

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

31 JANUARY 2017

REPORT OF THE CORPORATE DIRECTOR COMMUNITIES

PORTHCAWL RESORT INVESTMENT FOCUS - PRIF

1. Purpose of Report

The purpose of the report is to update Cabinet on progress in relation to the development of the EU funded, Porthcawl Resort Investment Focus (PRIF) Programme which is being developed in association with Porthcawl Harbourside Community Interest Company (PHCIC) and Visit Wales (VW), and to seek approval to submit the final business plan and accept identified funding.

2. Connection to Corporate Improvement Objectives/Other Corporate Priorities

2.1. This report supports the following corporate priorities:

- Supporting a successful local economy
- Smarter use of resources

3. Background

- 3.1. In 2014, Visit Wales stated that as part of their European Regional Development Fund (ERDF) Infrastructure Development Programme, they were looking to prioritise a small number of regional 'Attractor Destinations' within Wales and anticipated that 2-3 priority schemes may be taken forward in the parts of South East Wales eligible for ERDF funding.
- 3.2. Following a regional prioritisation exercise involving all 10 Local Authorities in the South East Wales area, Porthcawl was scored as a priority for support. This highlights the importance of the resort in tourism terms, both locally, and for the wider Welsh economy.
- 3.3. In April 2015 Cabinet authorised the Corporate Director - Communities to develop the detail of the priority scheme for Porthcawl in partnership with local, regional and national stakeholders and, in consultation with the s151 Officer, to put in place the necessary match-funding arrangements for the delivery of the Scheme in line with the VW funding timetable.
- 3.4. VW submitted the Operation Logic Table (OLT) for proposed EU operations to the Welsh European Funding Office (WEFO) and subsequently received approval on 16 July 2015. The business plan for the Programme was submitted on 27 November 2015 with information from each of the schemes involved in the Programme.

- 3.5. On 18 March 2016 it was announced that The Tourism Attractor Destinations (TAD) Programme has received approval to develop a £85m investment, backed with £27.7m from ERDF. The Programme will be made up of previously regionally prioritised projects which have since then been moving in stages through the detailed business plan development and assessment processes with WEFO and VW.
- 3.6. The overall PRIF Programme – Porthcawl Resort Investment Focus Programme – is divided into two parts with certain aspects being delivered by the PHCIC and certain aspects being delivered by Bridgend County Borough Council (BCBC). The organisations will each be responsible for its respective activities, funding arrangement and reporting requirements and each will enter into separate agreements with the funder. The two organisations have however worked closely together in the development stage to date and will continue to do so during the proposed delivery stage under the PRIF Programme banner, despite technically being two separate Schemes.

4. Current Situation / Proposal

- 4.1. The scope of the overall PRIF Programme, made up of both BCBC and PHCIC activity, is to create a high quality, 21st Century signature destination within Wales, offering selling points to a range of global markets, potentially involving:
- A bustling waterside: A place that delivers high quality waterside leisure and sporting facilities and attractions.
 - A world class golf offer: A place that delivers an accessible, year-round waterside golf experience, unrivalled in Wales.
 - High quality accommodation development: A place that delivers unique waterside accommodation from which to explore inland.
- 4.2. Since March 2016 VW have been working on an individual basis with organisations to develop their detailed business plan and support them through the WEFO assessment process, with a focus on supporting schemes that were led by the private sector and at a more advanced stage of readiness. This has resulted in the PHCIC aspects of delivery being developed and submitted ahead of the BCBC aspects, with numerous BCBC departments (Highways and Transportation, Planning, Healthy and Active Living, and Property for example) providing extensive support to enable this to happen. VW have now indicated that they wish to progress the development of the BCBC elements and submit the detail by March 2017.
- 4.3. The experiences of other prioritised schemes within the overall VW Programme during their development with VW and assessment by WEFO has indicated that projects have been subject to development and change throughout this period.
- 4.4. At this time, and subject to final approval by WEFO, the proposed aspects of the PRIF Programme to be delivered by BCBC are:
- 4.4.1. A bustling Waterside
- (a) Watersports Centre at Rest Bay. To establish an iconic multi-centre of excellence for watersports activities in Rest Bay, Porthcawl. As well as providing

a new seaside cafe / bistro, the redevelopment will include a centre for watersports for use by clubs, associations and private sector operators. The intention is to create a year-round 'hive' of watersports activity, which appeals to a broad audience of learners and enthusiasts but also to a wider range of visitors.

- (b) Porthcawl Harbour enhancement facility. To facilitate the refurbishment and enhancement of an existing facility at the Harbour to add value to other current and planned facilities and activities in the Harbour area. The Scheme should create a space which is easily adaptable for uses that achieve this aim, e.g. enhanced space for commercial use and additional facilities for berth holders and marina users, in line with relevant standards, including Equalities Act compliance.

