

## **BRIDGEND COUNTY BOROUGH COUNCIL**

### **JOINT REPORT TO COMMUNITY, ENVIRONMENT AND LEISURE OVERVIEW AND SCRUTINY COMMITTEE**

**27 SEPTEMBER 2016**

#### **REPORT OF THE CORPORATE DIRECTOR, COMMUNITIES and THE CORPORATE DIRECTOR, SOCIAL SERVICES AND WELLBEING**

#### **A REPORT ON THE OPERATION OF PORTHCAWL HARBOUR INCLUDING THE MARINA AND RELATED SERVICES.**

##### **1. Purpose of Report**

- 1.1 To inform the Committee of the current operation of the Porthcawl Harbour and Marina facilities and services.
- 1.2 To identify the opportunities and challenges that may arise in relation to the Harbour and Marina.

##### **2. Connection to Corporate Improvement Plan / Other Corporate Priority.**

- 2.1 The Council's support for Porthcawl Harbour and Marina contributes to the corporate priorities, in particular:
  - Supporting a successful economy;
  - Smarter use of resources;and in particular to support the Council's broader programme of regeneration in relation to Porthcawl and coastal development.

##### **3. Background.**

- 3.1 The British Marine Federation (BMF) has identified the coastal Marina sector as an important contributor to employment, regeneration and tourism with Marinas recognised as serving as visitor attractions in their own right.
- 3.2 The BMF highlights the broader economic contribution to employment and the benefit to companies involved in the construction and supply of boating goods, maintenance, related services and supply chains.
- 3.3 The capital development of Porthcawl Marina was completed in 2013, benefitting from external investment and European funding. The Marina is situated within the footprint of Porthcawl Harbour that extends beyond the confines of the Marina basin including areas of Cosy Corner, the breakwater and lighthouse and more.
- 3.4 As a result of this development project, Porthcawl Marina now has a range of additional features including a tidal lock gate and a pontoon access system that provides 70 berths for berth holders and visitors.
- 3.5 The development of the Marina has supported increased interest in other regeneration and investment projects within the Harbour footprint including the sale

of the Jennings Building and the potential development of the Harbourside project. It was critical to the success of the Porthcawl Townscape Heritage Initiative (THI) bid for Heritage Lottery funding, to bring back into use key historic buildings in the Harbour Quarter, including the Look-out Tower and the Customs House. This is the first THI scheme in Porthcawl, following successful schemes in both Maesteg and Bridgend. In excess of £2.5 million is expected to be invested in total, through this scheme, in a combination of public and private funds. In terms of THI alone, the Council will have levered into Porthcawl more than its initial investment in the development of the Marina itself.

- 3.6 In addition to leisure craft, the Marina currently supports a number of small businesses including commercial fishing operators.
- 3.7 The Marina is operationally managed by a staffing resource of 2 full time equivalent staff. These staff are available to support facility operation including the Harbour Master role which is supplemented by the Beach and Water Safety Officer. There are an additional 2-3 sessional part time staff supporting seasonal requirements. These staff support the core operating activities of the Marina based on a variable programme of hours that relate to tidal movements whilst also providing support for additional tidal access requested by Marina users beyond the core programme.

#### **4. Current Process/Situation.**

- 4.1 Bridgend County Borough Council has a number of legal responsibilities in relation to Porthcawl Harbour as identified within the Mid Glamorgan County Council Act 1987. The Council is identified as being the Harbour Authority with the undertakings associated with the Harbour being vested in the Council.
- 4.2 The Council may maintain, manage and, where necessary, improve the Harbour and related facilities and do all other things to support the operation or development of the facility.
- 4.3 The Mid Glamorgan County Council Act 1987 provides the Council with the powers to provide and licence moorings, to regulate vessels in the Harbour including their entry and departure, to provide safe haven and to prevent danger to navigation. This would include working with Trinity House at a National level. The Council is also empowered by the Act to put in place reasonable charges for services and facilities.
- 4.4 To support the monitoring of performance, a Harbour Board is in place with Council representatives from a range of service areas including Property, Health and Safety, Regeneration, Social Services and Wellbeing, Finance and Harbour Operations. This group has a focus on key issues including asset management, business performance and pricing. The group is chaired by the Corporate Director, Communities. The Harbour Board is advisory in terms of reviewing whether the Council is meeting its statutory responsibilities and would make use of existing processes to recommend to Council proposed responses to relevant issues identified.
- 4.5 A Marina Operational Group is also in place and has scheduled meetings to review day to day operations and opportunities to improve or enhance the Marina environment, services and the experiences of berth holders. A nominated

representative of the berth holders attends this Group to ensure the views of users are considered. A schedule of stakeholder meetings are in place where berth holders can discuss the issues they would like to be raised through their nominated representative at Operational Group meetings and where appropriate such issues are discussed at Harbour Board. Details of the groups can be seen within **Appendix 1**.

