

Report to: Communities Scrutiny Committee

Date of Meeting: 13 September 2012

Lead Member/Officer: Leader and Lead Member for Economic Development

Report Author: Rhyl Going Forward (RGF) Programme Manager

Title: Rhyl Going Forward – Tourism & the Coastal Strip Workstream Update

1. What is the report about?

This report provides an update on the Tourism & Coastal Strip Workstream of the Rhyl Going Forward Regeneration Strategy.

2. What is the reason for making this report?

To provide information regarding progress in terms implementing the Tourism & Coastal Strip Workstream of the Rhyl Going Forward (RGF) Regeneration Strategy, its financial implications, and the progress or prospects in terms of benefits realisation.

3. What are the Recommendations?

That Members note and comment on the progress made

4. Report details.

4.1 Background

In order to deliver effectively, the work of the Rhyl Going Forward Regeneration Strategy has been organised into workstreams:

- West Rhyl Regeneration Area
- Tourism & the Coastal Strip
- Retail & the Town Centre

4.2 A snapshot of the strategy

The Coastal Strip – from Foryd Harbour to Splash Point – is the focus for tourist related activity in Rhyl. The main appeal of this area is the sandy beach and the associated activities usually found at a traditional seaside location – bathing, sandcastles, promenading, amusements, fairground rides, etc. The approach here is to build on Rhyl's reputation as a family resort by providing facilities and activities which will sustain and grow this market. The strategy recognises that the visitor experience is likely to be dominated by day visits, although there are clearly opportunities to tap into the enormous number of people who stay at the caravan sites in and around Rhyl.

The short-term focus will be on improving the quality of the public realm along the coastal strip, and on modest improvements to amenities and to revealing the beach. This will improve the promenade as a place for walking, cycling, relaxation and general seaside experience. In the medium to long-term, we will be seeking to create new attractions to increase the number of people visiting Rhyl. This includes the substantial investment planned in the Foryd Harbour Area with a new, iconic pedestrian and cycle bridge as the centrepiece. Recent works to refurbish the Apollo Cinema have created the opportunity to create an “Entertainment Zone” in this area, and we will be working with the private sector to provide new leisure facilities, along with good quality restaurants. We are also considering options for renewing Rhyl’s major attractions of the Sun Centre and Pavilion Theatre.

Combined with these improvements to the physical environment, there will also be consideration as to how we strengthen Rhyl’s Events Programme and the town’s ability to host major events. We will also explore ways to animate the promenade at a smaller scale but on a regular basis, for example with organised children’s activities, buskers and street theatre.

4.3 Monitoring of the strategy

Progress for the workstream is monitored by the RGF Neighbourhoods and Places Programme Board. The specific workstream report for Tourism & the Coastal Strip is attached:

- Appendix 1 – Tourism & the Coastal Strip Workstream Report

4.4 Key Projects

4.4.1 Apollo Cinema refurbishment

Refurbishment of the cinema was completed in August 2011 and has provided 5 fully digital theatres with 3D capability, an improved and extended foyer entrance and a new sun terrace and sea view bar. The project investment was in the region of £2.5 million, with £1 million of this coming from the cinema operators, with the remainder coming from various public sector sources – predominantly through the Welsh Government’s North Wales Coast Regeneration Area (NWCRA) funding.

Since the refurbishment we understand that the cinema has been trading well, and the increased footfall generated has created the opportunity to create the “Entertainment Zone” referred to in the strategy above (section 4.2) with a mix of new leisure attractions and restaurants. Subsequent projects are seeking to maximise this opportunity and develop a more commercially orientated leisure offer.

- Appendix 5 – RGF: Land to the front of Apollo Cinema refers

4.4.2 Rhyl Coastal Defence Works

The latest phase of the coastal defence works was completed in July 2012 and creates added protection from flooding for approximately 2,500 properties in Rhyl. The scheme was Welsh Government/EU funded and cost approximately £8.2 million. Discussions are ongoing with Welsh Government about the third and final phase of works which would cover the stretch from the River Clwyd to the Drift Park. Initially the Welsh Government were promoting an engineering solution of rock armour, but

more recent discussions have seen a softening of this approach and an acceptance that a stepped revetment would be a more appropriate solution in a tourist resort such as Rhyl.

