



FUNDING GUIDANCE FOR NAVIGATION AUTHORITIES

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POTENTIAL FUNDING SOURCES

A range of external funding sources are available to support waterway projects. Each source has its own objectives and priorities. However there are a number of common themes that need to be taken into account in applying for grants. These issues are particularly important considerations for project development and implementation where multiple objectives and funding sources are concerned. It is important that the necessary 'groundwork' is carried out before applications are made in order for projects to have a realistic chance of success:

- Match funding. Most grant funders do not give 100% grants to projects. Funding therefore may have to be assembled from a number of sources.
- Partnership. Many funding sources like to see evidence of partnership working and support for projects from a range of stakeholders. Partnerships can of course be useful for assembling funding packages, with each partner bringing its particular expertise to the table.
- Inclusion. Many funding sources wish to see evidence that issues of equality and social inclusion are being addressed through the project.
- Consultation. Again involvement of people and stakeholders is often important to funders. Evidence of public consultation and widespread support for the project may be required.

- Outputs & outcomes. Most funding sources will require measurable outputs and outcomes from projects. It is important that applications are framed in such a way as to demonstrate how these will be attained. Also, thought should be given as to how these outputs and outcomes will be monitored and evaluated following project completion. (> exit strategy / project sustainability)
- Project need. The project should be in line with local/regional/national strategies and ideally identified through surveys and questionnaires
- Business plan / action plan / constitution. A brief document which provides a solid basis and answers questions which will be asked in an application anyway.
- Staff time. This should not be underestimated but can be used as in-kind support on the other hand. For some funding sources, such as the Heritage Lottery Fund, the value of volunteer time can also be used as match funding.

External funders are unlikely to provide support for what they see as the statutory responsibility of waterway authorities. However, external funding can be used for a wide range of projects to support the management and development of waterways. Types of activity that can particularly benefit from third party funding support include:

- waterway restoration
- freight transport and the development of sustainable transport through walking and cycling
- environmental and heritage conservation together with access to natural and cultural heritage and promoting biodiversity
- public access, particularly to towpaths
- economic and business development support through, for example, redeveloping derelict land
- tourism development, marketing and promotion
- training and skills development
- measures supporting social inclusion and neighbourhood renewal

The following review of sources sets out some of the main funds that might be used to fund waterway schemes. We have concentrated on the main sources, that have successfully supported waterway projects. However there are numerous smaller grant sources that might be brought into play for particular aspects of schemes. For example other types of voluntary sector grants might be used to fund social or environmental actions associated with waterway schemes, but maybe not with the main scheme itself.

Obviously funding sources and conditions of grant change over time. It is difficult to predict what funding regimes will be like in a few years time. In this analysis we have tried to take account of potential changes and opportunities where relevant. However it is important that the links to the various funding source websites are used to get up-to-date information on schemes currently under way and that the latest application procedures and conditions are followed.

Also different grants are often available for different parts of the UK. Scotland, Wales and Northern Ireland often have their own grant regimes, which are administered differently from those in England. Where this is the case, we have pointed it out relevant websites that can be accessed for advice.

Funding sources are grouped as follows:

- European sources
- National sources, including the National Lottery
- Regional sources
- Other

EUROPEAN SOURCES

European Regional Development Fund / European Social Fund – Convergence & Competitiveness Objectives

A new European funding regime has come into effect for the years 2007-2013, replacing the present European programmes. The main source of relevance to waterway schemes is the European Regional Development Fund, some £6.6 billion of which will be available in the UK over the 7 year period. The programme will have 3 Objectives:-

- **Convergence Objective** - for regions with a GDP below 75% of the EU average (replacing current Objective 1 funding). In the UK this will only apply to Cornwall and West Wales & the Valleys, with some phasing out funding available in the Highlands & Islands of Scotland;
- **Competitiveness Objective** - to address problems related to economic restructuring and to fund labour market programmes (replacing the existing Objective 2 & 3 ESF programmes). Competitiveness funding is open to all regions, other than those eligible for convergence funding and some additional funding is available through this Objective for the former Objective 1 areas of Merseyside and South Yorkshire.
- **Cooperation Objective** - to finance cross-border, trans-national and interregional co-operation, replacing the present Interreg programmes. (the name Interreg is still being retained for funding through this Objective however).

The Convergence and Competitiveness funding will be tied into the priorities of the Regional Development Agencies (RDAs), as reflected in the Regional Economic Strategies, with an emphasis on contributing to the EU's Lisbon Agenda, concerned with furthering economic growth and jobs. Funding of relevance to waterways might relate to infrastructure projects (such as canal restoration), economic development, tourism and cultural projects and environmental measures (under the European Regional Development Fund component) and training & skills development (under the European Social Fund component).

