

## **STAGE 1: Options Analysis Grangewaters Outdoor Education Centre and Park**

**Buckles Lane, South Ockendon, RM15 6RS**



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### **1 Introduction**

Benesse (UK) Ltd. was approached to undertake a review of the facilities and management arrangements at Grangewaters Outdoor Education Centre and Park and the core options available to the Council in respect of the future management of the site.

Benesse (UK) are a consultancy that provide analysis and management support across a range of health, leisure, education and cultural services. The author has experience in the commercial operation of outdoor facilities and business transformational projects.

The author met with existing management and staff at Grangewaters to discuss the current challenges and opportunities at the Centre. A review was undertaken of business plans and any financial and activity data for 2014-15 and 2015-2016.

The site was visited on a number of occasions to help understand its current management and operational arrangements.

A review of the competition was undertaken by visiting sites such as [Stubbers](#) in Essex and [Rock UK](#) in Tonbridge, Kent. By identifying scouting locations and RYA centres in the South East, from on-line research and analysis of sites such as the [Herts Young Mariners' Base](#), [Cheshunt](#) and taking soundings from a commercial operator and owner of activity centres.

This document represents the first stage of the process to regenerate Grangewaters and any recommendations are based solely on the information and priorities presented and identified at the time and have been put forward in good faith.

The results of the report were presented to a Commercial Board of Council Officer's.

## **2. Executive Summary**

The Grangewaters Outdoor Education Centre 75 acre site has a prime location on the outskirts of London, well serviced by the M25 and the A13 with a population in excess of two and a half million people within a 1hr drive time with associated schools, colleges and youth groups.

Engaging with the outdoors is now recognised by the government<sup>(4)</sup> and host of public bodies as the best way of improving physical and mental wellbeing and for developing social cohesion, healthy, safe and happy communities.

Grangewaters represents a high valued asset that should be maintained for future generations. However, with significant financial pressures and need to reduce expenditure, the current model of service delivery is not sustainable and changes are required. Consequently, a review of options is now underway.

The site turns over approximately £200,000 and over the past two years has moved from a position of losing £330,000 in 2014/15 to £130,000 in 2015/2016 with a projected break even in 2016/17. An ambitious plan has been put forward to suggest the site may deliver a surplus of £41,000 by 2019/2020 if supported under its current management arrangements.

The centre's infrastructure, facilities, pricing, marketing and programming are all adequate but in need of investment and development against a well thought through business plan. The site is not maximising its potential, largely due to the fact that in the current vibrant, growing market place for outdoor activities being adequate is not sufficient, to survive facilities must be vibrant and innovative in their service delivery models. Similarly, the added social and environmental value that outdoor activities and open spaces are known to deliver in terms of healthy, happy communities are not being fully realised.

In recent months the current management team has started to openly engage with stakeholders within and outside the council to help promote, identify and share these values and the Council, through this report, has sought to clarify whether it should continue along this road or look at alternatives for the site. Alternatives which the Council feels may realise greater value in the short, medium or long term.

The report identified five options. To close, continue with an in house delivery model, soft test with a view to delivering through a management contract or let the site under long term lease or freehold sale.

Closure is not seen as pragmatic or affordable. Freehold sale is possible but advice suggests limited interest and low value due to current condition and restrictive planning status of the land. It would also threaten the potential accessibility of the land for wider community use in the future. A long term external management contract is an option but there are a number of pre-requisites to successfully marketing the site in a viable condition that would discount this option or result in the Council losing out financially in the short term.

The report recommends that a proactive approach is taken in supporting the management team that deliver Thurrock's youth offering under the Inspire identity over the next three to five years to help them create a business plan and an infrastructure, including some flexibility around Council Policy (e.g. marketing) and some capital investment (where commercial return can be demonstrated) for creating a positive trading environment. During this period the Council would firstly look to address the issues which are currently reducing the value that might be realised through a sale or long term lease/management whilst assessing the site in terms of its overall value to the strategic needs of the Community.

### **3. Background**

Grangewaters Outdoor Education Centre and Park has been run by Thurrock Council having inherited the facility from Essex County Council in the early 1980s. Over the past five years it has undergone a number of changes in management with various proposals put forward to improve the performance of the site through investment. In 2015, following an external review by consultants TPPE, the leadership was changed, being transferred into the Inspire youth offering and a short term action plan put in place to reduce the sites annual £330,000 deficit.

The team has set about reforming the way the site has been run, proactively delivering stage one of the action plan to reduce fixed costs and invest in basic infrastructure.

There is some evidence that this new focus is having a positive impact on the site financially. Going forward the management is starting to engage wider stakeholders, the local business community, community groups etc. to ensure that the full financial, social and environmental value of this Council asset is understood.

The opportunity exists to create a place the community is proud of and want to look after as part of their neighbourhood. To make the Grangewaters activity centre, park and open space a valued cultural resource. To create a place where people feel safe and are safe. To improve the physical and mental health and wellbeing across all local communities.

## **4. Current Arrangements**

### **4.1 Use and participation**

Although the financial performance of the site has improved significantly over the past twelve months, this has been driven by cost management rather than growing use. In 2016, the site accommodated approximately 3,844 customers, down 1,470 (33%) on 2015. These figures exclude anglers, walkers and other recreational users of park. 80-90% of current use comes from young people through schools and youth groups. Details of the current usage and regular visitors to the centre are listed in Appendix E.

The status of the two fishing clubs is unclear and requires clarification for the purpose of understanding where responsibilities lie for health and safety and rights of access. Access by anglers and their vehicles is via a private farm to the north west of the site. The arrangements for this access and responsibility for angler's property and vehicles whilst on site requires clarification. No other formal groups occupy or are regularly based out of the site.

This drop in attendance is considered to be the consequence of four factors

1. Poor quality of facilities and surrounds
2. Strengthening competition
3. Rationalisation of programme to remove loss making low social value activities.
4. Lack of marketing and promotion

The management information on use, customer satisfaction and demand at site is limited and demonstrates a major weakness if the site is to develop a broader customer base. Systems are now being put in place to collate this management insight so that future services and priorities can be determined.

### **4.2 Staffing**

Staff costs represents the largest element of the sites expenditure at 65% all costs. This is an area where the site has focused in recent months to improve finances. The core staffing has been reduced to three F/T staff on site with additional support from the Inspire youth offer team and casual coaching staff. This has generated significant savings and also ensures future programmes and activities are commercially justified.

