

## Report of the Director of Corporate Services

### Cabinet

18<sup>th</sup> September 2023

### Development Fund Application

Investment in the electrification of additional pitches at Pembrey Country Park Campsite

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#### 1. BRIEF SUMMARY OF PURPOSE OF REPORT.

An application has been received from the Communities Department for an investment to electrify additional pitches at Pembrey Country Park Campsite.

#### 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 £175,000 to upgrade the pitches on the campsite, thereby generating additional income due to a forecast increase in demand.
- 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 electrify additional pitches at Pembrey Country Park Campsite. The upgrade to the pitches, including the installation of new Pay As You Go (PAYG) meters, would generate additional income and at the same time encourage campers to be more efficient in their use of energy at the site.

## **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 50 schemes have been supported to date to the value of approx. £8.36m by the Development Fund.
- 5.1.2 Based on the approvals to date, there is £604k available for new projects. This sum will rise to £1.64m in 2024/25 and £1.68m in 2025/26 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 to electrify additional pitches at Pembrey Country Park Campsite, generating increased income, increasing the availability of pitches in high-season and increasing the usage of the pitches during the off-season period.

## 5.2.2 Scheme Costs and Fund Repayments

Against a cost of £195,000, the application is requesting £175,000 be met from the Development Fund with the additional £20,000 being funded by a departmental revenue contribution. The repayments to the Development Fund will be £43,750 per annum over four years, to be met through increased income.

Based on the current full season price of £2,415 per pitch, it is projected that this will generate additional income of £34k per annum. Added to this is the forecast savings on energy costs due to PAYG meters being installed.

## 5.2.3 Scheme Benefits

- Current demand often results in customers being turned away due to lack of available electric pitches. The additional pitches will increase availability thereby increasing the number of customers, which in turn will enhance secondary spending both locally and in the south Carmarthenshire area.
- The introduction of the PAYG model will encourage visitors to the site to be more efficient in their use of electricity.
- The additional pitches will reduce the cost of maintenance and out-of-hours call outs as the current electric hook-ups are unreliable due to the age of the equipment.
- The new facility will help ensure a more efficient and sustainable business.

## 6. OTHER OPTIONS AVAILABLE

To keep pace with demand and the changes in the tourism industry, the campsite needs the investment to upgrade the facilities. It is anticipated that without improvements, current demand could decrease and the site would not be attractive to new business.

## 7. COMMUNITY STRATEGY INTEGRATION TOOL

Not applicable

## 8. IMPLICATIONS:

### FINANCE

Based on the latest profile of spending, it is estimated that there is £604k available for new projects. The application is for £175,000, with the fund repayments of £43,750 per annum being made from savings on income generated.

There are efficiencies to be gained by using the PAYG method, both financially and environmentally.

#### **9. FEEDBACK FROM CONSULTATIONS UNDERTAKEN**

Experience has shown that customers will not book non-electric pitches at certain times of the year, i.e. off-season.

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

| <b>Title of Document</b>     | <b>File Ref No.</b> | <b>Where available for public inspection</b> |
|------------------------------|---------------------|--|
| Development Fund Application |                     | County Hall, Carmarthen.                     |