### **Business Development.**

- 4.6 The revenue budget to operate the Marina has not been increased since the completion of the capital development project. The challenge for the service is to generate additional income and to control costs where possible, within the budget provision for the Marina. There is a need to recognise the longer term challenges of asset maintenance and replacement and to differentiate between Marina operational costs and coastal defence issues relating to Porthcawl Harbour.
- 4.7 Since re-opening, the Marina has performed well in terms of income generation and exceeds its berth holder and visitor related income targets. There are however a range of facility related costs that are less easy to predict or control relating to the technical installations, infrastructure and the impact of the coastal environment particularly due to adverse weather.
- 4.8 The lock gate installation that enables access and egress from the Marina requires a staffing resource to be in place for all gate movements and there is a related cost that needs to be effectively managed.
- 4.9 The number of tidal movements supported has an impact on the cost of the service and subsequently the annual fees applicable to berth holders. A core schedule of tidal access is in place and publicised to berth holders together with a supplementary arrangement where access to additional tides can be requested. The objective has been to effectively manage costs where appropriate, subsequently ensuring that fee levels remain affordable for berth holders. To date, there has been no additional cost applied to providing additional tidal access on request.
- 4.10 It is important that Porthcawl Marina remains financially competitive and pricing is benchmarked annually with neighbouring providers. The costs are currently lower than those of neighbouring Marinas but there has been a planned approach of progressive annual increases recognising that there is further development to take place around the Marina basin that will in time improve facilities. The restriction of tidal accessibility is a relevant factor when reviewing pricing as access and egress can only be conducted at set times. The Marina also does not currently have some of the amenities that support other neighbouring Marina facilities such as chandlery, boat storage, fueling, laundry and hospitality or club premises. The budget for Marina user costs currently includes annual hire costs for some support services such as the provision of temporary washroom facilities and storage. Since developing the Marina, business rates have now become payable as part of the operational costs; these were not applicable prior to the facility being enhanced.
- 4.11 There are a number of asset-related costs that cannot be funded from the core revenue budget such as periodic dredging or replacement of major installations. The Council's Coastal defence budgets may be able to contribute to some aspects

of operating the Marina, and the service may be able to apply for funding from other Council budgets for asset management such as minor works budgets. It is recognised that there will be a need to identify resources to meet such pressures in the medium to long term whilst recognising the competing needs and costs to support other Corporate assets. Those aspects that relate specifically to Marina users can be considered in the reviews of berth fees.

- 4.12 The budget and business approach to operating the Marina is based on minimising levels of subsidy for the Marina and working towards full cost recovery or generation of surplus to invest in facility development and upkeep.

#### **Current Performance.**

- 4.13 Although there are identified challenges, the Marina is delivering a range of positive results for Bridgend County Borough.
- 4.14 The development of the Jennings Building, and the associated capital receipt and the progression of the Harbourside project are both indicative of interest in the further regeneration of the Harbour area.
- 4.15 The Marina is one of only three in Wales to have secured Blue Flag status, adding to the Blue Flag beach awards at Rest Bay and Trecco Bay. The port waste management plan has been approved recognising the focus of the service on maintaining the natural environment.
- 4.16 The occupancy of berths is generally at 100% and there is a waiting list in place of 42 applications to support business resilience in terms of future berth occupancy rates. The retention of berth holders remains high and a robust approach has been established in terms of the waiting list.
- 4.17 Since re-opening, there have been 174 visiting vessels to the Marina with 48 identified as returners and some staying for extended periods. A recent visitor survey has produced positive results. The Marina is exploring its potential to secure a Gold Anchor award appropriate to the scale of the operation.
- 4.18 The Council has supported Porthcawl Harbour Boating Club to access a small external investment via Sport Wales to develop club activities and encourage active use of vessels. Additionally, some new popular events have been established (e.g. Christmas Harbour lights). The attraction of the Marina to visitors is positive in relation to other Porthcawl based events (e.g. Elvis Festival) with visitor berths taken up long in advance.
- 4.19 There is good control of Health and Safety with regular inspection and review resulting in low levels of incidents and accidents.
- 4.20 A number of strengths and areas of good practice were identified as part of an internal audit of Porthcawl Harbour Operations in 2015/16. These included:
- There are robust governance and reporting arrangements in place;
  - The Harbour is manned by trained staff with access to documented procedures for all areas of administration and operation;
  - All moorings have been allocated providing maximum income.

