

South Wales Caving Club

Clwb Ogofydd Deheudir Cymru



Prospectus

Securing the Future of the SWCC HQ

‘A proposal to secure the future of the SWCC Headquarters as a national centre for caving in the 21st century’

THE VISION

“To secure the SWCC headquarters as a national centre for caving in the 21st Century”.

Securing the headquarters will ensure that one of the country’s main centres for caving, and cave science, will continue to be available to current and future generations of SWCC members, visiting national and international guests, the South and Mid Wales Cave Rescue Team and other voluntary based clubs and organisations within the community who share an interest in related matters.

EXECUTIVE SUMMARY

The South Wales Caving Club (SWCC) is a major British caving club based in the Brecon Beacons National Park in South Wales. The club was founded in 1946, has over 300 members, and has a turnover of circa £30Kpa.

The current HQ building, which is situated in the remote part of the Upper Swansea valley at an altitude of some 300m, was purchased by the club in 1959 as a semi derelict row of ten terraced cottages which were built in the 1850s. Over the years the club has made considerable, self- funded, improvements to the facilities and these now include: over 50 bunk spaces, two communal kitchens, two communal dining areas, changing and shower rooms, library and common rooms. The annual 'maintenance and improvement' budget is typically £4K p.a. and represents 13% of turnover.

Although the basic structure and fabric of the HQ remains fundamentally sound the condition of the roof is of major concern. It is a traditional open truss design with an un-felted Welsh slate cover over wooden battens. Significant sections of the roof structure have warped, many of the purlins have rolled, significant sections of the roof timbers have rotted and the roof has also spread substantially to an extent that it is now off of the wall plates in places.

SWCC has undertaken a review of the future of the club and the HQ and has decided:

*'To continue to own our own HQ in its current format
and to continue to offer value for money
accommodation and a base for use by SWCC
members, guests, visitors, and other cavers and to
those with a non-commercial interest in caving and
outdoor pursuits.'*

SWCC is committed to securing the long term future of the HQ to the benefit of members, guests and visitors from around the world, the South and Mid Wales Cave Rescue Team, other Caving Clubs and other voluntary bodies with an interest in related pursuits.

A number of options have been considered and SWCC believes that replacement of the roof to be the best long term solution at an estimated cost of £150K. This will be made of between £80K and £107K of internal funding with the balance being funded externally.

This project has the support of the SWCC trustees, the SWCC committee and was endorsed by the club members at the 2015 AGM. It will be launched at the SWCC 70th annual dinner in May 2017 and delivered by May 2021. A dedicated sub- committee will be formed to manage the project.

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1.0 About South Wales Caving Club

The South Wales Caving Club (SWCC) is a major British caving club based in the Brecon Beacons National Park in South Wales. The club was founded in 1946 and is one of the oldest surviving British Caving Clubs. The club has maintained a steady membership of over 300 for many years which makes it one of the biggest, in terms of numbers, UK caving clubs. The membership is very diverse with many members living a considerable distance from the club HQ.

The club is in the enviable position for a modern caving club of not only owning its own headquarters but also a significant portion of a world renowned caving systems, and the deepest UK cave, Ogof Fynnon Ddu.

SWCC is a respected voice within the caving community and is a member of the British Caving Association, the national caving body in the UK, and the Cambrian Caving Council, the local regional caving body. As part owner of Ogof Fynnon Ddu, which is both a Site of Special Scientific Interest (SSSI) and a National Nature Reserve (NNR) SWCC works closely with Natural Resources Wales and Brecon Beacons National Park.

SWCC has made significant contributions to British and international caving during the past seventy years and continues to be a thriving and active club with a full programme of UK caving trips, regular foreign expeditions, a training and development programme and an active interest in cave exploration.

SWCC is a wholly voluntary club with no paid members. It is properly constituted and is run in accordance with strict governance requirements by a committee elected annually by the AGM. The Committee meets monthly and produces comprehensive minutes as a record of the discussions and decisions.

The SWCC Constitution and other club governance documents, which include the Club Rules and Policy Document, are bound together in the Club Handbook. All club documents are available on the club web site. www.swcc.org.uk/

The club's annual turnover is circa £30K, and the accounts have been internally audited for many years. SWCC has an established track record of financial prudence and stability and investing for the future.

