Gower Activity Centres Feasibility Study

FINAL REPORT

Prepared by

Planning Solutions Consulting Limited

January 2019

Strictly Private and Confidential - Commercially Sensitive

Client	Swansea Council
Title	Gower Activity Centres Feasibility Study
Version	FINAL
Date	January 2019
Contact name	David Howells
Contact details	Planning Solutions Consulting Limited 9 Leigh Road Havant Hampshire PO9 2ES M: 07969 788835 david@pslplan.co.uk

Contents

Executive Summary

Over the past four months, Planning Solutions Consulting Limited has been working with the City and County of Swansea, on behalf of the Swansea Rural Development Programme's (RDP) Local Action Group (LAG), to develop a plan and business model to maximise the potential of the Gower Activity Centres: Ty Borfa and Ty Rhossili. Specifically, the brief has been to provide a robust feasibility study grounded on research, consultation and business modelling as the foundation for a practical plan of action to guide both subsidised and commercial opportunities at the Centres.

Gower Activity Centres represent a key component of Swansea Council's Poverty and Prevention Service. The Centres engage with a large number of schoolchildren, young people and families each year, offering a range of adventurous residential visits.

Swansea Bay continues to develop as a major visitor destination with its strong rural, coastal and city centre product. The area attracts over 4.6m visitors a year, supports over 5,674 jobs and contributes over £400m to the regional economy[1]. The area's outstanding natural environment and the exceptional quality of the Gower landscape in particular are key strengths identified by visitors. Enhancing the visitor offer and growing rural the local economy depends not only on what the area has to offer environmentally but also the services and infrastructure available to contribute to the overall visitor experience. In addition to the services to school and other disadvantage groups, the Centres provide weekend group accommodation through its partnership with YHA.

Activity and adventure tourism continue to be recognised as a growing market opportunity. The relatively more benign coastal landscape makes Gower ideal for beginner, learner and young people's activities, with little use conflict at popular sites. Proximity to the city of Swansea and M4 is a significant market advantage but also perpetuates the view of Gower as a convenient day visit destination for activity groups. Discussions with potential partners demonstrates interest in future collaboration with the City Council with regards to the Centres.

[1] Scarborough Tourism Economic Activity Monitor (STEAM) 2016

GAC SWOT Analysis

Strengths	Weaknesses
• Established local base market • High levels of user satisfaction • High quality in-house instructor team • Superb seafront location for Ty Borfa • Current markets are complementary (Schoolday/ Weekend and Term-time/ Holiday) • Committed management team • Positive service ethos • Links with national brand (YHA)	• Limited access to capital • 'Passive' approach to leisure/ tourism market • Brand awareness and value: limited web profile • Site footprints are constrained (especially Ty Rhossili) • Awkward access to Ty Rhossili (which is not in Rhossili….) • Ty Rhossili needs reinvestment if only to match Ty Borfa standard and deliver consistency • Annual budgeting • One primary client and source of funding
Opportunities	**Threats**
• Potential partnerships with high reputation operators • 'Walk-up' Activities for casual visitors • Pro-active approach to leisure market • Gower Dark Sky status • Differentiate the offer between the 2 centres to better suit location, capacity and configuration • Growing reputation of Wales for Adventure Activities • Move to self-catering 'house-party' option for some market segments • Continued investment in activities product in wider destination	• Other residential sites on Gower with stronger brand/ story • Continuing tightening of core budgets available for social/ learning outcomes • AONB location will limit range and scope of development • Product development and aggressive marketing of rival destinations – Pembrokeshire, North Wales, Cornwall

• Positioning of Gower as a place to learn activity skills • Develop particular specialisms/ themes for each site	

Future Options

A. **Proactive Status Quo –** retain management in-house but with a higher commitment to re-investment and diversification
B. **Delivering the service in partnership** with an interested party as a joint venture
C. **Enabling an interested party to deliver the service** on behalf of SCC through commissioning/ procurement

	Option	Benefits	Constraints
A	Pro-active status quo	• Retain full management control • Strong organisational ethos and link to core markets • Retain current in-house expertise • Provide continuity	• Limited access to additional capital/ revenue via SCC or other public resources – improvement is likely to be incremental • SCC conditions of service and on costs have to be retained or renegotiated • SCC continuing to challenge delivery options for non-core services
B	Working in Partnership (Joint Venture 'Trust')	• Shared risk for budgeting, programming and activities • Access to external investment and innovation • Additional expertise in new and existing markets • Market strength of chosen partner brand and values • A number of candidate partners in the market with strategic fit	• Dilution of SCC GAC brand • Requires clear agreements and detailed planning • New ways of working may challenge SCC culture in short term • Length and scope of agreement needs to incentivise partner to commit and continue investment • Some impact on in-house employment

		• SCC retains control of assets	
C	Enabled Partner delivery (Outsource)	• SCC retains ownership of assets but without business risk • Fixed and therefore predictable budget impact • Significant organisational experience of existing outsourcing models (e.g. Leisure Services) • Protection of core business can be included in specification/ Service Level Agreement • A number of candidate delivery partners in the market	• Difficult to build the optimum level of flexibility into management contract • Length and scope of agreement needs to incentivise partner to commit to and continue investment (10+ years) • Major impact on in-house employment (but TUPE should apply) • Loss of direct management input • SCC still bears some reputational risk

Next Steps

The research and consultation demonstrate that the Gower Activity Centres are seen as providing an important service and facilities, which contribute to poverty prevention, building resilience and in providing group visitor accommodation on Gower. The Centres engage with a large number of schoolchildren, young people and families each year, offering a range of adventurous residential visits.

The investment at Ty Borfa means that the centre is delivering a quality experience. Proposals to develop new accommodation pods and extend 'pay and play' facilities on Port Eynon beach could make a significant impact on future revenue generation.

