Coastal Communities Fund
Annual progress report
2014

Delivered by Big Lottery Fund on behalf of UK Government and the Devolved Administrations in Northern Ireland, Scotland and Wales
“Coastal communities across the United Kingdom will receive a multi-million pound boost each year from a new Coastal Communities Fund. This new fund will be financed by the Government through the allocation of funding equivalent to 50 per cent of the revenues from the Crown Estate’s marine activities”

Chancellor of the Exchequer
Rt Hon George Osborne
July 2011
I was lucky enough to grow up on the island of Colonsay, a coastal community very much like those featured in this report, and whenever I return, or visit others like it around the UK, I’m always struck by the commitment and endeavour that go into building every local area. That’s what the Coastal Communities Fund (CCF) is all about: empowering local communities to spread growth fairly across the UK, ensuring that our beautiful and dynamic coastal communities continue to develop and diversify so they become vibrant year round economies that flourish in the 21st century. The Government wants to help coastal communities unleash the growth potential that can only be harnessed locally through the involvement of local communities and businesses. I set up the CCF in 2012 to ensure that coastal communities share the benefits of their greatest natural resource, the sea. As such, the CCF invests half of the revenues generated by the Crown Estate’s development of coastal and offshore resources back into coastal communities. I am delighted to present this report, which highlights the achievements and progress of the CCF in the first two funding rounds between 2012 and 2014. So far close to £150m has been committed to CCF by Government to support the economic development of coastal communities by promoting sustainable economic growth and jobs, so that people are better able to respond to the changing economic needs and opportunities of their area. We have already invested in 103 projects across the UK, from Shetland to Cornwall. These projects are already making a significant impact at a time when jobs are a priority. So far, projects are forecasted to create and safeguard nearly 10,000 jobs, and have helped attract around a further £100m – a substantial investment indeed. Projects funded under Round 3 of the CCF Programme will commence early in 2015, and the Government looks forward to the Fund creating more jobs, supporting more businesses and sustaining further growth in our UK seaside towns and communities. I look forward to this fund continuing to support coastal communities for many years to come.

Coastal communities are a major part of who we are as a country, with more than 10% of us living in coastal areas, and many more visiting frequently for work and leisure. In this first progress report on the CCF, we are proud to showcase the wide variety of projects that the fund has supported across the UK. While many Government programmes benefit coastal areas, the CCF provides the opportunity to specifically invest in coastal economies in a flexible way that takes account of local circumstances. In its first two years of operation the Fund has helped coastal communities large and small to support imaginative and innovative projects that not only promote jobs and growth but are helping to build stronger and more diverse local economies. For example, the fund is supporting projects that draw on the traditional seaside and heritage assets of seaside towns – such as the re-development of the iconic Spanish Dome in Whitley Bay and a visitor centre at the Lobster Hatchery in Padstow (see pages 26&27) – but is also helping communities that are keen to exploit the potential of new opportunities like renewable energy and the creative and digital economy – such as the RAKtrain project in East Anglia, which is helping to train local people for jobs in the offshore wind sector (see page 32).

We are now seeing the impact of these and other projects from the first two rounds of funding – many of which I have had the pleasure of visiting – and this report demonstrates how these achievements are creating and sustaining economic growth around our coastline. The story so far is encouraging, with more than 3,000 jobs created and safeguarded, over 600 apprentices supported and almost 4,000 people receiving training. I look forward to seeing the further progress that all CCF projects will be making over the coming years and the difference that they will make to communities around the country.

Danny Alexander, Chief Secretary to the Treasury

Penny Mordaunt, Minister for Coastal Communities
The Coastal Communities Fund (CCF) is a UK-wide programme funded by the UK Government through the allocation of funding equivalent to 50 per cent of the revenues from the Crown Estate’s marine activities. CCF encourages sustainable economic development of coastal communities by providing funding to create sustainable economic growth and jobs so that people are better able to respond to the changing economic needs and opportunities of their area. The programme is focused on a single outcome that coastal communities will experience regeneration and sustainable economic growth through projects that directly or indirectly create sustainable jobs, and safeguard existing jobs. The funds are allocated to England, Wales, Scotland and Northern Ireland in proportion to the Crown Estate marine revenue generated in each country. In Scotland, the fund is divided further between Highlands & Islands and Rest of Scotland. Each country has specific funding priorities for CCF.

