TOWARD A NEW SETTLEMENT:
A deep place approach to equitable and sustainable places

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The Deep Place Study has taken place during 2013-14 to examine two pressing social and economic policy problems. The first is how in Wales we effectively tackle the high levels of poverty experienced in our post-industrial communities. The second is how we move forward as a society towards what has become termed a sustainable model of economy, which recognises the low carbon imperative and the potential crisis of energy supply and cost.
Upon first consideration these two issues may appear unconnected. However, the Deep Place Study is predicated on the belief that they are two elements of the same problem and that the search for their solution intricately connects them in social and economic policy. The rise of what was termed the ‘new poverty’ in the 1980s saw child poverty levels rise from around 10% in 1968 to nearly 33% in 1996 (UNICEF, 2001; Gregg et al., 1999), a figure which has stubbornly remained fairly constant with one third of children continuing to live in poverty in Wales (Save the Children, 2013). At the same time warnings of environmental damage were being ignored (See for example: Only One Earth, 1972; Blueprint for Survival, 1973) and even when eventually recognised there has been consistent failure to agree and implement international protocols on carbon reduction, such as Kyoto. Both these core social policy problems stem from a dominant paradigm in our society that is exploitative of both people and the environment as mere factors of production. This is not an anti-capitalist statement, but rather a question mark placed over the particular model of neo-liberal capitalism which led to the international collapse of 2007, and the subsequent draconian austerity practices which have emerged to ‘correct’ the failings of that form of capitalism in the European context.

Prior to the early 1980s, Keynesian approaches to fiscal and monetary policy in the UK were concerned to balance out the excesses of boom and bust cycles of the economy. At the same time a broad consensus supported redistributive welfare policies, which ensured that at times of economic growth all sections of society benefited through improved welfare, health, education and housing. Central to this approach was a progressive taxation system that ensured that high earners, both corporate and individual, contributed proportionately to state income providing the basis for expanding welfare. Often now referred to as the Swedish model, this model of capitalism was adopted to varying degrees in the advanced industrial economies of Europe.

Following the early 1970s oil shock and a subsequent period of ‘stagflation’ in which low growth and high inflation were simultaneously experienced, Keynesianism became discredited and the new economic orthodoxy of monetarism took its place. Aligned to the political doctrine of the New Right this configuration revived interest in neo-liberalism to create a radical rethinking of the role of the state and its responsibilities to citizens. This neo-liberalism rejected the idea that markets could be managed and argued that the role of government was to minimise...
state activity, reduce taxation and simply provide the correct minimalist regulatory framework to promote economic activity. In parallel, welfare was interpreted as dependency and undermining of our individual and collective work ethic. This model favoured deregulation of both labour and financial markets and saw an unparalleled period of economic growth only occasionally punctuated by short-term recession, allowing Gordon Brown to claim he had abolished the ‘Tory boom-bust cycle’.

The true cost of this period was experienced in 2007, however, when the debt-based foundation of the economy became apparent and the Global Financial Crisis (GFC) occurred. During the period of neo-liberal economic policy a number of strands had emerged to characterise the economy of the UK and other western nations:

- From the 1980s onwards reversals of labour rights bring us today to the point where in-work poverty is now the primary cause of poverty in Wales and the UK, and zero-hour contracts are the newly achieved pinnacle of the ‘flexible’ workforce.

- A rebalancing of the economy emerged favouring financial capital over manufacturing, simultaneously reducing skilled and unskilled blue-collar employment opportunities.

- The extension of supply chains for the most immediate of human needs to a global level of production and distribution. This has been at the expense of local labour markets and consumer sovereignty and has effectively marginalised local economic activity.

- The de-legitimisation of welfare rights begun in the 1980s has reached fruition in political and cultural values where the barely-managing blame those who can’t manage, and politicians foster an attack on the post-Beveridge settlement which has ushered in a ‘decade of destitution’. (Unwin, 2013).

- The provision of public services is depleted by a twin strategy of privatisation by outsourcing, and reductions in funding that will prevent public sector organisations delivering the level of services they have been historically committed to. Most evident in health and education, the array of services provided by local government now faces the same fate.

- The argument for ‘austerity’ measures to reduce budget deficits is returning state expenditure to pre-Beveridge levels, with a consequent loss of the welfare safety net for some of the most vulnerable groups in society.

- All pretences to recognise climate change risk and mitigate through the pursuit of ‘green’ policy objectives are being rejected in a renewed pursuit of economic growth. Once again the protection of the environment is being seen as an unacceptable cost to the economy.

- Economic growth in the UK is now seen as being derived from large scale, transport infrastructural developments, and fuel security will be achieved by environmentally challenging approaches to nuclear energy and fracking.

- Investment in green infrastructure is off-loaded from the state and the corporation onto the citizen as consumer, whether through the purchase of energy or the individual household investment required by schemes such as Green Deal.

To raise these issues is not a criticism of capitalism itself, but rather of the domination of state economic and social policy, regardless of party political control, by the general economic and political tenets of
Tredegar is one of these places where the demise of traditional industries and the failure to economically diversify has created considerable poverty and hardship, which manifests in the poor health and well-being of residents and a virtually collapsed local economy.

neo-liberalism. Nor is it a criticism of globalisation as international trade has long been a source of economic diversification, wealth creation and economic development. Rather, these issues are identified in argument for a different approach to the organisation of our economy that benefits all sections of society rather than a narrow minority. Rather than the increasing polarisation ushered in by neo-liberalism, we wish to identify patterns of economic activity that underpin the welfare and well-being of all members of society, whilst reducing our environmental impact.

In arriving at this perspective we are supported by the recent Report of the Welsh Cooperative and Mutuals Commission (2014), which concludes:

Consequently, the Commission believes the intellectual and political climate has changed radically and been reflected in the nature of the political debate, with increasing discussion about an ‘ethical’ or ‘socially responsible’ capitalism. The orthodoxy of the neo-liberal, free market philosophy which has dominated governmental, political and economic thinking over the last forty years is now being widely challenged for the first time in many years. This widespread disillusionment has led many people to look for alternative, more ethical and socially responsible ways of organising businesses and services, particularly those run on a co-operative, mutual or not-for-profit basis. (2014, p2)

This research therefore attempts to consider an alternative approach to neo-liberal economics, which recalls some of the central Keynesian principles of state economic management, but brings them together with a heightened contemporary concern for poverty eradication and environmental protection. In contrast to neo-liberalism which has focused on the market as the sole regulatory mechanism that can truly steer the economy, we will suggest that markets can be managed and especially at the local level. We will suggest that appropriate interventions by government and other agencies can significantly reduce poverty whilst at the same time moving us towards a low carbon society. This might appear to be a radical approach, but it is one increasingly supported by a growing awareness of the impact of neo-liberal policies in post-industrial regions of the UK and more globally in under-developed countries.

After all, the large majority of economists who predicted the crisis rejected the dominant neoclassical thinking: from Dean Baker and Steve Keen to Ann Pettifor, Paul Krugman and David Harvey. Whether Keynesians, post-Keynesians or Marxists, none accepted the neoliberal ideology that had held sway for 30 years; and all understood that, contrary to orthodoxy, deregulated markets don’t tend towards equilibrium but deepen the economy’s tendency to systemic crisis. (Milne 2013)

At the height of growth in the neo-liberal era we have also seen the highest levels of poverty in our disadvantaged communities, which have become disconnected from the national economy. Tredegar is one of these places where the demise of traditional industries and the failure to economically diversify has created considerable poverty and hardship, which manifests in the poor health and well-being of residents and a virtually collapsed local economy.

Public perception of the failures of the policies and practices of the neo-liberal elite has tended to focus on the banking, energy and food sectors. The financial crisis has revealed what has become to be seen as ‘feral capitalists’ driving an economy based on personal gain rather than collective good, with a
stubborn refusal by an elite to even see its negative consequences for the majority of society’s members. Whilst we have seen extreme examples in the Libor rate fixing, fraudulent claims in public services contracts and the excesses of bankers’ bonuses, the reality is that the problems of neo-liberalism are structural rather than cultural, in that they create an economy driven by a paradigm of constant growth. Whilst individual excesses fuel public sentiment to challenge the behaviours at the upper levels of the business and commercial world, there is also a genuine thirst for more appropriate ways of directing the economy to produce a wider benefit for all, rather than the few.

This has been recognised by President Barak Obama who has said that the current economic system is destroying the idea that hard work is rewarded fairly (Lewis, 2013) and that the increasing gap between rich and poor is one of the most significant challenges of our time. The Great Financial Crisis has revealed deep flaws in the current structure of our economy, which a return to a pursuit of growth and ‘business as usual’ will not resolve. The current crisis is an opportunity to question an orthodoxy that has prevailed for over 30 years, not simply to return pendulum-like to a Keynesian model, but rather to ask...

What type of economy and society do we need to create to achieve economic, social, cultural and environmental sustainability by 2030?

This is the central question posed in the Tredegar Deep Study. CREW is not alone in asking this type of question about our collective futures. The Centre for Alternative Technology has developed its Zero Carbon Britain programme to centrally address the key issues of food and energy sustainability. Their recent report (CAT 2013) creates an alternative view of future energy and food policy, which claims:

An initial analysis shows that, in this future, our actions have also helped us adapt to expected changes in climate while increasing our resilience to unexpected changes; improved upon a number of other significant environmental problems aside from climate change; created over a million jobs; and have had a positive impact on our economy and on the health and wellbeing of individuals and society. (CAT 2013, p2)

Whilst targeted at the UK level, the approach points to local actions that support the findings of this Deep Study of Tredegar. Our Deep Study attempts to locate the issues discussed above at a lower spatial level, which enables us to see an alternative model of capitalism where economic growth benefits society as a whole and ends the ever-widening polarisation between rich and poor seen during the last two decades.
By imagining a different pattern at this local level, we can begin to explore the changes that Wales as a country will need to make to both eradicate poverty and achieve true sustainability. In doing this we draw on international experience where some of the changes we advocate are already taking place in critical domains such as food and energy production. We believe these questions must be asked if we are to secure a future able to make the transition to a low carbon economy in which poverty is not a generalised experience of the many.

Our research is based on a view that conventional economic policy, grounded in the growth paradigm, is not capable of renewing our economy and eradicating the poverty that characterises places like Tredegar. We also need actions that promote an alternative to the neo-liberal concern for a deregulated economy and a minimalist state.

We concur with the Welsh Co-operatives and Mutuals Commission (2014):

The Commission has concluded that conventional approaches to economic growth and development are not sufficient alone to achieve the improvement in the social and economic wellbeing of people in Wales (2014, p4).
2. THEORETICAL INFLUENCES

No project such as this takes place in a vacuum and there have inevitably been a range of debates and discussions that have informed the design and the delivery of this research programme and the interpretation of the results.
Child poverty in Wales has now reached 33% in 2013, the highest level experienced in Wales to date.

2.1 UNDERSTANDING POVERTY AND SOCIAL EXCLUSION

Theories of social exclusion have been a prime interest of one of the lead authors, as a mechanism for understanding the ways in which places like Tredegar become disconnected from the mainstream economy and society. The current patterns of economic and social disadvantage cannot be explained by the personal failings of the local population, but rather by the existence of systemic mechanisms of social exclusion that prevent that population engaging with society as fully productive and active citizens.

The initial exclusion experienced is exclusion from the labour market. This occurs first from de-industrialisation and the demise of key patterns of employment such as experienced at the steelworks in Ebbw Vale. Wales, and the Heads of the Valleys region in particular, experienced a pattern of rising economic inactivity and a resulting financial poverty from the mid-1980s onwards. Such poverty has been conventionally measured by the percentage of children living in families earning below 60% of the national median family income. By this measure, child poverty in Wales has now reached 33% in 2013, the highest level experienced in Wales to date. Labour market exclusion was until recently the primary cause of poverty in Wales. However, in the most recent MOPSE Report ‘in-work’ poverty has become the primary cause of poverty in Wales, with currently 27% of partially-working families defined as low income families (JRF, 2013).

From this initial financial poverty, secondary exclusions then emerge over time as income levels collapse, welfare dependency increases and future generations become further separated from the labour market by skills deficits and cultural barriers to labour mobility and labour market engagement. This is a complex process and will not be fully described here other than to identify the effects of such patterns of inclusion. These include:

- High rates of economic inactivity
- High rates of under and unemployment
- Low educational attainment
- Employment skills deficits
- Poor health behaviours and outcomes

It is important to note here that these outcomes are not simply a result of the chaotic life choices of an ‘underclass’ as described by Charles Murray (1990), but rather the cultural, emotional and physical results of economic marginalisation and social exclusion.
exclusion from society as a whole. Consequently, when one examines places like Tredegar one must be constantly aware of complex social interactions, structures of poverty and individual psychological adjustments to economic marginalisation.

This model of social exclusion, therefore, is a foundation for understanding the basic patterns of society and community in this Study. However, we also wished in this work to transcend a mere description of the current context and ‘re-imagine’ a future that breaks with current trajectories of un-development evident in Wales and places like Tredegar, to suggest an alternative future.

When we speak of the establishment of the post-war welfare state we refer to the programme of legislation and policy reform as the ‘Post War Settlement’. We have concluded as an element of this report that the levels of poverty and social exclusion in Wales require a change of policy and welfare provision of similar scale to the Post War Settlement. This Study will refer to this process as the ‘New Settlement’, a fundamental shift in the way we provide, social and welfare services and in the way that the economy once again can be made to provide the means of subsistence for the majority of the population. The

Tredegar Deep Place Study is a way of practically visioning what shape and pattern the New Settlement will take.

To assist with this we have enrolled the help of several recent theoretical perspectives that have emerged in response to the need to rethink our collective futures. We deal with them separately in the following sections.
2.2 TRANSITION THEORY

The central concern of the transition movement is the inevitable crisis that it is argued will occur when fossil fuels are fully depleted (for a highly visual and accessible introduction to transition thinking we suggest viewing In Transition 2 at: www.transitionnetwork.org). The movement is most focused on the ‘peak oil’ assumption that we will soon reach the peak point of supply of oil and that from there on supply will diminish. However, it is also concerned about the overall supply and use of energy from fossil sources and the production of carbon based climate change. These two central concerns forge the basis for asking what we must be doing now to manage the transition from ‘The Age of Cheap Oil’ before the need for change is imposed in a post oil-shock crisis. Usually referred to as ‘back casting’, transition thinking asks what future state we wish to achieve and then asks what we must do now in order to achieve it. In this sense the Tredegar Deep Study is a back casting exercise. Transition theory makes a strong connection between global environmental conditions and local actions.

Its prescription is to address issues at the local level to meet the needs of the global environmental crisis:

The obvious answer: act locally. This especially makes sense in the present situation because economic relocalisation will be one of the inevitable impacts of the end of cheap transportation fuels. We must produce more of our necessities close-by anyway; why not make the immediate community the source and focus of our entire energy transition strategy. (Heinberg, 2008)

This mantra of ‘act locally’ has become the primary idea associated with transition thinking as it suggests that personal and collective action at the local level can address the issue of climate change, whilst politicians at the global level fail to find agreement. It rejects globalisation seeing it as only possible when there are cheap and abundant supplies of energy to ship production and economic activity around the globe. It is unsustainable in a longer-term future when such transport will be prohibitively expensive and there will be an enforced ‘relocalisation’ of economic activity.

The very notion of economic globalisation was only made possible by cheap liquid fossil fuels, and there is no adequate substitute for those on the scale we use them. The move towards more localised energy-efficient and productive living arrangements is not a choice: it is an inevitable direction for humanity. (Hopkins, 2008, p4)

The response is therefore to begin this in a conscious and planned process of transition rather than in the teeth of future crisis. This is the process we have begun for Tredegar and, by its example, Wales as a whole. We are asking what must we do now and in the medium term to secure resilience for our communities.

The concept of resilience is also central to transition thinking and signifies a state where communities are in control of production to meet their needs. It signifies a capability on the part of communities to ‘hold together’ and maintain function despite external shocks and pressures. Core ideas of fuel and food security derive from the concept of resilience and suggest a diminishing reliance on extended supply chains that are precarious and environmentally costly.
The Transition movement has had considerable impact in localities throughout the UK and globally. However, there have been critics who feel that it provides a modest route to change which cannot shift public behaviours rapidly and significantly enough to fully divert society from its current oil dependent condition.

The movement is not without its critics, whether lambasted for not being radical enough, for a lack of practical guidance, or for failing to appeal to those outside the white, middle-class demographic. (Morrisson, 2011)

For North (2013), the localisation focus of the transition movement has not prevented good linkages developing with local government, nor prevented the movement from having major impact in urban areas despite its small town roots. He cites Liverpool as a clear example of a city-wide process of change. However, he casts doubt on the ability of the movement to achieve the ‘systemic’ change to a pro-growth, urban entrepreneurial culture that is essential to achieve the objectives of the transition movement. We see this as a major limitation of the transition approach in isolation.

Transition thinking separates the citizen from the state and regards aggregated individual actions as a source of global change. We contend that without a reconfiguration of public services and major transformations in the roles of the central and local state this will be insufficient to create a transition from oil dependence or to create the New Settlement we have identified as necessary to eradicate poverty and achieve sustainability. True transition will require citizens and state to act in unison. The state will be required to develop green infrastructure and incentivise green consumption patterns, and the citizen will need to embrace a less acquisitive and consumerist lifestyle. Reform of public services to focus on localisation will be a critical element of this transformation. In support of this claim, we turn in the next section to consider how Total Place models of public and social service delivery can complement transition approaches, and inform how we envisage the future for Tredegar and places like it throughout Wales and beyond.
Total Place is the term applied to a specific approach to public services reform. The approach initially developed from work conducted at the Leadership Centre for Local Government, but in many ways built on the long-term experience of delivering place-based strategies in the wider local government community.

Total Place combines a number of theoretical perspectives to create an innovative response to finding more effective, efficient and targeted services for less expenditure. However, it is not about lowering costs or achieving what has been conventionally termed Best Value. Rather it is about creating higher public value in the provision for services, which better meet the needs of service recipients whilst also improving performance and accountability of service providers.

For example, much has been made of the ‘value’ of providing NHS patients with ‘choice’ but most of the data suggests that the public would prefer a decent ‘service’ to a choice, and that the latter does not necessarily enhance the former. So the kinds of questions that many of the Total Place initiatives have used as a framing device are ‘what does the public value?’ and ‘what would add most value to the public?’ In short, ‘what is the purpose of this public service?’ (Grint, 2009, p5)

Total Place practice is informed by a range of approaches based on chaos theory, systems theory, change theory and leadership theory. The core assumptions are:

- That society and communities are complex, dynamic places in a state of constant change and development.
- That communities are impossible to perceive and understand in their entirety.
- That communities are self-organising with complex networks, loyalties and local cultures which will resist change that does not accord with those loyalties, values and belief systems.
- That long-term ‘wicked’ or ‘messy’ issues require ‘messy’ and complex solutions.