Action:

- **Develop an operational plan for the planned glamping pods at Port Eynon, including piloting the pods for independent travellers**
- **Develop a programme (including pricing and timetable) for enhanced 'pay and play' activities on Port Eynon beach to include new provision at Rhossili (on car park site)**

- **Establish a dedicated booking website for both accommodation and 'pay and play' activities**

The situation at Ty Rhossili is different in that significant capital investment is required to up-date the centre and make it fit for purpose. One option being considered is to change the offer at Ty Rhossili in the short term from a residential centre for school groups to a large house rental. The rationale is that this would reduce staff costs, with the additional rental generated at Ty Rhossili being used to subsidy service provision at Ty Borfa. Clearly, the centre would still need to meet its school bookings, which currently run until July 2019. In the short term further work is needed to assess this option.

Action:

- **Assess investment requirement to adapt Ty Rhossili for large house rental**
- **Develop financial projections for large house rental at Ty Rhossili**
- **Discuss proposal with YHA regarding the market for all-year-round exclusive hire**

The medium – long terms options and opportunities for Ty Rhossili will still require consideration. The building configuration would seem to indicate that re-development would be the sensible approach although any new development would not too sensitive to the local environment and landscape. Within the AONB, development must have regard to the purpose of the designation to conserve and enhance the natural beauty of the area. Critically, it needs to be of a scale, form, design, density and intensity of use that is compatible with the character and landscape of the area. Further technical work is required to consider the planning and spatial issues of any new development on the current site.

Action:

- **Develop an accommodation schedule for a new residential outdoor activity centre to cater for the schools' market**
- **Generate concept drawings of the proposed new centre (RIBA Stage 1 / 2) for discussion with the planning department**
- **Assess capital costs and development structuring package for the proposed new centre**

The research and consultation have generated interest from a number of local and national stakeholders. Formal discussions need to take place to determine the level of interest and commitment to partnership working.

Action:

- **Establish City Council's core aims and objectives in the form of a Partnership Prospectus**
- **Invite core partners to a round-table meeting to discuss feasibility study and partnership options**
- **Set out a set of questions for interested parties to respond to, e.g.:**
    - **operational experience**
    - **investment ability**
- **Establish a future vision for Ty Rhossili**

1. Introduction

Over the past four months, Planning Solutions Consulting Limited has been working with the City and County of Swansea, on behalf of the Swansea Rural Development Programme's (RDP) Local Action Group (LAG), to develop a plan and business model to maximise the potential of the Gower Activity Centres: Ty Borfa and Ty Rhossili. Specifically, the brief has been to provide a robust feasibility study grounded on research, consultation and business modelling as the foundation for a practical plan of action to guide both subsidised and commercial opportunities at the Centres.

Gower Activity Centres are a key component of Swansea Council's Poverty and Prevention Service. The Centres engage with a large number of schoolchildren, young people and families each year, offering a range of adventurous residential visits.

Swansea Bay continues to develop as a major visitor destination with its strong rural, coastal and city centre product. The area attracts over 4.6m visitors a year, supports over 5,674 jobs and contributes over £400m to the regional economy[2]. The area's outstanding natural environment and the exceptional quality of the Gower landscape in particular are key strengths identified by visitors. Enhancing the visitor offer and growing rural the local economy depends not only on what the area has to offer environmentally but also the services and infrastructure available to contribute to the overall visitor experience. In addition to the services to school and other disadvantage groups, the Centres provide weekend group accommodation through its partnership with YHA.

We designed an approach to meet the requirements of the brief and provide a firm foundation and evidence base for the Council to maximise commercial opportunities which can underpin the subsidised service - itselfa core component of the Council's poverty prevention service. The work has included a comprehensive research programme to achieve constructive input from a range of stakeholders, businesses and investors to build the evidence for the project.

Our report is structured as follows:

- Section 2 provides a light-touch assessment of the centres;
- Section 3 summarises the policy context and key themes coming out of our consultations with key stakeholders, partners and investors;

[2] Scarborough Tourism Economic Activity Monitor (STEAM) 2016

- Section 4 provides a market profile, including demographic information;
- Section 5 considers future market opportunities;
- Section 6 provides a SWOT analysis;
- Section 7 summarises the key aims and objectives of the service;
- Section 8 provides an assessment of the future business models for taking the project forward
- Section 9 summarises the recommended preferred option and
- Section 10 outlines the way forward.

2. Audit and Assessment of the Gower Activity Centres

2.1 Current service and facilities

The current services offered at the Gower Activity Centres – **Ty Borfa** and **Ty Rhossili** - include:

- Outdoor education and adventure residential experience for schools, youth group and families
  - Monday to Friday market
  - Package of activities delivered by qualified instructors
  - Predominantly used by schools in Swansea (78%)
- Group accommodation
  - Self-catering/full board and tourism opportunities for staying visitors
  - Friday to Sunday
  - Flat rate regardless of season
  - 100% of bookings via YHA ("exclusive hire")
- Other services
  - Referral services
  - Other commercial services: pay and play

Ty Borfa in Port Eynon has been refurbished to provide accommodation for up to 31 people in three single, one double and 4-5 bedrooms. Nine bedrooms have private bathrooms and 2 single rooms are en-suite. One of the single en-suite rooms is suitable for use by those with a mobility problem. There are 2 large multi activity rooms, a drying room, a kitchen for use by residents, and a full range of IT, with broadband internet, and audio-visual equipment.

Ty Rhossili has 16 beds arranged in 1×2 (twin), 1×1 (single), 1×8 (bunks), 1×5 (single) in a Mezzanine sleeping area. There is a large multi activity room/TV lounge, dining room seating 16 and a sitting area with double doors leading onto the patio area.

The primary focus is on catering for the local schools' market; the draft Business Plan indicates that the Gower Activity Centres benefit around 5,000 young people and families each year.

The table below outlines market share.

Market User	% Total
Schools	63%
College	5%
Referral Service	5%
Group accommodation market	22%
Other commercial services	5%

Ty Borfa is currently graded 3* by Visit Wales.

