

THE NATIONAL PARKS JOINT SCRUTINY GROUP ON THE ECONOMY
11 March 2015

Present:

Pembrokeshire Coast National Park Authority representatives:

Members: Mrs G Hayward (Chair), Councillors DGM James, B Kilmister and RM Lewis and Mr AE Sangster.

Officers: Mr T Jones, Chief Executive.

Snowdonia National Park Authority representative:

Member: Councillor A Gruffydd,

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 12.35pm and
12.55pm – 3.50p.m.)

1. Apologies

There were no apologies for absence.

2. Disclosures of interest

No disclosures of interest were received.

3. Minutes

The minutes of the meeting held on the 30 January 2015 were presented for confirmation and signature.

It was **AGREED** that the minutes of the meeting held on the 30 January 2015 be confirmed and signed.

4. Questioning Arrangements

The Chairman reminded Members that a suggested list of questions had been circulated to the Committee and these had also been sent to those who had been invited to give evidence to help them in their preparation. Members discussed who would ask each question and the order in which they would be asked.

5. Presentations and Evidence

a) Ms Martina Dunne, Head of Park Direction and Mr Gary Meopham, Estates Officer, Pembrokeshire Coast NPA

The Chairman welcomed the first group to provide evidence to the Committee. Mr Meopham explained that as Estates Officer his core responsibility was to manage the Authority's property portfolio, however this sometimes included economic activity. Most of the portfolio was held for conservation objectives, however when economic opportunities did present themselves, the Authority did seek to capitalise upon them. Unfortunately there was insufficient time to ask questions of Mr

Meopham, and he was asked to return at the end of the day (Minute 5e refers).

Ms Dunne gave a presentation which focused on Development Management and the Local Development Plan and how planning applications impact on economic development within the National Park.

Points raised in the session with Ms Dunne were as follows:

- Valuing Wales' National Parks (September 2013) stated that there were 1,390 business units in the Pembrokeshire Coast National Park employing 7,000 people, and that the National Park's environment supported 3,532 of these jobs directly and a further 529 indirectly.
- On average businesses in Wales' National Parks employed 15.06 people, which was lower than the Wales average of 26.92
- The level of employment in National Parks was similar to that in the rest of Wales
- The average Gross Value Added (GVA)/population for the Welsh National Parks was c£7,000, which was lower than the rest of Wales where there were more advanced employment opportunities.
- It was suggested that the reasons for these figures was likely to be that National Parks contained diverse rural businesses in sectors linked to tourism. Many of the businesses were smaller and there was a lack of manufacturing, but lots of self-employment and lifestyle businesses.
- Pembrokeshire County Council had commissioned a business survey of a sample of businesses in 2012 which had highlighted that business confidence was relatively high going forward but barriers to growth included apathy within the economy, high business rates, competition from larger businesses and seasonality
- The majority of responses to a question regarding the availability of business support stated that there was no support, which officers found quite worrying, and possibly due to self-employed business people who were not aware of the advice network that was available.
- 7% of business replied that they needed larger premises, however there was no location specific advice as the survey covered Pembrokeshire businesses in general.
- The Wales Spatial Plan was the guide in writing the LDP. There were three strategic hubs in which future investment in the area would be concentrated – at the Haven/Haverfordwest, Fishguard and Carmarthen. Also rural centres with the National Park at Newport, St Davids, Tenby and Saundersfoot. Strategic employment sites needed to be focused in larger centres and renewable energy in the Haven waterway area. Also tourism/leisure – need to lengthen the season and improve the quality of provision.
- Key Diagram from PCC's LDP which showed how the Spatial Plan translated to the policies of the LDP. This diagram showed centres within both PCC and the National Park. Employment was now acceptable within or adjacent to settlement boundaries and there would be no specific allocations.
- Planning applications - perception that the Authority refused everything. In fact in 2012/13 overall 84% of commercial or business applications were approved. Update on stats for 2013/14 – 92% approved. Fewer turbines being approved, however this was not surprising as there were fewer

opportunities for turbines to fit within the landscape, especially when the cumulative effect was considered.

