

# A Feasibility Study to look at a Sustainable Future for the Coleg Harlech Site



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# Coleg Harlech Feasibility Study

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## 1. Executive Summary

The purpose of this feasibility study is to assess options for residential education and/or tourism use at Coleg Harlech. The study encompasses the Grade II\* listed Wern Fawr building along with the former gymnasium and neighbouring amenity block. It does not include the adjoining theatre block, although inevitably the connection between the two buildings means each impacts on the other. The feasibility study was commissioned by WEA YMCA Community College Cymru, the charity that owns Coleg Harlech, and which runs all its educational activities.

Coleg Harlech has operated as a provider of 'second chance' education opportunities since 1927. Significant cuts in education budgets mean that the current model is no longer financially sustainable. Research was carried out as part of this study to determine if there is any way in which Wern Fawr could operate as a self-sustaining education facility once again. Key stakeholders and other education providers were consulted to understand the current market for this activity and the suitability of Wern Fawr as a residential education facility. The market for this type of education has declined significantly in recent years, and due to this and a number of factors including location, we suggest Wern Fawr is not viable as a sustainable, dedicated, residential education facility. This does not mean that education provision has to stop at the site altogether. There could still be possibilities to deliver educational programmes within a different economic model for the site.

To understand the potential to generate income from tourism at the Coleg Harlech site, a consultation was carried out with stakeholders within the sector and the town. Combined with desk research into the visitor patterns within Gwynedd, this identified three fundamental gaps in Harlech's tourism offer: serviced accommodation, parking and food. It became clear that Harlech appeals to the family, golf and activities markets but that it lacks the serviced accommodation to provide for them. Wern Fawr's size, location and character could enable it to be converted into an accommodation and food offer which would provide long-term income for WEA YMCA Community College Cymru. This accommodation offer could potentially provide opportunities for the provision educational activities on a block-booking basis in the future.

The consultation led to a number of further suggestions for how the Coleg Harlech site could be used in the future. These included a range of community facilities and also activities that would deliver wider social benefit. Upon further investigation it became clear that most of the suggested uses for community facilities would not cover the financial costs of the site. Nevertheless it could be possible to include rooms for community use into a more commercial proposition such as running the site as a hotel or pub-restaurant. Use of the site for wider social benefit for example through housing, training or employing marginalised people, would not be welcomed by the local community. Such use would be unlikely to enable the site to break even, particularly without strong local support.

During the research undertaken for the feasibility study, and particularly through the well-attended community consultation held on 14th December, over 50 possible options were proposed for the Coleg Harlech site. A full options analysis was carried out using the principle that every option suggested would be considered, and that every option would be evaluated objectively according to set criteria.

Both the market research and the options appraisal demonstrated that the only financially sustainable uses for the building are those that draw on the tourism potential of the town and fill the gaps in the existing tourism provision. The tourism options that scored most highly in the options analysis, and were identified as priorities for further research were a hotel, or a pub/restaurant with rooms. The other priority options were golf residencies and community room hire, both of which could be delivered within either a hotel or pub/restaurant model. It also became clear that a commercial food and accommodation

offer at Coleg Harlech, could provide the facilities to enable the provision of residential educational activities at the site at certain times of the year.

WEA YMCA Community College Cymru is not in a position to be running a hotel or restaurant directly. Even if it were to establish a trading subsidiary it does not have the expertise, experience or internal resources to deliver this kind of commercial model. As a consequence it will be necessary to work with a commercial operator to develop and run the business. Ultimately therefore, the model which is most suitable and sustainable for the site, is the one which a commercial operator is able and willing to run.

The future of the theatre is outside the scope of this study, but our research showed that the existence of the theatre, in such poor condition, would deter commercial operators from getting involved with the site. The condition of the building also leaves WEA YMCA Community College Cymru with a major long-term maintenance liability. There is no doubt therefore that the presence of the theatre is one of the most influential factors in establishing a financially sustainable future for Wern Fawr.

Having undertaken all of the environmental and sector specific research described above, including extensive consultations with stakeholders and the community, the key recommendations of this study are:

1. That the Coleg Harlech Steering Group pursue either a hotel or a pub/restaurant with rooms as the most likely options to create a financially sustainable future for the site
2. That the propositions of a hotel or pub/restaurant with rooms be tested with a range of commercial operators, utilising existing contacts and networks
3. That, if possible, WEA YMCA Community College Cymru seek to lease the site to the commercial operator on a long-term basis rather than sell
4. That commercial operators expressing an interest are invited to site to explore if their model would be applicable
5. That a business plan is developed based on whichever model is proving to be most popular with commercial operators
6. That while the business plan is being developed, WEA YMCA Community College Cymru help to facilitate alternative premises for Theatre Harlech's activities and make provision for the demolition of the theatre building at the earliest opportunity

If the Steering Group agree with the recommendations above the next steps are:

Action	Responsibility
Approval for implementation of stage 2 of the original tender document: production of a business plan for Wern Fawr	WEA YMCA CCC
WEA YMCA Community College Cymru Board to be alerted to the risk posed by the theatre to the financial sustainability of the Coleg Harlech site	WEA YMCA CCC
Update to be provided to key stakeholders (HiA, Gwynedd, SNPA, Cadw and Visit Wales) regarding the decision of the Steering Group and next Steps	Clear Thinking
Conversations to be begun immediately with Arts Council Wales regarding finding alternative premises for Theatre Harlech's activities because of the very poor	WEA YMCA CCC

condition of the theatre building, and its impact on the long term sustainability of the Grade II* listed Wern Fawr building	
Preparation of an internal and external communications plan around the proposed future use of Wern Fawr and the implications for the theatre	WEA YMCA CCC
Preparation of an information pack which can be given to commercial operators who are interested in the site	Clear Thinking
Identification of, and meetings with, a range of operators who would have an interest in the site	Clear Thinking
Continued conversations with key potential funding partners such as Welsh Government's Tourism Investment Support Scheme, Heritage Lottery Fund, Building for the Future (ERDF) and Finance Wales in order to put together a match funding package	Clear Thinking
Continued conversations with the planning authority (SNPA) to secure support for the scheme ahead of any application for planning permission	Clear Thinking
Dialogue initiated with the trustees of the endowment fund for the library to explore continued financial support for the library under its new guise	WEA YMCA CCC
Preparation of a business plan, based on the commercial operator's own model, and including architectural concept drawings. This to be presented to Steering Group on 10th May	Clear Thinking

## 2. Introduction

The purpose of this feasibility study is to assess options for residential education and/or tourism use at Coleg Harlech. The study encompasses the Grade II\* listed Wern Fawr building along with the former gymnasium and neighbouring amenity block. It does not include the adjoining theatre block, although inevitably the connection between the two buildings means each impacts on the other.

The feasibility study was commissioned by WEA YMCA Community College Cymru, the charity that owns Coleg Harlech, and which runs all its educational activities.

The Coleg is sited above the Royal St David's Golf Course, the number two ranked golf course in Wales. The Wern Fawr building looks over the National Nature Reserve at Morfa Harlech, and is within the Snowdonia National Park. It is also within a short distance of the UNESCO World Heritage Site, Harlech castle, which has recently undergone a £7m+ development project.

Coleg Harlech has been in operation as a centre for 'second chance learning' since 1927. Attracting students from all over the world, it built up a strong reputation for its adult education and vocational training. Much of this education provision was funded by Government. With the cessation of this funding, the Coleg is having to reconsider its purpose and mission.

The Coleg Harlech Steering Group have been very clear that any future use of the site must either deliver education directly, or deliver an income stream to fund education elsewhere.

This feasibility study summarises the research that was undertaken into possible education, tourism, community and other social uses. It is broken down into three main sections. The Market Appraisal looks initially at the wider environmental factors in Harlech that will impact on any activity that is carried out at the site and then goes on to consider the trends, markets and opportunities for education, tourism and community use in turn. This leads into the Options Analysis which lists and evaluates over 50 different suggestions of how the Coleg site could be used in the future. The next section is the Operational Models and Concept Drawings which consider the highest scoring options and how they could be practically delivered on site. Finally, based on all this research the study concludes with some Recommendations and Next Steps. It is envisaged that the most viable option would be more fully developed as part of a full business plan for the site.

### 3. Market Appraisal

This section paints the picture of all the environmental factors at play within and around Harlech. It describes the economic, political, social, technological and legal context within which the proposed future options for the site have been considered. It then goes into detail around the markets for education, tourism and community use. Each of these themes is appraised in turn, with an explanation of how the specific research for that theme was undertaken, what the research findings were, what the conclusions are in relation to opportunities for the Coleg site and then concludes with a brief summary of each theme.

#### 3.1 Environmental Factors

##### 3.1.1. Economic

Harlech is facing significant economic challenges. Despite its world class assets which include the castle, golf course and beach, it is a town in decline. Its economy is highly dependent on tourism. Its visitor profile requires serviced accommodation, but since the closure of the St David's Hotel, situated next to the Coleg, there has been a significant lack of serviced hotel rooms which are the bedrock of the town's economy. Meanwhile many of the existing hotels and B&Bs are either up for sale or have been converted into self-catering apartments.

For a period of two years up until 2015, the main bridge which links the town to the North (Bont Brewitt) was closed for major works. At the same time there was significant development work underway within the town centre as Cadw undertook a £7m+ development project at the Castle. This resulted in the centre of the town becoming a building site while the work was in progress. Although both projects are enormously beneficial and important for the town in the long-term, the two years of building works put additional strain on a fragile economy and more businesses were lost. Most notably in December 2015 HSBC closed their bank in the centre of town. Harlech is an entirely cash-dependent economy and there is now no cash point within the town. This is obviously challenging for residents and it will also be a disincentive for card-reliant tourists to spend time in the town.

