

Private & Confidential

Janet Finch-Saunders
Chair
Petitions Committee

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26th February 2021

Our Ref: TA/DD/KEN20/20

Dear Chair,

Our client: Kenfig Corporation Trust

We have been instructed by Kenfig Corporation Trust ("The Trust") in relation to your letter of 9th February 2021, the content of which has been carefully considered by the Board of Trustees.

Background

The Trust is a charitable institution governed by a constitution and overseen by a passionate and committed Board of Trustees from various different backgrounds. At the heart of its objects is a commitment to ensuring that the Kenfig Nature Reserve ("Reserve") is monitored and preserved for the benefit of the local Kenfig residents as well as other visitors.

For 25 years Bridgend County Borough Council ("The Council") leased the Reserve from the Trust on a full repairing and maintaining basis. In 2019 this lease came to an end and the Council handed the Reserve back to the Trust.

Prior to the lease concluding the Trust began to explore what options would be available to it. Discussions were entered into with various bodies and organisations. However, no firm agreement could be reached.

The Trust, as well as the Council before it, enjoyed a good relationship with Natural Resources Wales ("NRW"), which is the body tasked with supervising that the Reserve was being maintained in accordance with professional and scientific recommendations. As a direct consequence, it appeared pragmatic for NRW to become custodian and manager of the Reserve for the next 20-25 years.

The Committee, however, will no doubt be aware that budgets for organisations like NRW are continually under pressure. As a consequence, funding for the running of the Reserve was a key issue in the discussions that took place. The Trust was keen to procure a commitment that there would be additional investment and the ring fencing of funds generated by income bearing activities on the Reserve. Regrettably, NRW could not assure the Trust that such

revenue raised would be retained and reinvested on such terms; NRW had numerous commitments and it would need flexibility as a consequence.

Understandably the Trust was hesitant to agree terms which would not ensure a financial commitment of re-investment, which was something appreciated by NRW. As a consequence, it was agreed that the most pragmatic way forward would be for NRW to work in partnership with the Trust and provide its professional expertise and guidance.

Over the last 25 years the Reserve had generated very little revenue for the Trust as most of it was leased to Bridgend County Borough Council for a nominal rent. During the Council's tenancy, subsidies became available for landowners and/or occupiers where the land was utilised for grazing. The Reserve has a significant number of acres that would qualify for such grants. However, information on the level of revenue actually being paid to the tenants on the Reserve was not readily forthcoming.

Having sought legal advice the Trust eventually established what had been paid through a Freedom of Information Request to the Welsh Government. At this point it learned that the subsidies paid to sub-tenants on the land had been significant. There were hundreds of thousands of pounds available that could be reinvested each year as well as used to develop further commensurate activities.

Despite these funds having been available to Bridgend Council, there had been no attempt by it to seize the same and reinvest the revenue into the Reserve so as to improve facilities and/or attract more visitors. Indeed, upon handover of the lease, large parts of the Reserve and its buildings had fallen into disrepair and Bridgend Council were required to pay compensation so as to make good the dilapidations. The Trust was not prepared to allow a repeat of the same.

If the Trust were to recover control and full autonomy over the Reserve, there was no reason why it could not access these same subsidies. If it did then the money received would be re-invested directly back into the Reserve and provide critical funding for necessary upgrades as well as to develop other areas of the land so as to create further tourist attractions. The Trust has minimal running costs and, even allowing for the employment of key staff, there would remain sufficient funds so as to promote investment and development.

The Committee will no doubt already be familiar with the letter from Lesley Griffiths AM to the Committee, which confirms that NRW and the Trust will be working together so as to achieve the above outcome. There is no doubt in the mind of the Trustees that the Trust will be capable of fulfilling its obligations and working towards delivering a much-improved Reserve. This in turn will generate further revenue and hopefully attract outside interest as well as private sector investment. However, given that this a new venture it does take time for the Trust to set up the necessary legal and commercial infrastructure so that the project can move forward in accordance with the professional advice and guidance that the Board has received.