4.4.2. A world class golf offer

Improvements to walking, cycling and transport routes that enhance the destination improving the golf offer and increase the town's capacity to host major events, and lever associated benefits to the community. This involves work in relation to the Wales Coastal Path, the Porthcawl Cycle route from Rest Bay to Sandy Bay and accessibility of parking for major events in the destination. Members are aware that Welsh Government, through the Strategic Events Unit, has invested heavily in bringing world class golf tournaments to Porthcawl, and that these have been very successfully delivered. Visit Wales are particularly keen to see further investment in infrastructure, to support the successful delivery of future prestigious championship events.

Linked to both themes will be the resources dedicated to marketing, events and overall project management activities to ensure delivery and compliance.

- 4.5. Development work is underway in relation to all aspects of the above in order to satisfy the information requirements for WEFO to undertake assessment. This involves, where relevant, commissioning architects, developing costed design proposals and informing current BCBC tenants that options are being explored for enhancing the destination offer through development of facilities at key sites. In order to undertake as accurate an assessment of proposed costs as possible WEFO require that detailed proposals are submitted.
- 4.6. The requirements of the funder will be such that evidence will be required to demonstrate that all necessary processes have been carried out and that all relevant notices, licenses, permissions and consents will be served and/or obtained to ensure compliance. This will include adherence with EU State Aid and Procurement requirements. Support is being provided by BCBC Legal Officers in the Directorate of Operational and Partnership Services in relation to this compliance.
- 4.7. If successful in obtaining funds it is considered that delivery will aim to:
- Create jobs and enhance the resilience and size of the local economy
 - Position Porthcawl as recognised as an exemplar of innovation and sustainability
 - Increase both day visitors and overnight stays in the area

- Reduce seasonal flow of visitor patterns

- 4.8. The governance of the BCBC aspects of the PRIF Programme will take place through the Porthcawl Programme Board, with a project team already identified with key roles and responsibilities.
- 4.9. The association between the BCBC aspects and the PHCIC aspects, together with the engagement with a wider range of stakeholders, will be facilitated through the Bridgend County Coastal Partnership. This Partnership has played an active and constructive role in the development of the overall Programme to date and its other members include local BCBC elected members, Porthcawl Town Council, local landowners, the Bridgend Tourism Association, local trade groups, the Welsh Surfing Federation and Natural Resources Wales.

5. Effect upon Policy Framework & Procedure Rules

- 5.1. None

6. Equality Impact Assessment

- 6.1. Screening has highlighted that no issues arise as a result of this report.

7. Financial Implications

- 7.1. The total value of the BCBC activity within the PRIF Programme is currently considered to be £2,555,000. This is made up of a proposed ERDF grant of £1,565,940 and match funding of £989,060.
- 7.2. Currently, £300,000 has already been secured from the Coastal Communities Fund grant, reducing the BCBC match-funding requirement through the Strategic Regeneration Fund (SRF) to:

2016/2017	2017/2018	2018/2019	2019/2020	2020/2021
£50,000	£150,000	£200,000	£200,000	£89,060

Both the revenue and capital SRF resources can be slipped into future financial years to meet varying profiles of EU and other externally funded projects, in order to maximise their match-funding potential. The draft allocation will be monitored and re-profiled if required as the Project detail and timeframe are clarified. Opportunities exist to reduce the SRF contribution still further, by applying for external grant funds which officers will endeavour to do, as the Programme progresses through its development stages. For example, it is intended that an application for the enhancement of the Harbour facility will be made to the current phase of Porthcawl Townscape Heritage Initiative, which if successful, would further reduce the SRF match-funding requirement, and enable the SRF to be deployed elsewhere to lever other external funding.

- 7.3. Cabinet is aware that significant cuts have been made to the Council's tourism resources in recent years, to meet the requirements of the Medium Term Financial Strategy. By investing in tourism infrastructure and attractions, BCBC will help to ensure that the continuous growth in the visitor economy achieved in the past 4 years, is sustained during a challenging financial climate.

7.4 As a result of the EU referendum, this Programme could be the last significant EU investment in tourism infrastructure in the County Borough.

8. Recommendation

8.1. Cabinet is recommended to:

- (a) Authorise the Corporate Director, Communities to develop the detailed business plan; and
- (b) Authorise the Corporate Director, Communities, in consultation with the Section 151 Officer, to submit the business plan and accept the resulting funding offer in line with the Council's Grants Policy, and subject to being satisfied that any grant conditions attached to the funding offer are acceptable.

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Background documents:

Cabinet Report: Tourism Investment Opportunities and Prioritisation, 28th April 2015