Despite its iconic location within the Rhossili Downs and overlooking the south Gower coastline, the amenities and facilities at **Ty Rhossili** do not match its location. Ty Rhossili is graded 2*. The layout of the building (s) mean that refurbishment would be difficult and costly. The site, however, could presents an opportunity for an innovative new development.

2.2 Financial Assessment

The table below summarises the (forecast) budget for 2017/18. The key factor driving the budget is the need to generate enough income to offset the newly controlled costs and overheads set out through the latest commissioning review.

2017/18 Budget Summary	
Total Cost of Service	£369,077
Target Income	£180,077
Borfa	£90,039
Rhossili	£54,023
Activities	£36,015
Service Budget	£189,000

The financial assessment indicates that:

- The actual budget indicates an overspend of circa £30k, caused mainly by employee costs.
- In line with the Council's current savings plan, the core budget needs to reduce by £25kpa up to 2021/22.
- The budget makes no allowance for capital to undertake any future maintenance and up-keep.
- A feature of the service is that a significant % of costs associated with staff
    - Rhossili: £93,384
    - Borfa: £150,530
- Any reduction in staffing is likely to have an impact on service delivery

The draft Business Plan sets out a range of income growth targets to address Council savings and the cost of service, including:

- A new pricing structure for schools, which was introduced in September 2018. This is forecast to generate an additional £50k+ based on the 2-centre model.
- A small increase from growth in FE market, specifically from Trinity College St Davids
- Increased capacity to deliver additional session for EOTAS Service. The new schools pricing structure enables instructors to deliver additional services for use by the Pupil Referral Units on a Friday, with no impact on the schools' programme.
- Increase in visitor group accommodation achieved through investment of new opportunities, specifically at Ty Borfa (which are assessed later in the report), e.g.
    - Glamping
    - New product opportunities
- Other commercial income
    - 'pay and play', i.e. delivering adventure activities to the public at Port Eynon and Rhossili;
    - additional Swansea Council contracts, e.g. team building days etc.

The potential activities and income growth targets are ambitious and, in the main, continue to have an over reliance on services to public sector organisations, many of which are facing financial pressures.

Although Ty Borfa has seen capital investment to up-grade the centre, no allowance is made within the budget for investment to up-grade / enhance facilities. As indicated, there are real concerns as to whether Ty Rhossili is 'fit for purpose' to continue to deliver services to both the schools / family market and tourists.

The up-lift in group accommodation income is dependent on the delivery of new products. Indeed, there is uncertainty as to whether the capital investment to develop these new products will be forthcoming.

The current group accommodation pricing structure doesn't take into account seasonal nature of market, which means that visitors pay the same for a weekend in February as they do in August. Charging premium rates in July / August will enable the Centres to increase group accommodation income.

The partnership with the YHA is vital in terms of marketing and having a booking system for group visitors. However, the lack of an effective and efficient 'pay and stay' website means that 100% of weekend bookings come from YHA (which entails between a 9%-13% 'agency' charge).

2.3 User experience

Despite the financial pressures, the feedback from users to both centres are extremely positive. The feedback forms from schools include exceptional positive comments highlighting:

- Refurbishment at Ty Borfa, which has provided a vast improvement in shared space, and
- Quality of activities and instructors.

The feedback from groups staying at the centres is also positive. Discussions with YHA show no negative comments on the accommodation provided. Location is the key. Gower is a mature destination, with good market awareness, offering a well-understood range of products based around:

- coast
- scenery/landscape
- beaches
- outdoor activities

2.4 Governance

The Centres are part of Youth Service and are seen as being an important component in the Council's poverty prevention activities, specifically providing deprived families and young people in the city with an opportunity of experiencing outdoor adventure and activities to support resilience.

3. Consultation themes

3.1 Key themes

As well as discussions with the project steering group, we undertook consultations with a range of organisations identified by the client as key contacts including Gower AONB, Swansea City Council (planning), Visit Swansea Bay, Visit Wales, National Trust and Dark Sky Wales. These are the main themes which emerged from the consultation:

- Adventure Activities remain a key component of the Wales brand proposition
- Gower's main rival in Wales for Adventure Activities is seen as Pembrokeshire (rather than closer inland destinations….) but there remains a commitment to continual improvement of the activities offer across Swansea Bay destination
- The relatively more benign coastal landscape makes Gower ideal for beginner, learner and young people's activities, with little use conflict at popular sites
- Proximity to the city of Swansea and M4 is a significant market advantage but also perpetuates the view of Gower as a convenient day visit destination for activity groups
- GAC's 'Pay and Play' initiative is seen as a positive way of engaging new and different visitors in activities
- Dark Sky status is seen as desirable rather than essential in terms of overall destination appeal and profile, but recognised as an opportunity to extend the season and market
- Partnerships across Gower (public, private and third sector) e.g. Gower Landscape Partnership seen as key both to drive product development and coordinate marketing and messaging
- Expansion of Swansea's Universities provides significant opportunity for increasing learning-based activities
- Planning and AONB guidance are sympathetic to further development of the GACs subject to design, environmental impact and contribution to conservation and community well-being
- There is a move towards improved accommodation facilities in the residential group sector (cf Rock UK at Bedlinog)
- The 2 centres do not have to provide the same offer as each other or serve the same markets in future.

Discussions have also taken place with a range of potential 'partners', who in the past have expressed interest in collaborating with the Council. These included the YMCA, YHA, Shaw Trust, Down to Earth and Wood Knowledge Wales.

3.2 YMCA

YMCA Swansea has a specific focus on giving young people a safe, supportive place to come and help them fulfil their potential. Based on the Kingsway, the centre provides a range of recreational space including a fitness centre, theatre, recording studio and business hub. YMCA is an autonomous entity but is affiliated to the national council of YMCAs in England and Wales. YMCA Swansea delivers a range of programmes and projects to support young people in the city including training provision. The current property portfolio includes the one building in Kingsway and plans are in pace to develop the car park.