The programme is delivered by the Big Lottery Fund on behalf of UK Government and the Devolved Administrations in Northern Ireland, Scotland and Wales. Grants of £50,000 and over are available to a range of organisations including charities, social enterprises, local authorities, local enterprise partnerships, development agencies, voluntary and community sector organisations and private sector companies.

CCF assessment and monitoring process
CCF awards funds to projects that strongly fit with the programme aim and outcome; that is, that the project will directly or indirectly create new jobs or safeguard existing jobs. CCF funding is awarded to those projects that best fit the following criteria:
- Directly or indirectly, create jobs/sustain existing jobs.
- Clear need for the project.
- Meets the CCF outcome and country priorities.
- Fits with local plans and priorities.
- Successfully delivers intended outcomes.
- Sustained after CCF finishes.
- Represents good value for money.
- Deliverable by 31 December 2016.

To understand the economic impact of CCF awards, projects are appraised against an indicator framework. All CCF projects report on jobs outcomes, and against additional indicator headings where relevant:
- Jobs.
- Business.
- Tourism.
- Skills.
- Infrastructure.
- Environmental.
- Capacity Building.
- Leveraged Funding.

So far, there have been three rounds of CCF:
- In Round one (2012–2013) £26.1m was awarded to 51 projects.
- In round two (2013–2014) £27.6m was awarded to 52 projects.
- As of March 2014, £20.7m had been spent by Round one and two projects.
- On 7th March 2014, Ministers launched round three (2014–2017), the final round of the fund, with circa £64m available.

This monitoring report focuses on two key aspects:
- reporting progress to date; and
- providing case studies to illustrate the kinds of projects in which we have invested.

The latest information is available on the Coastal Communities Fund website, including details of all awards to date: www.biglotteryfund.org.uk/ccf
The UK’s coastal communities can be as different from each other as they are from inland settlements. Coastal communities vary significantly – from some of the most deprived to some of the wealthiest communities, often in close proximity. Likewise, across the countries of the UK, there is a divergence between the economic roles of coastal locations. In England, many coastal communities, including some sizeable towns and cities, suffer from the effects of peripherality. Conversely, across the rest of the UK, almost all of the key settlements are coastal. The priorities of the CCF have been shaped at a country level to reflect these divergences.
While every coastal community will be unique, there are some common factors such as:

**Employment:** many coastal communities were developed for a specific purpose or were reliant on single industries whose markets have since declined, and in some cases closed completely. Employment tends to be more seasonal, lower waged, and based around services and hospitality sectors; there tend to be fewer higher value jobs.

**Industrial base:** there is often a narrow business and industry base in coastal communities built around a few key sectors such as tourism, hospitality, food and fishing and transport; there tend to be fewer higher value sectors with challenges in attracting new industries. However some coastal communities have found niches in new markets: oil and gas; renewable energy; specialist tourism – golf; sailing; watersports.

**Demographics:** coastal communities tend to have different demographic profiles compared to the country as a whole with a higher older/retired population and lower numbers of young people.

**Housing:** coastal communities tend to have different housing tenure patterns with more second/holiday homes; in other instances, house prices are higher than the regional averages making it difficult for local people to secure accommodation.

**Access to services:** many coastal communities are distant from major service centres: they can have limited access to retail facilities; be poorly connected by public transport and can have limited access to further education/higher education provision.

**Physical infrastructure:** although rarely experiencing the brownfield/derelict land challenges of some urban areas, there can be physical challenges in terms of subsidence/coastal erosion; many older seaside communities have poor built environments which have not been upgraded for many years.

The Royal Society for the Protection of Birds (RSPB) nature reserve, Radipole
CCF is designed to support the economic development of coastal communities by promoting sustainable economic growth and jobs, so that people are better able to respond to the changing economic needs and opportunities of their area.

Applicants must demonstrate that their proposal fits with the broad economic priorities of the local area, where possible linking to a wider economic vision which has commitment and support from across the community.

The CCF is grants-based and although we are able to be the sole funder, we strongly encourage applicants to seek and provide additional funding thereby ensuring that the CCF is able to go much further.

