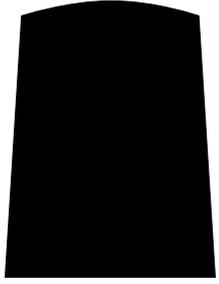
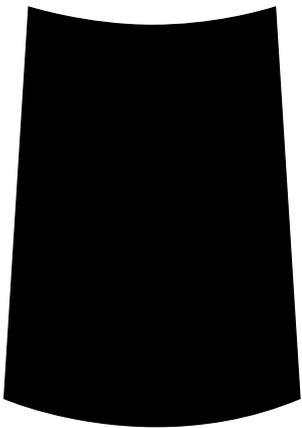


Cronfa Cymunedau'r Arfordir



Coastal Communities Fund



Delivered by Big Lottery Fund on behalf of UK
Government and the Devolved Administrations
in Northern Ireland, Scotland and Wales

Round four

guidance notes Wales

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Part one: Coastal Communities Fund overview

In 2012 the UK Government introduced the [Coastal Communities Fund](#) (CCF) to support economic development projects in coastal areas across the UK.

Since the start of the CCF, we have awarded grants to 218 organisations across England, Scotland, Wales and Northern Ireland to a value of £125 million. These projects are forecast to deliver 12,000 direct and indirect jobs, and help attract over £240 million of additional funds to coastal areas.

The UK Government announced in 2015 that the CCF will be extended to 2020/21, with at least £90 million of new funding available across the UK for the period 2017/18 to 2020/21.

CCF aims to support the economic development of coastal communities by promoting sustainable economic growth and jobs, so that people are better able to respond to the changing economic needs and opportunities of their area.

Funding awards between £50,000 and £300,000 are available in Wales for a wide range of applicant organisations and projects which benefit coastal communities.

Consideration will be taken of how plans for economic growth address local needs and priorities, the number of jobs that will be created and their long-term sustainability.

Programme outcome

All projects funded through CCF are expected to deliver the following outcome:

- ▶ Coastal communities will experience **regeneration** and **economic growth** through projects that **directly** or **indirectly create sustainable jobs** and **safeguard existing jobs**.

By outcome we mean the change that will come about as a result of your project. Please see the CCF guidance on measuring economic outcomes on the [CCF website](#) for job creation definitions and details of the indicator framework used in outcome monitoring.

Round four

CCF Round four in Wales will have around £3.4 million available for spend before December 2019. One further funding round is expected to open during 2017 for spend in 2019/20 and 2020/21.

Separate guidance notes were released for CCF Round four in England, Scotland and Northern Ireland.

Part two: Eligibility

What do we mean by coastal communities?

For the purposes of CCF the definition of a coastal community is:

- ▶ Any coastal settlement within a local authority area whose boundaries include UK foreshore, including local authorities whose boundaries only include estuarine foreshore.

Coastal settlements include seaside towns, ports and other areas which have a clear connection to the coastal economy.

We reserve the right to take final decisions on eligibility, consulting where appropriate with relevant government departments and other expert bodies. If you aren't sure whether your area is eligible please see [Part eight](#) for details of how to contact us.

Who can apply?

The following types of organisation can apply to the CCF in Wales:

- Private sector companies
- Local authorities
- Other public sector bodies
- Charities
- Voluntary and community sector organisations
- Social enterprises, including co-operatives and community ownership initiatives
- Development agencies

Applications can only be accepted from formally constituted organisations that have a minimum of three unrelated members on their governing body, management committee or board of directors. Unconstituted organisations should apply through an appropriate and constituted accountable body that can take responsibility for the funding and delivery of the project.

There is no limit on the number of applications in any particular coastal community, however **an organisation can apply for only one project per funding round in each country.** If a project will be delivered across two countries you should apply to the country where the majority of the project will be delivered.

Projects which include activities in more than one coastal community are eligible to apply.

Partnership applications

We welcome applications from strong, cross-sector partnerships that will work together for the benefit of the community. A lead organisation should submit the application on behalf of the partnership and be accountable for the project delivery and the funding. The lead needs to be the same organisation at stages one and two of the application process and for receipt and management of the funding. An organisation can lead on only one application in each country. There is no limit on how many applications an organisation can be a partner in.