2.0 About South Wales Caving Club Headquarters

The current HQ building, which is situated in the remote village of Penwyllt in the upper Swansea Valley in Wales, was purchased by the club in 1959 as a semi derelict row of ten terraced cottages which were built in the 1850s as accommodation for the local quarry workers.

Over the years the club has made considerable investment to develop, maintain and improve the HQ. SWCC has long and proud history of self-reliance and self- help and all of this work has been funded solely by the club and most of it carried out by club members. The work has included: rebuilding of the porches, replacement of all of the windows and doors, floor joist and floor board replacement throughout, rebuilding of the two shower / changing rooms, drying room refurbishment and installing central heating etc. The facilities now include: over 50 bunk spaces, two communal kitchens and dining areas, changing and shower rooms, library and a common room - with a welcoming open fire! The library is one of the country's most extensive, and easily accessible, collection of caving books and periodicals.

The annual 'maintenance and improvement' budget is typically £4K p.a. and represents 13% of turnover. The majority of the budget is materials, with members giving up their time and skills for free.

As part of its social responsibility to the wider community SWCC leases part of its HQ to the South and Mid Wales Cave Rescue Team and this forms their main base. The cave rescue land-rover, extensive Cave Rescue equipment and communications HQ are all based at Penwyllt. The club also has a long and close working relationship with the local Mountain Rescue Organisation who use the HQ for meetings and as an occasional base.

The HQ is held on behalf of the club by Trustees who are members of the club.

The HQ is at the heart of the club and is open every weekend and during the week by arrangement for use by members, guests and visitors from the UK and abroad. We especially encourage use by visiting technical cave study groups, for which our study facilities are offered free of charge, and, in keeping with the club's policy of promoting caving to the younger generation, university groups to whom we offer a discounted rate.

In addition to the HQ building SWCC also owns another building, which is rented to two other caving clubs on long term leases, and extensive land adjacent to the HQ, part of which is used for camping and outdoor activities and some of which is grazed by a local farmer.

3.0 The Need

The SWCC committee and officers have taken time to reflect on the future of the club and of the HQ. The strengths, weaknesses, opportunities and threats to the club have been considered at length to help us decide what sort of club we want to be and what sort of HQ we want to support this. The review included an open assessment of the purpose, use, need, condition and future of the HQ which is both the club's biggest asset and also its biggest liability.

The review concluded that our objective was:

'To continue to own our own HQ in its current format and to continue to offer value for money accommodation and a base for use by SWCC members, guests, visitors, and other cavers and to those with a non-commercial interest in caving and outdoor pursuits.'

The review further concluded that this was a financially viable objective.

4.0 Background

The SWCC HQ is situated in a remote area at the head of the Swansea Valley at an altitude of some 300m and as a consequence is exposed to severe weather conditions on a frequent basis. Although the basic structure and fabric of the HQ (which is circa 150 years old) remains fundamentally sound the condition of the roof is of major concern. It is a traditional open truss design with an un-felted Welsh slate cover over wooden battens. Whilst the slates remain in place the roof remains mostly water tight although the solid stone chimney stacks present a continuing source of water and damp ingress to the main accommodation. Significant sections of the roof structure have warped and many of the purlins have rolled. Significant sections of the roof timbers have rotted and the roof has also spread substantially to an extent that it is now off of the wall plates in places. We believe that the roof is mainly original but that it was partially refurbished / re-slatted during the 1930s.

On a number of occasions slates have blown off and water has leaked into the cottages causing damage to bunk rooms. Thus far the club has been fortunate in having local members who have been on hand to check the HQ during and after storms and either effect immediate repairs themselves or engaged contractors. Whilst the club is very grateful for this service it recognises that this status quo is not a sustainable proposition.

The roof is clearly fragile and needs attention. SWCC is acutely aware that a full catastrophic failure of the roof could occur at any time leaving the HQ open to direct water ingress and effectively rendering the HQ uninhabitable.

It is therefore clear that if SWCC is to achieve its goal of continuing to provide a secure long term base for the club's activities and a facility for use by other caving clubs and those with an interest in outdoor pursuits then the club needs to take action. This it has resolved to do.

