



**Beautiful
Enterprise**

**No More
Coasting Along**
A new Coastal
Regeneration
Agency for England

Policy Lab Paper
July 2023

Purpose

This new Policy Paper from the Beautiful Enterprise Policy Lab makes the case for a new Coastal Regeneration Agency for England, to accelerate economic development and tackle deprivation on the coast.

Coastal communities have been sidelined for too long.

Substantial funds are now available from the rapidly growing Marine Revenues of the Crown Estates; it is time to invest in England's coastal communities again.

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Front Cover Photo: Trevor Aston Photography

1 – Introduction

There are three things you may not know about England's coast and its many communities.

Firstly, a surprisingly large proportion of England's population lives within 5 km of the coast – in fact some 23% of England's population (12.3 million people)¹ – we remain a nation strongly connected to the sea.

Secondly, for many decades, these communities have consistently ranked amongst some of the most deprived in the country. Yet their needs are often overlooked. Perceived as peripheral and challenging, governments have a tendency to shy away from addressing the underlying challenges. Even where the coast boasts successful maritime industries, their calls for new investment are not heeded.

Thirdly, 2023 is the Year of the Coast in the UK. That this fact appears to have escaped most people in the UK is perhaps a sign of how far we have to go.

This Paper explores the nature of the needs and opportunities across England's coastal communities, looks at what government interventions have achieved over the last decade and sets out a new proposal for setting our seaside and maritime areas on a new and more hopeful trajectory. The Paper is being published to stimulate discussion.

¹ DLUHC (2022) *Evaluation of the Coastal Communities Fund*; Appendix A | Access here: https://assets.publishing.service.gov.uk/government/uploads/system/uploads/attachment_data/file/1085874/Coastal_Communities_Fund_evaluation_report.pdf

2 – Coastal communities are missing out

2.1 A tale of deprivation

For decades, research has shown that many of England’s coastal communities have persistently featured amongst the most deprived areas in England. Little has changed in the last few decades.

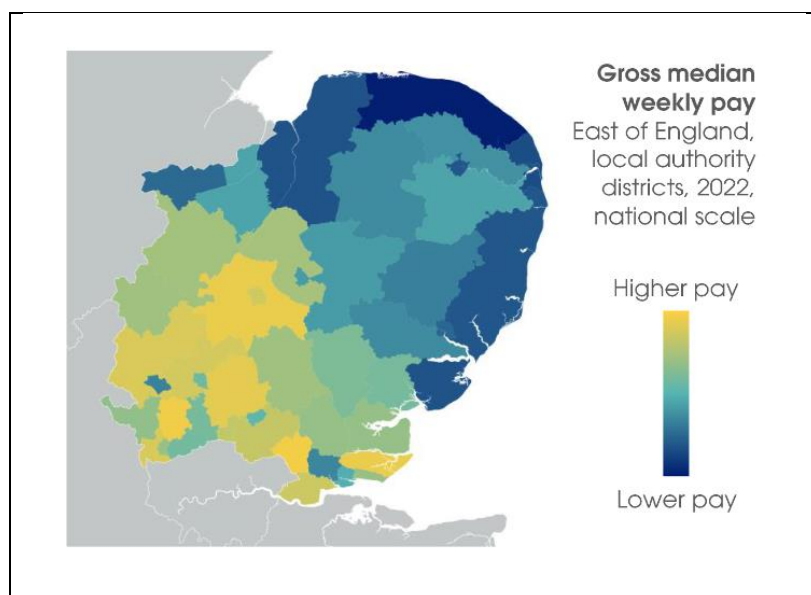
These communities experience different challenges around the coast, but typical problems include their peripheral location from the UK’s economic centres, the stiff international competition facing traditional maritime industries like shipbuilding and fishing and the highly seasonal nature of tourism, leaving many people out of work through the winter.

A major recent study of coastal deprivation for the Coastal Communities Alliance² showed that across England’s many coastal towns and cities:

- One in five jobs pay less than the real Living Wage
- Household incomes are below the national average
- More children live in workless households
- High-speed broadband coverage is significantly lower
- Educational attainment is lower

The report also highlighted how difficult it can be to pick out the nature of coastal challenges, as much data used by policy makers is local authority wide or regional, often disguising the particular challenges that can persist on the coast. Figure 1 highlights how easily coastal problems can be hidden.

