



Government Response to the Communities and Local Government Committee Report on Coastal Towns

May 2007

Cm 7126

£5.00



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May 2007

Presented to Parliament by
the Secretary of State for Communities and Local Government
by Command of Her Majesty
May 2007

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INTRODUCTION

The House of Commons, Communities and Local Government Committee published its report on Coastal Towns on 6 March 2007.

The Government welcomes the Committee's report on coastal towns as an important contribution to the issue of how these places could be best supported at a national, regional and local level.

It recognises the unique challenges and opportunities that they face. The nature and extent of these challenges vary considerably from one location to another, as illustrated in the Sheffield Hallam University *The Seaside Economy* report, so there is no single solution for every area.

The Government has a key role to play in setting the broad policy grain in which all towns and cities can achieve an urban renaissance. But regional and local approaches are needed which deliver the most effective solutions, reflecting the specific requirements of individual coastal towns and their interrelationships with the surrounding area. This approach is at the heart of the 2006 Local Government White Paper, *Strong and Prosperous Communities*.

The Government is enabling stronger local government leadership of economic development and placing a stronger commitment on local government capacity to sustain regeneration activity in all places.

Whilst local solutions have an important role to play in regenerating all places, including coastal towns, these must be integrated within wider sub-regional and regional economic strategies. Recent research by the Department on smaller towns and cities underlines this point.

Our towns and cities, of which coastal towns form a part, are crucial to driving the economic performance of the regions and the country as a whole; cities are where we will achieve social justice and social inclusion, and therefore we do not have a coastal towns policy in isolation.

The Government has given resources and responsibility to local government and Regional Development Agencies to help ensure that coastal towns along with all towns and cities achieve their full economic potential and address social and environmental issues too.

The Government will be considering what more it can do through the joint Treasury, DTI, Communities and Local Government review of sub-national economic development and regeneration.

This response is being distributed to local, regional and national bodies, including coastal local authorities in England to help further understanding of what is being done across Government and through its agencies to help secure improved social, economic and environmental outcomes for coastal communities.

The Government's response to each of the Committee's conclusions and recommendations is set out in detail below.

CONCLUSIONS AND RECOMMENDATIONS

1. The Government has neglected the needs of coastal towns for too long. A greater understanding and appreciation is needed of the challenges faced in coastal towns. A national strategy for coastal towns is not a solution to their needs as a ‘one size fits all approach’ is inappropriate, but there are a number of areas that are in need of specific Government action.

See response to conclusion 2.

NATIONAL POLICY

2. The Seaside Economy report states “Seaside towns are the least understood of Britain’s ‘problem’ areas”. We concur with this view and believe the Government does not sufficiently appreciate the needs of coastal towns.

The Government agrees with the Committee that a national strategy for coastal towns is not the best way forward. It does not believe, however, that it has neglected coastal towns and cities. All our towns and cities, including those on the coast, face different challenges and that is why Communities & Local Government in partnership with others like the European Union, the Regional Development Agencies and Urban Regeneration Companies have introduced a number of programmes and initiatives in the past 10 years to help address these issues.

Since 1997, the Government has made regeneration and renewal a priority, investing more than £20bn in our towns and cities through initiatives like the New Deal for Communities, which supports 10-year regeneration strategies in 39 of the poorest neighbourhoods in the country and the Neighbourhood Renewal Fund, which has focused on the 88 (more recently 86) most deprived local authority neighbourhoods, 21 of which are on the coast. Councils in coastal towns, along with other communities in England, have also benefited from an increase in Government grant for local services of 39% in real terms since 1997. Improvement, though, is not just about money. It is about helping local government to deliver better outcomes for local people.

The Department will also be considering what more it can do to strengthen Whitehall co-ordination on city and regional development and devolving more powers and resources to regions, towns and cities including coastal towns, through the joint Treasury, DTI, Communities and Local Government review of sub-national economic development and regeneration. The findings of the review will inform the Comprehensive Spending Review.

3. The Government should establish a permanent cross-departmental working group on coastal towns led by the Department for Communities and Local Government. Its role should include monitoring and promoting cross-departmental understanding of the needs of coastal towns, consideration of the effect of Government policy on coastal towns and overview of any national initiatives for coastal towns.

The Government is not persuaded there is a need for a permanent cross-departmental working group on English coastal towns at a national level. It recognises that there are things that coastal towns have in common and it can see there is a case for focusing on issues affecting them at times, but it does not feel this is sufficient justification for setting up a specific working group for this purpose, although there may be more that we can learn about common characteristics and challenges affecting such areas.

Coastal towns can be grouped together according to some common characteristics, but equally they can also form part of other groupings of towns and cities based on other characteristics, for example, their population size, economic growth prospects or their wider sub-regional or regional context. The Committee's report itself acknowledges that there is no standard definition of English coastal towns and that it is difficult to generalise about them given their very different economic and social profiles. This underlines the need for approaches that recognise the sub-regional or regional context of individual coastal towns, so that issues relating to cross-departmental co-ordination are dealt with at the appropriate level. It is also consistent with proposals in the 2006 Local Government White Paper – *Strong and Prosperous Communities* – to devolve more power and resources from national to regional and local levels, and to give RDAs a greater leadership and co-ordination role across as well as within the regions.

The Government Offices for the Regions, representing 10 Whitehall departments, have a strategic role in managing change in coastal towns. Through their increasing role in place-based working, Government Offices are well placed to address the specific issues facing coastal towns and deliver integrated solutions across local authority boundaries and other spatial areas. The Government Offices will continue to support Communities and Local Government in how to best factor in the place making dimension to policy making.

In Blackpool, for example, the Government is well aware that the current housing supply and tenure balance is now seriously undermining regeneration activity. Sitting alongside the local authority, the Urban Regeneration Company and English Partnerships, and the Government Office for the North West (representing Communities and Local Government) have been directly involved in work to address long term problems in the housing market with Blackpool for over 18 months. This has resulted in the development of bespoke strategies to ensure that the future housing offer is better able to support the economic growth potential of the town and has laid solid foundations for the work of the new Blackpool Task Force, and this Department has recently announced an additional £3m allocation to English Partnerships to enable work in Blackpool to be taken forward in 2007/8.

