INTRODUCTION

Since 2014, NEF has been leading the Blue New Deal initiative, which sets the framework for our ongoing programme on seaside economies. Our research seeks to understand the real barriers to delivering social and economic prosperity for coastal communities and a healthier coastal and marine environment. This initiative has engaged several hundreds of coastal residents, as well as coastal and marine experts and industries, from every region of the UK coast. We have combined their experiences and expertise with NEF’s wider body of work, to put forward a range of actions to help coastal areas make the most of coastal and marine assets to deliver more and better jobs, increased wellbeing and greater economic and climate resilience. The resulting reports – Blue New Deal vision report and the Blue New Deal action plan, Turning Back to the Sea – contain many of the answers to the questions posed by this call for evidence (and most of the answers below have been extracted from these reports).

BACKGROUND AND UNDERSTANDING

What are the challenges facing seaside towns and communities? Which of those challenges are common to many seaside towns, and to what extent (and why) have such challenges persisted over a number of years?

1. Like many places in the UK, seaside towns and communities sit at the margins of an unbalanced UK economy and political system.
   a. The UK is the fifth wealthiest nation in the world, but it is also home to some of the richest and poorest regions in Western Europe, and the gap between their economic fortunes is widening. More than half of UK regions (NUTS2 regions) are below the European (EU28) average when comparing GDP per person (adjusted for purchasing power) between regions, whilst London far exceeds anywhere else in Europe.
   b. In the UK, the share of lending going to non-financial businesses represents less than 10% of total lending, which means there are little opportunities in the UK for small and medium businesses. Of this small percentage that does occur, most is heavily concentrated in London and surrounding areas, leaving places that are already disadvantaged, like the coast, left out.
   c. Struggling coastal communities are part of a bigger problem. They sit alongside other areas in the UK that have never truly recovered from the loss or decline of traditional industries and jobs over the past decades. As these now called ‘left behind’ places began to understand their context of economic decline and the many consequences of it started to show (e.g. on housing, unemployment, stagnation), a global economic crisis hit, followed by austerity, and accompanied by the more frequent and more severe impacts of climate change (through coastal flooding and erosion events) on local infrastructure, economies and wellbeing.
Places that were already vulnerable were hit even harder by these events and political decisions.
d. Brexit has created greater political and economic uncertainty and helped exacerbate many of the social divides in areas that really need to come together to collaboratively rethink and transform their places.

2. **When looked at as a group and compared to non-coastal areas, seaside towns and communities are even more disadvantaged, faring worse in a number of social and economic indicators.**
   a. They top the list of the most deprived areas; they see higher levels of underemployment and lower wages, economic inequality, and educational underachievement.
   b. A large portion of employment on the coast is in the public sector, so austerity cuts meant more job losses and a squeeze to much needed public services. Seaside towns also see higher proportions of working-age people on out-of-work benefits. Benefit claimants have been some of the most impacted by austerity with a squeeze on their incomes which then means less spending power in the local economy.
   c. Records of new businesses registrations show that individuals in seaside areas are about 80% less likely to start a new business than those in non-coastal areas, with the start-up rate on the coast nearly half of that inland. At the same time the problem of personal insolvencies – or people trapped into a cycle of debt – is significantly worse on the coast, where you are 30% more likely to experience insolvency, including personal bankruptcy. And the gap between coastal and non-coastal areas has been growing since 2009.\(^\text{iii}\)
   d. Coastal communities have particular infrastructure needs, with remoteness or distance from major cities often putting them at the bottom of the queue for transport improvements or broadband access. These challenges also make it harder for them to link up with the wider supply chains that business and services need to thrive, also impacting attracting the appropriate workforce. Coastal infrastructure needs are not necessarily the same as other places. For example, ‘soft’ defences, which are created through restoring natural coastal habitats, should be considered alongside more typical ‘hard’ defences (see Section 8 of *Turning Back to the Sea*).

3. **The coastal setting makes these challenges more complex and leave seaside areas even more vulnerable.** Coastal areas are the most vulnerable to the impacts of climate change and are likely to bear the greatest costs associated with it. This will only get worse without rapid global action to cut carbon emissions.
   a. Increasingly stormy and extreme weather affects coastal infrastructure, such as local energy supplies, and pose challenges to isolated areas and those with older populations, who are reliant on public services, such as transport and health.
More frequent flooding is likely to bring down house prices, affect tourist attractions, discourage further investment, and have a negative impact on people’s wellbeing. Rising sea levels are also forcing many communities to make difficult decisions, such as having to leave their homes and communities, as they battle with coastal erosion.