YMCA Swansea is keen to further collaborate with the Council including looking to utilise residential space at the GAC to support residential training courses for young people. The organisation has limited capital to invest in any potential joint venture but is interested in exploring a future partnership model although there would need to be further clarify regarding roles and responsibilities.

3.3 Down to Earth

Down to Earth Project is a social enterprise specialising in Sustainability Education and Natural Building. Based on the Gower Peninsula, Swansea, the Project offers a range of programmes for 'disaffected' young people and training programmes for adults in Traditional and Natural Building methods. As a centre for Sustainability Education (ESDGC), the Project offers educational programmes and training for workers from informal and formal educational sectors. The organisation also works with schools and community organisations to design and build beautiful outdoor spaces using natural materials. In conjunction with Valley Kids, the Project has developed a residential centre, which can accommodate up to 35 disadvantaged young people at Little Bryn Gwyn, Gower.

The Project is keen to develop new facilities both in terms of development and operation and is keen to collaborate with the City Council regarding the future form and function of the GAC, particularly at Rhossili. There would need to be clarity regarding partnership principles and any future relationship between the Council and Down to Earth. They feel confident in their ability to fund-raise the necessary capital investment for either refurbishment or redevelopment.

3.4 YHA

The GAC already has a strong working relationship with the GAC. All weekend holiday bookings are via the YHA "exclusive hire" product, which continues to experience significant market growth. The arrangement is a revenue earner for YHA and both Centres seem to be liked by customers, although they recognise that Ty Rhossili is in need of further investment.

YHA is looking to grow although their focus is very much in metropolitan areas (it currently has major investment plans for a big hostel in Stratford, east London. Over the past 5 years, the focus of investment has been acquisitions and refurbishment of existing properties.

The YHA would be interested in having future discussions with the City Council about future plans for both centres.

3.5 Shaw Trust

Shaw Trust is a charity helping to transform the lives of young people and adults across the UK and internationally. The services help people gain an education, enter work, develop their career, improve their wellbeing or rebuild their lives.

Shaw Trust is one of the largest 25 charities in the UK. Comprising Shaw Trust, Prospects, Ixion and Shaw Education Trust, the Trust supports people to develop their potential.

In addition to operating a number of schools 'academies', Prospects manage and operate an outdoor education centre the Cotswold Water Park[3]. Discussions are continuing between Shaw Trust and the City Council regarding future collaboration, including interest in the Gower Activity Centres. The Trust has future ambitions to invest in Wales and increase its range of activities and interest in the Principality.

3.6 PGL

In addition, we have spoken to PGL, the UK's leading outdoor education provider, delivering inspirational learning through adventure. The company provides educational activity courses, school trips, children activity holidays and summer camps with centres in the UK and France.

Although PGL does not currently partner / collaborate with local authorities in the management and operation of centres, it is something that could be of interest in the future.

In terms of future expansion plans, the company is looking at increasing their portfolio of centres particularly in the South East of England. The broad criteria for sites include:

- Building acquisition;
- Good population catchment;
- 25+ acre site.

Wales is not identified as a priority market for future acquisition.

[3] https://www.prospects.co.uk/What-We-Do/Education-and-Learning/South-Cerney-Outdoor-Centre

Summary
Activity and adventure tourism continue to be recognised as a growing market opportunity. The relatively more benign coastal landscape makes Gower ideal for beginner, learner and young people's activities, with little use conflict at popular sites. Proximity to the city of Swansea and M4 is a significant market advantage but also perpetuates the view of Gower as a convenient day visit destination for activity groups. Discussions with potential partners demonstrates interest in future collaboration with the City Council with regards to the Centres.

4. Market Profile

4.1 Demographic Profile

As flows from the tourism market are subject to seasonal variations the local residential market, particularly within the 0 to 60-minute drivetime contour, is likely to be a key driver of users particularly during the shoulder periods. With the associated onsite accommodation, however, it will be possible to create packages which can target people living further afield.

4.1.1 Headline population

The table below sets out the headline population figures[4], which indicate marked differences across Gower and reflects the relatively slow journey times within the destination itself . For Rhossili Bay, the residential population is just 15,000 people within the overall 30-minute drivetime contour, which increases to half a million for the 0 to 60-minute contour and 2.4 million for the two-hour drivetime contour. The respective figures for Mumbles, included for comparison and closer to the City and main transport routes are 372,000, 1.17 million and 3.3 million.

Drive Times (Minutes)	Mumbles	Rhossili Bay
	Residential Population	
0 to 30	372,306	14,753
0 to 60	1,170,327	501,837
0 to 120	3,309,972	2,377,469

Source: Geoplan

4.1.2 Age profiles

Mumbles

The table below shows the breakdown of the age profiles within all three drivetime contours. In all contours, the representation of children aged between 0 and 15 years old is slightly below the index figure, this is most pronounced within the immediate 0 to 30-minute drivetime catchment. This captures the majority of 'school aged' children.

[4] Source: Geoplan on-line mapping information www.geoplan.com

There is an under representation within the teenage and young adult age bracket (people aged 16 to 24) for both the 0 to 60 and overall 0 to 120-minute contours. However, within the immediate 0 to 30-minute contour the representation of older teenagers and young adults is some 10% above the index figure.

The core family market age brackets – adults aged 25 to 44 and 45 to 64 is mixed across the different contours. There is a significant over representation of older adults (aged 65 and over) within both the 0 to 30 and 0 to 60-minute drivetime contours (some 10% and 11% above the index figure).