The CCF is also flexible in that it can support a wide range of capital and revenue projects. Examples of the kind of projects we have supported include:

- development of new property and infrastructure to support economic diversification
- upgrading of heritage or visitor centres
- creating new harbour facilities and infrastructure
- training in boat-building and maritime skills
- development of coastal paths and walkways
- support to the food and fishing sectors
- support to the renewable energy industry
- development of heritage railway services.

We are able to support a wide range of projects and activities that can respond to the specific needs and opportunities within coastal communities around the UK.
As of March 2014, rounds one and two made 103 awards at a total value of £53.8m. The overall investment profile was split 80 per cent England and 20 per cent rest of the UK shown in Figure 1. The number of awards were split 48 per cent England and 52 per cent rest of the UK detailed in Figure 2.

The biggest allocations were made to the South East, South West and North East of England as shown in Figure 3.

The average award varied from £180,000 in Rest of Scotland to £1.4m in the North East of England shown in Figure 4. This reflects a general trend, with a higher proportionate share of awards being made in Scotland, Northern Ireland and Wales but with higher value awards in England.

The investment by CCF has supported projects with a total value, including co-finance, of around £150m as detailed in Figure 5.

The largest value projects were located in Yorkshire and the Humber, the South East and South West of England with the maximum award being over £2.5m. The smallest projects were in the Rest of Scotland with the minimum award being £50,001.

Details of supported projects and their locations are highlighted in Figure 6 and more details can be found on the Coastal Communities interactive map here http://bit.ly/1yGZzyr

1 Note all numbers subject to rounding, East of England includes one project in East Midlands
The majority of awards by value were in the South East and South West of England – accounting for 40 per cent of all investments. The majority of individual projects were in Scotland – 37 per cent of all awards.

Northern Ireland and Wales have the smallest number and value of awards, which reflects their budget allocations.

Figure 7 highlights the awards by project type and value.

More details can be found on the Coastal Communities Fund interactive map [http://bit.ly/1yGZzyr](http://bit.ly/1yGZzyr)
Infrastructure and property account for over 70 per cent of awards by volume and value, which is unsurprising as these tend to be projects with a capital requirement.

Figure 8 details the number and value of awards by main sector and as expected, the tourism sector has attracted over 60 per cent of all spend (around £33.3m) with the food and fishing sector attracting around £2.3m investment.

As shown in Figure 9, the main supported applicants are local authorities (which account for 36 per cent of awards by value) and community and voluntary sector organisations (which account for 47 per cent of awards by value).
Projects from CCF rounds one and two are forecast to generate the outputs detailed in Figure 10. Against the key CCF indicator, this shows that to date the programme is forecast to create or safeguard almost 10,000 jobs. At this early stage in the programme, projects have reported the actual creation or safeguarding of over 3,000 jobs.

Other forecast outputs include over 500 construction jobs, 800 apprenticeships and 6,000 skills assists, almost 800 business start-ups and over 2,000 businesses supported. In addition, CCF has supported the creation of over 100 new tourist facilities and marina berths, upgrading of 20,000 sq m of public realm and creation of 4,600 sq m of new business property.

On forecast employment outputs, CCF has generated value for money at a cost per job of £6,835 based on CCF funding only and £18,875 based on total project cost.* Based on forecast employment outputs within each of the projects, it is anticipated that CCF will generate £196m of annual GVA output, which is 11 times the value of the investment made through the CCF, and four times the total project costs (due to the small size of the programme it has not been possible to undertake a full cost benefit analysis). **

*Figure is based on the total number of forecast direct and indirect jobs but does not include safeguarded jobs
**Job creation forecasts are reported as gross figures

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Rounds one and two of the Coastal Communities Fund:

- have invested over £50m in over 100 projects across the UK
- have helped attract almost £100m of other funding
- are forecast to create and safeguard nearly 10,000 jobs
- will support over 800 apprentices and provide training to over 6,000
- will generate economic benefits of 11 times the value of the CCF awards

We look forward to an equally successful round three of the CCF that continues to support the economic regeneration of the UK’s coastal communities.
Next steps

**Round three**
Ministers launched the third round of the CCF in March 2014. Round three includes funding for 2014/15, 2015/16 and 2016/17. This application round is now closed and funding decisions are expected in early 2015.