- Reasons for refusal usually due to detail: Location, scale, design, detailed requirements, amenity of neighbouring uses.
- Current work to update the employment background papers as part of the LDP review (handout tabled at meeting)
- Awaiting final guidance from Welsh Government on Employment Land Reviews. The Authority was working with PCC to prepare a local survey element as a precursor to the Review.
- Updated Planning Policy Wales adds a consideration for adjacent to a settlement, rather than just within. This would be a material consideration in any planning application. Such sites could be sizeable – up to 2ha – have to consider impacts on landscape.
- Other issues to be considered as part of the LDP review were on shore connections (including capacity of grid) for off shore developments; Super dairies (the accommodation of large buildings within the landscape)/ Slurry lagoons; and Sites allocated not coming forward. (handout showed current position on LDP allocations)
- The Spatial Plan still set the strategic context for the Authority's Plan through legislation, despite talk of Enterprise Zones and City Regions from politicians
- Ms Dunne considered that the Authority's policies contained sufficient flexibility to cope with new Welsh Government guidance or initiatives, however there was always a time lag in the production of such guidance.
- The Authority did not currently have the expertise or resources to provide advice on economic development other than through the role of planning. However there was currently liaison and partnership working with PCC who provided that role.
- There was no timescale for the publication of WG guidance on Employment Land Review, the Authority was working jointly with PCC using the draft methodology that WG had provided. Criteria based policies were considered to be the way forward rather than allocations as there was limited funding available to deliver sites.
- The Authority's website could be revamped to promote how the Authority responded to employment opportunities and links could be provided to PCC business support officers.
- Account was taken of rural poverty, as one of many issues, when writing policies, through the sustainability appraisal of the LDP
- Those requesting industrial units would first be directed to those already built. There was a problem with funding of allocations either in or outside of the National Park, however officers were confident that PCC would make people aware of allocations in the National Park as PCC had requested that the allocations be made.
- Caution was expressed regarding the proposed Strategic Development Management Boards as officers felt that the National Park was better able to plan for its own area.
- Officers considered that, having done both a joint Unitary Development Plan and a Local Development Plan for the National Park alone, that individual plans were more helpful. With the JUDP there was a continual need to explain to people that certain policies applied only in the National Park and others to PCC only. While it was important to collaborate and communicate with regard

to the strategy, it was considered that the current LDP's allowed better engagement.

- There could be opportunities for a secondment from PCC to allow economic development officers to gain a broader perspective regarding the work of the National Park.
- Much work was done by PCC with regard to adding value in the food industry - there was a vision – many food festivals which were well attended and there was a proposal for part of the Withybush Industrial estate to become a food emporium.
- Surveys of applicants to the Development Management process had been carried out, and the results would be made available to Members; these might provide information on whether micro-businesses needed help to expand.
- If the economic duty was part of the National Park purposes it could make a fundamental difference to the Local Development Plan, depending on how such a purpose was worded.
- Members understood that there was a waiting list for industrial units in the north of the County and it was questioned why PCC were not doing more to address this; officers agreed to provide a breakdown of availability of units in the National Park by area.
- It was pointed out that not all industrial units were being used for that purpose, one in Newport, for example, was being used for storage.
- Evidence would be needed before the Authority changed its focus to actively encourage more businesses. Currently the work was largely reactive.
- The annual LDP monitoring report looked at approvals contrary to officer recommendation, numbers were currently low, however it was acknowledged that the right for such decisions to be taken was fundamental to the democratic process.

b) Kate McEvoy, The Real Seed Catalogue and David Lewis, Hean Castle Estate, Saundersfoot

Welcoming Ms McEvoy and Mr Lewis, the Committee first introduced themselves.