The programmes will be administered regionally. Consultation is under way (early 2007) regarding the Operational Programmes, which will form the basis for the themes and priorities to be addressed. Progress can be followed through the Department of Communities & Local Government website – www.erdf.communities.gov.uk. In England, programmes are administered by the 9 regional government offices – use www.gos.gov.uk for links to these, although it has been announced that responsibility for the new programmes from 2007-2013 will be transferred to the **Regional Development Agencies**.

In Scotland, Wales & Northern Ireland different arrangements will apply, so check:

SCOTLAND	Scottish Executive	www.scotland.gov.uk
WALES	Welsh European Funding Office	www.wefo.wales.gov.uk
NORTHERN IRELAND	Department of Finance and Personnel	www.dfpni.gov.uk

European Regional Development Fund – Cooperation Objective

Co-operation funding will effectively replace the current Interreg programmes and will be aimed at strengthening economic and social cohesion in the European Union. The funding will consist of 3 strands, all three of which require international partnerships to be developed for delivering projects under common themes:

A – Cross-border co-operation. In the UK, this will be confined to three specific areas:

- England south coast with France/Belgium/Holland
- West Wales with Ireland
- Ireland cross-border, with links to the west of Scotland

B – Transnational Co-operation. Under this strand, Europe is split into over a dozen transnational regions and projects are developed by partnerships within these regions. Under the new arrangements, the UK is likely to fall within 4 of these regions:

- **North Sea Region** – which will include the eastern side of England & Scotland www.interregnorthsea.org
- **North West Europe** – which will cover the whole of the UK www.nweurope.org
- **Atlantic Area** – covering the western side of England & Scotland and the whole of Wales www.interreg-atlantique.org
- **Northern Periphery** – covering part of west and north of Scotland www.northernperiphery.net

C – Inter-regional co-operation, supporting networks for sharing information and experience. Partnerships can be developed with organisations throughout the EU. Each separate programme will develop its own themes, based on both EU and local / regional priorities. Themes of interest for waterways are likely to include issues

such as transport, water management, the environment and tourism & cultural heritage. The programmes are currently being set up, with first calls for applications likely sometime in 2007.

Life +

Life + will be the new EU programme dealing with nature and the environment. It will start in 2007, as successor to the existing *Life III* programme. It will focus on issues concerning climate change, nature & biodiversity, health & quality of life and natural resources & waste. For progress with the programme's development, check www.ec.europa.eu/environment/life/.

In the past, Life has proved to be a highly competitive programme. It could be appropriate if issues are identified that require innovative approaches.

Rural Development Programme

In late 2006, the new Rural Development Programme for England & Wales was in preparation, which will administer funds from the Common Agricultural Policy (CAP) Pillar 2, funding environmental improvements, public access and agricultural diversification etc. Further information and progress can be found on the Department for Environment, Food and Rural Affairs (Defra) website – www.defra.gov.uk or on the sites of the equivalent bodies in Scotland, Wales and Northern Ireland.

Marco Polo

The EC **MARCO POLO** Funding Programme for the Regions of the European Union is available to fund commercial projects which encourage combined transport and thus reduce road congestion and environmental impact by encouraging the shift of freight from road to other modes.

The programme includes financing three types of actions:

Modal Shift: shifting freight from road to short sea shipping, rail, inland waterways or a combination which includes road, the latter being kept as short as possible. (Minimum 500,000 euro per project, maximum rate up to 30%)

Catalyst: innovation that overcomes structural market barriers. (Minimum 1.5 million euro per project, maximum rate up to 35%)

Common learning: enhancing knowledge in the freight logistics sector. (Minimum 250,000 euro per project, maximum rate up to 50%)

The programme has a budget of 740 Million euro for 2007 -2013 and projects should be submitted by 2 or more commercial public or private parties, users or transporters from 2 different countries with at least one EU Member State.

Further information can be found at www.ec.europa.eu

NATIONAL SOURCES

Heritage Lottery Fund

Substantial funds have been obtained from Heritage Lottery Fund (HLF) in the past for waterway schemes – particularly a grant of £25 million for the Kennet & Avon Canal restoration. Since then it has become more difficult to get large grants from this source, given the overall reduction in availability of Lottery money and introduction of more restrictive funding criteria.

Large grants are still possible. For applications of £5 million or greater a two-stage application procedure applies, with grants being assessed in competitive batches twice a year. Such projects need to demonstrate clear regional or national benefits. Projects from £50,000 - £5million are decided at a regional level. Projects can relate to both conserving & enhancing heritage and to learning, accessing and becoming involved with heritage.

