

House of Lords Select Committee on Regenerating Seaside Towns and Communities – Call for Evidence, October 2018

East Lindsey District Council – written evidence

East Lindsey is the ninth largest local authority by area in England. It covers 183,107 hectares. It is the second largest District Council in England and is categorised by the Department for Environment, Food and Rural Affairs (Defra) as ‘a predominantly rural local authority’ with over 80% of its population living in rural areas. The District is polycentric, with towns and large villages widely distributed across its geography. Skegness is the largest town with a ‘Built Up Area’ population of 24,876, followed by Louth (which is the only other settlement with a population over 10,000) with a Built Up Area of 16,419. There is a distinctive split between its Coastal area and Rural Inland. A significant proportion of the District is covered by the Wolds Area of Outstanding Natural Beauty.

Background and Understanding:

1. 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?

The following structural challenges impact significantly upon, but are not exclusive to, our coastline (these challenges are significant and have persisted as a result of multiple socio-economic and geographic factors – they can also ‘feed’ off each other – seasonality leads to deprivation, which results in poor health, worklessness etc.) :

Housing: *Having 38% of the area of the District in coastal flood risk affects the ability to bring forward new build housing in East Lindsey. Whilst there are 968 houses with permission in the District’s Coastal Zone, only 286 have started. The obvious effect on new build housing is coastal flood risk, this is linked to low land values which impacts on the overall viability of sites. Land values in the District decrease as you get nearer to the coast. The other major factor is that East Lindsey has an old age dependency ratio of 49, compared to a national average for England of 27. This means that the 65+ population of East Lindsey is equivalent to 49% of the 15–64 age-group population, compared to just 27% across England in aggregate. This translates into a higher mortality rate than average, coupled with higher home ownership, meaning that the second hand housing market far outstrips the new build market in terms of turn-over. The impact of this is the housing market fails to offer choice to those of younger age groups, many of which work in the low wage, low skilled coastal economy. This makes it difficult for those who would seek a new home and use the Governments Help to Buy Scheme and also means that the Council’s ability to deliver affordable housing is beginning to be compromised.*

Deprivation: *The Indices of Multiple Deprivation suggest a concentration of issues affecting labour market participation in the Coastal area, which scores poorly on education and skills and where poor levels of health (especially mental health) affect the propensity of the local population to seek employment;*

Seasonality: *Whilst the Visitor Economy is a dominant and dynamic economic sector on the coast, the coastal economy (as evidenced by unemployment statistics) is highly seasonal and this significantly affects the business environment on the coast. Around half of coastal businesses are categorised as in decline, despite a year on year increase in visitor numbers, spend and tourism related employment;*

Peripherality and Sparsity: *Our location means that residents experience large travel to learn distances; limited transport connectivity; challenges for the viability of learning cohorts; a perceived lack of demand and choice for both learners and businesses; difficulties in retaining young people in the area or attracting graduates, commuters, working families and key professionals to sustain public service delivery that are needed to underpin a thriving economy. As a result, coastal businesses tend to be remote from suppliers, customers and areas with a more skilled labour market;*

Employability: *The low skills offer also impacts on the ability of local employers to recruit employees that meet the needs of their business, particularly those in more specialist sectors. The lack of further education provision restricts the ability of businesses to upgrade existing employee skills and affects the aspirations of local young people. It also affects the propensity for inward investment and the appeal of priority sectors such as Healthcare and visitor economy;*

Aspirational Ceiling: *An intergenerational issue of low skills/aspirations in families and businesses; coupled with a strong view that change is not desirable as it will lose the character of the area. This can limit public appetite or capacity to improve the economy and exacerbate a dependency culture on the public sector to instigate change; and;*

Health: *With regards to limiting health problems, the District experiences a more significant challenge in relation to the health and availability of the workforce, with a high proportion of the working age population claiming benefits in East Lindsey. These benefits are associated with the ill physical or mental health of the claimant or a dependent. They also reflect poor access to mental health services locally which has resulted in those with moderate to severe mental health problems being on a waiting list for almost 3 years.*

2. Has sufficient research been conducted to provide robust analysis of the economic and social health and vitality of seaside towns? What are the main conclusions to be drawn from such data and research – and where are the principal gaps in knowledge and understanding?

Although we are aware of a number of studies (and primary research), these appear to be inconsistent and dated – as such there is a fundamental need to update and improve the evidence base in order to support coastal populations and economies to realise their potential.

Housing and Demographics

3. To what extent are seaside towns affected by issues arising from the nature of their housing stock, including Houses in Multiple Occupation (HMOs) and former tourist accommodation that has been converted for other uses? How might any such issues be addressed – and are any changes to Government policy required?

Please see Question 1.

With regards to HMOs, issues around conversions were most prevalent (locally) between the late 1970s and early 1990s when a greater number of people started to take foreign holidays. This had a negative impact on the demand for domestic B&B holiday accommodation. Locally, landlords/property owners moved quickly to convert their properties to flats and/or HMOs (with or without permission – these are now extant and immune from prosecution). The current position, however, is largely static with occasional additions/withdrawals of stock.

