Gwent Levels Accommodation Study
Final report

Prepared by

Planning Solutions Consulting Limited

May 2019

Client	Newport City Council and Monmouthshire County Council
Client contact	Lynne Richards, Tourism Officer, Newport City Council Deserie Mansfield, Monmouthshire County Council
Title	Gwent Levels Accommodation Study
Version	Final Report
Date	May 2019
Contact name	Kevin Brown and Richard Linington
Contact details	Planning Solutions Consulting Limited 9 Leigh Road Havant Hampshire PO9 2ES 023 9248 1999 kevin@pslplan.co.uk / richard@pslplan.co.uk

Contents

Executive summary

The Gwent Levels is at an early stage development with its ambitions to become a low impact tourist destination.

The Gwent Levels has been successful in securing £2.5 million of Heritage Lottery Fund funding to develop the Living Levels Landscape Partnership, a scheme to deliver a number of projects to: *"conserve and restore the important natural heritage features of the area, to develop a far greater appreciation of the value of the landscape and finally to inspire people to learn about and participate in the heritage of the Gwent Levels."*

To support the growth of tourism on the Gwent Levels it is recognised that there is a need to invest in appropriate, low impact and sustainable tourist accommodation. By encouraging higher spending overnight staying tourists this will help to diversify the rural economy.

Development of tourist accommodation in the Gwent Levels faces a number of challenges, notably in respect of environmental and planning considerations given that most of the area is low lying and in the floodplain.

It recognised that the Gwent Levels has a number of special qualities and is a protected landscape. Sections in Monmouthshire County Council and Newport City Council's boundaries have a number of designations designed to protect the landscape and environment. A SSSI stretches along the coastal strip, a similar area is designated as a Special Protection Area and there are is also a designation of Special Area of Conservation and RAMSAR site. Alongside this there is also a substantial area of archaeological sensitivity (notably in Monmouthshire) and a large number of Scheduled Ancient Monuments. All of these characteristics help to make the Gwent Levels a special place to visit.

Coupled with the above designations, consideration needs to be given to development within the Development and Flood Risk C2 zone, along the coastal strip, which appears to be effectively an outright 'No Go' area in terms of new development. The C2 designation also stretches to some inland areas mainly along water courses such as the Castrogi Brook and The Cribau. There is also an area of TAN 15 Development and Flood Risk C1 (defended flood plain) mainly in respect of the triangle of land between Magor, Sudbrook and Summerleaze which may afford some development opportunities albeit heavily restricted by likely planning conditions.

As the case studies demonstrate there are opportunities relating to high end 'glamping' accommodation introduced on to working farms (Feather Down Farms). Under the Thatch show how older buildings (cottage, farm houses) and other structures (railway carriages) have been re-purposed into high quality self-catering accommodation. The potential to offer redundant and under-used church buildings as a form of overnight accommodation also offers a potential for new innovative visitor facilities in the area.

The UK tourism sector has benefitted from the decline in the value of the Pound (making the UK more attractive to overseas visitors, with trips to overseas destinations more expensive for UK residents).

Tourism is, pro rata, more important as an economic activity to Wales than other parts of the UK. Visit Wales' 'Partnership for Growth' Strategy had set a 10% real terms growth target for the sector from 2013 – 2020 and it is clear that this will be exceeded. While seasonality remains an issue for other regions South East Wales typically sees over 40% of arrivals and income from October to March, although these are dominated by day visits.

A STEAM analysis based on 2015 figures suggests a value of around £100m based on 1.3m visits generating 1.7m visitor days (split 1m day visits, 257k staying with friends and relatives, 48k non-serviced and 350k Serviced) and 1,170 fte jobs.

The tourism sector is also witnessing other emerging trends, for example, the continued growth in specific market sectors, such as activity tourism, camping (particularly glamping which can be evidenced by operators/agencies such as Canopy and Stars and Go Glamping) and health and wellbeing related activities and breaks.

In terms of introducing a new accommodation product or to enhance/extend an existing tourist accommodation business there are a number of developmental, operational and market and planning barriers to overcome. For example, development barriers include finding and securing a site through to raising the capital which for small or lifestyle businesses can be difficult. Operational barriers can include attracting and retaining staff, which is particularly challenging in areas which are not served well by public transport. Submitting a planning application can be a time consuming and costly exercise particularly in terms of professional fees for a flood risk assessment.

Using a weighted scoring matrix a number of different accommodation categories were assessed to determine their potential suitability for the Gwent Levels. Criteria include the strategic fit (synergy with the Gwent Levels 'landscape' / environment, fit with planning policy and risk), market considerations (potential to attract specific market segments, seasonality and step change in destination profile), deliverability (ease of deliverability and synergy with existing businesses) and financial considerations (indicative capital cost, economic impact and profitability).

Tourist accommodation options include:

- Bunkhouse
- Seasonal camping field
- Conversion of existing / redundant rural building into a high-quality self-catering unit
- Cluster of high-quality self-catering lodges
- Cluster of seasonal yurts (or high-quality pods or wooden tents)
- Floating structure
- Extension of existing licensed camping/caravan site
- Use of existing residential accommodation unit(s) as B&B
- One-off design led intervention on a temporary basis (e.g. innovative artist/ designer accommodation interventions)

The four options which generate the highest score include: use of existing residential accommodation (B&B / AirBnB), extension of existing campsites, seasonal camping field and conversion of redundant rural buildings. A further option to consider, which did not generate such as high score, is a design led accommodation product. This could help to generate a strong differentiator in the market place and at the same time lead to positive PR coverage further helping to raise the profile of the Gwent Levels.

1.0 Introduction

This report reviews the planning framework, assesses the tourism market profile (along with trends) and explores specific accommodation product opportunities for the area (as well as potential barriers to development). These opportunities are then assessed using a weighted scoring matrix.

This report builds on the earlier Living Levels Landscape Partnership Destination Management Plan Final Report (May 2017) which recommended further detailed evaluation of the accommodation provision and opportunities within Gwent Levels.

A module of primary research was carried out in conjunction with the Councils but has not generated a sufficient sample response (four) to provide meaningful analysis. This is believed to be due (at least in part) to the reluctance of existing business owners to encourage further competition.

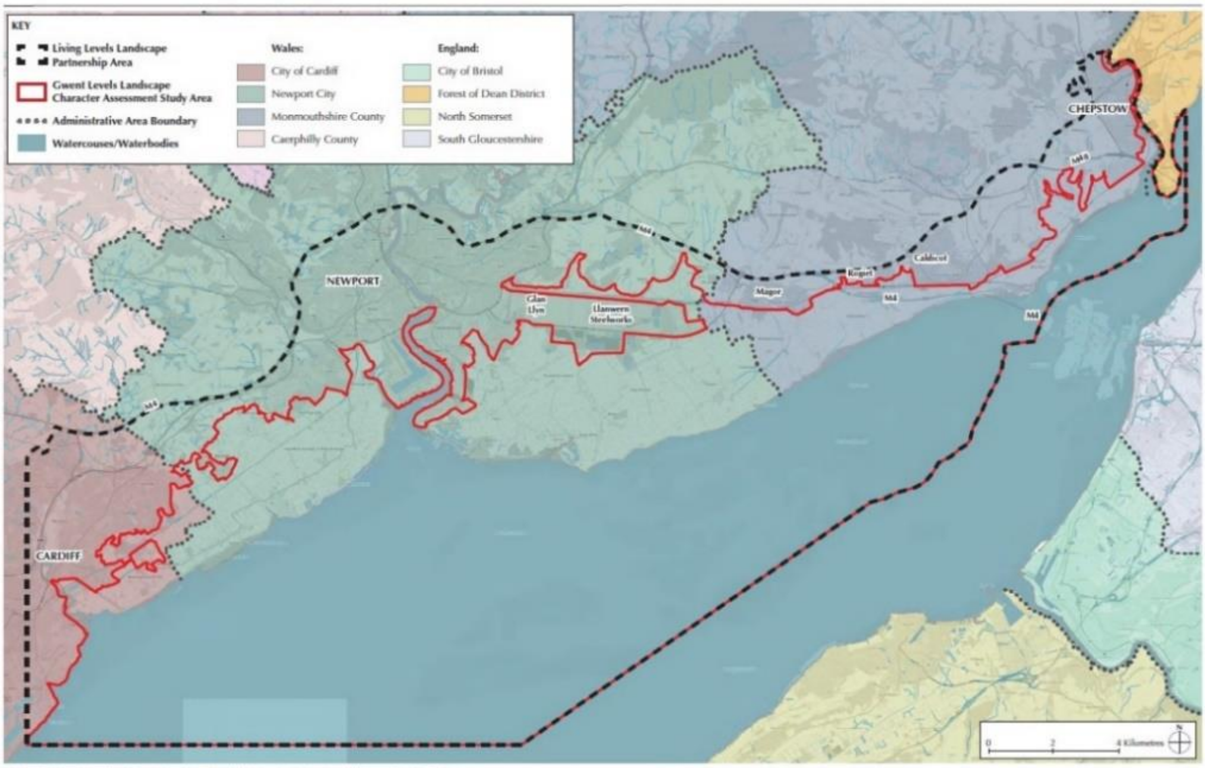
The Advisory Pack has been Commissioned by Monmouthshire County Council and Newport City Council. This project has received funding through the Welsh Government Rural Communities - Rural Development Programme 2014-2020, which is funded by the European Agricultural Fund for Rural Development and the Welsh Government.