No further rounds of CCF are planned.

**Next annual progress report**
The next Coastal Communities Fund annual progress report will be published in autumn 2015. The report will provide an update on the progress of projects from rounds one, two and three in supporting the economic regeneration of the UK’s coastal communities.
**Project case studies**

01. **Strengthening and diversifying the tourism offer**

Many of our coastal towns are experiencing economic challenges because of changing patterns of tourism. The Coastal Communities Fund aims to address seasonality by creating new patterns of demand for tourism and is supporting the tourism sector by funding activities such as provision of new visitor attractions, new events, improvements to infrastructure and business support. Over 64 per cent of funded projects are focusing on developing and supporting tourism.

**North Tyneside Council**

North Tyneside Council was awarded £1.99m to create a new public plaza, including a small events area, in front of the iconic Spanish City Dome to join the landmark building to the seafront. A further £1.12m funding was secured in the second round of CCF to create three business units and a car park to increase visitor numbers to the area.

It is forecast that the scheme could attract 150,000 extra visitors to Whitley Bay seafront each year, bringing an estimated £3m to the local economy and up to 25 indirect jobs. The new commercial units, which will look onto the newly developed Spanish City Plaza area are also expected to provide at least 12 new permanent jobs and will create construction jobs and training opportunities. To secure the Dome’s sustainability, the council and its partners are now seeking expressions of interest from businesses who might want to occupy units. An information session for businesses keen to be part of regeneration will help design teams ensure the building is restored in a way that takes into account the requirements of the end users. The units and new parking are expected to be open by Spring 2015.

“Our work in Whitley Bay is gaining pace and this latest development will provide even more momentum. All of this will have an extremely positive impact on Whitley Bay and North Tyneside as a whole, attracting new visitors and future investment. It should give residents and local businesses confidence that things are really moving forward.”

Norma Redfearn, Elected Mayor for North Tyneside Council

**Padstow’s National Lobster Hatchery (NLH)** received £150,528 to expand and grow the organisation through its social enterprise model. Key to the project’s aim is to facilitate the growth and development of NLH in a sustainable manner, which includes expanding their visitor centre.

The project has been successful in attracting bids to develop lobster aquaculture technology. This has led to an additional job being created. The organisation has levered over £400,000 from the public sector and £33,000 from the private sector.

The project reports that an estimated 3,496 additional visitors have been attracted to the centre as a result of developments facilitated by the project, equating to £407,000 of additional spend in the local economy.

**Kilkeel Development Association Limited** received £260,872 to deliver Northern Ireland’s first Lobster Hatchery & Marine Research Centre. The project will carry out research including the heritability of traits for growth rate, fecundity, and disease resistance with Queen’s University and the local inshore fishery. It will create 3 jobs, attract 1,250 additional visitors and increase visitor expenditure by £160,000 through its education and visitor attraction.

**The Long and Winding Way Limited**

A long-distance walking route in Kintyre on the west coast of Scotland, which attracts tourists to the area and enables local tourism business expansion, received £240,000 to extend the route by a further twelve miles. The extension was completed in May 2014 and is already encouraging walkers to stay longer in Kintyre. The village of Southend has benefited from walkers staying overnight and is encouraging accommodation providers to tap into the walking market. Now that the finishing point of the route is in the main town of Campbeltown, route users also spend more time in the town.

So far, the project has employed 6 permanent staff including 3 apprentices and is working closely with the Community Jobs Fund employability scheme in Scotland to get more people into employment. The project is raising awareness of its new route through a national marketing campaign of leaflet distribution, advertising on Glasgow city centre sightseeing tour buses and has established links with the nearby Arran and Cowal long-distance walking routes.
02. Diversifying coastal employment
Disproportionate levels of unemployment and low representation of jobs is a problem facing our seaside towns. The main objective of the CCF is to address this issue by creating sustainable economic growth and jobs, so that people are better able to respond to the changing economic needs and opportunities of their area. Since the start of CCF in 2012, it is forecast that almost 10,000 jobs will be created across the 103 projects funded to date.

