



# Coastal Communities Fund Prospectus





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February 2012

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## Ministerial foreword

Our coastal communities play a unique role in the UK economy. The Government wants to help them unleash their growth potential that can only be harnessed locally. The new Coastal Communities Fund underlines the UK Government's commitment to supporting coastal places now and in the future so they can benefit from the growth in revenues produced by the Crown Estate as it further develops its coastal and offshore resources.

This prospectus gives details of the key design and delivery arrangements for the Fund and the timetable for its introduction. More detailed guidance on how to make a bid to the Fund will be issued by the Big Lottery 'Big Fund' shortly.

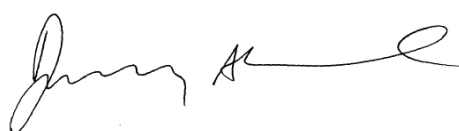
Working with the 'Big Fund' we want to see as many coastal communities as possible, large and small, drawing on the Fund to support imaginative and innovative projects that promote jobs and growth and help to build stronger and more diverse local economies.

We also want to encourage quality bids from the many different types of organisation that support local economic development in coastal areas including charities, social enterprises, voluntary organisations, local businesses as well as local authorities and local enterprise partnerships.

I hope that coastal communities will seize the opportunity the new Fund offers to help diversify and transform their economies, drawing on their traditional assets and exploiting the potential of emerging green industries and a low carbon future.



**Secretary of State  
Communities & Local Government**



**Chief Secretary to the Treasury  
H M Treasury**

## Background

1. The Coastal Communities Fund was announced in July 2011. This document gives more information on the objectives and detailed design of this Fund.
2. The Fund will be equal to 50 per cent of the revenues generated by the Crown Estate's marine assets. The Government has committed £23.7m to support this Fund in 2012/13.
3. The Fund is UK wide, although different levels of funding have been allocated to England, Wales, Scotland and Northern Ireland on the basis of revenue generated. In Scotland there are two funds: one for the Highlands and Islands and one for the rest of Scotland.
4. The outcomes and criteria outlined below will be UK wide, although the devolved administrations will have country specific boards who will work with the Big Lottery Fund to deliver this Fund on the ground in their areas. The Big Fund has powers to deliver funding from non-Lottery sources for charitable purposes or purposes connected with health, education or the environment.
5. Although the level of funding is linked to Crown Estate revenues this is money that will be provided by the Exchequer. The funding will be found from within the overall spending totals set in the 2010 Spending Review and therefore will not lead to an increase in government borrowing.

## Objective

6. **The Fund 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.**

## Programme outcomes

7. **Projects will have to show that they will contribute to a common set of programme outcomes.**

All projects will have to meet the **first** of four outcomes:

- 1** Coastal communities are better able to use their assets (physical, natural, social, economic and cultural) to promote sustainable economic growth and jobs.

And at least **one** of the following outcomes:

- 2** Coastal Communities have a greater capacity to create a sustainable economic future and are better equipped to adapt to change.
  - 3** Partnerships are developed to support economic innovation, enterprise and investment either within a community and/ or across a number of coastal communities.
  - 4** People have more opportunities for training and skills development, including volunteering.
8. We will revisit these outcomes after one year to confirm that they are suitable and allow all the projects that we would want to support to apply. This review will also look at distribution of grants awarded.

## Criteria

9. In addition to contributing to key outcomes, proposals should meet the following criteria:
- a) **Encourage sustainable economic growth.** Bids will be required to demonstrate that they are encouraging economic growth in their area. Although we are not specifying a time limit within which these benefits must be realised, bids will be required to set out a credible explanation of how and when the benefits will be delivered. This will provide assurance that the project will have a tangible impact but avoid overly focusing on short-term intervention and allow for long-term benefits to be realised.
  - b) **Demonstrate that the proposal fits with the broad economic priorities of the local area,** where possible linking to a wider economic vision which has private sector commitment and support from the community.
  - c) **Demonstrate that the proposal unlocks a barrier, addresses a need or opportunity** within the area.
  - d) **Demonstrate, where appropriate, how they will contribute to green economic growth.**
  - e) **Provide clear evidence of how they plan to work with other key partners** (in the public, private, voluntary, social enterprise or community sectors) to deliver project outcomes.

