

NATIONAL PARK AUTHORITY

4th February 2015

Present: Councillor M James (Chair)

Mr A Archer, Mr D Ellis, Councillor P Harries, Councillor S Hudson, Mrs G Hayward, Councillor O James, Councillor L Jenkins, Councillor R Kilmister, Councillor RM Lewis, Councillor PJ Morgan, Councillor D Rees, Mr AE Sangster, Mrs M Thomas, Councillor A Wilcox and Councillor M Williams.

[Ms C Gwyther arrived during consideration of Report 01/15 Draft Budget Planning 2015/16]

(NPA Offices, Llanion Park, Pembroke Dock: 10.00am – 12.55pm)

1. Apologies

An apology for absence was received from Councillor R Owens.

2. Disclosures of Interest

Councillors L Jenkins and P Morgan disclosed a personal interest in Report 02/15 Car Park Arrangements for 2015 but remained in the meeting and took full part in the debate; Mr EA Sangster also disclosed an interest in Report 02/15 and withdrew from the meeting while the section regarding Saundersfoot was discussed; Councillor RM Lewis disclosed an interest in report 05/15 National Transport Plan and withdrew from the meeting while it was discussed.

3. Minutes

The minutes of the meeting held on the 17th December 2014 were presented for confirmation and signature.

It was **RESOLVED** that the minutes of the meeting held on 17th December 2014 be confirmed and signed.

4. Matters arising

(a) Consultations in Conjunction with the Planning (Wales) Bill (Minute 11)

The Chief Executive reported that the Planning (Wales) Bill was continuing its progress through the National Assembly and had been considered by the Environment and Sustainability Committee to which the Authority had given evidence. The Committee's Stage 1 Report had recently been published and this recommended that the Minister left the Bill as drafted in relation to National Parks and that he reconsidered his intention to bring forward amendments to give Welsh Ministers the power to create Joint Planning Boards that could in future include whole or part of a National Park. While this was welcome news, the Chief Executive cautioned that this was only the first stage in a long process and officers would be following its progress closely.

NOTED



5. Development Management Committee – Report of Meeting

It was **RESOLVED** that the reports of the meetings of the Development Management Committees held on 3rd December 2014 and 7th January 2015 be received.

6. Welsh Local Government Association Members' Charter

The Chairman explained that Sarah Titcombe from the WLGA was due to have presented the Authority with its Charter Award, however Ms Titcombe had been seriously injured in a car accident recently and had therefore been unable to attend. He intended to write to the WLGA, asking them to pass on Members' good wishes.

NOTED.

7. Draft Budget Planning 2015/16

The report of the Chief Executive and Chief Financial Officer set out the draft Revenue and Capital budgets for 2015/16 and implications on reserves, the draft 2015/16 levy on Pembrokeshire County Council, Prudential Indicators for the capital programme and an Investment Strategy & Treasury Management Policy Statement for 2015/16.

It was reported that there had been considerable uncertainty and delay in notification of the Authority's National Park Grant and Capital Grants for 2015/16. The Welsh Government had tried to minimise the cut in the revenue grant to the National Parks by substituting capital grant for revenue funding and this had been dependent upon agreement with other organisations within the Department of Natural Resources. The indicative 4.32% cut announced the previous year represented a reduction of £168,000, however the Authority had received provisional funding figures following the capital substitution exercise that showed the total reduction in funding to the Authority of £209,000, which included the loss of the entire capital grant of £117,000. It was noted that these were draft figures and might be subject to change. The official confirmation of the NPA grant was expected shortly in order that the levy deadline of 15th February 2015 could be met.

While the financial position in the short to medium term continued to look challenging, the Authority's reserves were fairly strong, which positioned the it well for the difficult years ahead. There would continue to be a need to review areas of activity to ensure resources were allocated to meet priority objectives.

The draft budget had been prepared in accordance with the annual budget strategy previously discussed by Members in budget workshops, and in calculating the net cost of continuing existing services, account had been taken of a number of factors, which were set out in the report.



