14.9	9.8
South East England	12.5	8.3
Wales average	7.8	5.1
South Wales Valleys	7.0	3.0

Source: BRES

⁸ Source: ONS data for 2023.

Residents aged 16+ reporting 'bad or very bad' health, 2021



No. of employee jobs in area per 100 residents of working age, 2022



Estimated net out-commuting from the Valleys



Job growth in the Valleys has also been slower than in most of the other former coalfields across Britain. One of the main reasons is that the Valleys have missed out on the expansion of warehousing which in Yorkshire, Lancashire and the Midlands has been a major source of new jobs to replace those lost in mining. In the former Yorkshire coalfield, for example, the number of jobs in warehousing grew by 26,000 between 2012 and 2022 to nearly 60,000 in total. In the Valleys there are only just over 6,000 warehousing jobs, and this figure has barely changed over the last decade⁹.

That the Valleys have missed out on the growth of warehousing jobs is hardly surprising. Whereas the former coalfield in Yorkshire is centrally located in Britain, ringed by motorways and can offer acres of flat land for development, the Valleys have none of these advantages. Firms opening national distribution depots were always going to look elsewhere.

Commuting: the new norm

One of the consequences of the shortfall in job opportunities in the Valleys is that a high proportion of residents commute to jobs elsewhere, principally along the M4 corridor. This has fundamentally changed the nature of Valley communities, from places where people once lived and worked to places that are increasingly just residential.

It's difficult to measure the full scale of these travel-to-work flows and the 2021 Census doesn't help because it was conducted during a Covid lockdown that distorted the figures. It is however possible to put a reasonable estimate on the balance of the flows:

- There are 214,000 employee jobs in the Valleys¹⁰. Adding in the self-employed brings the total number of jobs in the Valleys up to an estimated **236,000**¹¹.
- The employment rate among 16-64 year olds of 71 per cent¹² points to an estimated **329,000** Valley residents in work.
- **The difference between these figures – 93,000 – is attributable to net commuting out of the Valleys.**

'Net commuting' is the balance between flows in each direction and is equivalent to more than one-in-four of all Valley residents in work. The outflow from the Valleys will be substantially larger, offset by a smaller inflow from other areas. The total number of out-commuters from the Valleys can't be calculated – the data doesn't allow this – but seems likely to be around one-in-three of all residents in employment.

⁹ Source: BRES.

¹⁰ Source: BRES (LSOA data)

¹¹ Self-employment rate from APS local authority data for 2023

¹² Employment rate from APS local authority data for 2023

A distinctive mix of industries

The mix of jobs in the Valleys is unusual. In particular, although the term ‘post-industrial’ is frequently used to describe this part of Wales the truth is that the Valleys remain an important location for manufacturing industry. In 2022 there were 34,000 employee jobs in manufacturing in the Valleys, accounting for around one-in six of all jobs – a much higher proportion than in Wales or GB as a whole.

	% of employee jobs in each sector, 2022			
	Manufacturing	Financial services	Public sector	Other
South Wales Valleys	16	6	32	46
Wales	11	10	32	47
GB average	8	14	27	51
South East England	6	14	26	54
Main regional cities	5	17	32	46
London	2	24	22	52

Source: BRES

A high proportion of jobs in manufacturing is both a ‘good’ and ‘bad’ thing. On the downside, manufacturing employment in the UK has been in long-term decline, in part because increases in productivity mean that fewer workers are required. On the upside, the UK economy has become imbalanced, with an over-reliance on consumption rather than production and a large trade deficit with the rest of the world, and if this imbalance is to be tackled manufacturing has a big role to play.

The Valleys have a significant industrial base on which to build. Indeed, between 2012 and 2022 the number of manufacturing jobs in the Valleys actually increased, though by only 2,000, which indicates that this sector of the local economy is far from a lost cause.

By comparison, the Valleys have few jobs in financial and business services. These tend to cluster in cities, so the smaller communities of the Valleys were never likely to become major centres for these activities. Digitalisation and remote working may offer new opportunities but starting from a low base.

There are limits too to the job growth the public sector might provide. Already, the public sector accounts for around a third of all jobs in the Valleys, significantly more than the GB average of nearer a quarter. Partly, of course, the high proportion of jobs in public services reflects the shortfall in other sectors. However, in the Valleys as in most other parts of the country the scale of public sector employment is determined primarily by the size of the local population to be served. Compared to the number of jobs in schools, hospitals and local authorities, there are only modest numbers of public sector jobs in the sorts of offices and regional headquarters that might be moved from place to place.

A shortage of quality jobs

It isn't just that there are too few jobs in the Valleys. It's also the case that not enough of them are 'good quality'.

Self-employment accounts for 8 per cent of Valley residents in employment¹³ and part-time working for 34 per cent of employees¹⁴. Both figures are not greatly different from the Wales averages (11 and 35 per cent respectively) but it's the share of manual jobs that is distinctive. Over half of all Valley residents in employment work in manual jobs.

% of employed residents in manual jobs, 2021

South Wales Valleys	54
Wales average	50
Main regional cities	46
GB average	46
South East England	40
London	36

Source: Census of Population

There's nothing inherently wrong with manual work and an above average proportion of manual jobs is something the Valleys share with other former coalfields. However, manual work tends to be associated with lower wages, at least in some occupations. This is reflected in the statistics for the Valleys. The UK government's Annual Survey of Hours and Earnings (ASHE) puts the median hourly earnings of Valley employees at nearly 10 per cent below the GB average¹⁵.

Median gross hourly earnings of residents in full-time work, 2023, GB=100

	Men	Women
London	118	121
South East England	109	103
GB average	100	100
Main regional cities	96	97
Wales average	93	95
South Wales Valleys	92	91

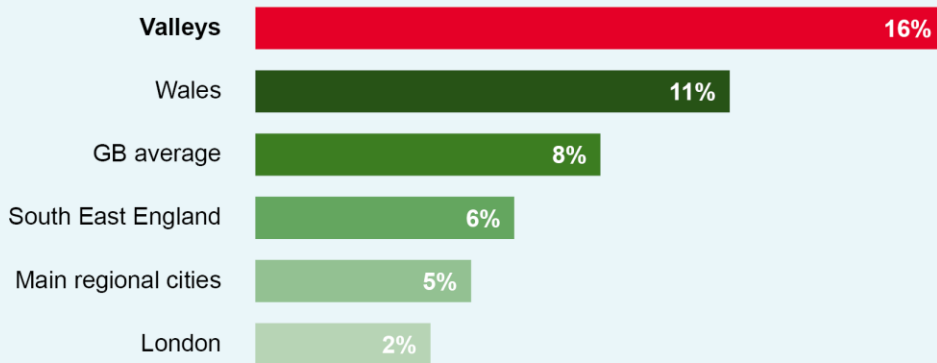
Source: ASHE

¹³ Source: Annual Population Survey (APS) data for 2023 for Blaenau Gwent, Caerphilly, Merthyr Tydfil, Neath Port Talbot, Rhondda Cynon Taf and Torfaen.

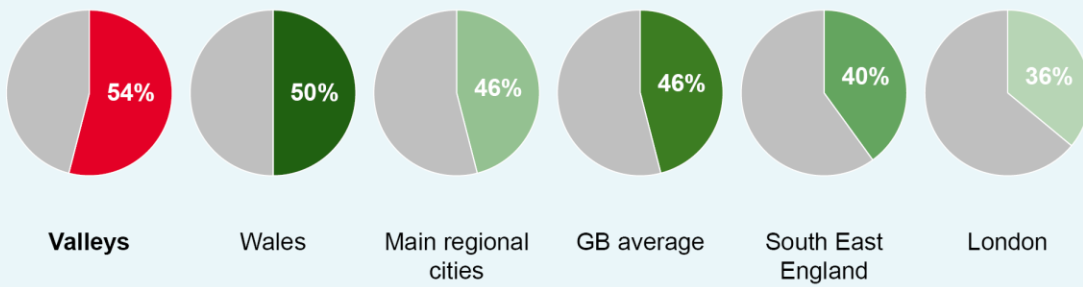
¹⁴ Source: BRES data for 2022.

¹⁵ The figures here are based on local authorities.

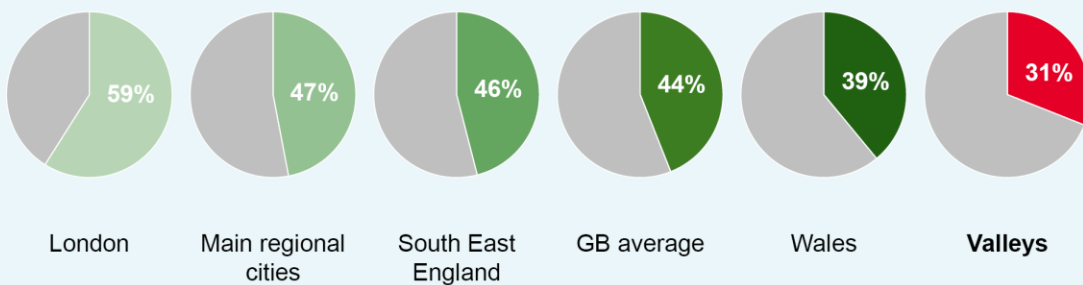
Share of jobs in manufacturing, 2022



% of employed residents in manual jobs, 2021



% of 16-64 year old residents with degree-level qualifications, 2023



A local brain-drain

One of the consequences of the shortfall in good quality jobs in the Valleys is that many of the better-qualified leave to take up jobs elsewhere. This is reflected in the low proportion of working-age residents with degree-level qualifications¹⁶.