HLF also runs a number of specific programmes that might be relevant, particularly:

- **Your Heritage**, offering grants of £5-50,000 for community-based heritage projects;
- **Townscape Heritage Initiative**, with grants of £250,000 to £2 million to help communities to regenerate the historic parts of towns and cities;
- **Landscape Partnerships**, which are portfolios of projects to tackle the needs of landscapes, whose elements may be in different ownerships (Grant value £250,000 to £2 million);
- **Young Roots**, offering grants of £5-25,000 for involving young people with heritage.

Further information can be found on www.hlf.org.uk

Sports Lottery

Sports Lottery schemes are administered by the Sport Councils in England, Scotland, Wales and Northern Ireland. Community investment grants are available for capital works, equipment and certain types of revenue support. However such funding must contribute directly to increasing participation in an eligible sport. (These include angling, canoeing and cycling.) Grant applications are assessed against priorities set out in the national and regional sports strategies. Administering organisations are:

- Sport England www.sportengland.org
- Sport Scotland www.sportscotland.org.uk
- Sports Council of Wales www.sports-council-wales.co.uk
- Sports Council Northern Ireland www.sportni.net

Big Lottery Fund

Big Lottery was formed in 2004 through the merger of two Lottery funding streams – the New Opportunities Fund and the Communities Fund. Big Lottery runs a range of programmes that may be relevant to waterways. However, the programmes last for a finite period of time. Therefore, it is necessary to check with Big Lottery on a regular basis as to which programmes have open calls. An example is the large-scale *Living Landmarks* programme, which gives grants of between £10 - 50 million for community regeneration projects. This has now closed for applications, but a number of waterway projects have secured Phase 1 funding through it. Different schemes operate in England, Scotland, Wales and Northern Ireland.

Examples of schemes that are currently (early 2007) open in England include:

- ***Breathing Places***, giving small grants (£300 - £10,000) to encourage people to become actively involved with local open spaces;
- ***Reaching Communities***, with grants of £10,000 to £500,000 for local people and community organisations to help them improve quality of life, through improving skills and health and creating better rural and urban environments etc.

For further information go to www.biglotteryfund.org.uk

Arts Lottery

The Arts Lottery Fund is administered by the various Arts Councils in England, Scotland, Wales and Northern Ireland. Arts Lottery funding has been used to support community arts projects on waterways. For further information contact the respective Arts Councils e.g. Arts Council England – www.artscouncil.org.uk

English Heritage

English Heritage gives grants directly for some specific heritage subjects, such as urgent repairs for listed buildings and capacity building for the voluntary sector. Further details can be found on www.english-heritage.org.uk.

It also distributes an element of the Aggregates Levy Sustainability Fund. Cadw (www.cadw.wales.gov.uk) and Historic Scotland (www.historic-scotland.gov.uk) also provide grants to support various aspects of heritage in Wales and Scotland respectively.

Natural England / Scottish Natural Heritage / Countryside Council for Wales / Environment & Heritage Service Northern Ireland

The countryside organisations in the various countries manage a range of grant programmes that may support recreation & access and environmental management projects, including environmental programmes within the Rural Development

Programme (eg. the *Countryside Stewardship* programme in England). Websites are:

- Natural England
www.naturalengland.org
- Scottish Natural Heritage
www.snh.org.uk
- Countryside Council for Wales
www.ccw.gov.uk
- Environment & Heritage Service Northern Ireland
www.ehsni.gov.uk

Landfill Communities Fund (formerly Landfill Tax Credit Scheme)

The Landfill Communities Fund is intended to mitigate the effects of landfill operations upon local communities by distributing funds to support environmental projects in lieu of tax. Sometimes grants are made available direct by the landfill operator. However much of the funding is now distributed through Distributive Environmental Bodies, which effectively act as agents for the allocation of funds. LTCS can fund activities that directly soften the effect of landfill operations. It can also support biodiversity conservation schemes and projects that provide or maintain public amenities, so long as they take place within ten miles of a landfill site. A list of Distributive Environmental Bodies, together with further details of the scheme can be found on www.ltcs.org.uk. Supplementary information can be found on the Entrust website – www.entrust.org.uk. Entrust is the body that administers the scheme.

Aggregates Levy Sustainability Fund

The Aggregates Levy Sustainability Fund can, amongst other things, support projects, which will deliver amenity and environmental benefits to communities, which are either currently or historically affected by aggregates extraction. Amenity and environmental projects should take place within 5 miles of an aggregates extraction site. The scheme is administered through a number of distributing bodies, which fund projects according to priorities agreed with the Department for Environment, Food & Rural Affairs (Defra). The current scheme runs to 2007. The main potential for waterways is through the elements of the scheme administered by **Natural England** and **English Heritage**.

