

REPORT OF CHIEF EXECUTIVE

SUBJECT: REQUEST FROM PEMBROKESHIRE COUNTY COUNCIL FOR FUNDING TO SUPPORT ELEMENTS OF THE PEMBROKESHIRE DESTINATION

Purpose of Report

To discuss a letter received from Pembrokeshire County Council (PCC) requesting funding towards maintaining elements of the Pembrokeshire Destination.

Introduction/Background

During the autumn of 2019 the Chair, Deputy Chair, one Member, the Chief Executive and the Director Countryside, Community and Visitor Services held two meetings with Members and officers from PCC to discuss how to fund services that were considered essential to providing an effective destination for visitors.

There was no agreement on the way forward, however, in order to provide an opportunity for Members of the Authority to discuss this issue, we invited PCC to submit a request for support from the Authority.

That letter is included as Annex A.

Key Issues

While the letter from PCC includes 7 sections it can basically be divided into a request for funding to support three activities:

- New Destination Management Company;
- Public Toilets; and
- Beach Management and Lifeguards.

Issues relating to the New Destination Management Company are discussed in paper 13/20 therefore are not included in this paper. This paper will focus on issues relating to Public Toilets and Beach Management and Lifeguards.

Some of the Key Issues to consider include:

- Ring fencing Funding

The letter seeks to create a link between income generated from car parks and the funding of public toilets and beach management. This is not an approach the National Park Authority has ever agreed. Even in our internal working we rarely ring fence funding generated from one source to fund activities in another. However, if we were to adopt an approach of ring fencing funding, it is unlikely we would restrict

income from car parks to making a financial contribution to a third party to run their services.

Similarly, PCC's letter infers that PCNPA generates a revenue surplus that can simply be reallocated without either impacting on the Authority's overall budget position and/or increasing the cost of key services provided by PCNPA to the general public. In short, and to be clear, any allocation of PCNPA funding to subsidise PCC services would have a significant detrimental impact on the Authority's budget position.

- The Visitor Destination

PCC appears to be taking a very narrow view of the key elements of destination management (i.e. there is far more to a successful destination than just beach management and public toilets). PCC's focus is on services that it currently funds and excludes those funded by other organisations that contribute towards providing a vibrant and successful destination. For example, it could be argued that the 1,000km of rights of way within the National Park are as much a key component of the destination as the local beaches (as the rights of way provide the overall access infrastructure).

This Authority spends around £570K per year maintaining the rights of way network in the National Park. Despite having a number of charging car parks where users benefit from the rights of way network within the National Park, PCC makes no contribution towards the management and maintenance of the public rights of way network.

- Delivering the Purposes of the National Park

The Purposes of the National Park focus on areas of work such as natural beauty, wildlife and cultural heritage as well as promoting opportunities for the understanding and enjoyment of the special qualities of the area. While it could be argued that the managing beaches could be included under 'park purposes', any resources diverted to other organisations will only reduce the money that can be provided to our core work.

Paradoxically, any dilution of our core work by diverting resources to PCC would only erode the special qualities of the National Park, in turn, increasing the risk of damaging the overall tourism offer. PCNPA's work is already integral to the success of Pembrokeshire as a destination and this was referenced by National Geographic in 2010 which emphasised the "*quality and integrity of current stewardship practices*" in terms of protecting the coastline from both ecological and geological perspectives.

- Provision of Public Toilets

Public toilets are an integral part of a successful destination and the difficulty in maintaining a network of public toilets is recognised by all. In May 2019 PCC published a Local Toilet Strategy - <https://www.pembrokeshire.gov.uk/local-toilet-strategy>. This strategy makes no reference to the National Park Authority and was produced without any consultation with this Authority. During recent years the Authority has no experience of managing toilets and with the exception of providing

capital funding to build a toilet block in St Davids, as a specific planning condition from over ten years ago, has not contributed or had any role in the management of public toilets.

A number of the toilets mentioned in the letter have agreements and leases attached to them. It is disappointing that PCC have used this letter to threaten withdrawal of the services unless we contribute financially rather than dealing with these matters through the proper channels.

- Managing Beaches

PCNPA currently has an agreement with the Crown Estate to manage the majority of the foreshore within the National Park. However, we have no direct role in the management of beaches. It could be argued that certain services, such as the beach awards (e.g. blue flag, green coast, etc) are not incompatible with 'park purposes' due to their focus on environmental management and education. However, if PCNPA were to consider becoming more involved in certain aspect of beach management then we would look to take on the management of these functions rather than contributing funding to a third party such as PCC to undertake this work.

