Rhydycar West

April 2022

Foreword

The Rhydycar West development proposals seek to create the flagship indoor leisure resort in Wales – for “all year round”. It will be an exemplary and internationally recognised, sports, leisure and tourism destination able to offer a unique experience to both the people of South Wales and the UK as a whole.

Indoor snow sports are one of the anchor attractions at Rhydycar West. It will host the Welsh & UK National Centre of Excellence for snow sport and be the training headquarters for the Welsh and UK national and Olympic teams as well as offering world class recreational facilities. The resort will be home to a wide variety of indoor and outdoor pursuits including an indoor water park and indoor & outdoor activity centres. These facilities will be supported by a wide range of associated accommodation from the spa hotel to the sport & value hotel and woodland lodges – all able to cater for the long and short stay visitor.

The resort will also complement and enhance the existing sport, leisure and tourism offer currently thriving in the South Wales Valleys and Brecon Beacons such as Bike Park Wales and Zip World. Ideally situated and extremely well connected the development will strengthen Merthyr Tydfil’s regeneration and position as both a destination of choice in its own right and the gateway to the Brecon Beacons.

The proposal is the carefully considered outcome of a period of several years of engagement and understanding of the local and regional economy, ecology, history and heritage. Further details regarding the formulation of the scheme and the design process are set out in full in the Design & Access Statement and other reports and documents which are all available at: www.rhydycarwest.com/planning.

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AECOM

Rhydycar West

Strategic Economic Benefits

25th April 2022

Delivering a better world

Quality information

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1. Executive Summary

The Rhydycar West project presents an opportunity to secure a major leisure-oriented development in Merthyr Tydfil, with the ability to contribute to the wider regeneration of the local area through the provision of progressive employment opportunities to boost the prospects of local residents and the attraction of domestic and international visitors to drive value within the local economy and boost the regeneration of Merthyr Tydfil. This is of paramount importance in order to help Merthyr Tydfil to address persistent challenges in relation to low economic activity rates, pockets of high deprivation, significant skills challenges and lower-than-average wages. Such factors contribute to low productivity registered within the local economy.

Rhydycar West demonstrates a clear alignment with local policy priorities as outlined in Welsh Government's Economic Resilience and Reconstruction Mission, acting to boost the foundational economy and protect and enable skills and employment; as well as the objectives of the Well-being of Future Generations Act, CCR City Deal Strategic Business Plan and Merthyr Tydfil Economic Growth Strategy. Moreover, the project aligns with Visit Wales' Priorities for the Visitor Economy through its ability to stimulate investment in Wales's adventure offer, generate activity during off-peak periods and drive prosperity in South East Wales, thereby contributing more to Wales's GVA. Indeed, Rhydycar West would stand to tap into a UK market of 1.6 million people[1] from the UK that go on Ski holidays each year in a wider global market of 350 million ski visitors[2]. With the investment targeting wider special interest visitors including the adrenaline and adventure sport tourism and leisure markets, alongside the growth in staycations and existing visitor base this will help drive additional high-value tourism, and open up new activities and wellbeing opportunities to visitors and local communities.

The analysis undertaken has highlighted the scale of the economic impact associated with this significant development:

- Rhydycar West would result in c.1,549 net additional employment opportunities over the construction period; with c.1,219 of these expected to come from the local labour catchment area.
- The construction of Rhydycar West would boost Gross Value Added (GVA) by c.£317.6 million over the duration of the construction period.
- Once operational, the Development would generate c.531 net additional employment opportunities, with c.418 of these opportunities expected to be taken by workers from the local labour catchment area.
- Rhydycar West would boost GVA by c.£26.7 million per annum at peak operation
- Total visitor expenditure across all leisure elements is expected to total c.£49.8 million in the first year of operation, rising to c.£66.6m by Year 5. This is driven by the Spa Hotel and Snow Centre which account for 58% of total expenditure[3].

Furthermore, the development would result in a number of additional benefits such as:

- Rhydycar West's year-round offer and proximity to Merthyr Tydfil town centre and wider retail assets will support the long-term regeneration of the town, with visitors staying, shopping and socialising in Merthyr Tydfil driving expenditure and footfall, thereby supporting the viability of established businesses and encouraging further investment/new business ventures to tap into increased demand in the local economy driven by the development.
- A reputation for sporting excellence in Merthyr Tydfil, linked to the international-quality facilities on offer and support of stakeholders such as SnowSport Cymru Wales and GB Snowsport, which plans to utilise the facility as its National Centre of Excellence and training headquarters. These key partners, and the activities they support, present the opportunity for Rhydycar West to place Merthyr Tydfil at the forefront of snow sports, both domestically and internationally.
- The development of the area as a destination, with Rhydycar West acting as an anchor attraction which links to other leisure-oriented attractions in the surrounding area such as Bike Track Wales, Zip World Tower, Rock UK Summit Centre, the Taff Trail and the Brecon Beacons, as well as the wider retail and heritage offer nearby.

[1] The British Ski Holiday Market, LHM Marketing, 2019.
[2] Savills The Ski Report – Winter 2020/2021
[3] Final visitor numbers/expenditure to be provided in final submission following publication of PAC.

2. Introduction

AECOM has been commissioned by Marvel Limited to develop the strategic and economic rationale for the proposed Rhydycar West development.

The proposed development is an outline application for erection of a mixed leisure development comprising indoor snow centre (up to 39,200 sq m), waterpark (up to 7,500 sq m), indoor activity centre (up to 9,000 sq m), external activity areas, hotel accommodation (up to 418 bedrooms), forest lodge accommodation (up to 30 units), car parking (up to 830 spaces) and associated earthworks, access, drainage, servicing and utilities connections/infrastructure on land situated at Rhydycar West, Merthyr Tydfil, Wales

This report sets out the strategic rationale for Rhydycar West by demonstrating its fit with wider trends and the relevant political, economic and social context in which it would operate, thereby demonstrating the “case for change” through investment in the project. Beyond this, the economic rationale provides an appraisal of the economic and social benefits that Rhydycar West could drive to benefit the economy and local community.

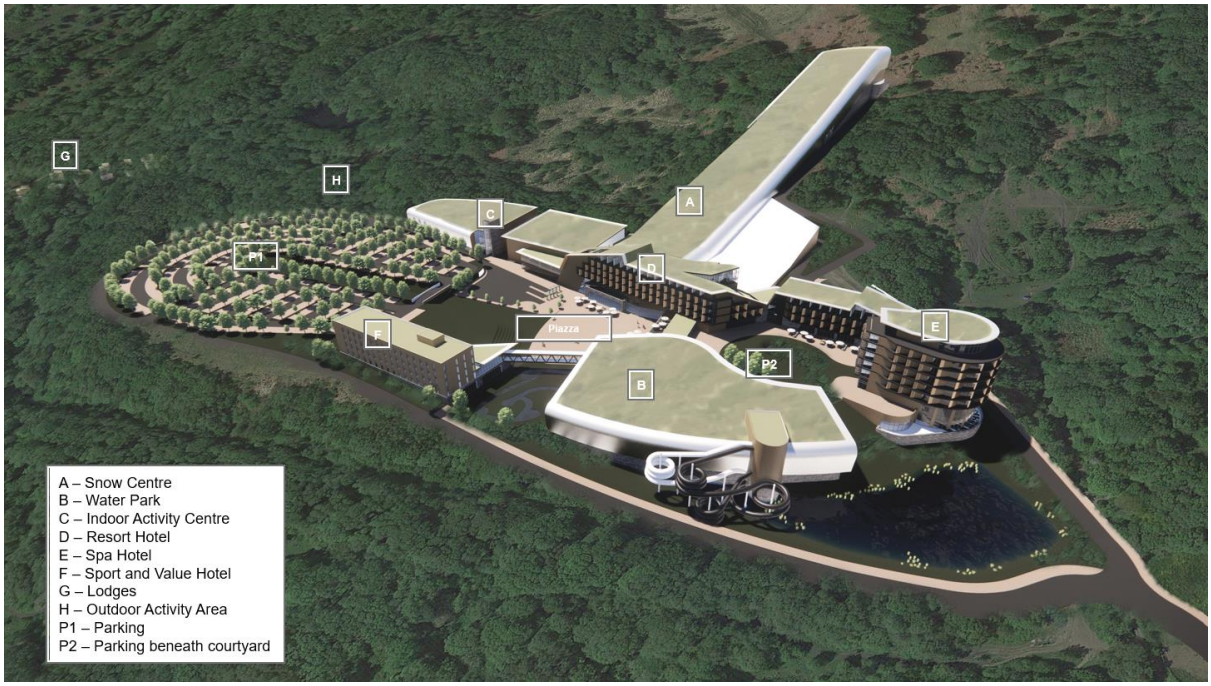
2.1 About Rhydycar West

The Rhydycar West site was acquired by Marvel Ltd in 2013. The c.550-acre site was previously home to coal-mining activities, with Marvel Ltd aiming to redevelop the site into a high-quality tourism and leisure attraction, building upon the existing activity and leisure offerings in the local area, such as Bike Park Wales and Rock UK. The site’s accessibility by public transport and the active and sustainable travel strategy are detailed in the specific the transport and travel reports and travel plan. The site is located approximately 30 minutes outside Cardiff, accessible directly off the A470trunk road. The location benefits from superior access to some of the UK’s main arteries which link major cities, airports and regions. Current proposals comprise a number of elements:

- **Indoor Snow Centre** – A signature attraction will be an indoor snow centre, providing snowsport conditions for all seasons. At c.400 metres long it will be one of the largest indoor snow centres in Europe and the World.
- **Tropical Water Park** – An indoor and outdoor water park hosting a wide range of adventurous and family rides and attractions: this signature element will attract both day visitors and destination vacation travellers.
- **Indoor and Outdoor Activity Centre** – This element will provide dynamic, multi-faceted and immersive indoor and outdoor experiences with the emphasis on activity. Activities under consideration include adrenalin fuelled powered zip wires, climbing / high ropes and immersive thrill-based experiences.
- **Hotel Accommodation** – up to 418 rooms including a first-class hotel and spa experience, with conference facilities and quality dining options, through to a sports hotel offering value and a more casual stay.
- **Lodge Zone** – individual and private lodges, ranging from value to premium luxury options.

Through these elements the project aims to create the largest indoor sports and leisure facilities in Wales providing a sustainable economic base and future legacy for the South Wales Valleys.

Figure 1. Rhydycar West Design Image



The evidence presented in this report is based on desk-based research, consultation with key stakeholders, survey evidence, a review of comparator projects and facilities and technical input from operators, cost consultants and architects.

3. Strategic Rationale

The strategic rationale demonstrates the opportunity presented by the Rhydycar West project and how this delivers against wider political, economic, environmental and social trends and policies. The purpose of this section is to outline the justification for Rhydycar West from a strategic and policy perspective. It therefore identifies the strategic case for Rhydycar West as a result of market demand, the prevailing relevant policy context for the UK, Wales and Merthyr alongside the underlying socioeconomic conditions in the local area that the project can make a positive contribution to.

3.1 Demand in the Leisure Market

The core element of the Rhydycar West development is the Indoor Snow Centre which will house a ski slope of c.400 metres long, making it one of the largest indoor ski slopes in Europe and the World. The ski slope will operate 'all year round' providing high-quality ski conditions across all seasons.

As noted by Savills[4], the number of ski visitors around the world increased during the 2018/19 season for the third successive year. Globally, numbers exceeded 350 million for the first time in more than a decade. The most significant increase was China (14.1%) but there were also rises in Russia (10.0%), the Czech Republic (6.6%) and Sweden (5.0%). While upcoming visitor numbers will depend on resort closures and travel restrictions associated with Covid-19, historic figures suggest that demand for skiing is increasing. This increasing demand suggests Rhydycar West has the potential to draw in international visitors based on the standard of the skiing facilities, allied with the wider sports, leisure and cultural offer available in South Wales through access to the Bike Park Wales/Rock UK Summit Centre, the Brecon Beacons and Cardiff.

The UK ski market alone is worth £2.9 billion, with 1.76 million passengers going skiing from the UK annually[5]. Popular destinations for skiers from the UK include France, Austria, Italy and Bulgaria. According to the Ski Club of Great Britain[6], average expenditure per head for a week's skiing stands at £1,335, 70% of which is spent on travel, accommodation and passes, with the remaining 30% spent on in-resort entertainment, dining and retail. The unknown effects of post pandemic international travel trends may see increases in demand for domestic skiing and activity locations. The Ski Club of Great Britain Consumer Research 2019 study found that the most important non ski related driver for destination was overall travel time. This suggests that having a stronger domestic ski offer could boost the number of domestic visitors. This is further bolstered by a report by Mintel[7] which surveyed attitudes towards skiing in the UK, which noted that 30% of respondents noted an interest in taking a ski holiday, 25% of which would be interested in taking a snowsports holiday in a trip within the UK. Moreover 33% of people interested in taking a snowsports holiday would like to practice/learn on an artificial/indoor slope in the UK before going.