% of 16-64 yr. old residents with degree-level* qualifications, 2023

London	59
Main regional cities	47
South East England	46
GB average	44
Wales	39
South Wales Valleys	31

Source: APS

*NVQ Level 4 or above

There's little reason to suppose that the low proportion with degrees reflects inherent abilities or failures in the local school system. What typically happens is that the young people in the Valleys who do well at school move away to university, particularly in the cities, but then fail to return because of the limited local job opportunities.

Persistent worklessness

The Valleys have long been known for unemployment. Mostly, however, this is no longer reflected in official unemployment data because so many of the unemployed have been diverted out of the labour market into 'economic inactivity'.

A better measure of the shortcomings in the Valley labour market is therefore the 'employment rate' – the share of adults of working age in employment – but to provide reliable comparisons it is necessary to strip out economically inactive students, who are heavily concentrated in university towns and cities and distort the picture.

Employment rate (%) of 16-64 yr. olds, excluding students, 2023

South East England	82.4
London	81.0
GB average	80.2
Main regional cities	78.8
Wales average	75.8
South Wales Valleys	74.0

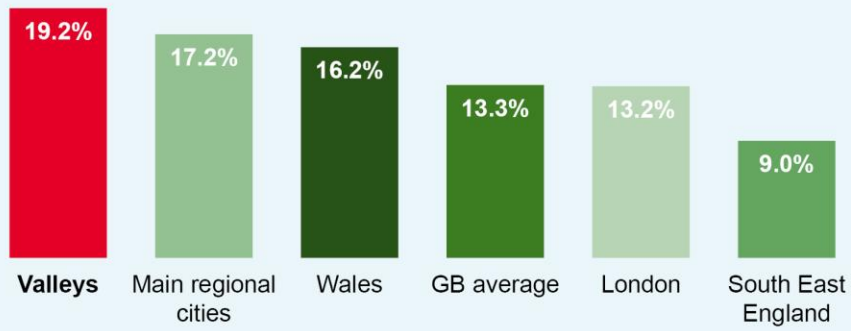
Source: APS

¹⁶ Annual Population Survey (APS) figures for the Valleys are an average of local authority data for Blaenau Gwent, Caerphilly, Merthyr Tydfil, Neath Port Talbot, Rhondda Cynon Taf and Torfaen.

Number of additional residents in work required to raise Valleys employment rate to:



Overall out-of-work benefit claimant rate, 2023



% of 16-64 year olds claiming incapacity benefits, 2023



The employment rate (excluding students) in the Valleys of 74 per cent is more than eight percentage points below the average in South East England and six percentage points lower than the England and Wales average. Looking at these figures from the opposite direction, they show that 26 per cent of all adults of working age in the Valleys (excluding students) are not in employment.

These differences in employment rates allow two simple but telling calculations. They indicate that in the Valleys it would require:

- **27,000** additional residents in work to match the GB average employment rate.
- **37,000** additional residents in work to match the employment rate in South East England – a guide to what should be achievable in a region not far from full employment.

Big numbers on out-of-work benefits

A low employment rate feeds through to a high out-of-work benefit claimant rate. In the Valleys, just short of one-in-five of all residents between the ages of 16 and 64 are out-of-work on benefits of one kind or another. This claimant rate is double that in South East England and far ahead of the GB average.

Overall out-of-work benefit claimant rate¹⁷, September 2023 % of 16-64 yr. olds

South Wales Valleys	19.2
Main regional cities	17.2
Wales average	16.2
GB average	13.3
London	13.2
South East England	9.0

Source: DWP

It's not unemployment-related benefits that drive this high claimant rate. Rather, the big numbers in the Valleys receive incapacity-related benefits which do not come with a requirement to look for work. The Valleys are not unusual in this respect. Across Britain as a whole, the number of incapacity claimants now far outstrips the number claiming unemployment-related benefits but in the Valleys the incapacity benefit claimant rate is exceptional – higher indeed than in just about all other parts of Britain – and long predates the Covid pandemic.

¹⁷ Universal Credit not in employment (Sept 2023), plus Employment and Support Allowance, IB/SDA, JSA and IS claimants of working age (Aug 2023). There is a small overlap between UC and ESA claimants which slightly inflates the total.

% of 16-64 yr. olds claiming incapacity benefits¹⁸, September 2023

South Wales Valleys	14.3
Wales average	11.4
Main regional cities	10.0
GB average	8.1
London	6.5
South East England	5.8

Source: DWP

What has happened in the Valleys and in other parts of Britain with a shortfall in job opportunities is that men and women with health problems or disabilities have found it difficult to maintain employment. When they are out-of-work, their health problems or disabilities have enabled them to claim incapacity benefits, which are usually more generous. They then face fewer or no requirements to look for work and have in many cases, after a while, become marginalised outside the labour market.

Incapacity benefits hide unemployment, and they do so on a particularly large scale in the Valleys. A recent study¹⁹ estimates that after adjusting for underlying levels of ill health and disability, hidden unemployment on incapacity benefits accounts for 35,000 men and women in the seven main Valley authorities²⁰. These are not fraudulent claims, the study emphasises. They are the men and women who might reasonably have been expected to be in work in a genuinely fully employed economy.

¹⁸ Universal Credit health caseload plus ESA and IB/SDA claimants, including NI credits-only claimants.

¹⁹ C Beatty, S Fothergill, T Gore and D Leather (2022) *The Real Level of Unemployment 2022*, CRESR, Sheffield Hallam University.

²⁰ Blaenau Gwent, Bridgend, Caerphilly, Merthyr Tydfil, Neath Port Talbot, Rhondda Cynon Taf and Torfaen.

3. VALLEY TOWNS: A CLOSER LOOK

It would be wrong to assume that all places in the Valleys are basically the same just because they share a history of industries such as coal and steel. It's well known that each valley has a strong identity of its own. It's also the case that the communities in the Valleys vary in accessibility to the M4 and Cardiff, the principal growth zone in South Wales.

It's helpful therefore to take a closer look at nine Valley towns (see box). These vary in size from over 40,000 people to just 5,000. They also vary in location from east to west and in their proximity to the M4 corridor.

Shared patterns of disadvantage

The first point to note is that despite the diversity in size and location there are features that these towns do all share. Fundamentally, they all display high levels of disadvantage. To illustrate this point it is worth looking at two specific indicators.

The first is the share of residents reporting 'bad or very bad' health. In all the nine towns examined here the incidence of self-reported ill health is well above the Wales average (itself inflated by the Valleys) and still further above the GB average.

Residents aged 16+ reporting 'bad or very bad' health, 2021 % of total pop.

Ystradgynlais	9.6
Merthyr Tydfil	9.3
Abertillery	9.3
Maesteg	9.0
Aberdare	8.8
Glynneath	8.7
Ammanford	8.5
Pontypool	8.3
Caerphilly	7.7
Wales average	6.9
GB average	5.5

Source: Census of Population

A second indicator of shared disadvantage is the out-of-work benefit claimant rate. All the nine towns have an out-of-work claimant rate well above the Wales average and still further above the GB average.

Aberdare (Rhondda Cynon Taff)

Pop. 27,000

(Including Abernant, Cwmbach and Aberaman). Towards the top of the Cynon Valley, just short of the Heads of the Valleys trunk road and around 30 miles or a long train ride north of Cardiff.

Abertillery (Blaenau Gwent)

Pop. 11,000

(Including Cwmtillery and Six Bells). In the Ebbw Fach Valley, 15 miles north of the M4. Unlike Ebbw Vale in the neighbouring valley, the town is not presently connected to the rail network.

Ammanford (Carmarthenshire)

Pop. 8,000

On the western edge of the Valleys, around 20 miles by road north of Swansea and more than 50 miles from Cardiff but with rail connections to both and to mid Wales.

Caerphilly (town)

Pop. 42,000

(Including Bedwas). Gives its name to the much larger local authority (pop. 176,000). An historic town in the lower Valleys, 10 miles north of Cardiff to which it is connected by frequent train services.

Glynneath (Neath Port Talbot)

Pop. 5,000

(Including Cwmgwrach and Blaengwrach). The location of Aberpergwm, Britain's only remaining coal mine. Lies in the Vale of Neath on the Heads of the Valleys road, around 20 miles from Swansea.

Maesteg (Bridgend)

Pop. 10,000

At the top end of the Llynfi Valley, north of Bridgend. Cardiff is nearly 30 miles away by road or rail. Swansea is closer but only via a minor road over the mountain to the M4.

Merthyr Tydfil (town)

Pop. 42,000

Makes up the largest part of the borough of the same name (pop. 59,000). Centrally located along the Head of the Valleys road and 30 miles north of Cardiff, to which it is connected by dual carriageway and rail.

Pontypool (Torfaen)

Pop. 30,000

(Including Griffithstown, Pontnewydd and New Inn). The administrative centre for Torfaen borough, around 10 miles north of the M4 and Newport and 25 miles from Cardiff.

Ystradgynlais (Powys)

Pop. 7,000

In the south-western corner of Powys but sharing a history of coalmining with the rest of the Valleys. Around 15 miles by road from Swansea and 50 miles from Cardiff.