That said, the Government recognises that more might be done to strengthen cross-Whitehall collaboration on cities and regional development policy more generally. It will be considering what it can do through the joint Treasury, DTI, Communities and Local Government review of sub-national economic development and regeneration. In this context, it will also become clearer how best to achieve better

cross-departmental working on issues affecting coastal towns and cities, at the most appropriate level.

The Government is committed to an integrated approach to the management of coastal areas recognising that they are all too varying degrees, subject to natural processes connected with the sea. In 2006, Defra consulted on how the Government might promote integration in coastal management from national through to local level, and will use this information to improve the way in which it develops coastal policy. In particular proposals it is developing for a new approach to marine management and a Marine Bill, will enable it to review and improve the way in which Government Departments should come together to agree policy that will drive planning and decision making processes in coastal areas.

4. Our analysis of the evidence has demonstrated that coastal towns are diverse but that many coastal towns do share some common features, including deprivation. We are convinced that there is a need for greater Governmental understanding and appreciation of the needs of coastal towns. The variety of the challenges and opportunities that exist for coastal towns, however, make it difficult to conceive of a national strategy that would both be an effective tool for delivery and sufficiently localised to reflect the diversity of conditions and needs in coastal towns and on this basis we are not recommending the adoption of a national strategy solely for coastal communities.

The Government welcomes the Committee's comments that a national strategy for coastal towns is not the best way forward given the varied needs of these communities.

VULNERABLE ADULTS AND CHILDREN

5. There can be significant drawbacks from placing vulnerable adults and especially children in care away from their home area; we accept that there are times when it may be necessary in the best interests of the individual but it should not be done simply to reduce costs of the placing authority. Placing authorities should ensure that they communicate as far in advance as possible with host authorities about all aspects of the placement of vulnerable children and adults. Placing authorities should also consider the impact of placements on the receiving community and host authority, and they should take responsibility for the financial impact of those placements.

The Government agrees with the Committee's conclusion and has established a legal framework for determining the responsibilities of Children's Services Authorities (including local authority education services) towards children in care, which includes provision for how they should be financially supported to access services.

The Department of Health has recently issued new guidance on determining responsibility for funding the health care of children in and leaving care, which enhances the existing primary and secondary legislation.

The Arrangements for Placement of Children (General) Regulations 1991, as amended by S.5(1)(b)(c) & (e) of the Children Act (Miscellaneous Amendments) (England) Regulations 2002, section 5 (1) (b) (c) & (e) require a responsible authority placing a child in another authority's area to inform the Primary Care Trust (or if there is no Primary Care Trust, the Health Authority), the local education authority and the local authority for the area in which the child is living.

In 2005, Lord Firkin wrote to Local Authorities asking them to take steps to reduce their dependence on distant external placements. He said that this was needed to address the issue of children placed out-of-authority being likely to achieve poorer educational and other outcomes than those placed within their home area. He also pointed out that out of authority placements could also result in unhelpful concentrations of children with high levels of need in particular parts of the country

The Green Paper, *Care Matters: Transforming the lives of children and young people in care*, (CM) was published in October 2006. The consultation ended in January 2007 and DfES published the responses in April. The Green Paper proposed introducing a requirement that local authorities can place children out-of-authority only if no suitable placement exists within the home area. In the responses to consultation many people agreed with a focus on reducing the number of children placed out-of-authority where this was appropriate, but were concerned that in many situations the right placement for a child, particularly those with complex needs, may lie outside the home local authority.

Responders thought there should be additional provision for those children who are placed out-of-authority. The Who Cares? Trust, for example, called for a requirement between local authorities for children placed out-of-authority. They felt that these agreements should cover all services to be provided by the local authority in which the child is placed, and that there should be no difference in treatment offered to 'home' or 'out of authority' children. DfES is now considering how best to address this issue.

The Green Paper also proposed piloting new regional commissioning units to secure better value for money and to ensure children are offered a choice of placements. Children and young people rated having a choice of placements very highly in their response to the consultation. DfES are expecting to commence pilots in September 2007.

COASTAL ECONOMIES

6. We note that there has been employment growth in many coastal towns and that there is little significant difference between coastal and non-coastal towns in terms of overall average employment levels. We note, however, that a number of coastal towns do still have significantly lower than average employment levels.

Coastal towns¹ do not have identical labour market characteristics and an aggregate picture of their labour market position could be misleading as they have different employment and benefit claimant rates from each other and they do not share the same labour market characteristics.

In terms of the employment rate, the trend in coastal towns is consistent with the national story in that most of the improvement has happened in the areas that started in the worst labour market position. In terms of the employment rate Great Yarmouth, which in 2006 had the lowest employment rate in coastal towns at 69.2 percent, has seen the greatest improvement since 1997 – a rise of 8.8 percentage points. The Isle of Wight, Thanet, Hastings, Plymouth and Southend-on-Sea, all of which had employment rates below 70 percent in 1997, have seen employment rate increases of at least 5 percentage points since 1997 in contrast to the 1.7 percentage point rise nationally. In contrast Weymouth and Portland, Poole and Worthing, while all seeing falls in the employment rate, remain above the national average. In other coastal towns the employment rate is either at or close to the national average.

In terms of the levels of employment, the growth rate in work in coastal towns on average has exceeded the national average over the past decade. Since 1997 employment has risen by an average of 8 percent in coastal towns compared with a 6.6 percent rise nationally. Great Yarmouth has seen employment growth of 30 percent, while the Isle of Wight, Bournemouth, Brighton and Hove and Thanet have all seen employment growth in excess of 15 percent. A few coastal towns – notably Scarborough, Poole, Worthing and Blackpool – have seen declines in the level of employment, and of these only Blackpool has an employment rate below the national average.

