

**RHONDDA CYNON TAF**

**CYNON GATEWAY**

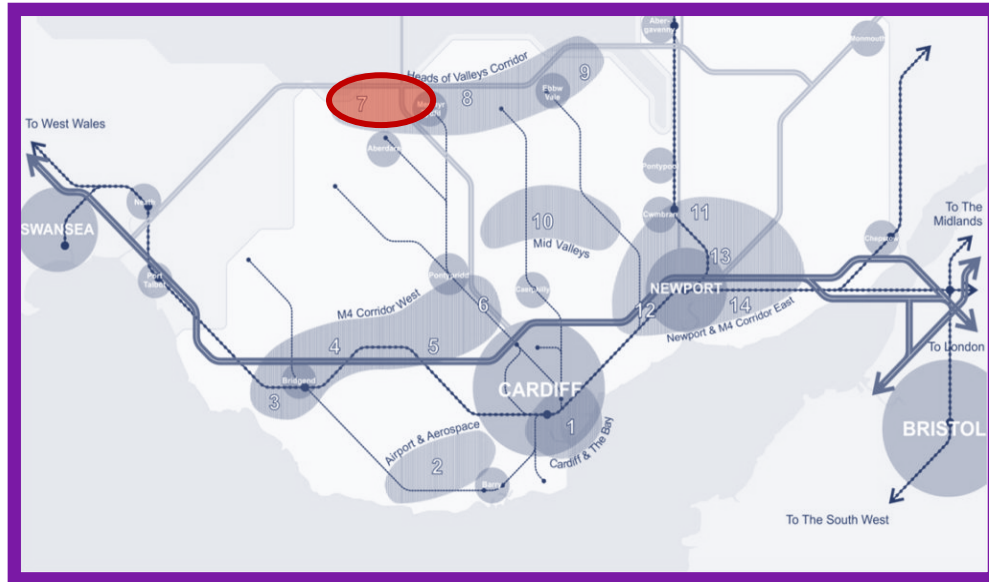
**ENERGIZING THE  
REGION**

**OUTLINE STRATEGY**

29 AUGUST 2017 V9

## CYNON GATEWAY STRATEGIC OPPORTUNITY AREA

### ENERGIZING THE REGION



The Cardiff Capital Region City Deal is a major opportunity for the region to realise its ambition and to enable significant economic growth for this region and beyond. This Strategic Opportunity Corridor is well located and connected in the region and has the potential to drive the economic performance of the Cardiff Capital Region.

The Cardiff Capital Region has a population of almost 1.5 million, 48% of the Welsh population. It generates more than 50% of the total Gross Value Added (GVA) in Wales. The region is home to around 46,000 businesses and has key strengths:

- Diverse economic base with key clusters
- Manufacturing specialism / Businesses with competitive niche
- Three Enterprise Zones
- Strong tourism offer
- Great regional identity
- Growing knowledge economy
- Strong employment rate and start-up rate
- Some strong research and development (R&D) activity
- Existing and planned infrastructure investment

With a £1.2 billion investment fund the City Deal will deliver up to 25,000 new jobs and leverage an additional £4 billion of private sector investment. This City Deal provides local partners with the powers and the resources to unlock significant economic growth across the Cardiff Capital Region.

Within the City Region, The Cynon Gateway, centered around Hirwaun, presents a unique investment proposition building on its inherent economic strengths in growth areas such as energy, tourism, research and advanced manufacturing. The area offers strong and ambitious opportunities for economic development.

Its location is on key transport routes with easy access to Cardiff to the south, Swansea to the west and the Brecon Beacons to the north. With the dualling of the A465, The Cynon Gateway also offers easy access to the wider markets of the Midlands and the north of England.