The swimming pool is run by a local group following a community asset transfer from Gwynedd council. Despite sustained, active fundraising the pool runs at a loss, and the Council are only committed to one more year of financial support. The youth club and the library are both under threat from local authority cuts and there are also questions about the economic viability of the theatre. So while there has been major investment in parts of the town's offer, other services and facilities are under serious threat. The Royal St David's Golf Club, the second ranked club in Wales, needs more visitors to make its business work. They cannot rely on a local membership offer and are therefore looking at new visitor accommodation as the foundation for their future financial sustainability. Facilities such as the golf club and swimming pool are critical to the success of Salop Leisure's thriving Min-y-Don caravan park between the town and the dunes. This £10m development is very successful but there are concerns that if facilities within the town are lost, Salop may consider moving their operation elsewhere.

There are further challenges within the town's property market. The UK Chancellor's announcement of the increase in stamp duty on second homes is already having a negative impact even before it comes into effect. Harlech has traditionally had a high proportion of second homes. Not only are people now much more reluctant to consider buying a second home, developers are no longer so keen to build quality developments in the town to attract these second-home owners. Local estate agents also cite the stringent planning constraints, and the requirement for water sprinkler systems in new build properties, as further disincentives to development. Meanwhile as profit margins on property



developments become ever more squeezed, listed buildings have become less appealing for development projects because of the additional costs involved.

### 3.1.2. Political

There is considerable political support for a development at Wern Fawr which would contribute to the economy of the town. Locally Harlech is perceived not to have had the same level of investment as other key tourism towns in Gwynedd such as Pwllheli and Caernarfon. The proposed St David's Hotel development as a new 5\* hotel with apartments was initially seen to be the answer to the town's requirement for more serviced accommodation. However with over ten years having gone by and no sign of any investment being in place, or any development being undertaken, residents and local authority members have lost hope that the plans will ever come to fruition.

The site of the old St David's Hotel, immediately next to the Coleg Harlech site, has become an embarrassment, and is seen to be a deterrent for visitors to the town because of its very poor visual appearance. A demolition order has been placed on the hotel, and the owner has until October 2017 to comply. During the course of this feasibility study, a consensus has developed between Harlech in Action, Gwynedd Council, Snowdonia National Park (the planning authority) and Welsh Government, that the area around Coleg Harlech should be considered as a regeneration zone. This 'regeneration' status may be reflected in the Snowdonia development plan which is being updated over the coming months. There is nervousness from all sides that the Coleg will become another redundant site on this very high profile access route into the town. Consequently there is considerable political support to finding a solution for the site which would support the town's economy.

The other political consideration to consider is the impact of the upcoming elections. This inevitably creates uncertainty. The Minister for Economy Science and Transport, Edwina Hart, is stepping down at this election so there will definitely be a new Minister in charge of many of the areas which have a bearing on Harlech's development. There could be more fundamental changes in strategy and funding if there is a coalition government after May. This uncertain environment means public bodies are wary of making any definite commitments about the future.

### 3.1.3. Social

Harlech is a community of communities. It is a town with great spirit; one that rises to the challenge of running not only its own swimming pool, but also its own leisure centre. It is also a very fragmented town. There are a lot of special interest groups within the town, and historically there has been very little co-ordination or joint-working between them. There is also a fundamental split between those who were born and brought up in Harlech, the majority of whom are Welsh speaking, and those who moved there later in life.

In many ways this fragmentation has been a barrier to the town's development. Without a strong, united voice, Harlech has not been able to articulate what it needs as a town. This situation has begun to improve very recently. A new umbrella body, Harlech in Action (HiA), has been established. Its aim is to bring together all the various groups operating within the town, and to unite them in focusing on a limited number of strategic projects which will boost the town's economy. These projects include:

- The derelict St David's Hotel site
- Volume accommodation, attractions and facilities
- Parking and the high street
- Communication

In order to identify these priority projects HiA recently undertook a consultation within the town. Approximately 10% of Harlech's population took part and there was a clear consensus about what residents felt were the main concerns to be addressed. The lack of a bank, the need for a greater range of shops and additional parking were all highlighted, as well as the need for more hotel accommodation.

#### 3.1.4. Technological

It is the developments in technology which have changed the market for the kind of 'second chance' learning opportunities that Harlech has always provided. People now have the opportunity to make use of on-line resources to study at a time and place that works for them. Increasingly there is a move towards blended learning whereby students are on site for a short block release period, and fulfil the rest of their course online. Harlech's remote location becomes a real disadvantage within this climate of work-based and block release learning.

Nevertheless there are advantages to the town in some of the technological improvements that are occurring. Superfast broadband will increase Harlech's economic resilience, enabling people to start-up and run competitive businesses from the rural West coast of Wales. And technology can help local businesses build brands which can compete with the very best. Holiday cottage agency Dioni is a great example of a local company building a sector-leading brand through the power of the internet.

#### 3.1.5. Legal

The key legal aspect to consider in evaluating possible future uses for the Coleg Harlech site is WEA YMCA Community Colleg Cymru's charitable status. If WEA YMCA Community College Cymru are to run a business that generates an income for their charitable purpose, but does not deliver charitable purpose itself they would need to set up a trading subsidiary. This would be the case if, for example, they were to use the site to run a hotel, or if they were to sublet the site to a commercial operator.

The trading subsidiary would need to be a company limited by shares, with all shares owned by WEA YMCA Community College Cymru. All profits from the trading company would be covenanted to the charity.

This would have two primary benefits:

1. There would be no tax to pay on any profits
2. The trading subsidiary would be a legal entity in its own right and if it ran into financial difficulties these would not impact on the finances of the parent charity. (Except in cases of negligence or fraud.)

### 3.2. Education Market Appraisal

Education has been delivered at Coleg Harlech for the best part of 100 years. Numbers attending the Coleg have reduced dramatically in recent years because of the cessation of bursaries to fund residential education. With education being the strategic purpose of WEA YMCA CCC, part of the brief for this study was to consider whether there was any way in which a financially sustainable model could be identified which would enable the continuation of education provision at the Coleg. This section summarises the research that was undertaken to answer this question, the main research findings and the conclusions that can be drawn in considering future education provision at Wern Fawr.

#### 3.2.1. Research Conducted

The research into future educational use of the site involved consulting with key stakeholders (including WEA YMCA Community College Cymru) to understand their perspective on the long-term viability of residential education at Coleg Harlech. The discussions drew on their knowledge of the residential education and training market, and their knowledge of the Wern Fawr site. Other education providers and stakeholders were also consulted to evaluate current sector trends and opportunities, and gain insight into the residential education and training sector. This involved understanding the different market segments for residential education and training opportunities both in Wales, and the UK as a whole.

The research was carried out through:

- Desk research
- Phone interviews
- Email correspondence
- Face to face meetings

Discussions and questions focussed on:

- The feasibility of residential education offers for the Wern Fawr site
- The current and prospective markets within education generally, in Wales, the UK and internationally
- The residential education and training market specifically in Wales
- Potential local, regional and national competitors and gaps in provision
- Examples of best practice in residential education offers across Wales and the UK.

Where appropriate, additional questions and discussions focussed on:

- The markets and opportunities particularly in relation to 'second chance' type learners, both in Wales and UK wide
- Interest in using Wern Fawr as a satellite site for other education providers

Organisations / People contacted and received comments from:

Organisations	Contacts
Reaching Wider	Ann Bied, Area Liaison Officer - North West Wales
WEA YMCA CCC	Gillian Wilde, Nathan Jones, Menna Ifans, Lynda Jones
Coleg Llandrillo	Glyn Jones, Principle
Bangor University	John Hughes, Vice Chancellor
Aberystwyth University	April McMahon, Vice Chancellor
Cheshire West and Cheshire Council	Clare Latham, Skills & Employment Manager
Gwynedd County Council (Libraries)	Hywel James, Head of Libraries
Arts Council of Wales	Nick Capaldi, Chief Executive; Sian Tomos, Director of Enterprise & Regeneration
Theatr Harlech	Siri Wigdel, Project Manager Annie O'Brian, former Trustee
Cartrefi Cymunedol Gwynedd	Ffrancon Williams, Chief Executive
Open University	Rob Humphreys, Director
British and International Golf Greenkeeper's Association	Jim Croxton

Desk research only on:

Trafford Hall
ARCA (Formerly The Adult Residential Colleges Association, UK)

### 3.2.2. Education Research Findings

#### Current trends within the residential education sector

There is a limited and declining market for residential education in the UK. This shift in the market has taken place within the last ten years across the UK and is likely to be due to a number of factors:

1. Residential education and adult community learning (ACL) are governmentally non-protected areas. Funding cuts from ACL across Wales & UK have been happening regularly since 2006. Welsh Government made a decision to cut funding to the further education sector in Wales by £26m for the year 2015/16. It is predicated that thousands of adults in Wales will find themselves unable to access further education.
2. With the introduction of fees, the higher education sector has widened its offer, both in terms of the type of courses universities offer and the support they provide. This has impacted the markets for further education and ACL as higher education now provides more support to encourage vulnerable students into higher education. It is these students who would previously have looked for residential further education opportunities.
3. The residential education market is also declining due to the trend in people wanting to access development and learning opportunities closer to, or at, home. Studying alongside working is now increasingly common. Opportunities for on-line learning and part-time learning have also increased in line with this trend. People are therefore less likely to consider residential education as an option. This is even the case with courses in location-specific subjects like green-keeping. The research showed that even with its location next to a top ranked links golf course, Coleg Harlech would not be able to sustain residential green-keeping courses.
4. Residential education and ACL struggle to achieve sustainable funding sources. Often their sources of funding are short term and from EU or lottery based funds. Residential education providers increasingly have to look at a variety of income streams, often not connected with education, to ensure their sustainability. Commercial activity such as providing a wedding venue or conference facilities often need to generate nearly half of the income needed for a residential education facility.

#### Other relevant factors within the education sector and provision for learning facilities locally:

1. Education providers, Bangor University, Aberystwyth University and Grwp Llandrillo Menai were approached to ask if they had any interest in Wern Fawr as a satellite site. All responded negatively as they are currently in the process of reducing their own estates.
2. Grwp Llandrillo Menai now dominates the market for further education in North West Wales. As the education provision at Coleg Harlech has dwindled, Llandrillo have strengthened their offer. This means that they are now the provider of choice for short-term and day courses in the area. Individuals and businesses in and around Harlech have become accustomed to going to Dolgellau for courses on marketing etc. If Coleg Harlech were to start offering these types of courses, they would in effect be a new entrant to the market, going up against a very strong and established competitor.