The amalgamation of the insights derived from these background theories creates an approach that seeks to deliver services to defined localities in a holistic and structured system that tries to maximize integration, collaboration and cross-sectoral working. However, the aim is to transcend traditional partnership approaches by having very real projects in which to develop the approach.

Places were asked to do real work rather than just ‘set up a partnership’ – to find a theme, actively diagnose the issues and create some innovative potential interventions. (LCLG 2010)

In the delivery of projects the primary collaboration is between service providers and customers. In the Total Place perspective there is a move from an automatic use of the ‘command and control’ model of conventional public service delivery in which authorities design and implement services, largely without reference to the needs of customers. Rather, the approach asks exactly what do our customers need and are we delivering it. This requires close working relationships with all delivery partners and the recipients of services.

It also requires a very adaptive and flexible form of what has been termed ‘situational leadership’, which moves between different models of leadership as circumstances dictate rather than adhere to a
strictly defined leadership approach. In urgent circumstances a command and control approach might be indicated to provide decisive and task oriented decisions. For ‘wicked’ problems we need leadership that asks new questions, but also accepts that there are limitations and barriers to solutions. It also has to promote debate, diversity of responses and not be afraid of experimentation and failure.

The practice of Total Place has also tended towards unified budgeting that draws together the multiple strands of public expenditure in a locality to determine what is spent and how it is being spent. Projects start with a count of expenditure to determine the overall public spend in a community on a specific service provision. We have attempted to do this for Tredegar, but it has proved exceptionally difficult and will be referred to later in this Report.

Total Place emerged as a change mechanism in the last years of the Labour Government when 13 pilot projects were established to act as a test bed for the range of approaches that Total Place can assemble.

There were no prescriptive methods employed and each pilot has established its own specific methods within the detailed contexts of local delivery. Indeed, Total Place thinking celebrates that there is no one approach or method and that the circumstances of each place will determine the kinds of actions that emerge.
2.4 THE FOUNDATIONAL ECONOMY

This term has been coined by Professor Karel Williams of the Centre for Research on Social and Cultural Change (CRESC) at the University of Manchester. In the recently published Manifesto For the Foundational Economy (Williams et. al., 2013) the foundational economy is defined as follows:

To do this we have focused on a new economic entity, the foundational economy. This is very large, mostly unglamorous, rather heterogeneous, and is distributed across the country. It is an economy that meets everyday needs by providing taken-for-granted services and goods such as care, telecommunications or food. (p3)

The authors argue that current UK economic policy focuses on attempts to develop sectors that have been ‘framed’ as having potential for growth, development and export potential. The way economists and other experts frame discussion about the economy tends to identify such sectors as the visible economy and therefore the main target for government policy and support funding.

British industrial policy reports contain overlapping lists of favoured sectors for targeted intervention, usually including advanced manufacturing, automotive, pharmaceuticals and life sciences, digital media and green technology. These favoured sectors are typically technology-intensive activities, producing tradable and exportable goods and services with potential for enhancing national competitiveness. (Williams et. al., 2013, p5)

These favoured sectors become almost the sole focus of economic policy and regional development. For Williams this misplaces faith in our economic future in a sector of the economy that bears little potential to resolve our current crisis or to build a stable and sustainable economy for the future. He identifies two core issues. Firstly, these favoured manufacturing sectors (aerospace, military equipment and ordnance, automotive, computer and electronics, and pharmaceuticals) are a relatively small proportion of the economy. Collectively they employ less than half of the number of employees in the food production sector, a key component of the foundational economy. Secondly, he suggests that we lack the policy levers to reformat the economy so that the favoured sectors are the primary economic motor, especially given that we face fierce competition from all the other advanced economies pursuing similar strategies. He also points out that even when successful, such strategies largely benefit growth in South East England and barely touch the economy of areas like South Wales.

Williams does not argue that we abandon such strategies, but rather than we diversify economic policy to recognise that there is more than one ‘economy’. As well as investing in the high tech industries of the future we also need to pay attention to the foundational economy that currently employs about 40% of the national workforce. Regrettably, despite the scale of that employment pattern it has also become characterised by low wages, highly precarious patterns of employment and poor working conditions. In contrast, a refocus on the value of this element of the economy could establish it as the engine for future growth. The major advantage of the foundational economy is that it is always located where there is population and is therefore present in even the most disadvantaged post-industrial regions of Northern Europe. It reaches into every family where the largest part of household expenditure finds its way to the foundational economy.
Williams et al. (2013) identify the state, the privatized utility companies and the supermarkets as the prime institutions of the foundational economy. The state through its provision of education, health and welfare services is the largest employer whether directly or thorough the outsourced mechanisms of the para-state. Supermarkets have a specific hold on the current economy with large-scale exploitation of suppliers and growers to create benefit for shareholders and consumers, via low priced products.

Developing the perspective of the foundational economy also has political implications and resolving the issues will require major political change.

The radical aim is clear. In a dismal national context of slow failure and continuing relative decline, it is to imagine how we can develop foundational activities in the UK to create employment, build stronger supply chains and networks and provide a more local basis for decisions about how products are sourced and distributed, how services are managed and how assets are controlled for social value which includes taking the future seriously. (Williams et al., 2013, p20)

Williams et al. see the need for the re-working of the ‘radical, liberal collectivist spirit of Beveridge and Keynes’ (p19). This is in keeping with our introductory comments, which challenge the dominance of economic and political practice in the UK by the neo-liberal orthodoxy. It further advocates a return to a politics and associated economic policy that supports the needs of the whole nation and reestablishes rights to living wages, good working conditions and welfare protection for the vulnerable. In the context of this Study, an economic policy based on promotion of the foundational economy is a pre-requisite of the New Settlement we have identified as necessary to eradicate poverty in Wales.

In the context of this Study, an economic policy based on promotion of the foundational economy is a pre-requisite of the New Settlement we have identified as necessary to eradicate poverty in Wales.
Welsh Government must comprehensively address the development and expansion of the Foundational Economy in future economic policy, resource allocation, business promotion and regional strategy. This does not require abandonment of current strategic programmes, but requires a redirection of significant resources to the promotion of a more localised form of economic activity grounded in the Foundational Economy.

Blaenau Gwent CBC, and any successor local authority following proposed mergers, should commit fully to the protection and development of the foundational economy, with the development of a Local Foundational Economy Strategy. This strategy would provide the optimum approach to creating employment in communities such as Tredegar.

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**CASE STUDY: ENFIELD**

Despite Enfield’s location in the South East of England it shares many problems with other post-industrial regions of the UK. GVA is 20% below the London average and there is a predominance of public sector employment. The local authority recognised the limitations of orthodox economic policy and the difficulties of attracting inward investment. The local authority, working with Professor Karel Williams and CRESC, decided to focus on the promotion of the foundational economy, including health, education and welfare.

CRESC set out a framework for local economic activity based on the following criteria:

- Think local
- Think chain
- Think non-profit
- Think pro-sate enterprise

Key changes in policy included connecting local SMEs to council supply chains, investing in social housing, mobilising local pension funds and localising corporate social responsibility to ask utility companies and supermarkets to contribute to local initiatives.

(See: [www.cresc.ac.uk/sites/default/files/EnfieldExperiment_0.pdf](http://www.cresc.ac.uk/sites/default/files/EnfieldExperiment_0.pdf))
2.5 IMPLICATIONS FOR TREDEGAR

We have suggested in this section of the report that Tredegar typifies the patterns of poverty and social exclusion that result from economic marginalisation. We have also identified the need to engage in transition planning towards Tredegar as a low carbon community. This aspiration must be supported by a clear partnership between the community and the state to achieve a level of low carbon infrastructure and associated patterns of behaviour to achieve a low carbon society by 2030. We believe that the model of Total Place public service provision can help achieve this whilst delivering better services, which in themselves challenge the poverty experienced in places like Tredegar. By developing the innovation and the vision evident in Total Place methods we can challenge the history of irresolvable ‘wicked issues’ that characterise Tredegar and other places like it. We have also argued for a localisation of economic activity to challenge the extended supply chains of the global economy to produce alternative patterns of local activity. The majority of this economic activity will be in the foundational economy that produces the mundane products that places require to sustain daily life.

The remainder of this report is our attempt to imagine how all these insights can be brought together to establish an alternative future for Tredegar to the one it currently faces of continued decline, depopulation, poverty and un-development.
3 DEVELOPING A DEEP PLACE STUDY

3.1 SELECTING THE PLACE

The approach of the Deep Place Study is that only one location could be chosen as the in-depth case study area.
Although it is, of course, implicit in our approach that this model could be adopted as a method of considering responses to sustainability and the uneven distribution of wealth on an area-based approach more generally and that lessons drawn from the Study can inform policy on an all-Wales basis.

Indeed the intention of the Study is precisely to reduce the large-scale problems of eradicating poverty and achieving sustainability to a spatial level where the barriers and opportunities can be clearly understood. Our original intention was also to run a parallel study in a rural community to explore differences in each context. With Llandovery as our target community we were regrettably unable to secure funding to conduct the full study.

Six candidate locations were initially considered, and an analysis of the Welsh Index of Multiple Deprivation data was undertaken for each of these areas. Tredegar was chosen largely because it is a fairly typical disadvantaged small town in the Heads of the Valleys area of South Wales. What was important was to find a location that had a fairly broad range of challenges and opportunities, but was compact enough to have a meaningful depth of area-based analysis. Initially only the core four LSOA of Tredegar Central and West were identified as the target location for the Study. However, it quickly became clear in initial discussions with the community and those involved in local service delivery, that the natural settlement area also encompassed Sirhowy and Georgetown. This expansion of the Study added an additional six LSOA, but also brought a wider population and typography mix. It crucially also brought in additional natural resources that were not part of the initial focus, such as the river Sirhowy and the wider green space that surround the Trede...
3.2 METHODOLOGY

The Deep Place Study has sought to develop a complete understanding of a single disadvantaged location. It has sought to identify all the current weaknesses that constrain the location, as well as opportunities that could be exploited to establish a sustainable future for the community. Of the theories considered in Section 2, the Total Place approach provided key concepts to inform the methodology of the Study. Our original belief was that the design and delivery of public services provides a core mechanism for change, and that learning arising from the 13 total place pilot areas developed in 2010 in England had identified a number of informing principles:

• Public services are best understood in an interconnected and integrated model of delivery that targets the specific issues of each place.

• That designing services from a citizen viewpoint breaks down the ‘organisational and service silos’ which cause confusion to citizens, create wasteful burdens of data collection and management on the frontline, and which contribute to poor alignment of services.

• That unified budgets with local mechanisms of influence and control, benefit service outcomes and modes of delivery.

(OWL 2010)

Whilst these principles emerged in the context of service improvement and increased effectiveness, the Deep Place Study suggests that they can equally inform the understanding of the complexity of current service provision and facilitate the development of future models of integrated sustainability. Deep Place Study is more fundamental than a simple focus on service delivery, however, it is also a treatise on transition thinking – a case to move toward a more sustainable and more equitable economic model. One area that the Total Place approach suggested to us was to thoroughly map and count the pattern of existing public sector expenditure in the locality. The Total Place pilots have reported the difficulties of accurately achieving this and we have discovered that such information is not available at the correct spatial level for the locality of our Study. Where possible we have engaged in relatively simplistic but illustrative indications of public expenditure based on per capita calculations.
The research methods adopted for this Study have sought to be inclusive of the wide variety of agencies and organisations involved in the various policy areas impacting on the place, and which are therefore critical to achieving a successful transition to a more sustainable and equitable future model. There has also been an attempt to ensure community participation in the Study. A project steering group was established, which consisted of individuals with both local knowledge and people with wider, more general expertise. Detailed in the appendix to this report, this expertise included: education, health, housing, transport, sustainability, local governance, and the built environment. The research methods have been both desk-based quantitative, and ethnographic qualitative. We have also seen this as an action-based research approach in that the forums and dialogues we have established have themselves influenced policy and delivery in the area. In continuation of this we hope our published report will be a major catalyst for change in internal community perceptions as well as external perceptions of agencies providing services to Tredegar. There has been a deliberate and clearly stated approach to involving many of those who would be critical to implement the transition approach advocated in this report.

The Study has used official data, such as the Wimd, to build up a statistical profile of the 10 LSOA that make up the location. It was critical, however, to go beyond this quantitative data to establish a complete understanding of the ‘lived experience of poverty’ in the target location. Upon establishing a thorough understanding of the linkages between the socio-economic and cultural components of poverty in the area, the Study sought to focus on holistic solutions, drawn from the collective knowledge of those on the Steering Group. There was also an element of ‘horizon scanning’ to identify the trajectory of current trends and to try to ascertain potential, but yet unseen developments in technology and economy.

Finally, as a supplement to the expertise of the Steering Group Members, and as a means to secure additional participation, devices called ‘Think Spaces’ were used. These were essentially policy-themed semi-structured focus groups of experts in specific fields of policy. Meeting in Bedwellty House in Tredegar these groups were free to identify existing patterns of failure as well as what works in communities like Tredegar. Space was provided for frank mutual and personal reflection and critique to assist the re-imagining of different patterns of public service provision. We see this as an example of Total Place approaches to innovative leadership and radical redefining of both problems and solutions.
Community engagement with the Study was considered to be critical, although it also proved difficult to achieve. Attempts to engage the community through the existing Communities First Partnership (subsequently cluster) proved unfruitful. Despite repeated approaches it was not ultimately possible to engage Tredegar Communities First in the Study, partly because of the state of flux in Communities First policy during much of the period of the Study. The Study therefore sought to engage directly with the community, and after some significant effort and with particular support from the local RSL Tai Calon, a community engagement event was successfully held.

Innovative graphic facilitation used during community engagement event.
Additional meetings were also held with community representatives and Councillors. These engagements were critical for understanding the lived experience of poverty in Tredegar, and were central to our thinking in developing responses to it. It was important that our approach was seen as being engaged with community aspirations, and not just in expert opinion, as the community itself is seen as critical to the transition process advocated in this report. Details of the community engagement event, as well as the Think Spaces, can be found in the appendix to this report, and these proceedings were central to informing our case study findings.

Innovative graphic facilitation used during community engagement event.
The South Wales Valleys were remote and sparsely populated areas until rapid industrialisation prompted mass inward migration, largely from other parts of the UK, to provide labour for industry and the exploitation of the mineral resources that were found in abundance in the area.
This rapid growth occurred in two phases: the first occurred from the mid-1700s, which led to South Wales becoming the centre of British iron making; and the second from the mid-1800s, which saw the extraction of coal in vast quantities. The origins of Tredegar as an industrial urban town were part of this wider process. The Tredegar Iron Company was granted a lease in 1799, and in the years that followed Tredegar grew from a population of 1,132 in 1801, to 34,685 by 1881. By 1850, the Tredegar Iron Company employed between 2,000 and 3,000 people at its nine furnaces, mill shops and ancillary plants. (Powell, 1884) As industrial development continued throughout the 19th Century, the growing and overwhelmingly working class population created densely populated yet relatively isolated communities, dispersed throughout the Valleys region of South East Wales.

The comparative isolation and the hardships experienced, meant that the new communities developed socially and culturally to forge strong political and social values of mutual aid and socialism. The importance and necessity of self-help led to the creation of mutual aid societies, non-conformist Chapels, and the birth of the Labour movement. Tredegar’s Medical Aid Society, which was funded by weekly small contributions from the workers’ wages, was one such society, and Tredegar born Aneurin Bevan later used it as the model for the NHS (Davies, 2007).

Transport improvements also grew out of industrialisation and the population expansion. The railway connected Tredegar to Newport, and the first steam engine ran from Tredegar in 1829. The Town Hall was built in 1818, the famous Town Clock in 1858, and the now demolished Temperance Hall in 1861 (Powell, 1884).

Following a fire that destroyed the offices of the Tredegar Iron and Coal Company, part of the Tredegar works were leased to the Whiteheads Iron and Steel Company 1907, and this saw the introduction of the first continuous rolling mill in the UK. However, in what proved to be the beginning of a historical trend, the Whiteheads Works closed in 1931 and production was transferred to Newport. (www.tredegar.co.uk/history/, 2013) The post-war period was one of industrial decline for Tredegar, along with the rest of the South Wales Valleys (Adamson, 2010). As both coal and steel production disappeared from the region the limited post-industrial economic diversification, which was achieved elsewhere in the South Wales Valleys, had little impact in Tredegar. The final closure of any industrial activity on the Ebbw Vale Steelworks site in 2001, closed the chapter of industrial development which had brought Tredegar into existence. In common with other parts of the South Wales region, Tredegar entered a post-industrial phase characterised by the rising poverty and social exclusion referred to in Section 2.
In our review of our theoretical underpinnings we have paid considerable attention to the pattern of economic activity that must be established both to eradicate poverty and achieve sustainability in Tredegar and the many places like it. We do not propose a separation of the Tredegar economy from mainstream economic activity, but we will suggest that the economy of 2030 will be required to be more localised. We can envisage this diagrammatically in the following way:
This suggests a Welsh national economy which itself is intricately connected to the UK, European and global economies. However, it also suggests a semi-autonomous local economy meeting the immediate needs of the foundational economy through localised supply chains and patterns of employment. Transition theory points to the absolute necessity of such developments as the current level of globalised economic activity will become unsustainable in a world of high cost energy and transport. We support this view and would regard it essential that a level of economic activity emerges in Tredegar that can sustain an acceptable level of employment. This is an essential component of the eradication of poverty and the achievement of sustainability. In this section we explore the potential for developing the local economy to fulfill this role whilst at the same time contributing to the overall economic viability of Wales.

To assist with this task we have attempted to identify where future economic activity might lie. It is clear that the Great Financial Crisis has overlayed a recessionary trend on Wales on the already debilitated national economy. At only 75% of UK GDP, economic performance in Wales stubbornly
refuses to develop and in many respects Wales is an ‘un-developing’ nation. We use this term reservedly to describe a process in which the main indicators of effective national performance are in decline rather than improvement. Employment remains low and is characterised by low wages, and manufacturing is in continued decline as a share of the economy.

Wales has the third lowest spend on R&D in any of the UK regions, with only the North East and Northern Ireland spending less. An estimated total of £556 million was spent on R&D in 2011 in Wales, which was just 2.0 per cent of total UK R&D expenditure and 1.2 per cent of total Gross Value Added in Wales. (Stats Wales, March 2013) In should be noted, that UK R&D expenditure in 2011 was below the EU-27 average of 2.03% of GDP (ONS, March 2013). Business enterprise R&D accounted for 46 per cent of the total in Wales, with higher education accounting for 48 per cent, government making up 6 per cent and Private Non Profit making up less than 1 per cent (Stats Wales, March 2013).

