

North Tyneside Council

Report to Cabinet

Date: 11 June 2012

ITEM 7(g)(ii)(b)
Title: Implications of
deferral of the Coastal
Development budget to
2013/14

Portfolio(s): Elected Mayor

Cabinet Member(s): Mrs. Linda Arkley

Report from Directorate: Chief Executive's Office

Report Author: Ken Wilson, Head of Regeneration,
Development and Regulatory Services
Tel: (0191)
643 6091

Wards affected: Tynemouth, Cullercoats, Whitley Bay,
Monkseaton North and St Mary's

PART 1

1.1 Purpose:

The purpose of this report is to enable Cabinet to note the implications of the deferral by Council within the Council's agreed Budget of 1 March 2012 of a proposed £1m funding allocation for the Coastal Development Budget from 2012/13 until 2013/14 and a further £1m from 2013/14 to 2014/15. The report also informs Cabinet of a submission of an expression of interest to the Coastal Communities Fund, which forms Stage 1 of the bidding process and seeks authority to proceed to Stage 2 should an initial offer be made.

1.2 Recommendation(s):

It is recommended that Cabinet:

- 1) Note the delay in funding regeneration projects at the Coast and the impact this delay could have on private sector investment as described in paragraph 1.5.6;
- 2) Agree that should a Coastal Communities Fund Stage 1 approval be received, that a Stage 2 bid should be submitted;
- 3) Authorise the Head of Regeneration, Development and Regulatory Services, in consultation with the Head of Legal Governance and Commercial Services and the Strategic Director of Finance and Resources, to procure such professional/specialist services and support as may be required for the purpose of preparation of the Stage 2 bid, in accordance with the Council's Contract Standing Orders and relevant UK/EU procurement requirements, to be funded from existing resources;
- 4) Authorise the Head of Regeneration, Development and Regulatory Services, in consultation with the Elected Mayor and the Strategic Director of Finance and Resources, to undertake all necessary steps to develop and finalise the proposals and submit a detailed Stage 2 application to Coastal Communities Fund for grant aid, as described at paragraph 1.5.7.

- 5) Receive a further report should a Stage 2 offer be made to the Council, including relevant financial and legal implications, prior to acceptance of any offer.

1.3 Forward plan:

This report appears on the Forward Plan for the period 1st June 2012 to 30th September 2012.

1.4 Council plan and policy framework

This report does not relate to any theme or programme within the 2012/15 Council Strategic Plan.

However, the report is relevant to the following plans and strategies that have previously been approved by Cabinet:

- Coastal Strategic Development Framework
- Unitary Development Plan (UDP)
- Emerging Area Action Plan (AAP) Preferred Options
- Sustainable Community Strategy 2010 -13.

1.5 Information:

1.5.1 Background

The North Tyneside coastal offer is an important element of the borough's economy and a valuable leisure resource for residents. North Tyneside attracts 5.2m day visitors and 524,300 overnight stays per year, which generates around £243m annual spend and supports around 3,700 jobs in the North Tyneside economy. It is therefore a vital resource to the success of the borough. However, the Coast was developed to provide for a generally home based holiday market and much of the infrastructure was constructed several decades ago. New capital investment in the coast is therefore required to create the right conditions for the private sector to invest in improving the leisure and tourism offer and to provide modern facilities for visitors and residents.

In October 2010, Cabinet approved a Strategic Development Framework for the Coast to guide future investment. To support a variety of projects identified in the Strategic Development Framework to enhance the offer along the North Tyneside Coast, a £3m budget was subsequently identified in the 2011-2021 Capital Plan, including £1m allocated in 2011/12. A Coastal Area Action Plan is also being prepared as part of the Local Development Framework to support the regeneration of the coast.

Cullercoats Bay was identified as the first area that would benefit from the Coastal Development budget in 2011/12. A discreet and tightly defined area, it was considered that concentrating improvements around Cullercoats Bay would make a significant place shaping difference. However, other projects outside Cullercoats Bay have also been undertaken, including new beach showers at Long Sands South, the refurbishment of toilets at Watts Slope, Whitley Bay and a new Coastal Heritage Trail.