4.4.3 Foryd Harbour & Bridge

This project commenced on site in July 2012 and will create:

- A pedestrian and cycle bridge
- Public square and quayside building
- New quay walls

The project aims to attract visitors and contribute to the local economy as well as being a great resource for residents. The new slipway will be available for trailer boat and leisure craft launches, and will allow boats to be taken out of the water more easily for storage in the adjacent secure boat yard. There will be two units available for businesses at the Harbour building; one is specifically set out as a café, and the other for a relevant harbour business or meeting room until a business opportunity comes forward.

The bridge will link existing buildings and proposed developments either side of the Foryd Harbour and will be a landmark structure, providing a truly iconic and distinctive attraction to bring tourists to this part of Rhyl. The bridge will close the gap in the national cycle route 5 and provide a safer, quicker and easier passage for pedestrians and cyclists.

The new pedestrian and cycle bridge will be finished and ready to use in the Spring of 2013 and the Public Square, Harbour Building and Quay Wall will be opened in 2014. £10.3 million of funding has been secured from the Welsh Government including the European Regional Development Fund, the Big Lottery Fund through Sustrans and Denbighshire County Council. The project is currently forecasting an overspend, although a number of possible funding sources to mitigate this are currently being explored.

For the latest position with the Foryd Harbour project, the latest Project Status Report has been attached as:

- Appendix 2 – Foryd Harbour Project Status Report

4.4.4 Honey Club Refurbishment

The former Honey Club building was acquired by the Council in early 2011, recognising its potential significance as a development site because of its location immediately opposite the refurbished cinema (see section 4.4.1 above) and adjacency to the town centre. Further properties around the building have subsequently been acquired to create a developable site. One key property remains un-acquired – 25/26 West Parade – which has been in a derelict and ruinous state for 20 years. Despite extensive discussions we have been unable to reach agreement with the owner and following a Council resolution in July 2012 a compulsory purchase order (CPO) has been served. At the time of writing this report no objection to the CPO has been made, although there are several weeks remaining on the notice period.

Various reports and constant monitoring have established that the Honey Club building is in a dangerous condition. Although not a listed building, the property is within a Conservation Area and as such requires Welsh Government consent for demolition. Normally this would require an approved planning consent for the site's redevelopment, but given the state of the building and the potential risk to public safety the Council has made an application to Welsh Government for consent to demolish without having planning consent in place. At the time of writing this report we are still awaiting a decision from Welsh Government.

The Council has also, through a competitive process, selected a Development Partner – Chesham Estates, who propose to construct a 60 bed-roomed budget hotel with a restaurant at ground floor level. We are currently in the process of agreeing the formal development Agreement with Chesham Estates, but in the meantime they are developing detailed designs for the site. In terms of timescale, Chesham Estates are hoping to start construction in 2013 so that the building is ready for occupation early 2014.

For the latest position with the Honey Club refurbishment, the latest Project Status Report has been attached as:

- Appendix 3 – Honey Club Refurbishment Project Status Report

4.4.5 Ocean Plaza

On the 7 hectare site of the former funfair, the owners Scarborough Group plan to develop a new Asda supermarket (a relocation of the existing Kinmel Bay store) and a new family pub and hotel. The development would also see the construction of a new access road through the site which will allow part of West Parade to be pedestrianised – an important element of the plans for the new Foryd Bridge (see section 4.4.3 above) to ensure that a high quality, traffic-free cycle route can be created on the approach to the new bridge. In future, there are also plans for another phase of development of residential and office accommodation, but these plans are currently on hold until the wider UK development market improves. In the meantime, the proposal is to temporarily landscape these elements of the wider site.

Negotiations between Scarborough development and potential occupiers have led to changes to the scheme. Whilst the mix of uses and buildings remain fundamentally the same, the size and configuration of buildings has changed. As a result, Scarborough development are intending to submit a new planning application later in 2012.

Ocean Plaza is a private sector led redevelopment, but the current derelict appearance of the site sends out a very negative message for visitors and investors alike. Thus its redevelopment would be a major boon to the town. The site currently faces a major constraint through the requirement for a new primary electricity sub-station at a cost of around £2 million, and to a lesser extent concerns about flood risk. The RGF Team is working with Scarborough Developments to seek ways to overcome these constraints and ensure that the development starts as soon as possible.

