ITEM 1: Infrastructure Improvements at Walltown and Cawfields

1.0 Purpose of Report

a. To seek approval for infrastructure at Walltown and Cawfields

2.0 Recommendation

The Authority are recommended to:

a. Approve the plans to improve Walltown and Cawfields as detailed in the report, subject to a successful funding bid to RDPE and the securing of the match funding element, as endorsed by the Estates Task and Finish group on the 29th August 2018.

b. Note the outline Business Plan at Appendix 1 and approve the use of £6,900 of unallocated reserves to enable the operation to breakeven in year 3. Subject to a successful funding bid.

c. Endorse the use of in year budget to invest £18,600 (at risk) to develop the phase 2 bid with an estimated £400,000 funding available, as endorsed by the Estates Task and Finish group on the 29th August 2018.

3.0 Implications

a) Financial:

- There is no impact on reserves from the RDPE capital funding bid with the proposed £37,300 to match fund the total project cost, to be achieved by fundraising or an application to the legacy fund held in earmarked reserves. This is subject to an offer of funding from the RDPE.

- Members are asked to note £18,600 will be allocated from existing in year budget as seed corn funding. This is the use of Authority funds at risk due to the need to invest funds to enable the preparation of the Phase 2 bid.

- An outline Business Plan for the operation of the centre once opened is included at Appendix 1. This would result in a £6,900 call upon reserves over the period 2019/20 - 2021/22. Over 3 years the loss would be reduced from £4,400 in year 1 to an almost breakeven position of a £100 deficit in year 3. This is also subject to an offer of funding form the RDPE.

b) Equalities:

Substantial improvement to public facilities, including two new changing places rooms will enhance accessibility to the National Park by protected groups.

4.0 Background – the Authority’s Estates Strategy

4.1 A paper was presented to the Authority on 12 July 2017 which gained approval for the refreshed Estates Strategy. This strategy set out the development opportunities at Walltown. Further detail has been presented to the Full Authority meeting of 13 December 2017, and once more at the ETFG on the 4 May 2018.

4.2 In the Authority meeting of 12 July 2017 members approved the recommendation of the Estates Task and Finish group with regards to the item on Walltown, namely:

- Approve the priority areas where the estate will be improved in the medium-term as described in paragraphs 5.13 to 5.16;

- Sites to be Improved – Medium-Term
• **Walltown** – planning consent is in place to improve the existing visitor provision in the building. It is proposed to improve the income generation potential at the site by extending the cafe area (as per planning permission) whilst developing a wider project to capitalise on the recreation potential of this strategically located site in the longer-term

4.3 In the Authority meeting of 12 December 2017 the site was further discussed and members aspired to the provision of a Changing Places facility to be included within any future proposal.

4.4 Officers investigated the possibility of developing a larger building as per the drawings that were referred to in the initial report. However, with the funding potentially available and the necessary supporting business case, it became apparent that the scheme did not stack up financially. Consequently a revised and reduced scheme is being proposed.

4.5 In order to attempt to access funding from the RDPE Growth programme a phase approach is being implemented. The first phase will involve improved facilities around the existing structure at Walltown, to provide an enclosed dining area, a changing places facility and upgraded, externally accessible, toilets.

**Strategic objectives.**

5.1 The successful delivery of this project is aligned to the following challenges from the National Park’s objectives and business plan:

- Creating a “Welcoming Park”
- Extending the visitor season
- Expanding the influence of the Sill through engagement and events.
- Creating further dark skies opportunities.
- Improving access for all.
- Improving the quality of visitor provision.

5.0 **Implementing the Estates Strategy – a development opportunity**

6.1 The RDPE Growth programme currently has time-limited funding streams available for tourism development. In order to benefit, projects must be capable of early intervention. Officers have identified that the aims of the funding align themselves with opportunities on National Park owned sites at both Walltown and Cawfields.

6.2 In order to prepare a strong bid for this funding, officers have developed a ‘West on the Wall’ project aimed at enhancing the quality of the key visitor infrastructure in the northern area of the corridor on the back of The Sill opening.

6.3 **Phase One**: the development of the existing building at Walltown would be eligible for 80% funding if the bid for grant funding was successful. The estimate for the cost of this project is £116,700. 20% match funding for this equates to £23,300, with further ineligible expenditure of around £11,000 for internal fit out and £3,000 for staff time for drawings and tender preparation works done in house, which would have cost substantially more to outsource.

**Phase Two**: the development of the existing building at Cawfields (including changing places facility), the provision of a new building at Walltown and the provision of dark skies viewing platforms, are regarded as wider infrastructure along Hadrian’s Wall and are therefore considered eligible for 100% grant funding. The estimate for the cost of this work is in the region of £400,000. (Excluding seed corn funding).
6.4 The grant funding is time-limited as it is European Funding and gives the National Park an opportunity to improve its own infrastructure in order to improve the quality of the visitor experience to emulate the quality as established with the development of The Sill.

As such, two “expressions of interest” for funding, in keeping with the above phasing, (under the title “West on the Wall”), were submitted to the RDPE in April and May 2018.

