



Government response to the Report of Session 2017-19 of House of Lords' Regenerating Seaside Towns and Communities Select Committee, on The Future of Seaside Towns

Presented to Parliament
by the Secretary of State for Housing, Communities and Local Government
by Command of Her Majesty

June 2019



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Introduction

We welcome the Report of Session 2017-19 of the House of Lords Select Committee on Regenerating Seaside Towns and Communities, which was published on 4 April 2019 (HL Paper 320).

The Select Committee's thorough and detailed work has enabled them to produce a comprehensive Report which makes 38 recommendations. As the Report so rightly identifies, our coastal communities have unique circumstances that provide opportunities and attractions inland areas cannot match. Nevertheless, many of our coastal towns are struggling to respond to the opportunities of the 21st century.

While the Government appreciates that not all coastal towns are in this position – and indeed there are many examples of coastal towns who have performed well when faced with challenging economic conditions – we do recognise that coastal communities are comparatively more deprived and on average underperform economically in comparison to other areas.

The Great British Coast has enormous potential and this Government is determined to see it thrive all year round. We are committed to supporting coastal communities to unlock barriers to their development and growth, and to strengthen their appeal as places to live, work and visit.

We are pleased to see that the Committee has recognised the investment we have made in supporting our coastal communities. The Government will have invested almost £227 million in the Great British Coast by 2020 through dedicated programmes like the Coastal Communities Fund and the Coastal Revival Fund, to help generate jobs and boost businesses and bring iconic or at-risk heritage and community assets back into economic use. This investment is having tangible results in our coastal towns.

We have also provided £1.46 million to help establish 146 Coastal Community Teams around the English coastline. These Teams ensure the local community works together with the local authority, businesses, and local stakeholders. They have produced Economic Plans to enable their area to promote jobs and economic growth. The evolution of Coastal Community Teams has provided coastal towns the opportunity to think about what makes them distinctive and therefore are more able to focus on their unique offer to both visitors and businesses.

There is also support available from non-coastal specific funds, in particular Our Plan for the High Street announced at Autumn Budget 2018 which included £675 million for the Future High Streets Fund. As part of the Fund we are also supporting local leadership with a High Streets Task Force, giving high streets and town centres access to expert advice needed to help local areas to adapt and thrive. Nevertheless, we recognise there is more that needs to be done by Government and all stakeholders to continue the progress being made in coastal towns.

It is important that we capture the potential changing patterns to leisure activities and make visiting a coastal town an option throughout the year. Stretching the “summer season” will boost the local economy and help attract and retain a skilled workforce.

As part of its objective to improve local economies, the Government is developing Sector Deals, including a new Sector Deal which will aim to boost the productivity of the tourism industry. It will take innovation and re-imagining the out of season offer in coastal towns and we see great scope through the Tourism Sector Deal to help develop this. The creation of the new England Coast Path around the entire English coastline will also provide incentives for coastal towns to encourage new visitors to explore their area throughout the year.

We also recognise how important it is to attract businesses and skills to coastal areas and diversify the employment offer in towns. The development of Local Industrial Strategies is an opportunity to help places - including coastal communities - to identify the skills and labour market needs, and for employers and skills providers to work together to address key local challenges.

The problems with oversupply of particular types of accommodation in some seaside towns and in particular the over growth of houses of multiple occupation (HMOs) which are of poor quality, is highlighted by the Committee. The Committee is aware that we are working with Blackpool Council on the challenges of the oversupply of poor quality HMOs in Blackpool. Whilst the area's complex challenges will not be addressed overnight, our approach is more coordinated than ever before and demonstrates the Government's commitment to finding a lasting solution.

We would like to thank the Committee for their hard work in producing this Report. Regenerating seaside towns is a complex issue and their findings accurately capture the many different issues that impact coastal towns but also make recommendations that will help Government and stakeholders better understand the challenges and ways to address them.

Response to recommendations

The Select Committee has looked closely at a wide range of issues affecting seaside towns and communities and the Government has considered the Committee's findings and recommendations carefully in formulating its response below.

We welcome the Committee's consideration of the action needed from various stakeholders to regenerate our seaside towns and ensure their long-term sustainability. We believe the following responses to the recommendations demonstrate our strong commitment to supporting seaside towns.

The Committee has made recommendations on a number of key themes relating to seaside towns. Our response to these is given below. The text taken from the Select Committee report is highlighted in bold.

Previous government intervention on seaside towns

- 1. It is not clear to us whether the acceptance of the recommendation—the need for further research into the challenges facing coastal communities, including the disproportionately high levels of people claiming sickness and disability benefits in coastal towns compared to the national average— has been delivered by the Government. We therefore invite the Government to update us on the status of its response to this recommendation.**

Response:

DWP and MHCLG will meet to explore how they might work together to assess the scale and impact of population transience in and out of coastal areas and then report back to the committee.

The economy of seaside towns

- 2. We consider that the restoration and enhancement of the public realm and of cultural heritage assets through capital investment is of paramount importance in supporting the wider economy in seaside towns, and recommend that the Government takes this into account as part of their ongoing review of local authority resources. (Paragraph 60)**

Response:

The Government is undertaking a review of the relative needs and resources of local authorities in England, with a view to setting fresh baseline funding levels through the annual local government finance settlement. We are working closely with local government representatives and others to consider the drivers of local authorities' revenue costs associated with duties that are funded through the settlement, the resources available locally to fund services, and how we should account for these in a way that draws a more transparent and understandable link between local circumstances and resource allocations.

Capital investment activity is devolved to local authorities but Government sets the framework which local authorities are required to have regard to in relation to capital activity. Consequently, Government has updated the statutory codes that govern capital investment and financing to ensure that local authorities have robust governance arrangements, allowing them to make investment decisions following careful consideration of risk and proportionality, including the potential benefits. We do not want to restrict opportunities for local authorities to use commercial structures to kick start local economic regeneration to respond to local market failures or to deliver services more effectively. However, it is important to support sound decision making on investments, that is taken with due diligence and is proportionate to local authority budgets and mix of portfolio.

3. **We recommend that, in taking forward the Tourism Sector Deal, the Government ensures that any such Sector Deal gives full account to the important role played by seaside towns in the tourism industry. We recommend that any initial designation of Tourism Action Zones must include seaside towns. (Paragraph 70)**
4. **We support progress made so far by tourist organisations in outlining what Tourism Action Zones should focus upon, and we recommend that Tourism Action Zones must include: prioritisation of infrastructure provision, both transport and digital; access to support and research to help develop tourism products; and support for local businesses to develop the digital skills they require to reach new markets and remain competitive. (Paragraph 71)**
5. **Seaside towns need to be able to invest in the buildings and assets that make them unique. We recommend that Tourism Action Zones should include greater freedoms for local authorities to access capital funds for projects aimed at improving the public realm and other cultural and heritage assets. (Paragraph 72)**

Response to recommendations 3, 4 and 5:

The Government is currently in formal negotiations with the tourism industry on a potential Sector Deal. The aim is to boost the productivity of our tourism industry. The negotiations include exploring the idea of 'Tourism Action Zones'. The idea was suggested by the tourism industry in their initial Sector Deal bid and the Government is currently considering the merits of the idea. The Government will consider the recommendations of the Select Committee as part of these deliberations.

6. **We recommend that the Government undertakes further research into the potential impact of cutting VAT on tourism-related activities. (Paragraph 88)**

Response:

The Treasury has looked at this issue carefully and published a response to a call for evidence on the effects of VAT and Air Passenger Duty on tourism in Northern Ireland at the Budget in 2018.

A VAT reduction to tourism related services has been estimated to cost the Exchequer approximately £10 billion in the first year and this must be balanced by increased borrowing, reduced public spending or increased taxation elsewhere. In light of the fiscal implications of a UK wide reform, the government will not be making a change to VAT and tourism at this time.

This is a complex issue, however, affecting an important source of revenue for the Exchequer. The Government will continue to analyse the evidence and receive representations in order to keep the matter under review.

7. **Commercial ports play an important role in supporting the coastal economy. We believe that port operators, such as Associated British Ports, have the potential to help to drive regeneration in seaside towns. We**

therefore recommend that current planning restrictions which limit the potential for changes of use on port sites are amended to remove the barriers which prevent the productive development of land. (Paragraph 106)

Response:

The Government agrees that ports have a significant role to support local economies as locations for business activity and a source of employment, as well as in contributing to economic growth nationally by facilitating trade in goods and the movement of people. Our ports are a real success story, operating on a commercial basis with an impressive track record of investment in new and improved port infrastructure in recent years and more in the pipeline.

The National Planning Policy Framework provides a clear signal that significant weight should be placed on supporting economic growth and productivity, building on areas' strengths and taking into account local business needs and wider opportunities for development.