Cyllidwyd y prosiect hwn drwy Cymunedau Gwledig Llywodraeth Cymru - Rhaglen Datblygu Gwledig Cymru 2014-2020, a ariennir gan Lywodraeth Cymru a'r Gronfa Amaethyddol Ewrop ar gyfer Datblygu Gwledig.

1.1 The study area

We set out below a map which highlights the study area.[1] It is important to highlight that our work extends to the parts of the Levels within Newport and Monmouthshire but excludes the Cardiff section.

[1] Source: Newport City Council



CHRIS BLANDFORD ASSOCIATES
landscape | environment | heritage

GWENT LEVELS LANDSCAPE CHARACTER ASSESSMENT
LIVING LEVELS LANDSCAPE PARTNERSHIP

FIGURE 1.1
STUDY AREA

November 2016

2.0 The Gwent Levels

2.1 Strategic Planning Profile

Gwent Levels is a heavily protected landscape and environment. Large sections in both local authority areas have multiple designations designed to protect the landscape and environment. For Monmouthshire, please refer to the interactive constraints map click here.

A large tranche is a **SSSI** stretching along the coastal belt. A similar area is designated as a **Special Protection Area.**

There is also a designation of **Special Area of Conservation** and **RAMSAR**[2] site, mainly along the shoreline.

There is also a substantial area of archaeological sensitivity (notably in Monmouthshire) and a large number of Scheduled Ancient Monuments.

Along the coastal strip is **Development and Flood Risk C2** (as set out in **TAN 15 – a Technical Advice Note)** which appears to be effectively an outright 'No Go' area in terms of new development. The C2 designation also stretches to some inland areas mainly along water courses such as the Castrogi Brook and The Cribau.

There is also an area of **TAN 15 Development and Flood Risk C1 (defended flood plain)** mainly in respect of the triangle of land between Magor, Sudbrook and Summerleaze which may afford some development opportunities albeit heavily restricted by likely planning conditions. There is flood risk complication and proposals for tourism use, are likely to require flood justification measures – this is set out in national policy TAN15.[3]

National planning guidance does give encouragement and support to the diversification of farm enterprises and the wider rural economy for appropriate tourism use, subject to adequate safeguards for the character and appearance of the countryside, (including landscape, biodiversity and local amenity value, (Chapter 11 of Planning Policy Wales Nov 2016). Indeed, green infrastructure policies for Monmouthshire and Newport have many common threads.

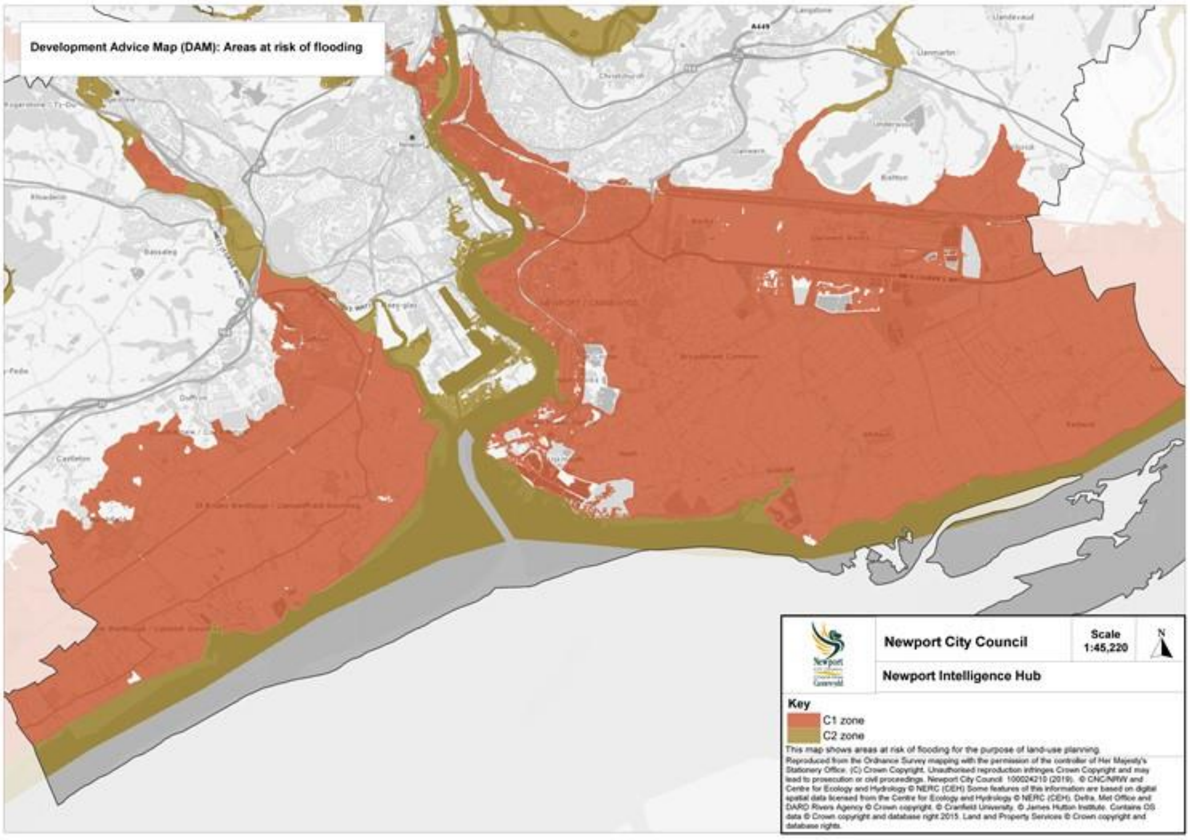
---

[2] https://gov.wales/topics/environmentcountryside/consmanagement/conservationbiodiversity/ramsar-convention/?lang=en
[3] http://gov.wales/docs/desh/publications/040701tan15en.pdf

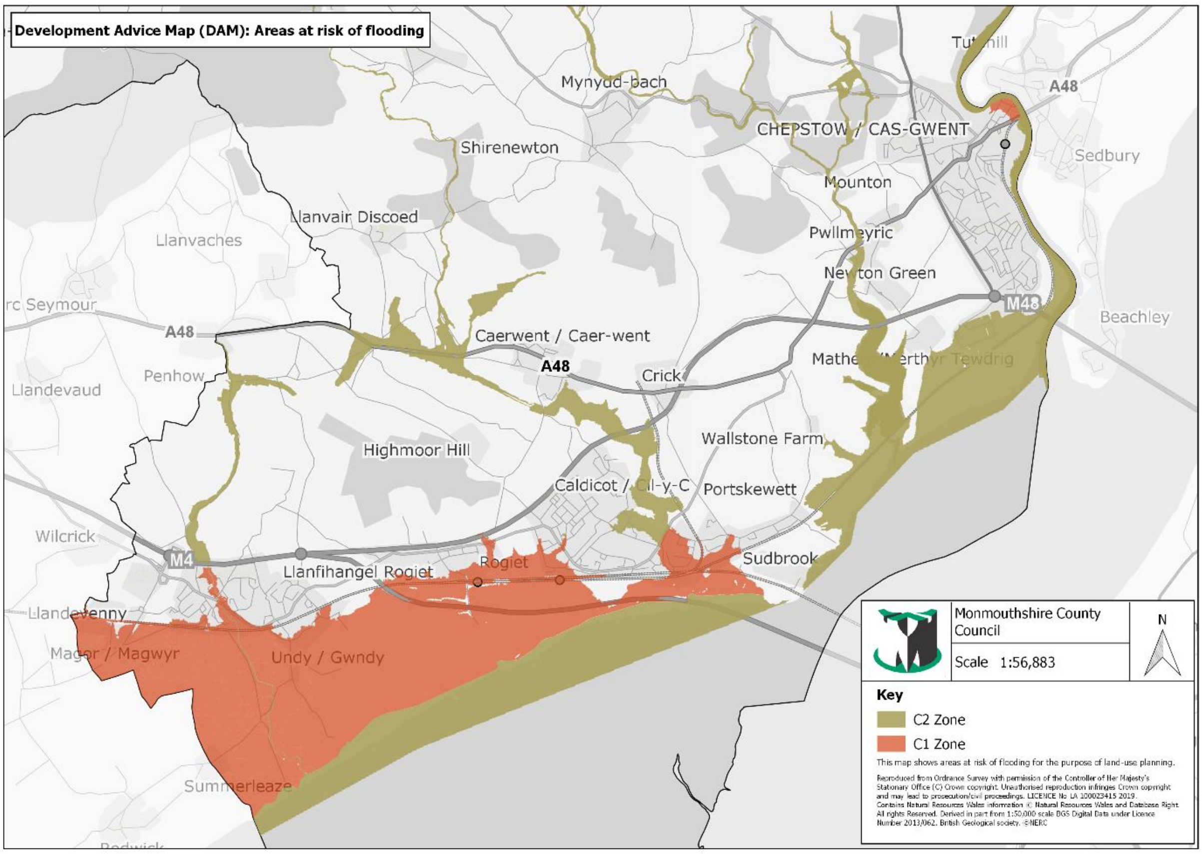
As part of this review we met with the Planning Officers at Monmouthshire County Council and Newport City Council and also liaised with Natural Resources for Wales.

Please see maps below showing the C1 and C2 Zones.

Newport City Council



Source: Newport City Council



Source: Monmouthshire County Council

2.2 Monmouthshire County Council

In terms of the Monmouthshire section of Gwent Levels, MCC's Local Development Plan was adopted in early 2014.[4]

This policy framework recognises the importance of tourism in the area and **Policy S11 – Visitor Economy** seeks to enable provision and enhancement of sustainable tourism development in Monmouthshire.