4. The complexity of challenges facing the UK coast has not developed overnight, and many have been recognised for some time. Since the 1970s, successive public policies have failed to inject new life into marginalised UK economies.

a. They have not been able to generate the appropriate investment in those areas to support good sustainable jobs and attract ongoing investment; they have increasingly widened the gaps between people, their local assets, and resources, with ownership of public goods and services – such as energy, land, and fishing rights – going into ever fewer and unaccountable private hands; they have made these communities more dependent on government handouts, stripping them of a sense of pride in creating their own opportunities for a better future.

b. In 2007, a select committee report on communities and local government already highlighted many of these challenges as long-term trends. It concluded that “seaside towns are the least understood of Britain’s problem areas”, and that “the government does not sufficiently appreciate the needs of coastal towns”. In 2002, a coastal socio-economic scoping study for the Scottish government, highlighted that “there has been minimal interest to date in considering the socio-economic experiences of coastal communities” and that “as part of the development of any future national coastal management framework, it is important that mechanisms are set in place for promoting, managing and monitoring coastal economic development programmes”.

c. It’s crucial to note that many of the challenges highlighted in these reports persist. More than a decade on, a lack of social and economic resilience on the seaside persists.

d. Since the first national report in 2007, several national policies and government initiatives have been developed to support coastal communities and coastal and marine natural assets, including the UK government’s Coastal Communities Fund.

e. More sustainable and innovative approaches are happening around the coast, often against the odds, but they are still far too few to deliver the scale of transformation that is needed.

f. Without addressing the mainstream drivers of local economic development (which are heavily focused on delivering short-term economic growth), funding and investment going into those areas tend to perpetuate a cycle of need, rather than empowering and giving agency.

g. What these policies and initiatives still have not been able to address is that the problem for many coastal communities is that they lack the scale of power and resources needed to address their complex and many unique challenges. Better support is needed for
local efforts, but local efforts alone will not deliver the change that is needed.

5. **Many seaside towns and communities are trapped into a cycle of disadvantage.**
The long-term decline in those areas has made their problems more complex and, in many places, created a culture of hopelessness or disengagement, making it harder for local efforts, where they exist, to have the level of support and resources needed to thrive. These areas have now become unattractive to investment whilst also lacking the resources and the power they need to tap into new opportunities to turn that context around. They now struggle to attract new investment and workforce, they are unable to diversify, to create dynamism, to innovate.

**SOCIAL AND ECONOMIC REGENERATION**

*What work is being done in seaside towns to support social and economic regeneration, and to improve social mobility across the whole community? What more could or should be done by the Government, and relevant organisations, to deliver such initiatives?*

1. **Communities alone can’t build cross-country railways or raise the level of money needed to restore coastal habitats.** Public investment must be available and directed to build the capability of places, people and communities on the coast.
   a. If communities want to develop an app to support tourists to find local businesses and attractions, they need to count on their areas having mobile coverage and broadband connectivity. Wide internet access and digital education are non-negotiable if we are to enable communities to take their economies into the future.
   b. Public bodies are currently lacking the resources they need to enforce regulation and provide essential goods and services, such as public health and education, and a healthy environment. Since many of our environmental and socio-economic challenges require preventive actions, clear and strong regulations and investment in such public areas actually mean fewer costs in the future.
   c. Communities and businesses are often unable to implement projects and innovative ideas because they find it hard to access finance.

2. **The UK should support a coastal industrial strategy aimed at developing economic sectors in which coastal areas have a comparative advantage, by investing in building the capabilities of people and communities, strengthening local supply chains, and restoring the natural resources on which their livelihoods depend.**
   a. This should not be a separate goal to the nation’s industrial strategy and drive, but an integral part of it. It should also sit alongside Defra’s 25-year environment plan, as many of its goals, if delivered, contribute to investment in key assets for coastal economic development.
      a. A coastal industrial strategy should be supported by a much needed long-term national skills strategy to support the different sectors of
the coastal economy, encompassing all educational levels. A skills strategy could look at supporting a programme of training and apprenticeships with an aim to build skills in coastal areas linked to their economic opportunities and make employers aware of supply chain and local employment early on, highlighting the need to invest in people, and to build partnerships between industry and local educational institutions.

b. A coastal industrial strategy must also be supported by a flexible innovation fund to support innovation in different areas, including fisheries management, technology deployment for marine energy, and coastal adaptation projects. Different communities can make the most of a region’s potential and share knowledge, skills, and benefits. For example, a strategy could support the creation of aquaculture zones, marine energy hubs, and regional tourism packages to make the most of one area’s strength in supporting the wider region (e.g. how one popular beach can distribute benefits to an entire region).