Age profile – Mumbles

Age	0 - 30 minute			0 to 60 minute			0 - 120 minute		
	Area total	Area %	Index	Area total	Area %	Index	Area total	Area %	Index
Age 0 to 15	65,432	17.58	94	212228	18.13	97	599,083	18	96
Age 16 to 24	48,869	13.13	110	138701	11.85	99	412,106	12	96
Age 25 to 44	94,592	25.41	93	293278	25.06	92	837,530	25	108
Age 45 to 64	96,245	25.85	101	313244	26.77	105	868,523	26	97
Age 65 and over	67,159	18.04	110	212856	18.19	111	592,695	18	91

Source: Geoplan

Rhossili Bay

The table below shows the breakdown of the age profiles within all three drivetime contours of Rhossili Bay. Similar to Mumbles the representation of children aged between 0 and 15 years is below the index figure within all three contours. This is most pronounced within the immediate 0 to 30-minute contour, which is some 7% below the index figure

Within the 30-minute drivetime contour the representation of both the teenage and young adult groups (people aged 16 to 24) and for people aged 25 to 44 (part of the core family market segment) are significantly below the index figure – some 31% and 28% below respectively. Within the 0 to 60 and 0 to 120 minutes overall contour the representation of older teenagers and young adults are 5% above and 5% below the index figures respectively.

Within the 0 to 60 and 0 to 120 minutes overall contour the representation of adults aged 25 to 44 (part of the core family market) are 9% below and 9% above the index figures respectively. In terms of adults aged 45 to 65 within the 0 to 60 and 0 to 120-minute

contours the representation of adults within the age bracket are some 3% above the index figures and 3% below the index figures respectively.

There is a significant over-representation of older adults (aged 65 and over) within both the 0 to 30 (+57%) and 0 to 60 (+14%) minute drivetime contours.

Age profile – Rhossili Bay

Age	0 - 30 minute			0 to 60 minute			0 - 120 minute		
	Area total	Area %	Index	Area total	Area %	Index	Area total	Area %	Index
Age 0 to 15	2,576	17.46	93	88,766	18	94	432,989	18	97
Age 16 to 24	1,224	8.30	69	62,669	12	105	299,195	13	95
Age 25 to 44	2,901	19.66	72	124,725	25	91	599,077	25	109
Age 45 to 64	4,266	28.91	113	132,215	26	103	623,900	26	97
Age 65 and over	3,788	25.67	157	93,442	19	114	422,299	18	92

Source: Geoplan

4.1.2 Population projections

- Population projected to increase by 0.4% (870) per year between 2014 and 2039
- Number of children (aged 0-15) is projected to fall slightly, by 100 (-0.3%), over the 2014-39 period, contrasting with the growth in the whole population
- The number of working age people (aged 16-64) is projected to increase by 3,400 (2.2%) by 2039, an average of 140 (0.1%) per year, below the 0.4% average annual rate of growth projected for the whole population
- The number of people aged 65 and over is projected to increase at an average annual growth rate of 1.6% (around 740 people per year) to 64,700 by 2039.

4.2 Tourism Market

Swansea City Council subscribes to the STEAM model for monitoring volume, value and trend information in the visitor economy. The 2017 figures reveal the following:

- Swansea destination has seen +23% income, +13% visitor numbers and +7% employment over the last 10 years

- The Visitor Economy across Swansea is now estimated to be worth £417m and supports 5700 fte jobs
- Staying visitors account for 33% of visits but 62% of visitor days. The average stay is just over 3 days (i.e. short breaks)
- No Gower-specific modelling has been done since 2007 but it is instructive that at that time the AONB sub-area accounted for just 13% of visits but 25% of overall expenditure and 33% of employment based on a much higher proportion of staying visitors (78%) and longer stays (6 days).
- Planned regeneration investments are predicted to increase economic impact by a further +5% (on 2017 levels) by 2021
- 1.6m (35%) of the 4.6m annual visits to Swansea include overnight stays
- Occupancy figures are ahead of the Wales average 71% v 61% for Serviced Accommodation and 60% v 58% for Non-Serviced
- Partnerships, Quality, Year-Round Destination, Sustainability are priorities for the new Destination Management Plan
- Major Events are seen as a major driver
- The plan supports Visit Wales concentration on the 'Independent Explorer' market profile with 'Cultural Explorers' and 'Pre-Family Explorers' drawn to the City as a base for visiting and 'Family Explorers' and 'Scenic Explorers' to the wider destination, including Gower

4.4 Education and Groups market

- Evidence suggests schools cutting back in organising field trips
- Risk of decline in school trips
  - Rising costs
  - Time and financial pressure in schools
  - Health and safety
- Rising cost of transport means that schools now travel shorter distances
- More competition from commercial operators: PGL, Kingswood etc
- Massive growth in "exclusive hire" market

5. Future opportunities

5.1 Product trends

The outdoor activities sector in Wales is recognised as a growing product, worth up to 10% of Wales' tourism economy. Visit Wales research found that activities ranging from abseiling to zip wire rides generated £481m and created 8,243 jobs in 2016. The Welsh Government has invested in developing the sector including financial support to to the Zip World family in Betws y Coed and a new Wakeboard Park in Pembrokeshire.

Future product trends include: -

- Continued growth and development in traditional outdoor adventure activities
  - Land-based
  - Water-based
  - Air-based
- A continuing desire for transformative experiences
- An increase in Trail Tourism
- Packaged experiences for different market segments
  - Solos
  - Female adventurers
- Impact of digitalisation
  - Bots
  - Virtual reality
- Strong conservation message

5.2 Dark Sky Places

The International Dark Sky Places programme offers six types of designations:

i. <u>International Dark Sky Communities</u>
Communities are legally organized cities and towns that adopt quality outdoor lighting ordinances and undertake efforts to educate residents about the importance of dark skies.

ii. <u>International Dark Sky Parks</u>
Parks are publicly- or privately-owned spaces protected for natural conservation that implement good outdoor lighting and provide dark sky programs for visitors.

iii. <u>International Dark Sky Reserves</u>
Reserves consist of a dark "core" zone surrounded by a populated

periphery where policy controls are enacted to protect the darkness of the core.

iv. International Dark Sky Sanctuaries
Sanctuaries are the most remote (and often darkest) places in the world whose conservation state is most fragile.

v. Urban Night Sky Places
UNSPs are sites surrounded by large urban environs whose planning and design actively promote an authentic night-time experience in the midst of significant artificial light at night, and that otherwise do not qualify for designation within any other International Dark Sky Places category.

vi. Dark Sky Friendly Developments of Distinction
Dark Sky Friendly Developments of Distinction recognize subdivisions, master planned communities, and unincorporated neighbourhoods and townships whose planning actively promotes a more natural night sky but does not qualify them for the International Dark Sky Community designation.