5.0 What do we want to achieve and who will benefit

The SWCC HQ is at the heart of the club's activities and is both the club's biggest tangible asset, but also its biggest liability. The building is over 150 years old and although it is essentially sound and has been much improved by SWCC members we now need to make a substantial investment to ensure its continued serviceability for future generations. It is SWCC's aspiration to secure the continued provision and long term future of a unique resource for caving within the UK, a resource which will benefit not only SWCC club members but also guests, visitors, the South and Mid Wales Cave Rescue Team, other Caving Clubs and other voluntary bodies with an interest in related pursuits. .

We anticipate that our facilities will be benefiting:

- Circa 1500 cavers and others who stay at and / or use the facilities at the SWCC HQ each year
- A further 1500 cavers and others who visit and use the facilities as day visitors each year.
- More than 100 community related visitors such as the South Wales Police force and the Army who use the facilities as a training base
- The continued provision of a base for the South and Mid Wales Cave Rescue Team and Mountain Rescue.

6.0 Options to Meet the Need

The following options have been considered to meet the need described in section 3.0.

6.1 Do nothing

The do nothing option was considered but it does not meet the need and leaves the club exposed to the ever increasing risk of unexpected and unplanned roof failure and the consequent damage to the fabric of the building. It is not considered a viable option.

6.2 Repair / Strengthen the Roof

This is an option and was selected in the 1970's. Attempts have been made to prevent the ingress of water and to retard the obvious creeping structural failure of the roof. Forty years on it is acknowledged that whilst these attempts may have extended the life of the roof they have not solved the underlying problem. The probability of successfully implementing further substantial life extending measures is not regarded as high and the risk of sudden, and catastrophic, failure would remain a constant threat.

6.3 Replace the roof

The favoured proposal is to replace the entire roof, including all woodwork, with a modern secure structure which will be both watertight, storm proof and which would include modern insulation to reduce heating bills and our long term carbon footprint.

Replacing the roof will give us a increased security and significantly less concerns about the ability of the roof to survive inclement weather. The new roof should also mean that we will avoid having to implement costly temporary and / or emergency repairs and possible damage to the interior fabric of the HQ. The downside is that we will be taking on a larger and more complex project that will take longer (and more money) to complete. That project will require a greater degree of management together with a more consistent fund-raising strategy over a longer period of time and a three-five year project is now envisaged.

To do this the club will:

- Set up a dedicated project team to manage all aspects of the delivery of this project.
- Initiate early discussions with all stakeholders including Powys County Council and Brecon Beacons National Park
- Launch a three-year rolling programme of saving, fundraising and donations to generate sufficient funds to replace the roof.

7.0 Internal Support for the Project

The replacement of the roof has long been a topic for discussion at SWCC.

The SWCC Committee are constitutionally charged with the responsibility for running the club on behalf of the members and are accountable to the membership through the AGM. By custom and practice the Committee always take big strategic decisions to a general meeting.

The Committee sought to move the roof debate forward in 2015 by setting it as an agenda item at the SWCC 2015 AGM. After discussion a vote was taken and there was overwhelming support for the proposal to replace the roof. The current trustees were present at the AGM and voted in favour.

The current Committee are committed to the project and have initiated the writing of this prospectus and instructed design drawings and cost estimates to be obtained.

The club has therefore demonstrated its commitment to, and support for, this project.

8.0 Cost, Governance, Risks and Procurement

8.1 Preliminary Cost Estimate

The club has held tentative discussions with members who work in building and allied trades and has a preliminary cost estimate of £150K. The Committee recognise that expenditure of this scale is not something that the club can support from current funds or year on year operating profits and would require the club to raise funds on a scale that has not previously been undertaken by SWCC.

In broad terms the club aims to raise the £150K target as follows:

- Club funds 25%
- Gifts, loans and donations, and fundraising 45%
- Grants and trust funds 30%

We believe that is a prudent, but realistic and achievable target over three years.

The club has a preliminary cost estimate of £150K. This will be confirmed by three professional contractor written quotations before a detailed programme of fund raising is prepared.

8.2 Governance

Club members and any potential donors need to be assured that:

- the money raised will be properly managed and accounted for
- it will be used solely, and entirety, to fund the proposed project

Should the project not proceed any and all monies will be returned without interest.