- f) **Where proposals involve flood and coastal erosion risk management schemes**, these must be supported by the relevant Coastal Protection Authority (for erosion) or the Environment Agency (for flooding).
- g) **Demonstrate that the project is unlikely to go ahead without Coastal Communities Fund support.**
10. In addition we will be looking to bidders to:
- Be clear on risks and how they will be mitigated
  - Demonstrate a proven ability to manage and deliver projects, especially where use is for capital purposes such as infrastructure improvements
  - Consider whether their bid, if it involves match funding, is likely to be affected by rules governing other funding sources. We would expect applicants to self evaluate how their project is compliant with European State Aid rules. This will be reviewed as part of BIG Fund's assessment process.
11. The criteria listed above will be incorporated in the application form and will be used in the appraisal of project applications. Although projects will not be formally weighted, those which encourage most economic growth will be prioritised.
12. The Fund will support both project bids and several smaller projects coming together with an overarching aim within a single community or a range of coastal communities in a particular locality or localities.
13. In supporting employment creation, jobs estimated to be generated by a project or programme can be direct or indirect. Applicants should supply figures for both, and the estimated cost per job.

## Funding and finance

14. **We expect bids to be for amounts in excess of £50k.**
15. **We will support both capital projects and revenue projects.** Revenue schemes will need to demonstrate how they will continue to support the project after this funding ends.



16. **We will allow (and encourage) people to match fund with other pots of money** (e.g. Regional Growth Fund, EU Structural Funds, European Fisheries Fund) but not insist upon match funding as a condition for applicants.
17. Where project proposals are inappropriate for Coastal Community Fund support, BIG may be able to advise applicants on other potential funding sources more appropriate to the aims and objectives or scale of a particular scheme.

## Examples of activities we will fund

18. **Some examples of activities that might be supported by this Fund** would include:
  - Supporting skills and training initiatives to improve job prospects of local residents and encourage additional new businesses
  - Maintaining and developing specialised tourist infrastructure, including support for new green tourism opportunities
  - Managing and adapting to flood and coastal erosion risk, and managing pollution risks associated with the coast, where this supports local economic development
  - Supporting social enterprises to bring new economic opportunities and jobs to coastal towns and make best use of local assets
  - Offering apprenticeships to school leavers which incorporate key skills and a technical certificate
  - Creating new workspaces to support and grow local economies
  - Building community capacity to boost local approaches to promoting enterprise and economic regeneration in coastal areas
  - Supporting small-scale and sustainable transport improvements.
19. Offshore activity (e.g. renewable energy projects) will be considered if it is clearly improving economic growth in a coastal community.

## Eligibility

20. All coastal communities will be eligible to apply for funding, including those in rural areas.
21. The definition of a coastal community, for the purposes of the Coastal Communities Fund, is any coastal settlement within a local authority whose boundaries include UK foreshore, including local authorities whose boundaries only include estuarine foreshore.
22. Some examples of organisations that would be eligible to apply for funding include:
  - charities
  - voluntary and community sector organisations
  - social enterprises, including cooperatives and community ownership initiatives
  - local authorities
  - development agencies in the devolved administrations
  - local enterprise partnerships in England, and;
  - private sector companies.
23. Funding will be allocated in a way to ensure that the objectives for the Fund are met.

## Bidding and approval process

24. The Fund will open for bids from March 2012; the application forms will be published in March 2012. Applications can be submitted on-line or on paper. A proposed timetable for the introduction of the Fund is at Annex A.
25. BIG will provide details about application process shortly.
26. The Fund is intended to be a rolling fund with annual bidding rounds. We expect there will be at least two future years of funding commencing in 2013 and 2014.
27. Bidders will be able to apply for funding over a two year period from the date of approval.

28. Bids will be assessed by BIG. Country -specific panels in each area will ensure that the Devolved Administrations have a degree of autonomy over their Fund allocation, but will also help to ensure consistency across the UK.

## Other information

30. We will review the proportion of revenue that the size of the Fund is based on at each Spending Review. We will also review the size of the Fund should revenue rise or fall significantly in any given year.
31. More detailed guidance on how to make an application to the Fund will follow shortly.

## ANNEX A

### Coastal Communities Fund - Outline proposed timetable

DATE	ACTIVITY
February 2012	Launch Prospectus giving initial details of Fund's shape and scope + timetable for applications
March 2012	Launch call for UK wide expression of interest (with end March deadline)
May	Send full application forms to successful expressions of interest
September	Deadline for applications + business plans
December	Decision making panel meets
December	Announce year 1 awards
December 2012 – January 2013	Evaluate Year 1 to inform years 2 and 3 bidding rounds

### Proposed fast track timetable for England and Wales

DATE	ACTIVITY
w/c 5 March 2012	Launch call for UK wide expression of interest including fast track
End March 2012	Deadline for expressions of interest
Mid April 2012	Send full application forms to successful fast track expressions of interest
May 2012	Deadline for full applications + business plans
June 2012	Decision-making panel meets
Mid July 2012	Announce awards