1.5.2 Cullercoats Bay: Improvements Achieved to Date

Following initial meetings with seafront user groups, an extensive public consultation exercise was undertaken in July and August 2011 on a series of initial proposals around Cullercoats Bay.

Taking into account the community response on priorities and other proposals put forward, the following improvements have been completed in 2011/12:

- various steps down into Cullercoats Bay have been repaired;
- a new handrail has been provided alongside the steps at Cullercoats Bay South;
- a new footpath link has been created between Cullercoats Bay South and Long Sands North;
- heritage seats have been removed for extensive repair and are now being returned to site;
- a young children's playsite has been installed at Cullercoats Bay;
- new pedestrian crossings have been installed to help access to the new playsite;
- the boat yard next to the Queens Head public house is being refurbished;
- Grand Parade between the Sea Life Centre and St Georges Church has been narrowed to reduce the speed of traffic; and
- new car parking provision has been provided by utilising the former highway.

1.5.3 Cullercoats Bay: Future Proposals

The opportunity to bid for a Townscape Heritage Initiative scheme for Cullercoats Bay arose during 2011. This would have potentially added £0.800m of external grant funding that would have enabled extensive highway improvements to Victoria Crescent; grant schemes to assist businesses and homeowners to reinstate architectural features to their properties; public realm improvements from Cullercoats Metro station to the harbour including work to the station; and restoration of Bank Top cottages to provide an arts based facility linked back to the famous Cullercoats artists. Unfortunately, the Council has recently been informed by the Heritage Lottery team that its bid was not successful. We have been advised that it may be possible to submit a substantially revised bid and therefore this will be explored further.

1.5.4 Development sites

A number of coastal sites owned by the Council have been marketed throughout the year and we are now negotiating with preferred developers following a positive response. Sites include St Mary's Headland, Long Sands North, Whitley Bay Mini Golf and various beach hut sites. Although interest in redeveloping the toilet block at Cullercoats Bay North to provide a café/kiosk and public toilets has also been received, negotiations have been deferred pending a solution to provide alternative public toilets in this location.

1.5.5 Tynemouth

Although Long Sands South is a popular destination for visitors, including a growing surfing culture, the Council continue to receive complaints about the condition and appearance of the former outdoor pool site, regular requests are received to permanently expose the Lions Head fountain, and the public toilet provision at this end of Long Sands beach is considered poor in terms of security for users and disabled access. This area had therefore been identified as the main priority for the proposed £1m budget in year 2 of the Coastal Development budget.

Initial masterplanning to improve the area of Tynemouth Long Sands South including the former outdoor pool, Crusoe's café area, the Lion's Head fountain and the two poor quality buildings to the north, commenced earlier this year with the intention of starting work on site in the early autumn so it could be completed by Easter 2013. This work would have included improving pedestrian access throughout and improvements to the public toilet provision. It was intended that public consultation would be undertaken throughout late spring and over the summer 2012 to help shape the final proposals.

1.5.6 Impact of changes to Budget phasing

As a result of Council's decision on 1 March the profiling of the coastal capital budget has been altered as follows:-

	£m	£m	£m
	2012/13	2013/14	2014/15
Original Cabinet Proposals	1.000	1.000	0
Approved Council Budget	0	1.000	1.000

The £0.478m balance of expenditure carried forward from the 2011/12 is available within 2012/13 but has been largely allocated to existing projects

Although it is intended that design work and consultation will continue, works commencing on site will now be held back by 12 months due to the decision of Council to defer funding allocation for this purpose. This will significantly slow momentum with the proposed improvements to our coastal area and put North Tyneside at a potential disadvantage in relation to leveraging in private sector investment compared to the adjacent coastal areas such as South Tyneside and Sunderland, where significant improvements to the coastal areas have been progressed recently.

