

Business development plan for community-benefiting tourism in yr ardal llechi/ the slate district

1. Introduction

As part of a larger action research project, this document presents a 'business development plan' for community benefiting tourism in yr ardal llechi/ the slate district, that is, the three slate valleys and the four related slate exporting ports along the Gwynedd and Conwy coast.

- The aim is to increase community benefits from tourism by promoting locally owned grounded firms (i.e. socially or family-owned) of different sizes around public tourism infrastructure, e.g. the Llwybr Llechi Eryri/Snowdonia Slate Trail and socially owned major attractions e.g. the Antur Stiniog Mountain Bike Trail (MTB).
- Our business development plan is a strategy/action plan for transition from a) the current extractive tourism model to b) a new kind of tourism with deeper and broader community benefits. It is not a traditional single project business plan (with project specification, market analysis, costs, financing, projected revenues).

2. The challenge: why we need a new kind of tourism?

The challenge is that the current tourism model in Gwynedd and north Wales generates limited community benefits because:

- The dominance of self-catering weekly accommodation means the largest part of the tourist spend and profit goes to property owners who are not providing jobs in the process as in serviced accommodation. Caravans and camping have always dominated the bed stock in Gwynedd and account for 80% of total beds in 2019. But short let self-catering accommodation has in recent years expanded greatly at the expense of serviced accommodation like hotels and B&Bs. Self-catering accommodation has more than tripled over the past 45 years from 5,682 beds in 1975 to 18,467 in 2019 while serviced accommodations has more than halved from 15,221 beds in 1975 to 6,393 beds in 2019ⁱ.
- Airbnb short lets have expanded to the point where they account for 1/3rd of Gwynedd's private rented housing stock and are crowding out local long-term tenants. By 2022, on the Bevan Foundation's calculationsⁱⁱ, Airbnb listings account for 4.6% of Gwynedd's housing stock suited for long-term habitation and 31% of Gwynedd's private rented stock suitable for long-term accommodation – making Gwynedd one of the Airbnb hotspots of Wales. The pressure on the private rented stock at the bottom end of the market is acute when most Airbnb properties are 2–3-bedroom cottage/terrace properties. An income equal to one year's Local Housing Allowance (LHA) rentⁱⁱⁱ can be obtained by renting on Airbnb for 10 weeks; while, if the property is rented for 15 weeks, the return is 50% greater.
- Day trips constitute 72% of trips to Gwynedd^{iv} and recent project development has encouraged flows of all kinds of tourists to major drive-to attractions owned by large corporates where the region is scenic backdrop. According to the Destination Management

Plan & Partnership Review of Gwynedd Council (2019, p. 8)^v the Snowdon Summit Visitor Centre is by far the premier attraction in Gwynedd by visitor numbers with 654,077 visitors in 2017 and a 40% increase against 2014. But the second attractions in Gwynedd is Zip World which opened in 2013 and within only three years has reached 400,000 visitors in 2017 (across three sites). Zip World outperformed other major established attractions such as the Electric Mountain Visitor Centre (3rd most visited attractions with 250,000 visits in 2017) and Caernarfon Castle (4th most visited with 204,675 visits in 2017).