S11 Visitor Economy
Development proposals that provide and/or enhance sustainable forms of tourism will be permitted subject to detailed planning considerations.

[4] http://www.monmouthshire.gov.uk/planning-policy

Development proposals that would have an unacceptable adverse impact on features and areas of tourism interest and their settings, or that would result in the unjustified loss of tourism facilities will not be permitted.

The S11 policy has related reference to specific categories of accommodation including touring and tented camping sites (T1) and visitor accommodation outside settlements (T2). Sustainable tourism projects also need to have regard to the Council's Green Infrastructure Supplementary Planning Guidance (SPG) and emerging landscape SPG. Please click here for further information.

There is a specific SPG for Sustainable Tourism Accommodation which is given reasonable 'weight' in planning decisions. This document lists certain forms of accommodation likely to be more acceptable in planning terms which include various forms of glamping (yurts, tepees, bell tents, wooden pods, shepherd's huts and tree houses). We attach as Appendix One, an extract summary table which sets out the guidance for assessing specific types of glamping accommodation and the associated key policy considerations.

The SPG makes specific reference to other policies S8 enterprise and Economy, S10 Rural Enterprise and RE3 Agricultural Diversification.

It is important to note that a new LDP is currently being prepared. Since the last plan was drafted there have been significant changes and developments in the sector, not least the emergence of AirBnB which is acknowledged to affect demand. There are estimated to be some 100 properties in MCC area and there is consideration as to whether specific policies are needed to address this accommodation category.

2.3 Newport City Council

Newport Local Plan 2011-2026 was adopted in 2015.[5]

Whilst there are broad policies on economic development regeneration and employment which relate to tourism there is limited reference to the tourism sector specifically. The main tourism policy also has a strong regeneration focus and recognises the importance of business tourism in the city council area.

[5] http://www.newport.gov.uk/en/Planning-Housing/Planning/Planning-policy/Planning-policy.aspx

It is acknowledged that the city region is not a mass tourism area and the policies reflect this. The only specific tourism policy reads as follows:

CF8 Tourism New and improved tourism related developments, including hotel and other visitor accommodation, conference and exhibition facilities, heritage interpretation facilities, rural tourism and activity tourism in the countryside will be permitted, particularly where regeneration objectives will be complemented.

The Local Plan states that *"tourism is recognised as an important economic activity in the Newport economy, providing employment through serving the business tourism, leisure tourism and more local recreational sectors. Regeneration areas can provide opportunities for tourist facilities, and Conservation Areas also often contain valuable attractions, such as at Caerleon. Care will be needed to ensure that any development complements and does not detract from the characteristics of the area concerned.*

In accordance with national planning policy rural enterprise in the countryside will be encouraged where proposals do not impact unacceptably on the local amenity and environment. In developing countryside related development, it will be important to ensure that it is sustainable, resulting in a low impact on the environment and local culture, while helping to generate income, employment and conservation."

Development closer to the edge of Newport is likely to gain more support than isolated new development. A campsite at Ty Coch for example has recently gained permission to extend.

The C1 and C2 designations referred to in Monmouthshire planning apply equally to Newport section of The Levels.

2.4 Natural Resources Wales (NRW)

New build of any kind however will always be problematic and will be controlled by TAN 15. NRW typically requires 1/200 year flood consequence assessment and mitigation. Because of the extent of the Levels however there is more room for flooding to spread so mitigation, or 'flood free' status, may be easier to achieve.

The NRW representative consulted emphasised that it is not worth contemplating anything at all on C2 designated land but C1 is possible.

NRW is not keen on tethered floating structures. NRW suggested we should not close our minds off to B+B or other building conversions. The overall development policy and guidance is available on the NRW website and is summarised below:

Development and Flood Risk - development within an area at risk of flooding
The NRW has detailed policies relating to acceptable levels of development.

Those considering development in an area shown to be at risk of flooding on the Development Advice Map, need to demonstrate that the flood risks and consequences can be acceptably managed in line with current national planning policy and in particular Welsh Government's **Technical Advice Note 15 (TAN15)**: Development and Flood Risk.

It is often necessary to prepare a **flood consequences assessment (FCA**), to show how the flood risk to the proposed development, or any increased flood risk elsewhere as a result of the development can be suitably managed or mitigated. TAN15 specifies that this assessment must be undertaken by a suitably qualified person.

Please note that producing an FCA does not ensure that the proposed development will fully satisfy the criteria of TAN15. It should also be noted that proposals for highly vulnerable development may not be an acceptable form of development in certain high-risk areas.

NRW's role is to provide technical advice to the determining authority on the level and acceptability of flood risk from main rivers and the sea. NRW may also provide comment on any mitigation measures proposed. The Lead Local Flood Authority, Highways Authority and Sewerage Undertaker should also be consulted on the suitability of site drainage proposals, including techniques available to calculate surface water rates of discharge (even where the receptor is main river) and soakaway infiltration.

NRW's advice on flood risk is primarily based on existing information held and the contents of any FCA submitted in support of a planning application. Details of the level of information required in the FCA can be found in TAN15 (Part 9, Section 7 and Appendix One).

NRW has developed several Guidance Notes to assist with the preparation of the FCA which contain technical advice and recommendations. There is a guidance note which outlines recommendations on appropriate methodologies for flood frequency estimation and hydraulic modelling.

As part of our service for developers NRW can provide a preliminary opinion on your proposal, including whether an FCA is likely to be required, and an outline of what might need to be included in the assessment.

2.5 Other considerations

In some ways temporary structures can be less favourably considered in planning as they represent a dangerous object in the event of becoming unsecured during a flood.
There is a strong need to ensure that any accommodation proposal has an appropriate evacuation strategy in the event of a severe flood.

The new proposed M4 relief road and the de-classification of the existing road may open up selected development sites (including some spoil areas) but these are unlikely to be offer appropriate small scale tourism opportunities.

Activity tourism is acknowledged as a growth area and accommodation linked to an activity would receive more favourable consideration. This could include walking, cycling, bird watching etc.

2.6 Key implications

- Local planning regimes are sympathetic to appropriate scale tourism development in the Levels, including accommodation, and extension, conversion/ diversification of current properties

- Flood risk concerns however are the over-riding determinant of securing consent, with particular emphasis on the safety of those staying overnight

- C2 designated land is not likely to be developable for tourism accommodation uses however C1 does offer some opportunities, albeit limited in scope and scale

3.0 Case examples

3.1 Feather Down Farms

Short summary	Feather Down was founded 15 years ago and offers a premium self-catering product with a variety of glamping tents and cabins. It now operates in in the UK and five other countries in Europe. Feather Down has a range of accommodation type with different capacities (4 to 10 person units). The main product is based upon a traditional 'lodge style tent' which incorporates a wood burning stove, cooking facilities, bedrooms and toilet (the tent itself has a wooden floor). The company has invested in product development and the range now a 'canvas thrill lodge' and log lodge both of which includes showers. In terms of luxury 'glamping' Feather Down Farms were pioneers in the UK marketplace. Interestingly, the business operation works on a model whereby small-scale farms run clusters of canvas lodges. Whereby Featherdown Farms supplies the tents and the farmer the supporting infrastructure. Featherdown Farm also manage the marketing, promotions, call centre enquiries and bookings on behalf of the farmer. The development ethos has focused on working with small scale farms to help maintain 'environmental' quality and creates an 'authentic' experience for guests. Guests can often also purchase produce from the farm.
Property example	Feather Down already has two farms within reasonable distance of Gwent Levels (Moor Farm and Hollings Hill), nevertheless the company is still looking for new sites and opportunities in Gwent Levels / South Wales will be considered.

	The company needs to respect a 'safety distance' between each location. Desirable criteria for the sites include a nice view, not too noisy (planes, road traffic etc.) The company will visit each prospective site to define where to install the tents and if the location is suitable to join our Feather Down network.
How the model works	Feather Down has two main different operating models. The first is where the company invests in the location/ farm and provides the accommodation units. The farmers do not need to pay for the accommodation but they do need to provide the foundations of the tents such as piping, septic tank, water supply etc. The landowners receive 35% of the net turnover and this percentage rises by 1% per year. At year 6, they will get 40%. The second model, the farmers invest in the accommodation units and join the network. They will get 70% of the net turnover and we take a fee for the activities such as marketing, customer service, etc. The farmers are only responsible for welcoming the guests, cleaning of the accommodations and taking care of the extras including onsite sales (firewood, milk, other provisions)
New developments and challenges / issues they have had to overcome for new development sites / projects	The main difficulties arise with proving their value to local authorities (including planning departments). The main challenges are to produce local feasibility studies as well as visual impact studies to satisfy local authority requirements.

	The company is also often required to provide supporting evidence in the form of economic impact studies.
Operational considerations	Location is the key driver and it is important that the seasonality of the location is not too marked by a major 'spike' over a relatively short period. The hospitality of the owner is an important element for long term success and generating repeat business. Local authority permissions / planning consents can be time-consuming to obtain
Trading data	On average turnover per tent in the UK is approximately £15,000 per season. The occupancy depends on the location and critically also on the weather.