Furness Enterprise Partnerships are delivering the ‘Unleashing Growth in Coastal Furness’ programme to create jobs in Furness. Awarded £900,000 in round one, the project assists people into work by helping them start-up in business as new entrepreneurs, improving individuals access to jobs, marketing waterfront sites, strengthening supply chains and creating networks to help companies collaborate in developing new products and services. The Unleashing Growth in Coastal Furness programme aims to help create 275 jobs by 31 March 2015. Around £25m of investment is forecast to occur and 61 people have been employed in new businesses. In year one the project delivered 104 jobs and 252 new jobs are in the pipeline from future inward investment. Key to achieving this outcome, Furness Enterprise concentrated on quantifying the likely scale of investments and developing a strategic framework to enable the area to capitalise on it. The framework was developed in collaboration with partner organisations in order to exploit growth opportunities.

“Coastal Communities Fund enabled us to unearth significant new job-creating opportunities. New-start businesses assisted have in total invested around £1 million of their own funds. In addition 845 unemployed people received one-to-one advice on how to access jobs at a drop-in centre located in Barrow.”

Ian Tillotson, Company Secretary – Furness Enterprise

Rhyl City Strategy Community Interest Company (RCS)
Awarded £300,000, RCS has developed a range of services under the ‘Enterprising Solutions’ project which aims to stimulate growth of enterprise across Conwy and Denbighshire, helping entrepreneurs to create successful new businesses through access to mentoring support, training, peer support and incubation space.

The project has an open door employment solution hub that helps sole-traders, micro-businesses and social enterprises build their capacity by taking on new employees. So far, the programme has created 20 jobs within its first year of operation, and has supported 62 people to develop new skills. The mentoring service has supported over 76 clients, 12 of whom have set up new businesses with their support.

RCS provides a complete suite of services to those in need of support. For example, a client who accessed the RCS fit for work service went on to use the open door employment hub which then led them to the CCF funded Enterprising Solutions programme. This client has now set up a business to sell produce to RCS’s training restaurant ‘Taste Academy’.

“After being made redundant last July, I decided to set up my own business selling artificial flowers. I started on Rhyl market selling wooden roses, moving on to a wide range of artificial silk flowers. I have since made bespoke wedding bouquets, buttons holes and table displays. Rhyl City Strategy has pointed me in the right direction by giving me help and advice on courses for small businesses.”

(RCS beneficiary)
Modernising, expanding and diversifying business and tourism infrastructure

Investing in business infrastructure provides the basis of business activity which will lead to final employment outcomes. Over 43 per cent of CCF projects are modernising, expanding and diversifying business and tourism infrastructure.

Scarborough Borough Council
Scarborough Borough Council secured a £2.6m CCF grant to develop Whitby Business Park and help create more than 2,700 jobs across the borough. Around £1m from the CCF grant was injected into Whitby Business Park through the Council’s ‘Going for Growth’ scheme, to open up land and improve infrastructure in readiness for the creation of Europe’s largest offshore wind farm. The remainder of the grant is being used to subsidise 200 apprenticeships in engineering and manufacturing and other local industries, and to fund training and business support for enterprises linked to opportunities emerging from potash mining and renewables.

The council predicts a total of 206 direct jobs and 2,500 indirect jobs will be created in the local economy as a result of the ‘Going for Growth’ project.

Following the first phase of work being completed, further private investment has been secured which has immediately resulted in 20 new jobs being created. Establishing service level agreements and networking with local businesses are proving to be crucial factors in creating jobs. For example, Scarborough Jobmatch has worked with a range of local businesses to boost local recruitment with 217 jobs filled and 40 micro-businesses recruiting apprentices for the first time.

“The potash mine and offshore wind industry have the potential to completely transform the area and bring a new dimension to the local economy which for so long has relied heavily on tourism.
Invsting in the business park and its infrastructure, as well as people and their skills, will help ensure we are in the best possible position to capitalise for the benefit of our residents.”
Councillor Derek Bastiman for Scarborough Borough Council

Sunderland City Council
Sunderland City Council secured £2m to deliver infrastructure works designed to pave the way for the long-term development of the Ocean Park site and the seafront in Seaburn. Funding is delivering three phases of infrastructure works at Seaburn designed to improve visitor infrastructure.
Over 85 per cent of the workforce for phase one live within the City of Sunderland. A robust strategic plan and design framework, and external and Council match funding, supported the delivery of a comprehensive regeneration of the public realm.