Overall out-of-work benefit claimant rate, September 2023
% of 16-64 yr. olds

Abertillery	23.6
Maesteg	22.3
Merthyr Tydfil	22.2
Ammanford	21.7
Aberdare	21.2
Glynneath	20.0
Pontypool	19.5
Ystradgynlais	18.7
Caerphilly	18.5
Wales average	16.2
GB average	13.3

Source: DWP

The similarity between the towns on these indicators is perhaps not surprising. In the Valleys, as in most former coalfields, there is generally not the sharp differentiation between well-off and poor communities that can be found in other parts of the country, particularly in and around the big cities. Instead, the shared history of industry and job loss means that socio-economic conditions do not vary markedly from place to place. Additionally, contemporary labour markets operate over wide geographical areas, so through commuting and the competition for jobs a shortfall in employment is normally felt across several neighbouring towns.

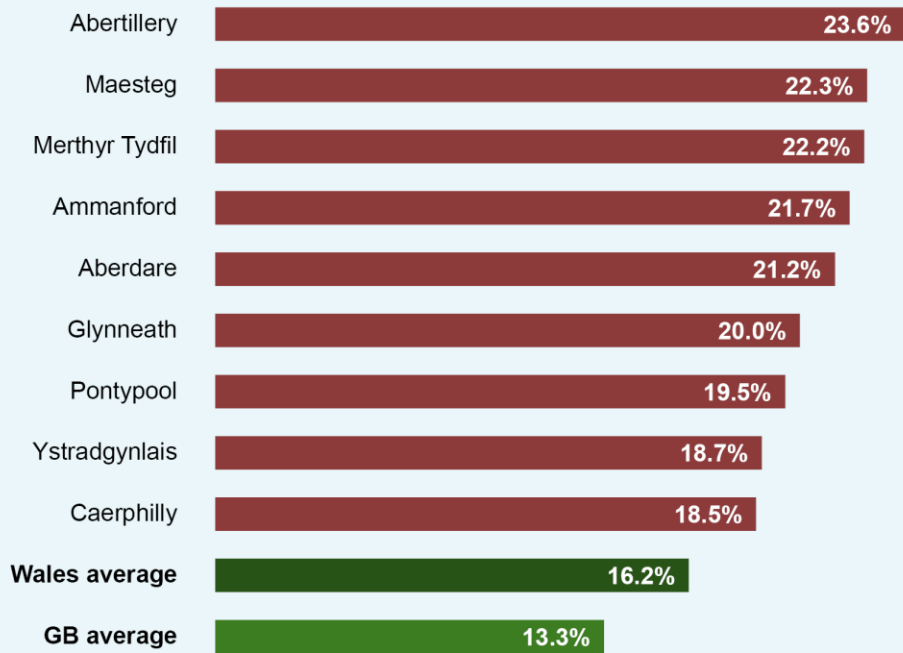
That said, the data does indicate that even in the Valleys some places are more disadvantaged than others. Caerphilly and Pontypool have less ill health and lower benefit claimant rates than Merthyr Tydfil and Aberdare for example, which is consistent with the widely held view that the parts of the Valleys furthest from the M4 experience the highest levels of disadvantage.

Deprivation statistics confirm this perspective. On the Welsh Index of Multiple Deprivation for 2019:

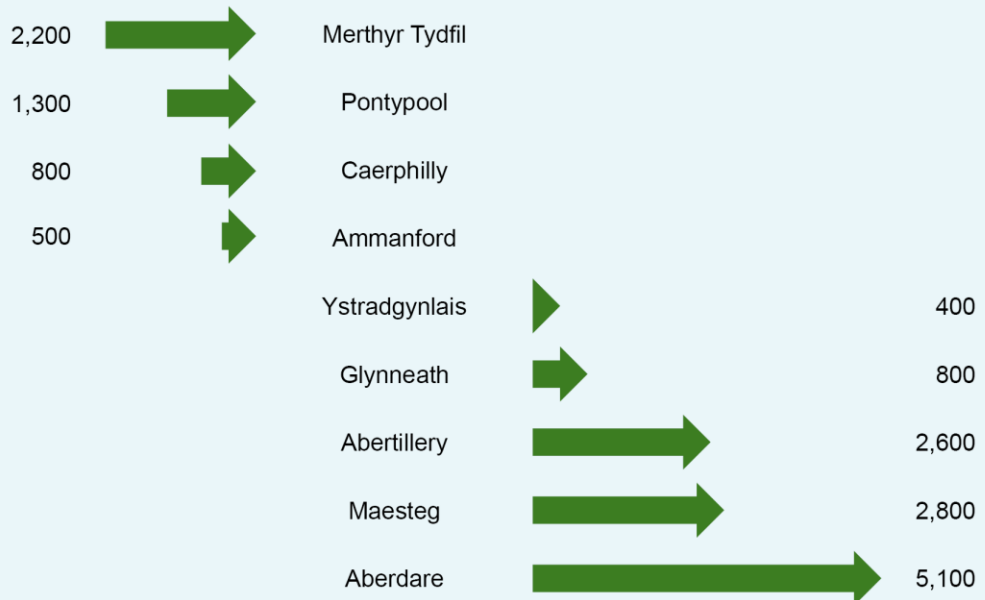
- 9 of 26 neighbourhoods²¹ (35 per cent) in **Caerphilly** are among the 30 per cent most deprived in Wales.
- A little further up the Valleys, in **Pontypool** 9 out of 19 neighbourhoods (47 per cent) are among the 30 per cent most deprived.
- At the head of the Valleys, in **Aberdare** the figure is 9 out of 16 (56 per cent) and in **Merthyr Tydfil** 13 out of 25 (52 per cent).
- In the smaller towns of **Abertillery** and **Maesteg** – both well away from the M4 – the figures are 6 out of 8 neighbourhoods (75 per cent) and 5 out of 7 (71 per cent).

²¹ Lower Super Output Areas

Overall out-of-work benefit claimant rate, 2023



Estimated net commuting



Divergence in roles and trajectory

Commuting flows tell a more complex story. What needs to be emphasised here is that the available figures are estimates. Commuting flows cannot be measured directly, at least from present-day official statistics. However, by comparing the numbers of residents in work with the number of local jobs it is possible to arrive at a reasonable estimate of *net commuting* – the balance between flows in and out of an area.

While the figures presented earlier pointed to substantial net out-commuting from the Valleys as a whole, at the local scale in individual towns the picture is more varied.

	Estimated net commuting*	
	Number	as % of residents in employment
Ammanford	+ 500	+ 15%
Merthyr Tydfil	+ 2,200	+ 12%
Pontypool	+ 1,300	+ 10%
Caerphilly	+ 800	+ 4%
Ystradgynlais	- 400	- 14%
Glynneath	- 800	- 36%
Aberdare	- 5,100	- 44%
Abertillery	- 2,600	- 54%
Maesteg	- 2,800	- 63%

Source: Authors' estimates based on BRES (2023) and Census of Population (2021)

*Balance between in-flows and out-flows

Replicating the methods applied earlier, four of the nine towns examined here actually experience net in-commuting (indicated by the plus signs in the table). Three of these – Merthyr Tydfil, Pontypool and Caerphilly – are among the largest towns in the Valleys. The fourth – Ammanford – is much smaller but functions as a local service centre.


Conversely, three of the towns – Aberdare, Abertillery and Maesteg – experience substantial net out-commuting. This is especially marked in relation to the number of residents in employment. In Maesteg, for example, net out-commuting is equivalent to almost two-thirds of all residents in work.

These figures point to divergence in the roles of Valley towns. Whereas at one time most communities would have had local jobs, principally in the mines, the new pattern is that the main Valley towns such as Merthyr, Pontypool and Caerphilly have become local centres of employment whilst smaller towns and communities are becoming essentially residential settlements. To some extent this reflects success in developing a multi-centred model of growth focussed on the main towns, even if in total there are still too few jobs in the Valleys to prevent a large net outflow of commuters.

Caerphilly illustrates this new role. It might have been expected that, given Caerphilly's proximity to the M4 and Cardiff, there would be a big net out-flow of commuters from the town. That there is substantial out-commuting from Caerphilly is almost certainly the case but the outflow is more than offset by in-commuting. A large part of the inflow will no doubt

Realistic peak-time communiting times to nearest city

BY CAR

Pontypool		30 min
Caerphilly		50 min
Ystradgynlais		50 min
Glynneath		50 min
Abertillery		50 min
Maesteg		50 min
Ammanford		55 min
Merthyr Tydfil		1hr 10 min
Aberdare		1hr 15 min

BY PUBLIC TRANSPORT

Caerphilly		45 min
Pontypool		1hr 5 min
Merthyr Tydfil		1hr 30 min
Aberdare		1hr 30 min
Ystradgynlais		1hr 35 min
Maesteg		1hr 40 min
Glynneath		1hr 50 min
Abertillery		1hr 50 min
Ammanford		1hr 50 min

be from the valleys further north, where there are fewer local job opportunities. Likewise, despite all that is known about its high levels of worklessness, Merthyr Tydfil pulls in commuters from neighbouring areas.

This concentration of jobs in the larger towns within the Valleys is tending to increase. Between 2012 and 2023 the number of employee jobs in Merthyr, Pontypool and Caerphilly grew by 5,000 in total – hardly a huge increase but distinctly helpful. In five of the smaller towns considered here there was no recorded growth in employment at all, and this was from a low base in terms of overall numbers.

	Employee jobs in town, 2023	
	Number	Increase 2012-23
Merthyr Tydfil	19,000	1,000
Caerphilly	18,000	2,000
Pontypool	13,000	2,000
Aberdare	6,000	0
Ammanford	3,500	500
Ystradgynlais	2,250	0
Abertillery	2,000	0
Maesteg	1,500	0
Glynneath	1,250	0

Source: BRES

The limits to commuting

Although large numbers commute to jobs outside the Valleys this is rarely easy. The distances to the M4 corridor can be significant, the roads congested at peak times, and public transport patchy despite the improvements underway to the rail network.