Source: Feather Down

3.2 Under the Thatch

Short summary	Under the Thatch (UTT) is a niche holiday lettings agency specialising in quirky attractive properties with a focus on the family market. It has a strong focus on properties in Wales with a presence in Ireland and France too and some other international short breaks. It is interesting to note that the sector has witnessed considerable change in the past two years. Big web-based sites such as Booking.com are 'mopping up' large parts of the market and so there has been a drive to become even more specialist and 'up-market'. The company doesn't pro-actively look for new properties and currently all profits are ploughed back into design and build projects.
Property example	UTT prides itself on many forms of quirky accommodation The CroPods on the west coast of Ireland represent an interesting example which could be replicated elsewhere  *Source: Under the Thatch*

	These are Irish mountain pods in wilderness locations which are marketed to professionals who may take a 'creative break' to gain inspiration for their work. The average cost is around £500 per week.
How does model work?	Under The Thatch charges 25% commission including VAT of the tariff. The company does not ask for exclusivity on deal and owners are free to use other platforms to market their properties. Under The Thatch will visit and arrange photographs - they pride themselves on relationships with owners. UTT is then responsible for marketing the properties and providing the customers. It has a high specification automated web-based booking system and UTT will also assist owners with practical help and advice such as weekly rotas for housekeeping.
New developments and challenges / issues they have had to overcome for new development sites / projects	The properties need to be distinctive in themselves, 'the accommodation needs to be the star!' For Gwent Levels, UTT believes it is important to ensure that what is built is the main attraction. It needs to be nicely designed and if there are multiple units, each will need privacy. UTT considers that septic tanks might be an issue on Levels and compost toilets are difficult to incorporate with high end units. Any association with nearby nature reserve is likely to be attractive to guests.
Operational considerations	UTT believes it is important not to install too many units in single location (up to 4 units).

	For marketing purposes there is a need to produce interesting and exciting photographs 'Instagrammable moments.' The build needs to be high quality with views from every property and even every room. If only a standard cottage then it is better not to enter holiday sector but look for long term rents. It is interesting to note that celebrity actor Griff Rhys Jones has a couple of properties to let on the site
Trading data	UTT has approximately 20,000 live customers who form their core market with a high degree of repeat bookings Given the location of a large proportion of their properties in Wales the M4 corridor a core part of their audience (mainly 2 hour catchment). The Severn Bridge has recently become free to cross which is expected to boost tourism volumes. Under the Thatch has actually ceased to work with about a third of properties in last 1-2 years (removing the most complained about, worst quality / cheapest) and become more niche, more top end.

3.3 Church accommodation

Summary	As part of its ***SpiritCymru*** product offer https://www.spirit.cymru, and in partnership with the Church in Wales, sustainable holiday specialists **fforest,** based in Cilgerran, will install accommodation pods (based on Scandinavian and Japanese models) in rural places of worship for those on cycle touring holidays. This is tapping into the Visit Wales 'Year of Discovery 2019' and the 'Wales Way' route-based tourism initiative. Visit Wales has awarded grant funding from its Tourism Product Innovation Fund (TPIF) to support the marketing (but not the capital costs) of the project. It is estimated that there are 800 under-utilised places of worship in Rural Wales. The initiative also taps in to the revival and reinvention of 'pilgrimage' for the 21st century. While the accommodation created will be relatively simple, it will not be cheap – fforest is positioning the product as an exclusive experience aimed at the middle to high end market. For more information: https://www.anglicannews.org/news/2019/01/sleeping-pods-to-be-installed-in-welsh-churches-for-spiritcymru-cycle-tourism-campaign.aspx
Property example	First pilot site(s) in rural Ceredigion, West Wales are yet to be confirmed but the initiative will use fforest's HQ at Cilgerran as the start and finish point for tours.
How does the model work?	Initially at least fforest will only use redundant churches (i.e. those formally deconsecrated). They will lease these from the Church in Wales on preferential terms. fforest will install free-standing accommodation pods and manage their letting, use, cleaning and maintenance. The Church in Wales will receive an income, and an active and sympathetic partner in care and security of otherwise

	empty buildings. *SpiritCymru* is based on a bookable holiday experience so there are no issues around casual, last minute or no-show bookings. If it works CiW is keen to see the concept rolled out to other parts of Wales and through a variety of partners.
New developments and challenges / issues they have had to overcome for new development sites / projects	Redundant churches are subject to normal planning rules so fforest is currently taking its first pilot sites through the LA development control processes. As churches are typically listed buildings, the design and installation of the accommodation pods must avoid any material or irreversible impact on the fabric of the buildings. However, the Planning Authority in this case has been positive. For churches still in ecclesiastical use the process would be different – any alterations and additions are subject to a Faculty issued by the Diocese and subject to the advice of the Diocesean Advisory Committee (DAC). NB CiW is currently working with St Cadoc's church, Penrhos (nr Raglan, Monmouthshire), on a parish-led initiative to install an accommodation unit within the church, in order to create an income stream which helps keep the church open. We recommend that the LAG encourages and monitors this development to see whether it provides a helpful exemplar for replication elsewhere in the rural Vale of Usk.
Operational considerations	One Gwent Levels church has already passed into private ownership (St Peter's, Peterstone Wentloog), and this initiative could offer a way to help keep others open or find a useful new life if deemed redundant. Once a church is closed responsibility reverts to the CiW property department, but If the LAG wishes to pursue this option with 'living' churches, or identify particular candidate sites it would first need to approach the Monmouth Diocese: isabelthompson@churchinwales.org.uk is lead officer for care of churches.

	The same issues would of course obtain in respect of NRW driven risk assessment as for any other development on the Levels, but there is no new-build involved and the churches themselves have proved resilient over the centuries. The precedent of change of use was set at St Peters.
Trading data	It is too early to predict occupancy levels – the first site is due to open in autumn 2019 - but intention is to mirror fforest's other operations (including glamping) which offer year round availability (in an otherwise highly seasonal destination)

3.4 Summary comments

The case examples demonstrate positive market opportunity for the right form of accommodation within the Gwent Levels. Having the opportunity for accommodation providers to be marketed in national and regional networks will help to lower the risk for a new start-up operation.

The accommodation itself needs to be interesting, of the right scale and have a unique quality reflecting the special character of the Levels.

4.0 Understanding the market

4.1 UK market place

Tourism is recognised as an important pillar of the UK economy. Domestic overnight tourism in Great Britain from 2015 is estimated at c. £24.5 billion with Wales just below £2 billion (£1.9 billion).[6]

There have been some fluctuations but UK tourism has shown itself to be resilient in the economic downturn, particularly in terms of short stay domestic holiday trips in England. The 'staycation' trend of more domestic holidays has extended more than 10 years and levels of holiday-taking remain higher than pre-recession times. Even though overseas trips have also now seen some return to growth, the 'staycation' projection is still strong and the main growth areas include city breaks and rural trips.

The trend towards more short breaks continues as people are taking multiple breaks (sometimes referred to as 'holiday snacking') in addition to main holidays. One trend according to travel data analysts Sojern is that short breaks of 3 or less days increased by 8.8% in 2016 and this trend favours domestic breaks (relatively easier travel).

The UK tourism sector has benefitted from the decline in the value of the Pound (making the UK more attractive to overseas visitors, with trips to overseas destinations more expensive for UK residents).

We are also observing a number of other trends, for example, the continued growth in specific market sectors, such as activity tourism, camping (particularly glamping which can be evidenced by operators such as Canopy and Stars and Go Glamping) and health and wellbeing related activities and breaks. The outlook for tourism in the UK remains buoyant.

4.2 Wales - the market place

Tourism is, pro rata, more important as an economic activity to Wales than other parts of the UK. Visit Wales' 'Partnership for Growth' Strategy had set a 10% real terms growth target for the sector from 2013 – 2020 and it is clear that this will be exceeded. While seasonality remains an issue for other regions South East Wales typically sees over 40% of arrivals and income from October to March, although these are dominated by day visits.

In terms of occupancy the latest research from the Wales Tourism Accommodation Occupancy Survey January to December 2017, highlighted the following:

[6] Source: VisitBritain GB Tourist Annual Report 2016

- Average room occupancy for guesthouses and B&Bs when compared to the same period in 2016 had declined by 1% from 39% to 38%

- Average room occupancy for hotels remained the same during 2016 and 2017 at 67%. Interestingly, the highest occupancy levels (73%) were achieved in south east Wales, which is likely to be driven by business users

- Encouragingly both self-catering unit and hostel bedspace occupancy reported increases in occupancy levels of 6% (increasing to 58%) and 3% (increasing to 53%) respectively. Highest occupancy levels for self-catering accommodation units were achieved in north Wales (61%)

- Both static cavaran and holiday home parks and touring caravanning and camping parks reported a decline in seasonal unit occupancy rates of 30% (declining to 61%) and 1% (declining to 40%) respectively. Please note the 30% decline in static caravan and holiday home was mainly due to an agency submitting figures in 2016 but not in 2017. Also for caravanning/camping accommodation the season runs between May and October 2017.