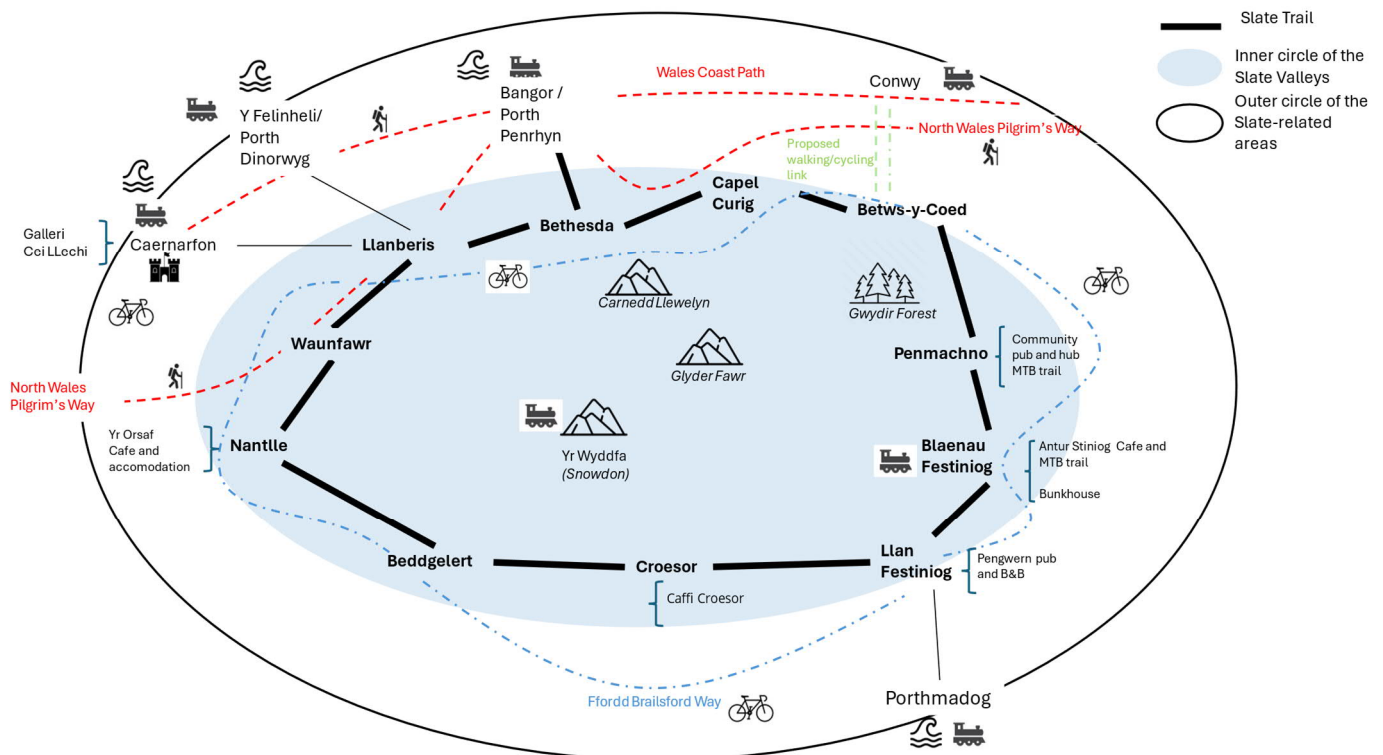
- Is important to note that Airbnb concentrates rather than diffuses property wealth within the community and diverts some of it entirely away. According to the already cited Bevan Report^{vi} large hosts – i.e. professional hosts managing more than 100 properties – are especially important in Airbnb hotspots like Gwynedd where they manage 56% of properties suited for long-term accommodation. Most owners of Airbnb suited for long-term accommodation are Welsh but a substantial chunk – 17% on average across Wales (Gwynedd data not available) – is managed by someone from outside Wales.
- Tourism mostly creates low paid, seasonal and part-time jobs which employ 19% and 22% of the workforce in Gwynedd and Anglesey respectively^{vii}. The overall picture is distinctive in Gwynedd and Anglesey where the share of ‘tourism and hospitality industries’ in total employment is much higher than in major urban centres of Welsh population like Cardiff where it accounts for 11% in line with the Welsh average. Average wages in tourism and hospitality in Wales^{viii} have been very gently increasing in the 2010s but in 2021 were still below £10 an hour when the average Welsh wage was £11 an hour. A large number of tourism and hospitality jobs are part time as with 55% of tourism jobs and 61% in hospitality.
- Tourism is crudely evaluated through STEAM indicators about volume in numbers and value of total spend which falsely suggest bigger is better without regard to environmental costs or community benefits. The Key Performance Indicators (KPI) from STEAM methodology are 1) number of visitors, 2) tourists' nights, 3) tourists' days and 4) financial value of spend. The implication is that if these numbers increase tourism is working. The Gwynedd Sustainable Visitor Economy 2035 – Strategic Plan^{ix} recognises the limits of STEAM indicators and suggests a richer set of KPIs ranging from habitat loss to average salaries in the tourism sector. It is unclear how these new KPIs will be weighted against the old KPIs around financial value which are still included.

3. The opportunity: building a new kind of tourism ecosystem from an existing base

History, topography, and the base of the existing activities and connections define yr Ardal Llechi/ the slate district. The Llwybr Llechi Eryri/Snowdonia Slate Trail is a recently created walking trail connecting areas of natural beauty, industrial heritage and a range of settlements in the three Slate Valleys. The Slate Trail defines the inner circle of this district connecting the old slate producing valleys. The surrounding outer circle is bounded by the Gwynedd and Conwy coastline and the Wales coastal path along which we have the four old slate exporting ports. The inner and outer circles are connected by existing or disused transport links (road, rail, bike and walking trails) which run radially up and down the valleys in a hub and spokes pattern.

