

Coastal Communities Fund Application

EXECUTIVE MEMBER: Cllr Hugh Branney
LEAD OFFICER: Julie Betteridge
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WHAT BENEFITS WILL THESE PROPOSALS BRING TO COPELAND RESIDENTS?

A successful Coastal Communities Fund bid will create jobs and attract inward investment along Copeland's Coast. It will increase skill levels within the local population, targeting young people where appropriate, to open up new employment and provide a range of volunteering opportunities. The programme involves supporting existing businesses to take advantage of new markets and enabling new businesses to start up in growing sectors. Improvements will be made to our coastal infrastructure and amenities, developing the public realm, beach access and introducing art and culture as part of the growth programme.

This application enables the delivery of the CBC Regeneration Plan, the WC Economic Blueprint. It complements and enhances the parallel consortium bid to Arts Council for Creative Copeland, our Locality Plans and the Copeland Plan.

The application offers the Council an opportunity to deliver a range of outputs through working closely with partner organisations, allowing the Council to achieve its jointly owned community outputs within its current resource levels, while managing any associated risk through clearly agreed lines of accountability.

WHY HAS THIS REPORT COME TO THE EXECUTIVE? (eg Key Decision, Policy recommendation for Full Council, at request of Council,etc.)

This report requires a key decision regarding the Accountable Body status for the application. The actual and final conditions of a successful application are not yet fully known to assist us forward plan and the Council is able to set its own conditions to mitigate the risks as set out in the report.

RECOMMENDATIONS:

The Executive are asked to:

- a) support the partnership approach of the Copeland bid;
- b) agree to the Council taking on the role of Accountable Body for the Coastal Communities Fund application for £551,745, to be spent during 2013 and 2014 and to receive a fee of no more than 10% for this role; and

c) to agree to the conditions set out in section 4.2 to mitigate our risks to be overseen by the Portfolio holder Cllr Hugh Branney, also chair of the Programme Board, Head of Regeneration and Community and the Head of Corporate Resources (section 151 officer).

1. INTRODUCTION

- 1.1 The Council applied on behalf of the Copeland Coastal Partnership to the Coastal Communities Fund in May 2012. The Council have received updates to Full council on this opportunity and the work of the Coastal Partnership. The first round bidding was extremely competitive. The fund has £18.2 million to allocate in England, and received over 500 applications totalling more than £300 million. Being successful at the Stage 1 bid, we are now developing the Stage 2 application. The Stage 1 bid requested a grant of £551,745.
- 1.2 The primary outcome of the Coastal Communities Fund is that coastal communities are better able to use their assets (physical, natural, social, economic and cultural) to promote sustainable economic growth and jobs. The bid will include a combination of sustainable transport and green tourism, job creation, apprenticeships, skills training and business start-up support, with associated improvements in access. The overall aim is to increase economic investment and opportunities along Copeland's coast.
- 1.3 The Council has already established the Copeland Coastal Partnership, which is a network of partners involved in developing the coast including Cumbria County Council, the National Trust, RSPB, Natural England, Cumbria Wildlife Trust, Whitehaven Marina Ltd, HM Coastguard, Lake District National Park Authority and members from the Locality Partnerships. These partners, particularly Cumbria County Council and West Cumbria Tourism, will help CBC to develop and deliver the Coastal Communities Fund programme.
- 1.4 Governance arrangements are already established for the Copeland Coastal Initiative, which is managed by a Project Board, with agreed Terms of Reference. The Board is chaired by the Portfolio Holder for Tourism, with a full voting membership of the Portfolio Holder for Regeneration and the Head of Regeneration and Community (the latter as the strategic senior officer on the Board). This Board reports regularly to the Council Executive and has a nominated project manager who oversees the Coastal programme, providing regular updates through our corporate performance management framework.
- 1.5 The application to the Coastal Communities Fund at Stage 2 is for £481,090, and includes projects assessed positively against a risk analysis

which will be matched with other external funding including £131,685 from the Seaside Fund grant in 2010 which has been allocated by Executive to the Council's Coastal Initiative. The remainder will be brought in through individual projects and applications to other funding organisations.