The additional revenue available from the grazing will allow the Trust to employ a full-time warden on terms similar to that established by Bridgend Council, as well as other support staff so as to ensure that, once COVID restrictions allow, investment can be made which adds tangible improvements to the Reserve. The Trust has already received significant interest from key partnerships and is excited at the opportunities which now lie ahead.

Assertions made in the Petition.

It may assist the Committee if the Trust also addresses some of the allegations levied against it as part of the Petition.

"Bridgend Council carried out this work for many years but has had to withdraw due to financial pressures".

The above statement is inaccurate; the Council's lease of the Reserve reached its natural end and there was no commitment for the Council to continue operating the Reserve after the expiry of its lease. There was always revenue available to Bridgend Council had they sought to review their current land use.

"The site's owner, a secretive and unaccountable body called the Kenfig Corporation, has not been prepared to agree any future plans".

The assertion that the Trust is secretive and unaccountable could not be further from the truth. As a charitable Trust, aside from its constitutional governance, our client is answerable to the Charity Commission and all its financial information is publicly available.

The Trust and NRW have provided regular updates to the media as well as other interested groups. Indeed, it appears from the further responses provided by the Petitioner that, contrary to what has been asserted, the progress of discussions with NRW and the Trust's intentions herein are already public knowledge. It is therefore difficult to reconcile upon what basis the Trust is being secretive. Further, the Trust has not been prepared to agree a deal which is not in the best interests of the Reserve.

Summary

Given the investments that the Trustees have made to date, the petition is both a disappointing and frustrating development for the Board. The commentary associated with the Petition paints a wholly inaccurate and misleading picture of the current position.

Regrettably the Petitioner, Mr Preddy, made no approach to the Trust to determine these issues before proceeding with the petition and making public his views.

Had such steps been taken then Mr Preddy would have learned that:

- The Trust and NRW have only discounted the possibility of NRW taking over the entire Reserve and retaining any income from the same;
- NRW remain committed to providing advice and support to the Trust with its future management and investment plans;
- NRW will inevitably be involved in any future management of the Reserve. As the body responsible for monitoring and policing the area of Special Scientific Interest, NRW will need to be assured that the proposals advanced by the Trust are viable and will otherwise ensure statutory compliance. At this point in time they are fully supportive of the Trust's intentions and remain committed to the same;
- The option of the Trust having full control of the Reserve and retaining all income arising from the same will offer significant future re-investment opportunities and allow the Trust access to revenue it has previously been denied;
- The Trust will at all times have the support of not only NRW but also its panel of professional advisers. The Trust fully acknowledges that the size and complexity of the Reserve habitat will require it to seek assistance from both professional and lay volunteers alike;

- The Reserve has been underfunded for many years and the Trust could not in good conscience allow this to continue where both alternative and viable options existed;
- The Trust has otherwise had control of the Reserve since 2019; in that time the same has been managed appropriately with NRW expressing no concerns.

For the avoidance of doubt the Trustees have always sought to manage public interest as best they can by providing suitable updates and releases as and when appropriate. At all times the Trustees have communicated progress to the media, local councillors, Assembly Members and other organisations promptly. The Trustees remain alive to their duties and have done all they reasonably can in the circumstances.

The Trust acknowledges public interest and is under no illusion as to the task which is at hand, hence why it has adopted the considered and cautious approach it has to date. Whilst the land has been tenanted by the Council for the last 25 years, the Trust has still had overall responsibility for the same as the landowner. It is therefore very much aware of how the Reserve needs to be managed and what steps need to be taken so as to ensure compliance with any statutory requirements.

The Trust strives to be as open and accountable as it can be. However, at the same time it needs to handle commercially sensitive negotiations with the appropriate level of care and confidentiality required. Inevitably there will be times when its ability to provide comprehensive detail about its plans will be restricted by this duty. Further, given the level of interest it is of paramount importance to the Trustees and their partners that any proposals are fully assessed, workable and capable of being delivered.

We trust that the above addresses the issues and provides suitable comfort to the Committee.

We look forward to hearing from you.

Yours faithfully,

The logo for Hutton's, featuring the name 'Hutton's' in a blue, cursive script font.