7. It is unacceptable and extraordinary that the Government should have no knowledge of a potentially significant national trend in which coastal towns have experienced a disproportionately high rise in the number of people claiming sickness and disability benefit levels. It appears likely that the scale of inward migration of benefit claimants could be a contributory factor. We recommend that the Government investigates this trend with a view to identifying and addressing its causes.

The proportion of people in receipt of incapacity benefits is not identical across coastal towns but varies from one town to another. The number of claimants as a percentage of the working age population ranges from a low of 6 percent in Poole to as high as 13.2 percent in Blackpool. These levels are historic, and no coastal town has seen a disproportionate shift in the proportion of people on incapacity benefits in the past 10 years.

¹ As set out in DWP's original evidence, coastal towns for the purpose of conclusions 6, 7, 10 and 11 include the local authority districts (LADs) of Blackpool, Bournemouth, Brighton and Hove, Dover, Eastbourne, Hastings, Great Yarmouth, Isle of Wight, Plymouth, Poole, Portsmouth, Scarborough, Southend-on-Sea, Thanet, Torbay, Weymouth and Portland, and Worthing. LADs are the smallest level of geography for which employment data is available and many coastal towns are wards or even smaller geographical units which form part of much larger non-metropolitan LADs. The coastal towns referred to above are the only ones that can be identified as distinct LADs.

Nationally, the number of people on incapacity benefits increased from around 0.7 million in the 1960's to a peak of 2.77 million in 2003 – a rise from around 3 percent to 7.8 percent of the working age population. In the past two years, however, the number of people on incapacity benefits has begun to fall. Nationally the number of incapacity benefits claimants has fallen by 92,000 in the last two years – a fall of 3.3 percent. As a percentage of working age population, incapacity benefits recipients have fallen by 0.3 percentage points.

While the fall in the number of incapacity benefits claimants in coastal towns is smaller than the national trend over the past two years, as a proportion of the working age population, the fall in the number of claimants is only slightly lower. The number of incapacity benefit claimants in coastal towns is down 920 (0.8 percent) since November 2004 and the proportion of the working age population on incapacity benefit is down 0.2 percentage points since then.

The government's welfare to work policy focuses on getting individuals into work full stop, not on particular areas. The number of Jobseeker's Allowance claimants in coastal towns stood at 40,400 in March 2007, down almost 51 percent on the April 1997 figure compared to the 43 percent fall nationally. The 12,000 (26.9 percent) fall off in the number of people claiming Income Support for lone parents in coastal towns proportionately exceeds the national fall (21.2 percent). Coastal towns have clearly benefited from the progress made over the last 10 years in advancing work as the best form of welfare.

8. Tourism continues to be an economically important sector for many coastal towns, and it is important that the Government recognises this. We recommend that the Government conducts an immediate study on coastal tourism, including evaluating the levels and spend of domestic and inbound visitors to the coast in comparison to non-coastal areas. We urge the Government to ensure that action is taken at a national level to promote visiting the English seaside, and to consider the merits of introducing a national coastal tourism strategy, following the example of Wales.

The Government is not convinced of the need for such research. Firstly, existing national tourism surveys provide information on the destinations of overseas and domestic tourists within the UK, from which visits and associated spend at coastal resorts can be identified. There is also a wealth of research into tourism and coastal towns as part of the RDAs wider research programmes. We feel the difficulties faced by coastal towns are well understood within the context of each Regional Economic Strategy (RES).

For example, One NorthEast RDA has already responded proactively to the issues faced in developing a visitor economy for the coastal areas of the region. A Coastal Framework has been commissioned and consulted on which sets a practical and coherent vision, with guidance on practical steps to achieve it. The underlying principles are that the visitor economy needs to be part of a wider agenda to regenerate and diversify the economies of coastal areas. The development of tourism has an important role to play but it is only one part of a bigger picture and it must also be linked with wider regeneration work in the region.

Coastal towns tend to face some common social and economic challenges and there are particular issues which need to be taken into account when addressing their needs. Despite this, there is a wide range of different issues facing the towns falling under this classification. The Committee's report recognises this and on this basis recommends against the adoption of a national strategy solely for coastal communities. Government agrees and would recommend the same approach is applied to tourism. Initiatives for coastal towns need, as far as possible, to be tailored to meet the specific requirements of individual towns and their inter-relationship with the wider area.

See also response to recommendation 9 on RDAs sharing Best Practice.

The Government invests over £50 million a year in tourism marketing through VisitBritain. Each of VisitBritain's campaigns feature different locations, but it aims to achieve an equal regional spread overall and recognises the continuing importance of the seaside within British tourism. Coastal towns feature on visitbritain.com and enjoyengland.com as well as the attractions of the seaside being included in a variety of individual campaigns.

In addition, the government is currently looking at ways to improve access to the English coast and will shortly launch a public consultation on options. Whichever option is finally taken forward, we expect this initiative to encourage coastal tourism and increase the number of visitors to the English coast, with related benefits for the coastal economy. Coastal towns will be well placed to provide the facilities, whether overnight accommodation or opportunities for shopping, eating and drinking, which visitors to the coast often look for as part of an overall recreation experience.

9. Some coastal towns have successfully diversified their economies and reduced their dependency upon tourism. Many others would benefit from similar developments, particularly given the seasonal, low-skill and low-wage nature of employment in tourism. Economic diversification should be taken into account in regional and local regeneration strategies and development plans. We recommend that the Government encourages the sharing of best practice on economic diversification approaches for coastal towns.

The Government agrees there is a need to encourage the sharing of best practice, and see the RDAs as best placed to take on this role within the context of the Regional Economic Strategies (RES). The aim of the RES is to improve the economic performance of regions and enhance their competitiveness and to reflect the specific economic opportunities and challenges facing all parts of the region, including urban and rural areas and coastal towns. As a result of the Select Committee report, the South East England Development Agency (SEEDA) has agreed to lead an RDA network on the sharing of best practice, knowledge and innovation in relation to the regeneration of coastal towns, including tourism development.