It is important to note the findings from recent Airbnb research: *"The joint top regional destination for families in the UK in 2017, alongside the South West, Wales proved to be one of the most popular regions for activity on Airbnb in the UK, attracting 262,000 inbound guests over the year-long period. The economic activity generated by these guests and 10,000 hosts totalled £121 million, with £19 million of this providing additional income to local households."*

In respect of Wales, the Airbnb research commented *"Welsh users represented the highest percentage of guests using Airbnb to travel domestically (51 percent)....Wales received the joint-highest percentage of family travel bookings on Airbnb in the UK, with 21 percent of its bookings in 2017 being made for family travel."*[7]

4.3 The Gwent Levels

4.3.1 The destination

While only the Snowdon massif in Wales shares its environmental importance, the Gwent Levels is not yet a well established tourist destination. It lacks a strong identity or cachet in

[7] Airbnb UK Insights Report Bringing You Home Sharing Region by Region

the minds of visitors and remains a relatively unknown. For this reason the Destination Plan for the Living Levels developed in 2017 identifies the need to lead at this stage with experiences and activity products rather than trying to market a destination brand. There is however already significant visitor economy activity in the area. A STEAM analysis based on 2015 figures suggests a value of around £100m based on 1.3m visits generating 1.7m visitor days (split 1m day visits, 257k staying with friends and relatives, 48k non-serviced and 350k Serviced) and 1,170 fte jobs. It would be fair to say that currently much of this activity is incidental to the core Levels offer but nonetheless gives comfort to those seeking to develop or upgrade accommodation

It is interesting to note how the National Forest, another emerging destination, has developed over the last 20 years. The accommodation base has expanded and now includes a Youth Hostel unit, adjacent to CONKERS (a rural visitor attraction) along with B&Bs, a Camping and Caravan Club site and a park homes site. This has been coupled with a growth in the provision of visitor attractions and supporting visitor infrastructure such as Hicks Lodge a mountain biking centre. A similar story is told by the Ironbridge World Heritage Site where initial day visit demand has been successfully converted into a staying offer.

4.3.2 The accommodation product

We set out below a table and a map showing the accommodation providers within the study area. The green circles represent B&Bs/guesthouses, the red squares camping and caravan sites and the orange triangles hotels (excludes accommodation from sites such as Airbnb).

Source: Geoplan

Accommodation
Hotels
St. Pierre Marriott Hotel & Country Club
Mathern Palace (functions and accommodation)
St Mellons Hotel
Premier Inn – Castleton (Cardiff East)
Holiday Inn Express Newport, Coedkernew
Premier Inn Newport City Centre (Wales) Hotel
Hampton by Hilton Newport/East
The Waterloo Hotel and Bistro
Milton Hotel
Brooklands Motel
The Queens Hotel, Wetherspoons
Gateway Hotel
Waterloo Hotel
A4 Eight Motel
B&Bs Guests Houses
Brick House Guest House
West Usk Lighthouse
Hazel Court Guest House
The Lychgate
Cedar House Accommodation
Celtic Springs Guest house
786 Newport Road (rooms)
Camping and caravan
Tredegar House Caravan and Motorhome Site
Ty Coch Camping and Caravanning Site (+ glamping bell tents + a self catering annex the Nook)
David Broome Event Centre

In terms of other providers there are a number of other accommodation providers listed on AirBnB with some 136 providers in the Newport area and additional providers as you travel towards Magor and Caldicot.

Located just to the north of the M4, outside of the study area, there is the Celtic Manor complex – soon to be joined by the International Convention Centre Wales - and it is interesting to note the development of their luxury Hunter Lodges product.

To the north of the M4 at Cefn Mably Lakes the operators have installed a number of pods for anglers, which provide basic accommodation. AirBnB also lists two more luxurious lakeside lodges with hot tubs.[8]

While the overall amount of accommodation and tourism returns look encouraging, the map shows the importance of the M4 in terms of clustering accommodation, mainly hotels, either along or very close to the motorway – the very northernmost edge of the study area. It also illustrates a relative lack of accommodation adjacent to the coast and in the villages located within the study area – this is a particular issue for those walking this stretch of the Wales Coast Path, or undertaking other low-impact activities.

It is noted that a number of properties which were previously accommodation businesses in the Levels have closed often to be converted (back) to residential use. These include Court Farm B+B, Caldicot, and pubs with letting rooms in the Newport area of the Levels.

There has been some local development and investment in the accommodation product with the introduction a Shepherd's Hut at Ty Coch Camping and Caravanning site.

The removal of the Severn Bridge tolls, the electrification of the London-Cardiff mainline in the medium term and the development of the M4 Relief Road to the south of Newport in the longer term will all improve market accessibility significantly and will have wider economic benefits. However, there will be a potential impact on the tranquillity and the sense of getting away from it all which is associated with some parts of the Living Levels area (along with clear environmental impacts).

In addition, there are a number of economic considerations and trends that will continue to impact on the tourism sector and future growth potential.

The economic downturn following the financial crisis of 2007/08 led to a change in holiday behaviour and attitudes, with leisure becoming ever more important even as finances were stretched. The increase in domestic trip taking and parallel decline in overseas travel was initially driven by cost, but many other factors have contributed to the continuation of the trend – including a preference for multiple short breaks over the year, last minute planning,

[8] https://www.airbnb.co.uk/rooms/19917994? And https://www.airbnb.co.uk/rooms/19758689?

as well as new domestic visitor attractions, events and festivals that have captured the market's imagination. Just as the economy started to recover and there appeared to be rising demand for overseas trips, economic uncertainty caused by the Brexit vote, and subsequent fall in the value of the pound, has refuelled demand for UK breaks, with particularly strong growth in low-cost city breaks. Cardiff is benefitting from this growth.

According to the World Travel and Tourism Council (WTTC), direct Travel & Tourism GDP growth in the UK is expected to hold up well in 2017, as weaker domestic spending growth is offset by stronger international leisure spending with a weaker pound making the UK a more affordable destination. However, in the 2018-2020 period, after the UK is expected to have left the EU, the boost from a weaker sterling will wear off and general economic growth is expected to contract. The long-term prospects for the UK tourism industry will be dependent on the UK securing a deal with the EU that will protect the ability of UK and EU residents to easily travel.

Despite the economic uncertainty experienced by many consumers – and the resulting emphasis on bargain hunting and value – consumers continue to prioritise leisure above most other areas of spending. Falls in oil and commodity prices over the last two years have brought UK inflation down to near record lows, resulting in greater discretionary spending. The leisure sector has benefited from improving consumer confidence and spending shifting from needs to wants.

Clearly, if the Levels wants to benefit from the current and predicted growth in the tourism sector, then the area will need to provide a quality product, services and facilities to meet visitor expectations including accommodation provision.

4.3.3 STEAM data

We set out below the value of revenue, tourist days and tourist numbers linked to the different types of accommodation within Levels (which includes day visitors). The STEAM data is from 2015.

STEAM 2015 figures

Revenue by category of Visitor 2015	**£ millions**
Serviced accommodation	48.24
Non-serviced accommodation	3.96
SFR	15.04
Day visitors	32.68

Total	**99.92**

Tourist days 2015	**Thousands**
Serviced accommodation Non-serviced accommodation SFR Day visitors	349.7 48.1 257.5 1,048.1
Total	**1,703.4**

Tourist numbers 2015	**Thousands**
Serviced accommodation Non-serviced accommodation SFR Day visitors	206.3 7.9 108.2 1,048.1
Total	**1,370.5**

4.3.4 Origin of visitors

Currently, there is a lack of primary data available for visitors to the Levels area as an "entity" – both quantitative and qualitative data are limited. The most recent data (2016 South East Wales Visitor Survey, Beaufort Research) gives us a general picture for the region as a whole. Notably, "the majority of visitors to South East Wales are from Wales (71%), which is higher than for Wales as a whole. This reflects the higher proportion of day visitors to this area than to Wales generally."

4.4 Wider trends in the accommodation sector

Through working on consultancy projects, managing a hotel on the Isle of Wight and the involvement of one of our directors sitting on the board of a operating company providing luxury forest lodge breaks in the South West of England we are noticing a number of trends in the accommodation sector.

- Expectations are rising in terms of the quality of accommodation being demanded by guests e.g. use of integrated hot-tubs and wood burning stoves within lodge developments

- For single operation sites agencies such as Hoseasons and Bookings.com are key channels to market

- There is a trend to combine holiday with specific activities or experiences (see Airbnb which now allows guests to book local experiences alongside their accommodation)

- On domestic short breaks people are holidaying closer to home

- Demand is increasing for accommodation units which can accommodate either large groups of friends or multi-generational families. In our experience the larger and/or higher quality units often sell out first.

- Research carried out by Barclays[9] identified that respondents felt that an important factor or motivation in use of their leisure time was 'escapism/distraction' (82%) and the opportunity to pursue an interest or take part in an educational activity (also generated a relatively strong score (58%). The Gwent Levels is well positioned to tap into these trends in terms of offering an opportunity for escapism and also learning activities, which could be linked to the wildlife / nature of the Levels.

- 'Unique' or 'architect-led' individual self catering accommodation products are achieving enhanced occupancy rates. For example, by February 2018 Tin House on Skye, designed by Rural Design Architects, was already booked well into 2018. Please see: http://www.ruraldesign.co.uk/STAY.

- Agencies like 'Under the Thatch' are offering a range of unique and quirky places to stay

[9] Destination UK, Driving Growth in the UK Hospitality and Leisure Sector, Barclays

5.0 Barriers and solutions to development

Below we set out potential barriers to developing tourist accommodation within the Gwent Levels. This is based on our operational and project experience and consultation with planners. Where possible we have identified solutions with an approach to help mitigate against the barriers.

5.1 Development

Introducing a new accommodation operation or extending / enhancing an existing business presents a number of challenges from a development perspective.