- Existing Support for the Visitor Economy

While the focus of the letter is on two specific service areas that PCC currently run, it should be noted that PCNPA contributes to a wide range of activities and services that underpin the visitor economy and the destination.

These include:

- Contribute towards the Coastal Bus network;
- Support Ironman Wales
- Provide information services at Oriel y Parc, Carew Castle and Castell Henllys;
- Manage and Maintain the Public Rights of Way in the National Park. (The legal responsibility for this work sits with PCC, as Local Highway Authority. However, since the Authority was set up in 1996, it has managed these without receiving any financial contribution from PCC);
- Promote activities within Pembrokeshire through the annual publication of "Coast to Coast";
- Provide services such as beach wheelchairs;
- Developing and promoting a network of Dark Sky sites; and
- Obtaining grant-aid, sponsorship and other sources of funding that help contribute to key destination services (e.g. repair work at Wiseman's Bridge / Coppett Hall following a recent landslide).

The allocation of money to PCC to cover some of their existing activities in relation to visitor services would restrict the opportunity to support these and other activities in the future.

Much of this continuing work by PCNPA to support a wide range of important services across the county goes relatively unacknowledged by PCC and points to the need for improved relations between the two agencies.

Financial considerations

The scale of this request is significant, amounting to nearly £250K per year. This is the equivalent of 6% of our total core grant and levy.

While it is difficult to compare the respective financial health of different organisations because of the differing demands and scale, it should be noted that for the next financial year the National Park Authority has a standstill budget while PCC will be getting a 4.9% uplift. Therefore it is clear from this settlement that this Authority has no additional money to contribute towards the services delivered by PCC. It should also be noted that to balance the budget this year we have used £170K of our available reserves.

While PCC and Town and Community Council have the means of generating additional income through setting either the Council Tax or a precept, this option is not open to the National Park Authority.

The Authority has limited opportunity of raising additional income to make this contribution. The main option would be to increase car parking charges. To be able to meet PCC's request the Authority would need to increase its car parking charges by around 60%.

The timing of this request, after the Authority has agreed its budget for 2020-21 makes it difficult for us to agree any request for the next financial year. A long term commitment would need to be considered as part of our medium term financial planning.

In view of the above agreeing to the request from PCC would essentially be the equivalent of agreeing to a 6% budget cut. The letter makes it clear that there is an expectation that this would be an ongoing contribution. If we were to agree to the request it is likely that further budget cuts for PCC could lead to a request for additional contributions and it is likely that there would be additional requests to cover costs such as inflation.

Similarly, any future reduction in PCNPA's core budget could have significant impacts on existing services if such a large proportion of the overall budget is allocated to PCC on an annual basis.

While officers would need to develop more detailed proposals for Members to consider and agree, it is inevitable that the Authority would need to consider significantly reducing some of its services.

Risk considerations

In terms of risk, this issue can be considered from a number of differing viewpoints. There is no legal requirement for the Authority to make any contribution towards the services being delivered by PCC. The letter indicates that a failure to make this

contribution will lead to the withdrawal of services. In some of these cases there is a documented lease for these services meaning that irrespective of the content of the letter PCC has a legal obligation to continue to deliver those services.

A more significant risk relates to public perception. The letter from PCC creates an expectation that to retain services such as public toilets this Authority needs to make a financial contribution. However, this paper seeks to highlight the significant support that this Authority already makes to destination management and the wider visitor economy. In addition, we highlight the potential budgetary implications of supporting this request for support by PCC.

Conclusions

The Authority recognises that the decade long reduction in public funding makes it challenging to retain the “brilliant basics” that are necessary for a successful destination. The letter from PCC seeks to restrict this to car parks, toilets and beaches. This Authority would argue that the “brilliant basics” are far broader than this and that we already make a significant contribution to the wider visitor economy of Pembrokeshire in a myriad of ways. To support this request by PCC would, therefore, have a significant impact on our ability to continue some of this work in the future.

Recommendation

Members are asked to discuss the paper and the letter and indicate how they wish the Authority to respond.

(For further information, please contact the Tegryn Jones, Chief Executive)

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Mike Cavanagh

Dear Tegryn

Further to our meeting of 11 December 2019, where we discussed a range of tourism-related issues, I write to confirm the PCC position and request formal PCNPA consideration of the following matters:

1. New Destination Management Organisation

Our work with you and the wider Destination Pembrokeshire Partnership on considering options for a more effective way of promoting and developing tourism is at an advanced stage. Following a technical workshop with HR and legal colleagues (attended by James Parkin), we believe we have a workable solution, which will enable the creation of a new DMO (using the existing Pembrokeshire Tourism company as the shell to which we add resources).