Portfolio applications

We will accept composite applications where several smaller projects come together with similar aims and objectives, and where there is a lead organisation who can demonstrate that the aims and outcomes of the project will be met. Portfolio projects must identify a lead organisation to be the applicant and accountable body, and must be clear on the activities within each of the constituent elements and how they meet the aims and outcomes of the overall project.

How developed do projects need to be?

Projects seeking funding in Round four will need to demonstrate their ability to fully spend CCF funds by 31 December 2019. To give confidence that projects will be able to achieve this, key information needs to be in place by certain deadlines, in particular for capital projects.

Please read [Part five: Application, assessment and decision-making](#), [Part six: Detailed capital guidance for projects](#), and [Part seven: What are the timescales?](#) for detailed information.

Part three: Funding priorities

CCF is designed to support the economic development of coastal communities by promoting sustainable economic growth and jobs, so that people are better able to respond to the changing economic needs and opportunities of their area.

Applicants must demonstrate that their proposal fits with the broad economic priorities of the local area, directly or indirectly linking to a wider economic vision.

We are more likely to fund projects that can demonstrate a strong link to local strategies and plans, and that are complementary to what others are doing in the area.

In Wales:

Around £3.4 million will be available to fund proposals that take place in coastal settlements and address their unique economic challenges. We will support projects that have the greatest potential impact relative to the settlements size.

Only applications that are high quality and that address one of the three themes below will be considered:

1. **TEST** – For applicants who wish to begin, or move into, a new area of activity or business, which will create new jobs.
2. **GROW** – For applicants who have ambitions to expand the delivery of existing activities or business, which will sustain or create jobs. This could be achieved by either:
 - a. delivering **more**
 - b. moving into a new or **wider** geographical area
 - c. undertaking activity to become **better**, more efficient, and delivering tangible benefits to other businesses, the wider economy, or community.
3. **CHANGE** – For applicants who want to innovate or improve their business model or organisational structure, to generate more activity and sustain or create jobs.

Funding principles

We are keen to fund projects that involve local people and make the most of the skills and experience of people and assets within a coastal community. We know that projects that have the support of their communities are more likely to succeed, be sustainable and have a greater impact.

We expect projects to be environmentally sustainable and to demonstrate this in their approach to creating jobs and economic growth. See the following web links for guidance on best practice: [Well-being of Future Generations \(Wales\) Act](#), and the [New Economics Foundation Blue New Deal](#).

Projects should not request CCF funding where an existing or more appropriate funding stream exists and which applicants are eligible to apply to. (These might include European Structural Funds or DWP employment programmes.)

Projects should, where possible, encourage local people to secure employment opportunities resulting from the project. We will allow eligible training and skills development budgets within the project costs to enable this, though employability initiatives will not be considered as stand-alone projects.

CCF project examples

For examples of successful project applications, please refer to the project profiles of past awards on the [CCF website](#) and to the Coastal Communities Fund Annual Progress Reports also available on our [website](#). While these are not an indication of what will be successful in Round four, they may give you some insight into the planning and structure of a successful bid.

Part four: How much can I apply for and what can the money be used for?

Funding awards between £50,000 and £300,000 are available for a wide range of applicant organisations and projects which benefit coastal communities.

Whilst funding from other sources is encouraged, it is not essential and CCF can be the sole funder of your project. Projects with finance from other sources should make sure that funding arrangements do not impact on the ability to deliver the project within CCF timescales. All other sources of funding must be in place by the CCF stage two deadline, see [Part seven: What are the timescales?](#) of this guidance for timelines.

Up to two years funding is available and will be awarded for spend within financial years 2017/18, 2018/19, and 2019/20 (to December 2019 only) based on an agreed spend profile. Projects must be able to start within three months of award and funding must be spent within the relevant financial year. Any spend falling beyond 31 December 2019 will need to be met by grant holders from other resources.