The baseline revenue budgets for 2015/16 – 2016/17 were set out in the report, accounting for the factors referred to earlier at the meeting. The Net Budget was compared with the anticipated level of NPG/Levy funding to identify the sum remaining, i.e. an increase or reduction in the General Reserve balance. The report showed an operating revenue deficit of £109,000 for 2015/16 and £286,000 for 2016/17. While certain strategic savings had already been agreed with Members, it was intended that the 2015/16 budget would be balanced by additional strategic savings; these had previously been discussed with Members and it was hoped that the outstanding issues could be resolved in the next few months.

Following a question from Members, The Chief Financial Officer clarified that it was possible to approve what was in effect a deficit budget as the Authority had sufficient reserves to cover the shortfall, although it was intended to find the necessary savings during the year as discussed previously.

Although not in receipt of a capital grant from Welsh Government, the Authority would deliver a capital programme for 2015/16; the draft sum presented was £275,900 and it was expected to be funded by Earmarked Reserves, Capital Receipts Reserves and a Heritage Lottery Fund grant.

The impact of the rolling 3 year budget on the Financial Reserves of the Authority was also reported. The predicted available reserves at the end of the 2014//15 financial year were set out, comprising of forecasted General Reserves, Capital Receipts and Earmarked Reserves. During 2014/15 budget savings and additional income had significantly bolstered the Authority's reserve position. The forecasted surplus on the revenue account for 2014/15 was therefore expected to be in the region of £180,000 of which £150,000 would be added to the existing restructuring reserve and £30,000 to a new reserve to be used to refurbish the Authority's car parks.

One Member asked whether there was a risk in not spending all revenue received from car parks on their maintenance, given complaints that had been made to Audit in other parts of the country. Officers replied that there was nothing in legislation that prevented car park income going into the general fund and this had not been highlighted as an issue by the Wales Audit Office.

The Chief Financial Officer concluded that the Authority continued to face a significant financial challenge to ensure it reduced its underlying cost base and/or increased other revenue streams to match the significant reduction in the National Park Grant and consequential cut to the levy. The healthy reserve position afforded the Authority a cushion to address the acute funding issues. However as the Authority's core grant funding was likely to continue to fall, these reserves are finite and would be soon



be depleted if no corrective action was taken. It was anticipated that the practice of regular budget workshops with Members would continue and the indicative financial situation would be managed by discontinuing certain activities, improved efficiencies and cost savings, reviewing opportunities to develop local income and drawing down other sources of grant aid.

Thanking Officers for their hard work in preparing the budget report in just a few days, Members were disappointed that the National Park Grant for 2015/16 had still not been confirmed. They did, however, take seriously the need to take difficult decisions sooner, rather than later, as they acknowledged that the financial situation was not likely to improve.

It was **RESOLVED** that:

- the draft budget 2015/16 be approved in principle subject to noting that the NPG/Levy estimate had yet to be confirmed.
- the forward planning budget for 2016/17 be noted

(a) Levy on Pembrokeshire County Council

The Chief Finance Officer reminded Members that Section 71 of the Environment Act 1995, sub-section 3, determined the way in which the levy which was to be raised on Pembrokeshire County Council, should be issued. The following statement complied with this requirement.

Levy on Pembrokeshire County Council



Parc Cenedlaethol
Arfordir Penfro
Pembrokeshire Coast
National Park

The Authority must authorise the making of a levy of £1,053,818 from Pembrokeshire County Council, in accordance with Section 71 of the Environment Act 1995 and the National Park Authorities (Levies)(Wales)(Regulations) 1995 SI 1995 No.3019 as amended by the National Park Authorities (Levies)(Wales)(Amendment) Regulations 1996:

- the sum required to meet expenditure for the Authority which will fall to be charged for that year in the Revenue account is £5,892,937
- making such provision as is appropriate for meeting contingencies, the expenditure on which would fall to be charged in the Revenue Account £Nil
- the sum required to secure the availability to the authority of adequate working balances on its Revenue Account £Nil
- the sum required to provide the Authority with



other requirements for covering any deficit brought forward from the previous financial year		£Nil

Sub-total		£5,892,937
LESS		
• Section 72, Grant (NPG)	£3,161,454	
• Income credited to the Revenue Account	£1,513,397	
• other sums not covered above which are likely to be available in the year	£164,268	£4,839,119
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Levy requirement		<u>£1,053,818</u>

Members are advised that the official levy requirement must be notified to Pembrokeshire County Council by 15th February. It is recommended that the National Park Authority continue with the current arrangement of 12 equal monthly instalments receivable on or before the 12th of each calendar month, such payments to be received by bank transfer.