Figure 1: East of England: weekly pay variations



Source: *Communities on the Edge*, 2023, p17

² Pragmatix Advisory (2023) *Communities on the Edge: A report for the Coastal Communities Alliance* | Access here: <https://www.coastalcommunities.co.uk/knowledge-base/category/reports/communities-on-the-edge>

The East of England has a relatively high regional average for gross median weekly, but when the more detailed geographical data is explored, it shows how weekly pay varies significantly across the region and how poorly the coast performs.

Within the overall coastal picture, our seaside towns are often highlighted as experiencing particular challenges for poverty and lack of opportunity. Typically, they do not have traditional industries like shipbuilding or ports to provide employment and so rely upon seasonal tourism. The most attractive areas also suffer from the added challenge of second homes and AirBnB pumping up property prices and pushing locals away, leaving hollowed out communities.

2.2 Maritime investment offers potential

It is not all doom and gloom on the coast though, as there are some important national industries located there, some of which are growing and represent significant opportunities for the future.

Maritime UK, a national umbrella organisation for the UK's shipping, ports, engineering and other maritime industries, highlights how the sector provides over 1 million jobs, contributes nearly £50 billion to the national economy and is a source of high-quality jobs.

In its Coastal Powerhouse Manifesto³, it highlights how greater investment in maritime industries could create high-wage year-round employment for coastal communities, contribute to the national economy and also accelerate our transition to a Net Zero Emissions economy, not least through accelerating investment in offshore windfarms.

The Manifesto is not only a reflection of the sector's optimism for the future but also its frustration in the current Government's lack of investment in the sector and lack of any industrial strategy for the future.

It notes the missed opportunities and calls for the government to act.



³ Maritime UK (2021) Coastal Powerhouse Manifesto | Access here: <https://www.maritimeuk.org/week/politicians/coastal-powerhouse-manifesto/>

3 – What has government been doing?

3.1 Government intervention

So, what has the Government been doing to invest in coastal communities and industries since 2010?

The answer is: not much.

The most substantial investment over the last decade has been the **Coastal Communities Fund (CCF)**, which invested £187 million from 2012-2022, delivered in 5 rounds to 178 projects.

The final evaluation report, published in 2022, politely questioned the rather vague design of this fund (the award of grants did not correlate well with either deprivation or opportunity) and although the report “suggested” that there was a positive impact, there was little evidence available to support this: *“it did not prove feasible to produce an estimate of economic impact in a quantitative sense as part of this research”*.⁴

Nothing has replaced this Fund. Various other economic initiatives have been proposed, including Freeports announced in 2021, but little progress has been made on those. At the current time, there are no substantial government programmes in place to support coastal communities or industries.

The House of Lords Select Committee on Regenerating Seaside Towns and Communities studied the Fund in 2019 and was rather more blunt in its assessment, noting the many missed opportunities and concluding:

*“Investment from central government must be focused on supporting sustainable, long-term regeneration, not piecemeal, short term initiatives.”*⁵

Maritime UK also noted that the Fund, the only substantial fund for the coast over the last decade, invested very little in business, skills development or maritime industries.

It is also worth noting that £187 million (approx. £18 million per year) for the whole of England’s coast is a small programme by government standards. Compared with the needs of our coast, it is a drop in the ocean.

3.2 We are missing a piece of the jigsaw

Reflecting on the evidence of missed opportunities around our coastal communities as well as the CCF evaluation (and a lifetime of evaluating government regeneration programmes) there are two issues that stand out:

⁴ Already cited

⁵ House of Lords Select Committee on Regenerating Seaside Towns and Communities (2019) *The Future of Seaside Towns*, HL Paper 320 | Access here: <https://publications.parliament.uk/pa/ld201719/ldselect/ldseaside/320/320.pdf>

- There is no institutional focus for our coastal communities**
 There is no government department, no government minister, no dedicated long-term fund, no agency responsible for understanding and investing in England's coastal areas to address deprivation and unlock opportunity.
- There is no substantial, long term public investment in regenerating our coastal areas**
 The scale of funding provided by the CCF was very small compared with the scale of the challenge it was seeking to address. A much more ambitious approach is really required if the trajectory of our seaside and maritime sectors is to be influenced.