The Government Office North West, for example, are working with the North West Development Agency to ensure the widespread dissemination of emerging good

practice from the development of bespoke strategies to ensure the future housing offer is better able to support the economic growth potential of Blackpool where appropriate.

City Development Companies (CDCs) – city or city-region wide economic development companies formed to drive economic growth and development – are a new mechanism that could help to promote the economic diversification of coastal towns. The CDC concept was first proposed in the 2006 Local Government White Paper, and Communities & Local Government is developing guidance to further promote the concept in conjunction with local government and its partners. A summary of the consultation responses will be published in the Summer.

A Coastal Towns Conference on 8 May organised by DTI discussed the common issues amongst coastal towns, including what might be done to aid their economic development.

See also response to recommendation 25.

10. We find it surprising that the significance of seasonal work in coastal towns was not recognised by the Department of Work and Pensions, and only became apparent as a result of further investigation by the Committee.

See response to conclusion 11.

11. The seasonality of the economy in coastal towns presents economic and social challenges that need to be considered by national and local policy-makers. The Department of Work and Pensions' failure to highlight the significance of seasonality in its original evidence is suggestive of a wider lack of understanding in Government of the specific employment patterns in many coastal towns and the challenges associated with those patterns.

In the past two years, seasonal work has on average accounted for less than 1 percent of employment in coastal towns, ranging from a low of 0.3 percent of employment in winter to at most 1.4 percent in the summer months. Year-round temporary employment (including seasonal employment) varies from 5-6.6 percent of total employment in coastal towns, compared with 4.7-5.3 percent variation nationally. While there is a greater degree of seasonality in coastal towns the proportions in seasonal work are not substantially higher than the national average, and the employment pattern of people working in coastal towns is not substantially different from that in the country as a whole.

Along with the rest of the UK claimant unemployment fluctuates by season in coastal towns, though to a slightly higher degree. The claimant unemployment rate (not seasonally adjusted) at 2.9 percent in coastal towns is not substantially higher than the national average at 2.6 percent. Jobs density² at 0.82 per resident is only a

² Jobs density is the numbers of jobs per resident of working age (female: 16-59; male: 16-64). For example, a job density of 1.0 would mean that there is one job for every resident of working age.

fraction below the national average (0.83), and the number of vacancies notified to jobcentres by 10,000 population matches the national average across all major occupation groups. As in other urban areas throughout the country, the problem is not a shortage of work but one of high inactivity.

HOUSING

12. The shortage of affordable housing is not unique to coastal towns but can be exacerbated by the high level of inward migration and the purchase of second homes. Greater provision of affordable homes is a key priority in many coastal towns and could be an important factor in retaining young people in the area.

Coastal towns are benefiting from the Government's increased investment through the Housing Corporation's Affordable Housing Programme for social rented and low cost home ownership which has risen from around £0.9bn in 1997-98 to around £2bn in 2007-08.

We are on track to deliver 30,000 new social rented homes nationally in 2007/08 mainly through the Housing Corporation, a 50% increase on 2004/05. We will help over 120,000 households into home ownership by 2010. All areas, urban, rural and coastal will benefit from these resources.

Our Planning Policy Statement (PPS) 3 for Housing encourages local and regional planning bodies to take more account of affordability when determining how many new homes are needed in their area. PPS3 includes stronger policies on affordable housing. The new definition of affordable housing will concentrate public funding and planning contributions on genuinely affordable housing. In addition, local authorities will be able to require developer contributions to affordable housing on smaller sites where it is viable.

Planning and housing policies at the local level should be based upon an up-to-date housing market assessment of housing need and demand. The findings of the assessment will inform decisions on the level of housing provision and its distribution in local development frameworks and policies on affordable housing and housing mix. It will also allow local authorities to consider the housing demands and needs of specific groups of people including families with children, older people and disabled people.

Affordable housing is defined in PPS3, Annex B, as including social rented and intermediate units provided to households whose needs are not met by the market. This excludes 'low cost market' housing – for example, homes which do not remain affordable on resale. This will help Local Planning Authorities to focus resources and bring forward more social rented and intermediate homes. But we still want to see low cost market homes provided. Increasing the supply of social rented provision is a priority in the Comprehensive Spending Review 2007.

13. It is clear that many coastal towns suffer disproportionately from poor-quality housing and in particular have high numbers of care homes and HMOs, many of which have been converted from redundant hotels. We recognise the availability of HMOs can attract a transient population into an area, which can bring particular challenges, particularly increasing the difficulty in gaining community involvement in local regeneration.

The Government notes the Committee's conclusion, which accepts that high levels of transience in population is not unique to some coastal resorts but is also a feature of other places like inner London.

The RDAs recognise the issue of transient populations in 'many' of their coastal towns and have done much work to understand this – both on an individual town basis and more widely as part of a strategic response to regional strategies, like the Regional Economic Strategy.

The Market and Coastal Towns initiative in the South West is also targeting such areas and particularly works to develop community involvement in regeneration.

14. We welcome the provisions within the Housing Act 2004 enabling local authorities to license Houses in Multiple Occupation (HMO). We recommend that the Government encourages local authorities to make full and effective use of the licensing and statutory planning powers available (including compulsory purchase) to manage HMOs. We recommend that the Government examines whether local authorities need additional powers to address the problems arising in areas with especially large numbers of HMOs.

The Government considers that additional powers are not required to address concerns about the quality and standard of HMOs in coastal areas. The Housing Act 2004 gives all local authorities sufficient powers to tackle such problems.

HMO Licensing will help ensure good management standards in HMOs to protect the tenants and the wider community. Licensing will ensure landlords meet minimum management and amenity standards and provide decent accommodation for the number of occupiers in the dwelling.

In bringing forward the changes in the Housing Act 2004, the Government is committed to keeping under review the effectiveness of local authorities use of the legislation.

To support this there is a data collection system which will allow Government to monitor how the licensing regime is being implemented and we have set out clear criteria for the adoption of discretionary licensing schemes to cover those HMOs that are not subject to mandatory licensing. LACORS (the Local Authorities Coordinators of Regulatory Services) are also working with local authorities on implementation issues. In light of this we are open minded on the need to examine the need for additional powers.