For new developments finding and securing a site can be difficult. Often there can be low market awareness of potential development sites and it is recognised there is a general lack of suitable development sites for visitor accommodation within the Levels. Appendix Two provides website links to local and national land, property and business selling agents for potential accommodation opportunities. Those seeking to start-up a tourist accommodation destination can register their specific interest and requirements with the agents and request to be made aware of any suitable opportunities that may become available within the Gwent Levels or coastal areas of South Monmouthshire and Newport.

The development of accommodation can represent a significant commitment in terms of capital expenditure. For small or lifestyle types of businesses it can be difficult to secure private sector funding, particularly if there are limited assets to secure the borrowing against (this isn't just limited to small businesses).

Climate change (including rising sea levels and extreme incidents of weather) presents additional challenges. Whilst design offers solutions to issues of being located on a flood plain this can also add a significant cost element to the project.

Developing accommodation in rural areas, when compared to urban areas, can also lead to additional costs in terms of service provision (utilities and sewerage).

In sensitive environmental areas with low population densities, change can also lead to instances of local opposition (and opposition from other groups) to new proposed development initiatives, particularly, if the benefits are not felt within the local community and there is a perceived negative environmental impact.

There are particular sensitivities, processes and additional developer costs for developments in areas of high flood risk especially where this is combined with multiple designations for environmental protection. This can also lead to an increase in the development programme and lead to people / investors seeking opportunities in less high-risk areas.

In terms of reducing the capital risk, the use of LEADER or other funding to 'pump-prime' can help towards creating a funding package to support new and appropriate development and reduce capital cost to the developer (it should be noted LEADER funding runs until 2020). Also local authorities are able to borrow money at favourable rates, which can potentially be used to support the development of tourist accommodation. West Lindsey District Council purchased a Travelodge hotel[10] and also see https://www.thecaterer.com/articles/513893/travelodge-targets-local-authorities-for-development-potential

5.2 Operational and market barriers

There are also a number of operational and market barriers which need to be considered. These include a lack of market data on the Gwent Levels, which can make it problematic for business owners and potential investors to make informed investment decisions.

Developing and operating an accommodation business is complex – from arranging health and safety inspections through to recruiting staff. For owners of other successful businesses, e.g. farmers or landowners wishing to diversify a lack of operational knowledge (and specific skills) acts as an additional barrier to be overcome.

Tourism businesses located in relatively remote areas or those which are not served by public transport can find it difficult to attract and retain staff (particularly as the tourism sector has relatively low levels of pay).

From an operational perspective communication infrastructure such as broadband is a key operating requirement and the lack of broadband coverage in some rural and coastal areas is a further challenge to overcome. Guests also expect to have access to high-speed broadband when on holiday.

The Levels is a relatively unknown destination, which adds a further risk to an operator/developer.

[10] http://www.bbc.co.uk/news/uk-england-lincolnshire-42342854

In respect of Gwent Levels, there is merit in seeking to encourage development of local clusters to enable positive cooperation and coordination in the tourism sector in the area.

5.3 Planning

Submitting a planning application represents a considerable investment in both time and financial resources. The planning barriers relate to the expense of preparing the application which is likely to include professional fees, for example, specialist environmental / ecology advice, a separate flood risk assessment, employing a chartered planning advisor along with planning fees. A further consideration is the length of time it takes to prepare an application along with the length of time before it is considered and processed.

Furthermore, a general lack of knowledge about the planning process itself and a perception that it can be very complex can also dissuade people from submitting an application. Clearly Planning Departments are facing financial pressures which impact on the delivery of services.

With successful planning applications Conditions attached the application can add to the development costs and can make the scheme financially unviable.

There is a need to ensure prospective investors in the accommodation sector have access to clear directives on planning in terms of strategic policies and parameters for acceptable development types and locations.

6.0 Assessment of potential rural accommodation products

6.1 Potential options

Below we set out the types of accommodation which could potentially be introduced within the Gwent Levels and their associated pros and cons.

The study has evaluated opportunities outside the mainstream serviced accommodation sectors. This includes products which include new development, conversions, extension of existing supply and niche / innovative offers.

The product opportunities include:

- Bunkhouse
- Seasonal camping field
- Conversion of existing / redundant rural building into a high quality self-catering unit. **This could include buildings which had a former agricultural or church use**
- Cluster of high quality self-catering lodges
- Cluster of seasonal yurts (or high quality pods or wooden tents)
- Floating structure
- Extension of existing licensed camping/caravan site
- Use of existing residential accommodation unit(s) as B&B
- One-off design led intervention on a temporary basis (eg innovative artist/ designer accommodation interventions)

The product needs to fit with the ethos of a relaxing break in a rural/coastal setting and represent a design exemplar in terms of introducing new or enhanced tourist accommodation within a floodplain. The introduction of new accommodation will add some limited volume over the letting season but more importantly will help to support and underpin the development of the wider tourism product within the Gwent Levels.

6.1.1 Bunkhouse

Bunkhouse	
Core component elements	• Accommodation able to accommodate different group sizes • Toilets / washing facilities • Small-scale kitchen preparation area (for use by guests) • Briefing space/recreation room (with wood burning stove) • Drying area • Car parking (potential requirement)
Pros	**Cons**
• Being able to accommodate school, team-building and other group /specialist visits as well as large family reunions • Low barrier to entry (i.e. low tariff makes product accessible) • Fit with users of Wales Coast Path • Works well alongside existing farm business	• Unless redundant building is identified could have significant planning risk • Winter lower levels of occupancy (potentially overcome by linking up with RSPB to promote breaks linked to migration of birds, wildlife and school based breaks/activities) • Low level of return on investment

• As second phase could introduce 'wild camping' offer	
Opportunity for Gwent Levels	
• Link to existing group accommodation provider such as YHA or outdoor activity organisation looking to expand into South Wales	

6.1.2 Seasonal camping field

Seasonal camping field	
Core component elements	• Designated area for pitches • Car parking spaces • Supporting facilities (e.g. shower block, wash room, washing/drying area for clothes. These could either be accommodated within a redundant building, purpose built facility or hired in for the season)
Pros	**Cons**
• Taps into existing trend for camping/outdoor accommodation • Similar to bunkhouse affordable accommodation for all • Low environmental impact	• Seasonal business • More complex to manage that single use cottage/bunkhouse • As structures not "secured" may present risk in event of flooding
Opportunity for Gwent Levels	

• Could represent good fit with existing farm or other rural business – helping to create a new income stream and possible additional lifestyle business activity

6.1.3 Conversion of existing / redundant rural building into a high quality self-catering unit

Conversion of existing / redundant rural building into a high quality self-catering unit	
Core component elements	• High quality self catering accommodation unit with luxury fittings and fixtures, including hot tub and wood burning stove • Dedicated and secure outdoor space (garden) and parking area • The conversion of churches or buildings which have a religious use may face more challenges in terms of the development process
Pros	**Cons**
• Straightforward to manage • Could be let by specialist accommodation letting agency such as Cottages4You or potentially Under The Thatch (therefore reducing the risk to the owners) • Year round occupancy - helps to extend the season	• Limited additional capacity benefit with only a few bedspaces added to stock • Limited economic impact within the Gwent Levels

• Positive use farm / redundant building (secures building for future generations) • Potentially a lower planning risk as existing building is being used	
Opportunity for Gwent Levels	
• Consider pilot project inviting expressions of interest from landowners within the study area and diocese to gauge initial interest • Monmouthshire County Council has a number of agricultural land and property holdings which may represent potential opportunities for diversification into tourism sector.	

6.1.4 Cluster of high-quality self-catering lodges

Cluster of high-quality self-catering lodges	
Core component elements	• Cluster of 20 to 30 high quality self catering lodges • Hot-tubs • Wood burning stove • No central facility • Car parking areas (adjacent to each lodge)
Pros	**Cons**
• Potential high level of year round occupancy	• High risk as destination not established in market place

• Adds a new product within the market place • Significant number of bedspaces added to Gwent Levels • Attracts/targets higher spending tourists • Significant economic impact during construction and operational phases	• High planning risk – difficult to secure planning permission (other than northern fringe) • Significant capital investment £3m+ • Unlikely to attract investor/operator (perhaps more suited as a long-term ambition)
Opportunity for Gwent Levels	
• Likely to prove difficult to identify appropriate site and developer interest, especially given high planning risk	

6.1.5 Cluster of seasonal yurts or other temporary 'glamping' structures such as pods or wooden tents

Cluster of seasonal yurts or other temporary 'glamping' structures such as pods or wooden tents	
Core component elements	• Secure area to introduce yurts, pods or wooden tents • Requires supporting facilities (shower + toilet block – potentially located in (converted) existing redundant building, if available • Car parking
Pros	**Cons**

• Relatively low capital requirement and higher level of return when compared to built structures such as lodges • Marketed and let by a third party agency such as Canopy and Stars • Straightforward to deliver • Can yield high tariffs and generate higher level of income and longer season than camping	• Seasonal nature of business • As structures not "secured" may present risk if flooding
Opportunity for Gwent Levels	
• Could be "bolted on" to existing accommodation business or farm	

6.1.6 Floating structure (cluster)

Floating structure (cluster)	
Core component elements	• Supporting infrastructure including secure moorings with pontoon to take account of tidal flows • Associated car parking space
Pros	**Cons**
• Provides a unique accommodation offer within the Gwent Levels • Marketed and let by a third party agency such as Canopy and Stars	• High risk from planning perspective • Significant capital cost • May present 'obstacle' risk if slips moorings in event of flood