Journey times to the nearest city (Cardiff, Swansea, Newport) illustrate the point. To get a realistic picture of peak-time travel by car it's necessary to allow for congestion and parking²². For public transport, the time spent getting from home to a station or bus stop, waiting time, and then the time from a station or bus stop to work all need to be added²³. The duration of journeys will vary of course, depending on their exact starting and finishing points and the time of day, but for a typical commuter travelling in the weekday morning rush it's possible to make a reasonable estimate of the full time involved.

From several of the towns the commuting times by car are lengthy but arguably do-able, though only the travel time from Pontypool to Newport – 30 minutes – might be considered short. On the other hand, the commuting times by car from Merthyr Tydfil and Aberdare to Cardiff – both over an hour – are probably beyond what most people would be willing to contemplate.

²² 50 per cent added to off-peak travel times, up to a maximum of 20 minutes, and 5 minutes for parking.

²³ 25 minutes added to fastest public transport travel times.

Commuting times by public transport are mostly well over an hour. Caerphilly to Cardiff is the exception, thanks to the short distance and rail service. For most residents of the other towns the commuting times by public transport are likely to be prohibitive, in effect locking in a dependency on car ownership and use that is likely to be beyond the reach of poorer households, forcing them to rely on the jobs they can find closer to home.

Realistic peak-time commuting times to nearest city

	By car	By public transport
Pontypool***	30 min	1 hr 5 min
Caerphilly*	50 min	45 min
Ystradgynlais**	50 min	1 hr 35 min
Glynneath**	50 min	1 hr 50 min
Abertillery***	50 min	1 hr 50 min
Maesteg**	50 min	1 hr 40 min
Ammanford**	55 min	1 hr 50 min
Merthyr Tydfil*	1 hr 10 min	1 hr 30 min
Aberdare*	1 hr 15 min	1 hr 30 min

*To Cardiff **To Swansea ***To Newport

Sources: Based on AA Route Finder and Traveline Cymru

Facing these substantial journey times, it is possibly surprising quite how many residents do commute to work outside the Valleys. Long-distance commuting inflicts costs of various kinds – financial, quality time with family and involvement with community life amongst others. That out-commuting has become entrenched in the Valleys no doubt reflects the shortfall in local job opportunities. The challenging journey times, however, may indicate that there are limits to just how much further the number of out-commuters might be increased.

4. REGENERATION OVER NINE DECADES

Early efforts

The first regeneration efforts in the Valleys date back to the 1930s, when coal production from the mines was already in decline. When it opened in 1936 the state-sponsored Treforest Industrial Estate, just south of Pontypridd, was among the very first of its type in Britain. At its height during the war years 16,000 people worked there.

After the Second World War, memories of the great depression spurred the establishment of policies to tackle unemployment and regional disparities. The UK government's approach included Development Area status for the Valleys and controls on factory building in London and the South East. The objective was to stem outward migration by creating local job opportunities – to take work to the workers. By the late 1960s, this approach had evolved into a sophisticated hierarchy of Assisted Areas where grants were available to support business investment.

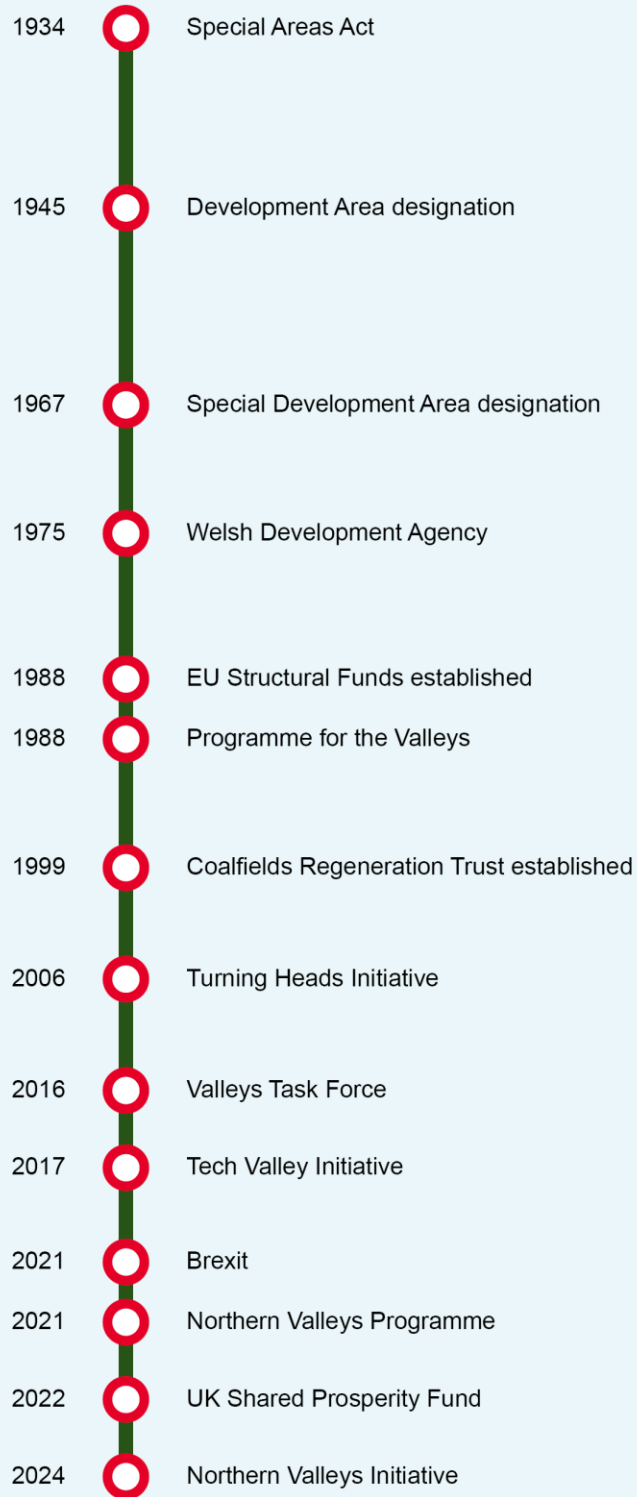
It was during the three decades up to the mid-1970s that regional policy arguably saw its greatest effectiveness. In this period, the relocation of industrial activity to the Valleys played a critical role in offsetting the loss of coal jobs, helping to maintain employment levels and support local services through consumer spending.

Welsh Development Agency

From the mid-1970s onwards, regional policy ran into the headwinds of slower national economic growth and deindustrialisation. In the Valleys, momentum was maintained by the creation in 1975 of the Welsh Development Agency (WDA). Funded by the UK government, the WDA built advance factories – units constructed ahead of demand, intended to attract businesses from outside the area and meet the needs of expanding local firms. The WDA also reclaimed derelict colliery sites, turning them into modern industrial estates, often in locations where private investors had previously shown no interest.

The WDA's investment in advance factories reached a peak in 1982 when 2.5 million sq. ft of modern factory space was added across Wales. Overall, some 10 million sq. ft. of new business space was constructed by the WDA by the end of the 1980s and at one point 44,000 people were working in factory buildings owned by the WDA, often in areas unattractive to private sector developers. Local authorities played an active role in shaping and supporting the developments, enjoying some certainty over their location and over their timing.

Timeline of regeneration policy in the Valleys



The combination of physical regeneration and financial incentives proved effective in creating a diversified industrial base. Foreign Direct Investment (FDI) was an important part of the jigsaw. By the late 1980s Wales was one of the UK's strongest performing areas in terms of FDI, capturing up to 17 per cent of the total coming to the UK. FDI brought new firms using new technologies and requiring new skills, helping to foster a more prosperous business environment. Local firms also had the opportunity to work in more demanding and potentially more profitable supply chains servicing foreign investors.

However, whilst there was success in attracting FDI the volume of new jobs created in the Valleys could not offset the number being lost in the coalmines. And from the 1980s onwards many of the branch factories established by foreign and domestic firms were among the casualties of deindustrialisation, striking a major blow to the economies of the Valley towns and undoing many of the earlier gains.

These factories mostly closed not because they proved to be in uneconomic locations but because they had too often been the marginal plants, opened in the good times to undertake additional production of mature products but the first to close when times became hard.

Old problems, new initiatives

As coal closures accelerated in the 1980s and 1990s there was no comprehensive plan to manage either the loss of jobs or the regeneration of coalfield communities. In the Valleys, regeneration relied heavily on local initiatives, public relations exercises and political lobbying.

Programme for the Valleys, launched by Secretary of State Peter Walker in 1988, was intended to last just three years and came at a time when many foreign investors were beginning to look towards the newly free central and eastern European countries for cheaper labour.

In 2006 the Welsh Assembly Government launched *Turning Heads: A Strategy for the Heads of the Valleys 2020*, intended to be a fifteen-year strategy with a promised investment of £10m a year but quickly criticised for being under-funded and too modest to cope with the scale of the regeneration problem.

In a break from traditional approaches, the *Turning Heads* programme funded a feasibility study for a Valleys Regional Park, involving a network of recreational spaces linked by sustainable transport routes. As well as attracting tourists and day visitors, the Park aimed to create an environment that would help attract jobs and tackle ill health among local residents by encouraging outdoor activities. The Park was eventually launched in 2020 with a five-year funding programme of £6m.