The UK's ports face different circumstances, which is why the Government provides permitted development rights to support their port activities, advocates that ports engage closely with Local Planning Authorities in the plan-making process and in developing their own masterplans, as well as with Local Enterprise Partnerships in the preparation of Local Industrial Strategies and Strategic Economic Plans. Other tools such as Local Development Orders can be used to support specific development within port land and the wider area. For example, a Local Development Order was used at the Port of Hull to enable planning permission for the manufacture of wind turbine blades, attracting renewable energy business to the port area within the Humber Enterprise Zone.

The Government has also committed to bringing forward a Green Paper on Accelerated Planning later this year, to speed up the end to end planning process and ensure that the planning system works for everyone.

8. **We recommend that the Department for Transport, informed by the advice of the Ministry of Housing, Communities and Local Government, prioritises improvements to the coastal transport network when it takes decisions on planning and investment. This should be informed by a detailed review of the coastal transport network which includes an assessment of where the greatest socio-economic benefits can be realised through improvements to transport connectivity. (Paragraph 124)**

Response:

We welcome proposals from Local Enterprise Partnerships, Sub-national Transport Bodies and local authorities and others on transport investment. These bodies are best placed to prioritise investments in their local areas, including to support coastal towns. When the Department for Transport considers proposals, investment decisions are made based on a rigorous and fair appraisal process that ensures spending goes to the projects and programmes where it is most needed and delivers greatest value-for-money for both taxpayers and passengers.

The Department for Transport committed that transport investment decisions should reflect a clear understanding of the particular needs of different parts of the country and address factors that hold places back. In addition, the Department for Transport has developed the Rebalancing Toolkit¹. This is designed to help authors of strategic cases assess how a programme or project fits with the objective of spreading growth across the country.

The Department for Transport's wider economic impacts analysis guidance emphasises the importance of developing an economic narrative to describe the local economic context in which an investment occurs and better understand its contribution to economic growth.

For example, Department for Transport funding was approved in 2018 for the Newhaven Port Access Road whose business case provided strong evidence on the potential of the scheme to unlock new investment and meet local economic growth aspirations.

9. **We recommend that the Government should promote initiatives to support digital connectivity in coastal communities specifically, and undertake a full programme of engagement with local authorities, Local Enterprise Partnerships and businesses in remote coastal communities to help to understand better the challenges to improved digital connectivity in coastal areas. The provision of high-quality broadband and mobile connectivity in coastal locations should be considered a priority, and an effective infrastructure investment in areas where the physical transport infrastructure is limited. (Paragraph 130)**

Response:

We agree that improved digital connectivity is vital for the future of everyone in the UK and want to see coastal towns and communities benefit. This is a high priority for Government and we have established a number of programmes, policies and funds to support this.

Over £1.8 billion of public money has been invested into improving digital connectivity through the Building Digital UK (BDUK) Superfast programme. In the UK, 96% of premises can now access superfast broadband (24 Megabits per second) and in many seaside towns this figure is higher. To ensure no one is left behind, we are introducing a broadband Universal Service Obligation, giving everyone in the UK the right to request high speed broadband from 2020.

Government's long-term ambition is for gigabit-capable world class infrastructure, and we have a 2033 target for nationwide full coverage. This will deliver reliable, future-proof connectivity across the UK, including coastal towns and communities, bringing with it, business, economic and social benefits. Government has committed to an

1

https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/669043/supplementary-guidance-rebalancing-toolkit.pdf

'Outside-In' approach to deployment to ensure uncommercial areas are addressed in parallel with the commercial rollout and are not systematically left behind.

To support delivery of this digital infrastructure across England, Government introduced a range of permitted development rights in 2016, including legislating for higher mobile masts and broadband infrastructure, whilst also protecting local amenity.

The revised National Planning Policy Framework published in 2018 sets out national planning policies for supporting high quality communications in England. These include that the planning policies and decisions of local planning authorities should support the expansion of electronic communications networks, including full fibre broadband connection and 5G. The Digital Connectivity Portal, published in December 2018, also provides guidance for local authorities and network operators on improving connectivity in local areas.

Local growth funds are also being developed to support local economic development in places across the UK, including coastal towns. Following our departure from the European Union, we will create the UK Shared Prosperity Fund, a domestic programme of investment to tackle inequalities between communities. The fund will invest in the foundations of productivity as set out in our modern Industrial Strategy enabling people to benefit from increased economic prosperity, especially in those parts of the UK whose economies are furthest behind.

We have also recently announced the £1.6 billion Stronger Towns Fund. This fund will be targeted at places that have not shared in the proceeds of growth in the same way as more prosperous parts of the country. The Government will work with local partners to ensure the fund works for all places.

Additionally, a number of projects already funded through the Coastal Communities Fund have focused on making use of the digital economy to benefit coastal areas, particularly in relation to tourism and creative industries.

The government is also working with places across the country to develop Local Industrial Strategies, which are being led by Local Enterprise Partnerships and agreed with government to establish the priorities for driving growth and productivity in each area. They provide an opportunity for communities to identify opportunities to boost growth and productivity, including through improving physical and digital infrastructure.

Education and skills: stimulating an entrepreneurial culture

- 10. We agree with this concern over future arrangements and recommend that the Government sets out its plans for evaluation of the impact of the Opportunity Area programme and accordingly brings forward proposals setting out how the programme will evolve after 2020, in relation to the long-term needs of seaside towns. (Paragraph 142)**

Response:

The delivery of the Opportunity Area programme is due to end in August 2020. As part of their work in Opportunity Areas, the Department for Education is carrying out an evaluation to assess the overall impact of the programme and to learn more about what works in creating and delivering a sustainable place-based approach to tackle educational issues at a local level. The Department for Education will learn from this evaluation and use it to inform future support in these and other areas facing similar challenges, including other coastal areas.

The Department for Education is also committed to sharing best practice in this regard as early as possible. In October 2018 they published positive case studies from each of the 12 Opportunity Area in a ‘Building the foundations for change’ document², showing how the Opportunity Area are already making a positive difference to the lives of children and young people in those areas. The document included case studies from each of the coastal Opportunity Area – Blackpool, Hastings, West Somerset, and the North Yorkshire Coast.

11. **We agree with Professor Fribbance’s assertion above that there is never going to be “a bricks-and-mortar offering” of higher education in every coastal town. Greater scope for flexible access both to further and higher education, such as online, part-time and distance learning, must therefore be part of the solution, and we recommend that the Government produces ambitious proposals for how it can best support and encourage flexible access as part of its review of Post-18 Education and Funding. (Paragraph 148)**

Response:

Technology in Education

On 3rd April 2019 the Department for Education published a strategy to promote the good use of technology in education to tackle challenges facing our education system (‘Realising the potential of technology in education: A strategy for education providers and the technology industry’³).

The strategy encourages education providers (including schools, FE, HE and other providers) to consider actively how they can use and embed technology to help support effective teaching and management of education institutions and helps to remove the barriers to doing so. The strategy commits to launching ‘demonstrator schools and colleges’ across the country which will build on existing expertise in the use of technology and help and to support greater peer-to-peer learning for teachers/lectures and education leaders in how they can use technology to help meet the needs and challenges of their students and institutions.

The report further commits to launching 10 ‘challenges’ for the education sector and industry to support innovation and collaboration in the use of technology. This includes two challenges that will specifically prompt innovation in the development of online learning; “Widen accessibility and improve delivery of online basic skills training for

² <https://www.gov.uk/government/publications/opportunity-area-programme-research-and-analysis>.

³ <https://www.gov.uk/government/publications/realising-the-potential-of-technology-in-education>

adults” and “Demonstrate how artificial intelligence can support the effective delivery of online learning and training for adults”. The Department for Education also expects the output of these challenges to provide innovation that will inform the future use of technology in distance learning more generally. The demonstrator schools programme and the work to deliver the 10 challenges will be supported by a £10 million fund announced by the secretary of state for Education Damian Hinds in April 2019 alongside the education technology strategy.

The Government recognises that online learning has the potential to provide adults with the flexibility they require to learn the skills they need at a time and place that works for them, without being restricted to geographical boundaries or provision available locally. The Government is already piloting new approaches to the delivery of adult learning through the Flexible Learning Fund, which has made available £11 million to support a variety of projects across England.

At the 2018 Autumn Budget, the Government announced £100 million of new funding to continue testing and development of the National Retraining Scheme, which will give individuals in England the skills they need to progress in work, redirect their careers and secure the high-paid, high-skilled jobs of the future. This will include state-of-the-art courses combining online learning with traditional classroom teaching to help people develop key transferable skills.