2. PROPOSALS

- 2.1 The Council is the lead partner in the Coastal Partnership on the basis of the significant outputs and opportunities offered to the Borough through the programme. The Partnership are looking for the Council to submit the stage 2 application to the Coastal Communities Fund.
- 2.2 The Council is able to optimise benefits from the programme by aligning its outputs and outcomes with projects being developed through complimentary programmes as part of the wider regeneration planning, including the Energy Coast Blueprint, business development, skills and work partnership, Adventure Capital, Creative Copeland, leisure and sports economy, our Locality Plans and the Copeland Plan. This approach provides match funding and the Council greater scope on deliverability. The programme management function costs, ie staff time, is provided within a project led by the Council in the Programme. This project will be match funded by an element of the Seaside Grant resources enabling the programme delivery work to be at no cost to the Council whilst realising external grant income in delivering to the Copeland regeneration framework priorities.
- 2.3 The Copeland Coastal Initiative has existing programme governance arrangements. These will be used to oversee and manage this programme. The Programme Board systems ensure regular updates and performance management which will ensure that the Executive has regular updates from the Project Board and that the programme is managed by a responsible officer, with all targets and outputs monitored through covalent. This will also enable CLT to keep close to the programme delivery and understand how the projects are being managed and risks mitigated on an ongoing basis.
- 2.4 As lead partner in the Coastal Partnership and Coastal Initiative the Council is best placed to act as the Accountable Body and lead organisation for the funding on the basis that all associated liabilities will be minimised and managed in accordance with CBC policy and good practice. The Council's position on accountable body needs to be agreed and confirmed, prior to the submission of the bid on 20th September, 2012.
- 2.5 The Coastal Partnership have been working together to shape and populate an effective bid. Once the funding is secured the partnership agreement paperwork will be signed by all partners (see 6.3).

- 2.6 The detailed overview of the projects is provided in Appendix 1 but the following table is a summary of the minimum outcomes the programme will provide to the borough:

<i>Output detail</i>	<i>Minimum target</i>
Direct Jobs	26
Indirect Jobs	42
Training Days	318
New Businesses	7
Volunteers	155

The projects are clustered around the themes of the Coastal Initiative: sustainable communities via jobs and training, coastal environment improvements to enhance the Copeland economic infrastructure, partnership and joint working and tourism sector developments.

3 ALTERNATIVE OPTIONS TO BE CONSIDERED

- 3.1 Option 1: Find another organisation to be the Accountable Body and lead the programme.

This discussion was part of the partnership's investigation into making a co-ordinated programme bid. There was no other organisation within the Partnership able to take this enabling and financial management role. Partners agreed that Copeland Council is best placed to provide the co-ordinating role in delivering the programme working with our businesses, partners and communities and without our enabling role this bid will not be made. The Council made the initial Stage 1 application, which has been successful and to look to change applicant at this stage would risk the funding.

- 3.2 Option 2: Do not proceed to a stage 2 application.

The funding opportunity would be lost, as would the benefits and outcomes to the Borough. Our communities are very clear that they support the Copeland Coastal Initiative approach and wish to see co-ordinated approaches to economic regeneration and development and the Council has a clear enabling role to bring in additional funding to the area to help provide opportunities for economic growth and the development of a more balanced economy.

4 CONCLUSIONS

- 4.1 The Executive are requested to agree to the request for the Council to take on the role of Accountable Body for a Coastal Communities Fund application for £481,091 on behalf of the Copeland Coastal Partnership. The grant application, if successful, will be spent during 2013 and 2014.
- 4.2 The Council are mitigating any risk in taking on the accountable body role through advising Executive to ensure the following are in place before accepting any Coastal Community Fund grant.
- a) Neutral cost to the Council through an accountable body fee being realised to cover full costs - the application provides for a maximum 10% fee to cover the costs of accountable body for the grant (ie £43,736);
 - b) Effective programme management resources are in place to manage the delivery and risks – the application includes a project which includes a funded post to provide effective programme management (match funding provided by Copeland’s Seaside Fund one off area based grant).
 - c) Details of the funding conditions are fully acceptable to the council in terms of clawback – we know at the application stage that clawback clauses are only linked to capital spend projects within the programme, our understanding currently is that any clawback conditions will be against individual projects and will not affect the total programme. This will be confirmed in the offer letter if the bid is successful.
 - d) The partnership agreement formally ties in all partners to the programme delivery and providing the match funding required for their project – the funding will not be secured by the Coastal Communities Fund unless this agreement is in place and signed by all partners.
 - e) Cashflow requirement of the accountable body function do not leave the council at risk – the Coastal Communities Fund is administered by the Big Lottery who have a policy of grant revenue monies in advance. The offer letter will set this out clearly.
- 4.3 This total programme, with match-funding, will facilitate the investment of over £1,000,000 into Copeland’s coastal economy, creating jobs, encouraging new businesses and supporting the Council’s Coastal Initiative.
- 4.4 A successful application, led by the Council, to this highly competitive fund will significantly raise the profile of the Council and our coastal assets.
- 4.5 This application underpins a significant element of our Regeneration Plan and the West Cumbria Economic Blueprint, through helping to diversify our

economy by supporting new sector development and balancing local growth.