Future legislation should facilitate the delivery of a mixed portfolio of housing developments, while concurrently recognising the constraints placed upon coastal districts (in terms of flood risk) by supporting innovation in housing design which mitigates local environmental considerations.

4. Do population transience, and demographic changes more widely, present any particular issues for seaside towns and communities? What is the nature and scale of such issues, and how can local organisations and communities be assisted in seeking to address them?

East Lindsey's coastal strip experiences two significant transience/demographic issues:

Firstly, c.28% of residents are over 65 (compared to a national average closer to 16%) – like many coastal communities, we are a destination for retirees (typically from lower income employment with poor access to social and family networks). Given this imbalance is likely to grow, our health and social care services will face an even greater strain in the future (the NHS already experiences major recruitment difficulties on the Lincolnshire coast, often leading to a withdrawal of health related provision).

Secondly, there are nearly 25,000 static caravans located along our coastal strip. Whilst this brings an influx of visitors during the year, a number of people reside in caravans as their main home but are subsequently unrecognised in terms of service planning and delivery (including Council Tax, Community Infrastructure Levy and NHS/GP funds) placing additional pressures on all public services.

Future legislation must recognise these significant imbalances and target funding towards supporting local services in areas of greatest need. Funding formulas for the provision of key services in coastal communities reflect an historic regime of underfunding alongside a lack of understanding of the additional pressures of delivering services in peripheral communities. Current funds are predicated on previous formulas and therefore even modest increases do not close the actual gap which exists.

Transport and Connectivity

5. Do problems relating to transport and connectivity (including digital connectivity) present a barrier to economic growth for seaside towns and communities? What action has been taken to address such matters, and is any further Government action required? To what extent would addressing such issues create the opportunity for future inward investment and growth?

Put simply, yes – in every respect.

Transport infrastructure in East Lincolnshire has been, historically, chronically underfunded and moving forwards Government must make significant funding available for both coastal transport infrastructure and public transport provision in order to realise economic opportunities. A fairer funding deal for Local Authorities would significantly improve access to transport in coastal areas. Where investment into public transport is not viable and car usage is the only viable transport medium, the Government should give thought to a fairer road and fuel taxation system.

The barriers to growth created by under-investment in digital connectivity are well documented, but infrastructure improvement initiatives headed by BDUK and delivered locally through Onlincolnshire, have improved the provision of superfast broadband significantly. Despite this improvement, the scheduling of the BDUK roll-out has been highly disadvantageous to some of the more remote coastal areas of East Lindsey (expensive to reach areas have been/are dealt with at the end of the roll-out programme) – areas with geographical challenges should be prioritised in order to 'level the infrastructure playing field' and more funding should be made available to expedite roll-out.

There needs to be greater visibility, coordination and engagement by Government on any specific policies or investment strategies for coastal communities. There also needs to be greater recognition

of the different solutions that are appropriate for failing and flourishing coastal communities. On a national scale, bidding opportunities for economic growth (such as Growth Deals administered through LEPs) tend to be targeted towards large scale interventions and therefore inappropriate for smaller seaside towns which cannot demonstrate the level of economic return in direct competition with larger urban areas. In our experience, other targeted investments for coastal communities tend to be small scale (e.g. LEADER, Coastal Community Teams, Coastal Revival Fund, Big Lottery) supporting delivery of community-led projects. This can restrict the ability of local partners to develop more strategic investments towards infrastructure and related areas that would more positively influence national productivity.

The Role of the Visitor Economy

6. How successful have initiatives that seek to promote tourism and the visitor economy in seaside towns proven to be? How important are these sectors to the economies of seaside towns? Is sufficient attention being given to the potential contribution that could be made by other sectors, beyond tourism?

The Visitor Economy (or Tourism sector) is clearly of major importance to the East Lindsey economy (particularly on our coastline) not just in terms of those employed in the sector and the number of businesses that the sector directly supports (as well as the supply chain), but also in terms of the additional expenditure in the District as a result of the number of day and overnight and visitors. The value of coastal Tourism to the East Lindsey economy and the number of visitors increased between 2015 and 2017 – worth c.£495m in 2017, with 2.8m visitors and c.9.3m visitor days. The sector supports c.6,170 coastal jobs.

To support this key sector, investment into local tourism product promotion has been significant - with additional focus on product development, particularly cultural provision via the annual SO Festival. Other interventions include:

<i>Intervention</i>	<i>Benefit</i>
<i>Structures on the Edge (including the Festival of Bathing Beauties): www.lincolnshire.gov.uk/bathing-beauties/structures-on-the-edge</i>	<i>A Celebration of the iconic beach hut and, through modern architecture, the delivery of unique structures such as the 'Cloud Bar' focusing national/international attention on coastal heritage, art and interaction with the natural environment.</i>
<i>The North Sea Observatory: www.lincolnshire.gov.uk/bathing-beauties/north-sea-observatory</i>	<i>Provision of an iconic build, all weather, all season facility.</i>
<i>Coastal Country Park: www.lincolnshire.gov.uk/coastalcountrypark</i>	<i>The formalisation of the coastal hinterland offer.</i>
<i>Lincolnshire Coastal Grazing Marshes Project: http://www.lincsmarshes.org.uk</i>	<i>Lottery funded project directed at supporting local agricultural activity and developing the grazing marshes as a visitor product.</i>