*Please see Appendix 9.1.1 for a SWOT analysis of Wern Fawr as a residential education provider*

### 3.2.3. Education Conclusions

Wern Fawr is a highly attractive Grade 2 listed building, in need of repair, which for a period of its life has been a successful residential education facility. It currently does not operate any residential education provision. Since its active phase of residential education provision the market for this type of learning has changed significantly.

The critical elements for a successful residential education facility in the UK are now:

- Location, in terms of proximity to areas of high population and accessibility by road and public transport
- A unique selling point (USP) and educational specialism
- An attractive environment having unique and modern facilities
- The ability to self-sustain by operating other income generating activity

Unfortunately Coleg Harlech, as a proposition for residential education, suffers from its rural location. Despite being on the train line, it is not easily accessible from the rest of the UK. This is a major weakness for any proposal to take it forward as a residential education proposition in the current market. The Coleg also lacks a USP or educational specialism, and is unlikely to be able to generate one quickly. The town does offer an attractive environment, however this alone is not enough to support the development of a residential education facility. It does not have a large enough population on its doorstep to support short-term and day release educational offers. It also does not currently have sufficient income generating activity at the site to support a residential education development, and while there is room to develop commercial activity, the other weaknesses would make it a challenging venture.

Although there is no financially sustainable future for Coleg Harlech as a dedicated residential education centre, some educational programmes could still be delivered at the site within an alternative economic model. If for example the Coleg were to be developed as a hotel, WEA YMCA Community College Cymru could come to an arrangement with the operator to block book the accommodation for particular times of the year in order to deliver specific courses. Meanwhile rooms in Wern Fawr could still be used to deliver community education and if the library were retained this would continue to provide an educational resource. Moving to a different economic model doesn't mean the end of education at Coleg Harlech, it would just mean education would be delivered in a different way.

### 3.2.4. Education Summary

Research was carried out to ascertain if Wern Fawr could become a successful residential education facility once again. Key stakeholders and other education providers were consulted to understand the current market for this activity and the suitability of Wern Fawr as a residential education facility. The market for this type of education has declined in recent years, and due to this and a number of factors including location, we suggest Wern Fawr is unsuitable for the development of a successful and sustainable dedicated residential education facility. We would therefore suggest that WEA YMCA consider how to incorporate education into any new economic model that is developed for the site.

### 3.3. Tourism Market Appraisal

The location and environmental factors which make Harlech a difficult location for residential education, make it ideally suited to tourism. The town benefits from a UNESCO world heritage site at the castle, a highly ranked links golf course, and a beautiful beach and dune system. The brief for the feasibility study required consideration not only of education offers, but also possible tourism offers which could be financially sustainable and generate an income to support delivery of WEA YMCA Community College Cymru's core education purpose. This section summarises the research that was carried out into the current tourism economy of Harlech, and the possible opportunities for the Wern Fawr site.

#### 3.3.1. Research carried out

The brief for the feasibility study specifically requested consideration of tourism uses for the Coleg Harlech site. The tourism market research focussed on tourism trends within the region, perceived gaps in the tourism offer and the identification of key tourism opportunities which would provide an income stream for WEA YMCA Community College Cymru while also contributing to Harlech's economy. Stakeholders were identified who had a deep knowledge of the tourism sector generally within Gwynedd and North Wales, and those who were close to the way in which the tourism offer works within Harlech itself. The research carried out involved:

- Desk Research
- Face-to-face meetings
- Phone interviews
- Email correspondence

The individuals who were specifically consulted as part of the research phase included:

Organisations	Contacts
Welsh Government/Visit Wales	Rob Holt, Deputy Director Tourism Development, Major Events and Sports Policy Welsh Government
	Lawrence Manley, Tourism Investment Scheme
Welsh Government/Cadw	Laurence Smith, Regeneration Manager
Gwynedd Council	Sian Pennant Jones, Tourism Manager
Snowdonia National Park (Plannign Authority)	Jonathan Cawley, Director of Planning
Harlech Community Council	Cllr Caerwyn Roberts, Harlech Community Council, (also Gwynedd Council and Chair of Snowdonia National Park Authority)
Royal St David's Golf Club	Gareth Lewis, Professional and Club Manager
	Trefor Davies, former Club Manager
Harlech in Action	Jon Martin
	Reg Chapman
Hamdden Harlech	Iolo Owen
Dioni Self-Catering Ltd	Gwion Llwyd
Greene King	Martin Nugent
Travelodge	Jeff Hocking
Christian Mountain Centre	

Desk research undertaken for tourism opportunities focussed on the Gwynedd Destination Management Plan 2013-2020, Gwynedd Visitor Profile Survey (2014), Gwynedd Tourism bedstock Survey 2010/11, recent self-catering and serviced accommodation bed-stock listings for the Barmouth and Porthmadog areas (which encompass Harlech), the Steam Final Trend Report for Gwynedd 2002-2013, and Trip Advisor listings and reviews.

Once the Options Analysis had been carried out (see section 4 below) a further stakeholder meeting was held on 13th January to test the emerging hypothesis with key strategic influencers within the sector. Those who attended were:

- Sioned Williams, Head of Economy, Gwynedd Council
- Rob Holt, Deputy Director Tourism Development, Major Events and Sports Policy Welsh Government (Visit Wales)
- Esyllt Rhys Jones, Strategic Projects Manager, Gwynedd Council
- Sian Pennant Jones, Tourism Manager, Gwynedd Council
- Jonathan Cawley, Director of Planning SNPA
- Laurence Smith, Regeneration Manager, Cadw
- Cllr Caerwyn Roberts
- Jon Martin, Harlech in Action

### 3.3.2. Tourism Research findings

Tourism is critical to the economy of Gwynedd. The STEAM report for 2010 shows that tourism expenditure in the county was worth £851.7million in that year with £99.8 million being spent on accommodation. In 2010 there were 7.2million tourists who spent 21.5 million days in the county. Around 30% of all the jobs in the county are linked either directly or indirectly to tourism.

So what is attracting these millions of tourists? The most popular attractions and activities for visitors to Gwynedd are:

- Walking (60.3%)
- Visiting a beach (49.9%)
- Visiting a scenic/historic railway (41.4%)
- Sightseeing by car/coach/on foot (35.4%)
- Trying local food (34.9%)
- Visiting a castle, historic house or stately home (34.6%)
- Picnic or BBQ (30.5%)

The majority of visitors to the county are within the ABC1 social category. According to the Gwynedd Visitor Profile Survey the vast majority of the visitors (89.9%) were staying overnight away from home. The choice of accommodation is largely linked to social grade. Those in social grade A are more likely to stay either in serviced accommodation or their own holiday home and those in the C2 or D social groups are more likely to stay in self-catering, camping or caravan accommodation. Choice of accommodation is also connected with age. The Visitor Profile Survey demonstrates that those over the age of 65 are much more likely to stay in a hotel.



The 2011 Bedstock survey shows that there are large discrepancies between the number of beds in the different categories of accommodation. In Meirionnydd (the district within Gwynedd in which Harlech is located) only 23% of all the bed spaces are in serviced accommodation. Each serviced accommodation business has an average of 20 beds.

The most popular method for visitors of all ages to find and select accommodation is through the internet (Visitor Profile Study 2013). A search for hotels in Harlech brings up only one hotel on Trip Advisor (the Branwen pub near the golf course), and three B&Bs. This demonstrates the main gap in Harlech's tourism offer, a gap which was highlighted by all the stakeholders we spoke to: there isn't enough serviced accommodation in the town. The ABC1 visitors who come to the town prefer to stay in hotel or B&B accommodation and there just aren't the rooms to accommodate them. This means that increasingly they have to stay elsewhere and only visit Harlech for the day. With many B&Bs being converted to self-catering units, and with key serviced accommodation businesses currently on the market, there is a real risk that Harlech shifts to become a predominantly day-visit destination. This will have a significant impact on the local economy as the spend per day visitor is much less than for a residential visitor.

This situation is compounded by the fact that the other big gap in Harlech's visitor provision is car parking. This was raised as a major concern by both residents and the Gwynedd Council officials we spoke to. It's already been shown that visitors to Harlech can largely only visit for the day. If there is nowhere for them to park when they visit, the risk is that they won't stop at all, despite the major attractions the town offers.

The other gap in the tourism provision that was highlighted through discussion with stakeholders was the lack of places to eat. As one resident who attended the consultation day put it, "in Harlech it's either fine dining or a bag of chips, there's nothing in between". Shell Island, which is reputed to be the biggest campsite in Europe, is just down the road from Harlech, and there are many other caravan sites in the area, not least the large Min-y-Don site which is visible from Coleg Harlech, yet there is hardly anywhere for people staying at these sites to come and have a family meal within the town.

There is a further tourism gap in the lack of wet weather attractions within the town. Beyond the swimming pool, leisure centre and Castle visitor centre, there is very little for visitors to do in Harlech on a wet day. A number of suggestions have been put forward as to what wet weather attractions would be most suitable for Harlech's visitor offer. These include an indoor driving range, a bowling centre and a soft play centre. There is no doubt that these would add to the appeal of Harlech as a visitor destination. However they all add to the experience once people are already staying within the town. If there is nowhere for people to stay, take-up of these types of wet weather offers will be reduced. The greatest tourism priority therefore is the provision of serviced accommodation.

The main tourism markets for Harlech are families, golfers and the activities markets. The golf market is niche, but profitable for those who can take advantage of it. Wales has actively marketed itself as a golfing destination off the back of hosting the Ryder cup in 2010. The Royal St David's is a key asset within this marketing as it is the second ranked golf club in Wales. When the St David's Hotel was open, people would stay in Harlech to play the Royal St David's and then travel out from there to play the other golf courses in North Wales. Now that there is so little serviced accommodation in Harlech, golfers are choosing to stay in Porthmadog or Portmeirion and only travel into Harlech to play a single round at the Royal St David's. The golf club has identified the creation of new serviced accommodation as being critical to its survival. If serviced accommodation were provided within Wern Fawr, this would be positioned as the primary accommodation for the golf club. If it is not provided at Wern Fawr, the club will seek to build their own.