Both expressions of interest were received favourably and the National Park has been invited to submit full bids for the funding.

6.5 Members were informed that a report would be presented to them at such time as a decision on funding was necessary. This report seeks necessary agreement and match funding.

6.0 Proposed Works

7.1 Phase One:
Adaptation of the existing building to:
- Enclose the open area to provide a place of shelter for visitors to take refreshment.
- Re-open the Visitor Information point seven days a week in the summer and at weekends in the winter.
- Provide a new ‘changing places’ facility.
- Re-configure entrances to the public toilets so they are accessible 24 hours a day.
- Provide outside covered area with sink for events.

7.1.1 An outline Business Plan for the operation of the centre has been prepared and is included at Appendix 1. It shows with a modest growth in visitors and the profit margin over a period of 3 years a break even position is achievable.

7.1.2 Given the other areas of financial risk within the Authority’s Medium Term Budget Plan the Walltown Business Plan has been prepared cautiously to avoid increasing risk further. Data we hold suggests that visitors within the Hadrian’s Wall corridor are increasing and cars parked at the site are holding up with the prior years numbers despite there being no presence there currently. The spend per head of £1.34 is based on that achieved in 2017/18 and the starting profit margin of 45% is 1% lower than that achieved in 2017/18. The profit margin is forecast to grow due to the greater emphasis on a grab and go style concession with hot drinks and confectionery producing higher profit margins. The Business Plan includes the marginal costs of changing the facility (e.g. additional energy costs, cleaning and service costs of new equipment). The Business Plan also includes the rental income foregone by operating the site in-house.

7.2 Phase Two

7.2.1 Cawfields
- Provide Visitor Information point within the existing building at Cawfields, similar to the facility at Bulby’s Wood, in the Breamish Valley.
- Provide a covered canopy area to the side of the existing building for events and activities such as charity walks.
- Provide a ‘changing places’ facility in the existing building.
- Upgrade the existing toilets.
7.2.2 Walltown

- Provide a new activity building on the site, to complement the existing information/refreshment area, toilets and classroom. This building will be available for all users as part of The Sill Events programme and will host activities such as dark skies evenings. It will also be available for private functions and events, again bookable through The Sill. The building will be a modular design and have a retractable canopy roof to the front giving partial shelter to the patio area.
- Provide a formal paved patio area to the front of the proposed building in order to extend the activities to an outside space.
- Construct two dark skies viewing platforms with telescope stands which are aligned to the emerging Hadrian’s Wall Observatory project.
- Improve the accessible footpath infrastructure around the site.

8.0 Current Progress and Timeline

8.1 Having passed Stage One approval, in order to submit a full and complete application for funding the RDPE require all supporting documents to be submitted with the application. These documents include:

- Planning approval for any development
- Quotations for any building work
- Quotations for any professional fees
- Confirmations of any match funding.

8.2 To progress the projects this far, the work has been done either in house by staff or from existing budgets.

8.3 There have been hundreds of applications for this particular funding stream and it is understood that grant awards will be made on a first come first served basis. In order to proceed with the application, members will need to consider the request for funding and recommend approval.

8.4 Currently it is anticipated that the grant submission for Phase One could be submitted by mid October 2018 if all supporting documents and resources are obtained. A submission date of December 2018 is currently the best estimate for Phase Two. Progress to implementation will be subject to formal approval of funding which we expect to be confirmed in the first part of 2019 for Phase One.

8.5 Summary of funding required:

- Phase One: £37,300 unsecured match funding. Fundraising will be undertaken or a bid will be considered to ascertain if the development fits with the legacy funds held in reserves. Allocation of this is subject to successful grant bid, therefore not at risk. A further £6,900 for the cost of operating the centre in years one and two while we work to achieve the breakeven position, allocated from reserves. Again this is subject to a successful grant bid.
- Phase Two: £18,600 required as seed corn funding to progress funding bid, therefore at risk if bid is unsuccessful. The total funding which will be applied for is £400,000.

9.0 Conclusion

9.1 There is an opportunity to develop the National Parks assets in line with its own Estates Strategy and Business Plan 2017-2021, and linked to regionally important targets of the RDPE.
9.2 Officers have developed this project with in house staff as far as it can to get the scheme this far at little cost to the Authority.

9.3 Officers are currently sourcing match funding for Phase One which will be from a private donation or the use of legacy funding, and it will be recommended that the Authority approve the allocation of this funding to the project and that there is no impact on resources.

9.4 The Business Plan demonstrates a breakeven position is achievable within 3 years. There is a small one off call on reserves of £6,900 to get to develop the offer, subject to funding.

9.5 The seed corn funding for Phase 2 will come from the New Projects Fund and existing core budgets, and is considered a good investment for the potential match funding and investment it will release. It is recommended that the Authority agrees the use of £18,600 of in year budget (at risk) to progress Phase Two up to bid submission stage.

Contact Officer: For further information contact Pete Trumper, Head of Access and Estates on 01434 611 506 or e-mail: pete.trumper@nnpa.org.uk

Background papers: NNPA Business plan 2017-2021
Appendix 1

Outline Walltown Business Plan

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<th>Year 2 2020/21</th>
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