The National Survey of Wales[8] found that 215,000 adults in Wales have a demand for participating in skiing and/or snowboarding, with demand proportionally highest in South East Wales. With 45,500 school age children participating in snow sports in 2018, and a further 32,500 indicating a wish to participate, there is the potential to not only generate demand from school age children but also to build the pipeline of future visitors by tapping into this demand. Moreover, as of November 2019 approximately 226,200 adults in England participated in a snow sport on a monthly basis[9] suggesting robust demand across the border. There are about 76 different locations to ski across the UK, including nine natural snow centres at mountain resorts in Scotland. Six indoor, artificial snow slopes are operational in the UK. These have differentiated their offer into major commercial retail/leisure schemes, with the number of actual snow slope users in some cases around one sixth of all visits, demonstrating the importance of a wider retail and leisure/entertainment offer. For example, Chill Factore in Manchester attracts around 1.2m total visits with around 450,000 on the slopes, with the wider offer including 14 restaurants, bars and retail outlets[10].

[4] Savills The Ski Report – Winter 2020/2021
[5] The British Ski Holiday Market, LHM Marketing, 2019.
[6] Ski Club of Great Britain Consumer Research 2019
[7] Mintel UK Skiing and Snowboarding Market Report
[8] National Survey of Wales 2018
[9] Sports England Active People Survey. Note: Participation at least twice in the last 28 days
[10] https://www.manchestereveningnews.co.uk/business/business-news/chill-factore-marks-tenth-year--13020413

Table 1. Attendance at Selected UK Indoor Snow Centres

Facility	Main Slope Length	Attendance
Snowdome Tamworth	170m	244,000
SnoZone Milton Keynes	175m	550,000
SnoZone Yorkshire	170m	700,000
Chill Factore Manchester	180m	450,000

Source: Rhydycar West

As a major leisure-oriented development, Rhydycar West aligns with tourism trends that reflect the increasing importance that visitors place on activities and experiences as part of their tourism experience.

The UNWTO Global Report on Adventure Tourism[11], highlights that the adventure tourism sector is seeing continued growth that assists in creating net positive impacts not only for tourism, but also for destination economies, their people, and their environment. With UK travellers making up 19% of the adventure market there is huge potential for the domestic market to take advantage of this growth.

As noted by Visit England[12], combining activities is likely to become increasingly important, with research suggesting that there are some key 'gateway activities' that lead to other forms of activity. Rhydycar West's signature attraction of the indoor snow centre will not only link to wider attractions on the development but also those in the surrounding area such as Bike Park Wales, the proposed Zip World development and Rock UK Summit Centre. The success of this model has been seen in North Wales, with a range of activity-focused attractions through Zip World's 3 sites at, Bethesda, Blaenau Ffestiniog and Betws-y-Coed, Greenwood and Surf Snowdonia leading to the region developing a reputation for adventure tourism[13].

Table 2. Visits to Adventure Tourism Attractions in North Wales

Attraction	2017	2018	2019
Greenwood Forest Park	-	150,000	-
Surf Snowdonia	180,000	140,000	-
Zip World Forest	115,528	195,000	223,500
Zip World Penrhyn Quarry	89,155	122,000	145,000
Zip World Slate Caverns	190,000	195,000	179,000

Source: Visit Wales Visits to Tourist Attractions in Wales 2019

Furthermore, the CBI[14] found that adventure travel is expected to recover more quickly from the Covid-19 pandemic than other segments due to higher levels of customer loyalty and adventure tourists are often more eager to reschedule their trip and start travelling again due to a stronger desire to travel.

There are multiple case studies of similar developments throughout the UK and internationally that demonstrate demand and regeneration impact to the local areas of adventure and leisure sites:

SnowWorld Landgraaf and SnowWorld Zoetermeer

SnowWorld Landgraaf offers a unique, all-season indoor-skiing experience with a 520m slope, one of the longest in the world. It is also home to Adventure Valley, one of Europe's largest climbing parks featuring 25,000m2 of climbing trails, 1,000 m ziplines and an Alpine Coaster, an Alpine Hotel with Health club and conferencing facilities, 4 restaurants and 2 bars for an authentic winter sports atmosphere.

Landgraaf is a former coal-mining town in the Netherlands which was devastated when the mines and other businesses closed in the late 1970s and early 1980s. SnowWorld Landgraaf has been a crucial element of the town's recovery from post-industrial decline, with the anchor investment leading to Landgraaf developing a flourishing art and culture scene with small- and large-scale events taking place throughout the year including the music festival Pinkpop which now attracts the biggest artists from across the globe. This has led to other

[11] https://skift.com/wp-content/uploads/2014/11/unwto-global-report-on-adventure-tourism.pdf
[12] Visit England The Future Travel Journey Trends for Tourism Product Development
[13] https://www.dailypost.co.uk/business/business-news/incredible-number-thrill-seekers-zip-15382532
[14] https://www.cbi.eu/market-information/tourism/adventure-tourism/adventure-tourism/market-potential

investment in the shape of hotels, campsites, lively bars and a world-class restaurant. Owing to the parallels with Merthyr Tydfil, the SnowWorld Landgraff operation is the blueprint for the Rhydycar West development.

SnowWorld Zoetermeer features the steepest indoor slope in Europe, with 4 pistes and 10 lifts. Wider facilities onsite include Ayers Rock, an outdoor adventure experience featuring an obstacle course, climbing walls up to 17m high and canoeing, a health club and 3 restaurants and 1 bar in an Austrian atmosphere.

SnowWorld welcomes around 500,000 skiers and snowboarders a year to Landgraaf and Zoetermeer. Taking into account all other customers, the two ski villages are visited by over 1.2 million people[15].

Other SnowWorld sites include:

- Rucphen, Netherlands (3 Slopes, 8 tow lifts and a Fun Park)
- Amsterdam, Netherlands (2 Slopes and a Fun Park)
- Terneuzen, Netherlands (2 Slopes and a Fun Park)
- Neuss, Germany (4 slopes – including one of 300m – and a Fun Park)
- Amneville, France (2 slopes, longest at 620m)

Zip World

As previously mentioned, since opening its Velocity zip line in Bethesda in 2013 – the fastest zip wire in the world and longest in Europe – Zip World has grown to 11 adventures spread across three sites in North Wales, with Blaenau Ffestiniog home to Titan, Bounce Below and Caverns and Betws-y-Coed including the Fforest Coaster, Zip Safari, Treetop Nets, Treehoppers, Skyride and brand-new Plummet 2, as well as the recently opened Zip World Tower in the Rhigos mountain range, around 8 miles from the Rhydycar West site. Research commissioned by Zip World[16] in relation to its North Wales sites has highlighted a range of benefits for the local economy:

- Zip World now employs 450 workers across its 3 North Wales sites, 93% of which are local to Gwynedd and Conwy.
- The adventure destination has directly contributed £251million to the North Wales economy.
- It has attracted 1 million visitors to North Wales, of which:
  - One in four has never visited the region before
  - Three in four stayed at least one night, with 63% visiting as part of a longer stay to North Wales
  - 80% want to return within a year
- The average visitor to Zip World spends between £251-£500 (higher than UK average of £161)

Center Parcs

Center Parcs has various sites across the UK and provides accommodation, food and entertainment services as well as indoor and outdoor activities for families to enjoy in a natural setting. Its first UK site, Sherwood Forest, opened in 1987 and is estimated to contribute £20 million to the local economy of North Nottingham each year through wages, local contracts and onward spend[17]. Activities available for customers include aerial tree trekking, archery, watersports and quadbike hire. The firm welcomes around 2 million guests to its UK sites every year growing from 1.6 million in 2010/11 showing consistent demand for the sites providing adventure and leisure breaks. Company press releases for the different sites claim occupancy of over 90% over the different UK locations at various points during the past 12 years[18]

[15] https://indoorsnownews.com/2019/01/02/snowworld-expands/#:~:text=Currently%2C%20SnowWorld%20welcomes%20around%20500%2C000,close%20to%202%20million%20customers.
[16] North Wales Tourism Assessing Zip World's Impact on the North Wales Economy Review 2018
[17] https://d2n2lep.org/center-parcs-is-a-major-player-in-local-economy/
[18] https://corporate.centerparcs.co.uk/media-centre/news/articles/brookfield-agrees-to-acquire-center-parcs-from-blackstone-1171272.html
https://corporate.centerparcs.co.uk/media-centre/news/articles/center-parcs-announces-plans-for-significant-investment-in-longford-forest-3109187.html
https://corporate.centerparcs.co.uk/media-centre/news/articles/center-parcs-brings-treehouse-breaks-to-elveden-forest-1466281.html

Research commissioned by Center Parcs (UK) Group explored the local economic impact of Center Parcs holiday villages. The study found that Center Parcs' Guests spend money at a range of places both on their journey to a Village, during their stay and visiting local tourist attractions. An estimated £870,000 was generated in the local area per Village per year due to the Centre Parcs leisure sites. Economic benefits of these sites can also be seen through increased use of local supply chain. A local impact of £4.28 million and a regional effect of £5.83 million was estimated per village through expenditure with suppliers located within 20 miles.

Bluestone

Bluestone National Park Resort is situated in the Pembrokeshire, Wales. It contains a Center Parcs style village featuring shops, restaurants, spa and activity facilities. The site is home to 300 holiday lodges in 500 acres of countryside. The facility has a range of 100 activities for visitors to enjoy including tree climbing, zip wires and indoor Adventure Centre and employs over 700 staff.

In 2019 the site welcomed 155,000 visitors with a 97% occupancy rate[19]. Despite the Covid-19 pandemic, Bluestone recently secured planning consent from the planning committees of Pembrokeshire County Council and Pembrokeshire Coast National Park to develop 80 new lodges on the site[20]. The £15m expansion is expected to create more than 250 jobs in the construction phase and an additional 90 jobs following completion[21].

3.2 Strategic Fit

Rhydycar West presents a wide range of opportunities for both Merthyr Tydfil and neighbouring areas. This section provides a brief summary of the underlying strategic policy context and how it supports the Rhydycar West development, highlighting the fit between the project and the priorities identified in these policy documents.

Welsh Government Economic Resilience and Reconstruction Mission

A key focus of Welsh Government is to address the socioeconomic impact of the coronavirus pandemic, to recover from the economic damage of the pandemic and reconstruct the economy to help its people, businesses and communities to prosper. This is set out in Welsh Government's **Economic Resilience and Reconstruction Mission** which takes forward the priorities in Welsh Government's **COVID-19 Reconstruction: Challenges and Priorities** (October 2020) and builds on the foundations of **Prosperity for All: The Economic Action Plan**. The Mission is underpinned by five beacons to help achieve its vision of a well-being economy which drives prosperity, is environmentally sound, and helps everyone realise their potential:

- Strengthening the Foundational Economy
- Protecting and enabling skills and employment
- Accelerating adaptation for recovery and future prosperity
- Magnetising investment in a green recovery
- Fortifying the pursuit of social value

Strengthening the Foundational Economy relates to the need to champion and support the sectors that provide the infrastructure of everyday life, such as care and health services, childcare, food, housing, energy, construction, waste and recycling. Tourism, including sporting and recreational activities, has been identified as one of Welsh Government's four priority foundational economy sectors alongside care, retail and food. The Rhydycar West development stands to strengthen the tourism sector through the generation of economic activity and employment and linking to wider attractions such as Zip World to develop a cluster of activity in Merthyr Tydfil. Furthermore, it will also support the retail sector through associated activities on site and through its supply chain, particularly in relation to food and drink.

Through **Protecting and Enabling Skills and Employment**, Welsh Government aims to support people across Wales into work and to prepare the workforce for the immediate and long-term challenges through access to support, training, higher and further education. The impacts of Covid-19 and Brexit have had a significant impact on some of Wales's key industries such as food and drink, tourism and hospitality, and Rhydycar West development stands to create significant employment opportunities, many of which will be at the entry level, to support young people and adults into the labour market. The developer is committed to work in partnership with the appropriate approved Partner Organisations in the recruitment of local candidates to employment and training

[19] https://www.walesonline.co.uk/whats-on/travel/post-covid-future-bluestone-15m-20442629
[20] https://www.business-live.co.uk/enterprise/bluestone-holiday-village-gets-go-20436306
[21] https://www.walesonline.co.uk/whats-on/whats-on-news/bluestones-plans-build-80-new-19095374

opportunities arising at the Site, presenting the opportunity for local residents to secure long-term careers with progression opportunities.

The Rhydycar West development will incorporate sustainable design principles and be sympathetic to its surroundings, supporting the Mission's focus on **environmental wellbeing**, whilst also **Fortifying the pursuit of social value** through a range of potential measures to support the local economy and have a lasting impact on its host community, discussed later on in this report.

Future Wales: The National Plan 2040

Future Wales: The National Plan 2040 sets out the national development framework and spatial strategy for Wales which will act as a guiding framework for where large-scale change and nationally important developments will be focused over the next 20 years. It sets the strategy for addressing key national priorities through the planning system, including sustaining and developing a vibrant economy, achieving decarbonisation and climate-resilience, developing strong ecosystems and improving the health and well-being of our communities.

Future Wales constitutes the national tier of the 3-tier planning system, with the preparation of Strategic Development Plans required in all four regions, filtering down to local development plans at the LA level. It notes that the Valleys area is a national growth area where development will be directed, with this area a high priority for Welsh Government and how therefore it should be a priority for the South East Wales Strategic Development Plan. Future Wales also notes the need for the Strategic Development Plan to consider the need to spread prosperity across the region and strengthen the foundational economy, with the South East having "potential to build on its tourism offer".