The family market is well established in and around Harlech. Families are still visiting in numbers and are choosing to stay either in self-catering or campsite accommodation. The gap for these visitors is the food offer. They're already staying in the area but their choice of eating places is very limited. Combining a food and accommodation at Wern Fawr would both attract new visitors to come to stay and attract the existing visitors to come and eat.

The growth visitor market for Harlech is around activities. North Wales is positioning itself as the Adventure Capital of Europe. Within the past two years there have been major Government-backed investments in the tourism offer at places such as Surf Snowdonia in Dolgarrog and Zip World in both Bethesda and Blaenau Ffestiniog. These developments are too new to have impacted on the surveys already cited within this report. Yet all stakeholders involved in the sector have seen how the developments in Blaenau have catalysed a renaissance for the town with new accommodation being developed and significant improvements to the high street.

The activities offer appeals to the group market, and there is not currently enough accommodation to meet this group demand. Harlech, within an easy 20 minute drive of Blaenau Ffestiniog, could provide the accommodation which fills this gap. The benefit of targeting this activities-led group market is that they visit all year round, which makes for a much healthier business proposition.

Linked to the activities market there is a growing events market in Gwynedd. With companies like Always Aim High organising triathlons and similar events in the area plus other headline events such as Portmeirion's Festival No 6, events are pulling visitors into the region throughout the year. Harlech, with its location on the train line, could take advantage of these events by marketing accommodation packages around them. This is an opportunity that any accommodation provider within the town could and should take advantage of.

*Please See Appendix 9.1.2 for a SWOT analysis of the proposed tourism use of Wern Fawr*

### 3.3.3. Tourism Conclusions

Gwynedd is a thriving visitor destination, attracting ABC1s, with its mix of great walking, beautiful beaches and spectacular heritage sites. Harlech is well positioned to attract a significant number of these visitors because of its world class castle, golf course and beach. However the lack of serviced accommodation, parking and places to eat means that the town is not meeting the needs of visitors and as a consequence its tourism-based economy is in decline.

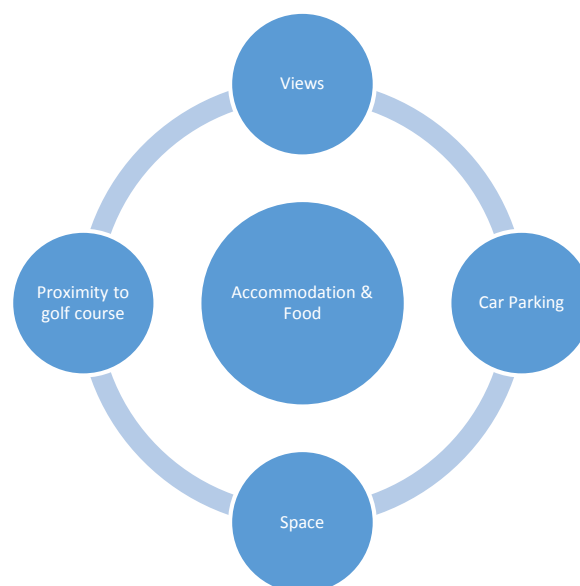
There are existing, new and growing markets which Harlech appeals to, and their needs are complimentary. The following graphic sums up the key opportunities for the town:

#### Tourism opportunities for Harlech



Meanwhile these opportunities align perfectly with the key assets and strengths of the Coleg Harlech site:

#### Strengths of the Coleg Harlech site



Wern Fawr's location with its spectacular views over the golf course, its historic character and its dedicated parking combine to make it a great prospect as a hotel. It could potentially be developed as a wet weather visitor attraction but because of the lack of hotel and B&B rooms in the town, there is unlikely to be sufficient visitor numbers to make this a financially sustainable business. The first priority to address within Harlech is the need for serviced accommodation, and it is this need which Wern Fawr is so suited to.

In order to be converted to serviced accommodation the first and second floor rooms could be converted to bedrooms, with the possibility of further accommodation provision at the gym level. Meanwhile the library could be used as a restaurant, retaining the building's identity and character. There would also be room for a bar and lounge area on the ground floor.

Bringing a commercial operator in to convert the building and run the business could mean that WEA YMCA Community College Cymru is able to secure a lease-based income to fund its core educational work into the future. Meanwhile this combined accommodation and food offer could still provide the facilities for educational courses and activities into the long-term. The facilities could be block-booked by WEA YMCA Community College Cymru in order to deliver specific residential courses, and the library, along with other ground floor rooms, could be used to accommodate community education. In this way Coleg Harlech could continue to provide education within the town, but within the context of a financially sustainable model.

#### 3.3.4. Tourism Summary

To understand the potential to generate income from tourism at the Coleg Harlech site, a consultation was carried out with stakeholders within the sector and the town. Combined with desk research into the visitor patterns within Gwynedd, this identified three key gaps in Harlech's tourism offer: accommodation, parking and food. It became clear that Harlech appeals to the family, golf and activities markets but that there is not the serviced accommodation to provide for them. Wern Fawr's size, location and character could enable it to be converted into an accommodation and food offer which would provide long-term income for WEA YMCA Community College Cymru.

### 3.4. Social/Community Market Appraisal

Amongst many Harlech residents and those who have been linked to the Coleg over the years there is a strong, emotional sense that the Coleg Harlech site should be used to house activities that deliver social benefit. This study gathered suggestions on potential social and community uses for the site from a variety of stakeholders. These proposals were researched and assessed in terms of their strategic fit with YMCA WEA Community College Cymru, the potential market and the likelihood of their being fundable / sustainable.

#### 3.4.1. Research carried out

Consultation was carried out with a range of stakeholders to generate a longlist of potential social purpose or community uses for the site. Stakeholders contacted include:

- Gwynedd Council
- Emmaus
- Welsh Refugee Council
- Community Foundation in Wales
- North Wales Housing Association
- Cais
- Liz Saville-Roberts MP
- Harlech local community
- Antur Waunfawr

This consultation produced a number of suggestions for potential uses for the Coleg Harlech site. These proposals have been grouped into local community provision and social enterprise use.

#### Local community provision

- Room hire for community groups/associations
- Office accommodation for SMEs
- Regus' style office hire facilities
- Business incubator units
- Internet cafe with printing and other facilities.
- Town library

#### Social enterprise or social purpose use:

- Social enterprise offering IT training for farmers, elderly people
- Base for recommissioning old technology
- Emmaus Community
- Language centre for refugees or immigrants
- Trade Union Centre

These suggested uses were then explored for demand, viability and potential social return.

### 3.4.2. Social/Community Research findings

#### Local community provision

*Room hire for community use* would not be viable as a stand-alone use but could be combined well with other use such as hotel or restaurant with rooms. There would be some local demand and it would be a welcomed additional facility for the town.

*Office space / incubator units* would be unlikely to generate sufficient revenue to cover the overheads of the site. It would not generate any meaningful income for WEA YMCA Community College Cymru, and would not meet its strategic education objectives either.

*An internet Café with printing facilities* is not a business model that is likely to work in Harlech. Across the UK established internet cafes are closing due to improved internet access via smart phones. Furthermore the site is unsuitable. It has no passing trade and very few people will make the journey from the town centre to the Coleg site to use an internet café.

*Town Library* at Wern Fawr has been considered as the Council are considering relocating the current facility. However the assessment of Wern Fawr as a site for the town's public library found that the accessibility for local residents in terms of parking and disabled access limit the desirability of the site. A decision on the location of the town library has not yet been taken but it is highly unlikely that they would opt for the Coleg Harlech site.

#### Social enterprise or social purpose use

*Social enterprise offering IT training for farmers or elderly people.* There is very limited funding available for this kind of training provision. Grwp Llandrillo Menai already provide such training and have good facilities in Dolgellau, 20 miles away. With limited population and little funding it would not be possible to make such training financially viable on the Coleg Harlech site.

*Base for recommissioning old technology.* The Coleg Harlech site is not well suited to this kind of social enterprise. Antur Waunfawr already offer this service in Gwynedd, with a collection point at the recycling centre in Harlech. Having consulted Antur Waunfawr we know that they would not be interested in opening an additional electrical refurbishment point. Furthermore the Coleg Harlech site would not be suitable, with inappropriate buildings and poor access for delivery vehicles.

*Emmaus Communities* are therapeutic communities for adults who have experienced homelessness. They run social enterprises, predominantly based around furniture reuse, but in some communities also incorporating horticulture, cafes and retail. This is the most viable socially-orientated use of the site.

**Pros.** An Emmaus Community could deliver some of WEA YMCA Community College Cymru's strategic objectives, particularly in offering second chance learning opportunities to some of the most marginalised. The site itself has some merits for this use. It could be converted into suitable accommodation and business use, and the relative isolation of the site can be of therapeutic benefit. Suitable move-on accommodation for homeless people in Gwynedd is also in very short supply. Residents' housing benefit would contribute towards some of the high overheads of the site.

**Cons.** The rural location would make it difficult to make the social enterprise aspect of the Emmaus Community model stack up in Harlech. There are already furniture reuse social

enterprises in the area and insufficient demand for another. The horticulture and café would struggle with the seasonality of the local market.

Emmaus Communities are all independent social enterprises, affiliated to Emmaus UK. They are set up by groups of volunteers who fundraise to buy the building and establish the social enterprises. There is not currently an active Emmaus Group in Harlech, and even with a strong local lead it could take 5 years to raise sufficient funding to establish a community.

*Language centre for refugees or immigrants.* There is no call and no funding for residential language training provision for refugees and immigrants. There will be around 1000 refugees settling in Ceredigion, but language training will be delivered through community rather than residential settings. This is the model that will be adopted for all refugee provision in Wales.