What we want to do is connect all these elements in an ecosystem which will develop existing grounded firms with local family and community owners and incubate new ones of all sizes from family-run B&Bs to major attractions with community ownership of assets.

Figure 1: Yr Ardal Llechi/ the Slate District



The ecosystem works on principles very different from the existing tourism model:

- **Geographical dispersion vs. concentration.** Recent development has focused on a few big projects at large sites. Instead the ecosystem is about spreading facilities and activities across a defined area where there are already close social, physical and economic links between the settlements. The result would be to spread tourist numbers and facilities away from hotspots like Llanberis to the benefit of what are at present drive-thru settlements like Bethesda and less developed areas like the Nantlle valley.
- **Diffusion of economic benefits across a variety of activities vs. on-site extraction by a single operator.** The eco system question is not how much revenue you can extract from a single site attraction but how you can build supportive relations between different attractions and a comprehensive network of tourist services (cafes, pubs, accommodation, shops of all kinds, luggage transfer, guided activities) which are locally owned and managed. The aim is to build the capability of grounded family- and community-owned firms to fill in gaps in services and grow locally-owned businesses.
- **Creating community infrastructures with touristic appeal not tourist-only attractions.** The challenge is how to make places attractive to live 12 months a year by creating a variety of cultural, outdoor, transport and social infrastructures which are accessible for locals but will also attract tourists from out of the area. Accessibility for locals means a strong emphasis

on free or cheap attractions and activities like walking and cycling trails. We do not want to make places attractive for tourists 4 months a year with expensive tourist-only attractions which come with highly priced tickets.

- *Promoting natural/heritage sites vs. 'manufactured/could be anywhere' visitor attractions.* We want to attract visitors around natural and heritage sites (forests, mountains, beaches, industrial archaeology sites) while promoting an activity and appreciation focus (walking/mtb trails, surfing, heritage interpretation, performing arts). All with a light ecological footprint and linked to local history, culture and community instead of offering standardised 'adventures' which require heavy ad-hoc infrastructures (e.g. Zip World or Surf Snowdonia).

A new and different tourist offer is credible because we will be building on a base of existing grounded firms and networks of social enterprise in the villages and towns of the Llwybr Llechi Eryri/Snowdonia Slate Trail and in the outer circle of settlements down to the ports with historical links with the slate industry. This base already includes (a) locally-owned grounded micro firms from family B&Bs to community-owned bunk houses accommodation, for example Yr Orsaf social enterprise in Penygroes (b) valley-based networks of social enterprises including Cwmni Bro and Partneriaeth Ogwen and (c) a few socially-owned attractions like Galeri Caernarfon/Cae Llechi, Antur Stiniog MTB or the community-maintained MTB course at Penmachno.

4. Action research: business development in two concentric circles

Building a new tourism ecosystem is a challenging task. We recognise that we need action to develop businesses of various types at different scales in the Slate Valleys over a period of 5-10 years. Practically, we would separate development of (a) the Llwybr Llechi Eryri/Snowdonia Slate Trail which connects settlements in the three slate quarrying valleys as an anchor project from (b) development of related areas connected by road and railways lines (in use or disused) to the slate ports.

Here we have two concentric circles: the inner circle of the Slate Trail and the outer circle of the slate-related areas of Gwynedd and Conwy. The paragraphs below outline medium-term objectives and action-research activities to achieve those objectives in the inner and outer circle. We have not added costings, including salaries, because all this will be worked out when we make our major application to UKRI for five year funding in the early summer. At this point we will bring together different claims in a unified package which is within the resource available.

4.1. Inner circle of the Slate Trail

The long-term objective is turning the Llwybr Llechi Eryri/Snowdonia Slate Trail into a wider community tourism experience where the trail is a core attraction sustaining a network of grounded businesses.

The aim of creating a community tourism experience can only be achieved through action research to support the transition, with the following medium term objectives:

1. Improve the physical infrastructure and claim the status of a National Trail (NT).
2. Develop a comprehensive offer of tourism services provided by a network of grounded businesses, building on the existing, fragmented base of businesses offering tourism services on or around the trail.
3. Market not just the trail, but the wider community tourism experience, emphasising its light ecological footprint and sensitivity to nature and culture.