5 STATUTORY OFFICER COMMENTS

5.1 The Monitoring Officer's comments are:

The Council needs to be aware of and take mitigating measures against risks associated with grant conditions and clawback arrangements we are not yet fully aware of.

If the Council is delivering the project itself then it will control the land, buildings and achievement of the outputs. If a partner is involved then the issues become more complicated particularly if the partner owns the land. Back to back agreements with the partner requiring the latter to comply with Big Fund terms and conditions may offer some comfort but there is still a risk of the partner ceasing to exist during project delivery or the claw-back period outlined above.

If a grant offer is made detailed consideration needs to be given, on a project by project basis, of the outputs to be achieved and the terms and conditions attached to the grant and their impact on an individual project. This consideration should include whether the project and outputs can be delivered in the timescale required and that during the claw-back period (whatever it may be) no additional costs (e.g. for maintenance or supervision/land management) which are not covered by the grant will be incurred.

5.2 The Section 151 Officer's comments are:

In assessing whether as a corporate entity the Council can safely be accountable body, for this programme and therefore approve bid, the executive will need to consider this programme in the wider context of our own financial position and risks. The detailed criteria attached to this aspect of the funding for the programme are not yet known so the risks associated with clawback and non delivery are unquantified at this stage. It is therefore essential that the council sets out its own conditions for accepting the role of accountable body and proceeding, and that these are adhered, monitored and the governance arrangements are shaped to ensure delivery. These conditions are set out in the body of the report but from a S151 perspective need to include – recovery of accountable body costs, programme management costs, controls that we would use to ensure the council as a whole would not suffer any liabilities, e.g. payment terms ref achievement of milestones and the payment to “partners” or others and the intention ref scheduling. It is worth noting that the bid only forms one aspect of the funding of the programme and should the bid be successful at the next

stage the council would also need to assure itself of the likelihood and deliverability of the other funding components, and the value for money aspects of its content.”

- 5.3 EIA Comments: The Coastal Partnership and Coastal Community Network are actively engaged with the diverse range of communities and interest along Copeland Coast. They have been engaged with the process and special interest groups eg South Copeland Disability Group, are fully engaged in advising projects within the programme.
- 5.4 Other consultee comments, if any: The Coastal Partnership and Coastal Community Network have endorsed the Coastal Initiative priorities and the opportunities of this application. A workshop was held at the start of the process to scope the content of a programme bid. The partners directly engaged in the bid are those involved and linking to the delivery of projects and have requested the council to make this bid on our behalf

6 HOW WILL THE PROPOSALS BE PROJECT MANAGED AND HOW ARE THE RISKS GOING TO BE MANAGED?

- 6.1 Existing governance arrangements established for the Coastal Partnership programme will be used to oversee and manage this programme. This means that the programme will be overseen by the Project Board, with agreed Terms of Reference, which is chaired by the Portfolio Holder for Tourism, with a full voting membership of the Portfolio Holder for Regeneration and Community and the Head of Regeneration and Community (the latter as the strategic senior officer on the Board). This will ensure that the Executive has regular updates from the Project Board.
- 6.2 The day to day programme will be managed by the Economic and Community Regeneration team with a named responsible officer project managing the programme, ensuring that all targets and outputs are monitored through covalent. This will enable CLT to keep close to the programme delivery and understand how the projects are being managed and risks mitigated on an ongoing basis.
- 6.3 A contractual partnership agreement will be put in place with all partners delivering projects within the programme prior to submitting the Stage 2 application. Projects are currently in development and will be confirmed for second stage submission by September. This means that no projects managed through external organisations will be included in the programme unless CBC has passed on its obligations and liabilities through a contracted partnership agreement, making clear partner responsibilities in delivery.
- 6.4 The partners involved in the delivery of programme are either established organisations such as West Cumbria Tourism, our locality partnerships – to

which the Council provides professional administrative support – or are statutory bodies (Parish Councils). The Project Board have deliberately opted to develop projects with these partners to provide confidence that they have the track record and experience to deliver against their contractual partnership agreement.