It is also important to recognise that some forms of online learning may create challenges for certain learners. Access to additional support and motivation to complete can become issues, and there is evidence to suggest online training may be most successful when it is teacher-supported or involves collaboration. This is why we are taking a firm evidenced-based approach to how we are designing the National Retraining Scheme and putting the needs of adults at its centre. This is the starting point for how we are developing our online training offer, which will use the benefits of technology to provide genuine support to adults. We have been also working closely with the online training sector to draw on their expertise and insight about what is most effective.

Higher Education Flexible Access

The Government recognises the importance of flexible learning and the benefits it can bring to individuals, employers and the wider economy. The Higher Education and Research Act, which came into law in 2017, placed a duty on the Office for Students (OfS) to have regard to promoting choice and opportunity in the provision of higher education, including part-time study. We have already made a number of changes to support part-time and mature learners. This academic year, part-time students are to access full-time equivalent maintenance loans for the first time. The OfS targets an element of the teaching grant to recognise the additional costs of part-time study.

Shorter degree courses appeal to those who want to retrain and enter the workplace more quickly than a traditional course. We have legislated to increase the total tuition fees for accelerated courses to make them more affordable for providers. Students also save on tuition and living costs but critically for them, graduating and getting into work one year faster than their peers.

Review of Post 18 Education and Funding

The Government's review of post-18 education and funding is looking at how we can ensure there is choice and competition across a joined-up post-18 education and training sector. The review's areas of focus include in particular:

- How we can encourage learning that is more flexible (for example, part-time, distance learning and commuter study options) and complements ongoing Government work to support people at different times in their lives;
- How to ensure the market provides choice with higher-level degree apprenticeships and shorter and more flexible courses, in particular accelerated degree programmes, and supporting innovative new institutions that can drive competition; and
- How we can ensure that there is world-class provision of technical education across the country including through the new Institutes of Technology as described in the response to Recommendation 12.

12. **We recommend that the Government enables the facilitation of partnership working between the FE and HE sectors, and local business and industry, in coastal and other isolated areas. The Careers and Enterprise Company and Founders4Schools are examples of best practice in this area. This best practice should be disseminated, and consideration given to launching a coastal-specific initiative, locally administered, aimed at encouraging and nurturing partnerships between schools, further education and higher education providers, and employers, in order to create a 'talent pipeline' able to serve local industries. (Paragraph 152)**

Response:

Further Education, Higher Education and Employer Partnership Working

We recognise the importance of education providers, employers and other local actors working, often collaboratively, for the benefit of local areas. There are many examples of this happening throughout the UK. Coventry University, for example, has recognised a coastal higher education cold spot and opened a campus in the Weaponess area of Scarborough. The new campus which opened in 2016 is providing support for regeneration in the area whilst also widening access to higher education.

Perhaps the best example of business, education and government collaboration in coastal and other isolated areas is the £72 million Opportunity Areas (OA) programme. This is a Department for Education programme that targets intensive support at 12 areas of entrenched low social mobility and educational underperformance; they include North Yorkshire Coast, Blackpool, Hastings, and West Somerset.

Opportunity Areas provide tailored interventions that aim to address stubborn local challenges and begin sustainable, long-term change. Each Opportunity Area is governed by a local partnership board, including local and national leaders from education, local government, charities and business, which are charged with overseeing the development and implementation a comprehensive delivery plan for each area in partnership with the Department for Education.

In each area the government are prioritising proven approaches by working in close partnership with the Education Endowment Foundation (EEF) – which has designated a school in each area as an EEF Research School to spread the use and effective implementation of evidence-based approaches. Each area also works with the Careers and Enterprise Company and their designated ‘Cornerstone Employers’, which work together with their networks, the wider business community and the local Enterprise Coordinator or Hub Lead, to ensure all young people in an area have the opportunities they need to be prepared and inspired for the world of work.

The National Centre for Universities and Business is part-funded by government and promotes, develops and supports university and business collaboration across the UK. Leading Places, part-funded by government, is an innovative pilot programme that supports councils, universities and other local institutions to work together on meeting the key challenges facing their local residents and businesses. This includes a partnership between The University of Lincoln, South Kesteven District Council and Grantham College which seeks to develop a physical university presence in Grantham to help address challenges faced due to relatively low higher education participation.

Picking up the point in the report about graduate talent leaving the locality, we are continuing to support civic activity through the Office for Students’ Industrial Strategy and Skills Challenge Competition. The fund supports universities to improve employment outcomes for graduates remaining in their local area. Similarly, the UK Research and Innovation “Strength in Places Fund” takes a place-based approach to research and innovation funding to support significant regional growth.

Careers and Enterprise Company Founders4Schools Best Practice

We agree that best practice from the Careers and Enterprise Company and Founders4Schools should be shared widely and will work with them to disseminate this information. There are many examples of good practice and partnerships between business and education, for example in the Coast to Capital Local Enterprise Partnership. The Careers and Enterprise Company’s Enterprise Adviser Network (EAN) intends to build on this base and enhance the collaboration and provision that delivers measurable impact and meaningful outcomes for young people so that they can make choices about the most appropriate pathway through education and further learning and into local employment.

In the pilot phase of the EAN in Coast to Capital, 20 educational organisations in Greater Brighton and Coastal West Sussex are working in partnership with three local universities as well as local businesses. The educational organisations include state secondary schools (with and without sixth forms), Academies, Further Education Colleges, a sixth form college, Special Educational Needs College, Pupil Referral Unit and an Alternative Provision College

The EAN will effectively engage local employers and the world of work in the learning journey of young people in this region so that businesses can effectively build a local talent pipeline. Educational leaders, teachers and students will develop a wider understanding of the local demand for skills and therefore have a clearer picture of the education pathways and career opportunities that will continue to support the continued growth of the region’s vibrant and varied businesses.

Skills Advisory Panels

Skills Advisory Panels were announced as part of the Government's Industrial Strategy. They aim to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges, including helping to tackle local skills shortages. Skills Advisory Panels will address both immediate needs and challenges and look at what is required to help local areas adapt to future labour market changes and to grasp future opportunities. This will help colleges, universities and other providers deliver the skills required by employers, now and in the future.

Institutes of Technology

A further announcement in the government's industrial strategy was the creation of new Institutes of Technology, supported by £170 million of Government funding. They are collaborations between FE providers, HE providers and employers and will focus on technical education in Science, Technology, Engineering and Maths (STEM) subjects at Levels 4 and 5, extending to degree level and above. Provision will be tailored to local skills needs and improve technical skill levels as suggested in the report. Institutes of Technology will provide a clear route to high skilled, high wage employment and widen participation from disadvantaged and under-represented groups. Of the 12 Institutes of Technology announced in April 2019, five (led by Weston College, University of Exeter, University of Lincoln, York College and New College Durham) include coastal communities in their catchment areas. We will review the extent of geographical 'cold spots' in Institute of Technology provision to determine whether a future competition should be considered, subject to funding discussions at the Spending Review.

National Colleges

National Colleges are a further part of the network of employer-led institutions delivering higher level technical training at Levels 4-6. National Colleges focus on sectors where there is a strategic need for intervention at a national level to support UK growth and the delivery of major infrastructure programmes. Institutes of Technology and National Colleges will provide a distinct but complementary offer across England. The first National Colleges for Digital, and Creative and Cultural opened in September 2016 whilst High Speed Rail and Nuclear opened in Autumn 2017. The Colleges are currently focused on growing their 'hub' local offer and will develop their 'spokes' national presence over the next couple of years.

The development of the National College Onshore Oil and Gas (NCOOG) remains paused as there is currently no market in this sector. Blackpool and Fylde College is the intended hub. The industry reports there is unlikely to be significant change to the market conditions over the next couple of years with production currently low and uncertain timescales making it difficult to plan ahead. Blackpool and the Fylde College has, however, forged ahead with its flagship 'Lancashire Energy HQ' located on the Blackpool Airport Enterprise Zone in Lancashire.

Level 4 and 5 Higher Level Technical Education Review

The Review forms part of the Department for Education's wider work on skills and Higher and Further Education focusing on technical education at this level. If we are to ensure we meet the skills needs of businesses, and if we are to tackle regional differences to ensure every place in the country can prosper, we need to transform our technical education system. Over the last year, the government has undertaken a comprehensive review of higher technical class-room based education (the Level 4/5 Review). The review is considering how qualifications at this level can meet the needs of learners and employers right across the country. This includes those in the workforce looking to upskill and retrain, as well as those progressing from T levels and other full-time education routes. We will be consulting on a number of proposals later this year, including our plan to establish a system of national, employer-led occupational standards for higher technical education, overseen by the national body, the Institute for Apprenticeships and Technical Education.

