

Meeting	Pwllheli Harbour Consultative Committee
Date	20th March 2018
Title	Review of Hafan Pwllheli and Harbour
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## **1. Purpose of the Report**

- 1.1 To provide an update on the Department's intention to review the management models for Hafan Pwllheli and harbour, and to seek the Committee's views on the criteria to be applied in evaluating possible models.

## **2. Background**

- 2.1 Ever since the management of Hafan Pwllheli was transferred under the direct control of Gwynedd Council in April 2008, there has been an intention to review possible long terms management models.

- 2.2 During the same period, the Service has faced a number of challenges including :

- Economic downturn which has affected the leisure marine sector (and the demand for berths)
- Concerns regarding the levels of siltation in the channel and access to the harbour
- Lack of capacity in suitable locations to dispose of dredged material from the harbour (which limits dredging options)
- Increased in costs such as VAT and fuel and affects on the maritime sector
- Uncertain condition of the maritime sector with increased competition for customers among marinas

- 2.3 Although the Service continues to operate an annual profit, a combination of the above factors had contributed to a reduction in the number of annual customers over the last decade.

- 2.4 The financial situation is reviewed on a regular basis, and in February 2017 the Audit and Governance Committee supported the Department's intention to review the management arrangements.

- 2.5 The Department has since secured project resource to proceed with the work, and the current aim is to develop an outline business case this year, which will provide a firm direction for the future.

- 2.6 The work of developing the business case will be an iterative method, and will follow the government's 'Five Case Model'. The proposed arrangements enable the input from key stakeholders to guide the work, and ensure that a range of options are

considered and their respective suitability. As such, the model seeks to focus resources on the models most likely to meet the relevant objectives.

2.7 There are 3 Stages associated with the work :

- i) Stage 1 : Establish if there is a need for change
- ii) Stage 2 : Develop the outline business case
- iii) Stage 3 : Implementation

2.8 The purpose of Stage 1 is to assess whether or not there is a need for change, and if there is sufficient justification to invest resources to carry out more work on a short list of options. Subject to Stage 1, Stage 2 looks in greater detail on a short list of options, and assesses their viability by business case. At the end of Stage 2, a decision is reached whether or not to implement a new model.

### **3. Stage 1 : Establish if there is a need for change**

3.1 In essence, 2 key questions are to be considered

- Is there a case to changing the management model for the Hafan and harbour?
- If so, which model or models should be considered further?

3.2 In order to address these questions, we need to establish what is important in terms of the objectives to be achieved by the Hafan and Harbour. These objectives will be used as criteria to evaluate the existing model against alternative models.

3.3 We also propose to engage with stakeholders to seek input on the criteria during March and April. The conclusions of such discussions will inform the criteria to be adopted and the basis to evaluate models.

### **4. Draft Criteria**

4.1 As a starting point to initiate discussions, the Project Board have prepared the following criteria (these are not presented in any order of priority)

- a) To strengthen the economy by being commercially viable and as a result support marine businesses and local employment
- b) To provide an economic catalyst by attracting and maximising the use of the harbour

- c) To promote the Welsh language
- d) To provide Financial benefit to the Council
- e) To be able to attract Investment
- f) A business model which is sustainable
- g) A model which can be implemented

4.2 The above are draft criterias, and the Council would welcome any feedback or comments.

## **5. Recommendation**

5.1 The Consultative Harbour Committee is invited to discuss and provide comments on the draft criteria.