• Could help to service users of Wales Coast Path • Real distinctive character may add to profile of destination in a positive way	• Access and parking may prove difficult
Opportunity for Gwent Levels	
• Investigate potential use of former small harbour /marina (Monmouthshire coast) • Potential architectural competition	

6.1.7 Extension of existing licensed camping/caravan site (with glamping type of product)

Extension of existing licensed camping/caravan site (with glamping type of product)	
Core component elements	• Extension of existing site – potentially with yurts or similar glamping product Interestingly, Ty Coch has invested in their accommodation product with the introduction of two bell tents alongside their touring caravan business
Pros	**Cons**
• Does not rely on new market entrant (i.e. experienced operator taking initiative forward) • Respond to specific market demand	• Limited innovation • Does not encourage new market entrant • May not address issue of seasonality

• As existing tourism business lower risk to both the operator and Council when compared to new market entrant • Limited infrastructure requirements	• Limited existing supply / providers
Opportunity for Gwent Levels	
• Approach existing operators active in the sector to explore plans / opportunities to expand capacity	

6.1.8 Use of existing residential accommodation as B&B

Use of existing residential accommodation stock as B&B	
Core component elements	• Existing residential property offering new guesthouse/B&B room • Potential upgrading of bedroom e.g. introduction of en-suite facilities
Pros	**Cons**
• Very low risk • Limited capital investment required • Quick turnaround and straightforward to deliver	• Limited bedstock being added to the existing stock • Low economic impact
Opportunity for Gwent Levels	
• Look to encourage property owners to consider entering into tourism sector with additional serviced and possibly non-serviced bedspaces. This may relate to formal B&B establishments or informally via agencies such as AirBnB	

6.1.9 One-off design led intervention on a temporary basis

One-off design led intervention on a temporary basis	
Core component elements	• A design led one-off land based accommodation module • Potential design competition
Pros	**Cons**
• Opportunity to raise profile of the Gwent Levels associated with positive PR • Demonstrates innovative thinking • Relatively straightforward to trial • Could be bolted on to an existing rural business e.g. nature reserve, farm • Positive partnership working between Councils and landowner • If Council funded the asset would be owned by the Council and could be reused at other sites e.g. Caldicot Castle and Country Park • Limited physical impact on landscape	• Seasonal nature of the offer • Limited direct economic impact
Opportunity for Gwent Levels	

- Low impact, high profile opportunity, although is likely to require public sector funding for a high proportion of capital costs.

6.2 Scoring criteria

In terms of identifying the different accommodation products which have the greatest potential of being introduced within the Gwent Levels we have developed a weighted scoring matrix (using a range of 1 to 10, with 10 being the maximum awarded).

Comments on basis for scoring	
Strategic Fit	
Synergy with the Gwent Levels 'landscape' / environment	• The level of synergy the accommodation product has with the special environmental qualities / setting of the Gwent Levels and the Living Levels Landscape Partnership
Fit with planning policy	• The degree of fit with local planning policy
Risk	• Level of risk associated with the accommodation product being considered
Market considerations	
Potential to attract specific market segments	• How likely is the accommodation product to attract groups of visitors and independent travellers in Wales' target segments
Seasonality	• How attractive to staying visitors on a year-round basis
Step change in destination profile	• To what degree could the product change the 'profile' of the Gwent Levels
Deliverability	

Deliverability Synergy with existing businesses	• Ease of deliverability • Can the product be ‘bolted on’ to an existing business?
Financial considerations	
Indicative capital cost Economic impact Profitability	• The indicative capital cost of the project • The potential to have a positive financial impact in its own right and on other nearby local businesses and supply chain • The opportunity to deliver a sustainable return on investment to allow for ongoing maintenance and renewal

Within the scoring matrix itself we have applied a weighting (from +1 to +3 which reflects the strategic objectives and priorities.

6.3 Scoring matrix

We set out below the weighted scoring matrix.

Potential accommodation uses	Fit			Market considerations			Ease of Delivery		Financial considerations			Scores	
	Synergy with the Gwent Levels 'landscape' / environment and Living Levels Landscape Partnership	Fit with planning policy	Project risk*	Potential to attract specific market segments with broad appeal	Appeal to staying visitors on year-round basis	Step change in destination profile	Ability to 'bolt on' to an existing business?	Deliverability	Capital cost	Profitability	Economic impact of project	**Total score**	**Total weighted score**
Weighting	**2.0**	**3.0**	**2.5**	**1.5**	**1.5**	**1.5**	**2.0**	**2.5**	**2.0**	**2.5**	**2.5**		
Use of existing residential accommodation unit(s) as B&B or AirBnB use	9.0	9.0	9.0	5.0	9.0	3.0	7.5	9.0	9.0	7.5	2.0	79.0	**172.3**
Extension of existing licensed camping/caravan site (e.g. Glamping product)	7.0	7.0	7.5	7.0	3.0	5.0	9.0	8.0	7.5	8.0	6.5	75.5	**165.5**
Seasonal camping field	8.0	6.0	8.0	7.5	1.0	4.0	8.0	8.0	9.0	8.0	6.5	74.0	**163.0**
Conversion of existing / redundant building into a high quality self-catering unit	9.0	7.0	7.0	7.0	9.0	5.0	7.0	7.0	7.0	8.0	3.0	76.0	**161.0**
Cluster of seasonal yurts	7.0	6.0	6.0	7.0	3.0	5.0	8.0	7.5	7.5	8.0	6.5	71.5	**155.5**
One off design led intervention on a temporary basis	8.0	5.0	5.0	4.0	7.0	6.0	6.0	5.0	7.5	5.0	2.0	60.5	**126.0**
Bunkhouse	8.0	5.0	5.0	5.0	7.0	5.0	5.0	4.0	7.0	5.0	4.0	60.0	**125.5**
Floating structure (cluster)	7.5	3.0	2.0	5.0	6.0	6.0	4.0	2.0	5.0	7.0	5.0	52.5	**107.5**
Cluster of new-build high quality self-catering lodges	4.0	1.0	1.0	8.0	9.0	8.0	3.0	1.0	1.0	9.0	9.0	54.0	**106.5**

** High score for risk category = low risk, high score for capital cost category = lower capital cost*

6.4 Summary comments

All options must respect/ work with the special environmental qualities and address climate change/ flood risk concerns as a way of raising profile and contribute to future development parameters.

The top four options relate to use of existing residential accommodation (B&B / AirBnB), extension of existing campsites, seasonal camping field and conversion of existing/redundant rural buildings (which could include churches) in to self-catering unit(s). In terms of the scoring, the use of existing residential accommodation (turned into a B&B), extension of an existing camping site and conversion of a rural redundant building scored particularly well. The risk associated with these initiatives were comparably lower than other examples reviewed. The appeal of using existing residential accommodation and conversion of existing or redundant buildings into self- catering units scored very well in respect of providing year-round appeal and deliverability.

Whilst not scoring so highly a design led product presents an interesting opportunity particularly in terms of raising the profile of the destination.

7.0 Funding opportunities

In today's funding landscape, the options for visitor accommodation projects are inevitably more limited. The onus is very much of the private sector to fund future investment. Leaving the EU and the planned review of tourism development funding in Wales means a level of uncertainty regarding funding sources for major tourism projects.

EU regeneration funding has been widely used to support employment, business growth and economic regeneration in Welsh communities. This includes the Structural Funds and Rural Development Plan in Wales and annually amounts to £295m and £80m respectively. Combined with additional match funding from wider sources, this is a significant funding pot that will cease at the end of 2020.

The UK Government has pledged to establish a UK Shared Prosperity Fund (UKSPF) to replace EU regional aid funding from 2021. To date, only scant detail has been given on this proposed fund. However, the principle of public funding setting the scene and context to encourage private sector investment and address market failure will still hold.
Below we assess some of the potential funding pots, which could be applicable to pump-prime investment in accommodation provision in the Gwent Levels.

Visit Wales / Welsh Government

Visit Wales is able to provide a range of funding support for tourism projects, including:

- The Regional Tourism Engagement Fund (RTEF)
- The Tourism Product Innovation Fund (TPIF)
- Tourism Amenity Investment Support (TAIS)
- Micro Small Business Fund (MSBF)

The Economy Futures Fund – Tourism Investment Support Scheme (EFF-TISS) is available for medium to large businesses, with 50 or more full time equivalent (FTE) employees. EFF-TISS is an investment fund comprising a mix of repayable and non-repayable finance, targeting eligible capital investment projects in the tourism sector in Wales. It can be used either to upgrade existing, or create, new high-quality product. Support of between £25,000 and £500,000.

Of more relevance is the Micro Small Business Fund (MSBF), which is a fund supported through the Welsh Government Rural Communities Rural Development Programme 2014-2020, funded by the European Agricultural Fund for Rural Development (EAFRD), and Welsh Government. The Micro Small Business Fund (MSBF) is available for micro to small size businesses with fewer than 50 FTE employees. MSBF is an investment fund targeting eligible capital investment projects in the tourism sector in Wales. It can be used either to upgrade existing or create new high-quality product. Support of between £25,000 and £500,000 will be considered, in order to:

- Create and safeguard jobs
- Realise economic benefit and growth
- Deliver quality, innovation and a sense of place.

This is an open call fund available from May 2017 to December 2020, which applies across Wales. The purpose is to develop quality sustainable tourism products which create jobs and stimulate growth in new and existing markets. The fund priorities include (this list is not exhaustive):

- High quality, innovative, reputation changing tourism products.
- Luxury hotels (existing expansions, upgrades and new hotels).
- All weather, all year, attractions.
- Flagship attractions.
- Innovative Activity experiences.
- Distinctively Welsh visitor focussed food experiences.
- Top end and innovative Glamping & Camping experiences.
- Spa & high quality leisure facilities.
- Innovative Cultural or Heritage related projects.
- Distinctive & high quality inns, B&B's, Guest Accommodation products.
- Unusual places to stay.