3. **As part of a wider national infrastructure plan, the National Infrastructure Commission (or the relevant body) should pay particular attention to coastal challenges.** The National Infrastructure Commission should be instructed to make recommendations to assess and set out a plan to deliver a rapid improvement in the infrastructure of coastal areas, including the retrofitting of buildings on the coast; improvements in mobile phone coverage and broadband connection; improving grid infrastructure to support decentralised energy generation; physical infrastructure; coastal defences; and public transport, including making the most of maritime routes to connect different areas of the coast (e.g. ports, harbours and ferry networks).

4. **Local projects need better access to finance than the big banks are able or willing to provide. Government should encourage a more diverse network of local and regional banks – which could be supported by other financial mechanisms – to channel investment into sound local businesses.** To support SMEs and wider local economic activity, we need a more diverse network of local and regional banks (at different scales and levels), owned and run for the public benefit, with a mandate to lend and provide banking services locally and accountable to local communities (e.g. public savings banks, mutuals, credit unions, co-ops and Community Development Finance Institutions or CDFIs). This could be achieved through a combination of:
   
c. Restructuring existing state-owned banks: for example, RBS could be transformed into a network of 130 local banks modelled on the German Sparkassen.

d. Bottom-up initiatives led by communities and/or local authorities to set up new local and regional banks (such as Hampshire Community Bank and the Co-operative Savings Bank Association).

e. Changes to the regulatory framework (e.g. capital requirements, access to the payments system) to make it less difficult for these alternatives to compete with incumbent commercial banks.
f. Changes in practice and regulation are needed to re-orient our investment system towards socially useful lending. Meanwhile, local authorities can explore the potential to invest a proportion of their pension funds in activities that both benefit the local economy and deliver strong long-term returns to their members. UK savers have over £2 trillion invested in pension funds – including local authority pension funds. But well-documented problems, including short-termism and perverse incentives for asset managers, mean that most of this money is channelled into speculative trading of existing assets (such as FTSE 100 shares), rather than providing new finance to productive enterprise. We can learn from initiatives like the Strathclyde New Opportunities Fund, set up to invest in local small businesses. A coastal transformation fund and/or national investment bank could also provide vehicles through which these institutional investors could invest in coastal infrastructure.

PEOPLE AND PLACE

What role should local people and local communities play in the regeneration of seaside towns and communities? Do good processes of community engagement, and community resilience and capacity building, currently exist and, if so, could they be applied more widely?

1. The success of long-lasting community regeneration will ultimately be about local people – those who live and work in a local area, including businesses, non-profit organisations, schools, local government and community groups – increasingly having the power and the ability to decide and act on what matters to them.
   a. Every place is different, so we can’t define what works for each community. Different people in an area should be able to engage in shaping their local priorities and testing different approaches to regeneration and have the opportunity to play a genuine role in decisions that will ultimately shape their future.
   b. The coast is an asset for coastal communities, but who owns it? This question became pertinent as we talked to people from around the UK coast about the potential for communities to turn again to the sea for opportunities. It is fair to say the vast majority of the UK coast, just like inland, is in private ownership – including many important seafront assets like ports, and even beaches.
   c. For communities, this is often a barrier to developing local economic plans; for seafront managers, this creates extra challenges when trying to manage the coast or implement measures to improve public amenities.
   d. Private land ownership is not always a bad thing, if areas are still accessible to the public, and managed in the public good. But for people and communities to take control, they need to have a say and power over their shared resources, and the places where they live.
   e. Putting people in control means building their capabilities and supporting them in taking ownership of their places, their local resources, and their working lives; helping them build resilient
Do any integrated models of regeneration, bringing together local communities, businesses, public sector bodies and others to pursue common goals, currently exist? If so, how do such models seek to promote physical, social and economic regeneration in seaside towns? How can any lessons learnt from such work be applied more widely – and is further innovation required?