This is an exciting opportunity for Pembrokeshire and will enable the early realisation of a key priority outlined in our new Destination Management Plan - i.e., enabling the Trade to lead the intangible tourism work (Destination Marketing, Trade Engagement and Support, Advocacy, et cetera), leaving our collective public sector services to underpin the 'Brilliant Basics' of our tourism infrastructure.

The PCC Policy and Pre-Decision Overview and Scrutiny Committee was fully supportive of the concept of a trade-led but public sector supported DMO at its meeting of 12 November 2019 and, as a consequence, subject to a formal Cabinet decision, PCC is primed to support the new organisation to the value of the current Destination Marketing Service budget (£174,000).

This investment would represent a considerable change in the authority's position, which less than 12 months ago was considering closing the Destination Marketing Service in order to contribute to financial pressures facing the authority. Furthermore,

We welcome correspondence in Welsh and English, and will respond within a maximum of 15 working days. We will respond in the language in which the correspondence is received (unless you ask us to do otherwise). / Rydym yn croesawu gohebiaeth yn Gymraeg a Saesneg a byddwn yn ymateb cyn pen 15 diwrnod gwaith fan bellaf. Byddwn yn ymateb yn yr un iaith â'r ohebiaeth a dderbyniwyd (oni bai eich bod yn gofyn i ni wneud yn wahanol).

For a copy in large print, easy-read, Braille, audio, or an alternative language, please contact Pembrokeshire County Council on the number above. / Os am gopi mewn print mawr, fformat hawdd ei ddarllen, Braille, sain neu mewn iaith arall, cysylltwch â Chyngor Sir Penfro ar y rhif uchod.

in 2015 when a similar DMO model was considered, PCC at that point were willing to provide pump priming funding of £150,000 in year one, £100,000 in year two and the potential for £50,000 in year three. Thereafter, there would be no further PCC funding. Compare that position with the position supported by Scrutiny, which would see the whole budget transferred across on a multi-year grant agreement, and it is clear that PCC is investing seriously in this venture.

However, looking at the detailed business case that sits behind the proposal, there is a real need for short to medium term pump priming to ensure that the organisation gets off to the best start possible and that the perception of the organisation by the tourism trade is positive from day one.

It is clear that only by working in partnership across the public, private and third sectors, can we ensure that the new DMO reaches its potential. We have 'stepped up' and we need both PCNPA and the tourism trade to do the same.

We request that PCNPA, in addition to the in-kind staffing time already agreed, provides pump priming in year one of £30,000, year two £20,000 and year three £10,000. This is exactly in line with the offer that was being made by PCNPA in 2015 when a DMO model was being considered.

Such investment would bridge the short to medium term financial gap and help to provide the conditions for the new organisation to succeed and flourish over the long term, which would be to the benefit of everyone in Pembrokeshire.

2. Public toilet provision

As you are aware PCC does not have a statutory responsibility for public toilets, yet we meet the cost (or most of the cost) for 68 in Pembrokeshire, 47 of which are in the National Park. There is significant pressure for PCC to reduce spend on non-statutory services, but we recognise that public toilets are very important to both local people and visitors alike. Therefore we are doing all we can to keep toilets open. During our last review in 2013/14, 12 public toilets were closed (including one owned by you at Cwm Gwaun), but a further 5 were kept open by communities leasing them from PCC (2 of these in the National Park at Llangwm (Black Tar) and Trefin). A further 9 remain open because communities contribute towards their funding (2 of these in the National Park, at Nevern & St Ishmaels).

We have had a number of discussions with communities about the possibility of further Community Asset Transfers to keep public toilets open, but this is proving next to impossible as many are in small communities with small resident populations and therefore beyond their budgets.

We have also invested significantly in charging at 11 of our busiest toilets (8 of these are in the National Park at Broad Haven (Marine Road), Saundersfoot (Regency Hall), Tenby (Buttsfield, Castle Beach, Multi-storey, South Beach and The Green) and Whitesands. Whilst the income from charging does not yet meet the cost, it does go a significant way towards it.

We are trying to secure funding from car park income (through increasing charging) where toilets serve PCC car parks (a total of 19). Should this be successful, this will ensure 9 toilets in the National Park remain open: Amroth (West), Broad Haven (Marine Road), Newgale (Central), Newport (Long Street), St. David's (Quickwell Hill), Tenby (Buttsfield, Multi-storey, South Beach and The Green). The cost of these 9 toilets is £116,110.