Funding is available for both capital and revenue costs. It can typically be used to pay for:

- salaries that contribute to delivering the CCF outcome
- delivery of project activities
- training
- travel expenses
- volunteer expenses
- equipment
- rental of premises, fixtures and fittings
- monitoring and evaluation
- a proportion of overheads directly related to CCF project delivery (see our [full cost recovery guidance](#))
- capital costs including land and buildings where these are vital to the success of the project (these include purchase or lease of land, buildings,

equipment or vehicles; construction, refurbishment, survey costs, and related professional fees)

Money from CCF cannot be used to pay for

- costs that have been incurred before a funding offer is made
- feasibility studies
- items that only benefit an individual
- items that are not directly needed to deliver the proposed work
- travel outside of the UK
- funds to build up a reserve or surplus, whether distributable or not
- loan repayments
- contributions to general appeals
- political or religious activities
- activities that the government has responsibility for
- onward distribution of funds – such as using part of CCF funding to run a community grants scheme or provide awards to local businesses.

State Aid

State Aid is a specific legal term arising from the European Union treaty which constitutes financial aid to organisations carrying out economic activity (whether or not for profit) which could distort competition.

If our funding could give you an advantage over other organisations offering similar goods or services, or if the activities you want us to fund could affect trade between EU member states, then our funding might be considered to be 'State Aid'.

We require applicants to self-evaluate how their project is compliant with [European State Aid rules](#), taking specialist legal advice where necessary. This will be reviewed as part of our assessment process. Before any offer of funding is made, we will require that an agreed State Aid position, eligible

under EU law, has been reached with us.

Projects that include commercial elements, such as trading products or services on an open market, are much more likely to be considered State Aid. If your intended project has commercial elements, you are strongly advised to consider how you will comply with the EU's State Aid rules.

State Aid rules to protect competition within the fisheries, aquaculture and agriculture sectors are particularly strict. Only projects which do not confer any selective economic advantage can be considered in these sectors (such as conservation measures that do not directly benefit a particular business such as a lobster hatchery which seeks to stabilise or grow fisheries stocks).

If you have received any funding in the last three years that was classed as 'de minimis' state aid, you must declare this when you apply to CCF and any offer of funding might need to be adjusted accordingly.

Part five: Application, assessment and decision-making

Only one application will be accepted per organisation. Any application which is incomplete at the application deadline will not be assessed.

Two-stage application process

Stage one is an expression of interest, following which we will identify projects that strongly fit the programme aim, outcome and Wales priorities. Stage one is designed to ensure that decision-makers have sufficient information to sift and select the proposals they want to invite a stage two application from.

As part of the assessment process, we may ask applicants to present more information. This may be in person or via telephone. **Applicants should ensure they are available on either 18th or 19th October 2016 for this purpose.**

Stage two is by invitation only and entails completion of either a full **application form** or **business plan**, and the provision of relevant supporting information. For capital projects involving land and buildings, significant additional information is required. See [Part six: Detailed guidance for capital projects](#).

We expect to invite more projects to submit a stage two application than we are able to fund. There was extremely high demand for Coastal Communities funding in the first three rounds of the programme. Similar high interest is anticipated in Round four. We therefore strongly advise all applicants to carefully read these guidance notes to ensure that applications are a strong fit with the programme outcome, local strategies and CCF priorities, and that you will be able to meet CCF criteria for capital projects and for those with any co-finance.

Key information required

To give confidence that projects will be able to deliver within CCF timescales, the following information will be required. A judgement-based approach will be taken to the application of these criteria and we will prioritise projects that can demonstrate they will be able to complete successful delivery by 31 December 2019.

- Capital projects involving land and buildings should be **developed to RIBA Work Stage 4 with all consents and title** secured by the stage two application deadline. We explain this in detail in [Part six: Detailed guidance for capital projects](#).
- Projects involving funding from other sources must be able to provide evidence that **all other funding has been secured** by the stage two application deadline.
- All projects should have reached an **agreed State Aid position** eligible under EU law, with approval from Big Lottery Fund, by the stage two application deadline.
- We would expect there to be **partnership agreements** in place which outline the roles and responsibilities of each of the partners. It is not essential that partnership agreements are in place at stage one, but draft terms should be agreed for any application that progresses to stage two.