Going forward, the site will need a pool of casual staff that carries the necessary qualifications to deliver the programme and it is likely that the senior team will need to developed wider skills and capabilities to deliver across the whole programme.

### **4.3 Programme**

The current programme of use is limited to pre-booked enquiries for use of facilities rather than around a structured programme allowing both booked and had hoc use to maximise use of qualified staff and facilities.

The TPPE report identified a list of over 40 activities from sailing to orienteering that take place at the site and an additional number were put forward for consideration as part of the improvement plan for the site e.g. paintballing, craft making, caving, subletting.

The new management team is in the process of developing a more proactive approach to programming, arranging events and activities that might attract new customers e.g. Halloween, Beatrix and Harry Potter weekends and night walks. Subject to the management arrangements this public access could be increased. The centre does not offer a turn up pay and play option and a strategy to address issues of safeguarding, supervision and marketing should be developed to facilitate this.

Exploratory discussions have also taken place with the local Public Health department, the National Citizen Service Trust and Thurrock Lifestyle Services to identify new customers.

The success of any programme will be dependent on whether, where and how it is promoted and marketed and the quality of facilities and service on site.

### **4.4 Fees and charges**

Published prices are in line with competitors. Core prices are reviewed annually and discounts are available to encourage disadvantaged groups or those in need. In view of the quality of the current experience it is likely that, compared to its competitors, the maximum price allowable may not represent good value for money. In the wider market, the nature of overnight visit and group prices tend to be by negotiation dependent on the mix of facilities and activities to be offered. Consequently, to remain competitive this requires good knowledge of the market and keen negotiating skills by the site management. The traditional annual pricing approach and rigid pricing and authorisation process of the Council may result in the site missing out on commercial opportunities.

The opportunity to promote around price packages and price flexibility to drive up yield and sales will need to be something explored in the sites business plan. The recent reduction in overhead costs should mean that the site can introduce price competitive programmes without undermining any margin that it needs to cover its overheads and generate surpluses to reinvest in the basic upkeep of facilities.

#### **4.5 Facilities**

The core facilities include what is believed to be the third longest zip wire in the UK at 200m, high wires and 50m climbing tower, six accommodation and three mess lodges, training and meeting rooms, outdoor fire pit and sensory wood. In addition to the fixed lodges there is a large training room with capacity for 50 and jamboree field with camping capacity for up to 50 tent pitches. Other plots could easily be created in other areas if required. The team building facilities include a septic pool challenge, a bridge building task and a radioactive core game. Around the lakes there are a number of graded walking, cycling and orienteering routes. To the south of the main lake there is a 25m three bay archery range cut into the terrace.

The site has over 50 car parking spaces in the main car park with some additional hard standing areas from an old car park area and the fisherman stations around the north west and east side of the lakes. There are currently around eight disused mobile caravans on site and a collection of disused fixed animal pens.

There are three main built structures at the core of the facility. These include a mixed changing facility for showering etc.; a boat house and viewing tower over the main lake and a one floor house providing a reception, staff area and meeting room.

A number of facilities including the main changing facilities and the accommodation huts have recently undergone some basic refurbishment. Further works, under a programme of maintenance and asset replacement needs to be drawn up as part of the business plan to address any dilapidations and ensure investment is targeted in a managed way to maximise revenue or efficiency savings. Use of the Inspire youth offer teams, through the in custody teams, the probationary service and other volunteer groups can be used to add value to any redecoration or maintenance programme.

The site would benefit from a full health and safety audit and clarification as to the roles and responsibilities of the landlord, tenant and any user groups. No documents were available for review at the time.

The main entrance from Buckles Lane through to the inner security gate should be a focus for maintenance as the image and first impression conveyed is one of a closed site in disrepair. The management is aware of this and planning addressing in early spring as a priority as they also seek support from other Council teams to address the issues that are legitimately matters for highways, environmental services and other relevant departments.

#### **4.6 Promotions and marketing**

Promotion of the site is limited to basic listings on the Council web site. There is a Facebook site which doesn't appear to have been active for the past two years and there is no presence on other social media or link sites such as trip advisor, mumsnet, parkrun was evident. Signage around and leading up to the site is poorly maintained or out dated.

The Inspire youth offer team has developed a digital brochure to help promote the site and this is available on request. This needs to be made more freely available in digital and hard copy to help promote the site and demonstrate its more dynamic, commercial nature.

The team that deliver the Inspire youth offer are looking to explore their extensive links with schools and colleges and a basic customer relations management database is being established based on current usage. Whether for marketing or demand analysis high quality insight is essential to understand markets and to ensure organisations make informed decisions about where to apply and focus resources so that their outcomes can be achieved.

Much of the underutilisation of the centre, whilst put down to the poor access to the site and presentation of facilities lies in the limited effectiveness and impact of any marketing currently carried out. As a consequence there has been a negative cycle of decline, as fewer users' results in less maintenance and fewer users.

The impact of promoting through other Council based organisations and departments should also be pursued as has been proven successful in the case of the Hertfordshire Connexions Service who run a mix of outdoor facilities as part of their youth offering.

#### **4.7 Customers**

The opportunity to develop relationships with customers has been limited in the past, consequently information on where customers have come from, their demographic and contact details have not been stored. Neither has there been any formal, consistent or regular form of customer satisfaction measure put in place.

The add-hoc feedback from instructors is that groups do enjoy their time at the facilities. The opportunity to follow up on this and develop a loyal and growing customer base has been missed in the past and now provides a quick and simple mechanism to be built into the marketing plan.

#### **4.8 Planning and access**

Initial investigations suggest that any substantial development may be hindered by three key factors. Environmental, location and access and ability to change planning use of land.

##### **4.8.1 Environmental Factors**

The whole site falls within the Green Belt (GB) with over 70% of the site also within the Environmental Agency high risk flood zone boundary (Appendix B). The Council's Strategic Risk Assessment (2015) identified the Mardyke Sluice which runs along the Eastern edge of the sites, an important feature of the Council's flood defense network.

Due to the GB status of the land, any development opportunities would be restricted to leisure related activities. A significant restriction, as often returns are low and often slow to be realised. As a consequence investment in infrastructure and development if at all possible, may have to come from the authority.

Further considerations around the environmental value of the site in respect of the wildlife habitat, fauna and flora and woodland require that a detailed environmental assessment is carried out. No environmental assessment or tree assessment was available at the time of the visit and would take a minimum of 14 months to complete to accommodate seasonality and migration patterns. Dependent on these surveys further consideration may then be required under the [protected sites and species legislation](#).