It was **RESOLVED** that a levy of £1,053,818 (or other appropriate amount as determined on receipt of confirmation of the approved net funding from the WG) from Pembrokeshire County Council for the year 2015/16 be authorised.

(b) Prudential Code Indicators

The Local Authorities (Capital Finance & Accounting)(Wales) Regulations 2003 required the National Park Authority to have regard to the Chartered Institute of Public Finance & Accountancy's (CIPFA) Prudential Code in setting annual budgets. The Prudential Code required the Authority to consider Prudential Indicators encompassing estimated and actual expenditure and financing, and limits on both.

These indicators were intended to support and record local decision making, and were not designed to be comparative indicators across local authorities. However, as the Authority was debt free and there were no proposals at this time to undertake further borrowing, due to the capital expenditure plans being financed either by revenue funds, external grant aid or capital receipts, then many of the indicators were not relevant. The report therefore set out only those indicators that were relevant at the current time, and Members were asked to adopt the Prudential Indicators as presented.

The Chief Finance Officer also presented an Investment Strategy for 2015/16 in compliance with statutory guidance and in support of the prudential borrowing system. The Strategy also supported CIPFA's



“Treasury Management in the Public Services: Code of Practice and Cross-Sectoral Guidance Notes”.

It was **RESOLVED** that Members

- a) Adopt the Prudential Indicators as presented.
- b) Approve the Investment Strategy & Treasury Management Policy Statement for 2015/16.

8. Car Park Arrangements for 2015

The Director of Delivery and Discovery began by passing on the apologies of the Business and Performance Manager who was not able to be present at the Committee.

He reminded Members that a new Off-Street Parking Order was being prepared by Pembrokeshire County Council (PCC) for all the Authority’s car park sites to enable easier management and control of misuse. The legal process of introducing a new Order required statutory consultation and subject to this being satisfactorily completed, the new Order was expected to be enabled later in 2015. The Director clarified that this consultation process was being carried out by PCC as part of the legal process and in no way reflected any management by them of the Authority’s car parks. Discussions on this latter issue were still ongoing and if a business case were made, a report on the options would be presented to a future meeting of the Authority for decision.

One Member asked about the cost to the Authority of preparing the Order and the benefits that would result once it was in place. The Director replied that PCC were absorbing most of the cost in officer time, so the Authority had to pay only for the legal advice it had sought as well as the cost of the statutory advertisements. The principal benefit would be an improvement in civil enforcement on the Authority’s car parks.

a) Season Tickets

The first recommendation within the report was regarding season tickets. These were currently sold at £70, but discounted to £50 if purchased before the end of May, and this accounted for about 90% of previous sales. Requests had been received for a cheaper single site season ticket for Freshwater East and Poppit car parks. It was therefore recommended by officers that that the discounted rate be removed and that season tickets for an individual vehicle and limited to Freshwater East or Poppit be sold for £25.

Some Members were concerned at the loss of the discount and also at the preferential treatment being offered to users of two specific car parks, and it was suggested that such a scheme should be offered at all of the Authority’s charging car parks or not at all to give consistency. Looking at the financial situation, other Members agreed that the discount should be removed as the season ticket itself constituted a discount when compared to regular paid use of the car park. It was also noted that a single site ticket, even if offered at a cost of £35, would reduce the Authority’s revenue. A number of motions were put reflecting these concerns, the first of which was that the item on season tickets



be deferred and a comprehensive report brought to a future meeting of the Authority, however this motion was defeated.

The second motion proposed that season tickets be increased to £90, with a discounted rate of £70 and that consideration of single site tickets for Freshwater East and Poppit be deferred until a future meeting when more information on the reason for their introduction could be provided. This was put to the vote, and this also was defeated.

The third motion proposed that a standard charge of £70 for season tickets be introduced with no discount and no single site rates. This motion was carried.