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<tr>
<td>UK Total</td>
<td>27,380</td>
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<tr>
<td>North East</td>
<td>513</td>
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<tr>
<td>North West</td>
<td>2,924</td>
</tr>
<tr>
<td>Yorkshire and the Humber</td>
<td>1,097</td>
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<tr>
<td>East Midlands</td>
<td>1,594</td>
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<tr>
<td>West Midlands</td>
<td>1,601</td>
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<tr>
<td>East of England</td>
<td>4,695</td>
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<tr>
<td>London</td>
<td>3,321</td>
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<tr>
<td>South East</td>
<td>6,490</td>
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<tr>
<td>South West</td>
<td>2,136</td>
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<tr>
<td><strong>England</strong></td>
<td><strong>24,370</strong></td>
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<tr>
<td>Wales</td>
<td>556</td>
</tr>
<tr>
<td>Scotland</td>
<td>1,934</td>
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<tr>
<td>Northern Ireland</td>
<td>520</td>
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ONS, March 2013
These issues are not exclusive to Wales and there are many regions of Europe un-developing in the same pattern of economic reversal of past development. This has been highlighted by the GFC which has revealed the clear structural weaknesses of the advanced European economies, of which Wales is a very unfortunate example of a stubborn resistance to all development attempts, despite considerable European Regional Development Fund investment over an extended period. For Castells (2011), the GFC has triggered major structural changes in the European economies that indicate where future failure and success are likely to lie. Castells sees four sectors emerging from the ‘aftermath’ of the financial crisis:

- A revamped informational capitalist economy will exploit new technologies and new products, and will be the domain of a new professional elite.
- A crisis-ridden public and semi-public sector will bear the continued brunt of the fiscal crisis.
- A survival orientated traditional economic sector, with continued low productivity and low skilled employment opportunities.
- An alternative economy emerging with different models and different values based on a rejection of previous practice.

Castells sees this fourth ‘sector’ as a cultural vanguard fuelled by a quest for a different way of life. He also sees it coming together with disorientated consumers ‘...who no longer have the opportunity to consume anything but themselves’ (Castell 2012, p10). With the withdrawal of an endless supply of credit, consumers are themselves seeking alternative patterns of consumption in local food, leisure and cultural activities that do not require complete compliance with a mass culture.

If we accept Castells’ argument, where Wales positions its economic policy can drastically affect the likelihood of success and it’s ability to address the problems faced by communities such as Tredegar. Currently, Wales’ policy base is clearly located in the diminishing public sector and a survival orientated manufacturing and service sector. Neither are likely to significantly develop the Welsh economy. We suggest that Wales requires a shift of economic policy to reflect this reality and to position itself better in relation to the revamped informational economy and the alternative economy. However, we also believe that the manufacturing sector can be revitalised by identifying those elements of it that support the foundational economy. In particular, paying full attention to the localisation of food production could significantly raise the profile of food manufacturing in Wales.

Consequently, the following sections explore the potential for a revitalised local economy for Tredegar drawing on the various perspectives we have explored in earlier sections of the report.

"We suggest that Wales requires a shift of economic policy to reflect this reality and to position itself better in relation to the revamped informational economy and the alternative economy."
6 LOCAL ECONOMIC ‘SECTORS’

6.1 FOOD PRODUCTION

Food production is a major component of the foundational economy. Food is perhaps the most ‘mundane’ of all products, being a basic requirement of all life. It also represents a significant part of family expenditure. Currently, we generally locate that expenditure in the national supermarket chains.
There is a corresponding and well-publicised decline in local food production and distribution chains in favour of supermarket controlled extended supply chains. This pattern of the distribution of food has satisfied consumer demand for cheap, high quality foods and food has steadily declined in real costs over the last twenty years. However, this pattern has also extended supply chains to an international level and there has been increasing concern about food security as a consequence. There has also been concern about quality control in such extended food supply chains, and the recent horsemeat scandal has highlighted the lack of public accountability and opportunities for the corruption of food quality.

The transition movement has focused centrally on food production as an illustration of the unsustainability of current economic processes. The issue of ‘food miles’ has entered public consciousness, exemplified by flower, fruit and vegetable supply chains that reach routinely to the far east, sub-Saharan Africa and Latin America. In some instances, where supermarkets claim ‘local supply’ further investigation reveals movement from local farms to centralised distribution depots and back to the local supermarket.

Transition towns such as Todmorden and Totnes have developed small-scale localised food production, and initiatives in Wales such as the Cardiff Riverside Market have addressed an emerging public interest in more localised food supply. Cardiff was also designated a Sustainable Food City in 2013, evidencing some momentum towards more sustainable models of food production and supply.

Despite these emerging interests, however, the development of an alternative food system probably represents the most significant challenge identified in this Study. The critical vested interests of some of the most powerful economic agencies in UK society configure around the production and sale of food. Furthermore, consumer satisfaction with the current system is high, and dissent from the supermarket model of consumption is limited and only a minority consumption pattern has developed to question it. To fully foster a more localised food economy is therefore dependent on a major shift in consumption patterns, alongside the supermarket chains radically changing their current supply mechanisms (Bowman et. al. 2012). It is very difficult to see either of these happening at scale without government intervention and societal recognition of the need for change.

Additional specific barriers can be identified in the development of a food economy in Tredegar:
High rainfall and low hours of sunshine, even in comparison with the Welsh coastal plain, suggest costs of horticultural production in Tredegar would have to be under glass with the associated costs of heating. Compared to Southern Spain or even the Netherlands such costs rule out commercial production. However, there are possibilities with innovative bio-mass sources to provide relatively cheap or even free heating to large scale commercial greenhouses. CREW is currently working with the State University of New York (SUNY-ESF) on a programme of technological development of product clusters based on growth of willow crops in the Heads of the Valleys region. In what has been termed ‘the New Forest Economy’ one of the product clusters emanating from the programme is the potential development of large-scale, industrial greenhouse production of food using residual bi-products as bio-mass to provide 365 days per year heating at virtually no cost. Such a potential technological development offers opportunities for large-scale local food production, at costs that the supermarkets would find highly competitive compared to their current extended food supply chains.
New Forest Economy Initiative: A Northeast Community Based Economic Development Initiative

Agricultural & Forest Industries & Environmental Stewardship Component

Native Fiber
- Markets for low value timber
- Improved forest health & productivity
- Recreate forest based jobs

Implementation Components:
- Brownfield Reuse
- Partnered Investment
- Sustainable Community Economic Development
- Leadership & Network Development
- Technology Development
- Integration

Ongoing Socially Responsible Planning / Community Economic Development Process
Increasing Investment, Job Growth and Wealth Accumulation

State University of New York
College of Environmental Science and Forestry
There are clearly many potential links between food and health. We can immediately identify the health benefits for those employed in the physical activity of producing food in contrast to unemployment or long-term benefit dependency. However, the clearest link is between healthy diet and a range of preventable illnesses including cancers, heart disease and obesity. In the health model we have described below, prevention of disease will be an essential component of a sustainable health system by 2030 and local production of affordable, healthy food will make a major contribution to its achievement.

Britain’s production of pig meat has declined from 80% self-sufficiency to 50% self-sufficiency over the last decade.

PROXIMITY TO MARKETS

The few successful local food projects in the UK have generally been close to more affluent markets where consumer patterns are attracted to organic and other niche products, and where disposable income can bear the additional costs. Tredegar itself is one of the poorest communities in the UK and has no immediate market linkages of the kind that supports local food production in places such as Leigh in Wigan, where the Moss Brook Growers successfully produce vegetables on a commercial basis. A key factor in their success (in addition to the suitability of land) is access to an affluent and ideologically committed customer base, willing to pay higher prices, accept other constraints on their consumption and even offer voluntary labour. In the case of Moss Brook Growers, they grew out of and now supply the Unicorn Grocery, which is a long established vegan supermarket in an affluent suburb of Manchester.

LOCAL MARKET CAPACITY

Enabling wider food choice for poor populations can only be achieved by increasing disposable income, requiring higher wage and benefit levels than currently experienced in the UK. Clearly this is against the trend of current government policy and will require a clear commitment to what we have termed the New Settlement in our introduction. Limited access to quality foods is a fundamental element of current patterns of poverty. Notwithstanding the current emphasis on hunger and use of food banks, there have long been inequalities of access to healthy and nutritious food by more disadvantaged communities. Providing sufficient income to enable healthy food choices is a pre-requisite of creating a socially and environmentally sustainable community.

New fiscal policies are required to improve affordability of healthy and sustainable food choices. The cost of ensuring a nutritious and sustainable diet should be reflected in setting minimum wage and benefit levels. (Sustainable Development Commission, 2010)

POLICY LINK

There are clearly many potential links between food and health. We can immediately identify the health benefits for those employed in the physical activity of producing food in contrast to unemployment or long-term benefit dependency. However, the clearest link is between healthy diet and a range of preventable illnesses including cancers, heart disease and obesity. In the health model we have described below, prevention of disease will be an essential component of a sustainable health system by 2030 and local production of affordable, healthy food will make a major contribution to its achievement.
The Centre for Research on Socio-Cultural Change (CRESC) illustrates the current pattern of supermarket supply chain structure and its consequences for localised food production by examining the supply of bacon products in the UK. Britain’s production of pig meat has declined from 80% self-sufficiency to 50% self-sufficiency over the last decade. Supply has shifted towards Northern European countries including the Netherlands and Denmark, despite higher wage levels than the UK. Supermarkets are able to use a ‘trader’ approach to dictate supply chain terms and price by offering short-term agreements rather than supply contracts. The threat of withdrawal drives down product price as well as the wages and working conditions of those employed in the sector. The study identifies the alternative models of the Dutch and Danish experience, but also the vertically integrated supply chain operated by Morrisons in contrast to the other supermarkets. The Morrissons approach encourages long-term investment in production and processing facilities.

The Morrisons model aligns the interests of firm, supply chain and society. Morrisons runs its vertically integrated processing plants at full capacity and proves the benefits of plant loading with demand stabilised. The firm increases margins, reduces transaction costs and controls quality. Society gains through reduced import dependence, stable employment and the capacity to address animal welfare and climate change. (Bowman et. al., 2012, p7)

The insights derived from the analysis of meat supply chains can equally apply to other areas of the food supply chain.

In the context of this Study we believe that more ethical, sustainable and secure supplies of food will be required by 2030, but we recognise the substantial barriers that might currently prevent this happening. To begin a process in the face of such barriers in Tredegar is, however, a critical step to take and can inform other communities in Wales, and beyond, on how some of those barriers might be overcome:

The second key area of potential lies in the apparent capacity of CFIs (Community Food Initiatives) to act as agents of transition. The particular significance of this is that whilst there is an increasingly sophisticated understanding of the lack of sustainability in the current system and of the key requirements of a sustainable food system, there is remarkably little understanding about how to make the transition from one system to another. (Jones et.al., 2009)
6.2 ENERGY CONSERVATION AND GENERATION

Energy represents an additional core element of the foundational economy. Currently dominated by the large-scale privatised utility companies, energy cost has become a controversial political topic, as the state appears to have lost control of the energy market in the UK. Transition thinking points to the collapse of fossil fuel supply as the basis for future fuel security, and that the UK is already heavily dependent on the import of liquid gas for a significant proportion of its electricity generating capacity and domestic supply. Concerns around energy security parallel concerns about future costs and rising fuel poverty as the UK has effectively developed an energy supply system that is dependent on external suppliers.

Currently, the state sees investment in energy infrastructure as the responsibility of the consumer, who provides funding through the pricing structures operated by the major energy companies. It is hard to identify a historical infrastructural development of this scale that was not funded either by the state or private sector investment. However, currently both risk and costs associated with energy supply are borne by the consumer.

State investment in alternative energy supply has been low in the UK and, in comparison with some continental countries, it lags behind in the development of alternative and renewable energy sources. There is wide spread public opposition to on-shore wind energy, and little interest in domestic generation options as diminishing feed-in tariffs (FITs) have effectively limited household investment in photo-voltaic generation and micro-generation options. The decline in demand has also badly affected the installation industry, limiting future capacity to develop this sector rapidly. Overall UK energy policy has moved away from energy conservation and renewable generation, towards gas as a clean technology and second generation nuclear as a foundation of UK energy supply. More recently ‘fracking’ and coal-seam gas extraction have emerged as the potential saviours of energy supply. However, neither of these moves the UK from its dependency on energy, nor encourage behaviours that limit use and conserve supply.

Transition thinking convincingly identifies the unsustainability of this energy model. The top down, power station and grid dominated structure of the industry makes change difficult, but European innovation is pointing the way to a potential revolution in the deployment of renewable energy sources. Much of the emerging practice is raising the potential of community initiatives to make a major contribution to energy supply. If coupled with energy conservation measures at the local level, it is now feasible and practical within the 15 years timescale of this review to envisage energy self-sufficiency in communities the size of Trefegar. We argue that this will require a major shift to an innovative energy model similar to the Energiewende approach developed in Germany (see below).

6.2.1 ENERGY CONSERVATION

We argue that the first stage of this energy shift has to be the conservation of energy through retrofit measures on the current housing stock. A fundamental element of the Energiewende movement in Germany has been measures to reduce energy consumption as well as create renewable supply. The dictum ‘a saved kilowatt-hour is the most cost-effective kilowatt hour’ has informed the emerging energy approach in Germany (Agora Energiewende, 2013).

Traditionally constructed dwellings in areas such as the South Wales Valleys have very poor levels of insulation and are difficult to bring to a modern level of energy performance. Solid wall
Victorian properties present specific difficulties, requiring significant investment in internal or external insulation. Although there is currently little agreement on how best to achieve this (ARUP and Institute for Sustainability, 2012), particularly in the traditional terraced communities of South Wales, practice improves continually and the ARBED experience in Wales has offered good lessons for future practice. Phase One the ARBED programme identified initial funding of £36.6m for investment in energy conservation measures in social housing. A further £32m was levered-in by additional investment as RSLs took economy of scale opportunities to develop their own contribution of approximately £20m. Energy company contributions through CERT and CESP programme provided a further £12m. For the future, Welsh Government sees a programme of some £1bn investment deriving from a range of sources including:

- NEST
- WHQS
- FITS
- Renewable Heat Incentive
- Green Deal
- Energy Act
- Utility company obligations

This configuration of funding streams provides a unique opportunity to focus attention on the achievement of a carbon neutral community in Tredegar, and suggests a programme of investment to underpin the movement to a new energy model. Post-ARBED Phase One calculations of cost are subject to numerous caveats and should be seen only as indicative. However, they can provide a clear indication of approximate costs to bring all homes in the Study area to a significantly higher carbon performance. Without a housing stock condition survey we cannot specify the exact blend of measures, which would be necessary to improve carbon performance of the Tredegar housing stock. Our best calculations are based on the post-ARBED Phase One evaluation. By averaging the costs of insulating homes on mains gas and off mains gas, and providing full solar heating and Photo Voltaic generation, an estimate of between £117m and £120m would be required in the Study area. These costs would be offset by the economic and regeneration activity created, the sustainable jobs established and by the ability to bring local people from long-term economic activity into the delivery of the programme. Additionally, there may be economies of scale.

**ACTION POINT 4: BLAENAU GWENT CBC, MELIN HOMES AND TAI CALON**

We urge the development of a special purpose vehicle (SPV) designed to bring Tredegar to a low carbon standard, in which all homes have their carbon performance improved to their individual full capability. We suggest the ideal agencies to develop the SPV include the local authority, Melin Homes (ARBED delivery agency for South Wales) and Tai Calon the major RSL in Tredegar. The SPV can assemble funding opportunities from the sources identified above to develop a 10-year programme of energy conservation, which will underpin an exemplar energy transition in Tredegar.
In The Green New Deal Hines et al. (2008) point to the major economic impetus that can be derived from the drive to both insulate our homes and provide energy generation capacity at the household level. Turning each home into a ‘power station’ and creating a ‘carbon army’ of workers improving the carbon performance of traditional housing stock, not only helps resolve key energy supply and climate change issues, but also provides employment and economic impetus. The sector offers both high and low skills employment opportunities, and ‘green-collar’ jobs can in part replace the lost blue-collar employment opportunities for the less qualified.

The ARBED programme demonstrated that this employment capacity can be directly targeted at local marginalised populations to provide training and apprenticeship opportunities. Additionally, the opportunity to develop the local supply chain is considerable. Of the 51 installation companies active in ARBED Phase One, 41 were exclusively operating in Wales. However, only 5 of the 17 products approved for ARBED installation were made in Wales, suggesting further opportunity to develop economic impact by promoting more localised production for what would be a more stable and longer-term programme. Early reports from ARBED Phase Two suggest a considerable economic potential from these low carbon interventions, which establish that the kind of job creation and economic impact evident in countries such as Germany and Denmark could be achieved in Wales. Of the £14.3m delivered to date in ARBED Phase Two, 100% has been retained within the Welsh economy, creating 45 jobs for disadvantaged people and 204 sustainable jobs overall. The impact of the expenditure on the Welsh economy has been in a ratio of £2 gain for every £1 spent. Additionally, in the 3,785 homes delivered at the time of writing, there were average fuel savings of £305 per year making a critical contribution to the eradication of fuel poverty (Welsh Government, February 2014a).

6.2.2 ENERGY GENERATION

The second key element of any transition to a new energy model is localised energy generation. However, energy production at the local level in the UK is currently in its infancy. In Wales, the Llangattock Green Valleys project stands out for exceptional achievements and for its isolation from any sense of a wider community energy movement. However, there is interest in community owned renewable energy in Wales and mapping of potential micro-hydro sources has been conducted in a number of areas, including Blaenau Gwent and, for our interest, Tredegar. In contrast, in Europe community energy production is advanced with several countries providing fertile financial and regulatory environments to foster innovation and widespread development of localised generation capacity. We turn to Germany as inspiration for what the future model might look like.
The movement termed Energiewende has seen a rapid development of local power generation in Germany. Villages combine multiple sources of generation capability including bio-gas, bio-mass, micro-hydro, wind and solar PV to achieve energy self-sufficiency and in many cases sell energy to the grid system.

At the top end of this evolution of energy use and supply is government regulation, including the commitment to end nuclear energy production and replace it with renewables. A raft of supportive legislation provides security of investment and return through long-term feed-in tariffs. Collectively the measures have increased investment in renewables with the result that costs of developing supply have fallen. With its origins in the 1970s anti-nuclear energy movement in Germany, the pace of change and technological development has accelerated in the last decade and the sector has created 380,000 jobs from this new approach to energy generation.