COASTAL MANAGEMENT

15. Some coastal communities face significant and increasing risks from coastal erosion and flooding. We welcome the Government's consideration of adaptation measures and the launch of pilot projects. We are concerned, however, that the pace of Government action is too slow to meet the needs of those coastal communities where coastal erosion is at its most aggressive and that delay can only increase social injustice and uncertainty for those communities. We recommend that the Government, as a matter of urgency, put in place a fair and transparent national approach to coastal adaptation for communities threatened by the consequences of climate change.

The Government is developing an adaptation toolkit as part of the 'Making space for water' programme – the cross-Government strategy on flood and coastal erosion risk management. It recognises that a small number of communities may already be feeling the impact of erosion and the toolkit is of high priority in the programme. It is aiming to reach decisions on the toolkit by autumn 2007. It should be recognised; however, that all levels of government, not just the national level, have a role to play in promoting coastal adaptation for communities and local authorities can do much already, for example through their planning and wellbeing powers. For many communities the impact will be felt in the longer term and regional and local government should take the opportunity to begin adaptation planning now, through their local and regional plans and strategies.

Work on the adaptation toolkit is considering information provision, stakeholder engagement, options for landowners, existing land-use planning tools and local and regional government powers. It is also considering the case for financial tools but given that flood and coastal defences is provided under permissive powers it is important to note that this will need very careful assessment, including all aspects of social justice. Appropriate criteria would have to be applied, there could not be an open ended commitment and it will be subject to Ministerial decision.

16. We welcome the use of Shoreline Management Plans which are a useful tool for managing development and coastal flooding and erosion risk. The Government should make Shoreline Management Plans statutory to strengthen their use in the planning process. This will ensure that adequate account is taken of coastal flooding and erosion risk.

The Government does not currently have any plans to make Shoreline Management Plans (SMP) statutory. An SMP is a long term, high level assessment of the risks associated with coastal erosion and flooding at the coast that offers a vision for how the coast is to be sustainably managed in the future. It sets out a framework for action for the Operating Authorities involved for prioritising future defence needs, whilst at the same time providing important information (material consideration) to inform other statutory plans, such as the Regional Spatial Strategy and the Regional Economic Strategy (RES). They will also provide input to the River Basin Management Plans being developed under the Water Framework Directive. Making them statutory could lead to conflicts with the statutory spatial

plans (Regional Spatial Strategies and Local Development Frameworks) and confusion between the different plan development processes.

Information contained in the SMP will form the basis for a planning authority to plan for safe and appropriate future development and provide advice to the public (and others) on where to avoid building in areas that are likely to be affected by coastal erosion or regular flooding. They are a material consideration to be weighed up against other material considerations, e.g. climate change, economic growth and housing provision in the planning process. It is for planning authorities to decide on the weight and balance of considerations when allocating development or making a planning decision for any particular case, rather than national government.

SMPs are non statutory and are material considerations in a number of planning policy statements including PPS 11 and PPS 12 which set the policy for regional and local spatial plans and PPS 25 (development and flood risk). If the policy is correctly implemented by local and regional planning authorities, the Government believes there is no need to consider any change to this approach.

17. We welcome the measures within the Planning Policy Statement 25 (PPS25) that give greater weight to consideration of flood risk in the planning process.

The Government welcomes the Committee's support for measures in PPS 25 (development and flood risk). Climate change is an issue which is becoming increasingly important across all communities. Alongside the PPS on Climate Change and PPS 3 on Housing, PPS 25 provides a comprehensive package of planning policy that will ensure sustainable development that adapts to the effects of climate change and help deliver the right type of homes in the right community for everyone.

18. It is important that investment in sea defences is linked to the regeneration of coastal areas, and we welcome the steps now taken by the Environment Agency to ensure that the social and economic implications of sea defences works are considered at the outset and that the work contributes to the improvement of the public realm. We urge the Department for Communities and Local Government to work more closely with the Environment Agency and other bodies to ensure that opportunities for regeneration of coastal towns, afforded by investment in sea defences, are realised.

Communities and Local Government recognises the importance of close working with other bodies, including the RDAs and the Environment Agency, to ensure that regeneration opportunities afforded by investment in sea defences are realised. The RDAs work with partners to adopt an area based approach to development and are aware of the importance of linking investment in coastal defences, not just in terms of the public realm, but with the wider regeneration of an area.

For example, the North West Development Agency has supported work on improved sea defences at Cleveleys, in Lancashire through the allocation of

European Regional Development Fund (ERDF) objective 2 funds and through strategic input intended to produce tourism benefits as a result of the investment.

Defra encourages integrated and collaborative approaches to the provision of coastal defence infrastructure. However, whilst defences can significantly reduce risks they can never eliminate them and it is important to avoid tying future generations to the need for future improvement or replacement of defences in areas where they may not be sustainable.

See also last paragraph of response to recommendation 3.

19. We agree with the Environment Agency that the information provided to those considering purchasing a property in a coastal area must draw attention to the risks arising from flooding and coastal erosion, and therefore welcome the Government's intention for coastal erosion risk maps to be available in the public domain in 2008 on a similar basis to existing flood risk maps.

The Government welcomes the Committee's support for the planned coastal erosion maps which will be developed in close collaboration with coastal local authorities over the coming months. These maps will form an important element of the adaptation toolkit, providing greater consistency of information on coastal erosion risks and enabling those planning future development and living and working on the coast to make more informed decisions.

PHYSICAL ISOLATION

20. The physical isolation of many coastal towns is often a significant barrier to economic growth, development and regeneration.

The Government recognises that the physical location of many coastal towns can be a barrier to economic growth and regeneration. However, the same could be said to apply to many inland towns as well, particularly those not well connected to main transport networks.

That is why the Government encourages the RDAs to take an area based approach to economic development and regeneration in towns and cities in their region, including coastal towns, recognising their links to other communities in the surrounding area. Communities need to be viewed holistically in order for development to be integrated and sustainable.