It was therefore **RESOLVED** that a standard charge of £70 for season tickets be introduced with no discount and no single site rates.

b) Pay & Display - Newport and Poppit

It was reported that Pay & Display machines had been installed in seven of the Authority's paying car parks and the manned sites at Newport and Poppit had proved increasingly difficult to staff in recent years. The technology used in pay and display equipment was now more secure, resilient and sophisticated, and although there was an initial outlay of c£7,000, they had proved more cost effective and worked well at many other car park sites throughout the county. It was therefore proposed to investigate the cost and practicalities of installing machines at these two sites, with a view to installing pay and display machines as soon as practical.

Members were happy with the recommendation, however they asked that officers engage with Nevern and St Dogmaels Community Councils prior to installation.

It was **RESOLVED** that the investigation and subsequent installation of pay and display machines at Newport and Poppit car parks be authorised, subject to acceptable costs and consultation with the relevant Community Councils.

[Mr EA Sangster disclosed an interest in this element of the report and withdrew from the room while it was considered]

c) Partnership Working – Saundersfoot

It was reported that in 2011, the Saundersfoot Harbour Commissioners (SHC) proposed that they could provide day to day management of the Regency car park in Saundersfoot. This was agreed and in recent years they had collected the cash, counted and banked it, collected litter and kept the site tidy. The SHC received a fee of 10% of the gross takings for this service – about £8,000 each year. It was reported that this arrangement worked well and it was recommended that the continuation of the arrangement be approved by Members.

One Member was concerned that as the proposal to remove the discount on the season ticket would lead to an increase in revenue, which could benefit the Harbour Commissioners under the arrangement set out above and this proposal



was made by Mr Sangster, who was a Harbour Commissioner, he could be put in a difficult position. Officers replied that season ticket income came to the Authority and was not shared with the Harbour Commissioners. It was proposed by another Member that for the avoidance of doubt, season ticket revenue be specifically excluded from the arrangement.

It was **RESOLVED** that the continuation of the arrangement with Saundersfoot Harbour Commissioners for 2015 be approved, but that revenue received by the Authority in respect of season tickets be excluded from the gross takings of this service for the purposes of calculating the fee received by the Saundersfoot Harbour Commissioners.

[Mrs G Hayward tendered her apologies and left the meeting during consideration of the following item].

d) Partnership Working – Solva

It was reported that for the previous two years, Solva Community Council (SCC) had managed Solva car park on a daily basis on behalf of the Authority. Attendants were employed by SCC to sell tickets, collect and bank the cash, maintain the picnic site and keep the area clean and tidy. This arrangement was reflected by a management agreement for a 50:50 split on surplus income. In 2014 this resulted in approximately £25,000 for each organisation. Whilst overall income from the car park had increased, officers stated that this was reflected in car parks across the County and could not be directly attributed to the localised management arrangements put in place by Solva CC. In the current financial climate, Members were asked to consider whether the cost to the Authority of this partnership approach continued to be appropriate and a number of options were set out including retaining the present arrangements, revising the arrangements, management of a manned car park by the Authority or the introduction of pay and display machines. This latter option would maximise the Authority's net income by a further £40,000 a year.

Many in Solva community were concerned about the future car park management arrangements, and the potential impact on local businesses, considering that the present arrangements, whereby the car park was staffed by an attendant, provided an ambassadorial role which was beneficial to local trade. Both officers and Members had received several emails from the Community expressing this view, and some of these were reproduced with the report.

Taking account of the valuable service provided by the attendants, the strong local feeling and the goodwill that would be lost, a number of Members did not believe that withdrawing from the arrangement altogether was appropriate. However some expressed the view that in the current financial climate it was not financially viable to continue the present arrangements. With regard to the example management fee given in option 2, Members were uncertain whether arrangements for Solva were comparable to those in Saundersfoot, and this needed to be reflected in any discussions. The issue of consistency across car parks was also raised with the point made that other communities would like



similarly beneficial arrangements which would be unrealistic for the Authority to implement.

Other Members, whilst acknowledging the good work at Solva, felt that the Authority's best interests would be served by introducing pay and display machines and thereby maximising income.

A vote was then taken on the first of three proposals that the current arrangements be retained, and this was defeated. The second motion proposed that Solva Community Council would manage the Lower Solva car park for 2015 subject to substantial revision of the terms of the management agreement and this motion was passed. Given the urgent need to agree revised arrangements, Members asked that a report on progress be provided at an extraordinary meeting of the Authority in early March. The final motion that pay and display machines be introduced at the car park was then withdrawn.