As an overall destination Gower is committed to gaining Dark Sky status – indeed the application process, through the International Dark-Sky Association (IDA), is well advanced, with support from the AONB itself, Visit Swansea Bay and other stakeholders such as National Trust, and with every expectation of a positive outcome. Within Wales Gower would join other protected landscape-scale Dark Sky areas such as Brecon Beacons and Snowdonia, as well as Exmoor, a few miles across the Bristol Channel. The thinking behind the Dark Sky movement is that a significant reduction in artificial light pollution is important for habitat, wildlife and community well-being as well as offering the bonus of high quality and uninterrupted opportunities to view the night sky to both residents and visitors.

In branding terms, it represents an effective and powerful way of differentiating destinations especially where they are located near cities or major transport corridors. It is self-evident why protected landscapes would wish to add the Dark-Sky 'badge' to their existing sustainability credentials. For some destinations, e.g. Kielder Forest and the Northumberland National Park, Dark Sky status has also become a key plank in the overall offer and promise to visitors, providing a platform for a programme of community and industry engagement, events and product development. This is based on the understanding that while the designation alone may generate some credibility, awareness and approval, it needs to be backed up by themed things to do, locations to visit and places to stay, to realise the potential economic benefits. Given the vagaries of weather in the UK a further complication is the need to provide valued and high quality

'fall back' experiences even when visibility of the night sky is poor. In Kielder, Brecon Beacons and other Dark Sky destinations particular locations have been developed to provide permanent interpretation and/or venues for Dark Sky activities supported by a cohort of trained ambassadors.

GAC saw an opportunity to provide the main focus for the Gower's Dark Sky offer at Ty Rhossili and submitted an ambitious bid to Visit Wales (VW) for TAIS funding, (ultimately derived from the Rural Development Programme), which included the creation of an observatory, learning space/ planetarium and improvements to other on-site facilities, with an overall spend of £160k. Unfortunately, the bid has been turned down. VW does not preclude a future re-application if there is a further tranche of funding, but it is clear that any new bid must concentrate on tourism and economic, rather than educational and social, outcomes.

Dark Sky activities can still, of course, be run from the GAC sites, without this level of investment in bespoke facilities, but arguably they would be costlier to stage each time (as specialist equipment would need to be brought in temporarily) and they would be just one of many menu options rather than the USP of Ty Rhossili.

However, the Gower destination overall **will** need to think about how and where Dark Sky status is converted into purchasable visitor experiences, so the opportunity remains for entrepreneurial organisations and businesses to pioneer and exploit the opportunity.

This presumes there is a market. It is a truism that Dark Sky activities necessarily deliver overnight tourism, with the chance to drive 'day' to 'stay' – a strategic goal for both Visit Wales and Visit Swansea Bay. Anecdotally Dark Sky activities have a broader appeal both in terms of age range, profile and point of origin than other activities in Wales. The Brecon Beacons reports that 3000 took part in formal Dark Sky related activities in the last year. While this represents a 100% increase on the previous year it remains a small proportion of the 5m visitors to the park overall.

5.3 Commercial opportunities

Plans are well advanced to invest in a range of new product opportunities at the Centres including:

- Development of extra glamping accommodation within the grounds at Ty Borfa;
- Increasing 'pay and play' services on the beaches at Port Eynon (which was trialled in 2018) and Rhossili.

Both initiatives provide potential to increase revenue although operational issues need further consideration. For example, are the proposed glamping bods for use by existing groups at Ty Borfa of for the independent traveller market?

One major issue is the lack of a 'fit-for-purpose' quality website to both market and promote the Centres an enable users to make bookings for services and facilities offered at the Centres.

6. Summary SWOT

The table below provides a summary SWOT for the Gower Activity Centres.

Strengths	Weaknesses
• Established local base market • High levels of user satisfaction • High quality in-house instructor team • Superb seafront location for Ty Borfa • Current markets are complementary (Schoolday/ Weekend and Term-time/ Holiday) • Committed management team • Positive service ethos • Links with national brand (YHA)	• Limited access to capital • 'Passive' approach to leisure/ tourism market • Brand awareness and value: limited web profile • Site footprints are constrained (especially Ty Rhossili) • Awkward access to Ty Rhossili (which is not in Rhossili….) • Ty Rhossili needs reinvestment if only to match Ty Borfa standard and deliver consistency • Annual budgeting • One primary client and source of funding

Opportunities	Threats
• Potential partnerships with high reputation operators • 'Walk-up' Activities for casual visitors • Pro-active approach to leisure market • Gower Dark Sky status • Differentiate the offer between the 2 centres to better suit location, capacity and configuration • Growing reputation of Wales for Adventure Activities • Move to self-catering 'house-party' option for some market segments • Continued investment in activities product in wider destination • Positioning of Gower as a place to learn activity skills • Develop particular specialisms/ themes for each site	• Other residential sites on Gower with stronger brand/ story • Continuing tightening of core budgets available for social/ learning outcomes • AONB location will limit range and scope of development • Product development and aggressive marketing of rival destinations – Pembrokeshire, North Wales, Cornwall

7. What do we want to achieve?

7.1 Balancing subsidised and commercial opportunities

The research and consultation demonstrate that the Gower Activity Centres are seen as providing an important service and facilities, which contribute to poverty prevention, building resilience and in providing group visitor accommodation on Gower.