13. **The cost of post-16 transport is an impediment to accessing educational opportunities in certain coastal areas. We recommend that the Government funds relevant local authorities to provide full public transport costs for post- 16 students in coastal communities. (Paragraph 154)**

Response:

The statutory responsibility for transport for people aged 16 to 19 rests with Local Authorities. They have a duty to publish a statement each year, specifying the travel arrangements they will make for young people to access education or training. Arrangements do not have to include free or subsidised transport, but local authorities are expected to make reasonable decisions based on the needs of their residents, the local transport infrastructure and the resources they have available.

The Government recognises that the cost of travel can be an issue for some young people. The 16 to 19 Bursary Fund is allocated to schools, colleges and other education and training providers to support young people who are disadvantaged with the costs associated with attending education or training. The fund is often used to support travel costs. On 28 February 2019, the Department for Education launched a consultation⁴ on the allocation methodology for the 16 to 19 Discretionary Bursary Fund, including seeking views on whether the methodology should incorporate a travel element, and if so, whether distance to travel and rurality should be included. Learner Support funding is also available to colleges and providers to support adult learners (19+) with a specific financial hardship which is preventing them from taking part and/or continuing in learning. Education and training providers have discretion to help learners meet costs such as transport.

Concessionary travel legislation gives local authorities the flexibility to offer local travel concessions such as free or discounted bus travel to young people. Local authorities fund these discretionary concessions using un-ringfenced funding from central Government included in local government settlement packages, and funding from local sources, such as council tax. This funding arrangement gives local authorities

⁴ <https://consult.education.gov.uk/16-19-funding-team/16-to-19-bursary-fund-discretionary-allocations/>

freedom and flexibility about how to best use their funding to provide services in their area. For example, Suffolk County Council offers 16-19 year olds an Endeavour card which provides a minimum discount of 25% off adult bus fares, and Lincolnshire County Council offers a discounted academic year pass to under-19s.

Bus operators can also offer discounted travel for young people/students. For example, Morebus offers child bus fares to all under-19s in a number of areas including Bournemouth, Poole and Dorset, and Brighton & Hove Buses offer discounted fares to students in Brighton.

In January 2019, the Government announced the '16-17 Railcard', which will offer half price rail fares to 16 and 17 year-olds from September, benefitting those in further education and apprenticeships. This is offered in addition to the existing '16-25 Railcard' and '26-30 Railcard' which offer 1/3 off most off-peak rail fares, benefitting those in further education and apprenticeships. Further details about the 16-17 Railcard will be announced later this year.

The Department for Transport and the Department for Education will continue to work together to support other forms of discounted travel for apprentices.

This matter is being taken forward at Ministerial level between the Minister for Skills and the Under Secretary of State for Transport. Officials from both Government Departments and the Cabinet Office are involved in the work to address how we can ensure that young people are not deterred from taking up apprenticeship opportunities due to travel costs.

14. **We recommend that the Government undertakes a bespoke review to examine what can be done, including consideration of a major marketing campaign, to attract teachers to seaside towns and communities and to incentivise healthy levels of retention. (Paragraph 156)**

Response:

There are no great schools without great teachers, and it is vital that teaching remains an attractive and fulfilling profession in all parts of the country.

On 28 January 2019 we launched the government's first ever integrated strategy to recruit and retain more teachers in schools – developed alongside and welcomed by teachers, education unions and leading professional bodies.

The strategy has been developed to address the national recruitment and retention challenge and its impact will be felt in all areas of the country. It focuses on four key priorities where our reform and investment will have the biggest impact:

- First, creating the right climate for headteachers to establish supportive school cultures including by simplifying the accountability system;
- Second, transforming the support for new teachers through the Early Career Framework, which sets out what all new teachers are entitled to be trained in

based on the best available evidence and underpins a two-year package of structured support;

- Third, building a career structure that remains attractive as teachers' lives and careers progress, which includes investing in clearer leadership and non-leadership career pathways; and
- Fourth, making it easier for great people to become teachers, including developing a new one-stop application service for Initial Teacher Training.

Of course, different local areas have their own specific needs. To build on the national approach we are committed to working in partnership with schools, multi-academy trusts and local authorities to develop attractive local packages to address teacher recruitment and retention challenges in particular areas. It is right that headteachers and their senior leadership teams, alongside governing bodies and trust boards, lead the way as decisions about local needs are best made by those in schools. We will ensure that the needs of seaside towns and communities are considered as we develop this work.

Seaside towns and communities are already benefiting from a number of specific initiatives to assist with teacher recruitment and retention. Our national Initial Teacher Training marketing campaign advertising has a broad and significant reach over multiple channels, from broadcast TV to highly targeted social media. Up to 80% of adults see the campaign at regular intervals, regardless of where they live. This national work has been supplemented in recent years by bespoke locally-focused marketing activity in a number of areas across the country, including Hastings, Scarborough and Blackpool.

We are piloting two initiatives that encourage new teachers to teach in seaside towns and communities. First, we will be reimbursing the student loan repayments of languages and science teachers in 25 local authorities we have identified as having a high need for teachers, as determined by our published data. These include Blackpool, Norfolk, North East Lincolnshire, North Yorkshire, Northumberland, Portsmouth, Sefton and Suffolk. Second, we are piloting early career payments for mathematics teachers and have boosted the amount offered to those teachers in 39 high need local authorities including Blackpool, East Riding of Yorkshire, Isle of Wight, Northumberland, Portsmouth and Sefton. Teachers in these areas receive payments of £7,500 rather than £5,000 in their third and fifth years of teaching.

We know that Initial Teacher Training is crucial to supporting local teacher supply, so we will continue to ensure there is good geographical coverage of Initial Teacher Training provision nationally, including in seaside towns and communities.

15. **We recommend that the Government launches a targeted investment and improvement programme for both primary and secondary schools in coastal communities. (Paragraph 158)**

Response:

The Department for Education currently provides investment for schools most in need of support across the country which includes, but is not limited to, schools in coastal communities. For academic year 2018/19, schools identified as coasting or below the floor standards, but not judged 'inadequate' by Ofsted, are eligible for optional support through the Department for Education's school improvement policy. This includes 3 days free advice from a National Leader of Education or equivalent, and for a subset of these schools judged as 'requires improvement' in their last two Ofsted inspections, access of up to £16,000 of funded support to address the needs identified by the National Leader of Education. Details of the Department for Education's school improvement policy for academic year 19/20 will be announced in the summer.

The Teaching and Leadership Innovation Fund is a three-year funding programme (2017-2020), which will invest over £20 million to support high-quality professional development for teachers and school leaders in the areas and schools in England that need it most.

Through the Teaching and Leadership Innovation Fund, the Department for Education is funding 10 providers to deliver continuing professional development (CPD) programmes at scale which aim to increase existing teachers' skills, knowledge and confidence in a range of areas including leadership, improving teaching, early career teachers, retention and career progression, managing challenging pupil behaviour, geography, science, technology, engineering and mathematics (STEM) subjects and phonics.

These programmes are targeted at teachers and leaders who work in an Ofsted rated requires improvement or inadequate school, in a priority area. Priority areas are defined as category 5 and 6 areas (identified in the Educational Excellence Everywhere White Paper as having the weakest performance and least capacity to improve). This includes the 12 Opportunity Areas, announced in October 2016 and January 2017. These Opportunity Areas include some coastal communities (Blackpool, Hastings, North Yorkshire Coast and West Somerset), and a number of Teaching and Leadership Innovation Fund providers are delivering their programmes to schools in these areas.

The Department for Education also focuses resources on schools serving economically challenged communities through the factors it uses to calculate core school funding and through the pupil premium grant.

The pupil premium is allocated to schools on the basis of the number of pupils on roll who are either claiming free school meals or have claimed free meals at some point in the past six years. This ensures the distribution of the grant, expected to total £2.4 billion again this year, reflects the state benefits profile of each school community, with significant pupil premium allocations going to those in coastal towns.

Through the National Funding Formula, in 2019-20 each primary pupil who has been eligible for free school meals within the past six years attracts an additional £540, and each secondary pupil attracts an additional £785. [This is in addition to the money to cover the costs of the free meal itself, which annually is £440 per pupil.]

16. **We acknowledge this concern and recommend that the Government reviews as a matter of urgency how well the apprenticeship scheme functions in areas, and sectors, with high levels of seasonal employment, including the provision of flexible and general education and training programmes, and introduces appropriate adjustments to the scheme. (Paragraph 164)**

Response:

We continue to carefully monitor the impact of apprenticeship reforms.

As part of our review of the operation of the apprenticeship levy after 2020. Officials from the Department for Education and Her Majesty's Treasury have met with employers, training providers, and representative groups from across England to seek their views. We have been establishing how employers have responded to the introduction of the levy and how we can help develop the demand for, and provision of, high-quality apprenticeships. We have also been exploring the impact of the levy across different sectors and regions and for different types of apprentices as well as the contribution of apprenticeships to the wider skills landscape. We will continue to listen to the views of employers and providers in the run-up to the Spending Review.