The RDAs work with their partners to promote the co-ordination of a rounded response to a particular area's problems, taking into account its inter-relationship with other places.

Recent research on smaller cities and towns is relevant to the growth of coastal towns. This indicates that a set of overlapping factors explain differences in the performance of smaller cities and towns, but also their inter-dependence. Smaller places are more likely to prosper if they are well connected to national and international markets, provide a quality business and residential environment, and

are successful in developing a competitive advantage or economic niche. Smaller cities and towns need to identify and build on their assets, and forge links with other complementary places.

DEMOGRAPHICS

21. The inward migration of older people to coastal towns can bring benefits but it also places significant additional demands on public services, particularly in the areas of health and social care.

The way in which formula grant funding from Government reflects demography is covered in the response to conclusion 27.

22. Many coastal towns have higher than average levels of outward migration of young people which can contribute to a skewed demographic profile.

Government notes the Committee's conclusion which is consistent with evidence from the State of the English Cities database in terms of identifying the skewed demographic profile of some larger coastal urban areas.

REGENERATION

23. Differences of opinion over regeneration between different groups within the community can occur in any settlement. The demographic profile of many coastal towns, where a significant proportion of the community may have chosen to move to the area specifically because they like it the way it is, can exacerbate these tensions and represent a greater barrier to regeneration than may be experienced in some other areas.

The Government notes the Committee's conclusion and the challenges which many towns, not just in coastal areas, face in managing diversity and securing regeneration and renewal outcomes that are seen to be inclusive.

Local Strategic Partnerships (LSPs) offer a mechanism for defusing such tensions by bringing together at a local level key stakeholders from the public, private, community and voluntary sectors in an umbrella partnership, so that different initiatives and services support each other and work together. A key part of their work is to prepare a Community Strategy to help local communities voice their aspirations and to build a common purpose and shared commitment to deliver agreed aims and priorities, and engage local people in the process.

24. While we recognise that there are particular challenges in coastal towns, there is no substantive evidence to demonstrate that they generally experience lower cost-benefit ratios or higher costs in regeneration projects than other areas.

The Government notes the Committee's conclusion and the risk of generalisation in splitting towns into "coastal" and "non-coastal", as each town has its own unique circumstances.

25. Leaving responsibility for the sharing of best practice on coastal town regeneration with regions and sub-regions is not an adequate response, as coastal towns would benefit from the sharing of best practice and experiences at a national level. We welcome the recent events which have facilitated such exchanges but regret that these have been ad hoc. The Government has a role to play in supporting and encouraging coastal towns to share experiences and expertise. We recommend that the Government supports a permanent network to facilitate the spread of best practice in coastal town regeneration.

The Government recognises that if our coastal towns are to play a leading role on the international stage and strengthen their appeal, they will invariably need to maximise opportunities for sharing knowledge, experience and expertise to support their regeneration plans. A Coastal Towns conference hosted by DTI on 8 May, provided an opportunity to discuss whether there are issues common to coastal towns that Government should do more to address.

The Government welcomes the *On the Edge* conference that coastal towns are organising in Brighton in May which will contribute to developing the debate on the regeneration of coastal areas. This conference will build on the Communities & Local Government coastal towns and cities summit in Brighton in May 2006 and the conference on rural coastal areas held in Skegness in July 2006.

The responses to recommendation 9 and conclusion 30 underlines the leading role of RDAs in facilitating the sharing of best practice at a national and a regional level and providing an established network to manage this process, which the Government supports, but as the response to conclusion 33 notes, the Government will be considering the need to examine the existing evidence on the characteristics of coastal towns to help inform policy making.

The Committee's report recognises the work of bodies like the British Urban Regeneration Association (BURA) Seaside Network, which was established for that purpose. It is well placed to stimulate cross sector collaboration. By promoting best practice in all aspects of regeneration, BURA is able to use the wealth of experiences and lessons learned by its award winners to help understand and define the mechanisms for success. The British Resorts and Destinations Association (BRADA) have also played an active role in supporting local authority sponsored tourism, and the regeneration of Britain's coastal towns over many years.

Government recognises the leading role that such bodies and the RDAs already play in identifying and sharing best practice on coastal town regeneration and would encourage them to maximise opportunities for collaboration and the sharing of experience. It considers that these bodies with their extensive knowledge and expertise and existing permanent staff offer the best mechanisms for disseminating learning and best practice in coastal town regeneration. The response to conclusion 33 underlines this point.

It is also important that coastal towns learn from good practice around Europe and the rest of the world in developing effective and innovative approaches to regenerating and improving the quality of life of their areas. A good example of European co-operation is the INTERREG “Waterfront Communities Project”, which is tackling a particular challenge of waterfront development such as integrating new and existing communities or transport links. The website offers a database of good practice around the world and a toolkit for achieving high quality waterfront regeneration (<http://waterfrontcommunitiesproject.org>)

See also response to recommendations 9 and 30.

FUNDING

26. Given the number and complexity of the funding streams available for regeneration in coastal towns, there is considerable scope for their simplification and integration. We are not persuaded, however, that a specific funding stream for coastal town regeneration is warranted. We recommend that the Government evaluates the impact of the termination of various funding streams on coastal town regeneration, with a view to addressing any funding gap.

The Government agrees with the Committee that a specific funding stream for coastal town regeneration is not warranted.

The Government has carefully considered the implications of changes in various funding streams such as the European Regional Development Fund (ERDF) programme for coastal regeneration and eligibility for such funding. But it is not convinced there is a need to conduct any further evaluation. All areas that have lost Assisted Areas status for 2007-2013, along with many other areas previously without that status, will now be designated as Tier 3 areas. This will allow payment of Regional Aid outside Assisted Areas to micro, small and medium enterprises (SMEs), although limited to aid ceilings of 7.5% for small firms and 15% for medium firms.