4.4.6 Rhyl Sky Tower

A report concerning the future of the Sky Tower will be considered at the Rhyl Member Area Group on 12 September 2012, and is attached for information:

- Appendix 4 – Future of the Sky Tower

4.4.7 Other projects and activities

A number of smaller scale projects and activities have taken place or are being developed. A redundant building and wall on the promenade has been demolished to improve access and views to the sea – in line with the strategy detailed in section 4.2 above. Plans to build a slipway for small craft (kite surfs, wind surfs, etc) and a new disabled access to the beach are well developed. Over the summer holiday period, through the European funded BRAND project a number of children's activities have taken place on the promenade – puppet shows, circus workshops, sand sculptures, etc.

4.4.8 Benefits Realisation

The main aim of this programme is to increase visitor numbers, and thus create more business opportunities and jobs in the tourism sector. Early indications are that numbers are being sustained, but longer-term monitoring of visitor trends will be vital.

4.4.9 Future Plans

In the past physical regeneration activity in Rhyl has been dominated by 100% publically funded improvements to the seafront promenade area. Very little private sector investment has occurred (with the exception of the cinema detailed in section 4.4.1). Over the last 18 months the focus has shifted to how we can provide confidence and facilitate private sector investment, and for them to subsequently operate and maintain the tourism infrastructure (as per the Honey Club redevelopment detailed in section 4.4.4).

A replacement for the Sun Centre could be key to this strategy. The maintenance requirements of the existing building mean that realistically it is likely to operate for only a few more years. Some early discussions about a possible replacement facility have been held with the Council's strategic leisure partner Alliance Leisure, but at the time of writing this report we are still awaiting feedback from them about the feasibility of the proposal.

5. How does the decision contribute to the Corporate Priorities?

The activity under this workstream contributes to the proposed corporate priorities:

5.1: Priority 1 – Developing the Local Economy and Our Communities

The main aim of this programme is to increase visitor numbers, and thus create more business opportunities and jobs in the tourism sector.

6. What will it cost and how will it affect other services?

The Tourism workstream does not have a dedicated budget. Funding is allocated to specific projects, in the main utilising external funding sources, and the funding is monitored on a project by project basis.

A number of other service areas are involved in the plans, varying by the nature of the project. Key service areas that have regular input and engagement in the regeneration plans are:

- Leisure Services
- Public Realm
- Property Services
- Planning

7. What consultations have been carried out?

Individual projects have their own consultation strategies, but the overall consultation of the wider strategy has been appended to the West Rhyl Regeneration Workstream Update.

8. What risks are there and is there anything we can do to reduce them?

To create a stronger tourist economy and address the negative image of Rhyl there are a number of issues/risks we recognise and need to address:

8.1 New quality benchmarks are needed - Nationally, the resorts that have had most success in regenerating are those which have cleared away the obsolete remnants of their resort days – the chip shops, down market B&Bs, cheap souvenir shops, etc – so as to ensure their appeal to a broader audience. To ensure future prosperity, a totally new level of quality is needed.

8.2 The downsizing challenge – it is sad but inescapable that many tourism related businesses in Rhyl are not going to survive. Marginal operations have been going out of business at a rapid rate and this is almost certain to continue. More controversially, there may be a strategic need to encourage such businesses to cease operating. In some cases this is because their operations are out of keeping with the new quality standards that Rhyl must aspire to.

8.3 Successful destinations cannot be successful next to social deprivation – A resort depends on being an attractive and friendly place to visit (and live). The presence of extreme social deprivation creates exactly the opposite effect. A key part of the regeneration programme is, therefore, to tackle the deprivation (please refer to West Rhyl Regeneration Workstream Update).

8.4 Take care with new visitor attractions – development of new visitor attractions is often seen as the answer. Sometimes they can be, although more often than not the results are below expectations and attractions are difficult to sustain financially. Visitor attractions are an important component of destinations, but by no means the only component or, necessarily, the most important. An outstanding retail or night offer, for example, would typically attract many more visitors than a museum. On the whole, investment is probably better directed at creating conditions that will stimulate private sector investment.

8.5 Events and activities have an important role to play – increasingly people’s choices about where they visit is influenced by the range of activities that are on offer – the beach in itself will no longer be enough to attract the number of visitors required to sustain local tourist related businesses. Improving the number and quality of major events will help, along with small scale interventions on the promenade and town centre.

9. Power to make the Decision

Article 6 of the Council’s Constitution

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