1.5.7 Coastal Development Fund

Coastal Development funding would enable the authority to bring forward key regeneration projects which in turn would assist the private sector in bringing forward their own projects by creating greater confidence through demonstration of the Council's commitment to redevelopment of the Coast. By deferring the 2012/13 budget the confidence of the private sector will be further undermined at a time when investment is generally weak.

The lack of significant Council capital investment during 2012/13 may also undermine current and future bids by the Council for external funding. In this respect, North Tyneside has recently submitted an expression of interest as the first stage in a potential bid to the Department for Communities and Local Government (DCLG) who are championing the new Coastal Communities Fund. This is a national fund for coastal towns for schemes which will enhance employment opportunities and improve coastal facilities. Potential projects could therefore include an overarching coastal employability package to increase skills and progression of individuals within the cultural, tourism, service, construction and sport sectors; working with established community organisations to maximise local assets; creation of a Heritage Centre and enhancement of a museum; development of specialist tourist infrastructure and investment in the coastal defences that will support private sector involvement in the provision of new community and café facilities; creation of a new multi use area with a public art feature; and a scheme to enhance connectivity along the Coast via a cycle hire scheme thus providing green tourism opportunities. A decision on the first stage will be known shortly and if successful, a fully worked up Stage 2 bid is proposed to be submitted for consideration, subject to Cabinet's approval of the recommendations of this report. The extent of the second stage bid, and therefore the level of associated grant funding sought, will be dependent upon the feedback received at Stage 1. Should the Council's Stage 2 bid be successful, a full report setting out the full financial and legal implications of acceptance of the grant funding will be submitted to Cabinet for consideration and approval prior to any grant award being accepted.

1.5.8 Spanish City

For Cabinet's further information, although not funded from the Coastal Development Budget, the Spanish City Island regeneration scheme is a flagship element of the wider regeneration of our coastline and therefore important to the confidence of private investors at the Coast. The outline planning application is currently being considered and is expected to be heard by Planning Committee in July. A bid for Heritage Lottery funding to assist in reinstating lost architectural features to the Dome has been submitted. A decision on this first stage funding bid will be received in the summer and if successful, a more detailed second stage bid will be submitted. It is anticipated that if the required approvals are received, work would begin on site within the next twelve months. This private sector led scheme is essential to help boost confidence and encourage further private sector investment along the length of our coastline.

1.6 Decision options:

Option 1

(1) To note the issues arising from the deferral of the 2012/13 and 2013/14 Coastal Development budgets of £1m for 12 months

(2) To accept any Stage 1 offer of Coastal Communities Fund grant received, and proceed to take relevant steps to prepare and submit a Stage 2 application.

Option 2

Not to proceed with the Coastal Communities Fund bid irrespective of whether Stage 1 approval is received.

It is recommended that Option 1 be approved.

1.7 Reasons for recommended option:

To accept Option 1 would enable further investment to be made in a variety of projects along the length of our coastline which will support employment opportunities, improve facilities which will support our tourism sector by linking directly with the Coastal Strategic Development Framework. If the bid is successful, it will bring additional financial resource to the Coast and enable more regeneration work to take place than the Council's own capital resource can support alone. This will also help to build private sector confidence to invest in North Tyneside's Coast.

To accept Option 2 would result in less investment in our coastline, putting more emphasis on the Council's capital plan to fund and support regeneration projects to enhance facilities. It could also slow down or deter private sector investment in this area. This would result in the continued decline of our coastal offer and potentially have a negative impact on tourism visits, spend in the local economy and employment within this sector.

