

Report from the Chief Executive

Income Diversification Group Annual Report 2025-26

Introduction

In order to manage its budget deficit, the Authority has set up an Income Diversification Working Group. The Terms of Reference of the group require it to present an Annual Report to the NPA after the AGM. It was proposed that the report be presented to the National Park Authority meeting held on the 24th June.

Annex A provides that report.

The Terms of Reference state that every 12 months the Authority will agree whether to extend the remit for another 12 months. It is proposed to extend the work of the group for another 12 months.

At the recent meeting it was agreed request that Members agree to expand the remit of the group to include all financial issues that can contribute towards achieving a balanced budget. This was a reflection that it was unlikely that the Authority could reach a situation where it could balance the budget through non staff savings alone and also took account of the conclusions of the Audit Wales report on Financial Sustainability. A copy of the revised Terms of Reference is included as Annex B.

Recommendations

Members are asked to:

- **Provide any comment on the draft report;**
- **Suggest any additions or amendments;**
- **Make any suggestions regarding next steps for the group**
- **Agree to extend the work for another 12 months;**
- **Agree to revise the remit of the group, to expand it to include all financial issues that can contribute towards achieving a balanced budget.**

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Income Diversification Group Annual Report 2025-26

Introduction

In order to manage its budget deficit, the Authority has set up an Income Diversification Working Group. The Terms of Reference of the group require it to present an Annual Report to the NPA after the AGM. This paper meets that requirement.

Income Diversification Group

Members

Chair – Cllr Claire George
Cllr Di Clements
Dr Madeleine Havard
Sarah Hoss
Cllr Mike James
Dr Rosie Plummer (until January 2026)
Fiona Day (from February 2026)

All Members are invited to attend the meeting.

Staff from across the Authority have attended meetings to present papers and discuss options.

During the year 4 meetings have been held.

Issues Discussed

The main focus of the year has been on Non-Staff related savings. This is largely a focus on our expenditure that did not impact on staff posts.

There was also a focus on seeking new sources of income. The two main elements of this were increasing car parking charges which were implemented from March and implementing changes to the fees charged for planning applications, following changes in guidance from Welsh Government. We will monitor the income generated over the year.

The key basis for the discussion is a spreadsheet listing progress on options for Non-Staff Income Generation and Savings. A copy of the latest list is included as Annex A.

Over the past year some of the key savings have been in areas such as:

- Vehicles – over the past year we have reduced the number of vehicles along with continuing our work to transfer the fleet from petrol / diesel to electric. Our previous work to install a charging infrastructure across the park, makes this a viable process. In addition, we have utilised capital funding from Welsh Government to replace vehicles with vehicles we own. This will reduce the leasing costs, however, running costs are still retained, meaning that we need to continue the process of using vehicles more effectively. The introduction of telematics, to provide data on the use of vehicles, will assist this process.
- Car park income – we successfully changed the rates we charge at car parks. Over the year we will monitor how this will impact on income generated at our car parks.
- There have been a number of small-scale changes ranging from not providing lunch, to reducing some elements of training. In addition, we have removed some allowances such as Essential Car User Allowance.

Suggestions not taken forward

However, there were a number of suggestions that were not taken forward following decisions by Members. There include:

- Funding of Visit Pembrokeshire – retained at the same level
- Support for Iron Man – a reduction of around £5,000, however, it was agreed to continue to provide £15,000;
- Support for the Coastal Bus Network and Tenby Park and Ride - £75,000
- Funding to ensure that some of Pembrokeshire County Council managed toilets in the National Park remain open - £111,000

In addition, it was decided to retain the funding of Pembrokeshire Coastal Forum at £15,000, while we introduce a Licencing Scheme for Coasteering. We will review whether to continue with this funding once the scheme has been introduced.

This approach has been possible due to the healthy position of Authority's Reserves. However, we may need to revisit some of these decisions over the next few years.

Audit Wales Report

During the year Audit Wales undertook an audit on the financial sustainability of the Authority. This provided an opportunity of explaining the approach the Authority is undertaking. The main conclusions from the report were:

“The Authority is clearly aware of its financial position, including its relatively strong reserves position, and its associated risks.

The Authority has focused on generating income in the short term but is at an early stage in thinking about its longer-term strategic approach.

The Authority reports clearly and regularly on its finances but could strengthen this by explaining the implications of its budget variances. “

The Income Diversification Group has played a key role in supporting this approach.

Next Steps

Following discussion at the meeting held on 10th June, it was proposed that:

- An updated version of the Non-Staff Cost Savings Spreadsheet be developed;
- To request a change in the remit of the group, to expand it to include all financial issues that can contribute towards achieving a balanced budget. This was a reflection that it was unlikely that the Authority could reach a situation where it could balance the budget through non staff savings alone;
- The need to respond to political changes over the next year at both national and local levels was likely to have a significant impact on the finances of the Authority.

Recommendations

Members are asked to note the report of the Income Diversification Group

Annex B – Revised Terms of Reference

INCOME DIVERSIFICATION GROUP

TERMS OF REFERENCE

Role/purpose

To guide and support of the Authority on all financial issues that can contribute towards achieving a balanced budget.in relation to Income Diversification.

Membership

To comprise:

- 6 Members of the Authority.
- The Chief Executive to nominate relevant officers.
- The group may co-opt up to three additional members from outside the Authority who can contribute to the work of the Authority in relation to income diversification.

Members to determine Chairmanship at the inaugural meeting.

Quorum

To include at least two members.

Accountability

The Group is of an advisory nature and will support the Authority and the Chief Executive on work undertaken under delegated authority.

Any decisions which cannot be undertaken under delegated authority will be presented for approval to a National Park Authority meeting.

Minutes of the Group, with the exception of items deemed commercially sensitive, will be reported to the Audit and Corporate Services Review Committee at its next available meeting. The Audit Committee may also indicate areas for the group to consider.

The Group will present an annual report on progress to the Authority at its June meeting. The Authority will then decide whether to extend the remit of the group for a further 12 months.

Mode of operation

Meetings will be arranged every two months, or as and when necessary, and will be held via MS Teams.