The Energiewend develops a model of power supply that is very different from the grid approach and the operation of 'base-load' power stations. It argues for flexibility of supply and a major emphasis on energy conservation (Agora Energiewende, 2013). Additionally, whilst government has provided a flexible and supportive legislative environment, much of the development of supply has been localised and driven by community and municipal initiatives. Communities have been empowered by the legislative framework and lack of 'red tape' associated with power generation in Germany.

(See: www.energytransition.de)

In contrast, community renewable organisations in Wales report a hostile framework of environmental rules, planning regimes, difficult funding environment and little active support from local authorities and key agencies, including the now Natural Resources Wales and its legacy organisations (Welsh Government, 2014b). Welsh Government has made a start promoting a community renewable sector in Wales through its jointly funded ERDF programme Ynni’r Fro, which currently supports some 24 community renewable projects. However, with modest targets and comparatively low funding it is unlikely to trigger the levels of development and investment evident in Germany. We believe there is a critical need to mainstream the development of community renewable initiatives by making them a core responsibility of Natural Resources Wales, which would be empowered to work pro-actively with communities on the development of this important economic sector.
ACTION POINT 5: WELSH GOVERNMENT, NRW, AND BLAENAU GWENT CBC

Welsh Government should charge Natural Resource Wales with the creation of a Unit to promote local energy production and assist communities to develop an 'Egni Newid' movement in Wales, which recognises the diversity of rural and urban possibilities in renewable energy development. This should explore all potential renewable sources including those that have yet to emerge in Wales, such as bio-gas and solar PV farming.

Building on the work commissioned by the now defunct EVAD Development Trust, NRW and Blaenau Gwent County Borough Council should explore the micro-hydro sources identified in the locality of Tredegar to pilot a community owned generation capability. Further work should be instigated on development of additional sources of generating at this local level, including bio-mass feedstock development from native feedstock and willow cropping.

This may require the development of a local delivery vehicle in the absence of a current development trust to provide leadership in this critical element of Tredegar's attainment of sustainability by 2030. Any vehicle that emerges to provide this function should comprehensively network with European counterparts, and specifically develop capacity to tap any EU funding programmes that follow on from the European Energy Efficiency Facility (EEEF), which regrettably ends in March 2014, too late to support the objectives identified here.

CASE STUDY: MODEL GÜSSING, AUSTRIA

In the 1980s Güssing was a small, peripheral town of 4,000 inhabitants in eastern Austria. Its socio-economic profile was very similar to Tredegar with up to 60% economic inactivity, outward migration and over 70% of its working population commuting to Vienna, over 100 kilometres away. It had a public sector energy bill of some 8 million Euros with a heavy dependence on fossil fuels. Beginning from modest, highly localised, bio-mass heating schemes the town has developed to be the first to achieve zero-carbon status.

With the town council providing leadership, the first element of the transition was to reduce energy consumption in public buildings by 50% with an active programme of insulation. Further developments included the transition to a whole town heating system from bio-mass derived from local forests. In 1996 the European Centre for Renewable Energy (EEE) (www.eee-info.net/cms/EN/) was developed at Güssing and has promoted the technological innovations associated with the town's programme of renewable energy transition. Most recently this has included the development of a bio-mass gasification plant which produces a natural gas equivalent from local bio-mass stock.

As important as the energy transition has been at Güssing, the economic transformation has been as convincing, with 60 new companies creating between 1,000 and 1,500 new jobs. The location is now a centre for renewable energy expertise and receives up to 400 visits per week to its various renewable energy facilities.

(See: www.cleantechnica.com/2013/10/16/renewable-energy-powered-austrian-town-gussing)
6.3 THE CARE SECTOR

In our health section (see below) we discuss the poor health characteristics of the community of Tredegar. These ensure that high levels of community care are required. If we also add the demographic profile of the locality we see that over 18% of residents are over the age of 65, again ensuring a considerable demand for care services. The 2012–13 expenditure on social services for the county of Blaenau Gwent was £37,270,320, amounting to 26% of the full county budget. This represents per capita social services expenditure for the county of £533 and a consequent spend in the Study area of £7,898,355.

Despite this expenditure there is a widespread belief that care services, especially for the elderly, are inadequate to meet the needs of the aging population and generally do not provide the level of service expected by older people themselves and their relatives. Care costs to recipients have become a highly politicised issue with successive governments wrestling with the rising numbers of older people and consequential care costs. The UK Commission on Funding of Care and Support (Dilnot Commission 2011) identified a number of critical factors affecting the long-term sustainability of care services for the elderly. There are rising costs and a political expectation that the full costs should not be borne by the recipients of care, or their families. Dilnot recommended a cap of £35,000 p.a. care costs, after which government would pay for care. However, the UK coalition government has not accepted this at a UK level and in Wales there has been no movement to the free elder care services provided by the Scottish Government. However, the Social Care Charges (Wales Measure) limits costs to a maximum of £50 per week for all beneficiaries.

Although social services teams make most initial assessments, over 70% of care is provided by the independent sector (UKHCA, 2013). The hourly rate offered by local authorities is often judged to be inadequate to provide decent care levels and that rate is under increasing downward pressure as public expenditure cuts take effect. Only 4% of local authorities in England and Wales pay the Home Care Association recommended £15 per hour (File On Four, Radio 4, 2014). This also relegates pay in the sector to largely minimum wage levels, which is believed to inhibit care quality. Furthermore, the average level of provision is under 10 hours per week. In summary, the existing care model in Wales does not provide sufficient good quality care at a reasonable cost to beneficiaries.

This Study suggests that care services represent a fundamental element of the foundational economy in Tredegar, and is an area of policy delivery with considerable potential for reform. We believe that a fundamental restructuring of care services could reallocate much of this activity, raise the standards of care, and provide improved employment opportunities at higher wage levels for the wider population. This is an area of current economic activity where extended supply chains to incorporate national and multi-national companies has displaced local economic activity, and raised costs to meet shareholder expectations. However, the ubiquitous nature of this pattern of elderly persons care in the UK has made it difficult to identify alternatives. To support this we will turn to a brief examination of an alternative model associated with care services in Italy and in Bologna specifically. The development there of ‘social care co-operatives’ has attracted international interest.

The Emilia Romagna region of Italy benefits from extensive state support for a cooperative movement generally. With a population of nearly 4 million, the region has progressed from being one of the poorest in Italy to being the exemplar of economic development based on SME development and cooperation as an economic principle supported...
by the state. Co-operatives now contribute over 40% of the regional GDP with trading co-operatives in construction, agriculture, housing and retail. Critically for our interests here, the region has also developed an extensive network of ‘social co-operatives’ providing a wide range of health and social services. Emerging in the 1970s many were formed by the families and care providers of service users and the development of the sector was boosted in 1981 by full state recognition of its role (Restakis, 2005).

Specifically in Bologna, some 85% of social services are provided by co-operatives. Two types of cooperative are identified:

- **Type A**, which provide the delivery of social, health, educational, and recreational services.
- **Type B**, which provide for the gainful employment of the disadvantaged through training in the agricultural, industrial, business, or service sectors. (Restakis, 2005)

In the context of our Tredegar Study, we are primarily interested in the potential of Type A to meet the care needs of both an aging population and potentially to meet the child care deficit that is also evident throughout Wales and notably in places like Tredegar. Appraisals of the Bologna cooperative care providers suggest that they achieve higher care quality at lower costs than conventional models. Further support for the promotion of this care model in Wales can be derived from similar developments in Quebec, where considerable interest in the development of social co-operatives has emerged in recent years. Both the Welsh Government and the Welsh Cooperative movement have in part shared this interest in Wales. A report was commissioned by the Wales Progressive Co-operators in 2012 and submitted as supplementary evidence to the Health and Social Care Committee Inquiry into Residential Care for Older People. The report outlined the development of services from roots in ‘home help’ type provision, to more comprehensive elder persons care services. Funded by a combination of grants to individuals, top up fees from service users and grants to organisations, the sector has grown to provide care services to 76,000 customers. The sector comprises some 100 organisations of not-for-profit or cooperative status.

In her support in the Social Services and Wellbeing Bill for Direct Payment of social care costs to the beneficiary, Gwenda Thomas AM, the Deputy Minster for Social Services, made an important step towards the financial regulatory environment required to support the development of social care models evidenced in Bologna and Quebec.
Welsh Government should build on the findings of the 2014 Commission on Co-operatives and Mutuals to explore the social care cooperative model further and provide a legislative and funding environment to promote its development. Welsh Government should further promote the duty on local authorities of direct payment of social care costs identified in the Social Services and Wellbeing Bill.

Blaenau Gwent CBC and Aneurin Bevan Health Board should explore the model further for its commissioning of elder care services to ensure that procurement practice and funding regimes promote the development of the social care cooperative sector in Tredegar.

Cooperative and social enterprise development agencies in Wales should develop a pro-active programme of social care cooperative development.

**CASE STUDY: CARING SUPPORT, CROYDON, LONDON**

*Caring Support* is a community co-operative model of homecare in Croydon based on small local clusters providing care, giving practical support to unpaid carers, and training and employing local people as home and personal care assistants. It is owned and controlled by service users and their carers.

Based on opportunities arising from ‘direct payments’, which gave those in need of homecare support to purchase their own services, the model used by Caring Support completes all administration requirements, prepares care plans and ensures continuity and verification and monitoring of carers for those opting for the direct payment route. The service itself works on a cluster model based on small groups of service users matched with personal care assistants who are trained to work in a person-centred way. Members of each group sit on the management committee.

Caring Support has also developed a local employment strategy to recruit and train its own staff, and its aim is to have a pool of new recruits from its training courses to continue to work with new clusters. By remaining locally focused, Caring Support also hopes to engage with the wider community and develop and build local investment.

(See: [www.caringsupport.org](http://www.caringsupport.org))
In Italy there are now over 3,000 social care co-operatives, employing nearly 60,000 people, many of whom are handicapped or previously outside of mainstream employment. CADIAI is one of Italy’s most established social services co-operatives. Formed in 1974 by 30 people, 27 of whom were women, whose aims were to ensure more stable employment and to protect and promote the job of caring, increasing its professional content and social value.

CADIAI provides social, healthcare, and educational services to the public (often in cooperation with public bodies), and healthcare surveillance, occupational health services, and safety training programmes to companies.

Many CADIAI employees are also members of the cooperative. But employees and collaborators are under no obligation to become members: membership is a matter of free choice, a way to play a more active role in the cooperative’s activities. Out of a total of 1,296 employees today, 65% are members, and 86% are women. Ten out of 14 members of the Board of Directors are women, and both the President of the Board and the CEO are women.

(See: www.cadiai.it)

Whilst we are not able to quantify the job creation potential of this sector, the international evidence suggests that it is considerable. Inevitably, there will be displacement from current patterns of employment in the care sector, but experience in Bologna and Quebec suggests that this would be into organisations operating democratically, providing high levels of care and valuing carers. The development of this sector would also shorten supply chains, develop local autonomous organisations and eliminate the quest for share dividends for distant shareholders with no social stake in the community.

 Whilst we have been unable to fully investigate child care opportunities, we believe there are significant opportunities in this element of care also. It should also be noted that there are specific opportunities for coproduction in mental health, and the New Economics Foundation, commissioned by Mind to inform its work, has recently produced a report into the possibilities of this approach. The report identifies the intrinsic value for individuals, the increased capacity and impact of public services, and the monetary value to individuals and the state, as being the critical value of coproduction in mental health (New Economics Foundation, 2013, p. 16). These are benefits that can equally accrue to other aspects of health care and services.
6.4 E-COMMERCE AND EMPLOYMENT

For transition thinking it is critical to examine closely the pattern of work in contemporary society. The current model of the ‘commute’ to the place of work, classically associated with post-Fordist production systems, has very clear environmental penalties attached to it. The problems of traffic congestion, poor public transport infrastructure and growing travel to work distances combine to add some urgency to the development of alternative patterns of working.

A number of existing trends have the capacity to rapidly respond to environmental pressures and reduce the travel to work levels of contemporary work patterns. A key element of the argument in this Study to localise more economic activity is in part a response to the need to create employment in the immediate vicinity of Tredegar in response to current levels of poverty. However, it is also in recognition that the achievement of a low carbon community by 2030 will require a radical reorganisation of work patterns to reduce car travel, especially the sole-occupant travel patterns associated with commuting. We will examine three potential current trends that, with support and cultural change, could radically reduce current travel to work patterns. However, all are dependent on the availability of effective, high-speed broadband infrastructure. The current Welsh Government roll-out of broadband to Wales has already reached Tredegar and fibre-optic connection is available in the area. However, it is not yet clear what socio-economic barriers there are to sign-up to high speed accounts with appropriate providers or to the purchase of sufficiently well-specified computers which can take advantage of the availability of higher speed connections.

Cost will be a key factor for low-income communities such as Tredegar.

This is also likely to be true for residents who may have the capacity to develop on-line work or business engagement, but lack sufficient start up capital to enable this to happen.

In the early stages of any transition to a more localised but connected economy, some level of public provision will be necessary to kick-start new patterns of employment and commercial activity. In the past Wales has invested in highly expensive initiatives such as Techniums. Here we propose a more modest investment at the local level, coupled to more comprehensive provision at the Ebbw Vale Works site. At the local level we draw on experience in providing ‘technological clusters’ by developing ‘meanwhile uses’ of existing buildings. Currently empty buildings are utilised to provide low cost or free office space to start up businesses and those who wish to work remotely from their main place of employment. The buildings are made safe, provided with utility connections and high-speed broadband connectivity. Workspaces are established of variable sizes and common, shared facilities for reprographics, meeting space and kitchen areas are provided. Clients can book space from as little as one hour to a permanent allocation and can be as small as a single desk or as large as a suite.

One of the key advantages of such clusters is the development of synergies between clients who often begin trading with each other to provide local economic activity. It also fosters collaboration and pooling of skills, enabling business development and more ambitious patterns of trading by emerging businesses. Tredegar has several currently empty spaces of sufficient scale to allow this form of local
provision. These spaces should also be linked to a skills centre at the Ebbw Vale Learning Zone where remote working, business start up and generic IT skills provision would be available to support the development of a strong ‘e-commercial sector’ in the region.

In a first floor empty office suite awaiting renovation the local authority has created a number of discrete office spaces, which it rents at peppercorn or zero levels to arts and media based organisations. Tenancies include individual media companies alongside third sector organisations such as NSW Community Music. One specific initiative has considerable potential for use in Wales as a model of business incubation. Homeworks rents, at very low rates, a single large office space and makes it available to start-up businesses on daily, weekly and monthly rents. Occupied by up to 15 young business people it provides a relaxed and lively shared space with common kitchen and balcony areas. It has a meeting room available for bringing clients to the office. Occupants report significant improvement in business credibility with an Oxford Street address, and an ability to meet clients at a viable business address. Most occupants had previously been trading from their bedrooms with associated difficulties and felt that the availability of this space had been of huge advantage to their attempts to start a business.

**CASE STUDY: HOMEWORKS, SYDNEY**

In a first floor empty office suite awaiting renovation the local authority has created a number of discrete office spaces, which it rents at peppercorn or zero levels to arts and media based organisations. Tenancies include individual media companies alongside third sector organisations such as NSW Community Music. One specific initiative has considerable potential for use in Wales as a model of business incubation. Homeworks rents, at very low rates, a single large office space and makes it available to start-up businesses on daily, weekly and monthly rents. Occupied by up to 15 young business people it provides a relaxed and lively shared space with common kitchen and balcony areas. It has a meeting room available for bringing clients to the office. Occupants report significant improvement in business credibility with an Oxford Street address, and an ability to meet clients at a viable business address. Most occupants had previously been trading from their bedrooms with associated difficulties and felt that the availability of this space had been of huge advantage to their attempts to start a business.

**ACTION POINT 7: BLAENAU GWENT CBC AND COLEG GWENT**

A project should be initiated to develop a low cost ‘meanwhile use’ type office/commercial space in Tredegar to assist the development of a remote working and e-commercial sector. A linked skills centre at the Ebbw Vale Learning Zone should build on the existing provision to rapidly upskill the local population in the potential employment capacity of this sector.
With development of local support and an element of initial subsidy we believe the following three areas of economic activity can develop to provide a clear source of local employment:

**REMOTE WORKING**

Currently, within the Study area an average of 75% of those in work travel by motor vehicle to work. Although travel to work distances for the area are currently low at under 5 km (BGCBC, 2008), the current policy of extending the rail link to Ebbw Vale centre and the linked Metro proposals for South Wales, are geared to extending travel to work distances. If this improved capacity of public transport can develop more employment options for Tredegar residents and support their travel on public transport networks, this will make an important contribution to the achievement of a low carbon community. However, in parallel we should also seek to minimise demand on that public transport system by reducing travel to work requirements. This can be achieved by fostering remote working, especially in the public sector. This requires major employer cultural change to accept the premise that remote working, although less supervised, can be at least as efficient as office-based patterns. Opinion is divided...
on the advantages of remote working but a blended approach that requires some office-based activity appears to achieve the best of both worlds, whilst reducing travel to work.

E-COMMERCE

This approach seeks to maximise the versatility of web-based commercial activity primarily by linking remote places to more active markets. Often associated with trade in niche products, this enables small-scale suppliers to reach potentially unlimited markets by internet advertising and sales techniques. This approach can offer some promise of recovery to the shopping area of Tredegar, if multi-mode trading is established. Various approaches have emerged to include: ‘click and collect’ services by local shops, general on-line trading to the wider internet, and low-entry trading opportunities through websites such as Amazon and E-Bay.

E-marketing in the local area can also bolster high street footfall and sales by direct communication with the local customer base. The 3TV initiative in Blaenau Gwent achieved this to a considerable extent. Current trials of the FYI initiative in Neath and Brecon are also tapping the potential of e-marketing to reach local customers more effectively and increase local trading levels.

Similarly, Monmouthshire has established a strong virtual presence through its ‘wiki-town’ initiative where smart phone and tablet users can opt to receive updates and information from traders as they walk around the town.

IT BASED CREATIVE INDUSTRIES

Many of the existing and emerging creative industries are strongly IT-based and, providing good connectivity is available, can in theory be delivered from any location. Although there are clear advantages to city-based creative clusters such as Porth Teigr in Cardiff Bay, it is also the case that services can be provided from more remote locations at lower cost. This approach can be particularly suitable for new start up businesses in areas such as video-production, gaming software, design and illustration. Experience from the Blaenau Gwent Effect Sirolli Institute enterprise facilitation programme suggests that there are number of retuning graduates, skilled in these fields who have the capacity and motivation to establish small businesses in these and related fields.
The Heads of the Valleys area has some of the most significant health challenges in Wales. Aneurin Bevan Local Health Board figures show that there is a 20-year gap in healthy life expectancy between those living in its poorest and most affluent areas.
The distance between Tredegar and Abergavenny can be traversed in just fifteen minutes by car, but in health terms it is two decades disparity in healthy life expectancy. This is, of course, a sad irony as Tredegar is regarded as the birthplace of the NHS.