Awards for All

Awards for All is a lottery grants scheme for local communities. There are four different schemes for each of the four countries of the UK.

For more information go to: www.awardsforall.org.uk/index.html

REGIONAL SOURCES

Regional Development Agencies / Scottish Enterprise / Welsh Assembly Government

Direct grants are available from the Regional Development Agencies in England for activities related to business and skills development, infrastructure provision and improving peoples' quality of life. Priorities are tied into the each region's Local Area Agreements and Regional Economic Strategy in particular. Priorities vary between RDAs and further details can be obtained from their websites:

North West Development Agency	www.nwda.co.uk
Yorkshire Forward	www.yorkshire-forward.com
One North East	www.onenortheast.co.uk
Advantage West Midlands	www.advantagewm.co.uk
East Midlands Development Agency	www.emda.org.uk
East of England Development Agency	www.eeda.org.uk
South East England Development Agency	www.seeda.co.uk
South West Regional Development Agency	www.southwestrda.org.uk
London Development Agency	www.lda.gov.uk

Waterway projects can help deliver many of the objectives of the Agencies through, for example:

- Waterside redevelopment and regeneration
- Tourism development
- Skills training
- Environmental enhancement

In Scotland, a similar role is played by Scottish Enterprise (www.scottish-enterprise.com), supported by the Scottish Executive. In Wales the equivalent body is the Welsh Assembly Government's Department of Enterprise, Innovation and Networks (formerly the Welsh Development Agency) – www.new.wales.gov.uk. It is worth noting that both EU and national funding is often distributed regionally and locally via RDA programmes.

Local Authorities

Although local authority funds are often limited, they do form a potential part of any funding mix. Local authority support is of course essential for many projects, not least for planning reasons. It is essential therefore that those schemes are designed to contribute to local authority plans and priorities. In developing partnerships to deliver waterway projects, it is important to involve local authorities, who often may be able to contribute to the project through funding or in-kind support. Funding of particular relevance to waterways may be available through Local Transport Plans and neighbourhood renewal schemes.

Local authorities can sometimes provide access to participation in European funding schemes and it can be worth discussing with local authorities what European (and other) funding they have access to for other projects in their area, to see if waterway projects might be able to benefit. For example, Essex Waterways Limited has benefited from funds gained by Maldon District Council in the Maya 2 Scheme (which covers some North Sea coastal areas). Their participation is welcomed by the Council, as they have been able to use expenditure throughout the navigation as match funding to assist the council lever an even greater amount of European money, some of which has been spent on facilities for boaters.

OTHER SOURCES

Other Trusts & Foundations

There are a range of charitable trusts that fund environmental and heritage projects. Most of these provide funds to the voluntary sector only. Therefore applications would have to be submitted by organisations such as canal trusts or The Waterways Trust. Some of the larger trusts include:

- **Esmee Fairbairn Foundation**, which aims to improve the quality of life of communities in the UK. Amongst the types of schemes supported are arts, heritage and environmental projects – www.esmeefairbairn.org.uk
- **Pilgrim Trust**, which can contribute to projects conserving historic structures www.thepilgrimtrust.org.

Inland Waterways Association

The IWA makes grants from its Restoration Grant Fund of up to £15k to organisations promoting the restoration of navigable or formerly navigable inland waterways. Applications from bodies promoting new navigable waterway routes will also be considered. For more information go to www.waterways.org.uk/Restoration/RestorationGrants

Water Freight Grants

Grants are available to encourage freight off road onto water. These grant schemes consist of **Freight Facility Grants (FFG)** which is to assist with the capital costs related to moving freight by water and **Waterborne Freight Grant (WFG)** to assist

with the operating costs associated with moving freight by water. They are available upon application and availability subject to certain criteria from:

England: Department for Transport
www.dft.gov.uk/pgr/freight/waterfreight/grants/

Scotland: Scottish Executive
www.scotland.gov.uk/Topics/Transport/Freightgrants 1

Wales: Welsh Assembly Government

Private Companies

Private companies can sometimes provide financial assistance. For example, HSBC recently offered £20k funding for the Basingstoke Canal as part of their programme of community support. HSBC and similar large corporations have large budgets for such work ranging into many millions of pounds. Essex Waterways Limited benefits from considerable support from Essex & Suffolk Water (the local water supply company) in addition to that company's legal obligation to assist with certain maintenance work.

IF YOU HAVE EXPERIENCE OF FUNDING SCHEMES THAT YOU WOULD LIKE TO SHARE WITH OTHER AINA MEMBERS, THEN PLEASE CONTACT INFO@AINA.ORG.UK