The *Valleys Taskforce*, launched in 2016, aimed to provide a coordinated cross-government approach to regeneration. Encompassing nine local authorities, the remit spanned job creation, skills development, transport, housing, and public service delivery. While its outcomes were modest, the initiative succeeded in promoting collaboration and identified key lessons including the necessity of strong political backing, clear communication, and adequate pooled funding.

A more targeted intervention was the *Tech Valley* programme, introduced in 2017 following the failed Circuit of Wales project. Designed to position Blaenau Gwent and more widely the Valleys as a hub for emerging technologies, the programme focused on digital skills, business accommodation and land regeneration. With £25m committed initially, the scheme showed early promise. However, its reach and impact fell short of expectations and has resulted in disenchantment, highlighting the difficulties of translating ambitious visions into meaningful, sustained economic change.

The *Northern Valleys Programme*, developed in 2021, appeared to be a more comprehensive and strategic approach. With strong backing from local authorities, the Welsh Government and Cardiff Capital Region, the proposed £40m initiative sought to deliver investment across multiple areas. However, Welsh Government budget constraints prevented its implementation, damaging trust between partners.

The *Northern Valleys Initiative*, launched by Cardiff Capital Region in 2024, represents an opportunity to reinvigorate efforts. The initiative's focus on stimulating private investment in infrastructure, digital connectivity and tourism aims to boost economic performance across six local authorities. Whether it succeeds where previous efforts have stalled will depend on sustained political will, resourcing and genuine partnership.

A notable shift has been the movement away from the proactive, state-led regional policy model of the post-war decades. The WDA's factory building programme and Assisted Area grants prioritised intervention in the most deprived communities. In contrast, more recent approaches, notably the UK government's funding for city-regions, align more closely with market forces. This favours projects that are already attractive to the private sector, which in the Welsh context often means investment along the M4 rather than in the Valleys.

By assuming that prosperity in wealthier areas will eventually trickle down to deprived communities, the market-led approach overlooks the urgency of the challenges facing towns in the Valleys and the reality that in many cases the benefits of economic growth do not spread sufficiently or quickly enough to make a meaningful difference.

The consequences of Brexit

The UK's departure from the European Union altered the landscape once again.

West Wales and the Valleys – a statistical sub-region – had always been a major recipient of EU funding, latterly as a 'less developed region' eligible for the highest level of EU support. From the 1980s onwards the EU's Structural Funds underpinned long-term programmes across the Valleys, as the plaques on so many buildings and structures now bear witness. The EU also funded training, business support and R&D, all rather less visible. EU funding was made available in seven-year blocks and the last, in the 2014-20 spending round, didn't all get spent until as late as 2023.

The replacement for EU funding – the UK Shared Prosperity Fund (UKSPF) – initially offered funding for only three years, with a fourth later bolted-on for 2025-26. Whilst the UKSPF did ramp up to the same scale in real terms as the EU funds it replaced, in the bolt-on year the funding was cut by 40 per cent. In the UK government's *Spending Review* in June 2025, the funding replacing the UKSPF in Wales was then frozen in cash terms through until 2029 – a further cut in real terms. The UK government also intends the replacement funds coming to Wales to pay for its new neighbourhood initiative, which will pre-empt exactly where and for what purpose a portion of the money is spent.

For the Valleys, the step-by-step erosion of what was once substantial EU funding undermines regeneration efforts. This is a political choice, it must be emphasised, because it would have been entirely possible to replace the EU monies in full. The EU funding to the Valleys was, after all, only UK taxpayers' money recycled via Brussels. Following Brexit, the UK government no longer makes a large contribution to the EU budget but it has decided to spend the savings on other things.

Also following Brexit, the Conservative government took the decision to discard the UK's Assisted Area map, which had been enshrined in EU State Aid rules. This attracted less attention than the demise of EU funding but in some respects was even more damaging because for the first time in sixty years less prosperous parts of the UK, including the Valleys, can no longer offer higher rates of financial support to potential investors. As things stand, an investor in London, Surrey or Berkshire is eligible for as much financial support as an investor in the Valleys. A key tool of regional development has been discarded.

The loss of 'competitive edge'

The disturbing consequence of the recent developments in UK regional policy, alongside wider shifts in the labour market, is that **the Valleys have lost their 'competitive edge' in attracting investment and jobs.**

Until relatively recently there were good reasons why a business should choose to invest in the Valleys. If they could put a good case together, under State Aid rules they would be eligible for higher rates of support than in just about anywhere else in the UK – only Cornwall, Tees Valley & Durham and West Wales could match the offer in the Valleys. For large firms the maximum support was up to 30 per cent of the investment cost. For medium-sized and smaller firms the ceilings were 40 and 50 per cent respectively.

The Valleys could also offer a ready supply of labour – which wasn't always true of parts of southern England – and in the days of the Welsh Development Agency there was also a plentiful supply of modern factory space. Generous EU funding added to the attractions. It wasn't an accident that for many years Wales, and the Valleys in particular, attracted a high proportion of inward investment to the UK.

These advantages have all now been eroded. The post-Brexit rules on Subsidy Control treat the Valleys no more favourably than any other part of the UK. The construction of advance factories wound down some years ago. The replacement for EU funding is now worth little more than half what was previously available. And although the Valleys still have very large numbers out of the labour market on benefits, only a proportion are active jobseekers whilst the majority have become parked on sickness and disability benefits. Furthermore, in an era of large-scale international migration the labour shortages that once made firms think twice about investing in places along the M4 in England have largely faded.

For the Valleys, this loss of competitive edge is a tragedy because the evidence that they still face major economic and labour market problems is overwhelming. It's also a loss that has nothing to do with changes in the Valleys themselves but is entirely the result of UK-wide policies and labour market trends. It wasn't perhaps the deliberate intention of policymakers in London to engineer this outcome for the Valleys, but it has undoubtedly been a consequence of their cumulative decisions.

Lessons

Nevertheless, the successes and disappointments of the last nine decades of regeneration do offer valuable lessons:

1. Long-term commitment and funding certainty is essential

Regeneration is not achievable within a single political cycle. The most successful interventions – such as those led by the WDA – have been characterised by consistency, scale, and duration. A long-term vision, resourced consistently and executed collaboratively, is essential and without reliable resources even the best strategies fail to deliver. The limitations of short-termism are particularly evident in recent UK government schemes with just a one, two or three-year funding window. These timescales are insufficient to deliver the kind of transformation needed in places such as the Valleys where economic problems have unfolded over decades.

2. Physical infrastructure remains a foundation

Even as business activity fluctuates, investments in industrial property, transport and skills have enduring value. Despite the setbacks, the infrastructure created during earlier interventions – industrial estates, road networks and skills training facilities – remain. While economic shocks may undo progress in the short term, these enduring assets provide a platform for future growth.

3. Strategic coherence and coordination are vital

Fragmented approaches, all too common in recent years, have diluted impact. There have been too many similar but questionably effective schemes. Successful regeneration requires alignment between local, regional and national actors. Only by building layer upon layer – infrastructure, skills, investment and trust – can true and lasting regeneration be achieved.

4. Market-led approaches require complementary public investment

While private capital has a role, disadvantaged regions need targeted public investment to overcome structural barriers. Reliance on the market alone has proved insufficient, leaving the Valleys at a disadvantage compared to more prosperous parts of the UK, including nearby areas along the M4 corridor. The loss of Assisted Area status and regional investment aid has made it harder to attract inward investors and support local businesses.

5. Community engagement and leadership are crucial

Regeneration needs to be driven by local leaders, guiding the design and implementation of projects. Top-down models risk irrelevance and resistance. Recent efforts, including the Valleys Taskforce, Tech Valley and Growth Deals, have shown promise but have been hampered by underfunding, political tensions and strategic misalignment. Local authorities have a key role to play, working individually and as part of wider city-regions, and they should not be marginalised by the governments in either London or Cardiff.

5. LOCAL PERSPECTIVES

Within the framework of the Industrial Communities Alliance, local authority representatives from the Valleys meet on a regular basis. Council leaders and chief executives across the Valley authorities were interviewed in 2024²⁴ and more recent interviews have been conducted with leading figures including local business owners and community activists in the nine towns examined earlier in the present report.

Collectively, these discussions provide local perspectives on the problems and opportunities in the Valleys²⁵. There can always be a range of opinion, of course but there is also consistency in some of the principal concerns. Six points shine through.

Jobs

The first is **the shortfall in local job opportunities and reliance on commuting**. This very much confirms the statistical data presented earlier. The shortage of local jobs is felt less in Merthyr Tydfil perhaps, where there has been development over the years, but elsewhere it can feel acute.

In Abertillery, access to local job opportunities is seen as the main challenge for young people. There's a real sense that "you have to move away" to get on in any aspect of life, as one community leader put it. Similarly, in Maesteg and Aberdare the view is that "local employment opportunities are almost non-existent". In Ystradgynlais as well, "many young people have no option but to leave the town". In Glynneath, "people have always travelled to find work".

Commuting to work outside the Valleys isn't an easy option. In Maesteg, "most people in good jobs work in the public or manufacturing sector but have got used to commuting an hour or more by car or using the unreliable train service to Cardiff and along the M4". In Ystradgynlais, "without access to a car, residents find it next to impossible to get down to Swansea or Neath to take employment there". It's likely that these sentiments are echoed up and down the Valleys.

Access to training and especially apprenticeships is a particular concern. When coalmining declined as the most obvious employment for youngsters leaving school, new engineering and manufacturing jobs arrived. Some of the most sought-after apprenticeships were with companies such as Hoover, Thorn Electrical and ICI in Merthyr Tydfil, Ford in Bridgend, and British Airways Engine Division in Nantgarw. Unfortunately, as many of these companies slimmed their workforce or simply closed the intake of apprentices subsided.