The SWCC Committee will appoint a dedicated sub-committee to run the project. The sub-committee will report progress to the main committee at least every 3 months. The main committee will brief members on progress through the web site and e news. The main committee may decide to re-constitute the sub-committee and / or abandon the project at any time with good reason. The Committee will report progress to the AGM until the project is either complete or abandoned. A checkpoint / gateway review of the project will be taken at the 2019 AGM to either proceed with the project or abandon it and return all monies without interest.

A separate roof fund bank account will be set up with dual signatories. The signatories will enter into a deed of trust with the club to ensure security of governance and that the funds are ring fenced for use only with the project in hand. All gifts, loans, donations etc. will be attributed to the ring fenced fund. The names of those making gifts, loans, donations etc. will be kept private and known only to the two dual signatories who will be long standing and respected club members nominated by the Committee. .

8.3 Risks

Initially the biggest risk to the project is not raising sufficient funds. The fund raising profile will be closely monitored against a baseline target and reported regularly to the SWCC Committee.

The club will not enter into any construction contracts or start building until it is certain that the club has, or can confidently secure, sufficient funds to complete the project.

When the project moves into the build phase the risk profile changes and unforeseen problems, the performance of the contractor, the weather and consequential damage become the biggest risks.

The risk of unforeseen problems will be mitigated. Access to the existing roof is good both externally around the building and internally via a number of oversize access points. Potential contractors should therefore be able to assess the issues quite accurately before providing quotations.

Never the less we will ensure that a fair and reasonable mechanism for dealing with unforeseen issues is included in the contract.

The weather and consequential damage are probably the biggest project risks during construction stage and again the club will ensure that the mechanism for dealing with these is covered in the contract.

8.4 Procurement and Contracts

The club will develop a specification and drawings and obtain at least three quotations with a view to letting a design and construct contract based on a proprietary form of contract e.g. one of the Federation of Master Builders Plain English contracts or one of the Joint Contracts Tribunal (JCT) forms of contract. The club will take advice as to the most appropriate form of contract to use.

Day to day management of the construction contract will be managed by a member of the sub - committee or a nominee with the necessary skills and expertise.

9.0 Current Income Analysis

The club's annual income is circa £35K pa and this generates a modest profit.

Income is essentially derived from three sources:

- Annual membership subscriptions - 2015 / 16 - £35 per head
- Accommodation fees payable by those members staying at the HQ - £5 per night
- Accommodation fees payable by guests and visitor staying the HQ - £10 per night

An analysis of the income over a number of years has established that income is dominated by hut fees from guests and visitors staying overnight.

10.0 Potential Sources of Internal Funding

The cost of a new roof is clearly beyond the clubs current financial resources and we have therefore reviewed the following as possible internal and external sources funding:

10.1 Internal - Club Funds / Reserves

SWCC has an annual turnover of circa £30K and has reserves of £60K. The club could therefore reasonably commit £40K from the reserves leaving it with 60% of annual turnover as security. We believe this to be prudent and justifiable.

It is estimated that we could raise **£40K** from club funds / reserves.

10.2 Internal - Donations

We propose to ask all members to donate through long term planned saving scheme by pledging standing orders for 3 years (156 weeks). We propose to offer two rates, £2 per week and £4 per week to give all members the 'opportunity' to contribute, according to their means.

Of the 300 members we estimate that 50 members would pledge £2 per week and 50 members would pledge £4 per week. We recognise that some members would not contribute or would wish to contribute through a different scheme e.g. debentures. .

It is estimated that we could raise **£45K** from long term planned saving.

10.3 Internal - Debentures

We propose to offer debentures to current members for life membership at a one off cost of £500 for single membership or £750 for joint membership.

This would not materially affect the clubs long term income, which is dominated by hut fees, but would improve our cash flow for this project.

The estimate is based on 30 members contributing £500 each.

It is estimated that we could raise **£15K** from debentures.

10.4 Internal - Advanced Bequests

Over the years a number of club members have left the money to the club in their wills. We propose to ask all members who may be considering making such a bequest to do this in advance.

It is estimated that we could raise **£2K** from advanced bequests.