1.8 Appendices:

None

1.9 Contact officers:

Francis Lowes, Senior Manager Regeneration. Tel: (0191) 643 6421
Julie Bews, Regeneration Project Manager. Tel: (0191) 643 6428
Alison Campbell, Finance Business Manager. Tel: (0191) 643 7038

1.10 Background information:

The following background papers and research reports have been used in the compilation of this report and are available at the offices of the author:

- Report to Cabinet 11th October 2010: The Coast Strategic Regeneration Framework
- The Council's Budget 2012/13 and Council Strategic Plan 2012/15
- Coast Strategic Framework and Masterplans
- Fishing Boats to Fine Art – Cullercoats THI Partnership Stage 1 Application for HLF
- The Dome Restoration, Spanish City, Whitley Bay. Ready to Celebrate its greatness again, Stage 1 Application For HLF

PART 2 – COMPLIANCE WITH PRINCIPLES OF DECISION MAKING

2.1 Finance and other resources

The Alternative Budget approved by Council for 2012/13 removed the capital budget allocation of £1m for Coastal Development and deferred this spend until 2013/14. There is a similar deferral of spend of £1m from 2013/14 to 2014/15.

£0.350m was previously reprogrammed from 2011/12 into 2012/13 due to the delay to projects in the Cullercoats Bay area arising from the bid for £0.800m from the Heritage Lottery Townscape Heritage Lottery Fund. Following the end of the 2011/12 financial year, a further £0.128m was reprogrammed into 2012/13 some of which is already contractually committed giving a budget of £0.478m for 2012/13 including existing commitments. This will fund a small number of new Council led projects at the coast this year.

The financial implications of a successful Coastal Communities Fund bid will not be known until any Stage 2 decision letter is received. It is likely that there will be a requirement for staff resources to support the development of the projects for stage 2 which will be funded from existing resources, and potentially a requirement for matched funding. A further report with details of financial implications will be brought back to Cabinet if the Council is successful in its bid for Coastal Communities grant funding, before the grant is accepted.

2.2 Legal

If the Council's bid for Coastal Communities Fund grant funding is successful, it is understood that the Council will be required to enter into a grant agreement with DCLG, the terms of which will not be fully known until any Stage 2 decision letter is received. Full details of the legal implications arising from acceptance of any grant award will be contained in the further report to Cabinet to be submitted if Stage 2 approval is received.

2.3 Consultation/community engagement

A number of consultation events took place during the preparation of the Coastal Strategic Development Framework and Masterplan report.

Consultation on specific proposals for Cullercoats also took place in July 2011 supported by information made available via libraries and the Council website. The format of this engagement was chosen to provide the maximum opportunity for all interested people to view the outline proposals, make suggestions and give their views. A further drop in session was held in November 2011 to enable residents, businesses and interested parties to view the updated proposals and the details of the Townscape Heritage Initiative bid. All three Council Ward Members have either attended these sessions or have received regular briefings from Council Officers to update them on progress.

All future proposals and plans for the Coast will be subject to further public consultation and engagement prior to any works beginning to enable all interested parties to put forward their points of view for consideration and enable them to shape potential projects.

2.4 Human rights

There are no human rights implications directly arising from this report.

2.5 Equalities and diversity

An Equality Impact Assessment will be completed for the Coastal Communities Fund bid at Stage 2. All of the proposals which have been taken forward are designed to be fully accessible and inclusive, catering for all users as far as possible. For example, the young children's playsite at Cullercoats Bay incorporates equipment to enable disabled children to use the park and aid their sensory development; more accessible parking spaces have been provided at the extended car park between the Sea Life Centre and St Georges Church; and more pedestrian crossing points have been provided along Beverly Terrace to ease pedestrian movement in this area near to the new playsite.

2.6 Risk management

There are no risk management implications directly arising from this report.

2.7 Crime and disorder

There are no crime and disorder implications directly arising from this report.

2.8 Environment and sustainability

We will work closely with the Council's Biodiversity Officer to ensure that wildlife and biodiversity concerns are protected along our coastline and that any future proposed physical works results in minimal disruption to wildlife.

PART 3 - SIGN OFF

- Chief Executive X
- Mayor/Cabinet Member(s) X
- Chief Finance Officer X
- Monitoring Officer X
- Strategic Manager for Policy and Partnerships X