The Committee has highlighted the important role that SMEs play in creating job opportunities in coastal areas. To help support smaller employers, in April 2019 we halved the contribution they must make toward apprenticeship training, from 10 per cent to 5 per cent. We have also raised the amount that levy-paying employers can transfer to other employers from 10 per cent of the annual value of their funds entering their account to 25 per cent. Transfers to other employers or Apprenticeship Training Agencies (ATAs) can support local skills needs and help sectors build sustainable capability for the future. ATAs act as the apprentice's employer and co-ordinate a series of placements, allowing employers in seasonal industries to realise the benefits apprenticeships can offer for their businesses.

Every apprenticeship employer in England will soon have access to the full benefits of the apprenticeship service. With the first employers and providers commencing their use from Summer 2019. Over the course of the next year, all employers will be able to control how they pay for their apprenticeship training and assess and recruit their apprentices. This will give small and medium sized businesses access to a larger pool of training providers to deliver more relevant training for them.

The Committee's report reflects the challenges that coastal areas such as Torbay face with low average earnings and seasonal employment. We are working with Torbay Council through our 'Opportunities Through Apprenticeships' project. The project aims to support social mobility by creating opportunities for more apprentices from disadvantaged areas to undertake high-value apprenticeship with higher earnings potential and progression.

The Torbay Development Agency is developing an action plan to increase the number of high value apprenticeship starts. This includes a range of activities, such as; engaging with employers to promote upskilling existing employees on to higher level apprenticeships; facilitating levy transfers with a focus on Science, Technology, Engineering and Mathematics (STEM) related employers; and raising the profile of

tourism as a profession through joining the trailblazer group developing the level 6 'Visitor Experience and Economy Leader' apprenticeship standard.

Conclusion in Paragraph 165:

It is vital to recognise that for young people in seasonal employment, the periods when they are not in employment should be seen as an opportunity for training and the development of skills to expand their employment prospects. For example, if a person works for six months of the year in seasonal employment, it seems reasonable to us that their employer should fund a month and a half's training (the same ratio of work to off-the-job training as applies to an apprenticeship) and paid holiday. That leaves a period of time unaccounted for, which might usefully be filled with training or off-season work.

We understand that the seasonal nature of some jobs in coastal and other areas can present a challenge for employers, and we want to make sure that apprenticeships are accessible to people from all backgrounds. Apprenticeship training can already be delivered flexibly and we allow part-time apprenticeships, subject to the apprenticeship meeting our core requirements.

As part of our ongoing focus on quality, all apprenticeships must be real paid jobs with training, which gives apprentices the transferable skills and knowledge that employers want and that will allow them to succeed and progress in their chosen occupation.

We require all apprenticeships to last for a minimum duration of 12 months (or longer if being delivered part-time), include at least 20 per cent off-the-job training, and an independent end-point assessment which ensures that the apprentice is fully competent to do the job.

Off-the-job training can be delivered in a flexible way, as long as it is during an apprentice's paid hours. Employers, working with providers, can use a variety of combination of delivery methods to suit their needs including distance learning, seminars, classroom-based learning, shadowing, and mentoring.

Employers, working with providers, can also choose to concentrate or condense the delivery of off-the-job training by front-loading training at the start of the programme, or reducing the overall duration of the apprenticeship whilst maintaining the same amount of training overall. We expect all apprenticeships to require significant new learning and the 12 month requirement would still apply in these scenarios. If this is not the case, then other training programmes may be more suitable.

We encourage employers and training providers to work together to design training that meets the needs of employers and individuals. In response to feedback, we have recently provided further guidance including practical examples⁵

During its inquiry the Committee also heard concerns about the loss of local training provision and the requirement for all apprenticeship training providers to be registered. We have established the Register of Apprenticeships Training Providers specifically

⁵https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/792228/OTJ_training_guidancev2_reissued.pdf

for apprenticeship providers to create a step-change in the quality of training provision, ensuring that only organisations that have passed our quality tests can deliver apprenticeships. Employers intending to deliver apprenticeships training directly to their own employees can still do if they make a successful application to the Register. Following our review of the Register in 2018, it remains open for applications: <https://www.gov.uk/guidance/register-of-apprenticeship-training-providers>.

17. **The economies of many seaside towns are suffering from skills shortages. We recommend that the Government urgently examines the causes of the skills shortages in coastal towns. In doing so, the Government should encourage and support local skills strategies to enable successful and sustainable partnerships to flourish between industry, local educational institutions and the third sector. (Paragraph 170)**

Response:

The Government is working in partnership with places to develop Local Industrial Strategies to set out priorities for how all places, including coastal communities, can contribute to and benefit from growth.

Each Local Industrial Strategy will include a People chapter, which building on the national Industrial Strategy, will focus on generating good jobs and greater earning power for local people through employment and skills policy. To ensure local places have a robust and open evidence base to develop their Local Industrial Strategy, places are receiving guidance and funding from Department for Education to establish a Skills Advisory Panel, to bring together local employers and skills providers to pool knowledge on skills and labour market needs, and to work together to understand and address key local challenges.

Government is working with all places to develop Local Industrial Strategies by Spring 2020, and will ensure that all places, including coastal areas, effectively use their Skills Advisory Panels to steer their Local Industrial Strategy, and work with local partners to address skills shortages.

Housing, wellbeing and the built environment

18. **A sustained, long-term effort is required to address the impact of transience on coastal areas. We recommend that the Department for Work and Pensions works with MHCLG to assess the scale and impact of population transience in and out of coastal areas, and examine the extent to which this is a result of non-coastal local authorities placing vulnerable adults and children into these areas. Such an assessment should be cross-referenced with the Government's updated research into the challenges facing coastal communities, including the disproportionately high levels of people claiming sickness and disability benefits in coastal towns, referred to in paragraph 48. (Paragraph 187)**

Response:

DWP and MHCLG will meet to explore how they might work together to assess the scale and impact of population transience in and out of coastal areas and then report back to the committee.

19. **We recommend that funding for the receiving coastal local authorities should reflect the financial impact of providing adequate services to support the needs of vulnerable people. (Paragraph 188)**

Response:

The 2019-20 local government finance settlement confirmed that local authorities will have access to £46.4 billion of Core Spending Power in 2019-20, which represents a real-terms increase and a 2.8% increase in cash terms compared to the previous financial year. This settlement included extra funding for local services, with a strong focus on supporting some of our most vulnerable groups, whilst supporting and rewarding local economic growth and setting out a path to future funding reforms. This funding includes £410 million made available for local authorities to spend on adult and children's social care.

The most recent milestone in the Government's review of the relative needs and resources of local authorities was the publication of a technical consultation in December 2018. The consultation set out proposals for the measurement of local authority needs, options for a resources adjustment and principles for transition to the new system. With regards to vulnerable people, the Government recognises the importance of getting our approach to adult social care right and the consultation identified this as a service area which requires the most up-to-date and analytically robust service specific funding formula available. The consultation set out how the Government was minded to take account of population and deprivation in several areas of the relative needs assessment. The consultation also summarised the work that has been carried out to develop a measure of 'accessibility' using journey times to reflect the additional costs associated with differences in local authorities' geographical circumstances, including coastal communities. The consultation closed on 21 February and we received over 300 responses, all of which will be considered in the next phase of this work.

The overall level of future funding available for local government will be a matter for the Spending Review. This is our opportunity to look at local government spending in the round and we are keen that councils have the resources and flexibilities to deliver efficiently and effectively for their communities.

20. **We recommend that the Government determines whether local authorities require additional powers to address the problems arising in areas with especially large numbers of HMOs. This determination should include the introduction of measures that enable local authorities to safeguard resources necessary for the enforcement of housing standards. (Paragraph 217)**

Response:

Local authorities already have strong powers to address problems associated with areas in which houses in multiple occupation (HMOs) are prevalent, and the Government is supporting them to use these.

Areas with high concentrations of HMOs can be challenging to local authorities. That is why we extended local authorities' HMO licensing powers to include all properties which are occupied by five persons in two or more households, which has brought a further 170,000 HMOs within scope of mandatory licensing. We have also introduced additional powers to address problems around adequate waste facilities and bedroom sizes in licensable HMOs.

This is in addition to local authorities' discretionary power to introduce area-based licensing of HMOs occupied by three or four tenants if a significant proportion of these properties are giving rise to particular problems. For properties that are not licensable, local authorities have a range of strong enforcement powers relating to standards under the Housing Act 2004.

The annual local government finance settlement funds delivery of key local services across England. This funding is largely un-ringfenced, in line with the Government's commitment to increase financial freedoms and flexibility for the sector. This allows local authorities, who best know the needs of their residents, the flexibility to target spending according to local priorities.