Rhydycar West is closely aligned with the priorities set out in Future Wales, having the potential to channel investment and job creation into an area which suffers from relatively high levels of deprivation thereby spreading prosperity across the region. Furthermore, the development has the potential to strengthen the regional tourism offer and the foundational economy to encourage greater community benefits from new development.

Planning Policy Wales

Planning Policy Wales outlines how the planning system should contribute towards the goals established in Future Wales and sets out the land use planning policies of the Welsh Government. The primary objective of Planning Policy Wales is to ensure that the planning system contributes towards the delivery of sustainable development and improves the social, economic, environmental and cultural well-being of Wales, as required by the Planning (Wales) Act 2015, the Well-being of Future Generations (Wales) Act 2015 and other key legislation and resultant duties such as the Socio-economic Duty.

Planning Policy Wales underpins Local Development Plans, based on a number of themes:

- **Strategic & Spatial Choices** – Good Design / Promoting Healthier Places / The Welsh Language / Sustainable Management of Natural Resources / Strategic Planning / Placemaking in Rural Areas / Managing Settlement Form
- **Active & Social Places** – Transport / Housing Retail & Commercial Centres Community Facilities Recreational Spaces
- **Distinctive & Natural Places** – Landscape / Coastal Areas / Historic Environment / Green Infrastructure / Biodiversity / Water, Air, Soundscape & Light / Flooding / De-risking
- **Productive & Enterprising Places** – Economic Development / Tourism The Rural Economy Transportation Infrastructure Telecommunications Distinctive & Natural Places Energy / Minerals / Waste

Rhydycar West, as a large-scale leisure-oriented development, is closely aligned with the focus on **Active and Social Places**, with Planning Policy Wales noting that Planning Authorities "should indicate the ways in which previously developed or disused land and water bodies can be used for sport and recreation uses, particularly in relation to urban regeneration." Rhydycar West is also links to the **Productive and Enterprising Places** theme which notes the role that tourism can have a catalyst for regeneration, and that the planning system should encourage tourism where it contributes to economic development, urban regeneration and social inclusion. The project will also align with the **Strategic & Spatial Choices** theme through the design's relationship with its surroundings and the character of the local area, as well as its ability to promote health and wellbeing through providing diverse recreational choices. The **Distinctive & Natural Places** theme will be met through the development's ability to contribute positively to the regeneration of the local area and the restoration and protection of a long-forgotten site which has been untouched since it was the home of mining operations in the mid-20th century.

Well-being of Future Generations (Wales) Act 2015

The **Wellbeing of Future Generations Act** provides a broad framework to shape the decision-making process of public bodies, with the aim of improving the social, economic, environmental and cultural well-being of Wales, thereby providing current and future generations a good quality of life. The Wellbeing of Future Generations Act forms a key part of the policies previously outlined as is based around 7 wellbeing goals which provide a shared vision for the public bodies listed in the Act to work towards:

- A prosperous Wales
- A resilient Wales
- A healthier Wales
- A more equal Wales
- A Wales of cohesive communities
- A Wales of vibrant culture and thriving Welsh language
- A globally responsible Wales

The Rhydycar West development aligns with the goal of **A Prosperous Wales** by generating employment opportunities for local residents, thereby allowing people to take advantage of the wealth generated through securing decent work, in turn contributing to **A Resilient Wales**. Such opportunities will be spread across occupation levels, with opportunities for new entrants supporting progression and social mobility, contributing to **A More Equal Wales**. The project will not only generate benefits through tourism but also support participation in sports and recreation which are key focuses of **A Healthier Wales** and **A Wales of vibrant culture and thriving Welsh language**. Rhydycar West will also develop more **Cohesive Communities** through providing a recreation asset which enables people to become more active, develop positive relationships and reduce isolation. Moreover, providing a world-leading facility within the UK reduces the need for UK residents to travel internationally to access world-class facilities – both at an elite and recreational level – supporting a more **Globally Responsible Wales**, having the potential to make a positive contribution to global environmental wellbeing.

Visit Wales Priorities for the Visitor Economy

Visit Wales Priorities for the Visitor Economy sets out Visit Wales's ambition to grow tourism for the good of Wales. Its 5-year plan is centred on 4 key priorities:

- Great products and places;
- Outstanding visitor experiences;
- An innovative Cymru Wales brand; and
- An engaged and vibrant sector

The policy document notes the potential to target special interest visitors, which can drive high-value tourism, and that Visit Wales "will invest in facilities – including flagship investments – that generate pride in Wales' adventure offering and that provide access to a wide range of visitors – including our communities – to new activity and wellbeing opportunities. This will include ensuring that we deliver activity/outdoor facilities near major population hubs, such as, South East Wales". Furthermore, the primary goal of Visit Wales is for tourism to improve the wider economic wellbeing of Wales, helping to stimulate prosperity in urban and rural areas, with a particular focus is placed on generating activity during off-peak periods and to contribute more to Wales's GVA. As a significant leisure and tourism-oriented development in South East Wales, Rhydycar West is clearly linked to Visit Wales's priorities and has the potential to generate significant economic returns through employment and associated expenditure, with its year-round offer smoothing the seasonality that can limit activity in the tourism sector.

Snowsport Wales Business and Sport Development Plan 2018-2020

Snowsport Wales's mission is to promote inclusive participation, development and excellence in Welsh Snowsports, setting out a vision for the future of the sport and ensuring the long-term provision of facilities. This mission is underpinned by 5 objectives:

- Implementing programmes and activities to boost participation
- Developing a workforce of instructors, coaches and officials

- Supporting and encouraging the development of facilities
- Creating opportunities to develop athletes in all Snowsport disciplines
- Supporting the development of excellence in Welsh Snowsport athletes

In respect of creating a National Centre of Excellence; the site will be the home and national training headquarters for the Welsh and UK national, Olympic and Special Olympic teams. As the national governing body for Snowsports in Wales, Snowsport Cymru Wales have campaigned for this facility for nearly a decade. The indoor snowcentre will conform to International Ski Federation (FIS) and international standards. Key aspects and benefits of the indoor snowcentre include:

- The largest indoor snowcentre in the UK and the only one in the UK capable of meeting international standards (more details below). All the existing UK snowcentres are too short to serve as training or competition venues as they do not meet FIS and other relevant requirements.
- For events (from local to international competitions) to be delivered across the different disciplines of snowsport.
- A game changing venue for the development of Welsh and UK Olympic and Para skiers and snowboarders.
- To be able to deliver significant parts of Wales and the UK's out of winter season training within the UK bringing about huge opportunities for potential future snowsport athletes.
- Providing significant benefits to the development of snowsports from grass roots participation through to international excellence.
- World class facilities – the first and only one of its kind in the UK.
- Significant increase in participation in Snowsports at both a local and national level.
- Huge opportunities to develop school sport activities.
- Club development and training programmes (recreational and competition).
- Grass roots schools and local competitions, national championships and international events
- Year round national and regional training.
- Year round coach and instructor training opportunities, creating long term employment.

Rhydycar West will provide a world-class snow centre, which will be the longest indoor multi-run snow centre in the UK and amongst the longest in the world at c.400m. The facility is also supported by GB Snowsport who wish to establish the UK National Centre of Snow Sport excellence and home and training base for the GB national and Olympic and Special/Para Olympics snow sport teams and elite athletes in addition to the Welsh Teams. It will therefore serve as the training HQ and UK National Centre of Excellence for Snowsport Cymru Wales and GB Snowsport – this development will create the "Wembley Stadium" of Snowsports, located in Merthyr in the heart of the Welsh Valleys.

Pat Sharples, GB Snowsport Head Coach, has commented:

"GB Snowsport are really excited to be involved with the development of a National Centre of Excellence for Snowsports based in Merthyr, South Wales. Conforming to international standards for events to be delivered across the different disciplines of Snowsport will be game changing for the development of our Olympic and Para skiers and snowboarders. To be able to deliver significant parts of our out of winter season training within the UK will bring about huge opportunities for potential future Snowsport athletes."

Likewise, Robin Kellen, Chief Executive Snowsport Cymru Wales, has commented:

"*As the national governing body for Snowsports in Wales we have campaigned for this facility for nearly a decade. The development offers significant benefits to the development of Snowsports from grass roots participation through to international excellence. With these world class facilities, we anticipate delivering the following benefits:*

- *Significant increase in participation in Snowsports at both a local and national level.*
- *Huge potential to develop school sport activities.*

- *Club development and training programmes (recreational and competition).*
- *Grass roots schools and local competitions.*
- *National championships.*
- *International events.*
- *Regular national and regional training sessions.*
- *Regular coach and instructor training opportunities, creating long term employment.*

The development of a Snowsports centre of excellence in Wales creates a game changing opportunity for Snowsports in Wales."

This will be the first indoor snow slope in the UK to meet Federation of Ski standards (FIS). It will become a world-renowned snow sports destination which will provide support for international teams and individual athletes, encouraging a growth in the UK's winter sports which has until now, been a sport for the travelling elite. Having a FIS approved slope in the UK will fuel people's desire to train as an elite snow sports athlete, encourage diversity in the sector, remove barriers to the sport and provides greater opportunities for training.

It will also nurture home grown talent and maintain and facilitate access for all abilities to simply enjoy being on the snow. Providing a family friendly safe environment with guaranteed perfect piste conditions and visibility 365 days of the year. This longer and larger facility with adjacent leisure elements will be revolutionary for snow tourism in the UK, as the resort will provide everything that is sought after from skiers and boarders; all without the need for international travel and unpredictable weather and snow conditions.

This world class facility has the capability of re-defining the UK School ski trip, de-risked with affordable access and tuition, guaranteed snow conditions and significant aligned historic educational opportunities, active adventure options and discovering Wales at an early age. The development represents a significant commercial opportunity with job creation prospects and positive utilisation of the world class facilities.

CCR City Deal Strategic Business Plan Wider Investment Fund

The 5-year City Deal Strategic Business Plan sets out the current understanding of what is required to achieve Cardiff City Region's long term objectives, including details of how the Wider Investment Fund will be used over the next 5 years, focusing in particular on larger scale infrastructure, whilst forming the basis of a more detailed regional strategic economic growth plan and strategy. Its vision of "A Prosperous Capital City-Region for Wales" is underpinned by three Regional Strategic Objectives:

1. Prosperity and Opportunity – Building the capacity of individuals, households, public sector and businesses to meet challenges and grasp opportunity creating a more productive economy
2. Inclusion and Equality – A vibrant and sustainable economy which contributes to the well-being and quality of life of the people and communities in the region now and in the future
3. Identity, Culture, Community and Sustainability – Forging a clear identity and strong reputation as a City-Region for trade, innovation, and quality of life

The **Identity, Culture, Community and Sustainability** priority identifies the need to develop a clear, credible, appealing and distinctive identity, with a focus on acting to "develop and promote our world-class cultural and recreational opportunities utilising the region's natural beauty and historic areas", in line with the high-quality tourism and leisure offer put forward in the Rhydycar West proposals. Moreover, Rhydycar West will support the **Prosperity and Opportunity** priority through providing access to a wide range of jobs and opportunities to train and upskill. In turn, these opportunities stand to boost economic wellbeing and improve individuals' quality of life, in alignment with the **Inclusion and Equality** strategic objective.

The Strategic Business Plan also identifies the 'South East Wales Destination Investment Plan' (under development) as a key part of the process of developing the tourism offer for the region with a priority theme to support a year-round offer including "A strong outdoor adventure offer". This approach is reflected by current investment through the CCR in the Zip World project and the Rhydycar West proposals will align closely to build upon this.

Rhydycar West would also offer the opportunity for growth, building on the improved accessibility and connectivity through Cardiff Capital Region infrastructure investment in the rail and public transport systems as well as wider road improvement projects (A465/A470).

Merthyr Tydfil Economic Growth Strategy

The vision of the Economic Growth Plan for Merthyr Tydfil is “to create a diverse and vibrant economy with a skilled, flexible and well-paid work force and well-developed business infrastructure”. There are 4 key priority areas that need to be addressed simultaneously to enable economic regeneration and bring economic growth to Merthyr Tydfil. These priority areas include:

- The economic base – the existing business and business infrastructure that exists locally and constitutes the sum total local GDP;
- The labour market – all residents of a working age who are employed, unemployed or economically inactive;
- Skills – those by qualification and work-based skills; and
- Physical infrastructure – physical infrastructure such as roads, buildings etc. and also ICT infrastructure

Rhydycar West will support the **economic base**, providing a year-round attraction to generate economic activity and deliver growth and economic value, particularly in relation to the foundational economy priority sectors. It will support the **labour market by** providing a range of employment opportunities accessible to Merthyr residents, including entry-level roles which will support the development of **skills** and careers, with links to local training providers including Merthyr College. The project will also support the development of **physical infrastructure** through a wide range of buildings and associated infrastructure as part of the development.

Merthyr Tydfil Masterplan

A new ‘placemaking plan’ for Merthyr Tydfil, commissioned by the Council, Welsh Government and Transport for Wales, is based on ‘a shared ambition for the town and its role within the Capital City Region’. The plan envisages that by 2035, Merthyr Tydfil town centre will have high quality residential, office, leisure and retail, new plazas, green spaces and ‘an active riverside’, with the aim to create a centre ‘with inviting streets, squares and routes, where people feel safe, welcomed and uplifted’. Furthermore, the plan aims to capitalise on forthcoming improvements arising from the South Wales Metro which offer the potential for Merthyr Tydfil to play an enhanced role within the .