Ms McEvoy explained that she was a founder and Director of the Real Seed Catalogue which grew and supplied vegetable seeds to home gardeners. The company had started in 1998 and had been based in Pembrokeshire since 2004; it was growing steadily and had a turnover in 2013/14 of £366,000. The company employed six people in fieldwork, office work and seed packing. It operated from an office in Newport and owned 6 acres of land outside the town. The company, which was small scale and organic, was considered a key stakeholder by Welsh Government as one of only four companies producing seed designed for growing in a Welsh climate. The company tried to be environmentally minded and now sold exclusively through its online catalogue, although a number of old catalogues were circulated to the Committee for their information.

Turning to the questions asked in the letter of invitation, Ms McEvoy provided the following answers:

- There were no obvious advantages to operating a business in the National Park, and in fact from a business point of view it was not helpful – she would advise others to locate outside. It was easy to recruit and retain staff as the company offered good wages and there was much unemployment

- The main problem was a suspicious and obstructive approach with regard to planning. She believed that her application for a small, traditional barn and polytunnels would have been permitted development outside of the Park area. She found the planning process slow and it was impossible to get feedback, particularly through the pre-application process. As a regulated seed business they worked closely with DEFRA and felt that the relationship was much more collaborative. Where there was disagreement, the position was put in writing and a compromise was reached. There was no uncertainty.
- Also a problem to continue to have to submit variations for minor works – all takes time, and time had a cost as there was work to do. Officers didn't seem to understand that.
- Implementation and culture needed to change, rather than policies themselves. Policies did, however, focus on tourism and agriculture, with less understanding of niche businesses.
- Clear information and certainty were critical.

Mr Lewis then introduced the work of the Hean Castle Estate. This was a traditional rural estate based around the coastal village of Saundersfoot which had been in the same family ownership since 1897. In general he was in favour of the National Park and his grandfather had been a keen proponent in the creation of National Parks. The total land area was 1250 acres and encompassed a diverse range of businesses:

- Scar Farm Holiday Park – a large static holiday caravan park in an excellent sought after location on the edge of Saundersfoot village within walking distance to the beach, shops and pubs
- Forestry & biofuels - 350 acres of managed plantations and woodlands, firewood processing & retail sales and a woodchip fired district heating system serving Hean Castle, estate buildings and cottages due to be commissioned June 2015
- The 'Hean' herd of pedigree Herefords – recently established and aiming to produce premium quality beef for local outlets
- Netherwood house - A dilapidated, grade 2 listed manor house, until recently used as a private boarding school but with planning permission to convert to a 15 bedroom 'exclusive use' serviced holiday property. The project was currently 'on hold' until time and funding was available.
- An extensive portfolio of let property: 60 Cottages, 3 Farms, 5 Caravan Parks and 3 Hospitality & Catering properties
- Coppet Hall Beach Centre –this was completed May 2014 and consisted of public toilets & changing rooms, 'Coast' Restaurant, watersports hire & retail centre, Ice Cream and snacks kiosk and local history interpretative mural

He had a different view of the planning process. The estate made many applications – 25 in the last seven or eight years, three of which had been major developments and he had a good relationship with officers. He agreed that improvements could be made to the process and felt that much could be gained by increasing the understanding of business groups of the planning system, through the use of forums with officers. This would improve the perception of planning and thus the National Park.

In a joint questioning session, the following points were made by Ms McEvoy and Mr Lewis:

- Neither had significant issues with National Park policy, but more regarding its application.
- It was suggested that there could be greater education of the business community regarding planning matters.
- Quite small scale projects were considered to be major development in the National Park and this led to additional costs. As a recent example, a visible, exposed site with a lot of constraints had professional fees just short of £100,000 to be expended (approximately 5% of the total project cost) and there was no guarantee of gaining permission at the end of this process. It was acknowledged that planning permission was an investment, however there needed to be an element of certainty before such large sums were expended.
- The planning process was considered to have a lack of trust (that applicants would use a building for the purposes applied for), certainty in the outcome and communication and was very costly. This was putting some businesses off.
- There was a focus on tourism, however year round jobs were important.
- The Authority was congratulated on the steps it had taken to review its policy on affordable housing. While it was agreed that lots of housing was not desirable, market housing was needed to pay for affordable housing – large scale developers.
- Farming and tourism were key economic drivers. Dairy farms either needed to get bigger or they would cease to operate. It was considered that there was scope for planning officers to talk to farmers to resolve issues – greater interaction was needed.
- There was a lack of understanding by officers of niche agricultural businesses – it was hard for horticulture businesses to demonstrate financial viability as there was little experience of them.
- The coast path was well managed and this was good for marketing of businesses. Also the Authority's use of social media to re-tweet events was considered helpful. Good experiences had also been had with Rangers and regarding signage.
- As many businesses deal with PCC for other elements, it would in some ways be easier to deal with them with regard to planning, although the need for different policies for the Park was acknowledged.
- The National Park brand was considered helpful but not vital to one of the businesses, and unimportant to the other.
- The duty to seek to foster the economic and social wellbeing of communities living within the Park was considered as important as the two existing purposes if a vibrant National Park was wanted. The landscape was not wild or empty but had been shaped by people over millennia and continued to evolve – the landscape could not be kept in stasis.
- Planning staff were considered to understand mainstream businesses but only have an element of commercial awareness. Members also needed to appreciate the cost of, for example, requiring additional landscaping.
- It was considered that the pre-application service didn't deliver what it set out to do. The idea of charging for the service was felt to be interesting, but it was important that the advice did not change between pre-app and planning application. Also that advice was received in a timely manner.

- The biggest hindrance to expansion was likely to be planning, however the point was made that not all businesses wanted to expand, due to other considerations.
- The Minister's suggestion that Planning Boards consisting of professional officers (architects, planners, etc) as well as local representation was supported.
- For major applications it was suggested that planning officers be part of the project team, attending their monthly meetings to give a greater understanding of the process and policies to all sides. Also that such applications be allowed 30 minutes to give a presentation to the Committee before any decision was taken and a right to reply to correct factual information.

c) Mr Huw Pendleton, British Holiday & Home Parks Association and Mr Chris Osborne, Wales Tourism Alliance

In introducing himself to the Committee, Mr Osborne stated that he wore a number of hats in that he ran the Fourcroft Hotel in Tenby, was President of Tenby Chamber of Trade, one of the founder members of Pembrokeshire Tourism and President of the Wales Tourism Alliance (which represented circa 8,000 tourism businesses). He added that he had influence with Welsh Government and Visit Wales and was an active influencer in government legislation and policy when it was allowed.

Mr Pendleton stated that he was Vice President and West Wales Director of the British Holiday and Home Parks Association, a Director of the Wales Tourism Alliance and Chair of the Caravan and Camping Forum for Wales. He owned three caravan parks in Pembrokeshire, which had a turnover of £3.5million.

The British Holiday and Home Parks Association had 877 members, with 385,000 pitches across the United Kingdom (54,000 in Wales). There were 250 Parks in Wales with 71,000 bed spaces. The economic impact to Wales was in the region of £317 million per annum. The Association provided the Park industry with a voice to ensure that full account of its input to the tourist industry was taken when changes to residential legislation was being considered. The Association also provided guidance and advice throughout the industry.

In a joint questioning session, Mr Osborne and Mr Pendleton raised the following issues:

- From an industry point of view, the beauty and infrastructure of the National Park had to be preserved, but the needs of the industry to compete with abroad also had to be taken into consideration.
- There was no need for a rash of new planning legislation; the holiday aspect should be retained, not all-year residency of holiday parks.
- There was a need for diversity of accommodation be it caravan parks, hotels, bed and breakfast establishments, self-catering accommodation, yurts, etc. Tourism needed to work together.
- Customers' expectations were continuously changing and there was a need to exceed these. National Parks played a valid role in protecting the environment and continuing the "heritage story", but not if it constrained tourism. A balance needed to be found.
- The purposes of the National Park Authority should include the sustainable financial environment as well. The socio-economic duty was not as forceful as

it could be; it should include economic sustainability and carry equal weight with the two purposes.