Smoking levels, obesity and alcohol abuse are amongst the highest in Wales, as are mental health problems with one in eight adults taking prescription antidepressants. High cancer rates, linked to poor lifestyles and late presentation, are also high, as are suicide rates. The percentage of people in the Study area with limiting long-term illnesses are noticeably above the Wales average of 23.27% in nine of the LSOA, and in four of the LSOA around 10% higher than the Wales average. This is reflected in the higher number of claimants for illness or disability related benefits, as it is in the rates of cancer and limiting long-term illnesses. Low birth weights are also significantly more pronounced in the Study area. The tables below present some of the most relevant data.
## Indicators of General Ill Health in Tredegar

<table>
<thead>
<tr>
<th>LSOA Name</th>
<th>% of people with a limiting long-term illness (2001)</th>
<th>% of working age people claiming Disability Living Allowance, Attendance Allowance or Industrial Injuries benefits (Aug 2011 Qtr)</th>
<th>% of working age people claiming ESA, Incapacity Benefit or Severe Disablement Allowance (Aug 2011 Qtr)</th>
<th>Rate of all-cause death per 100,000 population (2000-2009)</th>
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<tr>
<td>Tredegar Central and West 1</td>
<td>26.78</td>
<td>2.3</td>
<td>10.9</td>
<td>1131</td>
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<tr>
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<td>1.7</td>
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<tr>
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<td>3.2</td>
<td>25</td>
<td>1280.4</td>
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<tr>
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<td>1.1</td>
<td>19.1</td>
<td>1842.4</td>
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<td>1.7</td>
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</tr>
<tr>
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<td>23.08</td>
<td>1.3</td>
<td>8.9</td>
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<td>Sirhowy 4</td>
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<td>BG</td>
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<td>13.7</td>
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<td>Wales</td>
<td>23.27</td>
<td>1.4</td>
<td>9.4</td>
<td>1099.4</td>
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</table>

ONS, DWP, WIMD 2001

<table>
<thead>
<tr>
<th>LSOA Name</th>
<th>Rate of cancer incidence per 100,000 population (2000-2009)</th>
<th>Rate of limiting long-term illness per 100,000 population (2000-2009)</th>
<th>% of births that are singleton low birth weights (2000-2009)</th>
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<tbody>
<tr>
<td>Tredegar Central and West 1</td>
<td>451.2</td>
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</tr>
<tr>
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<tr>
<td>Wales</td>
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<td>23274</td>
<td>5.9</td>
</tr>
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</table>

Welsh Government
The existence of health inequalities, as well as the effects of these inequalities, is widely understood. The Marmot Review proved conclusively that much of the measurable inequality does not arise by chance, but is rather the result of the social and economic circumstances people live in – the lower a person’s social position, the worse their health. One example given by Michael Marmot, is that in England, for people aged 30 and above, if everyone without a degree had their death rate reduced to that of people with degrees, there would be 202,000 fewer premature deaths each year (Marmot, 2010). Marmot identifies that public health campaigns have little effect in changing behavior and that underlying these patterns of consumption are primary causes conditioned by inequalities in society. Tackling the inequalities evident in places like Tredegar can be seen to tackle the ‘causes of the causes’ of the poor health profile. Consequently, public health policy needs to be underpinned by a comprehensive anti-poverty strategy that addresses the gross inequalities that have come to characterise Welsh society. The relationship between poverty and social exclusion is discussed in Section 2.1, here we simply repeat the recognition of the strong relationship between poverty and wider health outcomes.

**POLICY LINK**

Welsh Government’s commitment to its Anti-Poverty Action Plan is a critical component of the reversal of patterns of ill-health created by inequality in Welsh society. Programmes including Communities First, Flying Start and Families First represent an important configuration of policies that can address the underlying causes of poor health in Wales and in Tredegar. The inclusion of the ‘healthy communities’ national outcome in the Communities First Programme goes some way to linking the health and poverty agenda. However, there is also a need within the NHS to recognise the underlying causes of ill-health and to work more closely with other policy strands to achieve positive health outcomes for the most deprived populations in Wales.
The Welsh Government’s Fairer Health Outcomes for All: Reducing Inequalities in Health Strategic Action Plan (2011), confirmed that far from reducing inequalities, the gaps in health and well-being have actually been increasing over the last 20 years. It also put the annual economic cost of dealing with the consequences of inequalities in health in Wales at an estimated £3.2bn-£4bn.

The Marmot Review (2010) identified six policy objectives to reduce health inequalities:

- Give every child the best start in life.
- Enable all children, young people and adults to maximise their capabilities and have control over their lives.
- Ensure healthy standard of living for all.
- Create and develop healthy and sustainable places and communities.
- Strengthen the role and impact of ill-health prevention.

It also argued that delivering these policy areas required action by central and local government, the NHS, the third and private sectors and community groups. It was also dependent on empowered people and local communities. The Welsh Government’s own Strategic Action Plan for Tackling Health Inequalities (2011), identified six themes, which would appear to be consistent with Marmot, these are:

- Reducing inequalities in health.
- Health and well-being through life course.
- Healthy sustainable communities.
- Health as a shared goal.
- Prevention and early intervention.
- Strengthening evidence and monitoring progress.

The Welsh Government has also been keen to point to four distinct themes that are particularly Welsh, including: a shared responsibility for health between the people of Wales and the NHS; getting the best from the resources available; a need to ensure that health is reflected in all policies; and, minimising the effects of disadvantage on access and outcome.

This approach accords closely with Julian Tudor Hart’s highly regarded Inverse Care Law (1971), which argued that the availability of good medical care tends to vary inversely with the needs of the population served. Health service supply is a complex issue and centralisation of services has become a dominant way of perceiving service improvement. Primary health services are of specific concern in places like Tredegar and there are specific recruitment difficulties experienced by GP practices for doctors to work in poorer communities. Part of the agenda for improving the health divide has to be an element of service improvement at this local level.

Although the health services are certainly a key part of improving public health and tackling health inequalities, if the underlying problems are to be addressed, then the focus must also be on the economy (Williams, 2008), and on creating sustainable communities. There is a recognised connection between health improvement and sustainable regeneration, underpinned by environmental, social and economic improvements – tackling the underlying determinants of ill-health (WLGA, 2008). The Welsh Government’s Fairer Health Outcomes for All: Reducing Inequalities in Health Strategic Action Plan (2011), confirmed that far from reducing inequalities, the gaps in health and well-being have actually been increasing over the last 20 years. It also put the annual economic cost of dealing with the consequences of inequalities in health in Wales at an estimated £3.2bn-£4bn.
Recognising the actual and potential economic benefit of the health service spend can make a critical contribution to the local economy. We can identify the potential economic impact of this spending in localities such as Tredegar. As part of the foundational economy, health services are both a major employer and a major consumer of goods and services. The employment potential is best realised where there is good local alignment between educational and training provision and employment opportunities in the health service. Clearly, at the upper level of the professional services this is a role for the universities, however, colleges of further education can play a major role in ensuring that local employment opportunities are available in ancillary services and that local people are equipped to access them. Matching skills provision with employer demand is essential.

As a consumer, the health service offers considerable potential for local economic impact. Current procurement practice tends toward centralised and consortium purchasing for very sound reasons of economies of scale. However, beyond the highly specialised goods and services required by health care organisations, there is considerable opportunity for more local purchasing patterns, particularly in the supply of food and basic services such as cleaning, caring and ancillary services. The Federation of Small Businesses has examined this issue at a UK level and concludes:

The FSB believes that public procurement must be about more than delivering services, and that local authority procurement in particular must be used strategically to deliver social and economic gains. More specifically, we believe that it must be used to support local growth and local jobs by using local businesses to keep more of local council’s money in local economies. (FSB, 2013)

In general the FSB report concludes that for every £1 of public spending with local SMEs a further 63 pence is generated in the local economy. Health service spend offers the most potential for realising this local impact. This perspective has been recognised in the procurement review conducted by Welsh Government (McClelland, 2012) and the development of the Community Benefits Toolkit by Value Wales. Building on achievements developed in the housing sector and the use of the i2i Can Do Toolkit (2010), revisions to procurement practice can develop local supply chains and provide targeted recruitment and training opportunities for local people.

The Aneurin Bevan LHB employs some 1,400 people, and clearly has a role in the regional economy well beyond a purely clinical one. Examples drawn from Cleveland, Ohio (see Case Study below) have demonstrated the significant role of ‘anchor institutions’ such as hospitals and universities, through procurement, and particularly in favouring local social enterprises.

The Democracy Collaborative in the USA has documented the important role of these anchor institutions in the procurement of services and goods from social enterprises. These have tended to be food, which has lead to large-scale glass house developments employing significant numbers of local people, and other services such as hospital laundry.

There seems little sustainable reason why regional anchor institutions in the Study area could not adopt a similar model of sustainable procurement, particularly when seen in the wider context of tackling health inequalities – the more wealth locally, the better health locally.
There is also widespread concern about the long-term economic stability of the health service in Wales. In a recent edition of Agenda (IWA, 2013/14) several articles address the economic burden that the health service presents to Welsh Government. Currently set at 42% of the Welsh government’s spending, it is expected to reach 57% within a decade (IWA, 2013/14 p1). Clearly the impact on other key services, including education, is of major concern.

For Longley (IWA, 2013/14, p25) this trajectory will inevitably have to change and he sees three ways of achieving this. The first will pursue improved efficiency and use of reliable data to fine tune performance and provide internal ‘challenge’. Elsewhere the need to integrate health and social care can potentially provide better services and lower costs, a gain that will become increasingly critical as the population ages. However, he also identifies the need for ‘a new compact between personal and social responsibility for health’ (p25).

This suggests that our personal behaviours in relation to diet, alcohol and tobacco use must be challenged in effective ways to produce real change. He points to the decades of strategies to reduce smoking which has, for the first time, fallen below 20% of the UK population. In the same issue of
Agenda the Health Minister, Mark Drakeford AM, identifies similar choices for the public as the health service faces growing funding problems with little further opportunity for conventional efficiency savings. Again the Minister points to more personal responsibility for health outcomes.

This discussion illustrates that tackling the underlying causes of health inequality requires action well beyond traditional health and social service providers, as is illustrated in the rest of this Study. Health and social services, however, do have a critical role to play in the overall solution, and there has been some noticeable movement. The Aneurin Bevan LHB (2012) produced programme proposals to focus additional support on the four most deprived neighbourhood care networks (including Blaenau Gwent West, within which Tredegar is located), with the aim of: engaging hard to reach patients; providing a seamless patient centred service; enhancing preventative health activities; improving risk factor management, detection and early diagnosis; and, engaging with patients through education and informed decision-making. The overall aim is to reduce premature morbidity, increase healthy life expectancy, and close the gap in health outcomes between most and least deprived areas. It has also established 12 neighbourhood care networks, which are multi-agency and clinically led by GPs, and include health and social care staff in the area, and also involve housing and third sector representatives.

These are very positive attempts to develop a service focused on the benefits of prevention and early detection of disease. However, the emerging consensus that changes in the health behavior of citizens are a prerequisite of a future health service has not yet materialised in any radical change within the current health service model. Health professionals identify considerable difficulties in securing a change of direction towards a more preventative service. In Wales there is a very receptive culture based on a long history of a public health perspective. Wales has strong historical connections with the WHO where this approach has been demonstrated as effective in international programmes of health improvement. Public Health Wales has developed many ‘community health’ approaches intended to change public behaviours and challenge the key areas of alcohol and tobacco consumption and unhealthy eating.

Despite this very supportive preventative environment in Wales, supported by successive Health Ministers, it has proved difficult to move to a service in which the key emphasis and mode of delivery is preventative. As we have seen, the proportion of Welsh Government’s budget spent on health continues to grow each year, and of the £6.544bn allocated to Health and Social Services in the 2014/5 budget, just £163m of this is allocated to public health and prevention (National Assembly for Wales, 2013).
related messages in more palatable and accessible forms. In some of the USA states, for example, there is a cooperative model of local people trained in delivering primary care and health services. Clearly this has been developed in a significantly different healthcare setting from that of the UK, and since 2012 it has been used to provide more affordable healthcare for those who cannot afford higher USA health insurance premiums. (Gardiner, et. al. 2012)

The World Health Organisation has highlighted the interest in the possibilities of China’s ‘barefoot doctors’. The barefoot doctors are health workers who live in the community they serve and are focused on prevention rather than cure, while combining Western and traditional medicines to educate people and provide basic treatment. The scheme has evolved and become more formalised since the 1980’s, but the basic elements of communities taking responsibility for their own health care remain. It is now thought that this model could be used to inform primary health care internationally. The Chinese experience has shown that to promote primary health care, the key issues are human resources and medicine. Short-term training focusing on specific types of work, such as antiviral treatment or prenatal care, is sufficient to

In 2001 the Wanless Commission was charged by the then UK Government to consider future health trends and to identify the key factors which will determine the financial and other resources required to ensure that the NHS can provide a publicly funded, comprehensive, high quality service available on the basis of clinical need and not ability to pay. The principal conclusions of the Wanless Report (2002) included a ‘fully engaged’ scenario associated with comparatively better health outcomes and a lower increase in costs. Wanless updated and expanded on this scenario with a further report (2004), which focused on prevention and the wider determinants of health in England and the cost effectiveness of action that can be taken to improve the health of the whole population and to reduce health inequalities. Wanless argued that tackling key lifestyle factors, such as smoking, among disadvantaged groups would be absolutely vital in the longer term. The Aneurin Bevan LHB has reviewed it’s primary care records recently, and the clinical evidence illustrates that population behavioural changes would address many of the desired outcomes. For example, 28% of people smoke in Blaenau Gwent, which is the biggest single determinant of ill-health. In England, Tower Hamlets GP Sam Everington, has argued public health departments should not be necessary, as everyone involved in the NHS (particularly GPs) should be promoting public health as in his own multi-agency hub in Bromley by Bow. It is a model that has been much considered in the fifteen years it has been established, and would certainly be an approach that could be considered for Tredegar, alongside other possible solutions such as a single telephone point of contact for all public services in the County. The Aneurin Bevan LHB Primary Care Foundation Project, has considered the role GPs play in public health, and has provided training for GPs in, for example, giving public health messages to patients during consultations.

The international evidence in cancer research is clear that prevention is the primary defense against rapidly increasing cancer rates identified worldwide. The triple behaviours of alcohol misuse/abuse, smoking and poor diet are contributing to a ‘tidal wave’ of cancer rates (Stewart and Wild, 2014). The authors also point out that we cannot ‘treat’ our way out of this crisis and that preventative models of intervention are required around the smoking, alcohol and obesity causes of many cancers.

Given Marmot’s identification of the failure of public health messaging to create behavior change we believe a radical model is required to deliver health-
meet the demands of primary health care, especially in small communities or poverty-stricken areas. (WHO, 2008) In Africa, the possibilities of this model with regard to contraception, vaccination and HIV behavior change are clear. Again there are elements of this approach that could have significant usage for the coproduction of primary health care provision in Tredegar.

This model is usually referred to as 'lay health' provision and there is growing evidence of its effectiveness in key areas including, breastfeeding (Morrow et. al., 1999), and in more general health objectives including immunisation, breast cancer screening and pulmonary health (Lewin,2005). In several communities in Wales this approach has been delivered by the Community Health Champion methodology. In this approach local people are provided with basic health orientated, counselling and advice skills and it is based on the premise that given accessible, clear information most people will make healthier behavioural choices. That information is seen as more effectively communicated by peers who understand the barriers, difficulties and psychological challenges of behavior change. This is enhanced when they are counsellors who are constantly present in the home and street environment to provide support and facilitation of changed behavior. This is in preference to receiving, often written, information during occasional contact with more formal health providers. Behaviour change requires constant support and reinforcement and the identification of short as well as long-term benefits. Peer or lay counsellors are generally recognised to be successful in these respects.

Fortunately, this approach is being developed in the Aneurin Bevan Health Board area and there are currently over 200 trained Community Health Champions. Supported by third sector organisations including the Gwent Association of Voluntary Organisations, this network is delivering the lay health worker approach in areas such as Tredegar.

CASE STUDY: GWENT COMMUNITY HEALTH CHAMPIONS

There is in Blaenau Gwent an existing programme of community-led health improvement. The Community Health Champions Programme has been established to take advantage of the benefits identified with peer-based health advice approaches. With over 200 Community Health Champions, the programme is funded from the Welsh Government Well-Being Activity Grant and administered by Public Health Wales. Current costs are a very modest £20-30,000 per year. Avoiding a simple ‘role’ based approach, volunteers are recruited and provided with an accredited training programme which develops communication and relationship skills as well as a health awareness programme. ‘5 Ways to Well-Being’. Training is also provided on the core issues of smoking cessation, alcohol, childhood obesity, adult weight management, health screening and expert patient (health self-management). Champions are able to claim expenses for travel and child-care but generally do not do so. Currently, the network covers five counties, each having a lead person to direct the programme. Champions are recruited locally with the use of attractive and accessible recruitment materials. The programme also directly involves third sector agencies that are experienced in volunteer recruitment and management. The programme has been extended from its original timescale and is pending a formal evaluation.
In summary, Tredegar is a significantly disadvantaged location in terms of health inequalities. The 'causes of the causes' of these inequalities are economically and socially determined, and they have both economic and social costs. The NHS and clinicians are only part, albeit an important part, of the solution to overcoming inequalities. There is still, however, only a limited focus on public health. Also of significant importance are sustainable communities and engaged local people, and evidence has shown that the greater the engagement of local populations with their own health, the more significant the benefits. The greater the involvement of local communities in providing health and social care needs, the more significant the economic and social benefits will arise.

**ACTION POINT 9: PUBLIC HEALTH WALES**

Full evaluation of the Community Health Champions Programme should be conducted to establish the evidence for the perceived advantages of this approach. If a positive evaluation is achieved, the programme should be significantly extended and more comprehensively funded to enable a higher skills base and a developing range of potential capacities of the Champions. In particular, attention should be paid to increasing sign-posting and referral skills as a direct approach to improving early presentation behaviours in the critical areas of diabetes, cancer and heart disease prevention.

**POLICY LINK: HEALTH AND ECONOMY**

This level of health delivery also links to economic development, as there is no reason why such lay roles cannot become partly 'professionalised' and waged. It also raises scope for the commissioning of NHS services from local co-operatives or social enterprises. The assumption is that local ownership, or at least coproduction, has the best chance of transforming health, partly because it engages the community, but also partly because it has the greater potential to anchor jobs, and therefore wealth, locally. There is a local tendency for people to have a fatalistic attitude to their health, local ownership could lead to greater health literacy, and in itself have significant public health benefits. Services themselves also have a greater chance of being responsive, and can imbue local knowledge into the system of provision.