The masterplan – which replaces the 2002 Merthyr Tydfil Regeneration Plan – outlines a number of proposals, including:

- Redevelopment of the railway station to create a welcoming and pleasant gateway and connect to High Street and the new bus interchange.
- Renovation and facade improvements to buildings on High Street and intersecting roads.
- Revival of the traditional townscape, with specific focus on prominent Listed Buildings of social, historic and/or architectural merit.
- Providing new opportunities to diversify in the town centre.
- Changing uses to increase the number of town centre homes, hotels and workspaces.
- Better pedestrian and cycle routes and a new footbridge to establish ‘an active, connected and vibrant riverside’.

The Rhydycar West development has the potential to complement the Masterplan proposals, being adjacent to the planned new residential neighbourhood on the former Hoover site, and offering the potential to diversify the offer within the town and the wider local economy, contributing to the accommodation stock through the modern, high quality hotel offer and supporting residents’ wellbeing through providing a broad range of accessible leisure opportunities. Furthermore, the masterplan describes its ambitions for Merthyr Tydfil to become ‘the tourism capital of the Valleys and Brecon Beacons’, with Rhydycar West offering the potential to realise this goal through its wide-ranging, quality offer which complements natural and recreational assets on its doorstep such as the Cyfarthfa Heritage Area, Zip World, the Brecon Beacons, Bike Park Wales and Rock UK Summit Centre.

Merthyr Tydfil County Borough Economic Vision

A substantive economic Vision and deliverable plan was embarked upon by Merthyr Tydfil Borough Council and documented in a prospectus – Merthyr Tydfil County Borough Economic Vision 2020-2053. The Vision recognises the historical socio-economic challenges that resulted from the decline of the area's industrial legacy and recent socioeconomic challenges as a result of the COVID-19 pandemic. The Vision focuses on seven Core Ambitions of action:

1. Economic Diversity
2. Destination Merthyr Tydfil
3. Education and Training
4. Modern Homes and Great Places
5. Transforming Connectivity
6. Public and Community Services
7. Natural Resources and Low Carbon Economy

Rhydycar West aligns with the **Economic Diversity** core ambition through its ability to generate employment opportunities accessible to local residents, thereby having the potential to increase economic activity rates and to sustain local businesses through the indirect expenditure the project stands to develop within the wider economy. There will also be a focus on training and upskilling local people, working in partnership with the appropriate approved Partner Organisations, such as Merthyr College, in the recruitment of local candidates to employment and training opportunities arising at the Site, in alignment with the **Education and Training** core priority. It will support **Destination Merthyr Tydfil** by providing a unique, high quality leisure asset within the town which will drive higher domestic and international visitor numbers, generate value and tourism employment in the local economy and complement the wider outdoor adventure tourism businesses and attractions in the local area.

Merthyr Tydfil Destination Management Plan

The tourism sector has become a priority within the Merthyr Tydfil County Borough Council, which is focused on developing its products further and upgrading the existing tourism product. Through its Destination Management Plan, the Council identifies a number of themes that are a key focus in enhancing the profile of the area in relation to tourism one of which is **Activity Tourism**. The Destination Management Plan Action Plan identifies a number of actions to further develop the activity tourism sector, such as through broadening the development of activity tourism attractions and outdoor providers to enhance the region's offer and exploring new opportunities to develop new and emerging activity products. This links to the Rhydycar West proposals which will support a year-round, activity-focused attraction and generate high-value tourism opportunities within the local market.

Rhydycar West will also support the **Heritage and Culture** and **Trails Development** themes through its plans to integrate these elements into the development. Furthermore, the SWOT analysis within the Destination Management Plan identifies that the local area has weaknesses in relation to no major, high-quality hotel being located in the area and few large-scale indoor attractions, both which Rhydycar West will address.

Merthyr Tydfil Local Replacement Local Development Plan (2016 - 2031)

The Local Development Plan (LDP) sets out planning policies and allocates sites for different types of development. It includes a number of strategic objectives which the Rhydycar West project is well-aligned with:

- LDP Objective 4: Regeneration: To promote the suitable reuse of previously developed land and the continued regeneration of local communities.
- LDP Objective 5: Infrastructure: To ensure that community infrastructure and open space supports the regeneration of local communities.
- LDP Objective 9 Heritage and Cultural Assets: To protect, enhance and promote all heritage, historic and cultural assets.
- LDP Objective 12 Economic Development: To provide and safeguard appropriate land for economic and skills development.

- LDP Objective 14 Town and Local Centres: To develop the town and local centres as accessible, attractive, viable and vibrant places.
- LDP Objective 15: Leisure, Recreation and Tourism: To support sustainable tourism, leisure and recreation developments and encourage an all year round tourism industry.

3.3 Current Conditions in Merthyr Tydfil

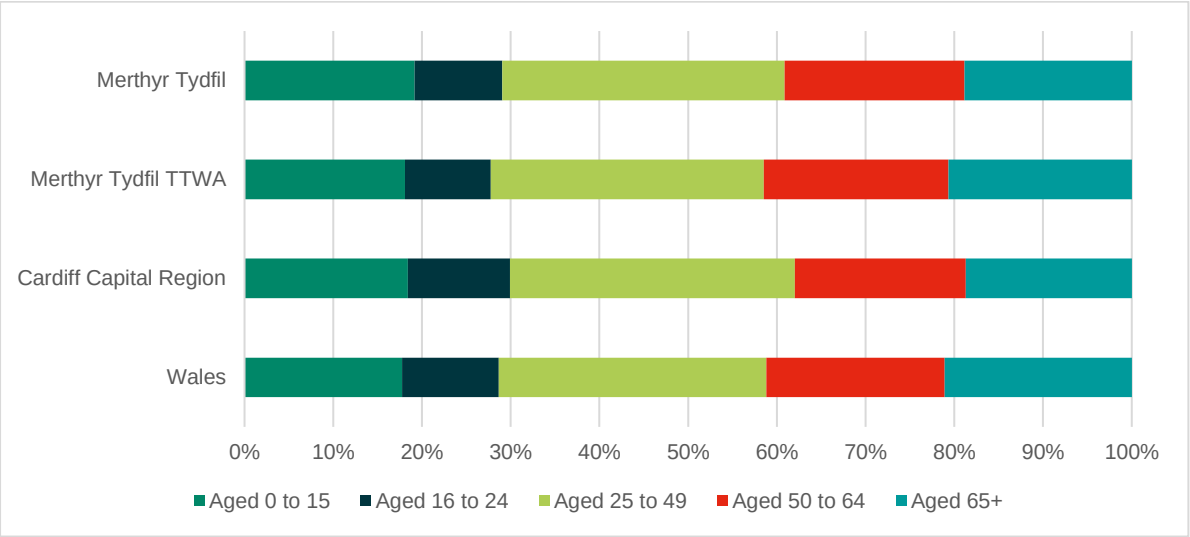
Merthyr Tydfil is situated in South Wales, to the north of Cardiff and directly south of the Brecon Beacons National Park. It has a rich industrial heritage in steel and ironworks, having, at one point, been the source of 40% of Britain's iron exports[22]. Merthyr Tydfil has good transport connectivity with regular train services that operate out of Merthyr Tydfil station along the Merthyr Line to Cardiff and the station set to benefit from Core Valleys Lines infrastructure investment. There is also a new bus station located closer to the station than its predecessor which opened in 2021 to complement the rail improvements. Road connectivity to Cardiff, Swansea and the Brecon Beacons National Park is set to be further improved by the A465 dualling project. Key local employers include Merthyr (South Wales) Ltd, OP Chocolate and Stephens and George and, allied to its high levels of accessibility, there are around 600,000 people and 150,000 jobs situated within thirty minutes of Merthyr Tydfil[23].

However, despite a range of strengths, the town has seen a number of business closures, with companies including Debenhams, Kasai and Triumph Furniture, with Wilko[24] set to follow suit. Merthyr Tydfil is also subject to a range of socioeconomic challenges related to an ageing population, high levels of economic inactivity, deprivation and low productivity. These are further detailed below.

Population by age band

Merthyr Tydfil has an estimated population of 60,424 residents. This is the smallest out of the Cardiff Capital Region local authorities, which comprise a total population of 1,552,527 residents. 62% of Merthyr Tydfil's residents are at working age (16-64), slightly above the Welsh average of 61.1%. However, within the working age population Merthyr Tydfil and the wider Merthyr Tydfil Travel To Work Area[25] (TTWA) have a lower proportion of residents within the 16-24 age bracket, at 9.9% and 9.7% respectively, compared with the Cardiff Capital Region (11.5%) and the Welsh average (10.9%). This reflects anecdotal evidence that young people often move away to access employment and educational opportunities, only to return in later working life.

Figure 2. Population Breakdown by Age



Source: ONS Population Estimates, 2020

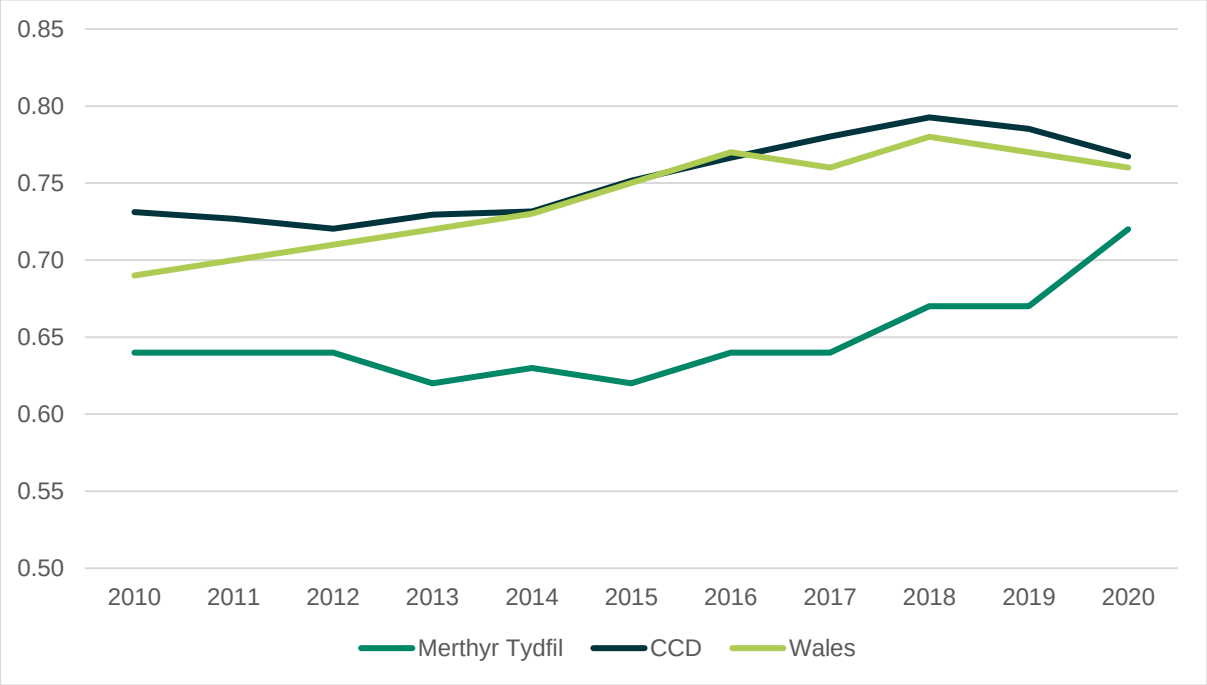
[22] Historic UK, 2021 - https://www.historic-uk.com/HistoryUK/HistoryofWales/Merthyr-the-Welsh-Men-of-Steel/
[23] Cardiff Capital Region Regeneration Plan 2018-2021
[24] https://www.thenational.wales/business/19836058.wilko-set-close-stores-merthyr-tydfil-llanelli/
[25] A TTWA is defined by at least 75% of the area's resident workforce work within the area boundary and at least 75% of the people who work in the area also live in the area. It is a statistical tool used by UK Government agencies and local authorities to indicate an area where the population would generally commute to a larger town, city or conurbation for the purposes of employment.

Economic Activity

Merthyr Tydfil's economic activity rate for residents aged 16-64 stands at 70.2%, higher than its wider TTWA at 67.5% but lower than the average across the Cardiff Capital Region (74.9%) and Wales (75.2%). This is similar to the employment rate which is lower in Merthyr Tydfil (65.4%) and the Merthyr Tydfil TTWA (63.5%) compared with the Cardiff Capital Region (71.8%) and Wales (73.2%). Conversely the economic inactivity rate for residents aged 16-64 is higher in Merthyr Tydfil (29.8%) and the Merthyr Tydfil TTWA (32.5%) compared with the wider regions of Cardiff Capital Region (25.1%) and Wales (24.8%).