Although the site isn't covered by any group tree protection order, its undisturbed nature, overall scale and proximity to an area of designated Ancient Woodland would mean that if externalised, under advice from Natural England and the Forestry Commission, the Council or its operator would require a detailed tree survey to assess the value of trees and if necessary introduce some form of tree management plan. This cost and consequence may deter, restrict or delay any potential development.

Although Grange Farm to the north of the property is a Grade 2 listed building no listed properties have been identified on the site. Although a beautiful location, no evidence was

available to suggest this is an area of outstanding natural beauty but checks should be undertaken prior to any development.

#### **4.8.2 Location and Access**

The main access to the site is from the South West along Buckles Lane and through a showground workers caravan and mobile home estate. At the time of visiting, this lane was unkempt and seen as a significant distraction for those attending. Active management of this route by the site and highways is important for the sites success.

There is limited and poor signage anticipating arrival at the site and there are the remnants of a previous, poorly fitted designer gate before a single bar, metal gate with tired entrance sign. These should be removed or maintained with improved signage provided to clarify how access to the site is achieved and that customers are welcome.

After a further 100m a 2.5m high, locked palisade gate and fence stretch around the perimeter of an inner park area defined as the accommodation and activity areas.

Although maintaining this access route in a manner whereby it does not deter use or undermine the customer experience would be resource heavy. The alternative would be a costly, time consuming process as attendances fall to try and create an alternative route into the site with no guarantee of success.

Informal discussions have taken place with the respective landlords to the north, east and South. Indeed the landlord to the north does provide some degree of controlled access to the angling club members (agreement with the Council for this arrangement, as the party responsible for maintaining the boundary was not available). However, he has remained closed to discussions on more general access.

To the East and South East, there does appear to be a good link to major transport networks from the A13. However the site is controlled and occupied by Veolia and it has heavy use by large lorries as part of a land fill site. Informal discussions have been held unsuccessfully to try and create a new entrance from this Medebidge Road access on the South East corner. A more detailed discussion with highways, planning, procurement, landscape and commercial departments is required to understand the different considerations, priorities and restrictions. Alternatively, a more subtle approach via the Veolia Trust appealing to the company's corporate, social and environmental responsibilities may soften their view.

Efforts to develop an access from the South East and the Grays junction of the A13 should be pursued as this would significantly enhance the attractiveness and value of the site for an operator and the council.

There is one footpath that travels from the south west corner to the north of the site before turning east between the two lakes then emerging out. It has not been established as to whether this is a designated Public Footpath or Bridleway but residents currently believe it to be the case. Consultation to change or close this would probably be met with a negative reaction and take some time to address.

#### **4.8.3** Change of use

Although there is little evidence of the matter being tested (Appendix D), the ability to add new development or to change use of the existing arrangement to more commercially favorable ones would be difficult, costly and time consuming and high risk.

A final factor of consideration ahead of any further development at site is the likelihood of the site offering up evidence that the site is of archeological interest or contamination. Being in close proximity to London there may be a heightened risk of finding archeological remains and the adjacent land fill site may create some form of associated contamination. A survey or assessment may be required to clarify the history of the site and avoid delay at a later stage.

Informal advice from planners and agents is that this site does at first offer up some interest but fair reflection and experience across similar GB sites suggests that development would be hard come by and therefore reduce interest and value.

## **5 Financial Implications**

Table 1 shows how the financial performance of the facility has improved significantly in the past year under the management of the Inspire youth offering leadership Team and sets out a stretch target for the next three years.

Operating Revenue	2015/16 Actual	2016/17 Fcast	2017/18 Fcast	2018/19 Fcast	2019/20 Fcast
4514 - Fees And Charges Exempt	122,610	127,361	222,750	248,750	290,489
4537 - Fees VAT Exempt	1,175	756	756	794	907
4800 - Rent Premises	17,466	15,974	15,974	16,772	17,192
4539 - Miscellaneous Income	520	50,000		750	
<b>Sub Total</b>	<b>141,771</b>	<b>194,091</b>	<b>239,480</b>	<b>267,066</b>	<b>308,588</b>
Growth			23%	12%	16%
Operating Expenditure					
Staff salaries/NI/Pension/Development	209,116	90,365	124,395	149,219	172,190
Transport	3,604	6,651	6,651	6,850	7,022
Supplies & services	55,909	51,245	51,246	39,169	39,699
Premises	37,596	41,172	41,172	42,721	43,789
Contractors/3rd party payments	60	4,446	4,446	4,580	4,694
<b>Sub total</b>	<b>306,285</b>	<b>193,879</b>	<b>227,910</b>	<b>242,539</b>	<b>267,394</b>
<b>Total operating subsidy/(surplus)</b>	<b>- 164,514</b>	<b>212</b>	<b>11,569</b>	<b>24,527</b>	<b>41,194</b>
Growth				112%	68%

Table 1 – Financial performance - Grangewaters

The improved financial performance has been driven through restructuring the management team and rationalising the programme to reduce loss making activities. In the future the management team propose to build on this improved position through an extension of the programme of courses and sessions available for paid use, driving profitable income such as leasing space to organisations and businesses that promote or sell complimentary services (e.g. craft shops, outdoor equipment hire shops, fishing accessories, catering), expand the programme of profitable courses and training courses, engage the local education authorities from neighboring authorities, an expanded National Citizen Service, Princes Trust and Duke of Edinburgh programmes and a range of turn up, hire and use activities.

The profitability of all aspects of the programme should be properly understood and the most profitable activities identified alongside those where improved profitability is required. Activities that do not directly generate a surplus should be considered and curtailed if the indirect benefits cannot be fully quantified and monitored. For example a free course must lead to a sales conversion into a paid activity or referral.

All programmes should be booked out knowing that a surplus of approximately 15% will be generated to cover overhead and infrastructure costs.

The new management team are also exploring new sources of income through various grants. Public Health, The Heritage Lottery Fund, the Forestry Commission to improve the

woodland habitat and other grant giving bodies such as the [Veolia trust](#) looking to improve or enhance the environment or community life.

## **6 Social and Environmental Value**

Having considered the direct financial implications of the site it is important to understand the sites potential impact and social value to the wider community. The Public Services (Social Value) Act 2012 places a requirement on the Council to consider the economic, environmental and social benefits of its approaches to procurement before the process starts. This report has helped to identify some of the work to be done by the Council if it is to fully assess how any procurement might improve the social, environmental and economic wellbeing of the area, how it might secure any such improvement and whether it needs to consult.