The Assisted Areas map of the UK for 2007-13 was drawn up by the DTI after lengthy public consultation in 2006 and approved by the European Commission in December 2006. It represents a balance between areas with the greatest need for assistance and those with the opportunities to use the large-scale investment available within restrictions set by the European Commission. While some coastal towns are still located in such areas, there are several, including Dover, Great Yarmouth and Morecambe, which are not.

The Government has argued for a long time that aid where it is available should be given to help specific pockets of deprivation, rather than to wide areas where there is a significant range in levels of need. The DTI in consultation with other Departments, including Communities & Local Government, reviewed the likely impact of the change in the Assisted Areas when drawing up the new map, and concluded that it would facilitate better targeting of available resources.

Better targeting of funds to meet specific needs should also be the outcome of the new ERDF programmes. These in England will receive nearly 3.3 billion (around £2.2 billion) in 2006 prices under the new Convergence and Regional Competitiveness and Employment objectives. Each English region will have a competitiveness programme and, no longer be constrained by a map of programme areas, coastal towns will therefore be able to apply for funding where appropriate. In addition, all areas of the UK are eligible to apply for funding through the European Social Fund.

A number of other initiatives have also already been taken to streamline and focus public sector funding for regional development. The Government introduced the RDA Single Programme in 2002, which consolidated previously separate economic development funding programmes into one single budget. The financial flexibility available through the Single Pot has been critical to allowing RDAs to respond flexibly to regional economic needs and opportunities. This has helped to join up policies, strategies and interventions across administrative boundaries.

Local Area Agreements (LAAs) offer a way for all local authorities, including those in coastal areas, to co-ordinate and simplify some central funding streams and join up service delivery more effectively. Setting priorities negotiated between central government and local delivery partners provides greater flexibility to devise local solutions to local circumstances.

Multi Area Agreements (MAAs) will also provide a mechanism for local authorities, their partners and central government to deliver outcomes requiring a cross-boundary approach and allow the simplification and pooling of resources at a sub-regional level.

The Government is also considering the issue of funding streams as part of the Sub National economic Review and will report on this before the Comprehensive Spending Review.

27. We agree with witnesses that it is important that the Revenue Support Grant calculations take into account the levels of elderly and transient populations in an area, and recognise the geographical variation in demands placed on services by these groups.

The Government accept that the distribution of formula grant should take into account the relative circumstances of different areas. Formula grant is distributed so as to take account of the relative need to provide services in an area, (a Relative Needs Amount), the relative ability of an area to raise council tax (a Relative Resource Amount), a central allocation (an amount per head) and the floor damping scheme.

The Relative Needs Amount is determined from Relative Needs Formulae (RNF). RNFs have been developed for each of the major service areas that are provided by authorities. In most of the formula, the resident population are the main driver of the formulae, with additional elements to take into account additional factors related to need.

There is a RNF for Older People's social services. The main driver in this formula is the population aged 65 and over who are residents in households or are local authority supported residents in permanent care homes.

In addition, there is an age top up, a deprivation top-up, a low income adjustment, a scarcity adjustment for people aged 65 and over, and an area cost adjustment. The age top-up takes into account household and supported residents aged 90 and over. The deprivation top-up takes into account older people receiving attendance allowance, older people in rented accommodation, older people living in one person households and older people receiving pension credit or income based jobseekers allowance. The current formula was reviewed and updated in 2005. It is derived from specially commissioned research and analysis, based on a survey of social services use by over 76,000 older clients in 17 local authority areas, including some sea side towns. The Government does not explicitly take into account transient populations. The population statistics used in the distribution system are calculated by the Office for National Statistics. They cover the population that is usually resident in an area – and are consistent with UN definitions. These statistics are the best available data and treat all authorities on a consistent basis.

28. We agree with witnesses that Government funding to local authorities should reflect the impact of day visitors on the costs associated with maintaining the public realm in the formula for funding allocations. We suspect that witnesses are correct in their assertions that the funding formula methodology needs to be improved and recommend that the Government ensures that the data on day visitor numbers is both localised and up to date.

The Government accept that, for some local authority services, visitors to an authority's area will increase the relative costs of service delivery. Specifically, the Relative Needs Formula for Environmental, Protective and Cultural Services contains a top-up for additional population. This top-up includes an indicator of day visitors as well as net in-commuters.

However, there is no direct source of data on day visitors to an authority from another authority that are available on a consistent basis for all authorities. Therefore, the current indicator and any replacement indicators have to be determined by modelling using information from a number of sources or using information that could serve as a proxy for day visitors.

The current indicator was modelled by research contractors in 1993 using information then available.

Communities and Local Government commissioned consultants to update this indicator ahead of the 2006-07 and 2007-08 settlements. This work used information from the 2002-03 Great Britain Day Visits Survey, 2001 Census, number of 'facilities and other attractions' in the UK data from Visit Britain, and the Labour Force Survey of 2003. The resultant indicator was included in a full and open consultation on options for Formula Grant Distribution that ran between July and October 2005.

Although there was a fair amount of support for updating the day visitor indicator, a large number of responses to the consultation expressed little confidence in the accuracy, robustness or plausibility of the proposed indicator. Therefore, for the 2006-07 and 2007-08 settlement, we continue to use the existing indicator.

The Department is currently reviewing the day visitor indicator and discussions on developing a replacement are being held with local authority representatives at the official-level Settlement Working Group. Any proposed replacement indicator would be consulted upon in summer 2007.

EDUCATION

29. While we accept that raising educational achievement and career aspirations is an important element in local regeneration, we have no evidence to convince us that the experience of coastal communities in this regard is significantly different from other areas, such as inner cities or areas of deprivation, where the aspirations of young people and their level of educational attainment are lower than the national average. Any national initiatives to increase educational attainment levels in targeted geographical areas should ensure that coastal communities with low attainment levels are included.