- The National Park needed to be a living, working environment. As beautiful as the natural landscape was, more attractions/contributions to employment were needed also. Farming played a massive part in the Pembrokeshire economy, and if a large farm were to fail it would have a big impact on the community. Tourism was the same and the Authority shouldn't restrict tourism growth.
- Without caravan parks, there wouldn't be so many attractions, which were a valuable contribution to the area both in terms of employment and bringing money in to the area. Allowing people to buy caravans also helped the economy and did not take housing stock out of the local equation.
- Mr Osborne was a great believer in supply and demand and considered that planning should neither instigate, nor create a total block to, development in its own right. Planning was part of, but not the whole story. He used self-catering accommodation as an example, where it was getting in the way of a community's sustainability. Areas had been allowed to become desert towns out of season. Meanwhile, the people needed to work in the tourism business couldn't afford to live in the areas where they were needed.
- The current LDP's Supplementary Planning Guidance on the loss of hotels was an important tool. There was a need to be able to provide a diverse range of accommodation to cover all expectations and budgets, and the guidance tried to prevent the loss of hotel accommodation without first providing evidence that the business was no longer viable.
- There was a need to be innovative, different and vibrant to cater for customers' expectations, but such development had to be in the right place and sensitively done.
- The National Park Authority's retro posters campaign was really strong, but it needed to be supported with road signs stating that people were entering/driving through the National Park. It was a trick missed; businesses should be proud to state that they were located in the National Park and should shout about it.
- The National Park brand should be better marketed, although it was conceded that Wales as a whole wasn't marketed well either.
- Mr Osborne stated that his hotel had two unique selling points – the people who worked in it and the view from it. He added that he wouldn't be there if it wasn't for the National Park and the Authority's careful controls on development. Regular customer surveys also showed that 92% of his customers adored the pedestrian scheme between the town walls, and thanked the Authority for its vision in implementing the scheme.
- Affordable housing had an important part to play, particularly in a business sense. If people couldn't afford to live in the National Park, they couldn't work in it either. Both businessmen were also seeing a return of skills shortages in the area, and higher instances of people from other countries working in the tourism industry.
- Business vitality was absolutely critical; there were three strands to sustainability – environment, social and business/economy.
- There were signs that recovery was quietly making an appearance in Pembrokeshire.

d) Ms B Prickett and Ms A Grimes, Solva Business Forum, and Mr T Baron and Mr N Blockley, Federation of Small Businesses

Ms Prickett stated that she owned a business in lower Solva, Window on Wales, which employed fifteen staff all year round. She was also Chair of the Solva Business Forum, which had fifty members associated with sixty-two businesses in the area. The Forum was aware of how important tourism was as it had a knock-on effect for the whole village. She added that the Forum was in constant contact with the St Davids Peninsula Group.

Ms Grimes introduced herself as the Secretary to the Solva Business Forum. She also owned Solva Woollen Mill, which was the oldest in Pembrokeshire and had worked continuously throughout. The Mill was open throughout the year and employed seven full/part-time employees. 17,000 people had visited her business. She was a member of the campaign for wool and had been chosen as one of fifty participants in an event in Suffolk Cathedral the previous year.

Mr Blockley stated that the Federation of Small Businesses (FSB) was made up of thirty-three regions and 188 branches, looking after some 200,000 members across the UK. There were 7,500 members across the South Wales region, for which he was responsible, with 630 members in the Pembrokeshire branch, of which Mr Baron was Chair. Most of the members were involved in the tourism industry.

Mr Baron went on to say that the FSB had a strong network across Wales. FSB Wales was not a region of the UK, but a devolved area. It had its own policy unit and lobbied Welsh Government in Cardiff. The reason for this was due to the fact that the environment in Wales was different to the rest of the UK. Employment in small to medium sized enterprises was higher in Wales (62% compared to less than 59% in England).