To date the focus has been on understanding the social value associated with delivering outdoor educational programmes to a narrow band of visitors, namely those attending the programme of courses and events traditionally delivered at site. It is a demand led model rather than a needs led model underpinned by sound financial principles.

Under a needs led model being developed by the Thurrock's Inspire, youth offering, the social value of the facility is extended beyond the narrow context of simply providing a traditional range of courses to a more inclusive community approach. In this way everyone in the community from 0 to 90 is considered a potential customer or beneficiary.

The approach recognises that with poor air quality, high obesity levels, a growth in cardiovascular disease and hypertension, Thurrock has a need for green open, publicly accessible, well managed spaces; a need for outdoor facilities which facilitate social integration and social intercourse as a means of breaking down social barriers and creating social cohesion; a location which can be developed to provide opportunities for arts and crafts. The public health value of Grangewaters, if realised might also provide access to other resources to help develop the site.

Existing courses develop skills which enable participants to take part in new activities developing qualification and work related skills that improve employment opportunities.

The environmental value of the site also remains unexploited and the current management team is looking to help make Grangewaters a cornerstone to the Council's environmental strategy. Grangewaters also provides many opportunities to link with the Council's physical activity and Open Spaces strategies providing a range of additional programmes and serving

as a key part of the open space network in Thurrock opening out the park to the wider public.

The limited detailed insight into historical usage makes it difficult to explain or value the social impact the site has had on the thousands of young people who currently attend from areas of deprivation, with disabilities or low self-esteem and personal confidence.

Thurrock's Inspire team is now collating this insight.

Organisations such as [StreetGames](#) have been working hard on trying to establish a recognised analysis and methodology for calculating the social value of a programme or service and this is something to be incorporated into future management arrangements.

The experience for young people in terms of team building, developing self-confidence, experiencing nature and the environment in a natural setting is considered important in child development. Many schools now adopting a forest school model which is built on the basic principles of what is on offer at Grangewaters.

The site attracts a number of Volunteers, who help deliver the programme. Volunteering is often a path to full time employment. In addition, volunteering is now recognised by many companies who actively promote volunteering within their workforces as it is proven to improve employer engagement and reduce absenteeism.

Other agencies such as Public Health England, Diabetes UK, Age UK, Dementia UK openly recognise the contribution exercising or meeting in outdoor locations has on improving the physical and mental health of the young and old.

By recognising this growing awareness, support and understanding seen in the wider community the current management team is looking to access additional resources to help improve and upgrade the facilities.

## **7. Demand and Competition Analysis**

In 2014, Sport England reported that 8.9m people are active outdoors. Of these 2.8m want to do more. 18.2m not currently active outdoors want to re-engage and participate in the next 12 months. The National Citizen Service is targeting 330,000 young people for its courses by 2020, the outward bound society are reporting growth in numbers as are the Duke of Edinburgh and Princess Trust programme Directors. 40% of the population is reported to prefer to take their exercise outdoors, primarily for the fresh air and the

Government has recognised in its Sporting Futures Strategy the importance of outdoor activity in attracting a wider audience to exercise.

Across the whole sector of outdoor activities there are 9,000 providers nationally. The location of the relatively small number of outdoor education centres in the South East is shown in Appendix C. and highlights the market opportunity; annually the industry is reporting a 3% growth in participation year on year as people switch from more traditional indoor based sports and leisure activities.

As well as competing for the leisure pound or leisure in the general leisure market, Grangewaters also competes across four specific market areas

- Overnight accommodation – usually targeting visitors from outside of the area. Often groups
- Day visitors – Within a travel time of an hour. More likely to be individuals or small groups, couples or families
- Single activities – rambler, climbing wall, high wires, sailing, canoeing
- Multiple activities – where there is a chance to experience a variety of activities wet and dry or covering various experiences challenging different senses (e.g. high wires, canoeing)

Many outdoor centres are able to draw on their unique location as being part of the attraction (the Lakes, the Welsh Mountains, the Peak District). Grangewater cannot compete with a market that takes people away to these places but it has the advantage of being within 1hr drive of London and the Home-Counties. It also has a range of features capable of competing with other centres (water, forest and woodland, climbing and high wires). The business plan should draw out the special features such as the zip wire and quality services which will differentiate Grangewaters from its competitors.

Thurrock has a population of around 137,000 and Southend 174,900. These markets combined with a market which includes 50% of greater London and much of Kent within 1hr drive time suggests that there is plenty of opportunity to increase the core customer base.

With over 120 secondary schools in Essex alone. The opportunity to grow the number of core schools using the facilities is significant looking at the relatively small number of schools currently using the site.

A detailed analysis of the local catchment and market will better identify the latent and active demand for outdoor facilities and activities. [Sport England](#) provides a market analysis

service of local health profiles free on line and Public Health England also provide [health profiling](#) information by location. This information will inform any marketing plan going forward.

The demand for activities where overnight accommodation is required is high but competitive. It covers youth visits (Princes Trust, Duke of Edinburgh, National Citizen Service etc.), festivals (e.g. scouts, cadets, religious groups, concerts etc.) corporate events and training courses. The expectations for health and safety, safeguarding and the general customer experience are high.

With this market opportunity competition amongst providers has increased and is high with success in attracting customers coming from high impact, personalized, real time marketing and in particular through their use of social and digital media. This can easily be seen from the default outdoor activity centre web sites for Essex Outdoor, Kent Education Centres, Redbridge Centre, Rock and Stubbers as well as other relevant providers such as go-ape.

In addition, competition for those wanting to get close to nature comes from caravan parks, country halls, hotels and golf complexes as they have sought to grow their own markets creating high wire features, trim trails, boating lakes and leisure facilities. Again, these organisations have well-tuned, agile marketing channels and targeted offerings.

Opportunities to participate as an individual or an informal group, at any time of the day or week, frequently or infrequently, have all contributed to this growth in interest.

Environmental and educational trends support families getting active outdoors and the 'Stay-cation' phenomena enjoyed by the UK since the 2008 financial crisis began has helped boost tourism numbers to rural outdoor locations. Broader social trends toward online communities, informal 'sports', 'flash- fitness' and 'natural fitness' have all helped the sector - military fitness, parkrun, barefoot running, trail running, indoor climbing are all growth sports that encourage an 'outdoor lifestyle'.