10.5 Internal - Alumni and Lapsed Members

Many people have been members of SWCC over the years and although they may, for various reasons, have allowed their membership to lapse but many still have fond memories of happy times spent at SWCC. We therefore propose to tap into those memories and to contact as many ex members as possible and ask them for a donation. We have estimated that 100 ex members would contribute £10 each.

It is estimated that we could raise **£1K** from donations from alumni.

10.6 Internal - Associates

Many caving and other clubs stay at and use the SWCC HQ. We propose to ask all of these organisations for a donation. We estimate that 20 organisations would contribute £50 each.

It is estimated that we could raise **£1K** from associates.

10.7 Internal - Fund Raising

Because of the geographical diversity of the members and the remoteness of the HQ fundraising events are quite difficult for the club. SWCC also has a long history of allowing other organisations to use the SWCC HQ as a venue for their own fund raising events and the club recognises that there is a limit to the number fund raising events that can be held at the HQ or by attempting to draw large numbers of members together for an individual event at another location. In the past the club has raised £3k from a single fund raising event. It is therefore not unreasonable to assume that we could repeat this and raise £3k (2% of the project costs) through fundraising.

To avoid saturation and fund raising overload we therefore aim to have just 1 big event over the next three years. Details of what that event might comprise have still to be developed.

It is estimated that we could raise **£3K** from fundraising.

An optimistic view is that overall SWCC could raise **£107K** from internal sources. A realistic view is that **£80K** could be raised internally.

11.0 Potential External Sources of Income

Whilst grants would be very welcome they would almost certainly require matched funding. The previous section described how we could raise between £80K and £107K from internal funding. This leaves us with a shortfall of between £43K and £60K which need to secure through external funding if we are to deliver this project.

The following external funding options have been considered:

11.1 Mortgage

Commercial mortgages have been considered as a potential source of funding but the club is philosophically against burdening future generations unnecessarily. Whilst a commercial mortgage remains a technical possibility it is not one that we wish to consider further at this time.

11.2 External - Grants

Grants are an obvious source of external funding and may be available from government bodies such as Sport Wales, Lottery funding and / or other charitable trusts.

In recent years we have not made many applications for assistance to the various trusts that consider funding groups like our own. We will be

making a concerted effort in this area by researching all sources of funding available to us including GrantNet and also asking all members and alumni to find out if the companies they work for provide assistance to charities, whether in funds or in kind with practical assistance.

Any external monies are likely to require matched funding from SWCC and the analysis in the previous sections demonstrates that we could achieve this.

There is no fund available for such projects from within the national caving organisation.

We estimate that the club needs to raise between **£43K and £60K** from external grants.

12.0 Timescale for the Project

This is a 5 year project and will be launched at the SWCC 70th Annual Dinner in May 2016 for completion by club's 75th anniversary in May 2021.

The 2019 AGM will review progress of the project, particularly fund raising, and either: approve completion, or formally abandon the project and return all monies without interest.

To deliver this project SWCC needs to:

- Review and agree a final version of the Prospectus for endorsement by the 2016 AGM
- Confirm the current cost estimate of £150K by authorising the obtaining and payment for at least three written quotations for the construction of the roof.
- Launch the project at the SWCC 70th Dinner and initiate the three-year rolling programme of saving, fundraising and donations
- Agree membership and terms of reference of the RRP sub committee
- Complete preliminary discussions with the Brecon Beacons National Park and Powys County Council by Dec 2016
- Obtain and necessary formal permissions by Dec 2017
- Complete the project by the 2021 AGM - the clubs 75th anniversary

13.0 Fundraising Plan

The club is alive to the problems of fundraising fatigue and the fact that the club is a voluntary organisation. We have therefore set out a high level fund raising plan accordingly:

- SWCC 2016 AGM to approve this prospectus and appoint a roof replacement sub committee
- Form the SWCC Roof Replacement Project sub-committee:
- Formally establish the design and obtain three cost estimates to confirm the fund raising target.
- Establish managed ring fenced fund
- Set up Cash Flow Plan and monitoring regime
- Establish internal fundraising schemes, particularly the Planned Giving scheme
- Assign external fund raising point of contact and identify possible grant bodies and apply
- Identify alumni and contact
- Identify a big fund raising event for year 2.