- 6.5 All project expenditure to sub-contractors or external partners will be paid retrospectively on proof of spend and achievement of outputs/ milestones, following receipt of grant payment from the Fund. The Council will not be required to bankroll the programme for partners and this methodology ensures that the Council has no financial exposure at any point in the programme.
- 6.6 In line with the guidance notes provided by the funder, no capital projects will be included in the Stage 2 application unless they have prior planning permission in place with all conditions known. All projects involving capital grants are below £100k in grant size, which leaves them subject to an assess liability period of up to 5 years. The Council will only issue capital grants under this programme once the partnership agreement is in place, which will ensure that the delivery organisation assumes responsibility for the maintenance and insurance of the asset throughout the 5 year clawback period.
- 6.7 All procurement will be commissioned in line with our standard procurement procedures, complying with the grants terms and conditions, ensuring that both the funding organisation and the Council are fully informed and satisfied that an appropriate procurements process has taken place. No capital items will be procured direct by CBC, therefore no additional costs will be incurred above and beyond our existing procurement arrangements with CCC.

7 WHAT MEASURABLE OUTCOMES OR OUTPUTS WILL ARISE FROM THIS REPORT?

- 7.1 The outcomes from the programme are shown in the table in 2.5.

List of Appendices

Appendix A – Coastal Communities Fund Stage 2 Programme of Projects

List of Background Documents:

Coastal Communities Fund Stage 2 application & guidance
Coastal Communities Fund Stage 1 successful bid