The Outdoors sector is comprised of thousands of small and medium-sized enterprises, charities and government agencies. It is also serviced by a large number of supporting industries such as leisure wear, equipment, food, catering and hospitality. In 2014 there was a reported growth in canoe/Kayak sales of 39% and these new owners are looking for new and local locations to take advantage of their equipment.

The demand for day visits is often driven by those wanting to take part in outdoor activities on an ad hoc or organised basis. Customers are either thrill seeking (e.g. high wires, motor boats, mountain biking, inflatables etc.). With 80% of the population now urbanised, others

are driven to find an outlet for their desire to engage with the outdoors or looking for the chance to get closer to nature and environment to improve mental and physical sense of wellbeing (walkers, bush-craft, fishing, birdwatchers etc.) or emulate the achievements of icons such as David Attenborough and Bear Grylls.

The growth in demand for ad hoc outdoor activities has been reported through the increased attendance and membership reported by Natural England, English Heritage, Outwards Bound and Youth Hostelling Association.

Natural England and Sport England have research to show that developing a connection with nature, such as enjoyment of scenery and wildlife at favorite places is an important factor in maintaining levels of physical activity. UK Active has also reported research from Public Health England to demonstrate a strong correlation between outdoor exercise and the prevention of obesity, diabetes and depression.

## **8. Options Identification**

Under current circumstances and in light of other reports being prepared, the Council has five basic options available to consider for the site

- Close the site
- Retain in house under the Inspire youth offering trading arm
- Management contract
- Long term lease
- Freehold

### **a. Close the site**

The closure of the site comes with costs and risks. Open parklands with public access requires maintenance and supervision under the Council's responsibilities as landlord. There are a number of high risks on this site including two large water spaces, secluded woodland, unlit narrow wooded paths and ease of access for motor vehicles and other unauthorised vehicles. There is also evidence of fly tipping, motorbike trails and vandalism in the area. As a consequence of this there would be need for regular warden cover, routine safety checks and potentially making good of damage to premises and the park. Any storage of equipment or assets from the site would need to be made secure with associated costs.

Open access could be retained with some basic supervision and monitoring undertaken by the existing anglers. However, without the authority, power or capability of managing the

whole area, these groups may themselves feel unsafe and stop using the facility. Preventing access to the site by long standing groups such as the fishing clubs, ramblers and regular hirers will not be well received without contingencies.

To improve the security and safety of the area, additional high level safety fencing could be erected around the perimeter of both lakes, allowing residents access to the parkland. This is likely to be cost prohibitive and with lesser use of the site, probably less effective and potentially dangerous should it be breached.

**Estimated value:** capital for fencing and boarding site circa £100-£200k, Revenue cost of security and supervision approx. £100k p.a.

**b. Continued in house operation.**

The Council does not see itself as the operator of facilities rather a facilitator and enabler of services for the community and there is no obvious fit for the facility as a stand-alone leisure offering or open park space managed by the Council within the wider portfolio. This lack of direct experience in this area resulted in the Council having to subsidise the site to the tune of over £330k per annum with additional capital and infrastructure costs.

Under the management of the team that deliver Thurrock's youth offer, the site has been run more efficiently and effectively and has managed to rationalise the cost base. As the facility is integrated into wider aspects of the Council's strategies, the management team is looking to increase use and generate additional revenue through traded services.

The management team leading the Inspire youth offer, has demonstrated that the facility can have wider social value through the delivery of targeted youth services and public health programmes and that there is a demand for both commercial and subsidised services at the site.

To maintain the momentum it has created, the team need to continue to apply more commercial principles and become more agile in the way they operate the site. To facilitate this, the Council will need to consider moderating or lifting some of its usual operating processes or investment policies. Alternatively, the Council may wish to consider bundling this site into a spin out arrangement with the wider youth offering whereby it would remain attached to the Council's aims and aspirations for the site but have the opportunity to be

more commercially focused, proactive and take responsibility for its own actions including and financial sustainability.

The authors understanding is that any additional revenues generated in this way could then be preserved within the service and for the direct investment back into the facility and service. Something that does not appear possible under the current in house arrangement.

**Estimated value:** (Approx. 2-3yrs to get to market with condition surveys, various assessment clarifications etc. Deficit funded to cover dilapidations with some investment to develop commercial opportunities).

**c. Management contract**

The Council also has an obligation under its Service Review Principles to soft test the market and potentially put out to market the management and operation of the service or at least to challenge the way it runs the service in house, to see if the service can be delivered more cost effectively without reducing its social value.

In its current condition and with its current trading history the Council is likely to receive an interest from a number of operators but, if they do progress bid proposals, they will require subsidies and an underwriting of risk that is unlikely to realise any short term benefits to the Council.

There will be a cost and time delay in going to market based on the lack of information available on the condition and restrictions that may apply to the site. Something that the Council will be obliged to either pay for or underwrite through deficit funding or core funding arrangements.

There are a number of companies that are involved in the delivery of local authority leisure and outdoor facilities under management contracts including Parkwood Outdoors, GLL, Impulse Leisure and Fusion Leisure. There are also a number of independent private operators who may show an interest in taking on the facilities. The Council might initially undergo a soft market test to establish whether there is an interest in operating the facility and how it might be packaged to attract the widest interest and best value offer (i.e. contract length, risk responsibility split, investment arrangements). This may take 6 -12 months and realise no material benefit.

**Estimated value:** To market £50-100k. Anticipate Management fee plus landlord responsibilities.

**d. Externalise the site on long term lease**

A long term lease would benefit the authority if the site were better able to accommodate development and it does provide some limited means to the council to restrict use. Any development opportunity would also then allow the Council to realise some element of ground rent to help contribute to the liabilities that remain with any landlord for the infrastructure of the site. Without the development options and based on current trading it is unlikely that the Council will be able to identify a market that would guarantee a surplus back to the Council.

The potential market for a long term lease on facilities such as these extends beyond the management contractors mentioned to other interested parties such as the angling groups or boating clubs. However, these often lack financial substance and typically focus on one element of the delivery leaving other aspects to dwindle or be requiring close support and supervision.

The process for marketing the facilities would take approximately two years from drawing up the management specification to the transfer of facilities to the successful bidder.

The Council would bear the costs of managing the site in the short term under difficult circumstances, incurring operational costs to maintain the facility as a going concern whilst the facility is marketed. The process of preparing the documentation and marketing the facilities would also incur a cost and involve the use of an independent party to assist in the process.

**Estimated value:** circa £50-£100k for council to bring to market, returning up to £500k with ground rent to cover ongoing landlord responsibilities.