However, the Housing and Planning Act 2016 introduced civil penalties of up to £30,000, and this money is ringfenced for further housing enforcement activity. Local authorities can also charge for HMO licences, with the level of the fee based on a number of factors such as the set-up costs of the scheme, the cost of assessing applications and issuing licences, and the cost of inspecting properties where necessary.

21. **We recommend that the Government implements changes to the system for the calculation of local housing allowance rates in areas with high densities of HMOs, to ensure it more accurately reflects local market rents. (Paragraph 218)**

Response:

Local Housing Allowance rates are set within Broad Rental Market Areas, of which there are 192, and each one must contain a variety of property types and tenures, sufficient privately rented accommodation and access to facilities such as Health, Education, Recreation, Banking and Shopping. Every year rent officers calculate the 30th percentile of local rents and Local Housing Allowance rates in each Broad Rental Market Area.

The Local Housing Allowance scheme is a national system – one which provides a consistent level of support for claimants across the country. We continue to monitor these rates to ensure that all claimants are supported and provide further financial support through the Targeted Affordability Fund and Discretionary Housing Payments, with over £1 billion having been allocated to local authorities since 2011. This ensures that people living in areas of high housing cost are protected. Housing benefit therefore

reflects local market rents through Local Housing Allowance rates and broader support. As such there are currently no plans to review the Broad Rental Market Area structure.

The Government has no intention of extending the current working-age benefit freeze and is considering options for setting Local Housing Allowance rates from April 2020 when the freeze is scheduled to end.

22. **We recommend that the Government considers how existing funding for housing, such as the Homes England fund, might be used to support placemaking as well the creation of new homes. (Paragraph 219)**

Response:

MHCLG is committed to making the housing market work for everyone, and that means understanding local places and building communities. This place-based approach is well-evidenced by many of our funding streams, and by Homes England, who operate many of these housing funds on the Ministry's behalf.

Homes England's Strategic Plan, launched last year, reaffirmed this place-based commitment, encapsulated by their objective to support local areas. This involves working alongside civic and business leaders, combined authorities, country borough and district councils, and Local Enterprise Partnerships, combining Homes England's tools to support a places own ambition.

This approach has had markedly positive results across England. For example, in Weston-Super-Mare in North Somerset, Homes England is bringing forward four sites to deliver approximately 2,000 homes, together with commercial elements to significantly improve the urban fabric of the town centre. Simultaneously the agency is working with the council to unlock further town centre sites for housing led redevelopment. Similar coastal examples are evident as far afield as Ramsgate in Kent, and Skegness in Lincolnshire.

Good quality place making is also at the top of Homes England's agenda by monitoring the Building for Life 12 score for supported completions as one of the agency's newly launched public Key Performance Indicators.

23. **We recommend the introduction of stronger incentives for private landlords to improve the quality and design of their properties. This might include tax relief for making improvements to properties. (Paragraph 220)**

Response:

The Government is working to deliver a fairer, higher quality and more secure private rented sector that works for everyone. The English Housing Survey has reported a significant reduction in the proportion of non-decent homes in the private rented sector, from 45% in 2007 to 25% in 2017, but we accept 25% is still too high and that there is more to do.

We welcome and support the important role that private landlords play in providing safe and secure homes for a diverse range of people. The best incentive for landlords

is a thriving private rental market and we will continue work to foster a sector that encourages landlords to invest in providing good quality accommodation. Rogue landlords will be forced to improve their properties or leave the business, which levels the playing field for good landlords.

We are also empowering tenants to hold landlords to account on housing standards, with the Homes (Fitness for Human Habitation) Act 2018 and the removal of section 21 'no fault' evictions. We've published comprehensive guidance and advice to landlords about the minimum standards required to let property.

We will continue to consider what other support and incentives may be deployed to further improve quality in the Private Rented Sector. Landlords already benefit from a number of capital gains tax reliefs including, for example, the fact that expenditure incurred on making improvements which enhance a property's value is an allowable deduction from the amount received when the property is sold. Landlords can also claim tax relief on expenses that they incur on replacing furnishings, such as carpets or curtains, when maintaining the property for their tenants.

24. **We recommend that the Government pilots the introduction of Housing Action Zones, which might comprise of the proposed recommendations outlined above, and be delivered as a comprehensive package of measures to support housing regeneration in coastal areas. (Paragraph 221)**

Response:

Housing Zones are focused on unlocking brownfield land to deliver additional housing. They have enabled local partners to unlock land through a combination of long-term investment funding, planning simplification (e.g. local development orders), determined leadership and brokerage. Government designated 26 Housing Zones outside of London, including three Housing Zones in Poole, Grimsby and Cleethorpes, and Weston-Super-Mare.

In some circumstances, local partners may choose to set up Housing Zones, potentially as part of a wider economic regeneration package. Government would be interested in any local propositions to increase the supply and quality of housing. For example, in July 2018, Government announced a Town Deal with Greater Grimsby to support the regeneration of Greater Grimsby including a comprehensive package of measures to fast track housing delivery.

25. **We recommend that DEFRA reviews and revises the approach taken to coastal flood risk investment decisions in order to give greater account to the protection of non-residential properties and assets, including business and public infrastructure. (Paragraph 225)**

Response:

Government contributes funding from a range of sources to support coastal communities facing flood and erosion risks – including their infrastructure and economic prosperity. Our policy is to defend the coast where it is sustainable and affordable to do so and allow to function naturally in areas where it is not.

Between 2015 and 2021, the Government is investing £2.6 billion to reduce damages from flood and coastal erosion in England of which £1.2 billion of the funding will better protect 170,000 homes from coastal flooding and erosion. Every £1 invested in flood and coastal risk management saves £9.50 in damages⁶. By April 2019 in the first four years of the investment programme £300 million of partnership funding has come from contributions. A further £204 million has been secured up to 2021.

Government Flood and Coastal Erosion Risk Management Grant in Aid is provided to schemes where the benefits to homes is greatest. This reflects taxpayer's money being used for public good. Local choice of how funding is prioritized is through 12 regional flood and coastal committees in collaboration with the Environment Agency.

However, business owners or operators are ultimately responsible for their own resilience. Infrastructure owners or operators should therefore expect to make a proportionate contribution (partnership funding) to any wider community scheme from which they gain significant benefit or take precautions themselves.

Notwithstanding the weighting towards homes in the current programme, businesses also continue to gain significant benefits from Government's investment in maintaining and improving defences and approximately 50% of the total amount of grant paid is based on non-house economic benefits. Since the formula was established, up to 60,000 commercial properties have directly benefited from better protection thanks to Government funded schemes.

Small settlements and isolated business at a flooding or erosion risk will only attract small amounts of Flood and Coastal Erosion Risk Management Grant in Aid, due to the funding criteria. For these schemes to proceed additional funding would need to be found from elsewhere. Investment by businesses themselves will make them more sustainable in the long-term⁷.

Legislation introduced in the Finance Bill 2015 ensured that companies and unincorporated businesses can receive corporation tax relief on partnership funding contributions to Flood and Coastal Erosion Risk Management schemes. The tax relief arrangements are intended to encourage private sector contributions under the partnership funding model

Government Economic Growth Funding available to Local Enterprise Partnerships has also been used in coastal projects around the country in light of the additional benefits to the local economies of the area where these schemes are located. Local Growth Funding is financed by BEIS, MHCLG, Department for Transport and Department for Education.

The New Anglia Local Enterprise Partnership has invested £26 million in five schemes at Bacton, Great Yarmouth, Lowestoft, Ipswich and Snape Maltings. Local Enterprise Partnerships in South-East England have invested £18 million in flood schemes in Newhaven, Shoreham, Chelmsford and Kent.

⁶ Strategic Flood Risk Management, National Audit Office report, 2014, <https://www.nao.org.uk/report/strategic-flood-risk-management-2/>

⁷ <http://floodresilientbusiness.co.uk/minimising-damage/>

- The innovative Bacton to Walcott Coastal Management (Sandscaping) Scheme is a public/private partnership project which will see up to £20 million invested through to provide 1 in 10,000 protection for a Gas Terminal and the nearby villages of Bacton and Walcott from coastal erosion. The public element of this investment is around £4.8 million, including £1.08 million of Local Growth investment⁸.
- Snape Maltings Flood Defence- £125,000 Local Growth Fund towards £500,000 project to raise the Snape Malting flood defences from 3 metres to 6.7metres. Expected outputs include: 2 new FTE jobs; 5 temporary construction jobs; 180 jobs safeguarded; protection of 40 houses, or their access routes; protection of new Creative Campus, which will create 5 new business initiatives and 75 new jobs. The project is in progress.

Coastal Communities Fund through MHCLG since 2012 has invested almost £218 million to support 354 local projects around the UK to boost local economies in seaside towns.