We operate 4 toilets under lease from the National Trust which are all in the National Park. Following discussions, 3 of these are to be returned to the National Trust on 1st March 2020 for them to operate (Martin's Haven, Porthclais and Freshwater West) and the other, at Bosherton, will remain open and operated by PCC for the time being.

There are 4 toilets that are owned by PCNPA, but operated by PCC: Manorbier, Newport (Traeth Mawr), Poppit Sands, and St. David's (The Grove). The only site where there is a lease in place is St. David's (The Grove). The cost of maintaining these 4 toilets is **£47,987 per annum** and we are seeking PCNPA funding to cover these costs.

Manorbier also requires capital investment of approximately £12,000 for a new roof, which will be required to be completed at PCNPA's expense in order for the toilet to remain open.

There are ongoing discussions about public toilets at Poppit Sands, which you are engaged in, and this is one that we are looking for PCNPA to meet the net cost of in the future as above, together with any capital cost implications.

We believe that due to the close proximity of the toilets at the Grove to those at the Oriel y Parc visitor centre, that these could close if PCNPA agrees to an early surrender of the current lease (which runs until 2108). The annual cost (2019) of these toilets is £5,865.

There are 6 toilets that serve, or are closely situated to, PCNPA paid-for car parks at a net cost of **£52,116 per annum**: Broad Haven (Millmoor Way), Freshwater East, Little Haven, Newgale South, Saundersfoot (Regency Hall - net of charging income) & Solva. If PCNPA wish these toilets to remain open, we would need PCNPA to meet the costs, and one potential way of doing so is to replicate our model of using a portion of the car park income for this purpose.

There are a further 8 that serve, or are closely situated to, PCNPA free car parks / parking areas at a cost of **£52,203 per annum**: Angle (West Angle), Moylegrove, Newport Parrog, Nolton Haven, Penally, Porthgain, Pwllgwaelod and St Brides. Again, if PCNPA wish these toilets to remain open, we would be looking for PCNPA to meet the costs.

A further 12 are in the National Park and cost £106,254 per annum: Abercastle, Abereiddy, Amroth (East), Cresswell Quay, Cwm yr Eglwys, Dale, Marloes, Newgale North, St David's (Bryn Road), Tenby (North Beach), Tenby (Upper Frog Street) and Wiseman's Bridge. We would like to keep these toilets open but we need some help to achieve this and request that both parties (PCC and PCNPA) share these costs, i.e. a 50% contribution, which would be **£53,127 per annum** sought from PCNPA. In summary, PCC is looking for an annual contribution of **£205,433** from PCNPA (£5,865 less if the Grove toilets close) towards the operating costs of public toilets within the National Park, together with capital expenditure relating to Manorbier and Poppit Sands as required.

Finally, in terms of the toilet at Broad Haven (Millmoor Way, by the PCNPA car park) which you would like to clad, we are happy for you to do this. However, this would be at PCNPA's own risk given that this is a toilet which is scheduled for closure if an alternative funding model is not agreed. In addition, you would need to liaise directly

with the service in terms of any detailed conditions to ensure clarity around future liabilities et cetera.

* all costs quoted above are for 2019/20 and are subject to increase by CPI every September

3. Beach-related service provision

During the production of our 10 year Leisure Services Strategy¹, consideration was given to some of the costs incurred by the service relating to the county's beaches. It was established during this process that Leisure Services and Waste Management Services bear the brunt of infrastructure costs from which a number of third parties benefit by way of car parking income.

A recommendation within the strategy is to renegotiate partnerships in relation to the costs of this provision such that they are shared by those who benefit.

For example, beach A benefits from a Blue Flag award, lifeguarding and beach cleaning services, all delivered by PCC whilst the primary car park serving beach A is owned by a third party who benefits from the attractiveness of the beach. The philosophy behind the recommendation in the strategy is that the third party should be asked to at least contribute to the costs of Beach Services which are contributing to the popularity of the car park and hence income received.

The Leisure Strategy was formally approved, both by Cabinet and Council, and it is therefore incumbent upon officers to seek to deliver the recommendations within it. To that effect, over recent weeks and months we have held discussions with a number of beach car park owners across the County. Within those discussions, we are not seeking a contribution towards beach cleaning (circa £70,000 per annum) or water sampling (circa £5,000 per annum) but we are looking for full cost recovery of beach awards and lifeguarding costs. Overall therefore, this would represent a contribution towards the total expenditure on beaches undertaken by PCC. From a PCNPA perspective, the beaches in scope of our request for Beach Awards are:

- **Three Blue Flag beaches** - Newgale (PCC and PCNPA car parks, therefore 50% requested), Amroth (Private and PCNPA car parks, therefore 50% requested) and Poppet Sands. Request £1,240
- **Six Greencoast beaches** - Cwm-yr-Eglwys, Freshwater East, Manorbier, Penally, West Dale and West Angle. Request £600

The total financial request relating to beach awards is therefore **£1,840** per annum based on current charges.