4 – Time for a new approach

4.1 Treasure at sea

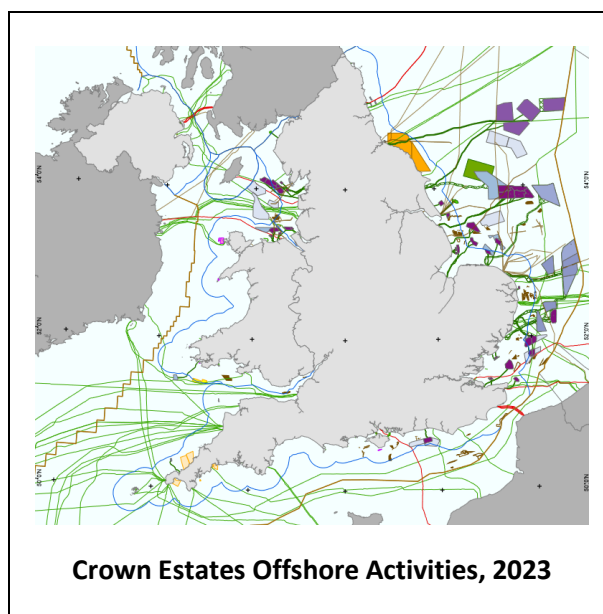
For all of its shortcomings, the Coastal Communities Fund was notable for one thing. It was funded from the Crown Estates Marine Revenues, taking 50% of the Revenues in the early years of the Fund (although this later reduced to 33%).

The Crown Estates is the body which owns the seabed around the UK (amongst other things) and which generates revenue from this, handing it over to the Government, who in turn then use some of this to fund King Charles III and keep the rest.

What is particularly interesting about the CCF experience is that it appears to **formally concede the principle that our coastal communities are entitled to some of the Marine Revenues**, the profits secured by the Crown Estates from leasing out parts of the seabed to offshore windfarms amongst others.

These Marine Revenues are now growing rapidly. In 2021, they amounted to £122 million. Just two years later, the 2022-23 accounts showed that this revenue had **trebled to £378 million**⁶, and it is forecast to continue growing in future years, not least as the UK's offshore windfarm sector continues to grow.

To set aside 50% of the Marine Revenues for England's coastal communities would represent a significant investment opportunity. Half of the 2022-23 Marine Revenues would imply £189 million per year – equivalent to the entire budget of the decade-long CCF invested each year, a ten-fold increase. Over a decade this would deliver nearly £2 billion of investment for our maritime and coastal industries and communities.



⁶ The Crown Estate (2023) *Integrated Annual Report & Accounts 2022/23* HC 1430 | Read here: <https://www.thecrownestate.co.uk/media/4451/annual-report-2022-23-laying.pdf>

This is not a crazy idea. The House of Lords Select Committee on Seaside Towns backed the idea of using 50% of the Marine Revenues to support regeneration in its 2019 report.

So, if we have found a major funding source, how best to deliver it?

4.2 A new national Coastal Regeneration Agency for England

If there is one thing I have learned about regeneration in the last 30 years it is that it requires long-term strategy and long-term investment. Pepper-potting small grants around the country from time to time on an ad hoc is highly unlikely to narrow a strategic gap between our coast and the rest of the country.

England's coastal communities need a dedicated national agency focused on understanding their needs and opportunities and investing for the future, with strategic certainty.

The time has surely come for a **national regeneration agency for England's coastal industries and communities** which would be funded by the Crown Estate and would have the capability to:

- Invest in **businesses and social enterprises**, to foster enterprise and create jobs
- Invest in **physical infrastructure** and industry to boost our national capacity to transition to net zero and create year-round employment
- Invest in **skills and apprenticeships** to deliver hope for the younger generation

Nothing less than a clear and focused institution is likely to deliver for our forgotten coasts. It would develop the expertise and capability to make a substantial difference.

Any such agency would need to work very closely with local authorities and the business community, and investment decisions would need to have a high degree of local support, but the potential for local improvement is significant. The agency could relate to local actors on a regional basis, ensuring co-ordination.

Funding is often the missing bit of the regeneration jigsaw, but this proposal would help to unlock it for the coast.

5 – Conclusion

England's coastal challenges and opportunities have long been overlooked. Part of the long-term solution is a dedicated, capable and well-funded national regeneration agency to invest in the jobs, skills, businesses and infrastructure which our seaside towns, industrial ports and renewable energy hubs are crying out for.

The idea is a simple one, the funding already exists and the need is urgent.

It is time to invest in our coast again.



About

This report was researched and written by Tim Thorlby, Director of Beautiful Enterprise. Tim has spent half a lifetime seeking to address the UK's poverty and national divides through research, public policy and purpose-driven business.

This Paper is published to stimulate discussion and promote positive and creative social change in the UK. Please feel free to circulate and use this Paper.

Beautiful Enterprise works for a fairer economy, better business and more dignified work.

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