**e. Freehold sale of site**

A freehold sale of the land would remove any liabilities and responsibilities the Council might have for the land and realise a capital receipt. In achieving a sale the land may be taken away from use by the community and any control by the authority lost.

A brief conversation with key companies that operate in this sector including Savills, Lambert/GVA, Strutt & Parker and HMM suggest that from deciding to go to market to entering agreements and mobilising a transfer could take up to three years and involve around £50k in direct agent costs.

This would allow for an initial specification to be drawn up, a formal soft market test engaged in, the queries and issues arising from the test to be addressed, a final marketing of the site, issuing draft contracts, receiving and evaluating tenders, issuing final contracts, mobilising and transfer of the site (if an interested party is found). The process is also likely to generate significant public and political interest along the way.

This cost and process was demonstrated through the last reported outdoor activity centre marketed by Savills some two years ago and which two years to sell and one year to bring to market.

**Estimated value:** circa £50-£100k to bring to market returning up to £500k (3-5yr period to realise with dilapidation, site assessment costs and upkeep until sale)

## 9. Feasibility Analysis and Evaluation

A cost: quality model has been adopted which also allows the evaluation criteria to be weighted against the Council’s priorities. The results of the evaluation are summarised in the table below.

Criteria	Detail	Option Weighting %	Close	Continue In House Delivery	Management contract	Long term lease	Freehold
<b>Financial</b>							
Council financial liability	Capital and revenue costs risk transferred from Council	5%	0.0	0.0	0.5	0.8	1.0
Revenue income	Management contracts may result in deficit payment dependant on risk transference and contract terms.	5%	0.0	1.0	0.0	0.3	0.0
Revenue surplus benefit	Council to receive any benefit from good performance	5%	0.0	1.0	0.0	0.8	1.0
Maximum capital receipt		5%	0.0	0.0	0.0	0.8	1.0
Up front capital and investment costs	Council to make good on delapidations prior to any	5%	0.0	0.0	0.5	0.8	0.9
Ongoing capital and investment costs	Refreshment, refurbishment and commercial investment	5%	0.0	0.0	0.7	0.8	1.0
Costs to bring to market	Fees, marketing,	5%	1.0	1.0	0.0	0.0	0.0
Economic impact	Wider commercial impact through local employment opportunities	5%	0.0	0.5	0.5	0.5	0.5
		5%					
		5%					
<b>Weighted score</b>		50%	5.00	17.50	10.75	22.50	27.00
<b>Non Financial</b>		%					
Control over quality of service		5%	1.0	0.5	0.8	0.2	0.0
Control of programme of delivery		5%	1.0	0.5	0.8	0.2	0.0
Delivery of Council strategic objectives for young people, education, health and wellbeing		5%	1.0	1.0	1.0	0.5	0.0
Access to information and insight on use of facilities		5%	0.0	1.0	0.8	0.2	0.0
Access for local community		5%	0.0	1.0	1.0	0.2	0.0
Input from local community		5%					
Consistent with Council strategy and policy for Public Health		5%	0.0	0.7	0.7	0.5	0.2
Consistent with Council strategy and policy for Youth Services		5%	0.0	0.7	0.7	0.5	0.2
Consistent with Council Physical Activity strategy		5%	0.0	0.7	0.7	0.5	0.2
		5%					
<b>Weighted Score</b>		50%	15.00	29.75	31.30	14.00	3.00
<b>Total</b>							

## 10. Option Selection

The evaluation looked at the two key considerations for the Council in weighing up its options for the site. These were cost effectiveness and quality. The table below summarises the evaluation and identifies that the most appropriate approach to the future of the site would be through the continued management under Thurrock’s Inspire youth offering.

		Close	In House delivery	Management contract	Long term lease	Freehold
Price	50%	5.00	17.50	10.75	22.50	27.00
Quality	50%	15.00	29.75	31.30	14.00	3.00
Overall Score		10.00	23.63	21.03	18.25	15.00
Rank	100%	5	1	2	3	4

Any financial gain of a long term arrangement would be offset by the value realised thereafter and any costs to bring to market and address conditions prior to transfer.

## 11. Conclusion and Recommendation

Prior to 2015, the facilities have suffered from a lack of strategic direction. The current management team has addressed the short term financial pressures at the site and is now setting out a vision and programme of developing commercial activities at the site supported by public health, wellbeing and environmental initiatives. In developing this use and financial sustainability, the site will also then be able to support a subsidised programme of use for the young and adults with physical, mental and emotional needs.

11.1 The evaluation of options for the medium to long term management of the site suggest that the council would realise the fullest financial benefits, see a reduction in liabilities and risks and ensure full community engagement and value if Grangewaters were to continue as part of the core youth offering team supported by a commercially focused business plan.

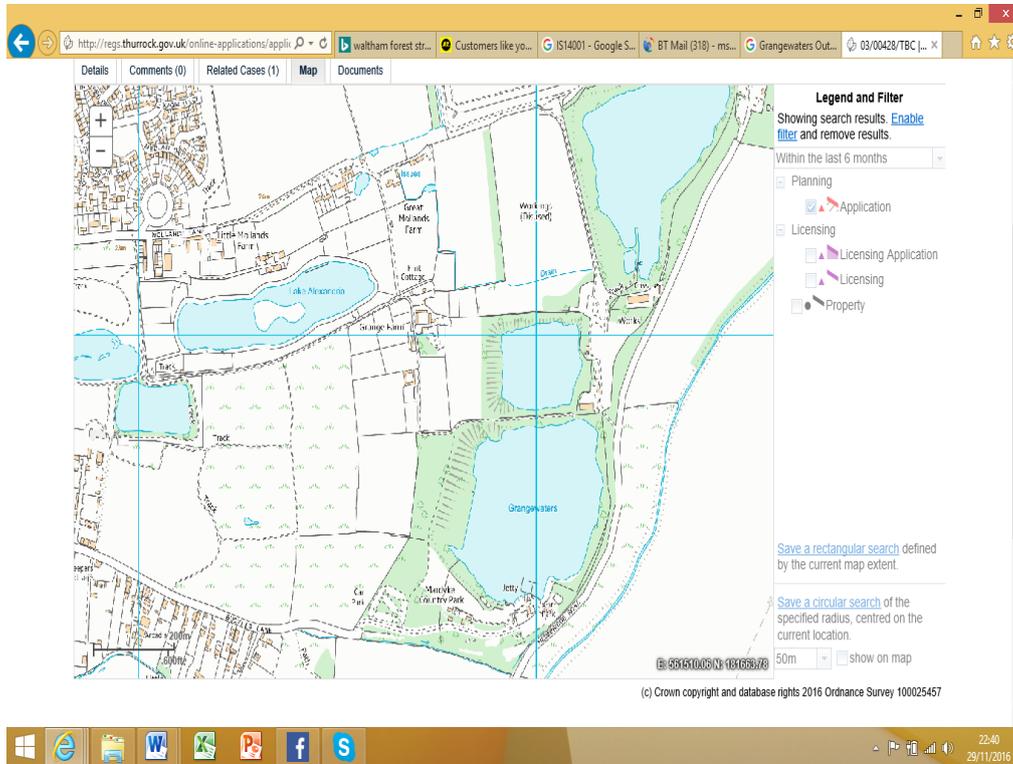
11.2 The review highlighted a number of areas where assessments appear lacking and steps should be taken to address this to better inform the Council when making future decisions on the site.