Upgrading Facilities at Donna Nook: www.lincstrust.org.uk/get-involved/top-reserves/donna-nook	Improved Car Parking facilities to support seasonal visitors to the local seal colony supporting season extension (Nov – Dec annually)
Destination BID: lcdbid.co.uk	Business Improvement District for our coastal strip – rates premium used to improve and market visitor economy offer.
Gibraltar Point Visitor Centre: www.skegnessstandard.co.uk/news/video-new-1m-visitor-centre-at-gibraltar-point-in-skegness-opens-1-7400518	c.£1m investment into a replacement visitor centre with modern facilities etc.

Most recently, we have established the Lincolnshire Coastal Destination BID – which covers a 22 mile stretch of the Lincolnshire coast, including some small rural inland villages and the area has 1,300 businesses that contribute towards a BID Levy which generates £500,000 per year. The BID is now entering into the second year of a five-year term - year one delivery has been concentrated primarily on the marketing & promotion of the area and events.

Moving forwards, the BID will continue to work on the branding and marketing of the area to attract a wider demographic of visitor throughout the year. Historically, Skegness (especially) has been widely acknowledged as a traditional, good value family resort. However, the BID team are keen to promote the less well known natural and wild coast offer, as well as walking, cycling and golf – all of which provide an all year round offer to a wider visitor market.

Although the coast's peripheral geography and poor transport infrastructure are not conducive to significant levels of inward investment – there are many, non-visitor economy, sectoral success stories, particularly around niche manufacturing, agri-food and care. Moving forwards, funding should be identified to support these businesses – particularly around innovation and workforce skills development.

Physical Regeneration

7. Are sufficient tools and resources available to local authorities, property owners and other stakeholders to allow them to promote and deliver the restoration and regeneration of the physical environment in seaside towns? Could new approaches – or the removal of any existing barriers – support further regeneration?

Significant resources are required (as a percentage of local government spend) to maintain the appearance and cleanliness of our coastal resorts and open spaces (which are often subject to more severe environmental damage than inland spaces). This includes sand clearance which can otherwise significantly restrict movement along resort foreshores. With further austerity cuts, the ability of local authorities to maintain current service standards will become increasingly challenged. Other coastal areas have delivered targeted public realm interventions and initiatives to improve the physical environment. This should be identified as an eligible investment as part of any national regeneration programmes which replace European Structural Funds assistance.

Additionally, significant resource is required to make even small bids to funds such as the Coastal Revival Fund without any certainty of success. There is an opportunity to develop a more

collaborative funding approach which links the applicant to the funder at an earlier stage to maximise the use of resources and certainty around investment decision making.

Social and Economic Regeneration

9. What role should local businesses, SMEs and social enterprises play in seeking to deliver regeneration in seaside towns? How effective is any help currently provided to these groups by the Government, local authorities and others? Are there any barriers to growth that could be addressed by changes in policy?

Despite local businesses playing a fundamental role in sustaining and driving the coastal economy forwards, they often feel incredibly detached from, and unable to access, publically delivered business support (relying on local provision via banks and accountants etc.). Despite simplification, business support is often seen as confusing, restrictive, supply driven and overly bureaucratic. Constant changes to delivery organisations and programmes (linked to funding rounds) is also confusing for potential beneficiaries.

Moving forwards, there is an opportunity for local LEPs to lead on a further simplified and demand driven programme of business/skills support activity – one which supports the local requirements of business and the local growth agenda. This is the only way the opportunities associated with coastal economies will be fully realised. The local industrial strategy has to be inclusive of both coastal and urban economic opportunities and all strategy has to be ‘coastal proofed’.

In 2020 EU programmes, such as the LEADER and EAFRD initiatives, will come to an end. These have provided funding streams for coastal business growth, diversification and innovation. They have, however, been fairly narrow in scope and modest in size. Government should replace them by designing a dedicated business support programme, as part of its proposed Shared Prosperity Fund. This should be flexible in scope – potentially open to all business types and sectors – enabling local delivery to be tailored to match locally decided priorities. There is an opportunity for Government to scale-up its ambitions for coastal economies by announcing a significant investment programme.

Delivery Structures

12. What impact has the Coastal Communities Fund had upon seaside towns and communities? Are any further targeted interventions from Government required?

The Lincolnshire coast has received limited investment through the Coastal Communities Fund, despite having one of the UK’s leading coastal resorts and significant investment in off-shore wind farms. There needs to be greater consideration of the relative impact of bids to local areas, rather than assessing all applications on a national scale (especially with estuary areas, as well as coastal communities eligible to apply for funding).

14. Are there fiscal or financial measures available which could help to support the regeneration of seaside towns? Could the Government provide any financial freedoms or investments which would help to generate positive change?

Please see Q5. Additionally, the campaign for Tourism VAT should be prioritised and accelerated within HM Treasury, with evidence suggesting a positive economic return within 2 years of implementation.