The research builds on the existing information base and marketing undertaken by the Llwybr Llechi Eryri/Snowdonia Slate Trail's promoter (see <https://snowdoniaslatetrail.org/>). To achieve these medium term objectives we have identified the following seven action-research activities:

1. *Improve the physical infrastructure of the trail and upgrade its status (Year 1-3)*
 - Understand what is needed to achieve NT standards (Year 1), determine necessary costs and apply to funders to deliver improvements^x (Year 2-3).
 - Develop a traveller's guide package with comprehensive information about existing grounded trail services, e.g. food, accommodation, transport, recreational activities (Year 2).
 - Add information boards to entice walkers to visit places away from the Trail (Year 1-3).
2. *Research existing and potential demand (Year 1)*
 - Understand existing user types (in season and out of season, visitors and locals, long and short distance walkers etc.) and their needs and demands. Consider walking-related needs around accommodations (campsites, B&Bs, bunkhouses), food, village shops for supplies, luggage transfer, transport and more experience-related needs like cultural and recreational events and interpretation of heritage sites. Understand the diversity of user types (including potential users) and their demands while recognising the trail should accessibly serve all ages and income levels.
3. *Research service businesses on or near the trail (Year 2)*
 - Identify existing businesses which could serve walkers' needs in the settlements which the trail passes through, establishing how many of them are grounded businesses (i.e. family- or community-owned and managed).
4. *Identify business development opportunities (Year 2)*
 - After comparing tourist demand and the service offer, identify supply side gaps which could be filled by new or expanded grounded businesses. Establish a division of labour between community-owned and family businesses because e.g., the community is better suited to buying the pub in Penmacnho or reopening the café at Croesor, but family businesses are well suited to managing B&B

5. Start-up new businesses (year 3-5)

- After identifying the business opportunities, work up the most promising business cases and work with family or community entrepreneurs on start-up business plans, connecting stakeholders and approaching funders.

6. Develop and deliver an expanded *marketing proposition* (Year 3-5)

- Building on the existing marketing platforms and campaigns, expand the current trail-focused marketing proposition into a wider marketing proposition which advertises the Llwybr Llechi Eryri/Snowdonia Slate Trail as part of a wider community tourism experience in the Slate Valleys.

7 Plan and maintain *continuous* community engagement (Year 1-5)

- The development of the trail should be part of a continuous conversation with the local community, not just a consultation about the details of what has been decided and is going to happen to them. Develop an action plan to use existing media and community engagement channels (e.g. the digital community broadcasting service, Bro Cast Ffestiniog) to get continuous feedback and input from the local communities.
- Research community engagement structures of other World Heritage Sites and evaluate Gwynedd processes against best practice.

4.2. The outer circle of the slate related areas of Gwynedd and Conwy

It is absolutely essential to take a broader view of the area beyond the Slate Valleys if our aim is to change the model of tourism (rather than simply develop the Llwybr Llechi Eryri/Snowdonia Slate Trail). Changing the model then requires prioritising community ownerships of assets in two key areas where a large part of the profits and cash from tourism are currently generated: (a) housing where short-let landlords capture most of the revenue and profit from self-catering visitors and (b) the major tourist attractions where non-local corporate owners behave much like quarry and mine owners in earlier generations. Asset ownership is essential if communities are to capture the profits of tourism and have any real agency in reforming the model of tourism.

At the same time we must not forget c) the importance of sustaining and developing the many family- and community-owned micro businesses who will always be an important part of a diverse offer. And also consider d) the rebuilding of transport links (like disused railways) which tie the area together and could as cycle and walking trails play a major role in promoting sustainable tourism.

More specifically, after research and consultation with local stakeholders we have identified the following medium term objectives:

1. Development of large-scale community-owned major attractions (on the model of Galeri Caernarfon); this requires capital funding to build a credible base of community-managed

tourist attractions that can be then marketed as part of an integrated community tourism offer.

2. Development of socially responsible community-owned short-let housing; rent is the major expense in self-catering holidays and capturing profits from rents is strategic to reduce the present dependence of community enterprises in the slate valleys and beyond on grant funding for capital expenditure.
3. Knit together different settlements and areas for tourists and locals by reopening old transport links like disused railways, linking the quarries to the four ports. The aim here is not simply to improve public transport or provide luggage transfer but to open cycle ways and such like which encourage a more active kind of tourism.
4. Develop peer-to-peer mentoring and business advice for micro grounded firms. We recognise that most micro firms want to stay micro but believe that many could improve their capabilities and their tourist offer in ways which make the family owner more secure.