If a positive evaluation is achieved, the programme should be significantly extended and more comprehensively funded to enable a higher skills base and a developing range of potential capacities of the Champions. In particular, attention should be paid to increasing sign-posting and referral skills as a direct approach to improving early presentation behaviours in the critical areas of diabetes, cancer and heart disease prevention.
There is a long history of low educational attainment in Tredegar. In the LSOAs included in the Study, only between 29.5% and 53.4% of working age people have any qualifications. In Tredegar Central and West 2, for example, 50.8% of the population have no qualifications. Just 12% of pupils qualifying for free school meals leave education with five good GCSEs that include Mathematics and English, and only 16% of 18/19 year olds enter higher education, compared with 57% in the least deprived areas of Wales. In the summer term of 2011 Blaenau Gwent Local Education Authority, with responsibility for the five primary schools and one comprehensive school in Tredegar, was judged to be failing and in need of special measures. It has continued to be in special measures since then.

Pupil absence at primary schools in the Study area is slightly below the Wales average in eight of the LSOA, although in two of the LSOA pupil absence at primary school is noticeably above the 7.4% Wales average. At secondary school level five of the LSOA have pupil absence percentages above the Wales average, although only in one of these is there a significant difference. The differences are more pronounced amongst 18-19 year old participation in higher education. The Wales average percentage of 18-19 year olds not involved in higher education is 68%, only in two of the LSOA have slightly more people of 18-19 involved in higher education than the Wales average. In each of the other eight LSOA participation in higher education amongst the 18-19 year old is lower, and in seven of the LSOA there is a significantly lower participation.
Tredegar is not alone in underachievement, Cardiff has some of the poorest levels of attainment in Wales, and across the UK more generally the attainment gap between children from rich and poor backgrounds is detectable at an early age, and continues to widen throughout the school system. Across the UK children from the lowest income families are half as likely to get five good GCSEs and Study subsequently at university (Sharples, et. al., 2011). Wales’ performance in the OECD Pisa rankings been particularly bad relative to other parts of the UK, and has continued to fall since it joined in 2006. Some have suggested this is partly because of the education funding gap between England and Wales that is now about £600 per pupil, but also argue that Wales’ education system needs to teach the things that Pisa tests more effectively, as they are the things that lead to better life chances and a better, stronger economy (Dixon, 2013).

The attainment gap grows significantly between ages seven and fifteen, and it is important to understand why this happens. Egan (2013, 2013b) argues that pupils from poor backgrounds do not have parental support for their education from the age of seven onwards, not because parents do not have aspirations for their children, but rather

<table>
<thead>
<tr>
<th>LSOA Name</th>
<th>% pupil absence in primary schools (2008-10)</th>
<th>% pupil absence in secondary schools (2008-10)</th>
<th>% of people 18-19 not in higher education (2005)</th>
<th>% of working age people with no qualifications (2011)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Tredegar Central and West 1</td>
<td>6.9</td>
<td>8.6</td>
<td>76</td>
<td>31.6</td>
</tr>
<tr>
<td>Tredegar Central and West 2</td>
<td>11.2</td>
<td>12.7</td>
<td>97</td>
<td>50.8</td>
</tr>
<tr>
<td>Tredegar Central and West 3</td>
<td>6.9</td>
<td>10.5</td>
<td>89</td>
<td>49.2</td>
</tr>
<tr>
<td>Tredegar Central and West 4</td>
<td>6.5</td>
<td>9.6</td>
<td>79</td>
<td>42.4</td>
</tr>
<tr>
<td>Georgetown 1</td>
<td>7.3</td>
<td>8.2</td>
<td>72</td>
<td>30.6</td>
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<tr>
<td>Georgetown 2</td>
<td>6</td>
<td>8</td>
<td>79</td>
<td>30.6</td>
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<tr>
<td>Sirhowy 1</td>
<td>6.3</td>
<td>6.1</td>
<td>61</td>
<td>29.4</td>
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<td>Sirhowy 2</td>
<td>10.9</td>
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<td>Sirhowy 3</td>
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<td>Sirhowy 4</td>
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<td>11.3</td>
<td>64</td>
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<tr>
<td>BG</td>
<td>7.7</td>
<td>9.5</td>
<td>81</td>
<td>1284.3</td>
</tr>
<tr>
<td>Wales</td>
<td>7.4</td>
<td>9.7</td>
<td>68</td>
<td>1099.4</td>
</tr>
</tbody>
</table>

Welsh Government / Census 2011
because they do not have the ability to support them or to assist with homework. Egan also argues that as children get older, the pressure of their peer groups in poor communities also becomes a limiting factor on their educational achievement. There is strong evidence that parents do have aspirations for their children in Valleys communities, but that they have a lack of social capital (Carter-Wall and Whitfield, 2012). CREW research into young people who are not in education, employment or training (NEET) in Wales has shown that parents do not understand career structures, educational choices and learning pathways sufficiently to advise their children. Furthermore, young people who are now NEET normally start with career aspirations when young children, but life experiences reduce and eventually eliminate those aspirations (Adamson and Lindsay-Gaylard, 2010).

Early Welsh Government policy focused on school improvement strategies, and from 2008 its School Effectiveness Framework sought to align schools, local authorities and Welsh Government in a tri-level reform process. Pupils were also encouraged to become engaged in the school improvement programme at the local level. At the heart of the Framework was the ‘pizza’ diagram, which mapped the relationship between the different contributors to the school effectiveness equation.

It should be noted that NEETs have actually been declining in Blaenau Gwent, of year eleven leavers they have fallen from 10.4% in 2007 to 4.2% in 2012, and of year 13 leavers from 10.2% in 2007 to 7.2% in 2012 (Welsh Government Statistical Bulletin, 24th July 2013).
In the 2010 Review of the ESRC Teaching and Learning Research Programme (TLRP) (Adamson et al.) the review of social inclusion issues clearly identified the role of families and communities in improving educational attainment. Drawing on studies conducted throughout the UK and during the 10 year TLRP research programme, the report to Welsh government strongly recommended the inclusion of an additional ‘slice’ in the ‘pizza’ to clearly identify the potential role of the community and family. Although this recommendation was not implemented there has been more focus on AAB type interventions that address key issues of the aspirations, attitudes and behaviours of pupils from disadvantaged backgrounds. David Egan (2013) identifies a wide range of policies from the all-government Tackling Poverty Action Plan to the more educationally specific programmes such as Reaching Higher, First Campus and RAISE.

Egan (2013) has argued that in order to successfully close the poverty gap in education, there need to be interventions as part of a holistic strategy involving schools, families and communities:
Schools need strategic plans, which refuse to accept that poverty should lead to low achievement; use data to track the progress of each individual child, and if necessary intervene individually; ensure that teachers use the best professional knowledge on learning and teaching and improve student performance; and ensure that the well-being of young people is developed and that they have the resilience and the motivation to work hard and achieve their potential.

Involving parents and families in the education of their children, outside of what happens in school, is the most cost effective way of closing the poverty gap in educational attainment. The best ways to do this are greater involvement of the parents in the work of the school; improving at-home parenting, so children are better supported; engaging parents with their own learning as well as their children’s; and better aligning the expectations schools have of students with the expectations of their parents. (Also supported by Sharples, et. al. 2011)

The community you come from and grow up in is hugely important in influencing how well you do in education. Schools and communities need to work much more closely together to maximise the benefits of this relationship.

The anti-poverty programmes of Welsh Government – Flying Start, Families First and Communities First – each offer opportunities to support the educational needs of the Study area. However, there is little evidence of strong integration between these community-based programmes and the work of schools; and there is a lack of focus by schools and the authority on improving parental engagement in education, mentoring and out-of-hours learning opportunities. Egan (2013b) argues that there is evidence that community-based approaches to tackling poverty have little effect on improving achievement, although there is evidence that family based approaches which enable and encourage parents to actively engage with their children’s learning, and the education system more generally, usually have far more success (also supported by Carter-Wall and Whitfield, 2012). He therefore argues that the spending of Welsh Government’s Pupil Deprivation Grant by schools should be focused in these areas.

Another key consideration relates to the type of skills taught and the methods by which they are advanced. European-wide research undertaken by Mourshed et. al. (2014) has considered the causes of youth unemployment, and whilst more young people are looking for work, they argue that employers cannot find the skills they need. The research has shown an apparent discrepancy with 74% of education providers confident that their graduates were prepared for work, only 38% of young people and 35% of employers agreed.

This would appear to be supported by research undertaken by CREW on behalf of Caerphilly CBC into learning provision and the patterns of local employment, which found a significant discrepancy between course provision and local employment opportunities (Adamson and McDougall, 2013). The Mourshed et. al. (2014) research identified three key issues in the obstacles young people face:

• Young people find the cost of living whilst studying beyond school too prohibitive, and, for those considering a vocational route, they perceive a bias against vocational study and less than half of those who wanted to study vocational studies actually do so.

• Young people are not learning a sufficient portfolio of general skills, such as spoken communication and work ethic, whilst studying.

• Young people find the transition to work difficult.
There is a growing argument, however, that one of the key means of addressing the skills shortages identified, as well as potentially the attainment gap, is with a greater emphasis on vocational training and skills.

Vocational options in education have not been sufficiently developed and there is a pervasive emphasis on GCSEs as the gold standard of educational achievement. There is a growing argument, however, that one of the key means of addressing the skills shortages identified, as well as potentially the attainment gap, is with a greater emphasis on vocational training and skills. The historical memories of the 11 plus examination are strong, and yet some argue that there is a real need to offer vocational options from age 14, as it would improve motivation; enhance outcomes through alternative and equivalences; provide a different, and more adult culture; widen access; and give an early start on new progression routes post-16. Schools have traditionally been reluctant to offer 14 plus vocational options to pupils, particularly to protect their own sixth forms which are unable to compete with colleges on vocational choice. (Bennett, 2012)

There is a major opportunity in Blaenau Gwent to address these issues, as all school sixth forms have been closed and all post-16 educational provision is now provided via the Coleg Gwent Learning Zone campus in Ebbw Vale. The Learning Zone is split over five schools and it offers significantly more choice of courses than schools sixth forms were able to: A Levels (30 options), Construction, Care, Business and IT, and Services to People. Young people now have a structured relationship with the FE college whilst still at their schools, and college staff engage with the schools, particularly at key stage four. The purpose of this is to ensure that there is a planned and supported transition into the post-16 phase. All learners are given advice and guidance about the options they are considering. Advice and guidance is thus delivered by both School and College staff working together, rather than in a competitive relationship. Initial experience at the Learning Zone is that this approach is improving participation in post-16 education and helping to contribute to a reduction in the number of young people becoming NEET.

The Local Authority also has its own training centre, which is targeted at trying to reengage with young people who are NEET. Adjacent to the Learning Zone at Ebbw Vale is a new three-sixteen ‘Through School’. This structure provides an ideal opportunity to address the key issues identified in the Moursched et. al. Report and to redefine the learning culture of the catchment area. Importantly, it can harmonise the skills expectations of employers with provision and influence student subject choice to areas of higher employment potential.

ACTION POINT 10: COLEG GWENT

There is significant opportunity in this innovative structure of educational provision in Blaenau Gwent to radically change the learning culture of the region. However, a longitudinal study of how this new educational provision changes attainment levels and skills provision in Blaenau Gwent will be required to allow constant monitoring of impact to inform delivery. It should not be left to an evaluation in several years time when it will be difficult to alter the trajectory of the way services develop in this new environment.
Welsh Government’s Review of Qualifications for 14-19 Year Olds (2012), which recommended that GCSEs and A Levels should be retained and strengthened in Wales, that vocational qualifications should be relevant, valuable and rigorous, and that there should be a revised, more rigorous, Welsh Baccalaureate, is currently being implemented. Post-16 education, however, continues to be driven by funding, as it is non-statutory, and this has a major effect on course provision that is largely determined by student demand. A new system is currently being tested that restricts government funding to specific menus of courses, but how successful this will be is dependent on whether the Government is able to determine successfully what should be on the menus. These Learning Area Programmes (LAPs) are intended to ensure that all post-16 learners are following a coherent and approved programme of qualifications.

Within these structures literacy and numeracy skills are important issues. Skills development in literacy and numeracy forms an integral part of all LAPs whether they are traditional A level programmes or vocational programmes. Apprenticeships, which are wholly or partly work-based, are not part of the LAP system. Apprenticeships have a defined content known as a framework, influenced by Sector Skills Councils as employer representatives, but also will always contain literacy and numeracy development.

This emerging structure will enable the Learning Zone to make a significant impact within the Study area.

**Currently, 227 students from the Study area attend on a range of courses at the Learning Zone. This represents 22% of the current academic year intake and an expenditure of over £1.6million on students from the Study area (Coleg Gwent Figures).**

**POLICY LINK: LEARNING AND EMPLOYMENT**

Effective liaison can improve the harmonisation of expectations of employers, potential students and providers of further education. This should be intelligence-led and based on effective knowledge of actual and emerging employment patterns in the region. Currently there is a significant misfit between the educational provision and the requirements of the local economy in Wales. There is also failure to recognise ‘future’ skills particularly those that might be required by a stronger foundational economy in Wales. Specifically food production, energy production/conservation and care services are conspicuous by their absence in the FE curriculum (Adamson and McDougall 2013). In part this is because the current approach is demand-led and students favour courses in the arts, humanities and personal services. Opportunity should be created in schools to change patterns of demand and encourage more employment related learning in the student population.
In keeping with the general principles of subsidiarity and localisation evident in this report, Egan (2013) has suggested that there needs to be a Cooperative Educational Trust established to include schools attended by residents of Tredegar. The central location of the Learning Zone campus at Ebbw Vale, and its relationship with the schools in the wider area, suggest a strong consortium of both primary and secondary schools could make a critical change to the learning culture of the area. Cooperative Educational Trusts put the community in the driving seat of educational improvement by combining stakeholders drawn from employers, parents, learners, school staff and community organisations within a Trust informed by cooperative principles. Trusts have developed in England largely to balance the private sector approach to Academies and have reported considerable success, especially in localities marred by the same levels of deprivation as Blaenau Gwent. The Welsh Co-operatives and Mutuals Commission also concluded that educational co-operatives have potential in Wales to improve educational performance:

The Commission believes that a co-operative ethos should be the central organising principle of the education system in Wales. It should be achieved by schools explicitly adopting co-operative principles and values, which may be within the maintained school system, integrating co-operation into all aspects of the school and with a model of multi-stakeholder governance. (p38)

**CASE STUDY: TAME VALLEY COOPERATIVE EDUCATIONAL TRUST**

The Trust is a consortium of six primary schools in areas of high levels of deprivation in Staffordshire. The schools, in partnership with the Tamworth Co-operative Society, formed a Trust to achieve higher quality educational provision.

The values of the co-operative movement resonate with us and reflect our commitment to self-help, self-responsibility, democracy, equality, solidarity, honesty, openness, social responsibility and caring for others. We believe in the co-operative approach to engaging stakeholders and working together for the mutual benefit of our community.

The first school in the Trust to receive an Ofsted assessment achieved an ‘outstanding’ verdict, with particular note of the strong home-school links achieved.

(See: [www.co-op.ac.uk/schools-and-young-people/co-operative-trusts-academies/co-operative-trust-schools-case-studies/#.UxOjZ1zaZFw](http://www.co-op.ac.uk/schools-and-young-people/co-operative-trusts-academies/co-operative-trust-schools-case-studies/#.UxOjZ1zaZFw))
### 7.3 HOUSING

The availability of good, affordable housing represents one of the most basic human needs. Tredegar has a mixed housing market across all tenures. Of the 10 LSOAs comprising the Study area the highest concentration of owner occupation is in Georgetown 2, with Tredegar Central and West 1, Sirhowy 1 and Sirhowy 4 with very similar levels of around 85%. Sirhowy 2 has the highest concentration of social housing with nearly 67%.

Provision of housing services including construction, repair, renovation and low carbon retrofitting also provides considerable opportunity to promote local economic development. We have considered some of the economic opportunities in Section 5.1.2 and here we will be more concerned with the development of quality, affordable housing both from the existing housing stock and from any new build that takes place in the locality. Housing is distributed in Tredegar in the following tenure pattern:

#### PERCENTAGE OF HOUSING STOCK BY COUNCIL TAX BAND

<table>
<thead>
<tr>
<th>% dwelling stock by Council Tax band</th>
<th>TCW 1</th>
<th>TCW 2</th>
<th>TCW 3</th>
<th>TCW 4</th>
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<th>GT 2</th>
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#### ONS

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<th>SIR 3</th>
<th>SIR 4</th>
<th>BG</th>
<th>Wales</th>
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## HOUSING TENURE

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<th>% of households owned</th>
<th>% of households private rented</th>
<th>% of households social rented</th>
<th>% of households living rent free</th>
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<td>50.08</td>
<td>49.28</td>
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<td>55.04</td>
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Despite the high levels of owner-occupation (as high as 87% in LSOA Georgetown 2) this is not a guarantee of good quality housing. The traditional Valleys housing stock is now aging and in many instances in poor repair. An increasingly aging population coupled with low incomes also suggests some critical barriers to future improvement. Housing Renewal Areas have proved successful in addressing some of the physical aspects of poor housing. For example, in Castieland, Barry, over 1,000 homes have received a ‘facelift’ in a programme drawing on Welsh Government funding and local authority capital expenditure. This has addressed the quality of the housing fabric with cleaning of stone and brickwork, new guttering, door and window replacement and insulation measures. Whilst criticisms can be made of a purely physical ‘enveloping’ approach it can do much to restore confidence and pride in a community. See: [www.wales.gov.uk/topics/housing-and-regeneration/grants-and-funding/housing-renewal-areas/case-studies/castleland-renewal-area/?lang=en](http://www.wales.gov.uk/topics/housing-and-regeneration/grants-and-funding/housing-renewal-areas/case-studies/castleland-renewal-area/?lang=en)

Clearly, there are overlaps here with the discussion of measures to improve carbon performance of homes in Tredegar in Section 6.2.1. Economies of scale would suggest a joint approach bringing together a Housing Renewal type intervention together with energy conservation measures.
In the case of social housing in the community we can be confident that housing quality will, or has already, reached the Welsh Housing Quality Standard that lays down minimum standards, which once achieved must be maintained. This will help ensure that social housing is no longer the last choice in the housing market and, in the current housing climate, provides a more attractive alternative to purchase and private rental than it has done in the past. In particular, improved services following stock transfer to Tai Calon and the associated regeneration activities delivered by this new housing agency will continue to eliminate the negative associations attached to social housing in the recent past.