#### 3.4.3. Social/Community Conclusions

There are people who would like to see the Coleg Harlech site re-focussed on local community facilities. None of the suggested uses could be made to cover the costs of maintaining the site on their own, but incorporating room hire for community use into a more financially sustainable use such as a hotel or pub-restaurant could meet some of that need. This would also enable WEA YMCA Community College Cymru to continue to continue to host educational programmes at the Coleg site.

Of the suggested uses for the site which fall into the category of primarily social purpose, using it to house an Emmaus Community is the only model with any significant market. The Emmaus model is inherently flexible, combining housing benefit and fundraising with income generated using different social enterprise activities. This model could potentially be made to work. It would however be an enormous struggle to make the Emmaus model work in an area of such low population and with existing social enterprises already delivering traditional Emmaus services such as furniture recycling. Without an existing local group actively pursuing this idea already it is unlikely ever to take off.

*See Appendix 9.1.3 for a SWOT of the Social Community potential for Wern Fawr*

#### 3.4.4. Social/Community Summary

The consultation led to a number of suggestions for how the Coleg Harlech site could be used in the future. These included a range of community facilities and also activities that would deliver wider social benefit. Upon further investigation it became clear that most of the suggested uses for community facilities could not be made to cover the financial costs of the site. Nevertheless it could be possible to include rooms for community use into a more commercial proposition such as running the site as a hotel or pub-restaurant. Use of the site for wider social benefit, for example through housing, training or employing marginalised people, would not be welcomed by the local community. Such use would be unlikely to enable the site to break even, particularly without strong local support.

### 3.5. Overall Market Appraisal Summary

A broad-ranging consultation was held to evaluate possible education, tourism, community and social uses of the Coleg Harlech site. The market research carried out showed that with changes in the education sector, residential education provision is becoming ever harder to fund. Harlech's remote location makes that challenge all the greater, and no evidence was identified to suggest that WEA YMCA Community College Cymru might be able to provide this kind of education offer in a financially sustainable way. The site is more suited to a number of possible enterprises which would generate wider social benefit however the majority of these schemes were not financially self-sustaining and they would not be palatable for the local community. The tourism market research identified that tourism as a whole in Gwynedd is flourishing and that Harlech is failing to take advantage of existing, new and growing markets. The lack of serviced accommodation, combined with a lack mid-range eating places is a real gap in Harlech's visitor offer. The Coleg Harlech site is well placed to fill both of those gaps. A solution which provided a serviced accommodation and food offer at Wern Fawr would be welcomed by the community and could provide income to fund WEA YMCA Community College Cymru's core educational work for the long-term. It could also enable the organisation to continue to provide education within the community, by providing facilities which are being financed by tourism use.



## 4. Options Analysis

### 4.1. Methodology

During the research undertaken for the feasibility study, and particularly through the well-attended community consultation held on 14th December, over 50 possible options were proposed for the Coleg Harlech site. In analysing these options the principle taken was that every option suggested would be considered, and that every option would be evaluated objectively according to set criteria.

Ten criteria were identified, eight of which were scored on a basis of 1-5, with 1 being low and 5 high. The two other criteria were marked simply as yes/no/unknown. Each option could therefore score a total of 40. Any option scoring 30 or more was marked in green as a priority for further research. Options scoring 25 or above were marked in amber either as fall-back options or as options which could be complimentary to the prioritised ones.

The following is a summary of the criteria used for the analysis

- **Strategic Fit:** the extent to which the option would deliver education, in line with WEA YMCA Community College Cymru's core purpose
- **Income Generation:** the extent to which the option would deliver income to fund education elsewhere within the organisation
- **Market / Demand:** the size and accessibility of the market for that particular option and the level of demand for it
- **Site Suitability:** the appropriateness of the building and location for that option
- **Competitive Advantage:** the extent to which Coleg Harlech would be filling a gap in the market. A high score indicates that there would be very little competition, a low score indicates there are many other operators competing for this market
- **Ease of Delivery:** the extent to which the organisation had existing expertise in-house to deliver the option, or could identify a partner to deliver it
- **Compatibility:** the extent to which the option could operate alongside other options
- **Community Acceptability:** the extent to which the option would meet the needs of the Harlech community and would be welcomed by them
- **Funding Available:** a yes/no/unknown question as to whether a funding source is already known for that option
- **Delivery Partner:** a yes/no/unknown question as to whether a delivery partner is already known for that option

After the initial analysis was carried out, the Harlech Steering Group asked if the scoring could also be undertaken with an additional weighting for the three most important criteria: strategic fit, income generation and market demand. When this exercise was done, it made very little difference to the overall rankings. The total score under the weighted system was 47.5. The priority options all remained priorities with, in some cases, the gap growing slightly between them and the other options. The order of some of the lowest ranked options changed slightly but as these were very low scoring this was not seen to be of any great consequence.

The tables below show the full scoring with both the unweighted and weighted total scores. The colour coding reflects the unweighted score, but in effect there is very little to distinguish between the two in terms of prioritisation.

## 4.2. Analysed Options - Weighted and Unweighted

### EDUCATION

Proposal	Strategic Fit	Income Generation	Market / Demand	Site Suitability	Competitive Advantage	Ease of delivery	Compatibility	Community Acceptability	Funding Available	Delivery Partner	TOTAL	Weighted Total	Difference
Pottery classes	4	0	4	4	4	4	4	5	n	n	29	33	4
Arts residentials	3	1	3	5	4	2	4	4	ltd	y	26	29.5	3.5
Mid-week business-related courses	5	1	1	3	1	3	4	5	ltd	n	23	26.5	3.5
Summer school programme	5	1	1	4	3	4	0	4	n	n	22	25.5	3.5
Reviving the 2 year diploma	5	0	2	1	1	3	3	5	n	n	20	23.5	3.5
Centre for teaching tourism, leisure and outdoor pursuits	5	1	1	4	1	1	3	4	n	n	20	23.5	3.5
Green keeping academy	4	1	1	1	2	4	3	4	n	y	20	23	3
Language centre – especially for immigrants	5	0	2	4	3	4	0	1	n	n	19	22.5	3.5
International students	3	2	1	3	0	2	4	4	n	n	19	22	3
Performing arts classes (BTEC)	5	1	1	1	1	2	4	4	n	n	19	22.5	3.5
Week/weekend courses on cookery, history etc	5	1	0	3	0	2	2	5	n	n	18	21	3
Sports Camps	4	2	3	2	2	1	1	3	ltd	y	18	22.5	4.5
Satellite site for another HE or FE body	5	2	0	1	0	0	3	5	n	n	16	19.5	3.5
Online courses using Coleg Harlech branding	3	1	0	0	0	2	4	4	n	n	14	16	2
Open University - potential for residential events	4	1	0	1	0	2	2	4	n	n	14	16.5	2.5

## TOURISM

Proposal	Strategic Fit	Income Generation	Market / Demand	Site Suitability	Competitive Advantage	Ease of delivery	Compatibility	Community Acceptability	Funding Available	Delivery Partner	TOTAL	Weighted Total	Difference
Hotel	1	5	5	5	5	5	5	5	y	y	36	41.5	5.5
Restaurant with rooms	1	5	5	5	5	5	5	5	y	y	36	41.5	5.5
Golf residences	1	4	4	5	5	4	4	5	n	y	32	36.5	4.5
Large self-catering unit/units in Wern Fawr	1	4	5	5	3	4	3	3	ltd	y	28	33	5
Serviced apartments at lower level	1	4	4	5	4	3	3	3	ltd	unknown	27	31.5	4.5
Soft-play centre (gym building)	1	3	3	5	4	4	2	5	y	unknown	27	30.5	3.5
Bunkhouse	1	3	4	5	3	1	5	4	ltd	n	26	30	4
Indoor driving range	1	2	3	5	4	4	3	4	ltd	y	26	29	3
Gym and squash courts	1	1	2	4	2	5	3	5	n	y	23	25	2
Training hotel	4	1	1	3	2	0	4	5	y	unknown	20	23	3
Music venue	1	1	1	1	1	1	0	3	ltd	unknown	9	10.5	1.5

# SOCIAL/COMMUNITY/OTHER

Proposal	Strategic Fit	Income Generation	Market / Demand	Site Suitability	Competitive Advantage	Ease of delivery	Compatibility	Community Acceptability	Funding Available	Delivery Partner	TOTAL	Weighted Total	Difference
Room hire for community groups/associations	3	1	2	5	4	5	5	5	n	n/a	30	33	3
Social enterprise offering IT training for farmers, elderly people	4	5	1	4	1	3	3	3	unknown	unknown	24	29	5
Weddings	0	3	3	3	4	3	4	4	n/a	y	24	27	3
Space for beautician	0	1	3	4	3	4	5	4	n/a	n/a	24	26	2
Emmaus Community	4	0	2	3	3	5	0	2	y	y	19	22	3
Office accommodation for SMEs	1	1	1	4	3	3	2	3	unknown	n	18	19.5	1.5
Regus' style office hire facilities	1	1	1	4	3	3	2	3	unknown	n	18	19.5	1.5
Business incubator units	1	1	1	4	3	3	2	3	unknown	n	18	19.5	1.5
Trade Union Centre	4	4	1	1	1	3	1	3	n	unknown	18	22.5	4.5
Town library	4	0	1	3	1	1	1	2	y		13	15.5	2.5
Sell on open market	0	4	1	1	2	5	0	0	n/a	n/a	13	15.5	2.5
Internet cafe with printing and other facilities.	1	1	1	2	1	2	0	2	n	unknown	10	11.5	1.5
Base for recommissioning old technology	1	2	2	1	1	1	0	2	n	n	10	12.5	2.5
Conversion for residential accommodation	0	4	2	1	1	0	0	1	0	unknown	9	12	3
Building as a film set	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0		0
Film and Photography Festival	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0		0
Targeting alumni for funding	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a	0		0

### 4.3. Options Appraisal Conclusions

The scoring of the options was informed by the research that had been undertaken into the education, tourism and social benefit markets. The majority of the education options scored highly on strategic fit but failed to provide income and didn't have an identifiable market. There were no green rated priority options in education and only the proposals for pottery classes and arts residentials scored highly enough to make it into the amber category. Both of these scored well in terms of their suitability for the Coleg Harlech site, the ease with which they could be delivered using existing expertise and the fact that they would be warmly welcomed by the community. Neither of these options would require a lot of room and so both could potentially still be delivered even if the majority of the site was no longer being used primarily for education.