The schemes provide extensive areas of hard and soft landscaping, bespoke street furniture, new events spaces, viewing areas and feature lighting. A focus on design quality and involvement of artists has highlighted the setting of local landmarks, provided ingenious solutions to site constraints and delivered unique responses to the environment, such as the iconic Roker Pod café and educational spaces.

Showcasing design ideas from members of the public, the project has engendered a sense of community ownership and generated private sector confidence, the outcomes of which are now showing results on the ground.

In June 2014, the project won the RTPI (Royal Town Planning Institute) award for ‘Excellence in Planning and Design’ in the public realm category.

“While we’re not talking about something that’s going to happen overnight, the future development of the Ocean Park site will be a major catalyst in the regeneration of the seafront, helping us deliver significant economic, cultural, environmental and social improvements to create a seafront we can all be proud of.”
Cabinet Secretary, Councillor Mel Speding Sunderland City Council
Improving harbours and ports for the 21st Century

Improving or constructing our docks, harbours and quays not only changes the physical landscape of coastal towns and ports, but also brings economic improvements to local areas. CCF has invested around £4m in projects where the main focus was on improving harbours and ports.

05. Employment and skills development

Developing skills, providing training and supporting people in acquiring qualifications gives individuals the opportunity to succeed in a difficult job market in many seaside towns. CCF has awarded over £10.5m to projects that aim to increase a person’s chances of employment through creation of 850 training places.

RAKtrain Limited

Awarded £756,100, the RAKtrain project is delivering bespoke, industry-specific training programmes to unemployed young people to equip them for jobs in the offshore renewable energy industry in East Anglia. Trained candidates will take up posts such as wind turbine technicians and other entry-level technical and maritime roles. The project works closely with employers to identify skills gaps and recruitment opportunities, with local colleges and other providers to deliver bespoke training packages, and with Jobcentre Plus to identify suitable candidates. The two year project aims to support 126 trainees in gaining new skills and securing employment in this increasingly important sector in the local economy.

So far, RAKtrain have trained 54 individuals and 47 have secured jobs to meet growing demand in the sector. Establishing excellent relationships with industry has been key to achieving this. Other success factors include being ‘employer responsive’ and ensuring training is bespoke. This has helped the project respond to changes in the market, and review training regimes to reflect the needs of the industry.

RAKtrain beneficiary

“Just a quick update on my job progression since taking the RAKtrain programme to gain certifications to working offshore. Since kindly presenting me for a post-course interview, I have been lucky enough to have been offered a position as a Grade 3 Wind Turbine Technician. After completing my Siemens level 2 and 3 this week I have been given my first assignment servicing turbines – I would like to thank all at RAKtrain for giving me this brilliant opportunity!”

(RAKtrain beneficiary)

06. Eyemouth Harbour Trust

Eyemouth Harbour Trust were awarded £115,487 for the installation of floating pontoons, non-slip decking and serviced bollards connected to fresh water and electricity supply. The new facilities on the west side of the inner harbour, below the old fish market, accommodate 100m of additional quayside berthing for a range of leisure vessels and provide passenger access to the shore via a gangway.

The project optimises use of the physical, natural and economic coastal assets and makes them more accessible. This will have the dual effect of benefiting local businesses including marine, retail and food and drink sectors. This allows Eyemouth to compete in the marine leisure sector in a similar manner to the many developing facilities in the North East of England and on the Firth of Forth.

In addition, through development of infrastructure, the project enables future diversification away from dependency on fisheries, allowing sustainable economic growth and additional employment in the community, in keeping with the trends being experienced in many fragile small ports on the east coast of the United Kingdom.

“With this funding we will be able to double the existing pontoon availability. Linked with other work we are undertaking it will make the harbour more attractive and accessible to visiting yachts and other leisure vessels, and it will improve the service to the dive charter boats working out of Eyemouth.”

Christine Bell, Business Manager for Eyemouth Harbour Trust

Employment and skills development

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