### **WHY THE CYNON GATEWAY?**

The strategy for the area has a number of key themes. The initial focus is to capture the momentum and build on the £1 billion inward investment in energy, either constructed or consented, since 2010. These developments include:

- The Pen y Cymoedd Wind Farm - operational
- The Rhigos Solar Farm - operational
- The Mynydd Bwllfa Wind Farm – operational
- The Mynydd Bwllfa Solar Farm – consented but not constructed
- The Mountain Ash / Penrhiwceiber Solar Farm – operational
- Hirwaun Power (Gas Turbine Power Station) - consented – currently discharging conditions
- Green Frog (STOR) - operational
- Bryn Pica Anaerobic Digestion Facility - operational
- Bryn Pica Energy Park – consented
- Enviroparks (Energy from Waste) – partially implemented but seeking further planning consent for the rearrangement of internal processes
- Tower Colliery opencast – completed – now in restoration phase

The investments made by the energy sector across a range of renewable and conventional energy sources provides a real opportunity to offer energy supply incentives through aggregation of demand and longer term deals which are particularly attractive to high energy users.

British Telecom (BT) the giant multi-national company operating in over 180 countries throughout the world, has already signed up for a Power Purchasing Agreement from energy produced by the Mynydd Bwllfa Wind Farm (Pennant Walters). The site will provide 50% of all BTs Welsh energy requirements.

The strategy area deliberately has no defined boundaries, which enables the widest possible opportunities for inward investment. There is a significant allocation for strategic development within the Rhondda Cynon Taf Local Development Plan.

There are also no defined parameters of the types of development that will be encouraged to invest in the area. It is critical to the region that the clear opportunities and momentum in this Cynon Gateway are not missed, and that the economic value is secured for the economy of the Cardiff Capital Region.

## **DEVELOPMENT AREAS**

There are three key areas where there are clear current opportunities:-

### **Tower Colliery**

The Tower Colliery site £20+million restoration will create a purpose built 35 acre plateau for business development as well as for building of 400 homes as allocated in the Local Development Plan. This area could accommodate businesses delivering, in the region of 1000 jobs (dependant on user) and create an enlarged and more vibrant Hirwaun Village.

Welsh Government's commitment to invest £400 million in the dualling of the A465, the final piece of the jigsaw, will also play a massive strategic role in delivering the aspirations for the area.

With the private sector investment to create the plateau, and Welsh Government investing in the A465 at this exact location, there is a current opportunity to add a lot of value to this investment, through a modest further investment by servicing the plateau to make them "spade-ready". This requires public sector intervention.

With the energy buzz and the momentum of energy related development here, together with the scale of the plateau in this strategic location, larger employers will find this attractive.

The modern legacy of an "energy" related backdrop to the site gives it the potential to incorporate energy efficient buildings and technology along with a potential for occupants to benefit from existing energy producers within close proximity, to secure lower energy costs from "green" sources.

The plateau can benefit from a wide range of (mixed) uses to maximise employment potential combined with a potential Local Development Order for the area, which could act as an incentive to inward investment.

The restoration of the Tower Colliery site will signify the end of the coal mining legacy and signals a new era for the area in powering the region. The completion of the restoration phase of the project also increases the potential to make environmental / visual improvements at Hirwaun Industrial Estate and potentially reconfigure the Estate to create new opportunities.

## **Bryn Pica**

It is proposed to develop a 10 acre “energy-park” development at Bryn Pica accessing an existing heat source from the anaerobic digestion facility, which will be attractive to businesses with a high heat / energy requirement.

It is also proposed to help facilitate a range of complimentary uses at the site utilising a Council owned / controlled site to attract inward investment and generate revenue. It also has the added advantage of having both the land and the heat source available immediately.

## **Hirwaun Industrial Estate**

The site is predominantly owned by Hansteen with a number of individual buildings being owned by M7. The Estate has maintained close to a 100% occupancy rate (compared to Hansteen’s all-Wales average of 89.76%).