It was **RESOLVED** that Solva Community Council would manage the Lower Solva car park for 2015 subject to the revision of the terms of the management agreement. Members asked for a report on progress to be provided to an extraordinary NPA in early March.

9. Certificate of Compliance with local Government Measure

It was reported that the Auditor General for Wales had issued a Certificate of Compliance that the Authority had discharged its duties under the Local Government Measure and had acted in accordance with Welsh Government guidance sufficiently to discharge its duties. A copy of the certificate was appended to the report. A full presentation on the Authority's performance would be made by Wales Audit Office (WAO) to a future meeting of the Authority.

One Member noted that a meeting had recently been held between the three National Park Authorities and the WAO at which concerns had been expressed over Audit fees. WAO had made it clear that the fees would not change as the Authority was treated as a Local Authority under the terms of the Local Government Measure. However the Chief Executive added that it was hoped that the appropriateness of the Audit arrangements would be looked at under Part 2 of the Review of Designated Landscapes which would consider governance.

NOTED.

[Councillor A Wilcox tendered his apologies and left the meeting during consideration of the following report]

10. Conservation Covenants

The Estates Officer reported that for many years the Authority had had a policy of encouraging and assisting private owners to manage their land in pursuit of conservation best practice. Some of these working relationships were document by fixed term Management Agreements, whilst others were of a more informal nature. However neither guaranteed the continuation of that



conservation best practice beyond the expiry of the working agreement, meaning that the Authority's accumulated investment into the land was continually at risk. Officers also receive occasional approaches from private landowners who were selling land and enquiring if there was anything the Authority could do to protect the conservation value of their land once it had passed into third party ownership.

The normal mechanism for retaining influence over another's land was via the use of covenants. However this was a complex area of law and some covenants were held to be unenforceable to the detriment of the original objective. In order to limit this risk where the public interest could be adversely impacted, the Law Commission had recommended the introduction of Conservation Covenants, and that National Parks be included in the category of public bodies able to negotiate and enter into such covenants.

There was no certainty, however when, or if, such Conservation Covenants would be introduced. As an interim alternative, officers had become aware of an existing provision contained within S. 33 Local Government Act 1982 and Sch 8 Environment Act 1995 which already allowed the Authority to enter into enforceable covenants in pursuit of conservation best practise, but only if the Authority was the legal owner of the land at the time the relevant covenant was entered into. This would limit its practical application by this Authority only if it were to insert itself into the legal chain of ownership by acquiring the land and simultaneously transferring it either to a new owner or back to the original owner, having imposed the covenant in the moment when it owned the land. Thereafter the Authority would be able to enforce the benefits of the said covenants against the owners of the land and their future successors in title in pursuit of its statutory objectives.

Members were reassured that the only irrecoverable costs to the Authority would be legal fees and any stamp duty. Any individual proposal would be subject to approval by Core Management Team and the National Park Authority and the precise wording of each Covenant would need to be approved by specialist lawyers to ensure its future enforceability. One Member suggested that discussions take place with Welsh Government regarding the issue of stamp duty in these instances.

Members cautiously welcomed consideration of Conservation Covenants, however they acknowledged that there were many risks and each case would have to be looked at carefully. In response to a question, the Estates Officer explained that land owners were often not able to enforce covenants on land they had sold as they did not retain an interest in the land that could be shown to be detrimentally affected. However as a public body, the National Park Authority was omnipresent. He also confirmed that the Authority could remove a covenant at any stage should that be desirable.

It was **RESOLVED** that the recommendation of the Property & Projects Group be endorsed, that until such time that Conservation Covenants were introduced by statute, officers should be encouraged to consider and discuss the use of S.33 Local Government Act 1982 & Sch 8 Environment Act 1995 in their



dealings with private land owners on a case by case basis in pursuit of long term conservation best practise. Any resulting proposals, including the associated financial costs, would be subject to Core Management Team and National Park Authority approval on each and every occasion.

[Mrs M Thomas tendered her apologies and left the meeting at this juncture. Councillor R Lewis disclosed an interest in the following item and withdrew from the meeting while it was considered].