The unemployment rate in Merthyr Tydfil (6.9%) is significantly higher than the wider geographies of Merthyr Tydfil TTWA (5.8%), Cardiff Capital Region (4.1%) and Wales (4.0%). However, the jobs density for Merthyr Tydfil stands at 0.72, indicating that there are less jobs than residents aged 16-64, lower than the Cardiff Capital Region density of 0.77, as well as the Wales level of 0.76[26]. Indeed, the jobs density in Merthyr Tydfil has trended below the comparator areas over the past decade.

Figure 3. Jobs Density



Source: ONS Jobs Density 2020

Owing to the Coronavirus pandemic this picture is subject to change. Statistics[27] indicate that a cumulative 9,100 employments were furloughed in Merthyr Tydfil out of a total 24,300 eligible employments whilst the Coronavirus Job Retention Scheme was in place. Construction, manufacturing, retail and accommodation and food services have been particularly impacted. Merthyr Tydfil also had one of the highest take-up rates of the Self-Employment Income Support Scheme (SEISS) across all Welsh local authorities, during the period this was in place. Whilst indications are that the end to the Covid-19 labour market support schemes has had less of an impact than feared – due to excess capacity in sectors such as hospitality, care and heavy goods transport – staff who were placed on furlough are six times more likely to lose their jobs than other workers[28]. Moreover, uncertainty over the economy and the threat of new variants remains.

[26] ONS Jobs Density 2020
[27] HMRC Coronavirus Job Retention Scheme (CJRS) Statistics: December 2021
[28] https://www.resolutionfoundation.org/publications/post-furlough-blues/

However, it should be noted that high levels of economic inactivity in Merthyr Tydfil and the wider TTWA identify a high proportion that are long-term sick or disabled, 9.6% and 12.9% respectively, compared with the Welsh average of 7.0%. As such, just 16.5% of the economically inactive population in Merthyr Tydfil want a job – falling even lower to 13.3% across the wider TTWA – compared with the Cardiff Capital Region (19.6%) and Wales (20.6%). Merthyr Tydfil is subject to acute challenges in relation to health, with the Welsh Index of Multiple Deprivation[29] highlighting that 10 Lower Super Output Areas[30] (all within the 10% most deprived for health outcomes across Wales. Merthyr Tydfil has the highest prevalence of childhood obesity across all local authorities in Wales, with 20.7% of children classified as obese. This is more than double that of the local authority areas with the lowest prevalence – the Vale of Glamorgan and Monmouthshire at 8.6% and Ceredigion at 8.8%[31]. Furthermore, the National Survey for Wales[32] found that 48% of adults recorded less than 30 minutes of physical activity during the previous week, compared with the Welsh average of 33%. 23% of adults in Merthyr Tydfil were smokers, higher than all comparator local authorities in the Cardiff Capital Region and the Welsh average of 17%. Such poor health lifestyles are reflected in the average life expectancy in Merthyr Tydfil, with the average life expectancy of males (76.8) and females (80.7) falling well below the national average of for males (78.5) and females (82.3). Indeed, Merthyr Tydfil is the second worst performing local authority area in Wales in terms of average life expectancy, with only Blaenau Gwent recording a lower average[33].

As such, the Rhydycar West project has the potential to not only address Merthyr Tydfil's challenges within the labour market through the wide range of employment opportunities it would afford local residents, but also to promote healthy, active lifestyles through the range of leisure opportunities available on site. The project will also promote the use of active travel modes to access the site, thereby allowing workers to realise the health and wellbeing benefits of being more active as set out in the Rhydycar West Travel Plan[34].

Table 3. Economic activity

	Merthyr Tydfil	Merthyr Tydfil TTWA	Cardiff Capital Region	Wales
Economic activity rate - aged 16-64	70.2%	67.5%	74.9%	75.2%
Employment rate - aged 16-64	65.4%	63.5%	71.8%	72.2%
Unemployment rate - aged 16-64	6.9%	5.8%	4.1%	4.0%
% who are economically inactive - aged 16-64	29.8%	32.5%	25.1%	24.8%

Source: Annual Population Survey Apr 2020 - Mar 2021

Employment by Industry

The highest proportion of workers employed in Merthyr Tydfil are engaged in Health activities (20.7%) similar to its wider TTWA (20.4%) but above the wider geographies of the Cardiff Capital Region (14.8%) and Wales (15.1%). This is likely driven by the presence of key employers such as the Prince Charles Hospital and Keir Hardie University Health Park, as well as the care requirements necessitated by poor health outcomes in the local authority area. There is a higher proportion of those employed in manufacturing in Merthyr Tydfil (14.1%) and the wider TTWA (15.6%) than Cardiff Capital Region (10.6%) and Wales (10.7%), with a similar picture for the retail sector which accounts for 12.0% of employment in Merthyr Tydfil and 10.9% in the wider TTWA, above the proportions recorded across Cardiff Capital Region and Wales.

One industry that is underrepresented in Merthyr Tydfil is construction, which accounts for 3.9% of employment, compared with 5.4% across the Merthyr Tydfil TTWA, 4.8% in Cardiff Capital Region and 4.9% in Wales, while accommodation and food services and arts, entertainment and recreation are also underrepresented against the comparator areas. There are likely to be opportunities across these sectors during the construction and operation of Rhydycar West, suggesting the potential to boost activity and employment and build capability across these sectors.

[29] Welsh Index of Multiple Deprivation 2019
[30] LSOAs are a geographic hierarchy designed to improve the reporting of small area statistics in England and Wales. They have an average population of ~1500 people or ~650 households.
[31] https://phw.nhs.wales/services-and-teams/child-measurement-programme/
[32] National Survey for Wales – adult lifestyle by local authority and health board July 2020
[33] http://www.infobasecymru.net/IAS/themes/healthandsocialcare/generalhealth/tabular?viewId=47&geoId=1&subsetId=
[34] Measures include the provision of maps on how to access areas by walking and cycling and public transport; promotional material on the benefits of active travel and on-site facilities such as cycle storage and showers.

With Merthyr College offering a range of hospitality, sports, leisure and tourism courses, there is a particular opportunity to develop a talent pipeline through links to the project [35]. Moreover, with the retail outlook uncertain owing to structural changes in the economy, accelerated by the Covid-19 pandemic, there may be opportunities to shift the relative overreliance on retail employment towards other areas of activity associated with the project.

Table 4. Employment by Industry

	Merthyr Tydfil	Merthyr Tydfil TTWA	Cardiff Capital Region	Wales
Agriculture, forestry & fishing	1.0%	0.2%	0.9%	3.2%
Mining, quarrying & utilities	0.9%	1.9%	2.0%	1.7%
Manufacturing	14.1%	15.6%	10.6%	10.7%
Construction	3.9%	5.4%	4.8%	4.9%
Motor trades	2.8%	2.9%	2.3%	2.4%
Wholesale	2.8%	2.6%	3.1%	3.3%
Retail	12.0%	10.9%	9.7%	9.5%
Transport & storage (inc postal)	3.0%	2.6%	3.4%	3.3%
Accommodation & food services	6.5%	7.5%	7.5%	9.3%
Information & communication	5.4%	2.4%	2.6%	2.1%
Financial & insurance	0.7%	1.0%	3.3%	2.4%
Property	1.5%	1.4%	1.6%	1.4%
Professional, scientific & technical	2.2%	3.1%	5.8%	5.0%
Business administration & support services	4.3%	5.1%	6.9%	6.3%
Public administration & defence	6.5%	5.4%	7.8%	7.2%
Education	8.2%	8.8%	8.9%	8.6%
Health	20.7%	20.4%	14.8%	15.1%
Arts, entertainment, recreation & other services	3.3%	3.4%	3.8%	3.6%

Source: BRES 2019

[35] For instance, by interviewing Local Candidates identified by the appropriate approved Partnership Organisations that the Developer considers to be job or training ready and who meet the requirements of the person specification and the job description

Business Counts

Despite accounting for a relatively limited proportion of employment, construction firms represent the largest number of businesses in Merthyr Tydfil, with 18.9% of business units. This is notably higher than the wider geographies of the Merthyr Tydfil TTWA (15.0%), Cardiff Capital Region (11.7%) and Wales (11.1%) and reflects the high proportion of microbusinesses in Merthyr Tydfil, with 95% of construction firms employing between 0-9 members of staff. The next largest sector by number of businesses is retail which accounts for 13.1% of businesses in Merthyr Tydfil, more than the Merthyr Tydfil TTWA (11.8%), Cardiff Capital Region (10.9%) and Wales (10.2%). Merthyr Tydfil also registers a large proportion of businesses in the accommodation and food sector (160 units accounting for 9.3% of all local businesses). The strong foundation across these sectors could present opportunities within the supply chain during the construction and operation of Rhydycar West, while the project will drive direct and indirect opportunities e.g. for operators of retail/food and beverage outlets onsite and school ski trip operators.

Table 5. Business Count by Unit

	Merthyr Tydfil	Merthyr Tydfil TTWA	Cardiff Capital Region	Wales
Agriculture, forestry & fishing	1.5%	5.0%	2.7%	10.6%
Mining, quarrying & utilities	1.2%	0.9%	0.8%	0.8%
Manufacturing	4.4%	5.8%	5.4%	5.3%
Construction	18.9%	15.0%	11.7%	11.1%
Motor trades	3.5%	3.9%	3.4%	3.3%
Wholesale	3.5%	2.8%	3.3%	3.2%
Retail	13.1%	11.8%	10.9%	10.2%
Transport & storage (inc postal)	5.5%	5.4%	5.6%	5.1%
Accommodation & food services	9.3%	9.1%	8.0%	8.4%
Information & communication	2.9%	2.8%	4.9%	3.7%
Financial & insurance	1.7%	1.7%	2.6%	1.9%
Property	2.0%	2.0%	3.3%	2.7%
Professional, scientific & technical	7.3%	8.8%	11.7%	9.8%
Business administration & support services	7.0%	6.6%	7.8%	7.4%
Public administration & defence	1.2%	1.3%	1.3%	1.4%
Education	2.9%	2.7%	2.8%	2.5%
Health	7.6%	7.1%	6.7%	6.2%
Arts, entertainment, recreation & other services	6.7%	7.0%	7.1%	6.5%

Source: UK Business Counts, 2020

Qualifications

The breakdown of qualifications amongst the comparator areas outlines the scale of the skills challenge in Merthyr Tydfil. The local authority area lags behind the Cardiff City Region and Wales averages by approximately 10 percentage points across all recognised qualification levels, with a similar, if slightly more muted picture evident across the wider Merthyr Tydfil TTWA. Furthermore, the proportion of residents with no qualifications sits at 14.9% in Merthyr Tydfil and 12% across the Merthyr Tydfil TTWA, significantly higher than that of the Cardiff Capital Region (7.8%) and Wales (7.7%).

The Rhydycar West project has the potential to support skills development across vital areas of the foundational economy, through progressive employment opportunities to boost the prospects of local residents and ensure attractive opportunities and career pathways are available to people across demographic groups.

Table 6. Highest qualifications of residents

	Merthyr Tydfil	Merthyr Tydfil TTWA	Cardiff Capital Region	Wales
% with NVQ4+ - aged 16-64	28.7%	31.3%	40.4%	38.5%
% with NVQ3+ - aged 16-64	45.5%	49.5%	59.2%	58.3%
% with NVQ2+ - aged 16-64	64.6%	69.8%	76.5%	76.5%
% with NVQ1+ - aged 16-64	77.3%	81.8%	86.2%	86.7%
% with no qualifications (NVQ) - aged 16-64	14.9%	12.0%	7.8%	7.7%

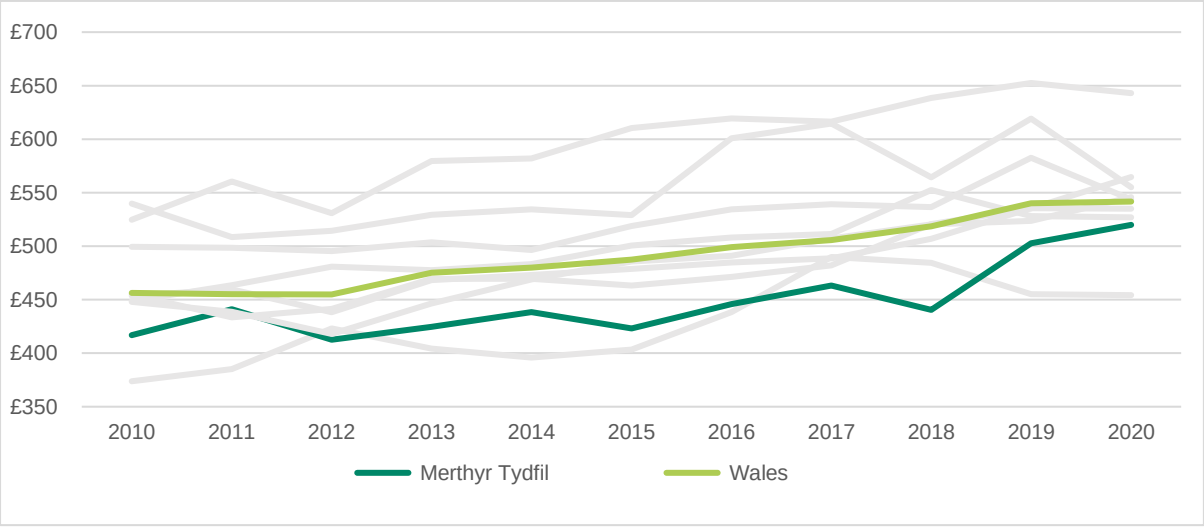
Source: Annual Population Survey, 2020

Earnings

Earnings data shows that Merthyr Tydfil has lower average earnings than the wider geographies. In 2021 the median gross weekly earnings stood at £520, lower than the average across Wales (£542). Looking over time, the gap between Merthyr Tydfil and Wales has narrowed to the closest point since 2011, though the county has been consistently lower over the last 10 years. There has been a notable increase in earnings since 2018, where the level in Merthyr Tydfil was at £441, before increasing by 18% to reach its 2020 level.