4. Lifeguarding

PCC has a long-standing partnership with the RNLI for lifeguarding of a number of Pembrokeshire's most popular beaches. PCC pays £90,000 to the RNLI for this service.

The beaches in scope of our request to you for lifeguarding funding are:

¹ Appendix 4 of the Leisure Strategy highlights that PCNPA (Director of Delivery and Discovery) were a stakeholder in the consultation exercise on the strategy

- Broad Haven North (PCC and PCNPA car parks, therefore 50% requested) £3,293
- Freshwater West £8,636
- Newgale South £4,537
- Newport Sands £4,537
- Nolton Haven £3,734
- Poppet Sands £6,586

Total financial request for lifeguarding **£31,323** per annum

5. Potential Policy fit

You will have a much more intimate knowledge of the National Parks purposes and policies but the following would appear to be potential links that could support some of the requests outlined in this letter:

Policy W1: Provide and promote sustainable outdoor recreation opportunities for all.

Policy links to the new Destination Management Organisation

Collaborate through the Destination Pembrokeshire Partnership to manage Pembrokeshire and the National Park as a sustainable destination.

Work collaboratively with others to ensure the promotion of the National Park as a destination reaches and is representative of more diverse audiences, including children and young families from deprived areas.

Policy links to supporting public toilet provision within the National Park

Remove barriers to outdoor recreation / wellbeing opportunities, including transport barriers, and promote the opportunities to under-represented groups, e.g. by implementing solutions presented in the Recreational Audit for Disabled Access (2017).

(The lack of public toilets at key coastal locations would be a significant barrier for a range of potential visitors including those with disabilities).

Policy links to beach awards and lifeguarding

Promote more frequent local participation in activities including walking, cycling, rowing, paddle-boarding, canoeing, kayaking and swimming in locations where capacity exists.

Collaborate to enable public access to water where appropriate for quiet enjoyment.

Deliver the Pembrokeshire Beach Strategy and prepare and deliver a Foreshore Management Plan.

6. Additional PCC funding

You will no doubt be aware that there is a proposal to add £200,000 to the Leisure budget and £100,000 to the public toilets budget in the next financial year. It is important to understand that this is subject to public consultation, scrutiny committee review and possibly alternative proposals, Council tax increases being approved, and further savings being identified on top of the existing suite of savings and Welsh

Government confirmation of the budget settlement which may be affected by the UK Government's budget announcement in February.

If the proposal is to be approved, this would happen on February 27 but, given the above, it is far from certain.

What these proposals would do, if implemented, is buy us some time before closures and reductions would have to be considered. This is reflected in our request in section 7 below, which you will see is over a three-year period with a small request in year one (2020/21) and a higher level requested in years two and three. The increased requests in years two and three are partially balanced off by a reduction in financial support requested for the new tourism organisation where we are requesting tapering pump priming as opposed to ongoing revenue support.

It is also important to note that even if the proposal (£200,000 to leisure and £100,000 to public toilets) is approved, the scale of financial pressures on both these services is far in excess of the additional figures being mooted. So while they would be most welcome, they would not fundamentally change the position over the medium term.

7. Timing of financial requests

Financial year	PCNPA contribution towards the new Destination Management Organisation	PCNPA contribution towards Public Toilets	PCNPA contribution towards Beach-related costs (Beach Awards and Lifeguarding)	Notes
2020/21	£30,000	£47,987	£0	PCC continue to cover public toilet and beach-related costs, except for the 4 toilets owned by PCNPA
2021/22	Reducing to £20,000	£100,103	£16,581.50	PCC continue to cover 50% of the beach-related costs at beaches with PCNPA car parks and nearly 50% of the public toilet costs (PCNPA owned & in PCNPA charged-for car parks)
2022/23	Reducing to £10,000	£205,433	£33,163	An additional £105,433 and £16,581.50

				PCNPA contribution (not an additional £205,433 and £33,163)
2023/24	Reducing to £0	PCNPA revenue funding ongoing as above		

With regard to the timing of any decision-making, please note that it is our intention to take the new Destination Management Organisation proposal to Cabinet on 10 February 2020. As this is only five days after the PCNPA meeting, we would be grateful if any decision that is made by your Committee could be communicated to us as soon as possible following the meeting.

Yours sincerely



M. Cavanagh
 Head of Cultural, Leisure, Tourism and Registration Services