Tredegar Central and West LSOAs also have high levels of private sector rented accommodation and historically this has produced some of the poorest quality accommodation in the housing market, especially where Houses of Multiple Occupation (HMO) are the norm. Engaging with landlords in the Housing Renewal approach and in low carbon measures can be difficult, and a robust approach to enforcement and Compulsory Purchase is sometimes required to ensure that the private sector rented stock does not become a significant problem to achieving these aims. Without a full condition survey we are unable to comment here on the current condition of this important tenure sector in the Tredegar area.

The most critical issue currently in housing is the extent of supply, particularly of affordable homes. In areas of strong housing market, affordable housing is usually achieved on the back of private sector building programmes through the use of Section 106 and other planning concessions. The difficulty in Tredegar and other Valleys communities is that volume house builders do not regard them as ‘aspirational’ localities and do not anticipate sufficient market interest to merit development. Additionally, local market prices tend to prevent conventional profit margins being achieved and the level of risk is seen as too high. House builders operating in South East Wales have identified what has become a ‘snowline’ above which they are not prepared to invest in the South Wales Valleys.

Lack of confidence in the market conditions of post-industrial areas is not limited to South East Wales and there have been innovative approaches to encourage private sector building in areas not conventionally seen as supportive. We examine in the following Case Study what has become know as the Birmingham Experiment.

CASE STUDY: THE BIRMINGHAM EXPERIMENT

Facing a housing waiting list of 26,000 applicants, Birmingham City Council has embarked on an ambitious programme of house building. The Birmingham Municipal Housing Trust was established in 2009 to build 3,500 homes. All new homes are designed to Code for Sustainable Homes Level 4. Recognising private sector reluctance to build in the poorer areas of the City where affordable housing need is at its greatest, the Trust has developed methods for ‘de-risking’ development in order to attract private sector house builders and lever a good supply of both market and affordable homes. Risk is eliminated by a series of linked mechanisms:

• Design Risk - the Trust establishes design following key codes and standards.
• Planning Risk - the Trust secures planning consent.
• Deferred Receipt - the land is not paid for until sales are secured.
• Guaranteed Work - the volume of work offers a risk-free construction contract.

A single contract is issued to developers to build both the affordable homes and the market sale properties, and the Trust secures a profit share on the market sale receipts, further funding new development. The result has been the recognition of pent-up demand in what were considered to be areas where the housing market had failed. The programme has also secured, through social clauses in contracts, a developed labour market of some 480 new jobs. (Details from Skidmore, 2013)
**ACTION POINT 12: BLAENAU GWENT CBC**

Blaenau Gwent CBC should explore the Birmingham model as a potential mechanism for securing private sector interest in both rental and market sale provision by the local authority undertaking a ‘de-risking’ strategy on its development land assets.

**CASE STUDY: ASHLEY VALE, BRISTOL**

A long-standing self-build project has been taking place in Ashley Vale, Bristol. Faced in 2009 with the private sector development of a 2.1 acre brownfield site, local residents combined to form the Ashley Vale Action Group and bought the land for development as a self-build site. Plots were sold in the region of £35,000 and 41 homes have now been built at an average cost of £110,000. These include six flats in former office premises on the site.

We have noted that in some European communities, self-build projects have secured new housing supply. Public land assets are made available and sold as building plots. A choice of pre-designed and factory built homes are offered allowing individual design choices at low cost. Planning restrictions, coupled with difficulties in securing mortgages are often cited as the key barriers to achieving similar approaches in the UK. However, there is some momentum behind the idea in Great Britain and the UK Government has set new parameters in September 2013 to facilitate the development of a self-build sector. With access to grant funding, public land release and Council tax discounts the intention is to create a more favourable climate for self-build to develop.

More emphasis has been placed in Wales on the development of cooperative housing development. Initial research by the Wales Cooperative Centre (2013) suggests a reasonable level of demand, particularly amongst ‘reluctant renters’ for opportunities for cooperative housing development. Both lower cost and higher quality factors were cited as motivation. Following publication of the report Welsh Government has made available a fund of £1.9 million to facilitate the development of cooperative housing solution in three pilot areas: Newport, Cardiff and Carmarthen. The fund will target the development of some 90 homes.

**ACTION POINT 13: WELSH GOVERNMENT**

A review of the achievements in the Welsh Government funded cooperative housing pilot areas should be used to determine the capacity of cooperative measures to create housing development. Opportunities should also be taken to assess the value of combining self-build with cooperative principles, and also for assimilating the findings of the current Task and Finish Group assessing the potential for the development of the Welsh timber frame housing sector.
7.4 TRANSPORT

The Merthyr, Tredegar and Abergavenny Railway...will, when finished, prove to be a very valuable link in the railway system, as there will then be direct communications between...South Wales and those of the Midlands Counties. (Bradshaw's Descriptive 1863 Railway Handbook, 2012 [reprinted], p. 43)

Until 1958 Tredegar and Sirhowy were served by two railway stations and a comprehensive rail network, which was originally built by the Tredegar Iron Company in 1860. Until the closure of the line in 1958 it was possible to travel by public transport directly by train to Newport in one hour and fifteen minutes (British Railway, 1954). Even when the extension to the Ebbw Vale line opens in about a year's time, the same journey, necessitating a bus ride to Ebbw Vale and a change of trains at Cardiff, will take significantly longer. The implication is, of course, that public transport in Tredegar was faster and more direct prior to 1958 than it is today. There are proposals to increase the frequency of trains on the Ebbw Vale line to two per hour, either to Cardiff or Newport, but we have been unable to identify a firm funding commitment for this as yet.

It is possible to travel directly from Tredegar to Cardiff by bus, but the journey takes one hour and twenty minutes, longer during peak times, and is hardly a sustainable daily commuting option. It should be noted that although the average UK journey time to work has been steadily increasing. The National Travel Survey shows the average commute takes 28 minutes (DfT, 2011), and there is a close correlation between the commuting distance travelled per person per year and levels of household income. Individuals in the highest income quintile travel almost eight times further (2,529 miles) for commuting per year than those in the lowest quintile (DfT, 2011). This would seem to suggest that for the majority of people living in Tredegar, typically earning the least, the lengthy commute to Cardiff is not likely to be an option.

The journey by bus to Ebbw Vale is clearly shorter, but expensive at a cost of £2.70 each way. Stagecoach do offer a four week ‘rider’ ticket for £85.50, which can bring the daily cost of commuting to Ebbw Vale based on five days per week to £4.28 (Travelline Cymru), but this is hardly an affordable option as it would represent a significant proportion of low wage income. Someone travelling to work in Ebbw Vale earning the minimum wage, would need to work the first hour of every day just to be able to pay to get to work and then home. Public transport in Tredegar, therefore, is limited, expensive and on Sunday’s non-existent (Travel Line Cymru).

Given the limitations of public transport, it is not surprising that the percentage of people who travel to work by car or van is higher than the South Wales average in nine of the LSOA within the Study area. In four of the LSOA the number travelling to work by car or van is significantly higher than the South Wales average. Correspondingly, the number travelling by public transport to work is lower in nine of the LSOA. The number of households with no cars or vans, however, is significantly higher than the South Wales average in six of the LSOA, and slightly higher in two of the LSOA. Average travel time to local services is about the same as the South Wales average across the Study area, with the exception of average travel times to transport nodes, which are significantly higher across the Study area.
## Transport Patterns & Travel to Services in Tredegar

<table>
<thead>
<tr>
<th>LSOA Name</th>
<th>% of residents who travel to work by car or van</th>
<th>% of residents who travel to work by public transport</th>
<th>% of households with no cars or vans</th>
<th>Average travel time to primary school</th>
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<th>Average travel time to post office</th>
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</tbody>
</table>
Current rail transport is planned essentially around access to work requirements. There has been a significant growth in rail travel over the last ten years on the Valley Lines, and it has far exceeded the growth forecasts on which the ATW franchise is based (ORR NRT Data Portal). It is anticipated that electrification will increase the frequency of rail services. Network Rail expect the Valleys Electrification to be completed by Dec 2019. Journey times will be quicker using electric trains, reduced by more than 10% on some journeys. There are no firm details of service frequency enhancements as yet, but some routes will undoubtedly see more frequent train services following electrification. (For more details see: Arup, 2012) Bus service planning by Stagecoach, the only commercial operator providing services to Tredegar, plots passenger trends two years ahead, and their services are entirely revenue driven (Stagecoach). Harris Coaches and Met Taxi Services provide other services, but these are subsidised by tender from Blaenau Gwent CBC. Bus service subsidies are currently under review by Welsh Government (for more information see: Clark, 2014).

Although it is clearly necessary to understand transport demands to facilitate planning, collapsed aspirations mean that it is impossible to say what the unrealised transport needs are. Transport affordability must also more closely be considered. There have been some examples of ticket integration, which can reduce costs in some circumstances, but current transport governance means that there are often commercial conflicts in increasing ticket integration further. Nor does there seem to have been much consideration being given to assisting people to return to work with subsidised travel, and the only assistance currently given is by Job Centre Plus providing assistance to travel to an interview. In the last days of British Rail prior to rail privatisation, the Valley Lines offered a half-price rail travel scheme called ‘Ticket to Work’ for those returning to work. Older people are, of course, entitled to free bus travel in Wales.

Walking and cycling can provide a sustainable transport solution to access local services and employment and are largely within the control of people themselves. There is, however, about a five mile radius to the limit of what people are prepared to cycle (Sustrans Cymru), and even less to walk, when accessing services or employment. Although walking and cycling clearly bring additional active lifestyle benefits, enhanced safe walking and cycling routes are crucial. Personalised travel planning campaigns, delivered by Sustrans, have been shown to significantly increase the use of public transport, walking and cycling (results from over 280,000 households show an 11% reduction in car driver trips, and increases in walking, cycling and public transport trips of between 15% and 33%). Transport is clearly an important consideration when planning the provision of local services, and whereas there is general agreement that work must pay, travelling to work is often a significant cost that most adversely affects the lowest paid.

Whereas local authorities currently have a limited role in planning rail services or commercial bus routes (although this would change significantly if Wales adopted a London style system of bus franchising as some commentators have suggested), they do have a more significant role in planning local road improvements. Larger more strategic road improvements tend to be controlled by Welsh Government, including the current £300m Heads of the Valleys Road Programme. This can lead to a disconnect between strategic road improvements designed to have wider regional impacts, such as the proposed M4 relief road at Newport, and the maximisation of more local benefits. There are disagreements over the merits of the M4.
relief road proposals between CBI Wales, who wholeheartedly welcome it as a major boast to Wales’ competitiveness, and FSB Wales:

FSB Wales is firmly of the view that focusing a significant proportion of spending on a narrow section of motorway in South East Wales is not an equitable use of resources. Rather, the Welsh Government should look to fund significant projects across Wales, such as improvements to the A55, the implementation of the South East Wales Metro and the potential electrification of the North Wales Main Line. (Wales Online, 6th November 2013)

A metro-system is an essential catalyst for a modern city region in South Wales, as well as addressing low economic performance for Valleys communities

The Cardiff Metro proposals represent a realistic option for improved regional connectivity in South Wales, but there are some key issues it would need to address. One of these is the issue of ownership and control. As we have seen, although there are subsidies, bus and rail transport is largely a commercial operation, and commercial return and viability will continue to be the primary considerations as long as they remain so, and this will clearly favor the most profitable routes. There are other options, however, and Stuart Cole (2012) has argued that there are four ways for Wales to run its railways – three of them involve continuing with a franchise on present lines, with varying degrees of radical adjustment. The most far-reaching option would be to set up a Welsh rail operation as a cooperative owned by the employees, passengers or a combination of the two. Although Welsh Government now has responsibility for the funding and performance of the current rail franchisee, such a radical change from 2018, when the franchise is due to be re-let, would require negotiation with Westminster.

It has been suggested that Demand Responsive Transport (DRT) could be used to tackle a number of policy objectives, such as improving accessibility and addressing social exclusion. Mageean and Nelson (2003) define demand responsive transport as "services that provide transport on demand from passengers using fleets of vehicles scheduled to pick up and drop off people in accordance with their needs". DRT is therefore a 'hybrid' form of transport, falling somewhere between that of a conventional timetabled bus service and a taxi. Its services benefit from greater flexibility than conventional public transport in meeting travel demand where demand is low and spread over a large area, as is the case in much of rural Wales.
CASE STUDY: BWCABUS

An example of this type of Demand Responsive Transport is the Bwcabus service in Carmarthenshire and Ceredigion. Bwcabus is a demand responsive flexible local public transport service, helping people living in parts of rural Carmarthenshire and Ceredigion get to work and access education, training and health services. The service is tailored to the needs of the passengers by operating in response to pre-booked journey requests. A DRT timetable is not fixed and will vary each day.

This form of ‘dynamic’ scheduling allows passengers greater flexibility to book journeys at the times (or close to the times) they require. Bwcabus is integrated with strategic public transport services, providing connections at designated hubs. Communications technologies are deployed to maximise the efficiency of the service and ensure connections are guaranteed. Therefore Bwcabus facilitates a large number of journey options between the fixed and demand responsive services. This type of system can also be used in urban and semi-urban locations, connecting communities without a frequent bus service to their nearest public transport hub.

Beyond rail, currently community transport regularly fills accessibility gaps in public transport, but it is not an inexpensive transport option and unit costs can often be higher. The 2010 State of the Sector report by the Community Transport Association states that the total number of passenger journeys provided in Wales was over 1.2 million, with a total journey mileage of 4.3 million. One model, often undermined by funding arrangements, is for closer partnership working between public transport provision and community transport provision (Mulley and Nelson, 2012). Clark (2014) suggests that there are a range of actions that could improve the integration of services, including:

- Pooling funding to encourage joint working.
- Streamlined booking and journey services utilising central booking facilities and single contact numbers.
- Staggering of school hours for some pupils allowing better use of the school bus fleet, allowing drivers to make more than one journey in peak periods and therefore use less vehicles to provide the service.
- Develop stronger working relationships between the passenger transport authorities, health and education sector and community transport groups.
- Authorities should take active steps to identify the potential for joint transport projects with other agencies, and providers.
- Community transport groups should participate actively, working with their local passenger transport authority, in forums that engage with the education and health sectors.

These might address the sustainability of some of the bus elements of the Metro proposals, but also some of the very local travel services and user affordability issues. Perceptions of community transport will need to continue to change, as will growth of provision and long-term sustainability, whilst at the same time maintaining the ethos of community transport about delivering equality for those in the most disadvantaged communities.
Grass Routes CT provides a demand responsive service to the general public who become members of the scheme at a cost of £5 per household. Established in 2004, it runs regular services to towns and villages over the whole county of Monmouthshire and to cross border areas. The cost of the service is £2.75 per journey for adults and £1.35 for juveniles. Concessionary bus passes are accepted on all services.

The service provides regular journeys to shops, doctors, hospitals, dentists, education establishments, leisure centres, clubs and churches. The service carries over 3600 passengers per month on daily runs and has over 3200 registered members of the scheme. The minibuses are driven predominately by volunteer drivers with paid drivers covering for sickness and holidays, and there are currently 26 volunteer drivers who are all fully CRB checked and are given regular training including MiDAS, first aid and manual handling. The scheme has a full time co-ordinator who takes the bookings and provides daily driver worksheets for the drivers.

The scheme was set up with a cross-sector partnership board that includes local authority members and officers, voluntary sector volunteers and drivers, and meets quarterly to oversee the running of the service. Grass Routes runs from Monday to Friday from 06:30 to 18:30, and on Saturday from 08:30 to 14:30. Grass Routes provides links for workers with the introduction of a rail link service from areas surrounding Severn Tunnel Junction, and also links to other mainstream bus services in urban areas. Group hires are also a large part of the service where the vehicles are hired to local community organisations, with over 80 groups registered. (Source: CTA Case Study)

Although the social impacts of transport can be significant, particularly for already vulnerable population groups, these impacts are seldom fully considered in transport policy: the wealthiest in society tend to gain most benefits from the transport system, and the poorest tend to suffer the worst effects; particular social groups (young people, elderly, disabled, single parents, disabled, and ethnic minorities) tend to suffer the most; such uneven outcomes reduce people’s abilities to fully participate in society (Lucas, 2012; Lucas and Jones, 2012). Transport connectivity can also adversely effect already low levels of social capital in poor communities, and therefore further widen social inequalities (Urry, 2012). These issues clearly need to be considered when planning the provision of public services, such as in health and education, but also in new housing developments. Alongside inequalities, other considerations must also include carbon footprints, as roads may, for example, be a less expensive capital option than major rail improvements, but not when carbon implications are also considered.
The Active Travel (Wales) Act 2013 places a legal requirement on local authorities to map and plan for suitable active travel routes. When the Act comes into force in 2014, local authorities will need to plan active travel routes to workplaces, hospitals, schools and shopping areas. There is a close correlation between the mapping and provision of active travel routes as a means of promoting walking and cycling as transport options, which also have positive active lifestyle public health benefits. We also believe that the needs of the foundational economy should be fully integrated within these plans as they emerge, as they make local employment an affordable option.

**ACTION POINT 14: BLAENAU GWENT CBC AND SEWTA (OR SUCCESSOR BODIES)**

We suggest that a comprehensive 10-year travel plan for the Study area is produced, which aims at an integrated, sustainable and affordable travel menu for local communities. Any such planning process would not only need to recognise the emerging Cardiff City Region Metro proposals, but would also need to consider local transport options to support the development of the foundational economy within the Tredegar and Blaenau Gwent area.

**POLICY LINK: ACTIVE LIFESTYLES**

The Active Travel (Wales) Act 2013 places a legal requirement on local authorities to map and plan for suitable active travel routes. When the Act comes into force in 2014, local authorities will need to plan active travel routes to workplaces, hospitals, schools and shopping areas. There is a close correlation between the mapping and provision of active travel routes as a means of promoting walking and cycling as transport options, which also have positive active lifestyle public health benefits. We also believe that the needs of the foundational economy should be fully integrated within these plans as they emerge, as they make local employment an affordable option.
When examining the recognised good governance in European nations such as Holland, Denmark and Finland, there is a clear connection between the different spatial levels in the governance model. Whether we term this spatial planning or regional planning is perhaps unimportant, but the need to coordinate activities and develop synergies between the actions of national, regional and community patterns of governance is essential.
In the UK and in Wales, there is general consensus on the importance of joined-up governance, and there are regular references paid to it in policy initiatives and organisational strategies across the public, private and third sectors. However, developing joined-up governance has proved elusive.

The term ‘joined-up governance’ was first used by Tony Blair when he launched the Social Exclusion Unit in 1997. Although there were attempts to overcome the traditional British model of government associated with strong departmentalism, which emerged with the expansion of the state in the late nineteenth century, prior to 1997 they only met with limited success. The weakness of the British model are all too clear: that, over time, vertical departmental organisation reinforces the bureaucratic tendency to devote more energy to the protection of turf rather than serving the public.