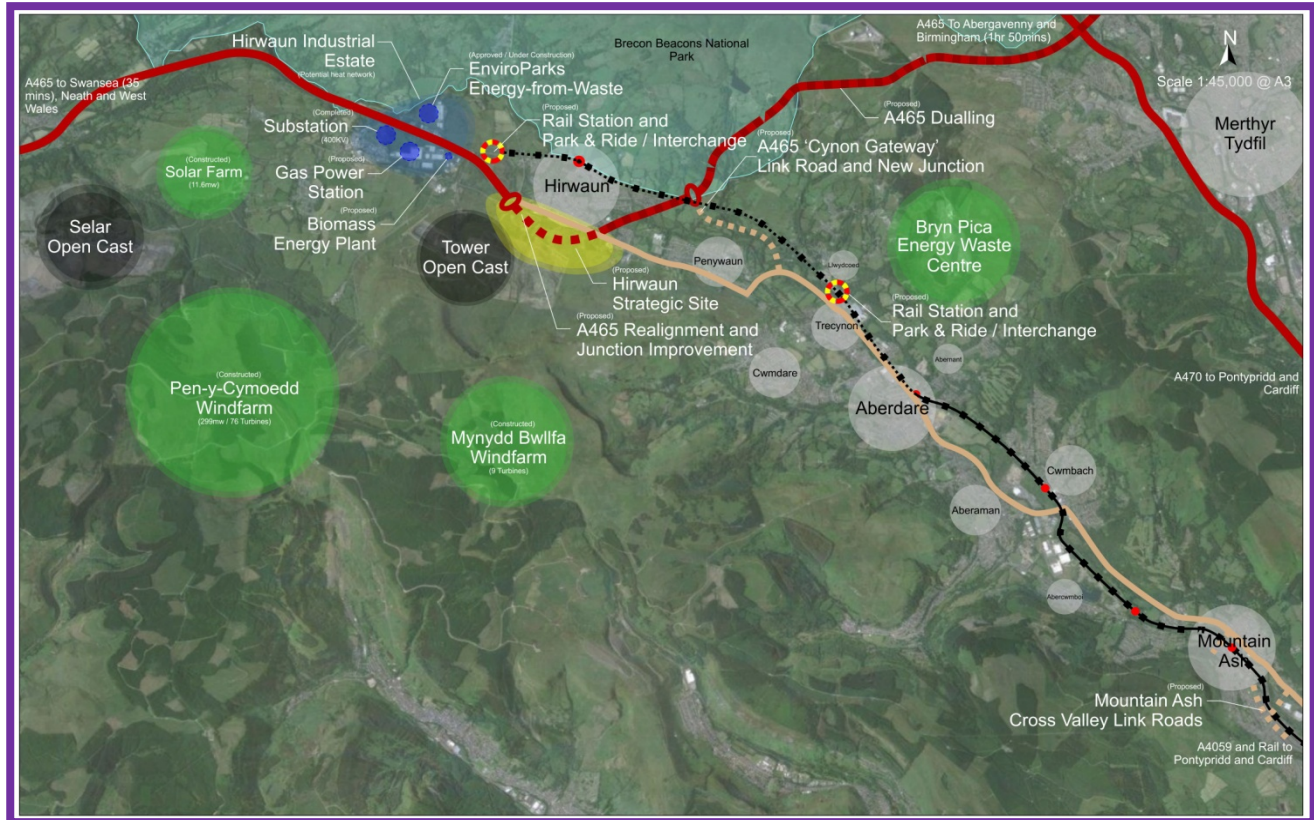
The development of Enviroparks (energy from waste facility) represents an investment of around £150 million and is currently under construction. It will create up to 200 FTE jobs (excluding construction jobs) both through its own operation and through it attracting an additional “high energy” user to benefit from the excess heat produced from the recycling process. Enviroparks also intend to provide a state of the art education centre to showcase their facility for future UK growth.

In order to sustain the future of this regional asset, environmental improvements are required.

The Council wants to work with partners to maximise the very real investment opportunity that this area presents and will actively pursue the realisation of these opportunities. This area will create regional economic growth through the development of employment and the delivery of new housing, together with new and improved transport infrastructure.