A lot of very interesting suggestions were made for social and community use of the site. With most, the Coleg's rural location meant that they would be very limited in the income they could generate and in terms of the market they could draw from. The one option that scored highly enough to be classed as a green priority option was room hire for community groups and associations. There appears to be a real lack of community meeting space within Harlech and this facility would be warmly welcomed by local residents. Similar to the pottery classes and arts residentials described above, this kind of room hire offer would not require full use of the building, and could be built into a different business model.

The category which had the most green priority option and amber fall-back options was tourism. The hotel, pub/restaurant with rooms and golf residentials all scored well on their ability to provide income, the level of demand, the suitability of the site and the competitive advantage. Each of these options capitalises on the strengths of the site and fills gaps within Harlech's current visitor offer. Because they would be so beneficial to the town's economy they also scored well on community acceptability. All three priority tourism options would require a commercial operator to lease the building and run the business. Early conversations have suggested that there might be commercial interest in these options and that it would be worth meeting with prospective operators to progress the proposals.

Both the market research and the options appraisal demonstrated that the only financially sustainable uses for the building are those that draw on the tourism potential of the town and fill the gaps in the existing tourism provision. There are a number of ways in which these options could be delivered and these models are explored in more detail in the following section.

## 5. Operational Models

The research has shown that only tourism use could generate the income needed to make the Coleg Harlech site sustainable and to provide funding for WEA YMCA Community College Cymru's educational core purpose. The tourism options that scored most highly, and were identified as priorities for further research were either a hotel or a pub/restaurant with rooms. The other 'green' priority options were golf residentials and community room hire, both of which could be delivered within either a hotel or pub/restaurant model. The room hire provision could also enable continued education provision on the site.

Any serviced accommodation built on site would need to be 3\* or above. This is in line both with the national tourism strategy for Wales and with visitor expectations. Visitors now expect even bunkhouse and hostel accommodation to be at 3\* level as a minimum. A better quality of accommodation is also more likely to attract funding, particularly from the Welsh Government's Tourism Investment Support Scheme.

Budget hotel models such as Travelodge or Premier Inn would not be a viable option. They require a site which is accessible to business travellers. With Harlech being so far removed from the A55, neither company would be interested in the Coleg Harlech site.

### *Commercial Partners*

WEA YMCA Community College Cymru is not in a position to be running a hotel or restaurant directly. Even if it were to establish a trading subsidiary it does not have the expertise, experience or resources internally to deliver this kind of commercial model. A commercial partner will be needed to develop and run the business. Ultimately therefore, the model which is most suitable and sustainable for the site, is the one which a commercial operator is able and willing to run.

There are broadly two kinds of commercial partners that are likely to be interested in running a business at the Coleg Harlech site:

1. A **hotel group** who want to run it as a traditional historic house hotel. This would be closely linked into the golf course, marketing short stay golf packages. It would have a high number of bedrooms, both in Wern Fawr itself and possibly also on the site of the buildings at lower level. The library would be used as a restaurant with additional lounge/bar areas on the ground floor. The gym and amenity block could potentially be knocked down to create purpose-built accommodation and further car parking. This option is shown in the architectural drawings that follow.
2. A **pub chain** who are looking to develop a high quality food and beverage offer on the ground floor of Wern Fawr with a limited number of rooms above. The pub chain is unlikely to need the lower level buildings. They would look to use the library as a distinctive function space and may look to incorporate soft play as part of the family offer inside. With this option, the gym could be leased to Hamdden Harlech who are interested in running a weights room and squash courts. Although this wouldn't generate significant income, it would provide an added facility for the town, and would be an added incentive for visitors to stay at Wern Fawr.

An initial conversation with the UK's largest pub chain, Greene King, indicated that the site would be suitable for either of the models outlined above. One of the questions that will need consideration at business planning stage is whether the operator would be prepared to run the business on a managed basis, or whether they would want to own the site. A management arrangement would provide long-term income for WEA YMCA Community College Cymru to

support core purpose education work. Sale of the site to the operator would remove any long-term liability, and also eliminate the need to establish a trading subsidiary. However it would only provide short-term income and would therefore not fully fulfil the income generation objective of this study's brief. It is the recommendation of this study therefore that the preferred option should be for the site to be let to a commercial operator on a long-term lease.

It's important to note that some educational provision could still be retained as part of this tourism model. It would be possible to make an arrangement with the commercial operator so that part of the accommodation was blocked out for a defined period annually for residential educational use by WEA YMCA Community College Cymru under the Coleg Harlech brand. Re-vamping the library as a restaurant while retaining the facility to read and borrow books means it would still be available to learners. It is likely it would also appeal to a wider range of readers in this context.

### *Planning*

Coleg Harlech currently sits outside of the boundary for permitted development within Harlech. As part of this study, we have held meetings with Snowdonia Planning Authority to discuss the potential future use of the building and what that would mean in terms of conversion and rebuild. The Development Plan is due to be refreshed within the coming months. The Head of Policy for the authority has advised it's possible that the boundary for permitted development could be extended to include the area around Coleg Harlech and the former St David's Hotel. He also advised that if this didn't happen, it is likely that the proposal to create an accommodation and food offer at the Coleg site could still be permitted under the existing policy. The plan allows for tourism-related development. The fact that the development would be a conversion rather than a new build would go in to its favour, as would the fact that the proposal would provide new uses for a historic, listed building. It's likely that even a new build on the site of the current gym would be permitted as it would be an 'enabling development' to support the conversion of Wern Fawr.

Once the business plan has been completed and there is greater clarity about exactly how the buildings would be converted, the Head of Policy advised that a pre-application enquiry be submitted. This enquiry will lead to a formal indication that the development could proceed.

### *The theatre building*

The biggest threat to establishing a financially sustainable future for the Grade II\* listed Wern Fawr is the adjoining theatre building. This is likely to prevent commercial development and to become an ever increasing maintenance liability. It became clear during conversations with Greene King that the theatre would be a significant barrier to any commercial operator being involved in the site. The very poor visual appearance of the building would detract from the offer. It would impact on both the marketing possibilities and on the quality of the feedback the operator would get from its guests.

Although the theatre is outside the scope of this study, its future will need to be considered by the Steering Group as part of its decision about the future use of Wern Fawr. Its current condition means that it will become ever more expensive to repair and maintain. Meanwhile the innovative arts activities carried out by the Theatre Harlech team have moved on from the original model. The building is now much less suited for their needs and they have developed a 'portable' model which could be relocated to a different venue. A new venue may end up being a more cost-effective option for them, helping with their own business planning.

It became clear through the preparation of this feasibility study that the presence of the theatre is the single most influential factor in establishing a financially sustainable future for Wern Fawr.



In order to progress the models described above, it will be necessary for the arts activities carried out by Harlech to be re-located elsewhere and for the theatre building to be demolished.

#### *The library endowment*

The library at Coleg Harlech has recently benefited from a generous endowment. It would be of great benefit to the future financial sustainability of the Wern Fawr site if this endowment could be retained within the future use of the building. Whether the building is converted for hotel or pub/restaurant use, the library will be an important part of the new business's offer and brand. Cadw are warmly supportive of the concept of converting the library into a restaurant space. The existing character could be retained with tables set within the bays and books being kept on the bookshelves. Our proposal is that the facility to read and borrow books should also be retained within the new operation. This would give the restaurant a unique selling point. If the library is to keep functioning, albeit in a slightly adapted way, within the new model, it's very possible the endowment could be retained. We therefore suggest that a dialogue is opened with the trustees in order to discuss the plans with them and agree how this financial support can continue.

## 6. Concept Designs

As part of this feasibility study, a full review was undertaken of all information relating to the condition of the building. Site visits were made and a 3-D model of the Coleg was developed in order to test and explore the different options being proposed. The drawings below are taken from this model. They include a historic photograph that shows how Wern Fawr looked before fire destroyed the north wing and the theatre was built. The schematic which follows summarises the main assumptions on which the proposals have been developed: that the car parking areas would be extended; the theatre building demolished and additional accommodation built in its place; that both the gym and amenity blocks be demolished and replaced with a sympathetic new-build accommodation building, and an extended car parking area. There are then two drawings which demonstrate the lay-out of the possible new build at lower level both externally and internally. This is followed by a schematic which shows the proposed future use of Wern Fawr itself, zoned according to different functions. Finally there are a series of 3-D concept drawings which contrast the current appearance of the site, with how it could look if this full development proposal were to go ahead.

These drawings are for illustrative, conceptual purposes only. As outlined above, the exact nature of the development will depend on the needs of the commercial operator running the site. The final scheme may end up being a lot more modest. It may be that a new accommodation wing is not needed adjoining Wern Fawr. It may also be that there is no need to demolish the gym or amenity blocks. For illustrative purposes, these drawings simply demonstrate the furthest extent of any proposed development to convert Coleg Harlech into a site providing accommodation and food.



Wern Fawr prior to the fire which destroyed the North Wing and the subsequent construction of the theatre



External treatment and reconfiguration of access/parking to provide disabled parking provision at courtyard level. Retention and potential expansion of existing car park at upper level

#### Schematic Plan Potential development

Amenity Block removed.  
Linear car park with landscaped boundary treatment for minimum visual intrusion

Theatre demolished.  
Yellow area indicates areas of potential development to reinstate building form sensitive and sympathetic to the listed building and improve circulation. Provision of 24 bedrooms, en suite with single aspect/views across sea with supporting accommodation.

Gymnasium block removed.  
Opportunity for three storey new hotel building (30 bedrooms with supporting accommodation) accessed from northern gable. Low roof line and treatment to minimise visual intrusion/maintain dominance of listed buildings at the upper level.