Mulgan (2005) has argued that government works best:

- When there are clearly identified critical tasks.
- When authority and resources are distributed in ways that enable these to be carried out.
- When there is a clear sense of mission from the top to the bottom.
- When there is sufficient freedom and flexibility for those working as managers or in front-line delivery to get the job done.

The challenge for good joined-up governance is maintaining the best elements of good government, whilst at the same time permitting and facilitating effective cross policy and delivery working. This is, of course, why even though there is a general consensus around the importance of joined-up governance, it is seldom achieved.

There is widespread recognition, however, that spatial or regional planning is a critical component of more integrated governance and economic development. The Wales Spatial Plan was an early attempt by the Welsh Assembly Government to develop an integrated planning approach to the economy and governance. Published in 2004 and revised in 2008, the Spatial Plan sought to adopt best European practice. Sue Essex, Planning Minister at the time, stated that:

I firmly believe that adding a spatial perspective will enrich our understanding, challenge our thinking, sharpen our policy making, aid policy integration and improve service delivery (WAG, 2004).

In recent years the Spatial Plan has lost currency and there is little reference to it at either at national or local government level, and it has now formally ended. Despite this, there is an array of spatially oriented policy developments including Enterprise Zones, Local Growth Zones, City Regions, and the Wales Infrastructural Investment Plan (WIIP). Bills under consideration include the Future Generations Bill and the Planning Bill, both of which could have major implications for the models of governance required in Wales. There is clearly potential for overlapping and indeed competing governance structures to emerge in the next few years.

This already complex scenario has also been complicated by the publication of the Williams Commission review and its recommendations for local government reform. The Williams Commission follows the earlier Review of Local Service Delivery Report: Beyond Boundaries – Citizen-Centered Local Services for Wales, undertaken by Sir Jeremy
Beecham (2006). The Beecham Review argued for a citizen-centered model of public service delivery, by driving service improvements by promoting greater local pride, ambition and accountability by the public. Beecham also called for far more partnership working across organisational boundaries. The Williams Commission also considered the importance of citizen-centred services, and concluded: ‘the needs of the citizen must be central to how services are designed, managed and delivered. This will involve cross-sectoral working, recognising that citizens’ needs do not fit within organisational silos. Public services in Wales are particularly well placed to deliver this, but it will take strong leadership’ (p12).

We support the objectives of the Williams Commission recommendations, but believe they have not gone far enough. In order to deliver a Deep Place solution we believe it would be necessary to have single authorities, not just fewer and larger local authorities, seeing the merger of local authorities, police authorities, fire authorities and local health board functions (it should be noted that the Williams Commission did recommend that Powys Council should be merged with its Local Health Board). This would permit the development of Total Place approaches and also foster more coherent governance at local, regional and national level.

**ACTION POINT 15: WELSH GOVERNMENT**

We recommend that in its response to the Williams Commission the Welsh Government adopts a spatial planning perspective to identify the optimum structure for local government to permit regional specialisms, emergent city regions and appropriate infrastructural investments.

In the context of larger ‘county’ level local authorities, major attention to the local levels of governance will be required to include examination of the role of community and town councils. This will be critical to provide local autonomy, subsidiarity of decision-making and empowerment of local communities and organisations.

Our use of the Total Place methodology is in large part an attempt to secure a more integrated public service delivery model at the local level. However, we also believe that it is essential that integrated governance takes place between all levels of the governance system. The Wales Spatial Plan was an attempt to foster this approach in Wales and its demise has removed considerable potential for the development of a whole government approach in Wales.

In the following paragraphs we examine how the different levels of governance might be integrated by placing Tredegar in this wider context, and to ask what a sustainable model might require.
There has been since 1997 a significant growth of interest in the twin issues of community empowerment and engagement, linked to the localisation of decision-making. This has led to an emphasis on the role of the community and voluntary sector to deliver social policy objectives (Adamson, 2006). There is strong evidence that the economic, environmental and social well-being of a community is higher in those areas where residents can influence decisions affecting their neighborhood, have regular contact with their neighbors and have the confidence to exercise control over local circumstances (Putnam, 2000; Gilchrist, 2009). This has significant implications for local authorities that seek to promote well-being in their communities (Adamson and Bromiley, 2013). Governance for resilient and sustainable places should be inclusive and seek to engage local citizens with the management of their public realm (Roberts, 2014). The essence of good governance is “a political system that secures effective citizen participation in decision making” (World Commission on Environment and Development, 1987, p65).

One size does not, however, fit all. The governance for resilience model requires it to be tailored to individual localities (Roberts, 2014; Ashby et. al., 2008). Adamson and Bromiley (2013) argue that it is a responsibility of public bodies to ensure that the link between community empowerment, well-being and revitalisation of community life is central to community empowerment policy. They suggest that “engagement is difficult to engender, hard to sustain and easy to lose for the foreseeable future if it is not purposeful for those who engage” (p199).

In recent years the community empowerment agenda has been increasingly framed within the co-production approach. Co-production involves citizens, communities, and the professionals who support them, pooling their expertise to create more effective and sustainable outcomes. It is based on a philosophy that values individuals, builds upon their own support systems and considers their place in the wider community. This approach requires a move away from service-led or top-down approaches to one of genuine citizen empowerment, involving service-users and their communities in the co-commissioning, co-design, co-delivery and co-evaluation of services. (Dineen, 2013).

As displayed in a recent debate on co-production at the National Assembly for Wales, there is general cross-party support for co-production. However, there is apparently an ideological difference between the principles of the UK Coalition Government’s Localism Act 2011, which their opponents argue is an attempt to remove the state from providing public services, and the principles of the Welsh Government’s Social Services and Wellbeing (Wales) Bill 2013, which eschews the market, reasserts the potential of social co-operatives and seeks to “draw on the strengths of people as members of their families, networks and communities”, and gives people more power over the services they use (NAfW Record, 27th November 2013). The Report of the Williams Commission (Commission on Public Services Governance and Delivery, 2014) contained some strong recommendations for co-production:

- Public services should be delivered through meaningful collaboration across sectors, organisations and boundaries, with co-production of services being a key feature in the service delivery toolbox. Public service organisations will focus on prevention and demand management with early intervention to ease demand pressures.

Good joined-up governance is best achieved when communities are empowered and engaged in
decision-making. This is most effective when it takes place at a spatial scale most relevant to local communities. Sustainable communities are best achieved when they are engaged in a meaningful relationship with the services that affect them, and when the decision-making and planning processes for those services are designed in an accessible and understandable format.

The approaches to local governance examined as part of this Study emphasise the generation of ‘social capital’, the emergence of complex networks and the relationships between multiple actors and agencies. This has been expressed by the Carnegie Trust as the development of ‘The Seven Capitals’ (2009). These are:

- Financial
- Built
- Social
- Human
- Natural
- Cultural
- Political

All these forms of capital are required to create viable and sustainable communities. This clearly suggests that no one local governance organisation can possess all these forms of capital. From Gilchrist (2009) comes the recognition of the value of networked organisations, each contributing to the development of a community, in a complex interaction of skills, capacities and spheres of interest.

Our conclusion is that there need to be multiple local organisations, collaborating and planning in synergy to develop and maintain the kind of community we have envisaged for Tredegar in 2030.

This requires a very different perspective from the normal approach to power at community level and is dependent on a willing and open ability to share power and work for common objectives. In the immediate to medium term we recognise the need to develop the role of the Town Council and foster the emergence of a local anchor organisations to develop between them a Locality Plan that addresses the physical, social, cultural and environmental futures of Tredegar. The proposed Planning Bill and the Place Plans approach will require extending to include social and economic issues, as well as the simple physical planning of the community.
ACTION POINT 16: TREDGAR TOWN COUNCIL, THIRD SECTOR, WELSH GOVERNMENT

Tredgar Town Council should develop its skills and capacity to undertake economic, social and cultural leadership of a range of community organisations that currently contribute to civil society in Tredgar. The objective should be the emergence of a common and shared vision for Tredgar.

The local third sector organisations should consider a major programme of merger and integration to develop a ‘community hub’ with a significant portfolio of local action. Whilst the Development Trust model has previously failed in the locality we believe this to be the best organisational framework to allow for this to occur.

Welsh Government should use the Planning Bill to enhance the proposal for Place Plans to embrace key issues of housing renewal, community energy strategies, economic development and socio-cultural renewal.

In February 2012 the Public Bodies Act 2011 came into force. Allowing for the reduction in the size of the public sector, the Act gives UK and Welsh ministers the power to abolish, merge or modify certain non-departmental public bodies. The Act specifically contains the power for a minister to make an order to transfer the functions of certain bodies to an “eligible person”, which includes a company limited by guarantee, a community interest company or an unincorporated body such as a trust. In England, the most notable such transfer to date has been from British Waterways to the Canal and River Trust in 2012, and in Wales the creation of Natural Resources Wales in 2013. The same Act gave rise the term ‘charitisation’, and we suggest that it has the potential to create the kind of ‘community hub’ organisation capable of taking on the social care functions identified in Section 6.3 and the community renewable energy functions identified in Section 6.2.

A model of ‘community hub’ has been collaboratively developed by the WCVA, CREW and Community Development Cymru and is outlined in Community Hubs in Practice: A way forward (WCVA 2011). Case studies of community hubs in Wales can be found in the associated publication Community Hubs: A Vision for Wales (WCVA 2011).
Prescriptions for regional governance have entered a period of uncertainty following the publication of the Williams Commission report. Its recommendation for Blaenau Gwent to merge with Caerphilly and Torfaen is perhaps predictable, given the overall remit of the commission and the general recognition of the need for local authority mergers. Local authority merger has international impetus, with countries as diverse as Austria and Australia embarked on ambitious programmes to reduce the numbers of local authorities. In general, the research behind this report would support this international trend and the proposal for Blaenau Gwent or a similar pattern of merger. The overwhelming poverty within the current local authority area, the absence of economic critical mass and remoteness from City/M4 corridor synergies, have all presented the Local Authority with major challenges. Inclusion within a new local authority with some level of economic opportunity will be of considerable advantage to the communities of Blaenau Gwent, including Tredegar. More strategic regional planning and connections to a ‘polycentric’ city region create the potential for economic development along with reform and improvement of public services. In the longer term we identify a need for a clear process of ‘double devolution’, in which a level of autonomy for this tier of local government is developed. The experience addressed elsewhere in this report of countries such as Germany, Holland and Finland suggest that local government autonomy, within a national spatial plan, can capture considerable regional economic impetus and encourage visionary local leadership. The ability to innovate rarely occurs at national level, but is more identifiable in Europe with regions provided with political and administrative autonomy to develop local opportunities, be they economic, geographical, environmental or social. For Morgan (2013) regional governance in Wales is the most ‘state centric’ in Europe. This stifles innovation and provides Welsh Government with undue control over key local decision-making. The kind of energy experimentation evident in Germany identified above, cannot flourish in a top down context in which local investment is challenged by national delivery agencies.
£1 BILLION FROM THE WELSH ECONOMY

8.4 NATIONAL LEVEL GOVERNANCE

The programme of incremental devolution in Wales has brought a level of autonomy that has offered Wales some protection from the current policies pursued by the UK government, particularly in health and education. However, the impact of welfare reform has been estimated by Welsh Government to have currently taken almost £1 billion from the Welsh economy. This is perhaps even more damaging when it is considered that it is the poorest communities in Wales that have lost this critical income. The ability of Welsh Government to compensate for such polices is limited, and as the austerity programme translates into cuts to the Welsh Government budget, the knock on effect for local authorities will create formidable challenges for service delivery in places such as Tredegar. We are very conscious that our proposals fall in the most hostile climate for the last fifty years. Inevitably, this creates a strong argument for higher levels of autonomy and, whilst there is no appetite in Wales for a Scottish style referendum on independence, there is a case to be made for greater borrowing and taxation powers. The Silk Commission (2014) has clearly articulated the case for both and, despite reluctance on the part of some Welsh politicians, we would argue that many of the proposals we have made in this report will be dependent on the acceptance of both borrowing and taxation powers.

With greater capacity for action that such changes might create, we see a need for a detailed forward plan for Wales that integrates the current proposals for macro-infrastructure with a programme to build what we will term the ‘deep-infrastructure’ required to foster the foundational economy, local economic production and local patterns of job creation. We have identified some areas where this could be fostered and the role of Welsh Government can reflect this by pursuing the conventional policies for economic development, alongside development of the local and foundational economy.

Our use of Total Place approaches in this Study suggest that the unifying of services around the concept of place represents a clear method for achieving more joined-up policy and by implication joined-up delivery. The work of the Place Group established by Peter Davies, the Commissioner for Sustainable Futures, will be extremely useful in exploring further how place-based approaches can improve the achievement of policy objectives. In many policy areas, place already represents the primary targeting strategy in recognition of the way that deprivation tends to become locked in and exaggerated in specific places. Communities First, Flying Start, Families First and the Cynefin programme all currently operate in largely the same places. Full integration of these programmes in unified place-based strategies could significantly increase the yield from all programmes. If they were also integrated with the local economic planning, local health strategies and education and skills development, a Total Place approach could be relatively easily created for Wales.

ACTION POINT 17: WELSH GOVERNMENT

An approach to place-based delivery should be developed which builds on current place-based programmes to unify a group of currently distinct policies at the local level. Learning from all current programmes should be aggregated and explored to inform the development of a Welsh Model of Total Place. The Place Group formed by the Commissioner for Sustainable Futures should lead this exercise as a formal Task and Finish Group or a Ministerial Advisory Group reporting to the First Minister. Tredegar could be established as a pilot delivery model to fully test the approach.
In this research exercise we have tried to re-imagine a community. This community is currently characterised more by poverty than by opportunity, and it faces the many challenges shared by communities throughout Wales.
Tredegar and places like it are seen as a problem for the Welsh Government and all the agencies that attempt to address the key issues faced there. In our work at CREW we are often presented with views that such communities are ‘redundant’, their past economic purpose having disappeared. We are presented with arguments for ‘managed decline’. However, we also work with individuals and agencies that want to re-imagine a future for such communities. Most importantly we recognise the collective wish of those communities to survive and thrive.

We have tried to look at Tredegar as an opportunity rather than a problem. By focusing on a single place we have tried to illustrate how a different approach could create a community and a country which makes full use of its natural resources, and creates an economy which can sustain its people and its environment. We suggested at the outset that this would amount to a ‘New Settlement’, which parallels the level of change initiated by the Beveridge Report of 1942. However, this New Settlement will also require an attention to the environment as well as to the welfare of our citizens.

Many of the conditions for the New Settlement lie outside the areas of responsibility of the Welsh Government, and require major change in the political programmes of the main UK parties and considerable cultural change on the part of the electorate. In Wales the Future Generations Bill and the Planning Bill will provide important changes to the legislative framework within which much of our discussion will be framed, although neither have been discussed in this report, as it is too soon to assess their impact. This background context sets the framework for social and economic change and is currently very resistant to the transformation required. Some of the major political and cultural shifts required include:

- A reversal of neo-liberal policy, and to accept some of the tenets of the ‘Swedish model’ to legitimise a more progressive taxation system which does more to redistribute wealth rather than polarise it.
- A public acceptance that a strong welfare safety net is a hallmark of a decent society and that current policy to minimise the welfare budget is founded in ideology not evidence. It is incumbent on progressive politicians to counter the welfare myths with a factual account of the true cost of welfare. It is also necessary to replace welfare dependency with economic opportunity in places like Tredegar. Experience from the Job Match programme in the Heads of the Valleys establishes that even long-term welfare claimants can make the transition to employment with the right support and incentives.
- That collectively we move towards different patterns of consumption of everything from food to energy, to foster the patterns of production identified in this Study.

The values underpinning these potential transformations are often believed to be more evident in Wales and closer to a collectivist heritage. Our devolved government has set many of the aspirations identified here in its Programme for Government, but is currently struggling to deliver against a wider economic context of austerity and welfare reform. Emerging proposals from the Silk Commission for further devolution will hopefully, in the near future, allow greater borrowing and taxation opportunities for Welsh Government to develop some of the proposals outlined here.
This Study has been an attempt to assemble possible solutions, drawing on international experience to develop a single vision for Tredegar, which can be applied to the many communities like it in Wales. We chose as our key question:

**What type of economy and society do we need to create to achieve economic, social, cultural and environmental sustainability by 2030?**

We can only provide a partial answer to this question given the uncertainties of economic and technological change that might occur in the period we identified. We can provide signposts to trends occurring now that might reap benefit by 2030. Some of them will be blind alleys and there will be developments that we haven’t even imagined in conducting this Study, which will radically change the nature of the problems we have identified. We are certain of one thing, however, that it is not an option to carry on as we are. Our policies are failing to address the contemporary problems we face, whilst building new problems for the future. We need to radically imagine the future rather than our collective tendency to re-invent the past. This report outlines the first steps that might move us to a society where:

- Localities are managed as unified spaces, with conscious forward planning which meshes with regional and national objectives.

- There will be a subsidiarity of decision-making that engages with local people to energise and empower them.

- There will be a strong economy, promoting patterns of local economic circulation and associated multiplier affects.

- Residents are well educated, skilled and engaged with the economic realities of the day.

- The foundational economy will be strong and embedded in the delivery of public services.

- The population will not suffer from preventable illnesses and where life expectancy and well-life expectancy reach national norms.

- Our patterns of production and consumption are sustainable and protect the environment for future generations.


Federation of Small Businesses (FSB) (2013). Local Procurement: Making the Most of Small Businesses One Year On.


http://www.cresc.ac.uk/sites/default/files/EnfieldExperiment_0.pdf


UNICEF. Child Poverty in the UK. 2011


APPENDIX: RESEARCH PROCESS

STEERING GROUP MEMBERS:
Professor Dave Adamson, CREW
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Lyn Cadwallader, One Voice Wales
Dr Owen Clark, Welsh Transport Research Centre, University of South Wales
Richard Crook, Blaenau Gwent County Borough Council
Peter Davies, Sustainable Futures Commissioner for Wales
Professor David Egan, HOVEP
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Professor Marcus Longley, Welsh Institute for Health and Social Care, University of South Wales
Steven George, Independent Architect
Dr Stuart Jones, Programme for Community Regeneration, University of South Wales
Guy Lacey, Coleg Gwent
Jane Lorimer, Sustrans Cymru
Rhodri Thomas, Cynnal Cymru - Sustain Wales
Huw Lewis, Gwent Association of Voluntary Organisations

THINK SPACES:
Community Engagement Event – 29th May 2013
Education – 8th July 2013
Energy & Food – 27th June 2013
Health and Well-Being – 1st August 2013
Housing – 8th October 2013
Local Economy – 8th October 2013
Transport – 8th July 2013