## STRATEGIC OPPORTUNITY AREA: CYNON GATEWAY

### ENERGIZING THE REGION



### CYNON GATEWAY – ENERGIZING THE REGION:

#### KEY OPPORTUNITIES SUMMARY

- CREATE 35 ACRES OF SERVICED DEVELOPMENT PLATEAU:** the current Tower Colliery Site Restoration - £20M private sector investment - will create a 35 acre plateau for business / industrial & mixed use development, with an estimated potential 1000 FTE jobs and the creation of 400 houses. Key is the need to service the plateau which requires around £22 million of further investment, to unlock this opportunity.
- EXTEND THE PASSENGER RAIL LINE TO HIRWAUN INDUSTRIAL ESTATE AND CREATE A “TRANSPORT HUB”:** making the area more accessible and attractive to investors.
- CYNON VALLEY GATEWAY:** road to link the £400M dualled A465 to the strategic highway network, at a cost of less than 10% of the dualling, ensuring the economic benefit of the investment is realised.



- **LINK A465 DUALLING TO OPPORTUNITIES:** enable the area to benefit fully from the dualling of the A465 by ensuring that the construction phase incorporates appropriate infrastructure to ensure that the key regional opportunities can be realised.
- **DEVELOP AN “ENERGY-PARK” AT BRYN PICA:** accessing an existing “heat” source (from anaerobic digestion facility) on a 10 acre site which will be attractive to businesses with a high heat / energy requirement.
- **DEVELOP ENERGY USPP FOR INVESTORS:** to attract other energy producers / users to locate, building on the £1 billion investment already made / proposed in this area and work with partners to enable developments to access cheaper electricity from the existing energy producers.
- **BUILD 400 HOMES:** to create a vibrant, enlarged and sustainable Hirwaun village through the LDP Strategic Site allocation, creating jobs and value to the local economy, and a choice of quality housing.
- **CREATE AN ENVIRONMENTAL IMPROVEMENT FUND:** to fund meaningful improvements to the existing Hirwaun Industrial Estate to make it more attractive to potential and existing businesses and ensure its long term sustainability.
- **DELIVER ENVIROPARKS (ENERGY FROM WASTE) DEVELOPMENT:** which will create up to 250 jobs in high-tech recycling facility in addition to enabling an additional “high energy” user to benefit from excess heat and energy produced as part of the technology processes.

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## KEY OPPORTUNITIES

### CREATE 35 ACRES OF SERVICED DEVELOPMENT PLATEAU

Within this area of very clear opportunity is the significant asset of land which will very soon be available for the full range of employment uses. It is critical that the potential of this land to make a significant difference to the offer and economy of South East Wales, is captured.

Currently the restoration works to create the development plateau are underway, and represent a £20M private sector investment. The Welsh Government has committed to the £400M million investment on the A465 dualling which is alongside the Tower site.

To build on, and realise the value of the current funding, a further investment is required to *service* the plateau to unlock the opportunity to secure further private sector investment.

There is a potential to complement the serviced plateau with a Local Development Order, which is attractive to investors in terms of certainty and speed.

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## **EXTEND THE PASSENGER RAIL LINE TO HIRWAUN INDUSTRIAL ESTATE AND CREATE A “TRANSPORT HUB”**

The rail head (including track and platform) to serve the former Tower Colliery already exists and there is a golden opportunity to create an extension to the passenger line service extending provision from its current termination point at Aberdare. The extension of the passenger line will increase connectivity for the northern end of the Cynon Valley with Cardiff as well as making living, working and investing in Hirwaun more attractive.

There is also the opportunity to create a “transport hub” in the vicinity of the rail head and the repositioned roundabout of the newly dualled A465 which could provide a service station as well as a “park & ride” or “park & share” facility.

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## **BUILD CYNON VALLEY GATEWAY**

The dualling of the A465 (Heads of the Valleys) brings with it a huge benefit for both businesses and residents of this area however, these benefits can be further enhanced if the works allow for an additional road from the interchange at RCTs border with Merthyr Tydfil (Baverstocks) to be constructed.

This would afford both residents and businesses of the Cynon Valley and beyond greater accessibility to and from the region, the Midlands and the North of England / Scotland in a more direct route.

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## **LINK A465 DUALLING TO OPPORTUNITIES**

The dualling of the A465 (Heads of the Valleys) provides a unique opportunity for the surrounding areas to benefit from a £400M investment in the final link in this road. It is imperative that, at the planning stage the Welsh Government delivers the maximum opportunity for both existing and proposed developments in the area to take advantage of this huge investment. This means, in practice, ensuring that the carriageway and junctions are constructed and aligned in such a way so as to maximise accessibility.