Project	Project Lead	Description	Direct Jobs	Indirect jobs	Training days	New business	Volunteers	Total Cost	Coastal Communities Request 55%	Coastal Communities Capital	Total Revenue within project	Copeland's Seaside Fund	Other Match Funding	Risk	Likelihood H - High, M - medium, L - Low	Impact H - High, M - medium, L - Low
Coastal Guides	Cumbria Discoveries	Increase number of passive guides through subsidised places on Welcome Host training for coastal businesses, blue badge approved coastal guided tour with promotion	1	6	30	1	0	£ 47,500.00	£ 26,125.00		£ 47,500.00	£ 5,000.00	Coastal Match £16,375	Job and business is for coastal guide offering tours, lack of interest would prevent outcomes being achieved	L	M
Interpretation	CBC	Improved physical interpretation along length of coast. Replacement / introduction where required.	0	0	0	0	20	£ 75,000.00	£ 41,250.00	£ 41,250.00		£ 15,000.00	Coastal Match £18,750	Capital risk for replacement of damaged / loss of new boards (total cost of boards is £18,000)	L	L
Green Services Team	Works 4 You/Groundwork	Team dedicated to improving / maintaining the coastal environment including Whitehaven Harbour. Additional to any existing provision. Potential to support delivery of the other projects in the programme and to offer apprenticeships.	4	0	40	0	60	£ 160,000.00	£ 88,000.00		£ 150,000.00	£ 20,000.00	Groundwork Coastal Match £ 52,000		L	H
Whitehaven Coastal Market	CBC	Encourage development of Whitehaven Market - new stall holders establishing new businesses	4	8	0	4	0	£ 20,000.00	£ 11,000.00	£ 7,500.00	£ 12,500.00	£ 9,000.00		Failure to achieve outputs due to lack of new business ideas / take-up of stalls.	M	H
St Bees Gateway	Parish Council & CBC	Improvement to start of the Coast to Coast walk - including bridge and public realm improvements.	0	2	0	0	2	£ 25,000.00	£ 13,750.00	£ 13,750.00	£ -	£ 5,000.00	Wainwright Society CCC	Capital risk - damage to bridge or public realm enhancements (total risk £13,750)	L	L
Western Fells Gateway	Parish Council & CBC	Improved facilities at Seascale beach - tourist information point and shower facility	0	2	0	0	0	£ 25,000.00	£ 13,750.00	£ 13,750.00	£ -		Coastal Match £11,250	Capital risk (will be maintained by Parish Council)	L	L
Railways Station Enhancements	Community Rail Partnership	Enhancements at rail stations to improve visitor experience.	0	4	0	0	12	£ 60,000.00	£ 33,000.00	£ 33,000.00	£ -		Community Rail Partnership Coastal Match £27,000	Capital risk (will be maintained by Network Rail and Friends of Station Groups)	L	L
Electric Bike expansion	South Copeland Tourism & Muncaster	Development of electric bike hubs at Millom, Ravenglass and Seascale to extend network along the coast	2	4	6	0	6	£ 33,000.00	£ 18,150.00	£ 18,150.00	£ 6,000.00	£ 2,000.00	Electric cycle network £6,000 Coastal Match £6,850	Capital risk (£18,150)	L	M
Silecroft Adventure	CBC & Parish Council	Minor improvements to the path and beach area furniture. Support business start-up through subsidised taster days	1	0	0	1	3	£ 35,000.00	£ 19,250.00	£ 19,250.00	£ 10,000.00	£ 5,000.00	CCC Parish Council Coastal Match £10,250	Capital risk is the footpath, which will be maintained by the Parish Council or LDNPA. Failure to achieve outputs if cannot attract a business to the coast.	M	M
Haverigg Footpath	Groundwork & Millom Town Council	Improved access along sea defences for all. Includes art work by local school children	0	2	2	0	6	£ 80,000.00	£ 44,000.00	£ 44,000.00	£ -	£ 3,940.00	Coastal Match £32,060 Reaching Communities	Planning permission may be required but would be able to provide a letter of comfort from planning to support the application.	L	L
Coastal Events	CBC	Programme of coastal cultural and sports events. Some to become annual events eg. sports challenge, others to be cultural events bringing artists to coastal communities eg. touring beach huts	0.5	6	0	1	40	£ 60,000.00	£ 33,000.00	£ 3,000.00	£ 30,000.00	£ 19,000.00	Creative Copeland £8,000	Creative Copeland bid not submitted as yet - but this would not have a major impact on the outputs.	M	M
Coastal Marketing	CBC	Management of programme enhancing the coast (Grade 9, 2.5 days/week)and package of marketing initiatives to increase visitor numbers	0.5	8	0	0	0	£ 45,745.00	£20,000		£ 45,745.00	£ 25,745.46		Management fees fully covered to remove risk of cost to council	L	M
Visitor Giving	Nurture Lakeland	Establish a visitor giving scheme which can fund future coastal improvements.	1	0	0	0	6	£ 69,200.00	£ 38,060.00		£ 69,200.00	£ 2,000.00	Coastal Match £12,080 Nurture Lakeland £17,100	This is a significant sustainable element of this programme	L	M
Apprenticeship Scheme	CBC	Provide apprenticeships within coastal communities	12	0	240	0	0	£ 121,520.00	£ 38,020.00		£ 121,520.00	£ 20,000.00	Private match £63,500	Lack of interest from local employers and other partners could reduce outputs	M	M
Total								£ 856,965.00	£ 437,355.00	£ 193,650.00	£ 492,465.00	£ 131,685.46	Total match required £281,215 Coastal Match - £186,615			
10% management fee									£ 43,735.50							
Total			26	42	318	7	155	£ 856,965.00	£ 481,090.50							
Requested at stage 1			23.5	101	158	19	193	£ 551,745.00								
Reserve Projects																
Whitehaven Pedestrian Strategy	Town Team / CBC	Improving linkages from the harbour to the town	0	4	0	0	0	£ 30,000.00	£ 16,500.00	£ 16,500.00	£ -			Capital risk		
Whitehaven Cycle Storage	Town Team & CBC	Secure cycle storage within the town centre to encourage those starting / finishing the c2c to visit the town centre.	0	0.5	1	0	0	£ 8,000.00	£ 4,400.00	£ 4,400.00	£ -			Planning permission not yet in place		
Cyclepaths (St Bees & Seascale)	Localities	Contribution to Seascale - Gosforth cycle path implementation and revision of now out-dated report regarding a Whitehaven - St Bees feasibility report	0	2	0	0	3	£ 22,500.00	£ 12,375.00	£ 12,375.00	£ -			Capital risk (£12,375)	L	L

Notes
Programme Management within Marketing - Grade 9, 2.5 days/week over 2 years.
£13.2028/ hour with oncosts, £495.105 / week
£247.5525 / week for 2.5 day week
£247.5525 x 52 x 2 = **£25,745.46**