- In 2014 this included £730,000 to a community level coastal management project at Waldringfield in Suffolk. In 2017 the Coastal Community Fund funded “*Safeguarding Waldringfield*” in Suffolk. The Coastal Community Fund invested £730,000, match funded by £358,000 from other public (including EA) and private sources. The project, included the construction of flood defences, work to the river and reinstatement of the salt marsh. Local businesses; including a pub various boat yards, river cruises, marine services, shop, gallery and tourist accommodation, benefit from enhanced public access.

While the Government provides funding, important decisions about how the coastline is managed and how national investment is used locally, are made by those best placed to understand local needs. Local Authorities are responsible for making decisions on managing the coast as planning and coastal protection authorities (districts) and as Lead Local Flood Authorities (county councils).

- The Flood and Water Management Act 2010 requires Lead Local Flood Authorities to develop local strategies that are consistent with the national strategy. Lead Local Flood Authorities are responsible for developing and applying a local strategy. Other Risk Management Authorities include District Councils, IDBs, water companies and Highway Authorities, must act consistently with the local strategy. All Lead Local Flood Authorities have now completed these plans.
- Coastal Groups have developed a network of 20 Shoreline Management Plans covering the entire coast of England. The individual plans are based on national guidance developed by Defra in 2011 and provide a high level, framework to manage the risk of coastal change, over 20, 50 and 100 year horizons. The plans were developed locally through an inclusive and democratic process, including community and elected member consultation and formal ratification

⁸ <https://www.north-norfolk.gov.uk/sandscaping>

by local authorities. The Government is now working with coastal authorities on a three-year, £1 million refresh of Shoreline Management Plans, to ensure that these plans are up to date and using the best evidence.

The Government will consider the points raised in the report in further detail, and as part of the preparation for the next flood and coastal erosion risk investment programme, which is due to start in 2021.

26. **We recommend that development and planning processes for future coastal protection schemes should include an appraisal of how designs might benefit the wider economy and the public realm. (Paragraph 262)**

Response:

The primary purpose of Grant-In-Aid is to reduce flood and coastal erosion risk where the risk is greatest and to pay for the coast protection element and to restore or replace any infrastructure or environmental features impacted by the works. However, securing of Grant-In-Aid for a project also generates confidence amongst other funders who can make the contributions which cover the added value element, in terms of regeneration funding.

Example:

- 1.5 miles north of Blackpool a local authority led coastal flood prevention scheme is providing flood protection for to 8,700 properties. It also transformed a dated seafront first constructed in the 1920s with austere seawalls constructed in the late 1970s, into a modern 21st century seaside frontage. A partnership of local residents and businesses shaped the design and continue to promote new public use of the space. This is part of a £91 million investment that will protect the whole Fylde coast from Fleetwood to Lytham. United Utilities is also investing £100 million, to improve bathing waters, and the Coastal Communities fund has invested £700,000 to boost the local economy

The National Planning Policy Framework expects Local Planning Authorities to develop policies and make decisions that reduce the risk from coastal change by avoiding inappropriate development in vulnerable areas and not exacerbating the impacts of physical changes to the coast. They should identify as a Coastal Change Management Area, any area likely to be affected by physical changes to the coast and be clear as to what development will be appropriate in such areas, and in what circumstances, and make provision for development and infrastructure that needs to be relocated away from Coastal Change Management Areas.

Successfully managing and reducing inappropriate new development through formal planning constraint in vulnerable coastal areas is a critical part of delivering longer-term adaptation. Coastal Change Management Areas are now starting to be adopted around the country in Local Plans and Neighbourhood Plans

At the same time, other principles within the National Planning Policy Framework and associated design guidance should be taken in to account to ensure that development and planning processes not only offer protection, but also take the opportunity to improve public realm and the wider economy. The National Planning Policy

Framework states that good design is a key aspect of sustainable development, creates better places in which to live and work and helps make development acceptable to communities, and that planning policies and decisions should establish or maintain a strong sense of place.

The Government is promoting the importance of design quality in all areas of the country. We have hosted two national design conferences and a number of other events, around the country, where good practice is shared. We have also convened the Building Better, Building Beautiful Commission which has been set up to develop a vision and practical measures to help ensure new developments meet the needs and expectations of communities, making them more likely to be welcomed.

Support for regeneration – funding and delivery

27. **As Local Industrial Strategies are developed, greater emphasis must be placed on ensuring that the priorities of coastal communities are properly addressed. We recommend that Local Enterprise Partnerships are given a specific requirement to have regard to the needs of deprived seaside towns and communities, and for supporting regeneration and redevelopment in these areas. (Paragraph 293)**

Response:

Local Industrial Strategies will set out the spatial impacts of national and local policy across our cities, towns and rural areas: informing priorities and choices and demonstrating how they will allow all communities to contribute to, and benefit from, economic prosperity.

28. **We recommend that action is taken to facilitate greater collaboration between Local Enterprise Partnerships that cover coastal areas through the creation of a formalised network of coastal Local Enterprise Partnerships. (Paragraph 294)**

Response:

The Government agrees that there are benefits to Local Enterprise Partnerships working together on matters of common interest, and many are putting in place collaboration agreements already. For example, Local Enterprise Partnerships work collaboratively across the Midlands Engine and Northern Powerhouse geographies on matters of common interest. The Government also funds the Local Enterprise Partnership Network to convene and support Local Enterprise Partnerships across the country. As such the best forum to enable coastal Local Enterprise Partnerships to engage with one another is within the existing structures of the Local Enterprise Partnership Network.

For example, the Local Enterprise Partnership Network already brings Local Enterprise Partnerships together on areas of common interest - from skills and housing, to maritime & logistics - to share learning and best practice. This includes the Local Enterprise Partnerships who cover coastal areas. Local Enterprise Partnerships and the Local Enterprise Partnership Network have started to look at the coastal agenda in these meetings and will continue to work together on this agenda.

The Great South West (GSW) initiative is another example of Local Enterprise Partnerships working together and covers the three Local Enterprise Partnerships in the South West of England: Dorset; Heart of the South West; and Cornwall and Isles of Scilly. The initiative's overall objective is to increase productivity in the region and aims to have a profile similar to that of the Northern Powerhouse and Midlands Engine. The GSW held a reception in April 2019 in the House of Commons to mark the launch of the GSW All-Party Parliamentary Group (APPG) and Jake Berry spoke at this event. A business case for GSW is currently being developed.

29. **As soon as is reasonably practicable, the Government must provide a clear indication of how coastal areas will benefit from the UK Shared Prosperity Fund. (Paragraph 300)**

Response:

This Government recognises the importance of providing clarity to places, including coastal areas, on the future of local growth funding and the UK Shared Prosperity Fund. To date we have confirmed that the Fund will invest in the foundations of productivity as set out in our modern Industrial Strategy. The UK Shared Prosperity Fund will support people to benefit from economic prosperity, especially in those parts of our country whose economies are furthest behind.

Many coastal areas face economic disadvantage, including physical isolation, high deprivation levels and reliance on low wage, low skill and often seasonal employment. By investing in the foundations of productivity, the fund can help deliver the Government's commitment to support coastal areas, helping them reach their economic potential and overcome the wide range of challenges some places face.

Details of the operation and priorities of the UK Shared Prosperity Fund are due to be announced following the Spending review which will take place later in the year.

30. **If Local Enterprise Partnerships are given the responsibility for administering the UK Shared Prosperity Fund, they should have a greater role in facilitating coastal regeneration. This must involve dedicated engagement with coastal local authorities to support the development of place-based plans for regeneration, founded on agreement about local challenges. (Paragraph 301)**

Response:

Local Enterprise Partnerships play an active role in coastal regeneration through delivering funding programmes and setting plans for regeneration. This includes supporting coastal areas through the Local Growth Fund and engaging with Coastal Community Teams and coastal local authorities in the design of local strategies. Some Local Enterprise Partnerships also have dedicated coastal working groups as part of their Governance structures.

In England, Local Enterprise Partnerships are preparing Local Industrial Strategies to prioritise long-term opportunities and challenges to increasing local productivity. Local Industrial Strategies will help areas maximise the long-term impact of the UK Shared Prosperity Fund once details of its operation and priorities are announced following

the Spending Review. Local Enterprise Partnerships are engaging broadly to develop Local Industrial Strategies, including with coastal local authorities.

31. **If, following evaluation, the Coastal Community Fund is found to have supported sustained economic and social improvements for seaside towns, we recommend that the Government continues to provide a dedicated source of funding for coastal communities, beyond the completion of the latest round, due to conclude in 2021. On the basis that the Coastal Community Fund is proven as an effective source of financial support for struggling seaside towns, we recommend restoring the ratio of Crown Estates revenue allocated to the Coastal Community Fund back to its original 50% rather than the 33% it has been reduced to. In the future, consideration should be given to increasing this proportion further. (Paragraph 316)**

Response:

The Coastal Communities Fund has invested almost £218 million in 354 projects across the UK since 2012. The Fund is helping to create or safeguard over 18,000 UK jobs and £363 million in new visitor spend. Analysis shows this has been money well spent, with every £1 invested having the potential to create up to an £8 boost to our coastal economies.