Assessment

At both stage one and stage two, the key decision-making criteria will be:

- whether the project will directly or indirectly create jobs, and/or sustain existing jobs, and promote economic growth
- whether the market opportunity for the project has been clearly demonstrated
- how well the project meets the CCF outcome and Wales funding priorities
- how well the project fits with local economic plans and involves the local community
- how likely the project is to successfully deliver its intended outcomes
- how the benefits of the project will be sustained after CCF funding finishes
- whether the approach to creating jobs and growth is environmentally sustainable
- whether the project represents comparatively good value for money, e.g. how much it will cost to create or safeguard jobs in relation to the overall project funding requested
- whether the project can be successfully delivered and all funding claimed within CCF timescales.

Our assessment will be based on the evidence you provide in your application, and on the judgement points above.

Decision-making

Applications are assessed by Big Lottery Fund officers and funding recommendations made to the CCF Decision Panels in each country. We may take advice from other government bodies in making funding recommendations.

In Wales, the CCF Decision Panel is made up of two Big Lottery Fund Wales Committee members, two Welsh Government officials, and independently recruited members. The Decision Panel makes recommendations to the appropriate Welsh Cabinet Secretary for approval.

CCF budgets are determined annually from Crown Estate marine revenues. The amounts stated in these guidance notes are therefore indicative only. We may offer some Round four applicants the opportunity to be on a 'reserve list' to be considered if more money than was originally announced becomes available.

If there are insufficient good quality projects to commit all of the funding, other options which address the CCF outcome might be considered.

Part six: Detailed guidance for capital projects

For CCF Round four we will prioritise fully developed projects that are able to spend all of their CCF funding before 31 December 2019. Therefore projects that are sufficiently developed with all necessary consents in place are more likely to be funded in this round.

Project development

We expect capital projects applying to CCF to be at an advanced stage of development. For most capital projects this means your project should be at **RIBA Stage 4** when submitting your stage two application. RIBA stages are a recognised plan of work formed by the Royal Institute of British Architects that describes the activities at each stage of a construction project. A project at RIBA Stage 4 [Technical Design stage] will have a fully developed project brief, undertaken all relevant surveys and have a suitable level of design/cost information. You can find out more at the [RIBA Plan of Work website](#).

Statutory consents

Projects involving land, buildings or other construction-related work should ideally have secured full Planning Consent (including any Listed Building and Conservation Area consents) by the stage one application deadline. At the very least, projects should have submitted an application for full Planning Consent by the stage one deadline, in order to be able to meet CCF timescales and requirements at stage two.

By the stage two application deadline, capital projects should be developed to RIBA Stage 4, have achieved **full Planning Consent** (including any Listed Building and Conservation Area consents), **building regulations full plans approval** and have consulted on any other consents (such as Marine Licence, Crown Estates Consent, Harbour Licence etc).

Lease/ownership

Assets to be developed with CCF funding must be owned or leased by the applicant or, in the case of partnership projects, an appropriate legal agreement put in place to pass on our terms and conditions.

By the stage two deadline capital projects are expected to have a **valid freehold/heritable or leasehold title** to any land/property to be used for the project. Where title is not yet held, evidence that a legally-binding contract is in place for the purchase/lease, and that the purchase/lease will be completed within one month if an offer of CCF funding is made, is required.

For capital funding of up to £100,000, a lease of at least five years is required; over £100,000 but less than £350,000, a lease of at least 10 years; between £350,000 and £5 million a lease of at least 20 years. Leases must be assignable and without a break clause. For applications for a portfolio of capital projects with a collective value over £100,000, each lease must be at least 10 years.

Site appraisal surveys

We would expect survey information proportionate to the scale and type of capital project, and sufficient to have developed the project to RIBA Stage 4, to be in place by the stage two application.

Procurement

We recommend that you include a break clause in the contracts of the professional team you engage to develop your project, so that these contracts can be properly tendered if funding is awarded.