11. Draft National Transport Plan 2015 – Consultation Response

The Planning Officer reported that the National Transport Plan 2015 had been published in December 2014 for consultation. It sat within the framework provided by the Wales Transport Strategy (2010) and set out in more detail how the Welsh Government proposed to deliver those areas of transport for which it was responsible to achieve the outcomes set out in the strategy.

It was reported that the Plan set out the main findings of in respect of the five key priorities of economic growth, access to employment, tackling poverty, sustainable travel and safety and access to services. Whilst it included a number of generic actions, the specific actions for West Wales were limited to a medium-term commitment to improve the A40 between Llanddewi Velfrey and Penblewin (subject to the business case continuing to justify the expenditure) and to continue to progress proposals to potentially trunk a section of road between Johnston and Pembroke Dock. Neither of these physically impacted on the National Park, but would have general benefit for road users.

While the generic interventions in the Plan would allow for consideration of a wide range of opportunities which might emerge to address the identified issues, the lack of detail did not help to provide a firm base on which to plan for the future.

The consultation asked six questions regarding the National Transport Plan, and the recommended response to these was appended to the report. The response to Question 6 noted that it was disappointing that there was no commitment in the Plan to improve rail services to and within the County. Some Members wished to strengthen this response, commenting that praise should be given for the improvements at Fishguard and encouraging greater improvements west of Swansea. The officer agreed to reword the response to Question 6.

It was **RESOLVED** that the consultation response to the Welsh Government consultation on the Draft National Transport Plan set out in Appendix A to the report, be agreed as the Pembrokeshire Coast National Park Authority's response subject to rewording the response to Question 6.

12. Flood and Coast Investment Programme (FaCIP)

It was reported that this consultation considered the way that the Welsh Government allocated funding for flood and coastal erosion risk management in Wales, and it was intended to ensure that it focused on those places with the greatest risk. It proposed a new way to prioritise funding according to national



priority and establish a Flood and Coastal Erosion Risk Management Investment Programme, using a National Flood Risk Index. This would combine multiple sources of flood and erosion risk to allow comparison in different places.

The draft response to the consultation was appended to the report. This generally favoured the proposed approach and acknowledged the need for a pooling of resources and means of prioritising funding. The approach also needed to ensure that rural areas were not overly compromised by the demands of coastal towns and cities with their greater concentration of assets and population. With an emphasis on dealing with 'risk to life' it was also important to ensure that resources were directed to deal with houses across the social spectrum and not aimed at those with the highest monetary value.

The response also noted that it was crucial to continue to address the need to direct new development, particularly vulnerable development, away from the 'at risk' areas. As sea-level rises, then these areas would continue to change and some communities would need to adapt to either live with increased flooding or move away from those areas where it became unsustainable to continue to defend them from flooding. In response to that last point, which was made in the response to Question 2, one Member asked that the word 'prohibit' be replaced with 'control' to take account of exceptional circumstances and the officer agreed to do so. There was also some discussion about the heritage, culture or strategic value of property and the weight attached to these. The officer replied that other issues such as social or environmental were taken account of as part of the proposed process, however the risk to life would take overall priority.

It was **RESOLVED** that the consultation response to the Welsh Government on the Flood and Coastal Investment Programme be agreed, subject to an amendment to the response to Question 2.

13. Article 4 Directions to Reduce Specific Permitted Development Rights which Impact on the Quality of the Conservation Area of St Davids

Members were reminded that at the meeting of the National Park Authority in September 2014 it was resolved that an Article 4 Direction be made in relation to land within St Davids Conservation Area, and that the proposed guidance note for householders be approved subject to suggested amendments.

It was reported that the consultation process was begun in October 2014 and a formal Direction signed and sealed on 17 December 2014 in accordance with legal advice and following best practice. Only one response was received to the consultation, objecting to the principle of seeking planning permission for the minor works as defined by the Direction; however this was a legal requirement under the Direction.

It was **RESOLVED** that:

a) the Article 4(2) Direction be confirmed in relation to the land within the St Davids Conservation Area highlighted on the map appended to the report.



b) both the revised consultation procedure set out in the report and the formal Direction appended to the report be noted .