The Government is committed to strengthening the monitoring and evaluation of the Coastal Community Fund and to reviewing its effectiveness. It is commissioning an impact evaluation of a sample of projects from the Coastal Community Fund Rounds 1-5, and a more general retrospective evaluation of Rounds 1-4 drawing on monitoring data collected on all four rounds. This will look at how well projects are delivering on their forecast outputs and outcomes over the main Coastal Community Fund funding period and, where possible, beyond.

The projects subject to 'deep dives', will be selected at random and provide the Government with regular performance updates. Qualitative interviews will be also conducted with project organisers and participants and a final report produced. This will be used to inform any future funding rounds and to develop good practice guides for other coastal communities.

Decisions on the future of the Coastal Community Fund after 2021 are a matter for the next Spending Review.

32. **Beyond 2021, the Coastal Community Fund should be focused on projects that aim to encourage sustainable place-based approaches to regeneration. The distribution of the fund must recognise that regeneration projects require a long-term approach. The Fund must be focused on contributing towards long-term change in communities and helping with effective planning and partnership stimulation. It should, in particular, focus on smaller communities. (Paragraph 321)**

Response:

The Coastal Community Fund has to date focused on support for projects that will help to regenerate coastal communities by delivering sustainable economic growth and jobs, so that people are better able to respond to the changing economic needs and opportunities of their area. Although Coastal Community Fund grant funding has to be completed within two years of an agreed start date (no later than six months of the grant award letter), the Coastal Community Fund often only part funds longer-term projects that receive funding from other public and private sector partners for which completion may take longer than the Coastal Community Fund funding period. Examples include the Tate St Ives project which was awarded a £3.8 million Coastal Community Fund grant in 2015 towards a £20 million expansion scheme, and Blackpool's new Convention Centre which has received a £2.9 million Coastal Community Fund grant towards a £25 million project.

In a number of cases, coastal communities have benefitted from Coastal Community Fund grants in successive funding rounds with grant awards complementing each other and helping to achieve the wider regeneration of a coastal area. Good examples include the Spanish City neighbourhood in Whitley Bay, North Tyneside, and the Old Town area of Hull which have won grants from the Fund in different bidding rounds for projects which have made a substantial contribution to regenerating both areas.

Over 75% of Coastal Community Fund spend has been awarded to capital projects that have had a longer-term impact. Smaller coastal communities have benefitted significantly from the Coastal Community Fund too with at least 50% of grants awarded during Rounds 1-5 going to coastal settlements with populations of 30,000 or less. The forthcoming evaluation of Coastal Community Fund Rounds 1-5 will help to provide more evidence on how places of different sizes have benefitted from grant awards, and the Fund's contribution to supporting effective planning and partnership working.

33. **The UK Shared Prosperity Fund should seek to reinforce interventions from the Local Enterprise Partnerships and from the Coastal Community Fund. The development of the UK Shared Prosperity Fund should be used as an opportunity to evaluate where the areas of greatest need lie. A genuine and extensive consultation with neglected seaside towns should take place to ascertain the most effective distribution of the Fund. The Fund should prioritise long-term place-based solutions for areas where there has been persistent deprivation, including disadvantaged coastal communities. (Paragraph 322)**

Response:

As a fund that is committed to raising productivity, especially in economies that are furthest behind, the UK Shared Prosperity Fund offers an opportunity to support disadvantaged coastal communities.

We agree with the report's focus on listening to local priorities for the UK Shared Prosperity Fund and will consult widely on the design of the fund. We would welcome the views of coastal communities on how the UK Shared Prosperity Fund can deliver coastal regeneration, including responses from local authorities and Coastal Community Teams.

Ahead of a public consultation, we have already held 25 engagement events across the UK. These were attended by representatives from coastal areas, who had an opportunity to share their views and aid policy development.

34. **We recommend that the Government takes a more strategic approach to the co-ordination of coastal communities' policy at official-level across different government departments. Reinstating the cross-Whitehall official level meeting to discuss coastal communities would be a first step in achieving this. (Paragraph 326)**

Response:

We agree with the Select Committee's recommendation and will be reinstating the cross-Whitehall official level meeting to discuss coastal communities as soon as practicable.

35. **Notwithstanding the uniqueness of regeneration projects, which will inevitably vary according to the locale, we recommend that the Government identifies, collates and disseminates examples of best practice in regeneration projects. Consideration must be given as to whether data might be harnessed in such a way as to help local authorities understand their areas better. (Paragraph 330)**

Response:

The Government will identify, collate and disseminate examples of best practice in regeneration projects, liaising with local authorities as appropriate.

For example, the Future High Streets Fund will support the establishment of a new High Streets Task Force. This will provide hands-on support to local areas to develop innovative strategies to help high streets evolve, connect local areas to relevant experts and share best practice. This support will include helping local places to make better use of data to best understand their local area.

36. **The Government should secure town deals for Blackpool and other deprived seaside towns. We strongly support this approach with determined action between government and local government to tackle the root causes of deprivation in seaside towns disparate, limited funding will not address the generational challenges that are so entrenched in these areas. (Paragraph 339)**

Response:

Government recognises the benefits a close relationship with local areas can have to help regenerate struggling towns. The Grimsby Town Deal is a pilot which we are keen to learn from, but it has taken around three years to negotiate and requires a large resource dedicated to one area. We are prepared to consider this approach in Blackpool and other areas but would need to consider whether there are quicker ways to realise the same outcomes.

We already work with places up and down the country to support communities who are looking to regenerate and are developing their strategies for growth. The Economic Plans produced by Coastal Community Teams provides coverage across

almost the whole coastline in England. They outline both the short term and longer-term priorities to enable their coastal area to promote jobs and economic growth. Through these Plans, Government can keep abreast of the issues coastal towns are facing around the country and how they are planning to address them. We can also link Coastal Teams with other Teams facing similar issues which help them deliver their Plans. Where appropriate Government can provide bespoke help and guidance without a formal deal, as we have with the Jaywick Sands Coastal Community Team.

We were pleased to note the Committee visited Jaywick Sands and recognised the role their Coastal Community Team has had in leading the Jaywick Sands Place Plan. The Team is led by the Chief Executive of Tendring District Council with active involvement of Essex County Council, the local community and many committed stakeholders. The work of Jaywick Sands Coastal Community Team has shown how it is possible to gain momentum to drive change in the most challenging coastal environments, if there is cross sector support to make things happen and a fully active partnership model such as this.

In the first instance we will be looking to work with places as they develop their Local Industrial Strategies and we will continue to engage with Local Enterprise Partnerships, local authorities, Coastal Community Teams and other stakeholders to help secure sustainable economic growth in coastal towns.

The recently announced Stronger Towns Fund will fund a series of town deals in struggling towns – many of which are likely to include seaside towns. A total of £1 billion will be allocated using a needs-based formula and a further £600 million will be available for communities from across England to bid into. The funding will enable new Town Deals across England, and the money will be used to deliver locally led projects creating new jobs, providing further training and boosting local growth. The Government will publish further detail on the allocation and delivery of the Stronger Towns Fund in due course.

37. **We recommend that the Government, in consultation with coastal local authorities and Local Enterprise Partnerships, reviews the current Enterprise Zone scheme to build a distinct package of measures aimed at supporting struggling seaside towns in promoting local economic activity. (Paragraph 347)**

Response:

MHCLG continuously monitors and reviews the performance of the 48 Enterprise Zones operating across England. This includes gathering self-reported evidence of the benefits, outputs and progress made against the Enterprise Zone original bid. The learning from the Enterprise Zone monitoring is being fed into the development of new local growth funding programmes, particularly the UK Shared Prosperity Fund.

38. **We recommend that new Enterprise Zones be created in coastal locations. The support offered should be tailored to meet the specific needs of seaside towns, including (but not limited to): tax relief on capital investment in property and the public realm; investment in digital infrastructure; and fiscal incentives to attract business investment. (Paragraph 348)**

Response:

There are currently no plans to create new Enterprise Zones.

There are a number of programmes available to support struggling towns which are either in place or under development. They include the Coastal Community Teams, the Coastal Communities Fund, and the Coastal Revival Fund which are already in operation and focused on coastal and seaside towns. Also, the recently announced Future High Streets Fund and Stronger Towns Fund, although not specifically targeted at coastal communities, are aimed at renewing town centres and driving growth and productivity in those towns. The UK Shared Prosperity Fund, which is proposed as the new mechanism for local growth funding, is under development.

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