Earnings data for the whole of the Cardiff Capital Region is not available but the constituent counties have been included in Figure 4. In 2012, 2017 and 2018, earnings in Merthyr Tydfil were the lowest in the Cardiff Capital Region. However, since 2019, earnings have been greater than Blaenau Gwent, and close to the levels of Bridgend and Caerphilly.

Figure 4. Median weekly pay (gross) for full time workers



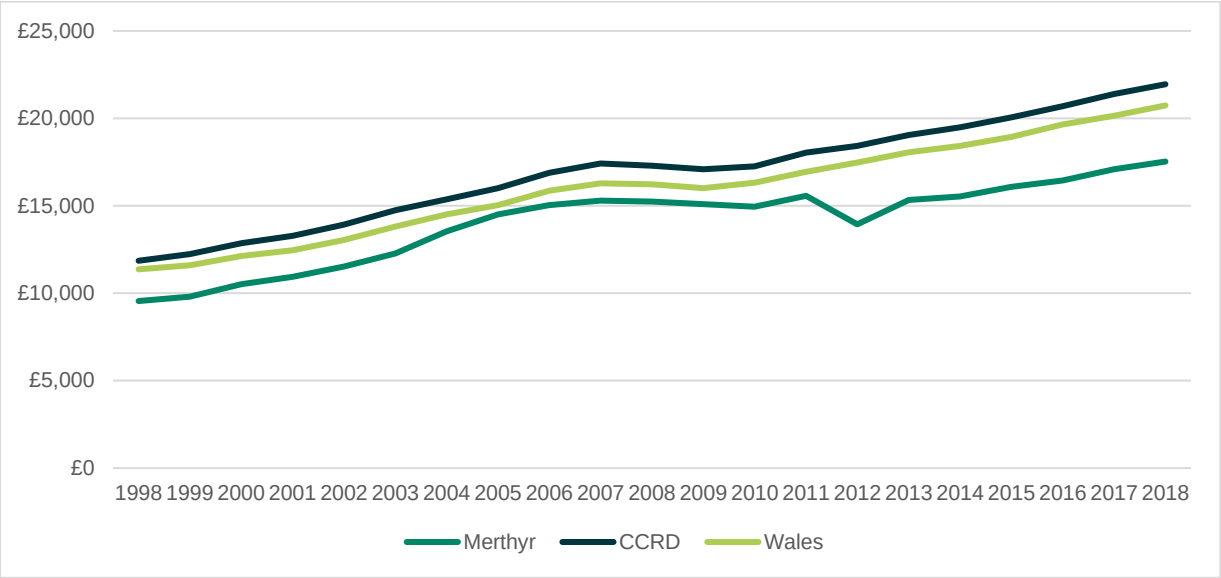
Source: Annual Survey of Hours and Earnings – Resident Analysis (ONS, 2020)

Productivity (Gross Value Added)

Productivity, as measured by gross value added per head, in Merthyr Tydfil stood at £17,530 as of 2018, 20% lower than the Cardiff Capital Region (£21,950) and 15.5% lower than the Welsh average (£20,738). GVA per head has lagged behind all comparator areas over the time series presented below. It is notable that Merthyr Tydfil saw a significant dip in productivity in 2011/2012 and has yet to recover to close the gap that has opened compared with the comparator areas.

Taken together, the earnings and productivity data reflect the challenging skills environment in Merthyr Tydfil, with lower qualification levels driving lower productivity and therefore wages, though encouragingly wage levels have picked up in recent years. Addressing the skills challenge in Merthyr Tydfil, through both academic qualifications and in-work training, will be vital to improving economic outcomes for the town and wider Cardiff Capital region.

Figure 5. GVA per head



Source: Gross Value Added (Balanced Approach) per head of population at current basic prices, 2018

Deprivation

According to the Welsh Index of Multiple Deprivation, there are 36 Lower Super Output Areas (LSOAs) in Merthyr Tydfil, 8 of which fall within the 10% most deprived areas in Wales. While the area performs relatively poorly across most domains, there are particular challenges in terms of income and employment deprivation in areas to the north of Merthyr Tydfil town centre including Penydarren, Gurnos and Cyfarthfa, while Merthyr Vale to the south also contains areas facing significant challenges.

Merthyr Tydfil is also subject to a range of challenges which link to the relatively high levels of deprivation recorded in the local authority area:

- The number of households presenting to the local authority as homeless was 98.35 per 10,000 households. This is above the Wales average of 84, with the successful relief rate standing at 33%, below the national average of 41%[36].
- Anti-Social Behaviour has increased in the town centre by 81% for the period April 2020 to September 2020 compared to the same period for 2019. While this may be driven by challenges associated with the COVID-19 pandemic, it represents a significant increase on previous levels[37].

Rhydycar West has the potential to make a positive impact on the area's deprivation performance through the provision of a range of employment opportunities which can reduce income and employment deprivation that impact certain areas of Merthyr Tydfil. Furthermore, the range of leisure opportunities presented on site has the potential to address some of the causes of antisocial behaviour, with boredom/a lack of things to do an often-noted cause of youth antisocial behaviour[38]. In this regard, the developer will work with the operator in order to

[36] Merthyr Tydfil Homelessness Strategy 2019-2023
[37] https://democracy.merthyr.gov.uk/documents/s52708/Committee%20Report.pdf?LLL=0
[38] Joseph Rowntree Foundation Anti-social behaviour strategies Finding a balance 2005

encourage adoption of preferential rates and tariffs for local residents at appropriate periods during the week in order to further promote the benefits of the development in the local area.

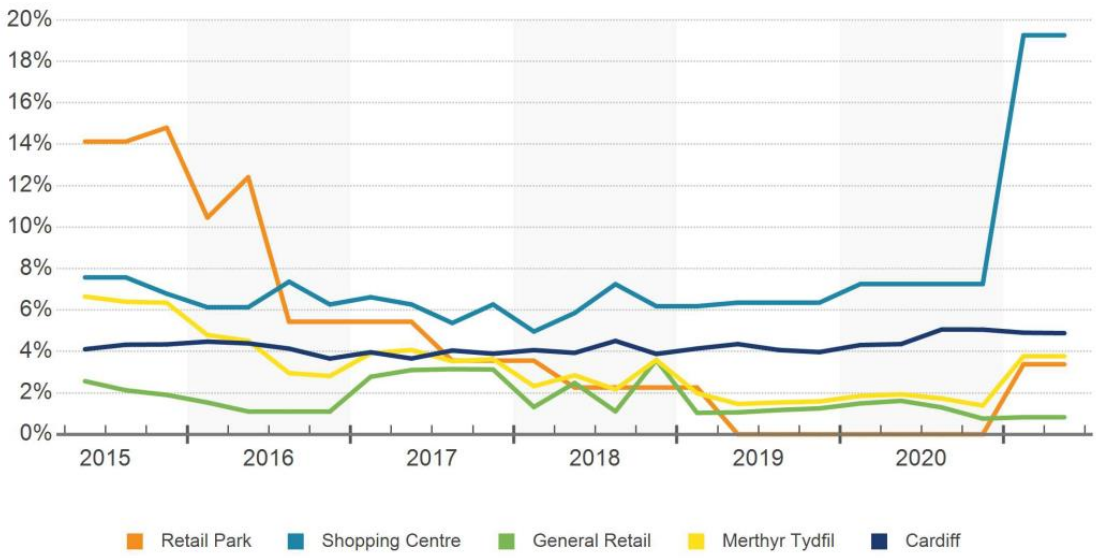
Commercial Trends

Commercial property market data reflects the challenges facing Merthyr Tydfil. While vacancy rates are low in the office market, there is limited activity, with no new development over the past 3 years and only a handful of properties having traded in the Merthyr Tydfil submarket over the past three years. Office stock in the town is generally of a lower quality, with market rents sitting at £11.81 per square foot.

A similar picture is evident in the retail market, with the vacancy rates low but rental growth rates falling by an average of 2.3% per annum over the past 5 years. The scale of the upcoming challenge facing the rental market may be reflected by the availability rate, which has registered a jump from the start of the pandemic.

The scale of the Rhydycar West development offers the potential to drive demand within the wider economy, and its proximity to the town centre could act to boost footfall and expenditure thereby reinvigorating the high street, local retail and food and beverage offer via increased visitor numbers. This could have positive implications for demand in the local commercial property market.

Figure 6. Leasing availability rate in the Merthyr Tydfil retail market



Source: CoStar

3.4 Summary

The evidence outlined above has demonstrated that Merthyr Tydfil is subject to a range of challenges:

- The local authority area has an ageing population and suffers from low economic activity rates
- Merthyr Tydfil suffers from significant skills challenges and lower-than-average wages, which are likely drivers of low productivity within the local economy.
- There are pockets of high deprivation, such as to the north of Merthyr Tydfil town centre, which suffer particularly in relation to skills and employment and poor health outcomes.

These challenges come against the backdrop of the Covid-19 pandemic, which resulted in a high proportion of employments being furloughed and Merthyr Tydfil registering the highest take-up rate of the self-employment income support scheme (SEISS) across all Welsh local authorities. The long-term impact on the labour market is yet to be felt and uncertainty over the economy and the threat of new variants remains. Furthermore, the pandemic triggered an unprecedented hollowing-out of high streets up and down the country[39] with footfall hit and shift to online retail, at a time when Merthyr Tydfil had already seen a number of high-profile closures in recent years.

[39] https://www.centreforcities.org/high-streets/

The Rhydycar West development would help to address these challenges, through the provision of progressive employment opportunities to boost the prospects of local residents and ensure attractive opportunities and career pathways are available to people across demographic groups, with training and development activities to support these utilising local providers. Moreover, the visitor numbers and associated demand driven by Rhydycar West could act as a shot in the arm for the town centre as it looks to recover from the pandemic.

The development demonstrates a clear alignment with local policy priorities as outlined in Welsh Government's Economic Resilience and Reconstruction Mission, acting to boost the foundational economy and protect and enable skills and employment; as well as the objectives of the Well-being of Future Generations Act, CCR City Deal Strategic Business Plan and Merthyr Tydfil Economic Growth Strategy. Moreover, the nature of the project aligns with Visit Wales' Priorities for the Visitor Economy through its ability to stimulate investment in Wales's adventure offer, generate activity during off-peak periods and drive prosperity in South East Wales, thereby contributing more to Wales's GVA.

Rhydycar West would stand to tap into significant ski and wider visitor markets, including the 1.6 million people from the UK that go on Ski holidays each year in a wider global market of 350 million ski visitors. This demand is further supported by participation figures which show 215,000 adults in Wales registering demand for participating in skiing and/or snowboarding and 226,200 adults in England participating in a snow sport on a monthly basis.

With the investment targeting wider special interest visitors including the adrenaline and adventure sport tourism and leisure markets, alongside the growth in staycations and Welsh visitor numbers this will help drive additional high-value tourism, and open up new activities and wellbeing opportunities to visitors and local communities.

4. Economic Rationale

This section assesses a range of economic and fiscal impacts that could potentially arise as a result of the Rhydycar West development. These include employment opportunities within the local labour market during construction and operation, the associated Gross Value Added generated by workers within the local economy, and wider benefits including visitor expenditure and business rates receipts. These have been quantified based on technical input from operators, cost consultants and architects and benchmarks from previous projects and recognised sources such as HCA and MHCLG.

4.1 Quantified Benefits

Construction Employment

Gross Employment Effects

The Rhydycar West development will result in an increase in construction activity, generating new construction jobs. These construction jobs will result in a positive impact on the local economy during the construction phase, with the expenditure involved in the construction phase leading to increased output being generated. The following assumptions relate to the calculation of gross construction employment effects:

- Total construction cost of £255.5m based on Gleeds cost plan
- A labour coefficient of 16.6 employees per £1m of CAPEX in line with HCA Calculating Cost Per Job – Best Practice Note 2015 (3rd Edition)
- A three year construction period, based on information from Marvel Limited.

The gross direct construction employment associated with the development is forecast to average 1414 per annum, over the three year construction period.

Net Employment Effects

To ensure the true added value of a development is assessed, appropriate adjustments are required to assess the net rather than gross effect of construction activity. These relate to:

- Deadweight – the ‘deadweight’ or ‘reference case’ refers to the outcomes or outputs that would happen anyway without a proposed intervention going ahead; this is the ‘do nothing’ approach.
- Leakage – the proportion of employment benefits going to people outside of the targeted areas or groups (in this instance the Merthyr Tydfil TTWA).
- Displacement – the extent to which the benefits of the investment are offset by reductions of output or employment elsewhere. Any additional demand for labour cannot simply be treated as a net benefit as it removes workers from other posts and the net benefit is reduced to the extent that this occurs.
- Multiplier Effects – Multipliers quantify the further economic activity (e.g. jobs, expenditure or income) stimulated by the direct benefits of an intervention. They take two principal forms: an income (“induced”) multiplier which is associated with additional income to those employed by the project (income multipliers) and a supply (“indirect”) multiplier, with local supplier purchases (supplier multipliers).