The investment at Ty Borfa means that the centre is delivering a quality experience. Proposals to develop new accommodation pods and extend 'pay and play' facilities on Port Eynon beach could make a significant impact on future revenue generation.

The situation at Ty Rhossili is different in that significant capital investment is required to up-date the centre and make it fit for purpose. The small bed count (16) means that the centre has difficulty in meeting the school market, specifically providing accommodation for a 30-children class size. The building configuration would seem to indicate that re-development would be the sensible approach although any new development would not to sensitive to the local environment and landscape.

There is a strong policy framework at national and local level to address poverty prevention and a corporate commitment to reduce poverty and the impacts that poverty has on its citizens, specifically seen in:

- Wellbeing of Future Generations Act
- One Swansea Plan
- Corporate Plan

A key component is to ensure that all residents have the opportunity and resources to participate in social, cultural and leisure activities. and the Gower Activity Centres provide an important service offering experiential learning and residential opportunities to school, vulnerable children, young people and families.

There is also a strong policy framework to develop the rural economy, specifically to enhance the tourism offer and its contribution to delivering a strong economy and vibrant communities. Tourism important and growing sector, which accounts for 54% of employment in Gower. Actions are needed to increase tourism revenues and extend the tourism season to create a year-round destination.

However, this needs to be seen within the financial context, whereby the City Council needs to make significant savings, which makes the current level of subsidy provided unsustainable. Delivering a balance between providing a subsidised service whilst maximising commercial opportunities is also challenging.

7.2 Aims and Objectives

We set out below some core aims and objectives for the Gower Activity Centres, which provide an important context for considering future business models.

A: More people, particularly young people, participating in and benefitting from outdoor recreation to:

Address social equity
Achieve health and well-being outcomes
Provide life skills
Secure an appreciation of the outdoors

B: Making a positive contribution towards preventing and addressing poverty and disadvantage in Swansea

C: Maintaining the centres to ensure public safety

D: Maximising the economic benefits of the Centres particularly to enhance the tourism product

The interest expressed by partners shows that there is a genuine opportunity to create a new business model to sustain the service and also one that could encourage investment, funding capability and facility improvement. These options are considered in the following section.

8. Future business model options

Effective governance can mean the difference between a successful business that is viable and sustainable, to one that struggles. Any future structure will need to balance minimising financial risk and liability with the ability to deliver life-enhancing opportunities for young people and families in the city whilst operating a visitor experience. Central to this will be the role and responsibilities of Swansea Council.

The following business model options, together with their top-line benefits and challenges, were discussed with the steering group at the interim report stage of the project.

1. **Status Quo –** manage resources and the offer within declining real-terms internal funding
2. **Proactive Status Quo –** retain management in-house but with a higher commitment to re-investment and diversification
3. **Delivering the service in partnership** with an interested party as a joint venture
4. **Enabling an interested party to deliver the service** on behalf of SCC through commissioning/ procurement
5. **Interested party** taking a lease of the site (s) for their own private purposes **providing outdoor education services of similar type**
6. **Disposal of the site** (s) to an interested party for their own business purpose

The current position (status quo) is not considered to be sustainable. A new arrangement needs to be put in place to manage the real-terms decline in resources and move towards a revenue neutral operation. Similarly, disposal of the site, at this stage, is not seen as a viable option. GAC provide important facilities and services for young people and families and their loss could have a significant detrimental effect on poverty prevention activities in the city.

Of the other options, the steering group favoured further examination of models 2, 3 and 4 renamed below as A, B and C with the benefits and constraints of each considered:

	Option	Benefits	Constraints
A	Pro-active status quo	• Retain full management control • Strong organisational ethos and link to core markets • Retain current in-house expertise • Provide continuity	• Limited access to additional capital/ revenue via SCC or other public resources – improvement is likely to be incremental • SCC conditions of service and on costs have to be retained or renegotiated • SCC continuing to challenge delivery options for non-core services
B	Working in Partnership (Joint Venture 'Trust')	• Shared risk for budgeting, programming and activities • Access to external investment and innovation • Additional expertise in new and existing markets • Market strength of chosen partner brand and values • A number of candidate partners in the market with strategic fit • SCC retains control of assets	• Dilution of SCC GAC brand • Requires clear agreements and detailed planning • New ways of working may challenge SCC culture in short term • Length and scope of agreement needs to incentivise partner to commit and continue investment • Some impact on in-house employment
C	Enabled Partner delivery (Outsource)	• SCC retains ownership of assets but without business risk • Fixed and therefore predictable budget impact • Significant organisational experience of existing outsourcing models (e.g. Leisure Services) • Protection of core business can be included in specification/ Service Level Agreement • A number of candidate delivery partners in the market	• Difficult to build the optimum level of flexibility into management contract • Length and scope of agreement needs to incentivise partner to commit to and continue investment (10+ years) • Major impact on in-house employment (but TUPE should apply) • Loss of direct management input • SCC still bears some reputational risk

9. Preferred option

As set out in the report, there is significant national and local interest in exploring future partnership options. Shaw Trust, Down to Earth and, to a lesser extent, the YMCA have all expressed an interest in becoming involved in operating the centres. Down to Earth has expressed interest in considering a development role (as well as an operational involvement) at Ty Rhossili.

We recommend that substantive discussions take place with key interested partners to more fully understand partner interest

9.1 Understanding partner interest

It would seem that a joint venture either in the form of a trading partnership of a commissioning route (Options B or C) provide the most appropriate way forward in terms of providing flexibility and managing risk. In many respects, the precise form will be determined by the commitment and ambition of the City Council in its future delivery role for the Centres.