Assumed future demolition of redundant and dilapidated residential lower block

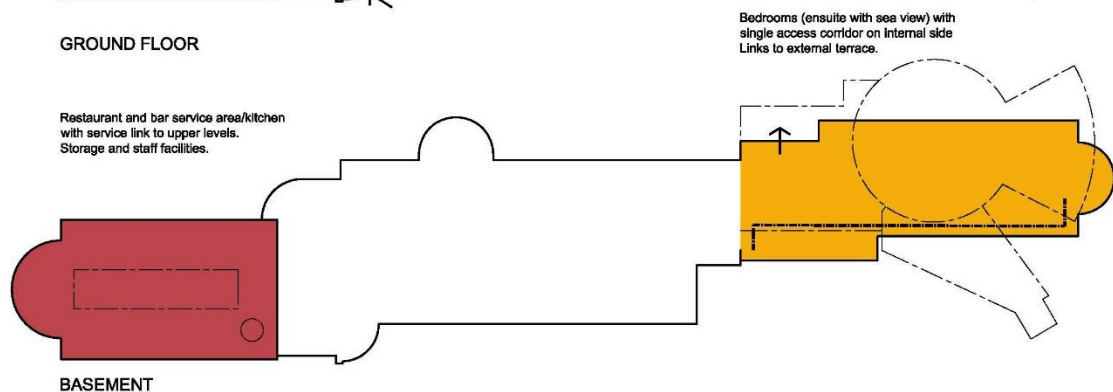
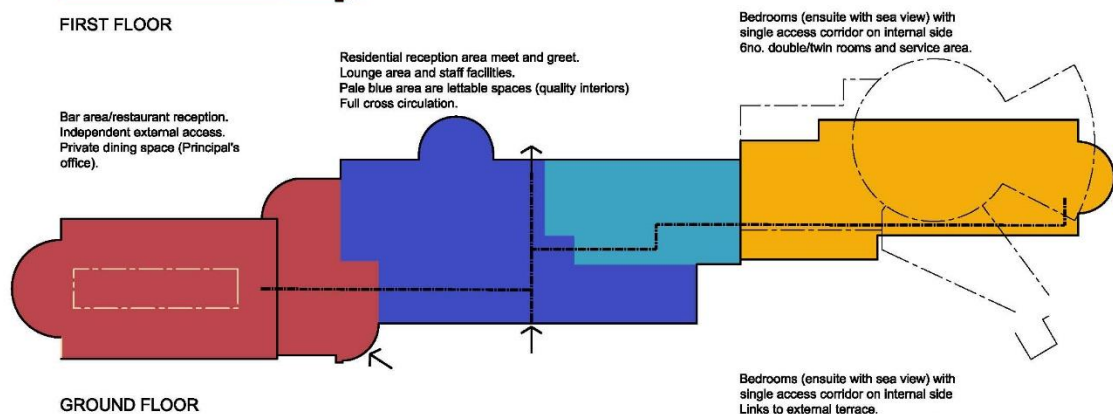
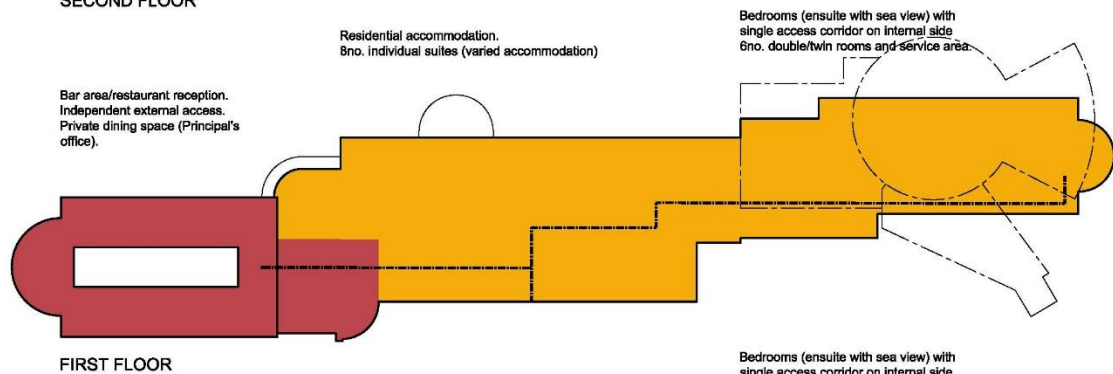
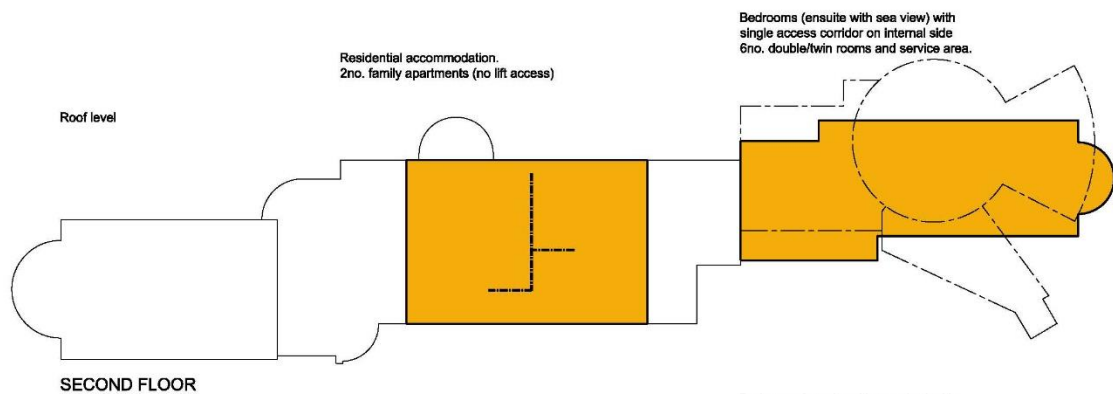


Site Images  
Views from Lower level/existing buildings

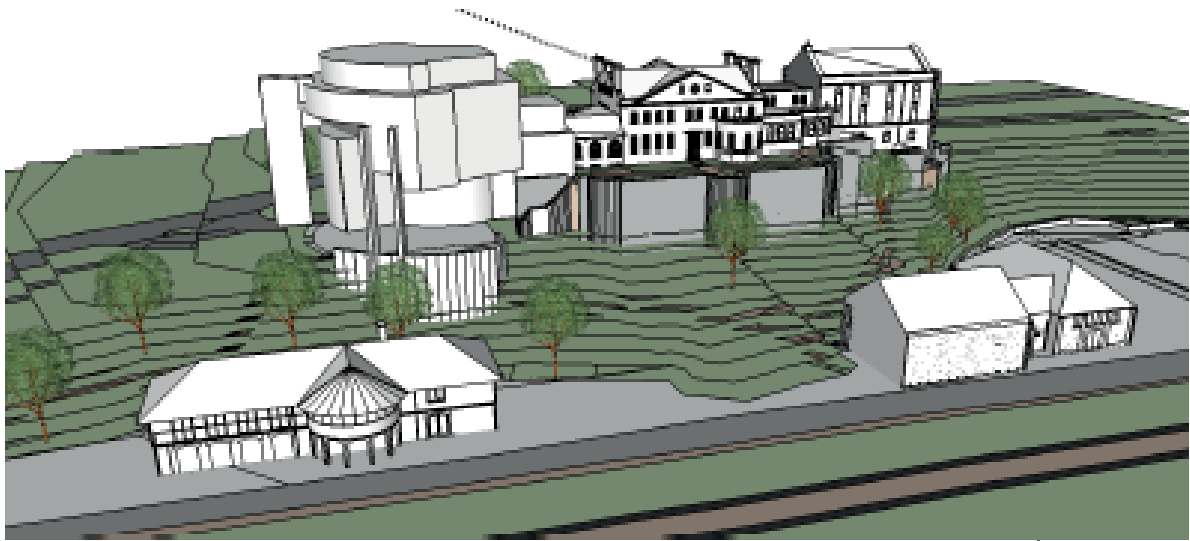
DHW Architects, Liverpool



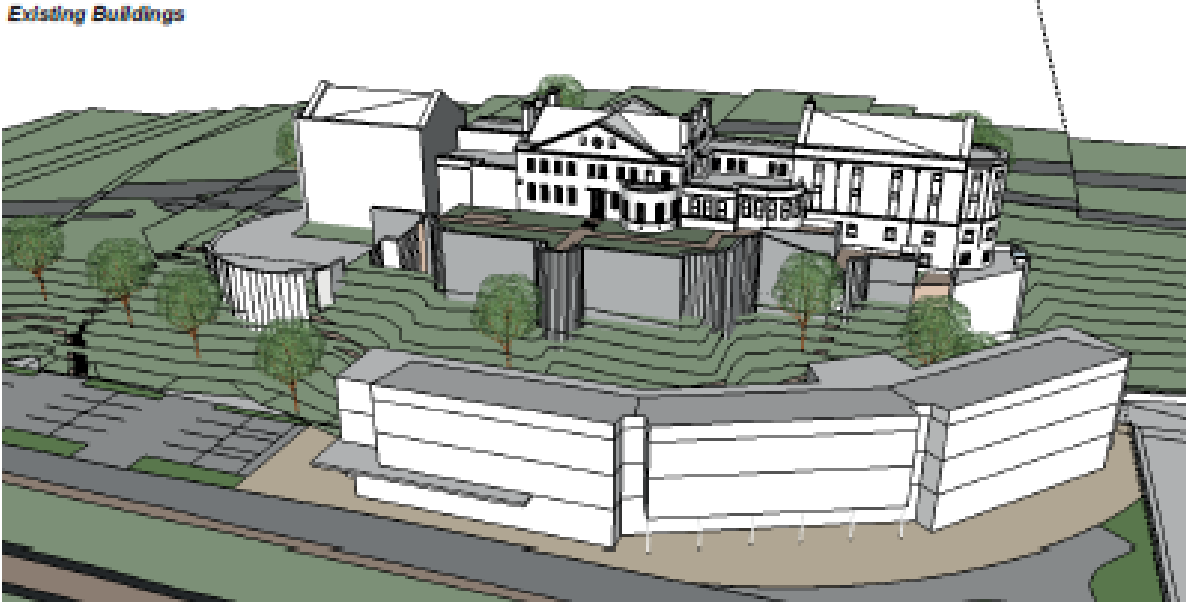




**ZONAL PLANS**  
**Wern Fawr**



*Existing Buildings*



*Massing Studies  
Potential development at Upper and lower levels*

*DHW Architects, Liverpool*



## 7. Recommendations

Having undertaken all of the environmental and sector specific research described above, including extensive consultations with stakeholders and the community, the key recommendations of this study are:

1. That the Coleg Harlech Steering Group pursue either a hotel or a pub/restaurant with rooms as the most likely options to create a financially sustainable future for the site
2. That the propositions of a hotel or pub/restaurant with rooms be tested with a range of commercial operators, utilising existing contacts and network.
3. That, if possible, WEA YMCA Community College Cymru should seek to lease the site to the commercial operator on a long-term basis rather than sell
4. That commercial operators expressing an interest are invited to site to explore if their model would be applicable
5. That a business plan is developed based on whichever model is proving to be most popular with commercial operators
6. That while the business plan is being developed, WEA YMCA Community College Cymru help to facilitate alternative premises for Theatre Harlech's activities and make provision for the demolition of the theatre building at the earliest opportunity

## 8. Next Steps

If the Steering Group agree with the recommendations above the next steps are:

Action	Responsibility
Approval for implementation of stage 2 of the original tender document: production of a business plan for Wern Fawr	WEA YMCA CCC
WEA YMCA Community College Cymru Board to be alerted to the risk posed by the theatre to the financial sustainability of the Coleg Harlech site	WEA YMCA CCC
Update to be provided to key stakeholders (HiA, Gwynedd, SNPA, Cadw and Visit Wales) regarding the decision of the Steering Group and next Steps	Clear Thinking
Conversations to be begun immediately with Arts Council Wales regarding finding alternative premises for Theatre Harlech's activities because of the very poor condition of the theatre building, and its impact on the long term sustainability of the Grade II* listed Wern Fawr building	WEA YMCA CCC
Prepare an internal and external communications plan around the proposal for Wern Fawr and the implications for the theatre	WEA YMCA CCC
Preparation of an information pack which can be given to commercial operators who are interested in the site	Clear Thinking
Identification of, and meetings with, a range of operators who would have an interest in the site	Clear Thinking
Continued conversations with key potential funding partners such as Welsh Government's Tourism Investment Support Scheme, Heritage Lottery Fund, Building for the Future (ERDF) and Finance Wales in order to put together a match funding package	Clear Thinking
Continued conversations with the planning authority (SNPA) to secure support for the scheme ahead of any application for planning permission	Clear Thinking
Start a dialogue with the trustees of the endowed fund for the library to explore continued financial support for the library under its new guise	WEA YMCA CCC
Preparation of a business plan, based on the commercial operator's own model, and including architectural concept drawings, to be presented to Steering Group on 10th May	Clear Thinking



## 9. Appendices

### 9.1. SWOT ANALYSES

#### 9.1.1 Education SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
LOCATION – Wern Fawr is in a stunning location offering beautiful views of Cardigan bay. It is an inspiring learning environment.	ACCESS – It is not easily accessible by either car or public transport from the majority of the UK and Wales. This is a highly significant weakness when considering the declining market in residential education.	COMPATIBILITY – There is adequate space for residential education to exist alongside a number of other complementary offers at Wern Fawr e.g. room hire / office accommodation / wedding venue.	COMPETITION – There are a number of successful residential education opportunities in North Wales with strong USP's, educational specialisms, good visitor offers and beautiful locations e.g. Gladstone Library, Ty Newydd, Plas Tan y Bwlch, Nant Gwrtheyrn.
LIBRARY – The library is unique and a good learning space (although the stock is run down) and has an endowment gifted to provide for it which would generate an annual income which could employ staff to support learning at Wern Fawr.	OFFER – It does not currently have a strong specialist residential educational offer or USP.		HIGHER EDUCATION – Locally both Bangor and Aberystwyth universities are providing increased support services to encourage more vulnerable learners to take up higher education e.g. Reaching Wider.
	ACCOMMODATION – Needs alteration and updating to provide good residential education facilities.		MARKET – The market for residential education has declined over recent years. The market is now limited and successful longstanding residential education facilities are struggling to stay afloat within the current climate.

### 9.1.2 Tourism SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<p>Attractive appearance and historic, character features of Wern Fawr</p> <p>Stunning views</p> <p>Proximity to highly ranked golf course</p> <p>Availability of car parking</p> <p>Quality and distinctiveness of the library building</p> <p>Adaptability of the spaces within Wern Fawr</p> <p>Adaptability of the gym and amenity block at lower level</p> <p>Accessible by road and rail</p>	<p>Conversion costs will be expensive</p> <p>No in-house expertise around tourism offers and development</p> <p>Listed building status can limit redevelopment options</p>	<p>Need for serviced accommodation within the town</p> <p>Need for mid-range eating places in the town</p> <p>Groups/activities market increasing</p> <p>Strong existing family market</p> <p>Proximity to activities hub at Blaenau Ffestiniog</p> <p>Marketing relationship with the golf club who need accommodation</p> <p>SNPA development plan being updated</p> <p>Support and backing of Gwynedd Council</p>	<p>Poor visual appearance and structural repair of the theatre</p> <p>Poor visual appearance of the tower accommodation block</p> <p>Coleg Harlech site lies outside of the existing permitted development boundary</p>

### 9.1.3 Social/Community SWOT Analysis

Strengths	Weaknesses	Opportunities	Threats
<p>History of working with educationally excluded people.</p> <p>Strong track record of education and training.</p> <p>Buildings that could be adapted for multiple purposes.</p>	<p>Small local population</p> <p>Remote from large populations with social need.</p> <p>Poor transport links.</p> <p>Very expensive site to maintain.</p> <p>Existing charities and social enterprises are not interested in the Harlech site.</p> <p>Local population is hostile to bringing disadvantaged people from outside Harlech into the town.</p>	<p>Small hyper-local need for training and meeting rooms.</p>	<p>Reducing public funding for social purpose, particularly training and education.</p> <p>Strong competition from existing charities and social enterprises.</p> <p>Social enterprise models are unlikely to ever cover the high costs of maintenance at the Coleg Harlech site.</p>

## 9.2. Summary of Consultants

### *Jane Richardson*

Jane is the Director of Clear Thinking Strategy and Planning which provides business and marketing planning services to the public and private sectors. Clear Thinking can help at any stage of the project, from the feasibility study, through to the funding application; from the development of the business plan through to the delivery of the marketing strategy.

Prior to establishing Clear Thinking, Jane she was Director of Partnerships & Policy (Tourism) within Welsh Government, responsible for the development of the tourism product across Wales. She oversaw all Government investment in the sector as well as multi-million pound European funding schemes.

Before joining Welsh Government Jane was the Head of Marketing and Supporter Development for National Trust in Wales where she led the successful transfer of Tredegar House and Dyffryn Gardens from two local authorities into Trust management. Jane was part of a small team which turned around the Trust's £2.6million annual operating deficit in Wales within two years.

Jane is a qualified marketing specialist with the Chartered Institute of Marketing. She has experience of a variety of market research techniques and has run wide-ranging marketing campaigns using both traditional and new media. Having worked as a Broadcast Journalist in both the BBC and commercial sector Jane advises organisations on their communications, engagement and interpretation activities.

Jane thrives on working with organisations to improve their business performance, grow their visitor numbers and engage new audiences.

### *Abigail Tweed*

Abigail Tweed is the Founding Director of Milestone Tweed, providing services to organisations and individuals to support creativity, education and philanthropy. Established in 2009, Milestone Tweed works with handpicked associates delivering contracts for local and national organisations and individuals. Milestone Tweed work with organisations helping them to be clear about their value, maximising income and providing support to help them evidence their impact. Abigail also works with philanthropists assisting them to understand how their investments can create maximum impact, generating mutual benefit for both the giver and beneficiaries.

Abigail has worked nationally and internationally in education, commerce, local government, health, the arts and third sectors. She has been appointed as an associate to the National Coordinating Centre for Public Engagement and is an ambassador for the Community Foundation in Wales. Abigail is an independent board member with Cartrefi Cymunedol Gwynedd (CCG), and the Chair of the CCG Customers and Communities Committee. In her spare time she enjoys giving back to the arts by providing pro bono mentoring for arts organisations.

### *Mark Richardson*

Mark Richardson is an award-winning social entrepreneur and consultant with extensive expertise in social enterprise, education and impact measurement. As Director of Social Enterprise at Bangor University he launched and managed the Masters in Social Enterprise and is now leading the multi-million pound development of Social Enterprise Cymru.

Mark has written highly regarded reports on social enterprise and social investment for, among others, Big Society Capital, the National Housing Federation, and the Big Lottery. His comprehensive summary of social enterprise in the UK for the British Council is used by policy makers and practitioners around the world. He has worked with over a hundred social enterprises on business planning, sustainability, governance and legal structure. And through his pioneering work on scale and replication is considered one of the world's leading experts on social franchising.

In 2015 Mark was made an Honorary Research Fellow at Bangor University and sits on the board of a multi-million-pound social enterprise, North Wales Housing Association, leading on impact measurement.

### *David Watkins*

David Watkins is a registered architect with post-graduate qualifications in building conservation. He was a partner with Brock Carmichael Architects for over twenty years developing and leading the conservation team within the practice before establishing DHW Architects in 2014. He has been responsible for many award winning projects, involving work to existing/historic buildings, listed buildings, registered gardens, scheduled monuments, conservation areas and complex sites requiring specialist conservation skills, high design input and careful/sensitive liaison and consultation with Client/Community/Statutory/Amenity Groups. He has worked extensively with the National Trust over the last eighteen years and has been involved with many sites and buildings of national importance.

David maintains a very hands-on approach to projects and has maintained personal interest and involvement in the Harlech study. He strives to achieve the highest standard of design and detail and has developed a reputation as an imaginative and lateral thinker with a strong commitment to the conservation of historic buildings/structures and the sympathetic regeneration of historic sites and buildings for new, viable and sustainable uses.