²⁴ By Meirion Thomas as part of an earlier project.

²⁵ We've refrained from attributing specific quotes to specific people, lest it interferes with their working relationships.

The current position is that some larger firms do still take on apprentices. Smaller companies, however, find the administrative burden and uncertain funding to be a disincentive to take on and train young people. A business owner reports that “the options for young people to get into training and find good jobs locally is harder now than it has been for many years” and that it’s necessary to work with FE colleges to ensure that the courses offered match his industry’s requirements. Recruiting more experienced people at a higher wage, who can be up and running very quickly, becomes the alternative.

Transport

The second and related point is **the inadequacy of public transport**. For many people this creates an imperative to buy a car, which is easier said than done especially for young people just entering the labour market. For most residents, the public transport system simply isn’t good enough to provide a viable alternative method of travelling to work. Bus services are “urgently needed to get the linkages made that once flourished”, a councillor reports.

Transport affects access to education and training too. In Aberdare it’s reported that because of the inadequacies in bus services a short journey can actually be a challenge preventing young people in the most disadvantaged communities from taking up opportunities. In Merthyr, an employer reports that the range of technical training at the local FE college has been reduced and that if an accounting course had not been available “he would have had to buy his son a car to allow him to get to an FE college further along the A465 at Ebbw Vale where more technical courses are available”. Similar experiences are reported in other Valley towns. In Abertillery, for example, there’s no sixth form so teenagers have to travel to Cross Keys or Ebbw Vale, both nearly ten miles away.

The most acute difficulties are faced by those needing to access public services, especially health services. Residents in Merthyr Tydfil, Aberdare and the Rhondda valleys, for example, generally need to travel to Cardiff for cancer treatment and even though radiotherapy may take less than 30 minutes the public transport options to get from the towns to the hospital “can take as many as three or four bus journeys each way and a full day out of the house”.

It’s a similar picture in Maesteg, where access to cancer care services may mean a daily or weekly visit to Swansea or Cardiff, probably requiring three bus or train journeys each way. A community activist in the town says “public transport buses are now largely non-existent in the valley or are expensive and patchy”. In Pontypool, despite being relatively close to the M4 having access to transport is still flagged as important for residents’ day-to-day lives and addressing the deficiencies in public transport times is seen as necessary to “provide a better service and access to services for everybody”.

The need is not necessarily for long linkages – though new services along the Heads of the Valleys road would be welcome – but for “short, frequent services to get people in the more deprived communities without cars and money for taxis into town”. A councillor in Glynneath reports that “inter-community bus services are needed for people to get to the longer-distance services needed for commuting”.

Investment

The third point to emerge from discussions with local players is **a wariness of reliance on inward investment**. Wales as a whole, including the Valleys, used to have an enviable track record in attracting foreign investment, especially in manufacturing. However, Wales has also had unfortunate experiences with prominent multinational companies that have opened and then later closed plants in and around the Valleys.

The large Hoover factory in Merthyr Tydfil, opened in 1948, where production ended in 2009, is an oft-quoted example. The Ford engine plant at Bridgend, opened in 1980 and closed in 2020, is another. Other factories that remained in operation for shorter periods are also frequently mentioned.

Scepticism towards inward investment needs to be kept in perspective. These investments provided valuable and welcome employment for many Valley residents over more than a few years, often bringing good wages, advanced skills and technologies. Arguably, no manufacturing plant is forever: the market, technology and business structures always move on, and forty or fifty years' production on-site can span a person's whole working career. In truth, whilst there is scepticism about inward investment it would never be rejected by any of the players in the Valleys. New jobs are welcome, from whatever source.

It's also the case that plenty of inward investments to the Valleys do still survive and thrive. For example, at the western end of the Valleys near Ammanford, Pullmaflex has been making car seats for twenty years or more whilst Mitsui makes door closures for the automotive industry. Near Glynneath, JTEFT manufactures automotive systems and bearings. Similarly, in the industrial parks surrounding Caerphilly and Pontypool there are long-established inward investors.

In the defence sector, one of the priorities in the UK government's Industrial Strategy, General Dynamics employs more than 700 people at its plant producing armoured fighting vehicles in Merthyr Tydfil. Thales and BAe Systems, also engaged in defence work, are similarly well-established in the Valleys.

What the scepticism about inward investment does point to is the need to foster home-grown jobs as well. Most of these are likely to be in small and medium-sized firms requiring modern and well-serviced factory and business premises. It's concerning therefore to hear that in Merthyr Tydfil for example a "demand for small units for local businesses is demonstratively present" but that there are waiting lists. Similar concerns are voiced in and around Maesteg, Aberdare, Ystradgynlais and Glynneath.

A widely shared view is that the basis for public investment in land and property has shifted from economic development towards narrowly defined financial returns. It's the profitability of an investment that now seems to matter most, not the jobs it might bring to a disadvantaged area. In this context, the loss of the Welsh Development Agency's advance factory building programme is seen as a matter for regret.

It's therefore concerning to hear that the Welsh Government has rejected a proposal from the Coalfields Regeneration Trust (CRT) for funding to build small business units in the Valleys, the profits from which would be recycled into community projects. The Welsh Government's argument is that in the Valleys there's already plenty of investment in this segment of the market, which is patently wrong. More generally, it's disappointing that the Welsh Government has shown little enthusiasm for the 'community wealth building' model put forward by the CRT that potentially has much wider applicability across disadvantaged communities.

Like the supply of land and property, the difficulty of ensuring adequate and affordable energy supplies for new investment projects also risks becoming a serious barrier. The UK government's Industrial Strategy outlines steps to improve grid capacity but the long timescales quoted for providing grid connectivity are blocking strategic development sites and projects across the Valleys.

Repositioning

The fourth point to emerge from discussions is **the need to 'reposition' the Valleys**. The Valleys are seen by many local players as having the potential to become more than just a former mining area, and to an extent this is already happening.

For example, for the first time in probably half a century or more, **private sector housing** development is re-emerging. A local councillor says that whilst the interest of developers "cannot yet be called a vote of confidence, it is at least a sign of optimism". Developers are already building or planning substantial housing developments on sites in Merthyr, Aberdare, Ystradgynlais and Caerphilly as well as along the Heads of the Valleys road.

Brownfield developments include a disused industrial park near Maesteg, scheduled to have 200 new homes as part of a larger regeneration project that includes an enterprise hub, retail units and, in the future, a park-and-ride facility for a new and much needed railway station. In Merthyr, on the soon-to-be-demolished Hoover factory site, plans have been announced for over 400 homes. Judging by developers' advertisements, improved accessibility by road and rail is expected to bring in new people to the Valley towns.

Opportunities in **tourism and leisure** are frequently mentioned. The increasingly green landscape of the Valleys, their wildlife parks, extensive tree growth and opportunities for outdoor recreation are a cause for optimism and seen as a potential source of new jobs. The Northern Valleys Initiative has identified tourism as a key sector for development and in its work so far it has identified the need for collaboration in developing and marketing the tourism offer and for investment in accommodation to support longer stays and greater tourist spending.

Failed attempts in the past to get leisure and tourism projects off the ground or sustained inevitably colour some views. The short-lived 1980s ski slope in Merthyr Tydfil and the abortive Circuit of Wales motorsport project near Ebbw Vale have left scars. Nevertheless, established attractions such as Big Pit at Blaenavon and the Rhondda Heritage Park continue to attract visitors interested in industrial heritage. New activity-based attractions such as Zip World Tower near Hirwaun and Bike Park Wales in Merthyr Tydfil are attracting a new type of visitor.

Valley authorities have a number of projects in leisure and tourism in the offing including a Ski Centre in Merthyr Tydfil and the Wild Fox Resort in the upper Afan Valley close to Maesteg. Visitor centres are planned for Glynneath (Waterfall Country) and Ystradgynlais (Dan-yr-Ogof Caves).

Some Valley towns, notably Merthyr Tydfil, have harnessed trends in **retailing** to attract jobs and visitors to out-of-town retail parks. More widely, out-of-town supermarkets have become the norm. However, this is clearly a matter of regret and frustration for those who recall the town centre vibrancy of previous times.

A number of places seem to have avoided the hollowing out of their town centre. Ammanford and Ystradgynlais, for example, both service a wide rural hinterland and their centres, while not necessarily thriving, are doing more than simply surviving. Maesteg has also had investment in its town centre.

Treorchy in the Rhondda is mentioned an example of a town that with the benefit of a long and wide main street, local initiative, leadership and imagination, has successfully maintained its town centre. In 2020, Treorchy was named UK High Street of the Year, an award based on the number of independent shops, a high occupancy rate, the organisation of community events and the growing membership of the local Chamber of Trade.

Partnership

The fifth point is **the need for partnership between public bodies**. The Welsh Government does not escape criticism. In one context it's reported that the Welsh Government "still haven't come to the table with any funding" and in another that "they haven't got the expertise". It's also reported that though the Welsh Government wants to be involved in directing funds they need to "let free and let go".

There is however a recognition that "councils can't deliver economic development on their own". There is also recognition that the prosperity of the Valleys and the cities are interconnected. "We don't say the only way we're going to achieve prosperity in the Valleys is by having things in the Valleys, because that's not how modern economies work".

The establishment of Corporate Joint Committees (CJCs) and Growth Deal partnerships offers an opportunity for local authorities to take a leading role, making sure that community needs are represented and that initiatives resonate on a local level.