To achieve these objectives we have identified the following action-research activities:

1. *Research possibilities for community property development and ownership (Year 1-2)*
 - Develop the Partneriaeth Ogwen proposal to buy two houses at a time with one for short-let to holiday makers and another for long-let to locals and put business plan to mortgage funders.
 - Investigate the business case for new build of holiday lodges in small park-like developments close to active travel and nature.
2. *Research possibilities for large-scale community-owned capital projects (Year 1-2)*
 - Identify and connect with potential funders, e.g. the North Wales Economic Ambition Board, explaining what has been achieved by social enterprise and our ambition to do more. Consider the current focus on community energy of the North Wales Economic Ambition Board and think how capital tourism projects could incorporate energy generation into them.
 - Appraise possible activity opportunities at a selection of sites which are undeveloped or where development has stalled e.g. the old Ferodo factory between Felinheli and Caernarfon, the Dorothea quarry in Talsarn and the Glyn Rhonwy quarry in Llanberis. Not forgetting existing facilities like Felinheli Marina where add on development is possible.
 - Identify links between the UNESCO World Heritage sites of the Slate Valleys and the adjacent World Heritage Sites of the Norman Castles – especially in Caernarfon.
3. *Research possibilities for revitalising existing transport links (Year 1-2)*
 - Identify existing disused railway links and how they could be redeveloped by turning them into walking trails and cycle ways for visitor and local use.
 - Identify transport needs of residents without access to cars and of tourists who want to get out of their cars and see how public transport development could be used to help both groups.

4. Research needs and barriers of micro businesses in the area (Year 1-2)
 - Interview micro businesses and find out about needs and barriers.
 - Engage existing business support schemes and explore possibilities of developing a local micro business support service, including peer-to-peer advice, with a focus on tourism.

5. Implement at least one community property development project (Year 3-5)
 - Align stakeholders, funding and capacities so that we can begin a) systematically buying local house property without disrupting the long-let market and b) maybe developing a small holiday park.

6. Implement one major community capital project (Year 3-5)
 - Align stakeholders, fundings and capacities around a developed business plan for a major tourist attraction and start its implementation.

7. Implement a new transport link (Year 3-5)
 - Align stakeholders, fundings and capacities around one strategic transport project and start its implementation.

8. Develop and implement a local micro business support service (Year 3-5)
 - Develop and implement a local micro business support service.

This business development plan was *drafted* in winter 2024 *after discussion* by members of the community research project into tourism in the three slate valleys and beyond. The project of community research *is funded by UK Research and Innovation, the parent body* of the academic research councils in arts, social and natural sciences.

The plan is work in progress and this *is draft v9* as of 27 Feb 2024. *If you have suggestions* or want *further information* or discussion on our project, please contact Cynan Jones: post@ogwen.org

Notes:

ⁱ Our calculation based on Gwynedd Bedstock Survey 2018/19. See also FERL report 'Briefing paper 1: for community researchers. Tourism as it is in Gwynedd'. <https://foundationaleconomyresearch.com/wp-content/uploads/2023/04/Tourism-briefing-1-Gwynedd-tourism-March-2023-p.pdf>

ⁱⁱ <https://www.bevanfoundation.org/wp-content/uploads/2022/09/Holiday-lets-and-the-private-rental-sector.pdf>

ⁱⁱⁱ The Local Housing Allowance is an estimate of what a private land lord could obtain as rent in the local long term market. It is calculated by the DWP as a basis for paying housing benefit.

^{iv} <https://foundationaleconomyresearch.com/wp-content/uploads/2023/04/Tourism-briefing-1-Gwynedd-tourism-March-2023-p.pdf>, p.3.

^v <https://www.visitsnowdonia.info/sites/default/files/2020-11/Destination%20Management%20Plan%20and%20Partnership%20Review%202019.pdf>

^{vi} <https://www.bevanfoundation.org/wp-content/uploads/2022/09/Holiday-lets-and-the-private-rental-sector.pdf>, pp. 13-14.

^{vii} Own calculation based on ONS data. See also FERL report 'Briefing paper 1: for community researchers. Tourism as it is in Gwynedd': <https://foundationaleconomyresearch.com/wp-content/uploads/2023/04/Tourism-briefing-1-Gwynedd-tourism-March-2023-p.pdf>

^{viii} Own calculation based on ONS data. See also FERL report 'Briefing paper 1: for community researchers. Tourism as it is in Gwynedd': <https://foundationaleconomyresearch.com/wp-content/uploads/2023/04/Tourism-briefing-1-Gwynedd-tourism-March-2023-p.pdf>

^{ix} https://www.visitsnowdonia.info/sites/default/files/2023-09/Cynllun%20EYCGE%20Saesneg_0.pdf

^x A more detailed list of actions is developed in our Slate Trail Development Plan document available on request.