11.3 To be successful the report has also identifies that the Council needs to be able to support the management operating the service in a more flexible and independent manner. This may mean spinning out the service or creating a more flexible trading arrangement.

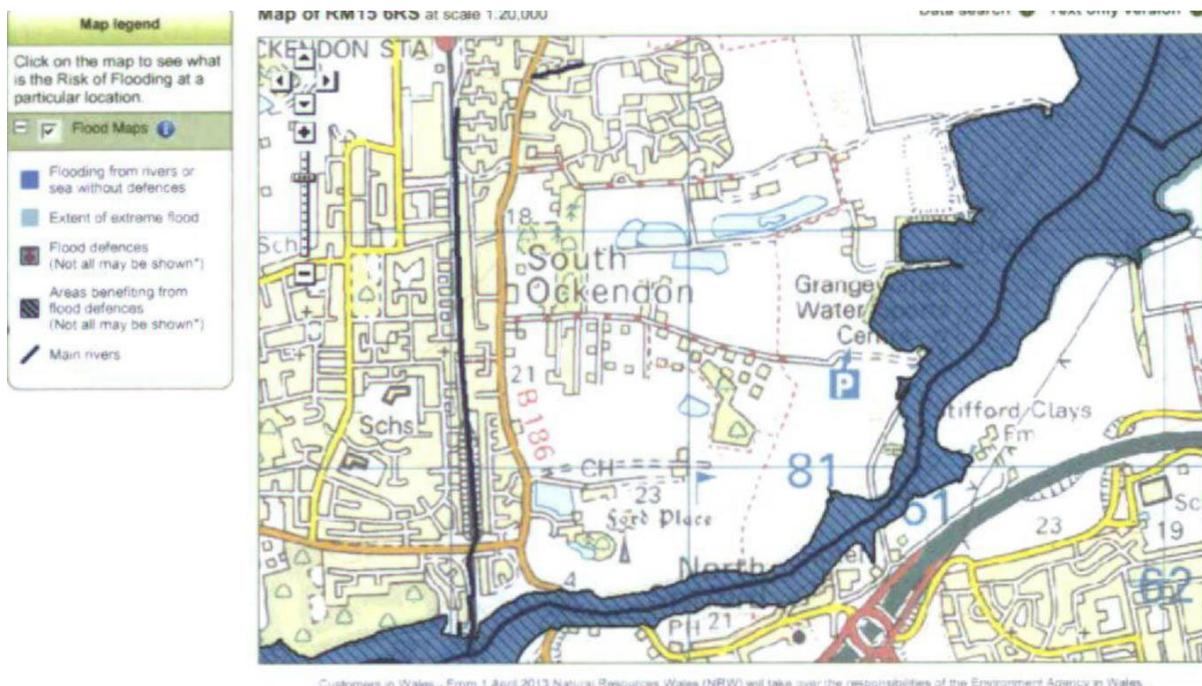
## 12. References

- (1) **Local Aggregate Assessment for Greater Essex**, Essex County Council, Southend-on-Sea Borough Council and Thurrock Council (2014)
  
- (2) **Developing in or near Ancient Woodlands guidance:**  
<http://www.forestry.gov.uk/forestry/infd-9hbjk4> and  
<https://www.gov.uk/guidance/ancient-woodland-and-veteran-trees-protection-surveys-licences>
  
- (3) **Getting Active Outdoors: A study of Demography, Motivation, Participation and Provision in Outdoor Sport and Recreation in England** Outdoor Activity Association and Sport England (2014).
  
- (4) **The government strategy for a Sporting Future: A New Strategy for an Active Nation** HM Government (Dec 2015)
  
- (5) **Grangewaters outdoor education centre - A Business Sustainability Study** – The Phoenix Partnership (East) Ltd (2015)
  
- (6) **Thurrock Local Flood Risk Management Strategy, Strategic Environmental Assessment, Environmental Report** (July 2015)
  
- (7) **Woodland and environmental information – on line interactive map**  
<http://www.magic.gov.uk/MagicMap.aspx>