The additionality assumptions applied to the gross construction impacts are set out in the table below:

Table 7. Construction Employment Additionality Assumptions

Additionality Factor	Merthyr Tydfil TTWA level	Rationale
Deadweight	0%	The site of the proposed development does not support employment uses and therefore deadweight is set at 0%.
Leakage	21.3%	In line with the latest Census data from 2011. This shows that 78.7% of jobs in the Merthyr Tydfil TTWA are taken by local residents.
Displacement	25%	It is anticipated that the Proposed Development may accommodate employment activities previously located elsewhere. However a low displacement rate of 25% is assumed, based on the

		ready reckoner set out in Table 4.8 of the HCA (2014) Additionality Guide.
Multiplier effects	1.46	In line with the mean benchmark composite multiplier for capital projects at the sub-regional level set out by BEIS.

The application of these additionality assumptions is outlined below:

Table 8. Net Construction Employment Calculations

	Merthyr Tydfil TTWA	Outside Merthyr Tydfil TTWA	Total
Gross Direct Employment	1113	301	1414
Displacement	278	75	353
Net Direct Employment	835	226	1061
Indirect & Induced Employment	384	104	488
Total Net Employment	**1219**	**330**	**1549**

Source: AECOM calculations

Construction GVA

Gross Value Added (GVA), is used across government to measure national, regional and sub-regional economic performance. GVA is widely recognised by Her Majesty's Treasury (HMT) and regional and sub-regional policy makers as a measure of local economies.

The total net construction employment is converted to GVA by application of a GVA per construction worker figure of £68,351 at the Wales level[40]. The GVA impact is presented in the table below:

Table 9. GVA Impact During Construction

GVA in Merthyr Tydfil TTWA	GVA outside Merthyr Tydfil TTWA	Total GVA
£249,959,607	£67,667,490	£317,627,097

Source: AECOM calculations

Operational Employment

Gross Operational Employment

Once operational, the Rhydycar West development will generate long-term employment across the various leisure-focused elements of the scheme. Various sources and assumptions have been utilised to estimate the employment impact during operation:

- **Leisure Elements** – operational employment has been estimated for the Indoor Snow Centre based on data from operators of comparable Snowcentre and leisure facilities. The employment for the Tropical Water Park and Indoor and Outdoor Activity Centres have been estimated using payroll forecasts from the Rhydycar West consultant team and average gross annual salary data for the Merthyr Tydfil TTWA[41] from ONS Annual Survey of Hours and Earnings[42].
- **Accommodation, food and retail elements** – operational employment has been estimated for the Hotels, Lodge and Glamping Zone, Retail and Food and Beverage elements by applying employment density benchmarks from the HCA Employment Density Guide 3rd Edition to the floorspace/number of bed spaces associated with these elements from the Rhydycar West Masterplan.

[40] ONS Regional gross value added (balanced) by industry: local authorities by NUTS1 region; ONS BRES 2019.
[41] Assumed due to the TTWA being the main labour catchment area.
[42] ONS Annual Survey of Hours and Earnings – Resident Analysis 2020. Full-time workers Annual Pay (Gross).

Table 10. Gross Operational Employment at Rhydycar West[43]

Element	FTE	Source / Assumption
Indoor Snow Centre	246	Comparable operator
Tropical Water Park	109	Payroll data; ONS ASHE (2020)
Indoor and Outdoor Activity Centre	76	Payroll data; ONS ASHE (2020)
Hotels	189	HCA Employment Density Guide 3rd Edition • 100 rooms – Luxury Hotel • 198 rooms – Mid-Scale Hotel • 120 rooms – Budget Hotel
Lodge and Glamping Zone	6	30 lodges; HCA Employment Density Guide 3rd Edition (Budget Hotel)
Ancillary Retail, Food & Beverage floorspace[44]	141	3,094.5m^2 floorspace; HCA Employment Density Guide 3rd Edition; GIA to NIA conversion of 80%
Total	**769**	

These calculations suggest that gross direct employment will reach 769 full-time equivalents at peak operation[45].

Net Operational Employment

The following additionality assumptions are applied to calculate the net additional operational employment impacts:

Table 11. Operational Employment Additionality Assumptions

Additionality Factor	Merthyr Tydfil TTWA level	Rationale
Deadweight	0%	The site of the proposed development does not support employment uses and therefore deadweight is set at 0%.
Leakage	21.3%	In line with the latest Census data from 2011. This shows that 78.7% of jobs in the Merthyr Tydfil TTWA are taken by local residents.
Displacement	50%	The uses (A1, A3, C1 and D2) associated with the development are subject to displacement, owing to worker shortages/high vacancies[46]. As such, a "medium ready reckoner of 50% is adopted, based on Table 4.8 of the HCA Additionality Guide 4th Edition.
Multiplier effects	1.38	In line with the mean benchmark composite multiplier for recreation as set out in HCA Additionality Guide 4th Edition.

Source: AECOM assumptions

The application of these additionality assumptions demonstrates that Rhydycar West will generate an average 531 net additional employment opportunities once operational, of which 418 will be within the Merthyr Tydfil TTWA, as outlined in the table below, this represents approximately 1% of total current employment :

[43] Based on most recent operational data provided
[44] Note it is not possible to split out the retail and F&B space for separate analysis and therefore there may be an element of double counting with the hotel employment
[45] Assumed at Year 15, with salary data inflated by the average GDP deflator of 2% per annum. Note, any difference due to rounding.
[46] https://www.bbc.co.uk/news/business-57817775

Table 12. Net Operational Employment Calculations

	Merthyr Tydfil TTWA	Outside Merthyr Tydfil TTWA	Total
Gross Direct Employment	605	164	769
Displacement	303	82	385
Net Direct Employment	303	82	385
Indirect & Induced Employment	115	31	146
Total Net Employment	418	113	**531**

Operational GVA

The total net operational employment is converted to GVA by application of a GVA per worker figure of £50,406[47]. The GVA impact is presented in the table below:

Table 13. GVA Impact During Operation

GVA in Merthyr Tydfil TTWA	GVA outside Merthyr Tydfil TTWA	Total GVA
£21,049,045	£5,696,883	£26,745,928

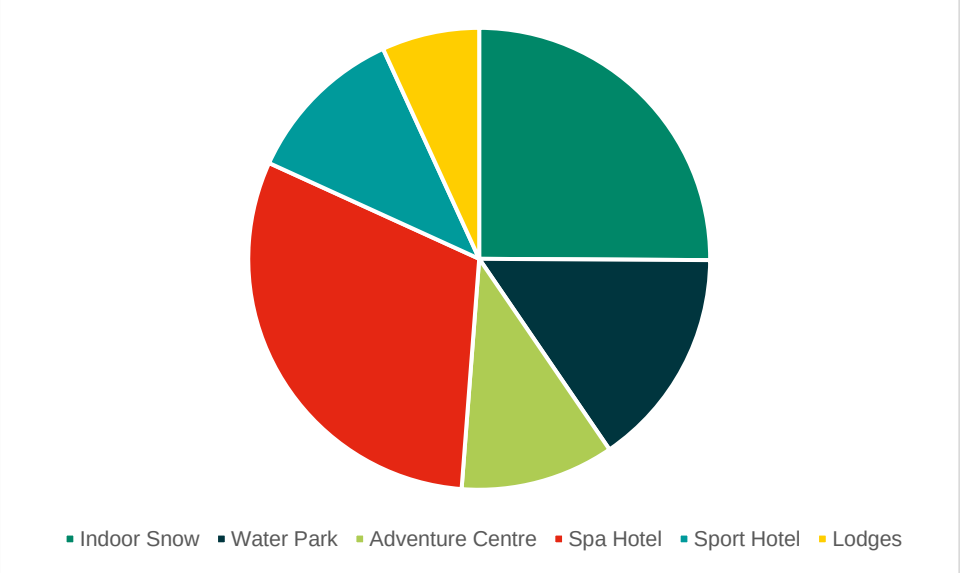
Once operational Rhydycar West will boost GVA by £26.7 million per annum at peak, of which £21.0 million will remain within the Merthyr Tydfil TTWA.

4.2 Wider Benefits

Visitor Expenditure

Once operational, Rhydycar West will generate expenditure from visitors, with forecasts in line with the below:

Figure 7. Visitor Expenditure by Attraction[48]



Total visitor expenditure across all leisure elements is expected to total £49.8 million in the first year of operation, rising to £66.56m by Year 5. This is driven by the Spa Hotel and Snow Centre which account for 58% of total expenditure.

[47] ONS Regional gross value added (balanced) by industry: local authorities by NUTS1 region: Wales.
[48] Rhydycar West Financial Forecasts

Business Rates

Business rates are calculated by multiplying the rateable value of a property by a factor set by central government each year. This is known as the multiplier, and the standard rate currently stands at 53.8p, as set by Welsh Government.

The rateable value of the Rhydycar West Development will be calculated by the Valuation Office Agency (VOA) however using experimental statistics from the VOA it is possible to estimate the rateable value of the proposed development:

Table 14. Forecast of Business Rates Payable

GIFA	RV per m^2	Rateable Value	Business Rates Multiplier	Business Rates Payable
58,863m^2	£59.75	£3,517,319	£0.538	£1,892,318

Source: Rhydycar West Masterplan; VOA Business Floorspace (Experimental Statistics)[49]; National Non-Domestic Rating Multiplier Wales

Different parts of a property will have different relative values depending on their floor level and type of accommodation, with valuation scales reflecting these. Therefore, the average rateable value per square metre in the above table should be interpreted with caution as the data has the potential to overestimate or underestimate the business rates payable.

4.3 Non monetised Benefits

In addition to the benefits discussed above, the proposed scheme could help deliver a wider range of qualitative benefits. While it is not possible to quantify or monetise these at this stage, they are outlined below:

Driving further investment in the local economy and boost the regeneration of Merthyr Tydfil

The forecast impact of Rhydycar West in terms of tourism numbers has the potential to drive investment into the local economy, through visitors' interaction with the Merthyr Tydfil and its wider attractions and the expenditure associated with these activities.

Consultation with Merthyr Tydfil business indicated that existing investment in Bike Park Wales has had a positive impact in this regard, with takings increasing during peak season. However, Bike Park Wales receives around 80,000 visitors per annum[50] whereas Rhydycar West is forecast to register over c.750,000 visitors per annum to the Snow Centre alone, suggesting greater scope for positive impacts.

A similar experience is evident in relation to Center Parcs. Despite an assumption that a Center Parcs Holiday Village is a fully inclusive experience, with guests having no incentive to leave during their break, a survey of visitors found that around 18% of respondents left one of the Center Parcs Villages to visit shops/pubs/restaurants or to visit a tourist/ leisure attraction[51]. This was highest in Longleat due to the proximity of wider attractions such as Longleat Hall and Safari Park, with the report noting that visits to Longleat from Center Parcs visitors could be worth around £1m per annum to the stately home. A similar conclusion could be drawn between Rhydycar and nearby attractions such as Cyfarthfa Castle. Indeed, of the 12% of respondents overall said they had visited a tourist attraction during their stay, 49.5%, were to a stately home or garden.

Furthermore, despite offering a range of accommodation options on-site, there will be the opportunity accommodation providers outside of the development to accommodate visitors to Rhydycar West. Indeed, Visit Wales noted that Zip World's offer supported North Wales' occupancy growth rate for serviced accommodation in particular[52]. Moreover, Zip World has noted an increasing trend of visitors' average spend increasing, driven by more accommodation on offer and the presence of wider attractions. As of 2018, 12.77% of visitors who went to Zip World in the past year spent more than £1,001 – a 4.46% increase year on year. Conversely, visitors spending £0-£100 decreased by 7.8% from 3 years ago and 3.27% from the previous year.

[49] Note: VOA Experimental Statistics were produced for Welsh Local Authorities in 2012, with an average value of £50 for "other uses" in Merthyr Tydfil. An average GDP deflator of 2% has been applied to this figure to present in current prices.
[50] https://www.itv.com/news/wales/2019-10-18/extra-30-million-for-merthyr-as-number-of-tourists-visiting-almost-doubles
[51]
[52] Visit Wales, 2016

Table 15. Zip World Average Visitor Expenditure per Trip 2018

	Less than 1 year ago	1 year ago	2 years ago	3 or more years ago
£0-£100	15.77%	19.04%	18.01%	23.57%
£101 - £250	23.83%	28.51%	29.70%	29.30%
£251 - £500	27.54%	29.31%	29.62%	24.84%
£501 - £1000	20.09%	14.84%	15.77%	15.29%
£1000 - £1500	6.05%	4.03%	3.04%	3.82%
£1501 - £2000	3.09%	1.68%	1.92%	0.64%
£2001 - £3000	1.34%	0.63%	0.24%	0.64%
£3001+	2.29%	1.97%	1.68%	1.91%

The scale of the Rhydycar West development would stand to have a significant impact through associated expenditure – particularly in relation to the retail, accommodation and food and beverage offer in the town centre should capacity not be available on site to accommodate all visitors or as a means of offering variety outside of Rhydycar West's offer. Rhydycar West will also act to reduce the seasonality of visitor expenditure through its year-round, all-weather offer. This would not only benefit established businesses but could encourage further investment and new business ventures to tap into increased demand in the local economy driven by the development.

