

Report of the Director of Corporate Services

Cabinet
3RD July 2023

Development Fund Application

Investment in Themed Miniature Golf at Pendine Attractor Site

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1. BRIEF SUMMARY OF PURPOSE OF REPORT.

An application has been received from the Communities Department for an investment to build a themed miniature golf facility at the Pendine Attractor Site.

2. KEY DECISIONS REQUIRED, IF ANY

The report gives an update on the latest position of the Development Fund and seeks the approval for an application to the Fund.

3. RECOMMENDATION(S)

- 3.1 Approval is given in the sum of £150,000 to build a themed miniature golf facility, generating increased income.
- 3.2 That the repayment for the above scheme be over four years.
- 3.3 That the repayments will commence in 2024/25.
- 3.4 That the repayments to the Insurance Earmarked Reserve from the Development Fund are deferred until 2024/25.

4. REASON(S)

A recent application for financial assistance from the fund has been received from the Communities Department to build a themed miniature golf course within the Pendine Attractor Site. The new facility would generate additional income plus bring in extra visitors to Pendine.

It is anticipated that the increased footfall would also increase food and beverage income as well as increase visitor numbers to the Museum of Speed.

5. BACKGROUND AND EXPLANATION OF ISSUES

Development Fund Criteria

To qualify for Fund support, the following criteria were laid down:

- i. Applications are restricted to “one off” type projects and support for recurring costs are not considered.
- ii. All projects must demonstrate the ability to generate long-term savings to the Authority.
- iii. Financial assistance from the fund to be repaid over a four year period, with no interest being charged.
- iv. Minimum scheme cost eligible for support is set at £50,000.
- v. Financial assistance to any scheme is restricted to 25% of available fund resources.

It must be said however that since its inception the fund has supported projects that did not meet all the above criteria.

5.1 CURRENT POSITION

5.1.1 Some 49 schemes have been supported to date to the value of approx. £8.2m by the Development Fund.

5.1.2 Based on the approvals to date, there is £750k available for new projects. This sum will rise to £754k in 2023/24 and £1.75m in 2024/25 when future repayments to the fund are made.

5.1.3 In 2016/17 a transfer from the Insurance Earmarked Reserve was made to support Development Fund applications at that time. To ensure that we could deliver on those applications there was an opportunity to make use of resources that were contained within the Insurance Earmarked Reserve and held for long term potential liabilities and therefore Members approved the short-term use of those resources to buffer the Development Fund.

5.1.4 It is felt that to continue to optimise Development Fund opportunities, this repayment can be deferred to a future date which allows funds to be made available for applications. It is therefore recommended that the repayment of £500k to the Insurance Reserve be deferred until 2024/25.

5.2 NEW APPLICATIONS

5.2.1 An application has been received from the Communities Department for funding for a new themed miniature golf course, generating increased income and increased footfall to the other facilities on the site.

5.2.2 Scheme Costs and Fund Repayments

Against a cost of £150,000, repayment is £37,500 per annum over four years, to be met through increased income. The proposed ticket prices are £6 per adult and £5 per child with a family ticket priced at £20.

Based on an average price per person of £5.50 and forecast visitor numbers, year 1 income is projected at £69k, year 2 at £72k and year 3 at £76k, with minimal additional operating costs.

5.2.3 Scheme Benefits

- The Pendine Attractor Site has a state-of-the-art Museum of Speed and a 14 room Eco Hostel with a food and beverage facility. The proposal will see 50% of the sand court currently earmarked for volleyball converted into a miniature golf course offering an additional activity for all visitors to the attractor site and nearby Parkdean Resort.
- The mini-golf facility will also help grow the team building and birthday party offering, combining the new restaurant, conference facilities and activity in the afternoon.
- The museum and food & beverage facility will attract more visitors and the footfall to the whole of Pendine should grow.

6. OTHER OPTIONS AVAILABLE

To keep the whole sand court area as a beach volleyball facility. This option is free to visitors thereby not generating any income and is not necessarily an option for all visitors to the site.

7. COMMUNITY STRATEGY INTEGRATION TOOL

Not applicable

8. IMPLICATIONS:

FINANCE

Based on the latest profile of spending, it is estimated that there is £750,000 available for new projects. The application is for £150,000, with the fund repayments of £37,500 per annum being made from savings on income generated.

The development of the attractor site benefitted from TAIS funding. While it is not anticipated that there would be any clawback of grant as the miniature golf proposal still delivers the outcomes of the TAIS grant for the sand sports area. However, if this did occur, the projections of forecast income are such that they would still meet the 4 year payback requirement.

STAFFING

No issues as existing staff within the Hostel will administer the bookings.

9. FEEDBACK FROM CONSULTATIONS UNDERTAKEN

As part of the proposal, it has been investigated as to how popular mini golf is across the UK. It is anticipated that the success of mini golf at Pembrey will be replicated at Pendine.

10. LIST OF BACKGROUND PAPERS USED IN THE PREPARATION OF THE REPORT

Title of Document	File Ref No.	Where available for public inspection
Development Fund Application		County Hall, Carmarthen.