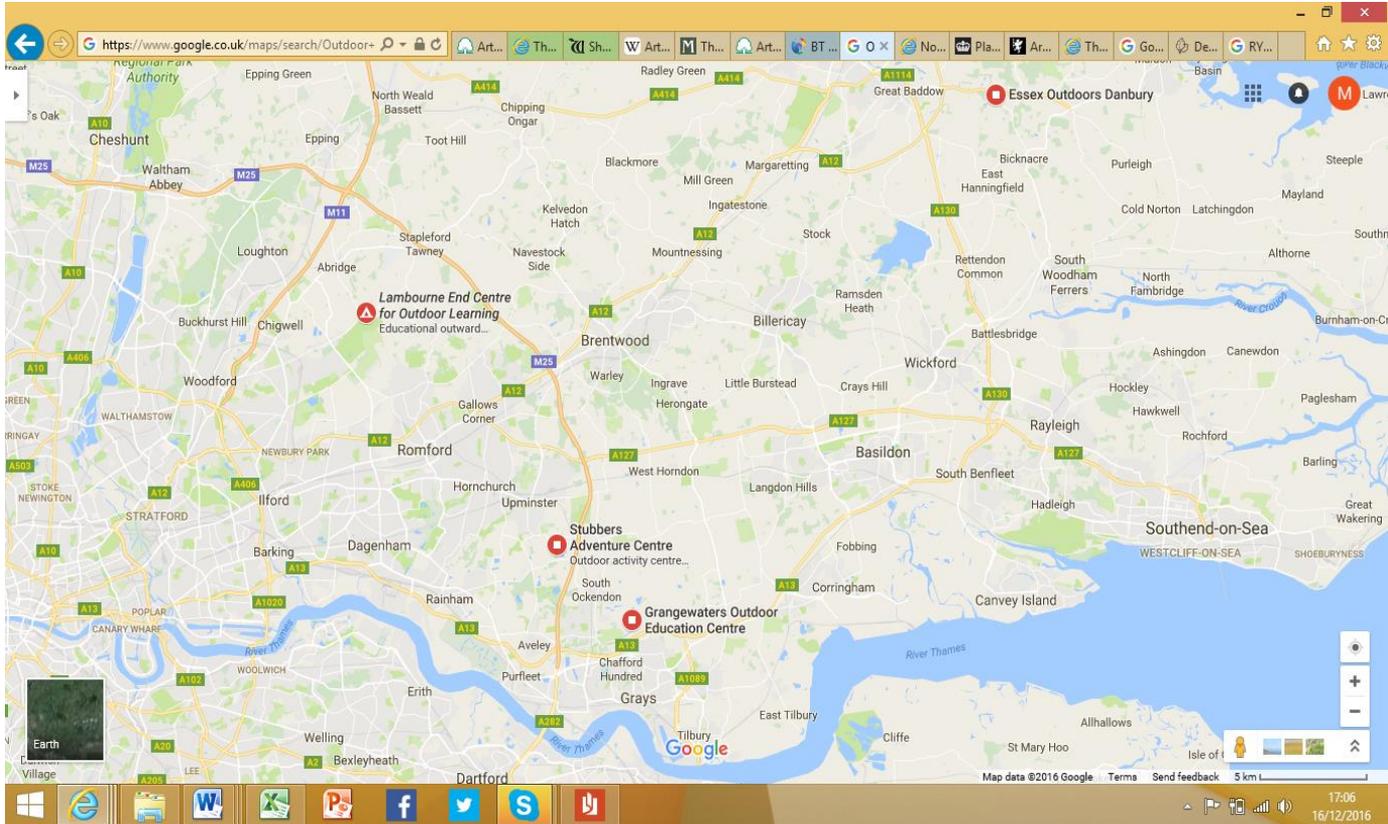
Appendix A- Grangewaters site in context



Appendix B – Environmental Agency - Flood risk map



### Appendix C – Competitor locations



## Appendix D

### Planning history for post code

[Proposed minor external and internal alterations to toilet block and existing boat workshop buildings.](#) Grangewaters Outdoor Education Centre Buckles Lane South Ockendon Essex RM15 6RS Ref. No: 15/00221/TBC | Received: Wed 04 Mar 2015 | Validated: Fri 06 Mar 2015 | Status: Permitted

[Demolish sections of the existing building and extend to create a shower block including showers, changing rooms, WCs and disabled facilities.](#) Grangewaters Outdoor Education Centre Buckles Lane South Ockendon Essex RM15 6RS Ref. No: 13/00972/TBC | Received: Mon 07 Oct 2013 | Validated: Thu 17 Oct 2013 | Status: Permitted

[To install a temporary shower facility and portable toilets.](#) Grangewaters Outdoor Education Centre Buckles Lane South Ockendon Essex RM15 6RS Ref. No: 13/00408/TBC | Received: Fri 26 Apr 2013 | Validated: Mon 29 Apr 2013 | Status: Permitted

[Erection of wardens bungalows, extension to existing changing rooms to include administrative and education space, new garage and provision of climbing tower and aerial ropeway.](#) Grangewaters Sports And Country Club Buckles Lane South Ockendon Essex RM15 6RS Ref. No: 03/00428/TBC | Received: Mon 07 Apr 2003 | Validated: Fri 11 Apr 2003 | Status: Permitted

[Erection of 2.4m high fencing and gates, and installation of C C TV camera on 6m pole.](#) Grangewaters Sports And Country Club Buckles Lane South Ockendon Essex RM15 6RS Ref. No: 02/01197/TBC | Received: Tue 15 Oct 2002 | Validated: Mon 21 Oct 2002 | Status: Permitted

[Lap Timer Clock](#) Grangewaters Buckles Lane South Ockendon Essex RM15 6RS Ref. No: 79/00270/FUL | Received: Mon 01 Jan 1979 | Validated: Mon 01 Jan 1979 | Status: Permitted

[Clubhouse. \(Recreation Centre\) comprising W/C's Changing Rooms, Cafe, Bar, 1 No. Wardens House & Garage, Parks, Workshop/Stores.](#) Grangewaters Buckles Lane South Ockendon Essex RM15 6RS Ref. No: 76/00669/TBC | Received: Thu 01 Jan 1976 | Validated: Thu 01 Jan 1976 | Status: Unknown

**Appendix E – Grangewaters usage figures**

MONTH	Casual	Schools	Volunteers	Youth Group	SEN - Adult	Clubs	Adult	TOTALS
Jan-15	24							24
Feb-15	10	111						111
Mar-15	37	169						206
Apr-15	12	34				22		68
May-15	64	703				22		789
Jun-15	17	1085		8	20	29		1159
Jul-15		1112		6	10			1128
Aug-15	26	111		27	33			197
Sep-15	11	803			41	236	29	1120
Oct-15		554		12				566
Nov-15		84		150				234
Dec-15		27		85				112
	201	4793	0	288	104	309	29	
							TOTAL	5714
MONTH	Casual	Schools	Volunteers	Youth Group	SEN - Adult	Clubs	Adult	TOTALS
Jan-16	23							23
Feb-16		27	16					43
Mar-16		79	11					90
Apr-16		69	3	10	35	29		146
May-16		485	9		21	41	1	557
Jun-16		760	2		44	73	5	884
Jul-16	4	756	2		47	37	20	866
Aug-16	102			16	63	21	26	228
Sep-16	16	713			71	23	19	842
Oct-16	34	74		13				121
Nov-16		17			12			29
Dec-16	3			12				15
	182	2980	43	51	293	224	71	
							TOTAL	3844

**Regular customer base**

St Christopher’s Academy Trust, Avelon Road Day Centre, Beacon Hill Academy, Pioneer School, Globe Academy, Lawford Mead Primary School, Woodside Academy, Colfe’s School, Corringham Primary, TCES – PRU

Grangewaters Angling Club, Thurrock Angling Club

Grangewaters Working Newfoundlands, Leonberger Dog Training Club

Thurrock Motorboat & Water-ski Club