Developing a reputation for sporting excellence

The Rhydycar West project has secured the support of GB Snowsport which will utilise the facilities for the training and development of elite competitors. As things stand, GB Snowsport have to travel to the Landgraaf indoor snow centre in the Netherlands, operated by SnowWorld, out of season to access suitable training conditions and Brexit has made the environment more challenging, resulting in GB Snowsport having to change location after 90 days. GB Snowsport envisage Rhydycar West as being the National Centre of Excellence from May – October to ensure athletes are UK-based for large portions of time and do not have to compromise on the standard of facilities available to them. The high-quality specification of the facilities – built to FIS (International Ski Federation) standards – will also enable the venue to host national and international competitions as well as international team training. Furthermore, SnowSport Wales plans to utilise Rhydycar West as its national base from which to run programmes (e.g. training sessions/kids sessions/regional team) in order to nurture home grown talent and to boost snow sports participation, reaching out to both able bodied and disabled adaptive snow Sports.

These key partners, and the activities they support, present the opportunity for Rhydycar West to develop a reputation as a centre for sporting excellence, which in turn could allow it to support events and place Merthyr Tydfil at the forefront of snow sports, both domestically and internationally. Similar experiences have been seen in other locations which have developed reputations as centres of sporting excellence.

The HSBC UK National Cycling Centre in Manchester is the home of British Cycling/Team GB. The velodrome opened in 1994 to support Manchester's hosting of the 2002 Commonwealth Games, and facilities have since expanded to include a £24m purpose built indoor BMX Complex and wider facilities for British Cycling. The Centre has cemented Manchester's reputation for cycling through its use by high profile athletes, the number of renowned cycling events it stages[53] and overall standard of facilities which are available to the wider public, while the city's reputation has also seen the establishment of the Manchester Cycling Academy (a dedicated college which links academic studies with being a full-time cyclist) and levered investment from bicycle manufacturers. For instance, Hero Cycles, which builds one in every 20 of the planet's bicycles, set its Global Design Centre close to the national velodrome[54].

[53] The HSBC UK National Cycling Centre hosts racing via the ACT and MRTL Track Leagues. It also hosts Major Events such as the Revolution Series and International Events such as the World Masters Track Championships.
[54] https://inews.co.uk/news/uk/worlds-biggest-bicycle-maker-launches-global-design-centre-manchester-45304

Development of the area as a destination, anchored by Rhydycar West

As previously noted, Rhydycar West will act as an anchor attraction in South East Wales but will also link to other leisure-oriented attractions in the surrounding area such as Bike Park Wales, Zip World Tower, Rock UK Summit Centre, the Taff Trail and the Brecon Beacons, as well as the wider retail and heritage offer nearby. As such, the development has the potential to be a vital anchor element in the development of a destination offer in this part of South East Wales, helping to drive visits from both domestic and international tourists. The success of this model has been seen in North Wales, with a range of activity-focused attractions through Zip World's 3 sites at, Bethesda, Blaenau Ffestiniog and Betws-y-Coed, Greenwood and Surf Snowdonia leading to the region developing a reputation for adventure tourism[55].

4.4 Social Value

As outlined above, large-scale infrastructure projects will generate a variety of socio-economic impacts. There is growing recognition that these impacts can provide opportunities for local people. Such impacts can be maximised even further, by providing opportunities for disadvantaged individuals and communities. There are a growing number of examples of large-scale infrastructure projects which have sought to maximise the socio-economic effects through a variety of mechanisms. Here we highlight the range of examples and lessons from best practice, and outline how Rhydycar West could potentially generate social value within its host community.

Local Labour

A key metric for delivering social value from large scale developments is through the use of local labour, thereby supporting sustained employment and expenditure in the local economy. This is predominantly targeted through the construction phase, with benchmark examples set out below.

- Wrexham Prison set a target of 50% of the construction workforce within 50-mile radius / 1-hour drive time of the site.
- Wylfa Newydd – 2,000 of 9,000 construction staff (22%) would already reside within the daily construction commuting zone (equating to a travel time of approximately 90 minutes from the Wylfa Newydd Development Area)
- Hinckley Point C – 34% local labour target at peak construction (local area defined as the counties of Somerset, North Somerset and part of Bath and North East Somerset)
- Thames Tunnel – target of 25% % of workers employed within the 14 boroughs affected by the works / 30% of workers living in London, Essex or Kent
- Crossrail – 95% of the construction jobs filled by local people.

These benchmarks vary significantly based on the nature of the project and the labour catchment area in which they work.

In relation to local labour during the operational period, this fluctuates in relation to the nature of major infrastructure projects and limits comparability to the Rhydycar West experience. However, evidence suggests that 80% of Center Parcs' employees based at Elveden, Sherwood and Longleat live within a 12-kilometre radius of the Villages. Moreover, as previously stated, 93.3% of Zip World's employees in North Wales reside within Conwy and Gwynedd.

[55] https://www.dailypost.co.uk/business/business-news/incredible-number-thrill-seekers-zip-15382532

Apprenticeship Programmes

Apprenticeship programmes have been developed across many large-scale infrastructure projects. In many cases, the apprenticeships are expected to be delivered through the construction supply chain, which has involved passing planned commitments to contractors through the procurement process.

- Wrexham Prison set a target of 100 apprentices during the construction phase of the project, roughly amounting to 1 apprenticeship per £2m of construction expenditure.
- Department for Transport – 1 apprenticeship per £3-5m of contract spend.
- Circle Housing Group – 1 apprenticeship per £0.5m of contracted spend.
- North West Construction Hub – 1 apprenticeship per £1m of construction spend.
- Nottingham City Homes Investment Programme – 1 apprenticeship per £1m of construction spend.

The ability to generate social value through apprenticeships has also extended into the operational period for large scale projects.

Wylfa Newydd – During the planning process for the Wylfa Newydd development project developer Horizon saw 10 apprentices start with local provider Grŵp Llandrillo Menai in 2016, with a further 11 in the 2017 cohort and 12 in the 2018 cohort. These were to undertake a Level 2 Performing Engineering Operations qualification, followed by a BTEC Level 3 and NVQ Level 3 in a chosen engineering discipline. The three-year programme involved a common first year, after which the apprentices will be streamed into either electrical, control and instrumentation or mechanical routes. With 1/3 of the operational workforce (850 employees) required to be skilled to technician level, the apprenticeship route was expected to be an important entry point to a career at Wylfa Newydd.

Thames Tideway Tunnel – One in 50 jobs across the Tideway sites is an apprenticeship, with apprenticeships offered in areas ranging from civil engineering, boatmasters, business administration and digital engineering. More than 100 apprenticeships have been offered since the project started, ranging from intermediate, advanced and higher to a degree level. 18 apprentices working at Tideway have completed and gone on to either a higher apprenticeship or employment.

Apprenticeships are also a vital means of ensuring the workforce has the requisite skills and that a pipeline of talent is developed to ensure future success. Since 2017, Center Parcs has offered the Level 3 Team Leader Apprenticeship standard alongside an Institute of Leadership & Management (ILM) Level 3 Diploma in Management. It now has over 150 apprentices in place across the business, against a total headcount of 7,500 employees[56]. Since the introduction of the apprenticeship programme, Center Parcs has seen a 20% shift in either job promotions or transfers amongst the apprentices[57].

Local Content

Another mechanism for maximising the social value of the Rhydycar West project within the local economy is through ensuring procurement benefits local firms and suppliers. This is of particular importance in Wales given Welsh Government's focus on the foundational economy and priority to support the sectors that provide the infrastructure of everyday life, including construction. Evidence from large-scale infrastructure projects identifies a range of local content benchmarks:

- Wrexham Prison – 14% (£30m) of the estimated £212m build cost was spent with local suppliers, defined as within 50 miles of the development.
- Thames Tunnel – 15% of packages awarded in London, with 45% within the Thames Tideway region
- Crossrail – 49% of contracts awarded to London based firms
- Center Parcs – the original construction of the Sherwood, Longleat and Elveden sites resulted in local contractors and suppliers gaining a share of 23%, 22% and 21% of the total construction costs, respectively. Ongoing annual refurbishment required at the sites sees an average of 62.5% paid to local contractors and suppliers within a 20-mile radius of each respective site.

More generally, according to the Federation of Small Businesses, 31% of UK Local Authority spending is within its own boundary, with an increased focus on local procurement owing to trends associated with the Preston

[56] https://www.centerparcs.co.uk/company-information/our-responsibilities/our-people.html#:~:text=We%20employ%20around%207%2C500%20individuals,their%20position%20within%20the%20company.
[57] https://hittraining.co.uk/center-parcs-celebrates-apprentice-trailblazers

Model[58] and the aforementioned focus on the foundational economy likely to see this increase. The use of local content can also extend to the operational period of developments, for instance the local food and drink sector could significantly benefit from the opportunities provided by the facilities management and catering contracts. As an example, Center Parcs' average expenditure with suppliers located within 20 miles is £3.89 million per village, increasing to £18.74 million per village within a 50-mile radius.

SME content

Linked to local content, another metric for delivering social value is the percentage of expenditure with small and medium sized enterprises i.e. those with fewer than 250 employees. The experience from large scale infrastructure projects outlines a range of benchmark levels:

- ODA – 68% of suppliers classified as SMEs
- Crossrail – 58% of businesses with contracts are SMEs
- Thames Tunnel – 55% of work packages awarded to SMEs
- Sellafield – target 25% of contracts awarded to SMEs by value

Based on the benchmarks established above, Rhydycar West could potentially generate social value within the local area.

Table 16. Social Value Benchmarks

	Benchmark	High	Low
Local labour (construction)	Percentage of work force within a defined TTWA	95%	22%
Local labour (operation)	Percentage of workforce within defined a TTWA	93%	80%
Apprentices	No of apprentices per £million CAPEX	1 per £0.5m	1 per £3-5m
Apprentices	% of apprentices operational in workforce	2%	N/A
Local content (construction)	% in defined local area	49%	14%
Local content (operation)	% in local area	62.5%	31%
SME content	% value of all contracts to SMEs	68%	25%

In order to ensure Rhydycar West generates the maximum positive effect in terms of social value, the applicant will enter into a number of legally binding obligations to secure recruitment and training opportunities, as set out in the Planning Statement. These include submitting a schedule of likely employment and training opportunities at the Site and a list of appropriate Partner Organisations to be consulted on each opportunity (such as the Council, the local Job Centre Plus, Local Schools, Colleges and Training providers and Careers Wales). The Developer will work in partnership with the appropriate approved Partner Organisations in the recruitment of Local Candidates to employment and training opportunities arising at the Site. Furthermore, the developer will work with the operator in order to encourage adoption of preferential rates and tariffs for local residents at appropriate periods during the week in order to further promote the health benefits of the development in the local area.

[58] https://www.preston.gov.uk/article/1339/What-is-Preston-Model-

4.5 Summary

The analysis within this section of the report has highlighted the scale of the economic impact associated with this significant development:

- Rhydycar West would result in 1,549 net additional employment opportunities over the construction period; with 802 of these would be expected to come from the local labour catchment area.
- The construction of Rhydycar West would boost GVA by £317.6 million.
- Once operational, the Development would generate 531 net additional employment opportunities, with 418 of these opportunities expected to be taken by workers from the local labour catchment area.
- Rhydycar West would boost GVA by £26.7 million per annum at peak operation
- Total visitor expenditure across all leisure elements is expected to total £49.8 million in the first year of operation, rising to £66.6m by Year 5. This is driven by the Spa Hotel and Snow Centre which account for 58% of total expenditure.

Furthermore, the development could result in a number of additional benefits such as:

- Rhydycar West's year-round offer and proximity to Merthyr Tydfil town centre and wider retail assets offers the potential to support the long-term regeneration of the town by driving expenditure and footfall, thereby supporting the viability of established businesses and encouraging further investment/new business ventures to tap into increased demand in the local economy driven by the development.
- Building a reputation for sporting excellence in Merthyr Tydfil, linked to the international-quality facilities on offer and support of stakeholders such as SnowSport Wales and GB Snowsport, which plans to utilise the facility as its National Centre of Excellence. These key partners, and the activities they support, present the opportunity for Rhydycar West to place Merthyr Tydfil at the forefront of snow sports, both domestically and internationally.
- Development of the area as a destination, with Rhydycar West acting as an anchor attraction which links to other leisure-oriented attractions in the surrounding area such as Bike Track Wales, Zip World Tower, Rock UK Summit Centre, the Taff Trail and the Brecon Beacons, as well as the wider retail and heritage offer nearby.

Rhydycar West also stands to make a significant contribution to social value within Merthyr Tydfil and surrounding areas during the construction and operation of the project. The applicant will enter into a number of legally binding obligations to secure recruitment and training opportunities for local residents, as well as working work with the operator in order to encourage adoption of preferential rates and tariffs for local residents at appropriate periods in order to further promote the health benefits of the development in the local area.

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