“People are tired of being told what is going to be done to their communities before they have been asked what is needed” is one comment. There’s strong support among council leaders and officers for the CJsCs that bring together neighbouring local authorities, and in particular for Cardiff Capital Region, which covers the central and eastern Valleys. “You need to give them sufficient freedom to be effective in dealing with regional issues on a regional basis”.

“It’s easier to do economic regeneration along the M4 corridor”, says a council leader, but he’s also “keen to take advantage of and make an A465 (Heads of the Valleys) corridor, growing it as a place to do business so that it can get a momentum of its own”. This will require collaboration and partnership.

Community

The sixth and final point to emerge from discussion with local players is **a sense of community**. Admittedly the bonds of community and cooperation are probably not as strong as in the past but they remain formidable. For example, in response to the transport difficulties that cancer patients face in accessing services there are networks of volunteers in Aberdare, Abertillery, Maesteg and Merthyr Tydfil (and probably in other Valley towns too) that provide community taxi or ambulance services to relieve the pressure on individuals and families.

There can be a strong ‘civic society’ too. Ystradgynlais is reported to serve a substantial urban and rural catchment area, with local facilities and services that bring people into the town and support an active community. In Maesteg there are still three choirs and a rugby club. The town hall has recently been refurbished and according to one well-placed observer the town retains a “cultural legacy that it was a place of commerce and technology gained from the early iron industry that never really faded when the coalminers came into the area”.

Secondary school outputs in Maesteg, the same observer claims, are “much better than in surrounding valleys with a steady flow of Oxbridge places for students”. Whether this is empirically correct is a moot point but it perhaps indicates that the raw material in the Valleys – the new generation coming through – is every bit as good as anywhere else in Wales or the UK. The challenge is to make sure that the Valleys offer them a suitable environment in which to build their lives.

Maintaining a sense of community is however a challenge when a lengthy commute starts and finishes each working day. This sentiment is voiced in Abertillery, for example, but it no doubt applies across many Valley communities.

6. TEN PRIORITIES

The fundamental need in the Valleys is for **more jobs and better jobs, closer to home**. The economy and labour market of the Valleys remain mired in difficulty and in recent years the Valleys have through no fault of their own lost their **competitive edge** in attracting business investment. Restoring this competitive edge is a priority.

The private sector will ultimately have to deliver most of the jobs but it's the public sector that needs to underpin and foster this growth through its own policies and investments. Over the last decade too much key support has been allowed to lapse. The Valleys need to be a place where businesses know they can invest, grow and succeed.

The ten priorities set out here are intended to deliver this objective. They have all been 'road-tested' in discussion with local authorities and with key players in economic development and regeneration in Wales. We're confident they will gain support. The key task is to get on with delivery.

1. KEEP THE FUNDING FLOWING

Market forces alone can't be expected to revive an area as disadvantaged as the Valleys. Indeed, it's always been accepted that in less prosperous local economies public investment is an essential prerequisite to deliver jobs, growth and well-being. Whatever the views on past initiatives – and there's plenty to learn from experience – it's therefore vital to keep the funding flowing.

The extent to which Wales has been a beneficiary of UK and EU regeneration funding should not be overlooked. In the four financial years up to March 2026, Wales is set to receive a total just short of £2bn²⁶ – the sum arising from EU funding rolled on from 2014-20, the UK government's various levelling up programmes and the funding to the Welsh Government via the 'Barnett consequentials' of England-only regeneration initiatives. On a per capita basis, the funding going to Wales – £635 per head – is greater than in any other part of UK – eight times more than the funding going to London and more than double the funding to Scotland or Yorkshire. Within Wales, the Valleys have been a key target for much of this money.

Amongst the wide range of investments and activities funded by this money, help with training and labour market engagement is especially important in the Valleys, where so many adults of working age have become detached from the labour market and parked on benefits. If they are to have the chance of a higher income, higher living standards and greater opportunities it is not sufficient just to create more jobs. It's also important that they

²⁶ ICA calculations based on HM Government data.

are able and equipped to take up the new opportunities that arise. Investment in training and employability was always a major component of EU funding, and latterly the UK Shared Prosperity Fund. Funding such as this must be maintained.

Unfortunately, it can't be assumed that just because funding has been available in the past it will continue to be available in the future. These are political decisions, mostly in Westminster, taken in the context of shifting priorities and budgetary constraints. Indeed, with the change from a Conservative to a Labour government in London the architecture of local growth funding has been undergoing a re-think. The budget for the UK Shared Prosperity Fund has already been cut by 40 per cent and the 2025 Spending Review announced that the funding will be frozen in cash terms – a reduction in real terms – from April 2026 onwards.

If key players in the Valleys, such as local authorities and the Welsh Government, want to maintain the same volume of regeneration spending they will need to defend the budget lines that underpin this activity.

ACTION REQUIRED BY:

UK Government: Commit to no further reductions in regeneration funding in Wales and in the Valleys in particular.

Welsh Government: Lean on the UK Government to sustain regeneration funding and feed it through to partners in the Valleys.

Local authorities: Lobby hard for the volume of regeneration funding to be sustained.

Growth Deal partners: Sustain the funding for employability initiatives to help reduce the number of economically inactive.

2. SUPPORT MANUFACTURING

Britain needs its manufacturing industries. The world is an increasingly insecure place and reliance on far-away suppliers is an uninviting proposition. The UK also has a big trade deficit that for years has weakened economic growth.

The Valleys need manufacturing industry more than most places. Despite all the years of job loss, manufacturing still accounts for 34,000 employee jobs, or one-in-six of all the jobs in the Valleys. These manufacturing jobs also account for a large share of what economists call the 'economic base' of the local economy – the jobs that sell to outside the area or displace imports, bringing in money that recirculates via consumer spending and supply chains to support further local jobs. It's unlikely that the Valleys will ever become a hub for finance or business services – the sorts of activities that cluster in the cities – so it's manufacturing along with other activities (tourism, higher education and logistics for example) that is needed to underpin local economic growth.

In particular, the UK government's commitment to national security through increased defence spending provides a tangible opportunity to boost the Valleys' existing concentration of companies and skills.

Support for manufacturing in the Valleys requires action across a broad front – on investment, skills and sites and premises.

ACTION REQUIRED BY:

UK Government: Implement an Industrial Strategy that supports a wide range of manufacturing in the Valleys, not just a handful of high-tech sectors.

Welsh Government: Build on the UK Government's Industrial Strategy and fill any gaps as far as possible.

Private sector: Seize the opportunities that a reinvigorated Industrial Strategy provides for investment in the Valleys.

3. RESTORE REGIONAL INVESTMENT AID

A stronger economy is key to a revival in the Valleys but the prospects for private sector investment took a step backwards following Brexit when the Conservative government chose to abolish Assisted Area status. Under EU rules, and indeed under UK rules dating back long before EU membership, investors in the Assisted Areas were eligible for higher rates of financial support than in more prosperous areas. There is plentiful evidence that this attracted investment and jobs that would otherwise have gone elsewhere. Following Brexit and the introduction of the UK government's new Subsidy Control regime, all parts of the UK are now treated equally.

In opposition, Labour argued that Assisted Area status should be retained. In government, Labour has so far failed to restore Assisted Area status so there remains no clear signal to businesses that they will be eligible for greater financial support if they invest in less prosperous parts of the country. Under the pre-Brexit rules, investors in the Valleys were eligible for the very highest rates of assistance, matched in the UK only by Cornwall and Tees Valley & Durham.

Restoring regional investment aid isn't necessarily about increasing public spending. There are substantial budget lines already in place in the UK departments for Business and Energy that can be used to support business investment. It's about where that investment might take place. It's also about supporting businesses already operating in the Valleys to enhance their competitiveness and growth.

ACTION REQUIRED BY:

UK Government: Restore the system of Assisted Areas and investment aid that previously underpinned regional development.

Welsh Government: Press the UK Government to restore regional investment aid, without which the Valleys and other disadvantaged parts of Wales are deprived of their competitive edge in attracting business investment.

4. INVEST IN BUSINESS SITES AND PREMISES

Whether businesses are home-grown within the Valleys or come from elsewhere in Wales, the UK or world, they need suitable sites and premises. No suitable physical space generally means no investment. The very largest firms excepted, most businesses do not build premises for themselves but rent or buy properties that are already on the market.

In the heyday of the Welsh Development Agency many former industrial sites were brought back into productive use and factory and office space was developed to accommodate new and growing businesses, but in more recent times this type of public sector development activity has largely fallen into abeyance. In most market segments in most places in the Valleys, private sector developers haven't stepped in to fill the gap. For them the economics don't stack up: taking account of reclamation costs, brownfield sites in the Valleys will typically have 'negative land value' and therefore remain untouched whilst there are generally more lucrative and reliable investment opportunities along the M4 corridor.

The Valleys are a difficult area for private sector developers – off-the-beaten-track and with a shortage of larger flat sites because of the topography. To overcome the obstacles, public sector property development, or at the very least gap funding of private sector development, needs to be restored to its rightful place in the economic development armoury. Public investment is needed to kick-start private investment and break through barriers, including the long timescales quoted for connections to the energy grid.

ACTION REQUIRED BY:

UK Government: Work with National Grid and the National Energy Supply Operator (NESO) to bring critical infrastructure to strategic investment sites across the Valleys, including as a 'pipeline' along the Heads of the Valleys corridor.

Welsh Government: Take responsibility for ensuring there is plenty of funding to deliver the sites and premises that businesses need. In particular, re-examine and support the Coalfield Regeneration Trust's proposals for investment in small business units.