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## **DEVELOP AN “ENERGY-PARK” AT BRYN PICA**

The development of this Energy Park will build on the existing (operational) Anaerobic Digestion use at the site which produces energy (in the form of excess heat) from waste. This heat will be a valuable commodity for a business with a requirement for heat in its processes and is a key selling point in the development of the Energy Park. The site also has the benefit of being available immediately and it is in Council ownership.



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## **DEVELOP ENERGY USP FOR INVESTORS**

The development of around £1 billion of investment into the energy sector in and around the northern Cynon Valley has raised the real potential that the energy generated by some of the schemes could be linked directly to either existing (large scale) businesses in the area or, more importantly, to act as a lever to secure significant inward investment into the area through the creation of the plateau at the former Tower Colliery.

Both Enviroparks (under construction) and Bryn Pica (constructed and operational) already have plans for their own USP in being able to provide excess heat from their respective sites to attract business who have a need for heat in their respective processes.

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## **BUILD 400 HOMES**

The LDP, through its strategic allocation (NSA8) aims to develop around 400 houses in Hirwaun in addition to the creation of a business / industry development plateau. This development will represent not only a significant investment in Hirwaun but will help to make it a more sustainable and vibrant village through its association with the dualling of the A465 and the potential to extend the passenger railway line from its current termination point at Aberdare.

The development of these houses will also result in a number of significant economic benefits derived from housing development including job, and local economy benefits including service industries to serve the increased population.

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## **CREATE AN ENVIRONMENTAL IMPROVEMENT FUND**

The potential development of Hirwaun Power (a gas-fired power station) on the site of the former Hitachi factory brings with it a £10k “environmental improvement / enhancement fund” payable on implementation of the scheme. The offer (negotiated as part of the planning application) sees another £10k being payable upon confirmation that the original £10k is match funded.

Discussions have taken place with both principal owners of Hirwaun Industrial Estate (Hansteen & M7) which indicated that they may be in a position to offer this match funding.

The Council will work with partners to develop this project and secure funding from a range of sources.

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## DELIVER ENVIROPARKS (ENERGY FROM WASTE) DEVELOPMENT

The development of this “energy from waste” facility represents a significant investment of £150 million. The investment will bring with it around 80 FTE jobs at the facility itself with an estimated 120 FTE jobs within the site curtilage from a business (yet to be agreed) who would locate there in order to benefit from the excess heat and electricity generated from the Enviroparks processes. These figures exclude the number of jobs being provided / secured through the significant construction process.

## MAKING IT HAPPEN – ENERGIZING THE REGION

To realise these opportunities the Council will:

- **WORK IN PARTNERSHIP:** with the right people and organisations at the right time. This will include the Council and other public sector bodies including Welsh Government and the private sector.
- **PUT IN PLACE THE BEST DELIVERY ARRANGEMENTS:** that will make sure that we work with partners to effectively project manage delivery, ensuring that we drive the most successful outcomes.
- **CONSULT THE RIGHT PEOPLE AT THE RIGHT TIME:** to achieve the best results we will talk to the appropriate people and organisations to benefit the project development.
- **SOURCE FUNDING AND INVESTMENT:** in a timely and creative way so that we can develop the most effective financial packages to ensure project can go ahead.
- **DEVELOP EFFECTIVE BUSINESS CASES:** for individual projects and initiatives to ensure that they are viable and cost effective, deliver the optimum benefits and outcomes and are sustainable into the future.
- **MONITOR AND EVALUATE:** so that we will ensure that we are able to improve delivery by understanding and learning from good practice and challenges experienced.
- **REVIEW AND CONSIDER AVAILABLE OPPORTUNITIES:** new opportunities often arise and some identified now, may become more difficult to achieve. We will review and appraise the portfolio of projects regularly.

**These are the opportunities that will deliver transformational improvements for the Cynon Gateway and the Cardiff Capital Region. They will now be brought forward and delivered so that the area fulfils its potential.**