The Green Paper, *Care Matters* recognised the poor educational attainment of children in care when compared to other children. It proposed a range of measures to improve how DfES will work with local authorities as corporate parents and with schools to secure the very best education for these children. The recommendations were generally well received and DfES are taking account of the comments received as it further develops its proposals which included:

- A ‘virtual head teacher’ in every local area responsible for driving up the performance of schools in relation to children in care;
- providing local authorities with the power to direct schools to admit children in care, even where the school is fully subscribed;
- an enhanced entitlement to free school transport to ensure that where children do move placement they do not necessarily also need to change school; and
- better support in school to prevent exclusions of children in care.

DfES are well aware of the location of all low attaining schools, and have done comprehensive analysis of the risk of low attainment and/or school failure.

Education support is targeted principally through the Primary and Secondary National Strategies according to need rather than geographical location.

Nonetheless, because DfES use sophisticated contextual data, “need” takes into account factors such as deprivation and pupil mobility. The latter may be an important factor in some coastal resorts where there may be a lot of parental seasonal migration.

FURTHER NATIONAL AND REGIONAL ACTION

30. We note that RDAs have adopted a variety of approaches towards supporting coastal towns and that a number of these have been welcomed by local regeneration partners. We are not convinced that any mandatory requirement for RDAs to adopt a specific approach towards coastal towns would be beneficial. We do recommend, however, that one RDA (such as SEEDA, owing to its expertise) has lead responsibility for facilitating the sharing of best practice on coastal towns across regions, and that RDAs establish regional forums for coastal towns.

The Government agrees that a mandatory requirement for RDAs to adopt a specific approach towards coastal towns would not be appropriate. It is important that any approach towards coastal towns is taken forward as part of the wider economic context in the region through the Regional Economic Strategy. We also agree that it would be helpful if the RDAs shared best practice on coastal towns across the regions and SEEDA has agreed to lead the RDA network on the sharing of best practice.

Each RDA will consider the benefits of establishing regional forums for coastal towns and in consultation with partners, will decide whether such a forum would be an effective mechanism in meeting the needs of coastal towns and whether it would add value to existing arrangements.

See also response to recommendations 9 and 25.

31. Given that the Government does not collate or analyse data on the investment levels and business growth in coastal towns it is difficult to see the basis for any confidence that coastal RDAs are effectively meeting the economic needs of the coastal towns in their respective regions. We note that currently RDAs disaggregate their output data on a rural/urban basis. We urge the Government to require RDAs to disaggregate their data in relation to coastal areas in their region. This would enable the Government to evaluate the effectiveness of RDAs in developing the economies of coastal towns within their regions.

The Government agrees with the need to analyse further what data can be collected in relation to coastal towns. However, we are not convinced that it would be helpful to require the RDAs to disaggregate their data in relation to coastal areas in their region. There is currently no standard definition of coastal towns, and the complexity is compounded by a huge variation in sizes, which means that it would be difficult to agree a ‘one size fits all’ geographical unit for analysis. This is likely to make meaningful comparisons difficult to achieve. The advantages gains would also need to be weighed against the extra burden of collecting disaggregated data. However, government guidance on RESs is that the Strategies should be based on a high quality assessment of the economic, social and environmental characteristics of the region and the RDAs will want to focus on appropriate data related to their coastal towns where these face difficulties.

Government is currently supporting the RDAs in building their evaluation skills and capacity within each organisation so that they can properly evaluate the impact of their interventions and feed this back into their policy making. RDAs have undertaken to produce a report in 2009 covering evaluation of all spending in their regions.

32. Fragmentation within the tourism support sector is a national issue and not specific to coastal towns. Coastal towns, as well as other tourist areas, would benefit from a more coherent and streamlined national structure.

The DCMS has taken forward structural change in the public sector under the Tourism Reform Programme. This has included the creation of VisitBritain as a world class marketing body; the successful transfer of strategic responsibility for tourism at regional level to the RDAs; and a structured programme of engagement with local authorities on tourism.

The RDAs took on strategic responsibility for regional tourism only in 2003, and have since developed regional tourism strategies and delivery structures, resulting in a significant increase in tourism investment at regional level. Naturally, regional priorities will differ – Regional Economic Strategies are for regions as a whole, and tourism takes its place within them.

The new arrangements for regional strategic leadership and changes in the management of the visitor economy have created opportunities to help reduce fragmentation and to ensure better co-ordinated and more effective support for the visitor economy. The recognition of this potential has resulted in the “Partners for England” initiative, led by the South West Regional Development Agency and the England Marketing Advisory Board, and supported by DCMS and VisitBritain, which is working toward improved resource and policy coordination at national, regional and local levels.

33. The Minister for Local Government stated that, in his view, further research on the impact of policy would help the Government to understand fully the needs of coastal towns and inform policy-making. We agree.

The Government recognises the need to examine critically the existing evidence on the characteristics of coastal towns with a view to informing further work in this area. The DTI’s Coastal Towns conference on 8 May, provided Government officials, academics and practitioners with a forum for discussing whether there are issues common to coastal towns that central government should do more to address or could leave to existing agencies to lead on, particularly the RDAs. Dissemination of best practice was seen more as a role for bodies like BURA, BRADA or the RDAs rather than the centre, to reduce the risk of duplicating existing work.

Whilst coastal areas are not a specific focus for the evaluation of the National Strategy for Neighbourhood Renewal (NSNR) three out of the 12 case study areas which will inform the evaluation are in coastal locations. The initial findings from the case studies will be published in March 2008 and will be relevant to other deprived communities, including those in coastal towns.

In addition, analysis of the state of coastal towns which fall within the Primary Urban Areas³ in England, can be undertaken using the State of the Cities Database which offers a range of social and economic variables collated from a range of sources, for different time intervals, available at local authority and other spatial levels. The database can be accessed at <http://www.socd.communities.gov.uk/socd>

³ The 56 PUAs which have a minimum size cut-off of 125,000 (based on 2001 population) of built up areas and represent around 55% of the population of England. They are considered to represent “urban England” and were used as an analytical device for the State of the English Cities Report (SOCR) published in March 2006, to cover the physical extent of major cities rather than local authority areas.



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ISBN 978-0-10-171262-0



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