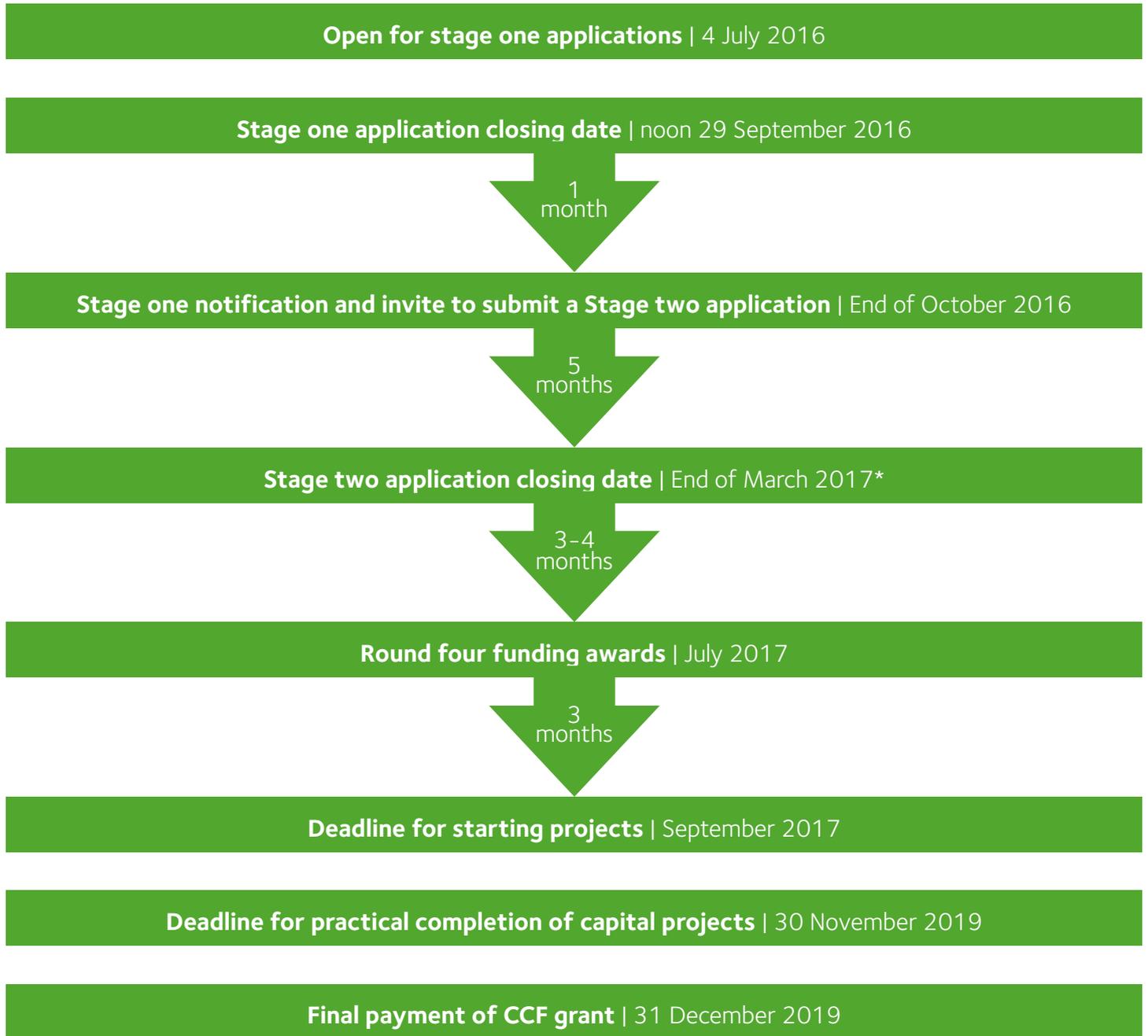
Capital timescales

Applicants will be expected to set out a programme of activities in their stage two application that accurately reflects their project and intended timescales and how that fits with CCF deadlines.

Capital projects with 100 per cent funding from CCF will need to reach Practical Completion by November 2019 to allow final claims to be submitted and paid by the programme deadline of 31 December 2019.

For any capital projects with activity and other funding beyond December 2019, all CCF spend must be completed and claimed by end December 2019, and you would need to be contractually committed via a building contract to completing the project with other funding.

Part seven: What are the timescales?



* We will confirm the exact date for stage two applications when we write to those invited.

Please note: Applicants should be available on either 18th or 19th October 2016 in the event that we call on you to present more information. This may be in person or via telephone.

Part eight: Contact details

For further information please email us at

ccfwales@biglotteryfund.org.uk

or call us on 0345 4 10 20 30.

Additional guidance can be found on our [website](#):

- CCF guidance on measuring economic outcomes
- Guidance for partnerships
- Standard terms and conditions of grant
- Additional terms and conditions for capital grants