In terms of accommodation provision, fund guidelines outline the following:

Serviced Sector (B&B's to Hotels)

Preference will be given to those targeting a 4 or 5 Star quality. If there is no increase in grade, but there is an 'obvious' facility improvement (e.g. a spa or conference space / business tourism use), applications may still be considered.

Self Catering

Proposals will be considered where the business has or will achieve a cluster of accommodation (as a guideline a minimum 3 units or 12 bedspaces). Priority projects are most likely to be those where there is a quality shift to a 4 or 5 Star, an addition to capacity or a central facility such as leisure or activity products, or an exceptionally distinctive heritage or innovative offer. The level of innovation, quality, and evidence of demand for the product will be critical. A single unit or small numbers of units of self catering accommodation are not a priority.

Caravan & Camping (including Glamping)

Proposals will be considered where a minimum 4 Star or 5 Star quality is achieved, and where there is added value, such as leisure or activity products. Exceptional schemes that are distinctive, different, or have significant environmental strengths will be prioritised. Small numbers of glamping units or other similar type accommodation are not a priority.

Other Accommodation

For the most part, this includes hostels, private sector activity centres or bunkhouse accommodation. Proposals will be considered for upgrades that achieve a minimum 4 or 5 Star quality or Alternative Accommodation grade. Activity Centre projects (private sector led) can include improvements and additions to the activity offer, and need to be accredited.

It is important to note that it is rare to secure funding for self-catering developments in Monmouthshire from Visit Wales as it is felt that there is already sufficient accommodation in this sector. Visit Wales has however been open to supporting innovative types of glamping type accommodation.

Wales Tourism Investment Fund, delivered in partnership with Development Bank of Wales, Visit Wales/Welsh Government

https://businesswales.gov.wales/tourism/finance#guides-tabs--6

The Welsh Government, in partnership with the Development Bank of Wales has launched a new £50m fund Wales Tourism Investment Fund (WTIF) which brings together both commercial and grant funding into one combined package of financial support to provide capital investment for the sector.

Fund objectives

In order to maintain and develop Wales' position in the hugely competitive global tourism market, it is recognised there is a need to continue to invest in the tourism product. The key objective of the Fund will be to help finance capital investment in tourism projects which have the opportunity to create positive impact on growing the sector and the Welsh economy.

Purpose of fund

- To provide continued access to finance for tourism projects in Wales
- To support the transition of the tourism sector from grant reliance to commercial loan serviceability
- Allow public funding to be mobilised in an area that can create significant impact on the economy
- To be able to support potentially substantial strategic investments as required.

What will it fund?

- The new fund will provide long term capital to tourism businesses of between £100,000 and £5,000,000 for qualifying projects
- Repayment term is between 10-15 years, and can include seasonality payment breaks
- It will provide increased flexibility of funding
- Funding will be made available from the outset of a project and 'tranched' through the development phase
- Commercial loan and qualifying grant payments will be blended in order to reduce the overall cost of the finance.

Who is eligible?

The fund comprises a mix of repayable and non-repayable finance, targeting eligible capital investment projects in the tourism sector in Wales. It can be used either to upgrade existing, or create new, high quality assets in the tourism sector.

In order to be considered for support from the Wales Tourism Investment Fund an applicant will need to:

- Commit to supporting the Welsh Government's Prosperity for All Strategy and demonstrate a commitment to the four requirements of the Economic Contract
- Be based in Wales and demonstrate how the project will stimulate growth in new and existing markets and create and/or safeguard jobs
- Demonstrate financial viability and repayment over the term of the funding package.

Development Bank of Wales https://developmentbank.wales/

The Development Bank of Wales provides loans and equity (up to £5m) to strengthen businesses and accelerate growth. This includes a 'Fast Track' loan of up to £10,000, which can be applied for on-line.

RDP / LEADER

Project funding could be available via LEADER, a community led programme which aims to improve the quality of life and prosperity of rural areas through the delivery of locally inspired and delivered projects. LEADER offers wide scope for local communities to develop new ideas by delivering projects that are distinctive, innovative, involve partners and represent good value for money. All projects will be considered by the Local Action Group (LAG) a body of volunteers who have also developed the Local Development Strategy. For LEADER projects the maximum contribution from RDP money will be up to 80% of the total eligible costs. The remaining 20% of the eligible costs will need to be met by your organisation/group. The remaining 20% can be provided in the form of either cash or in kind contributions from the public, private or third sectors.

Theme 1 – Adding Value to Local Identity and Natural and Cultural Resources could provide funding support for visitor accommodation projects. Examples of ideas that can be supported include:

- Support rural tourism at a local level
- Support heritage, cultural and activity based tourism and complement local tourism and environmental initiatives
- Support groups to offer a diverse range of quality tourism products
- Strategic support for new rural tourism products
- Support sustainable tourism that protects natural assets but benefits the local economy

8.0 Concluding remarks

There is an ambition to raise the profile of Gwent Levels and investment has been secured in respect of the Gwent Levels project to help develop the area as a visitor destination. One of the key component elements which needs to be considered is the introduction of 'sustainable' / low impact visitor accommodation to encourage overnight stays within the area.

Introducing new tourist accommodation within the Gwent Levels brings a number of challenges from a development perspective. These relate mainly to the floodplain and the C1 and C2 planning designations which guide development policy within Newport City Council and Monmouthshire County Council's boundaries.

However, it is recognised that there is a need to increase the quantity of high quality accommodation stock. The research and consultation has identified that the primary opportunities relate to:

- Existing residential accommodation (B&B / AirBnB)
- Extension of existing campsites, seasonal camping field
- The conversion of existing/redundant rural buildings (including churches) into self-catering unit(s)

The investment in high quality accommodation stock will:

- Help to raise the profile of the Gwent Levels
- Increase the value of the tourism economy, particularly as overnight stays will have substantial direct and indirect economic impacts
- Help to diversify the rural economy and create new employment opportunities
- Add to the critical mass of tourism facilities within the Levels

Appendix One: Extract from MCC SPG on Sustainable Tourism Accommodation

Guidance for Assessing Specific Types of Glamping Accommodation: Key Policy Considerations

The following table sets out key policy considerations for assessing specific types of glamping accommodation – yurts, tepees, bell tents, wooden pods/tents, shepherd's huts and tree houses. These types of glamping facilities are included as they have becoming increasingly popular in recent years and are likely to continue to be so. Should proposals for other types of sustainable visitor accommodation/glamping accommodation come forward these will also be assessed in accordance with the policy considerations, as appropriate, set out below. As stated in Section 4, the starting point for considering proposals for sustainable forms of visitor accommodation will be Strategic Policy S11 – Visitor Economy.

Type of Glamping Accommodation	Key LDP Policies					Comments
	S11	T1	T2	RE3(d)	Other Relevant Policies	
Yurts **Tepees** **Bell Tents**	Supports proposals for yurts, tepees and bell tents where they are considered to constitute sustainable tourism accommodation and of an appropriate scale, subject to other relevant policy considerations including landscape impact (policies LC1 and LC5), highway safety (policy MV1) and flood risk (Policy SD3).	This policy would apply/offer support where yurts, tepees and bell tents are considered to constitute a tented camping site i.e. units are not permanent, the upper parts made from material which could be easily removed. Where relevant, consideration must be given to the criteria set out in T1. However, where proposals for yurts, tepees and bell tents include the provision of more permanent type structures often associated with these forms of accommodation such as	This policy is not applicable to proposals for yurts, tepees and bell tents as these types of accommodation do not constitute new build development as referred to in Policy T2.	Criterion d) of Policy RE3 is applicable and offers support for yurts, tepees and bell tents where proposals are linked to agricultural diversification schemes.	Consideration will need to be given to a proposal's compliance with other relevant LDP policies, including landscape (LC1/LC5), highways (MV1), natural environment (NE1), flood risk (SD3) etc. Relevant policies are likely to vary on a case by case basis depending on site context and proposal. Applicants are advised to engage in the Council's pre-planning application advice service to determine which key LDP policies apply (see section 5).	Proposals for yurts, tepees and bell tents should be of an appropriate scale. The scale of the proposal will therefore be a key consideration in its assessment against the policy framework. An increase in the scale of a proposal could result in potential non-compliance with LDP policies, including for example Policy S11 in terms of whether it would constitute sustainable tourism accommodation, and Policy LC5 in terms of impact on landscape character. Similarly the cumulative impacts of a proposal will be an important consideration in assessing proposals for yurts, tepees and bell tents.

Appendix Two: Agencies

Local:

- https://www.powellsrural.co.uk/ (based in Monmouth but cover Monmouthshire as a whole. They have previously marketed caravan and camping sites, land and agricultural buildings that could be suitable for conversion to holiday accommodation).

National:

- https://www.uklandandfarms.co.uk/leisure-properties-for-sale/wales/page-4/
- https://uk.businessesforsale.com/uk/search/camping-and-caravan-parks-for-sale#
- https://www.daltonsbusiness.com/buy/hotels-for-sale/campsites-for-sale/location-monmouthshire

MCC Estates webpage:

- https://www.monmouthshire.gov.uk/business-properties-and-estates/