The answers below are referenced from this report: https://mycommunity.org.uk/resources/community-economic-development-lessons-two-years-action-research-report/

2. The Community Economic Development (CED) Programme was a £1.455m Department for Communities and Local Government (DCLG) funded initiative which ran from April 2015 to May 2017. The programme aimed to take a real step forward in understanding how communities can engage with and start to resolve their own economic issues, through developing partnerships and working with a range of stakeholders including private, community and voluntary sectors.
   a. The project was led by Co-operatives UK, working with partners Locality, New Economics Foundation (NEF), Responsible Finance (formerly Community Development Finance Association), Centre for Local Economic Strategies (CLES) and the Community Development Foundation (CDF).
   b. This Community Economic Development plan by a fishing community in Eastbourne is a good example of how this can support a different approach to regeneration in coastal communities: http://www.eastbournefishermen.co.uk/images/EastbourneFishermen Ced_PLAN_FINAL_May2017.pdf

3. Community-led economic development should be encouraged and supported because communities want to and can play a key role in shaping more sustainable economies.
   a. The CED programme was oversubscribed in both years, receiving a total of 185 applications, and experienced growing interest; 60% of applicants were successful in year one, but only 36% were accepted onto the programme in year two.
   b. CED is a helpful framework to support communities in driving sustainable economic regeneration; and a good vehicle to support community participation to move beyond ‘consultation’ or ‘placation’, towards ‘partnership’ and ‘control’ – i.e. to increase the quality, impact and meaningfulness of community participation within an area’s economy.

4. CED alone can only do so much. In order for CED plans to be successful, the wider context on which they sit must be fit for purpose.
   a. Working in partnership requires a long-term commitment and approach to building relationships and developing a local vision and
plans. The incentives and funding for this are not generally in place to support this way of working. Communities on the programme all showed clear evidence of undertaking this anyway, but most reported that they felt it was a struggle and often too dependent on a very committed individual with the time/resources to dedicate to the task. Some of the issues communities reported were simply related to capacity – not having the time available to invest in building relationships across different and more powerful stakeholder bases.

5. The CED programme was designed already to address many of the challenges faced by communities in engaging and supporting local economic development, but focussed, inherently, on building capacity of communities to tackle and navigate these barriers. But **for most plans to have a chance of succeeding and for success to become something more tangible and normalised, it seems clear that there are further changes to wider contextual issues which are required as well – not least an increased understanding of CED itself within other sectors.**

a. *Providing more adequate resources and timeframes.* Whether this is provided through central government, local government, local business investment, or national or local trust fund support, it is clear that further programmes to support and invest in CED activity are likely to be able to deliver deeper and more sustained impact if the process can be applied by a community with longer timeframes and greater resources. We found that the Big Local partnerships who undertook the CED programme were particularly well placed to maximise its impact on their activities, because they were operating within a longer-term timeframe of community engagement and stakeholder relationship building (over 10 years) and had an existing community resource in terms of their Big Local fund. Therefore, the CED process enabled them to make real, implementable plans based on solid, in depth community engagement, in a way some other groups simply were not able to do. The more successful plans succeeded in leveraging greater amounts of funding and investment for implementation, and a development of this CED programme could look at building an implementation and investment stage onto the planning stage to convene and coordinate resources to be directed to groups to implement plans.

b. *Establishing alternative measures of local economic success.* Quite simply, CED communities faced a challenge in trying to embed and get higher level buy-in – and investment / support – for plans to develop activities which would deliver a set of economic, social and environmental outcomes which simply do not align with the standard measures of economic success which still shape how LEPs, local authorities, city region growth deal areas, etc. are encouraged to approach and evidence economic development. In the two years of the CED programme, much has developed and progressed in national and local discourse, understanding the need for ‘inclusive’ approaches to growth, and for a wider range of economic measure to drive different kinds of economic development activities to build
local prosperity and resilience. But for CED plans and processes to really cut through, something must shift in the way that central and local measurement of success is designed and delivered.

c. **Increasing the legitimacy and power of community-led plans.** CED plans could be a powerful tool for change but can only perform this function if they are embedded within wider strategies and plans. At the least, they must sit alongside other plans and strategies which drive economic development, rather than being understood as an ‘optional extra’. A number of practical options could be explored to embed CED concepts more powerfully within existing frameworks. For example: The CED framework and process could be useful to strengthening neighbourhood planning, or even be formally embedded in it as good practice. Neighbourhood planning already has a legitimacy and statutory mandate. The CED framework and process could also be woven into LEP planning processes more formally. CED plans themselves could be introduced as having a statutory footing similar to neighbourhood plans

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ii Source: Eurostat. *Gross domestic product (GDP) per inhabitant in purchasing power standard (PPS) in relation to the EU28 average, by NUTS2 regions*, 2014.