Local authorities: Working with partners in the Corporate Joint Committees, invest in sites and advance factories in the places that private developers normally avoid.

5. DELIVER AN APPRENTICESHIP SYSTEM THAT WORKS

The Valleys are a predominantly working-class community. More than half of all residents in employment work in manual jobs, and fewer than a third of working-age residents have degree-level qualifications. The raw material in Valley schools and colleges isn't worse than anywhere else but until there's a transformation in local job opportunities it's likely to remain the case that many of the young people who move away to university will stay away when they move into the labour market.

For the young people who stay put in the Valleys, and for many local businesses, this underlines the need for apprenticeships and other skills training. The unfortunate truth is that the UK has a poor record in this regard. The number of apprenticeships has been falling, and the completion rate has been falling too. The current apprenticeship arrangements appear to work for large employers with dedicated training functions but smaller employers can be deterred by the amount of paperwork simply to set up a training programme.

In Wales, training and apprenticeships are a devolved matter. However, the Treasury in London still has a big influence because it collects all the money from the Apprenticeship Levy (recently rebranded the *Growth and Skills Levy*) on businesses but fails to pass it all on for training. In 2024/25 the Treasury creamed off almost £800m and this is expected to increase to more than £1bn a year by the end of the present parliament.

The apprenticeship system in the Valleys needs to deliver opportunities for young people that are currently missing. This would also help underpin business growth.

ACTION REQUIRED BY:

UK Government: Deploy more of the Growth and Skills Levy to fund the training for which it was intended and ensure it works for all employers and all sizes of company.

Welsh Government: Deliver on the Young Person's Guarantee to provide all 16-24 year-olds in Wales access to employment, education or training, and support businesses to create apprenticeships and work experience opportunities.

Private sector: Don't abdicate responsibility for training and draw down all the Levy money to which you're entitled.

6. MAKE THE MOST OF THE HEADS OF THE VALLEYS ROAD

At long last the dualling of the Heads of the Valleys road (A465) has been completed. This is a huge strategic investment running close to some of the most disadvantaged parts of the Valleys. Whereas towns such as Ebbw Vale, Tredegar, Rhymney, Merthyr Tydfil and Aberdare were once miles from the UK's main road network, they are now just next door. Full advantage needs to be taken of this leap forward.

The development of sites for businesses at or near the junctions on the Heads of the Valleys road ought now to be a priority. In other former coalfield areas, in Yorkshire and the Midlands for example, similar developments along the M1 and other motorways have been hugely successful. This experience can surely be repeated, if only on a more modest scale, along the Heads of the Valleys road. There should also be potential for the development of hotel accommodation at junctions along the road, especially to take advantage of the tourism offers of the adjacent national park and the Valleys themselves. A service station along the road – currently lacking – would be a step forward too.

Buses along the Heads of the Valleys ought now to be a priority. Traditionally, just about all bus routes have run north-south up and down the Valleys so there has been little east-west commuting by public transport. The newly improved road offers the potential to introduce new routes and extend options for commuting to work, education, training and improve access to public services.

In particular, thanks to the new road it should be possible to enhance Merthyr Tydfil's position as a hub for the northern Valleys at the crossroads of the A465 and A470, independent of the M4 corridor.

ACTION REQUIRED BY:

Local authorities: Make land available for development along the Heads of the Valleys road.

Private sector: Take a fresh look at the new development opportunities along the Heads of the Valleys corridor.

Transport for Wales: Introduce bus services that link up places along the newly-dualled Heads of the Valleys road.

7. BUILD ON THE STRENGTHS OF VALLEY TOWNS

It's not the case that all the places in the Valleys are locked in an unending spiral of decline. High levels of disadvantage are widespread but there are also signs that some places are taking on new roles. In particular, the larger towns in the Valleys – Caerphilly, Pontypool and Merthyr Tydfil were the ones examined here – appear to be becoming important sub-regional

centres. Employment there is holding up or growing, and these larger towns are becoming the focus of local commuting networks.

How much this is happening by accident or by design is unclear. However, the net effect is that a multi-centred urban pattern is gradually developing to replace the old pattern in which every town and every community had its own local jobs, particularly in the mines. In this respect, the urban and economic pattern in the Valleys is slowly becoming more normal by UK standards. Public authorities in Wales need to build on the nascent strengths of these towns. It need not be at the expense of neighbouring smaller settlements. Indeed, if jobs can be grown in the larger Valley towns it takes some of the pressure off the residents of the smaller places to commute to Cardiff and the M4 corridor. This is surely a good thing.

ACTION REQUIRED BY:

Local authorities: Support the development of your largest town as a hub for jobs and services.

Welsh Government: Support a multicentric pattern of development within the Valleys rather than further reliance on the M4 corridor.

8. LOOK AFTER THE FABRIC OF SMALLER PLACES

If the larger Valley towns are on a trajectory to become sub-regional hubs, numerous smaller Valley communities seem set to take on a primarily residential role. But to be successful and welcoming places to live they need looking after.

One of the strengths of Valley communities is a sense of heritage and a legacy of historic but not necessarily 'listed' buildings – churches, libraries, clubs, cinemas, town halls and more. But following the loss of jobs and income, and often population, many of the community organisations that often funded and built them in the first place have faded and these fine buildings have fallen into disuse when they could be a source of pride. They now blight the townscape of too many communities. In more prosperous parts of Britain, the market normally works to bring these buildings back into use as private sector developers eye an opportunity.

There's a good case for finding new uses for these neglected or empty buildings. It would tackle blighted high streets and provide space for new activities, bringing jobs, services and enhanced cultural and community life, and in some cases additional housing. It would also provide a clear signal to residents that despite all the challenges their community faces, they will not be forgotten.

Successful intervention will usually require gap funding to make private sector investment viable. It would also be helped by inventive and flexible approaches, including through 'community wealth building' business models that recycle revenue in the locality.

ACTION REQUIRED BY:

Welsh Government: Enhance and expand initiatives to save and repurpose many of the Valleys' historic buildings before it's too late.

Local authorities: Be creative and bold in finding solutions for historic buildings in need of refurbishment and re-use, including through the use of 'community wealth building' business models.

9. SPEED UP JOURNEY TIMES

Very large numbers presently commute to jobs outside the Valleys, and for the foreseeable future this is likely to remain the case even if job growth can be stimulated in the Valleys themselves. The commuting times to Cardiff, Swansea and Newport are nevertheless often substantial. Travelling to work in or around these cities is a far from negligible commitment of time and energy, and one that undoubtedly feels costly to Valley residents on low wages. Large numbers also travel outside the Valleys to access services and leisure.

The current round of investment in train lines, stations and rolling stock is welcome. However, continued and further efforts need to be made and a determined effort to further speed up journey times. Other parts of the UK demonstrate that travel times can be reduced by mixing fast and slow trains on the same lines, reducing the times held at stations, better use of platforms and improved signalling. There also needs to be adequate car parking close to Valley stations and better bus connections to make travel by rail a viable option.

Significant improvements to bus services are central to the transport network, particularly where communities are distant from rail stations. Without reliable and affordable bus services, some places can be entirely out of the reach of the residents who need public transport the most.

Failure to integrate public transport services is not merely an inconvenience: it impacts negatively on employment opportunities, education and training and, most painfully, on access to health and other public services.

ACTION REQUIRED BY:

Transport for Wales: Take the present investment in the Valleys rail network several stages further and faster to speed up journey times and link it with bus services.

Welsh Government: Find the funding to enable Transport for Wales to deliver what's needed in the Valleys, including by tapping into monies held by the Department for Transport in London.

10. BALANCE MOMENTUM ALONG THE M4 WITH INVESTMENT IN THE VALLEYS

The corollary of high levels of commuting is that the prosperity of surrounding areas matters to Valley residents. It's in Cardiff, Swansea, Newport and along the M4, and further afield, that many Valley residents earn their income and they bring this back to their communities where their spending supports local jobs and businesses. There is every reason to maintain economic and job growth in the places just beyond the Valleys,

Some businesses will have requirements that rule out investment in the Valleys, perhaps because they need ready access to a bigger local workforce or market, or maybe because they need a large flat site with good access that is not easily found within the confines of the Valleys. In these cases it's better for Wales that the investment goes ahead along the M4 than not at all.

However, simply assuming that prosperity along the M4 will eventually trickle down to deprived communities in the Valleys overlooks the reality that in many cases the benefits of economic growth do not spread sufficiently or quickly enough to make a meaningful difference.

Valley residents need more jobs and better jobs closer to home, so there is a question of balance. The most direct way to open-up opportunities and to improve their life-chances is to generate jobs and deliver services nearer where they live – in the Valleys themselves. What should also not be forgotten is that growing prosperity in the Valleys will in turn help support jobs and growth in the cities of South Wales.

ACTION REQUIRED BY:

Welsh Government: Take care of the M4 corridor, but where possible push more growth and jobs up the Valleys.

Growth Deal partners: Ensure Valley residents have access to opportunities along the M4 by working to remove barriers to training and commuting, and follow through on projects, sites and infrastructure investments in the Valleys to deliver economic development.

Local authorities: Through the CJsCs, keep pressure on the Welsh Government and Growth Deal partners to deliver regeneration across the Valleys.



Industrial Communities Alliance

The Industrial Communities Alliance is the all-party association representing local authorities in the industrial areas of England, Scotland and Wales.

The aim of the Alliance is to promote the economic, social and environmental renewal of the areas covered by its member authorities.

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