- 4.21 The proposed development of a boat lifting and maintenance service by the Harbourside Community Interest Company could support an enhanced service at the Marina and meet an identified gap in provision for service users.
- 4.22 The site is achieving interest from media producers with a number of productions (e.g. Casualty, Sherlock) being licenced to film at the site, supporting positive publicity for Porthcawl and the Marina.
- 4.23 A new educational resource exploring the history of Porthcawl and coastal safety entitled 'The Sea' has been created in conjunction with Porthcawl Historical Society and has started to be promoted to local primary schools. The responses have been positive.
- 4.24 Recent investment in additional pontoon capacity has improved the flexibility of the Marina to accommodate larger vessels which is positive for income generation and improves the flexibility to accommodate the needs of berth holders.
- 4.25 A new access control system has been installed to enhance security and also support the broader future usage of the site should further developments progress.

#### **Future Development.**

- 4.26 There are a number of areas of focus that will be important going forward:
- All aspects of the Marina and Harbour operation will be managed by the Communities Directorate providing clarity and accountability for all operational issues and for matters relating to the upkeep of facilities. A process of transition has been commenced with the new arrangements established from October 2016.
  - Identifying the asset management and investment needs for the medium to long term and competing for resources alongside other corporate priorities. This will include aspects such as gate maintenance, pontoon repair and replacement, mechanical and electrical installations and also the scheduled dredging of the Marina basin. An indicative estimate of £10k per annum was identified by the Contractors for dredging activity, although the volumes are being frequently monitored by survey and costs would depend on the method of disposal. Discussions are taking place with Natural Resources Wales as to the preferred method of disposal.
  - Further development of the business model will be required to continue to manage the operational subsidy whilst recognising the need to meet coastal defence obligations and the requirements of the Mid Glamorgan County Council Act 1987.
  - Aligning the Marina operating procedures to standards developed by national bodies (e.g. British Marine Federation, Yacht Harbour Association) and complying with all maritime related legislation.
  - Maintaining the current demand for berths by effectively managing the waiting list and further enhancing customer service to Marina users and others within the Harbour footprint.

- Ensuring that the Marina remains vibrant and well maintained and is aligned with other regeneration projects and initiatives.
- Ensuring business continuity while other regeneration and construction work takes place in the Harbour Quarter for example on the Jennings Building.
- Developing a staffing resource that can flexibly support the needs of the Marina and contribute to broader coastal management issues also.

## **Conclusions**

- 4.27 Since its redevelopment the Marina has made good progress in attracting and retaining berth holders and occupancy rates have been positive. There remains a waiting list for berths and income generation from berth-holders and visitors has achieved budget targets.
- 4.28 It is playing a vital role in the regeneration of Porthcawl, helping to secure both external funding and private sector investment in the historic Harbour Quarter.
- 4.29 There will be a need to effectively manage the Harbour and Marina assets going forward and to plan for scheduled investment needs to ensure that the facilities and related services remain safe, operational and vibrant. The annual review of pricing will be continued within this context.

## **5. Effect on Policy Framework and Procedure Rules.**

- 5.1 There is no impact on policy framework and procedure rules.

## **6. Equality Impact Assessment**

- 6.1 A new equalities impact assessment has been conducted on the operation of the Marina following the capital investment into the asset and shared with the Council's Equalities Officer.
- 6.2 The service is accessible to the vast majority of people with a protected characteristic and there has been a significant improvement in the physical accessibility of the Marina via the pontoon system installed.
- 6.3 The steepness of the access ramp is an identified barrier for some persons with certain mobility issues but modifications have been restricted by the confines of the Harbour basin.

## **7 Financial Implications**

- 7.1 The current costs of operating the Marina for the usage by berth holders and visitors are generally met from the income received based on agreed fees and charges. During 2015/16, income of £76,471 was achieved against a target of £65,650.
- 7.2 There are ongoing costs associated with asset management and maintenance, to ensure legal responsibilities are met, that will continue to exert pressure on the

operating budget for this facility or other budgets within the Communities Directorate, including coastal defence. During 2015/16 the net budget of £9,452 was exceeded by £19,018 although this was due to specific budget pressures. The table below shows the closing budget for the Marina for 2015/16:

	Projected £	Actual £	Variance £
Expenditure	75,102	104,941*	29,839
Income	65,650	76,471	10,821
Balance	9,452	28,470	19,018

\*The additional costs related specifically to 2 years of business rates being applied in the financial year (£6,939) and non-recurring installation costs to improve the pontoon system to be more flexible and accommodate larger vessels (£10,904).

- 7.3 The ability to increase fees has been restricted by the limited on-site facilities and services in comparison to other marina operations but this may evolve as adjacent facilities develop and the customer related assets improve.

## 8 Recommendation

- 8.1 The Committee are asked to provide comment on the report and contents as appropriate on the performance and challenges faced by Porthcawl Harbour including the Porthcawl Marina facility.

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**August 2016**

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10. **Background documents**  
None