He added that the FSB took a very strong interest in all things that affected the growth of SMEs, the reason being that most SMEs in Wales outsourced business to others. By way of example, he stated that he owned a caravan site where the local builder spent a third of his time carrying out maintenance work. An environment that encouraged small growth was more sustainable than an oil refinery which, although employing hundreds of people, lost those jobs if it went under.

Mr Blockley stated that the FSB was a member-led organisation. Usually, common themes/issues were raised by members, which the FSB then lobbied for on their behalf. He went on to say that he had consulted with his counterpart in north Wales in order to provide the Committee with the views from both areas involved in the review process. He also referred the Committee to a recently published document *FSB Wales: Planning in National Parks* which he considered would be of interest to the Committee.

In a joint questioning session, the following points were raised:

- The Authority's emphasis was more on conservation than economic development.
- FSB Wales' policy unit had held meetings with Welsh Ministers and put forward a recommendation that planning powers be removed from National Park

Authorities and given to the constituent local authorities. If that were to be the case, however, there would have to be close association between the National Park Authorities and the local authorities, with the former becoming a statutory consultee on planning applications.

- National Park Authorities and Areas of Outstanding Natural Beauty should work more closely with local authorities to promote economic development.
 - Solva Business Forum queried whether it was their job to come to the Authority. The Forum was of the opinion that the local Rangers could visit local businesses occasionally in order to build up a working relationship.
 - The Authority's Members were "faceless people", with mostly negative interaction between them and businesses. The Rangers were the face of the National Park to most people.
 - The National Park was a huge tourist attraction, but it was also a living, working Park.
 - If the National Park Authorities were more proactive, they wouldn't need to approach businesses in this way to ask what they thought. There should be regular consultation.
 - What the National Park represented was generally good, and its aims were good but people had to live and work in it. There was a general feeling that the National Park Authority would rather have nobody living in it.
 - The Scottish National Park Authorities had economy as a purpose, with equal weight, which was considered an advantage. If there was no thriving economy, where would tourists eat, sleep, etc?
 - The National Park was needed by most people, but there needed to be interaction between its communities and the National Park Authority.
 - There was a distinct advantage to the National Park brand, and a direct benefit from the presence of the Coast Path.
 - Communities had to develop and not be frozen in aspic, but there had to be an understanding on the planning side that things did not have to remain the same. It was conceded that development should be in harmony with the National Park Authority's purposes.
 - There was indifference to having a Member representative for certain areas within the National Park as there were already Rangers "on the ground"; it was more about developing trust and a relationship between businesses and the National Park Authority. Starting a dialogue would be a help.
 - It was accepted that the road at Newgale was not in the remit of the National Park Authority, but it was pointed out that tourism in the north of the National Park wouldn't survive if the road was shut.
 - Anything that could be done to extend the tourist season would be good. The winter months were very quiet and businesses had to rely on the summer season. More should be made of the fact that Pembrokeshire was open all year round. The National Park Authority's website and *Coast to Coast* magazine was a big advantage in that respect.
 - There was a need to look at the infrastructure, particularly broadband.
- e) Gary Meopham, Estates Officer, Pembrokeshire Coast National Park Authority
The Committee welcomed Mr Meopham's return to the meeting to provide evidence to Members. The following issues were raised:

- It was important to be proactive, and try to do as much as possible with and through other organisations, e.g. undergrounding of electricity lines at Strumble Head and other areas in the National Park.
- Sometimes there was an unreasonable expectation of what the Authority could do.
- There were times when things couldn't be done as it could set a precedent or would not be in keeping with National Park purposes.
- There were no areas of land in the ownership of the Pembrokeshire Coast National Park Authority that could be developed were another organisation interested in taking them forward.
- Risk-taking organisations drove the economy; they were bold and had money. The Authority could work with other organisations in this respect, but any decisions would have to take the National Park purposes into consideration.
- There was a need for a more robust approach from Members to the property portfolio.

Everyone who gave evidence at the meeting were thanked for their contributions and informed that a report on the entire scrutiny process would be published in due course. Any recommendations contained therein would be presented to the respective National Park Authorities for consideration.