Given their clear role and function as direct service to support disadvantaged and deprived families and young people, a joint venture in the form of a Development Trust could provide one solution, whereby a Trust is set up by the Council which could include a number of interested partners, specifically Shaw Trust and/or Down to Earth. Such an approach could offer a number of benefits:

- Creates a new governance model which combines commercial and charitable benefits

- Demonstrates the Council's commitment to exploring new ways of funding services

- Allows for wider representation as Trustees at Board level to harness additional skills and expertise, whilst working collaboratively with the Council and other key stakeholders to maximise outcomes

- Enables 100% of any surpluses generated to be reinvested to continually improve the visitor experience

- Is financially efficient in that it is:
    a) 100% exempt from corporation tax
    b) eligible for gift aid
    c) tax attractive for corporate donations and sponsorship
    d) eligible for legacies

e) eligible for grants only available to charities

The feasibility of a Development Trust depends on a number of key factors which correspond to areas of good practice or competence, including:

- A well-conceived start up process involving key interests in developing a bid to funders based on an outline business plan.
- Recruiting high-calibre people from public, private and voluntary sectors for the Board to develop a shared mission. They will be responsible for the governance of the Trust
- Establishing sound management practices
- Planning for financial sustainability from the start
- Following sound project management practices

It is likely that the formation of a Trust would require start-up / seed funding during pre-development, development and during the initial operating stage in terms of cashflow.

A further governance model that would also need to be explored further is for an interested party to deliver the service on behalf of SCC through commissioning/ procurement.

10. Summary and Next Steps

The research and consultation demonstrate that the Gower Activity Centres are seen as providing an important service and facilities, which contribute to poverty prevention, building resilience and in providing group visitor accommodation on Gower. The Centres engage with a large number of schoolchildren, young people and families each year, offering a range of adventurous residential visits.

The investment at Ty Borfa means that the centre is delivering a quality experience. Proposals to develop new accommodation pods and extend 'pay and play' facilities on Port Eynon beach could make a significant impact on future revenue generation.

Action:

- **Develop an operational plan for the planned glamping pods at Port Eynon, including piloting the pods for independent travellers**
- **Develop a programme (including pricing and timetable) for enhanced 'pay and play' activities on Port Eynon beach to include new provision at Rhossili (on car park site)**
- **Establish a dedicated booking website for both accommodation and 'pay and play' activities**

The situation at Ty Rhossili is different in that significant capital investment is required to up-date the centre and make it fit for purpose. One option being considered is to change the offer at Ty Rhossili in the short term from a residential centre for school groups to a large house rental. The rationale is that this would reduce staff costs, with the additional rental generated at Ty Rhossili being used to subsidy service provision at Ty Borfa. Clearly, the centre would still need to meet its school bookings, which currently run until July 2019. In the short term further work is needed to assess this option.

Action:

- **Assess investment requirement to adapt Ty Rhossili for large house rental**
- **Develop financial projections for large house rental at Ty Rhossili**
- **Discuss proposal with YHA regarding the market for all-year-round exclusive hire**

The medium – long terms options and opportunities for Ty Rhossili will still require consideration. The building configuration would seem to indicate that re-development would be the sensible approach although any new development would not too sensitive to the local environment and landscape. Within the AONB, development must have regard to the purpose of the designation to conserve and enhance the natural beauty of the area.

Critically, it needs to be of a scale, form, design, density and intensity of use that is compatible with the character and landscape of the area. Further technical work is required to consider the planning and spatial issues of any new development on the current site.

Action:

- **Develop an accommodation schedule for a new residential outdoor activity centre to cater for the schools' market**
- **Generate concept drawings of the proposed new centre (RIBA Stage 1 / 2) for discussion with the planning department**
- **Assess capital costs and development structuring package for the proposed new centre**

The research and consultation have generated interest from a number of local and national stakeholders. Formal discussions need to take place to determine the level of interest and commitment to partnership working.

Action:

- **Establish City Council's core aims and objectives in the form of a Partnership Prospectus**
- **Invite core partners to a round-table meeting to discuss feasibility study and partnership options**
- **Set out a set of prospectus / questions for interested parties to respond to (Appendix 1) , e.g.:**
    - **operational experience**
    - **investment ability**
    - **future vision for Ty Rhossili**

Appendix 1

Partnering opportunity to design and deliver outdoor learning centres in Swansea

Swansea City Council currently owns and operates 2 highly regarded outdoor learning centres, **Ty Borfa** in Port Eynon and **Ty Rhossili**, which offer day and residential visits, adventurous and curriculum based activity courses and outreach learning as well as providing group accommodation for the tourist market. Gower remains a premium destination within Wales for adventure activities as well as other forms of rural and coastal tourism.

The centres are managed by Gower Activity Centres (GAC), a key department within Swansea Council's Poverty and Prevention Service. The centres and programmes provide a positive life experience to children, specifically from within the city, who would not otherwise encounter such opportunities. Through taking part in a wide range of high quality outdoor activities, individuals can develop meaningful and positive relationships with others and the environment around them.

The City Council is now looking for active partners to enhance provision and explore future opportunities for its outdoor learning centres, including:

- Delivering the service in partnership with an interested party;
- Maximising the potential of the centres by creating experiences and facilities that are worthy of their unique locations.

Close to Worm's Head and Rhossili Bay, Ty Rhossili's current amenities and facilities on site do not match its world-renowned location. There is a genuine opportunity to create a new business model to sustain the overall service. The City Council is particularly keen on exploring partner investment to re-develop Ty Rhossili into a best-in-class residential facility.

We are flexible in terms of exploring different types of business and investment models. However, we are keen to ensure that the centres retain their core functions to local people, helping to cultivate skills of resilience, independence and self-awareness for participants.

A recent feasibility study undertaken by Planning Solutions Consulting Limited (PSC) identified a number of interested partners, who are keen to work with the council on taking the Gower Activity Centres to the next level. We are interested to hear from potential partners with proposals for partnering with the City Council to work with the two centres and, in particular, proposals for innovative development at the Ty Rhossili site including commercial opportunities.

This is a market testing exercise to explore partnership opportunities with a select number of stakeholders, who have previously expressed an interest in working with the Council.

In the first instance, interested parties should contact xxxxxxx for further details, format of the response and the indicative timescale.