

6.0 The Way Forward

6.1 Potential Funding

A key feature of canal restoration schemes, such as the Leek Arm proposal, is that they deliver multiple benefits in sustainability terms. Economic, social and environmental / cultural objectives can all be achieved within one project. Of course care must be taken in the detailed design of projects to ensure that potential conflicts between objectives are resolved.

Restoration schemes are generally funded through a mix of funding sources, each of which has its own objectives. There are however a number of common themes that need to be taken into account in submitting projects. These issues are particularly important considerations for project development and implementation where multiple objectives and funding sources are concerned:

- Partnership
- Inclusion
- Consultation

The following review of funding sources sets out those with potential to fund key components of the restoration scheme. There are numerous smaller grant sources that could be brought into play for detailed parts of the scheme. For example, voluntary sector grants could be used to fund social, educational or environmental actions associated with the restoration. However in this review we have concentrated on those sources that are key to the restoration 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.

Funding sources are grouped as follows:

- National Lottery
- European sources
- Regional sources
- Other sources

6.2 National Lottery

6.2.1 Heritage Lottery Fund

Substantial funds have been obtained from Heritage Lottery Fund (HLF) in the past for canal restoration – particularly a grant of £25 million for the Kennet & Avon Canal. 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. There also needs to be a clear heritage focus on the works to be carried out, so it is likely that only certain elements of a canal restoration project would be funded through HLF eg. historic infrastructure and access to the heritage. In the case of the Leek Arm, reinstatement of the Churnet Aqueduct would be an obvious candidate for HLF funding. However it is doubtful if much of the channel works required would be funded through this source, except possibly in the case of Route 4, if the historic line of the canal could be followed.

6.2.2 Sports Lottery

Sports Lottery schemes are administered by the Sport England. 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 a eligible sport. (These include angling, canoeing and cycling.) Grant applications are assessed against priorities set out in the Sport England West Midlands regional sports plan.

6.2.3 Big Lottery Fund

With the recent merger of two Lottery funding streams – the New Opportunities Fund and the Communities Fund (to form the Big Lottery Fund) - an announcement was made regarding a new stream of funding. This is the **Transformational Fund**, which will provide substantial funding for 1 or 2 flagship projects each year. Basically it is a successor to the Millennium Fund, which supported major canal schemes such as the Lowland Canals (Scotland), Huddersfield Narrow and Rochdale restorations and the Ribble Link project. It is likely that this scheme will involve much greater public participation than was the case with the Millennium Fund. Detailed proposals for the scheme are not yet available and the first applications are likely in 2005 or later.

The ex-New Opportunities Fund elements of the Big Lottery Fund supports education, health and environment schemes through a range of different initiatives. The Fund has a number of programmes open for application at any one time. For example the Green Spaces and Sustainable Communities initiative helps communities understand, improve or care for the natural and living environment (although much of the funding from this source has now been allocated.)

6.3 European Sources

6.3.1 ERDF Objectives 1 & 2

A new European funding regime will come into effect post-2006. The Leek area will not qualify for Objective 1 funding and any opportunities through the Objective 2 programme will be limited at best.

6.3.2 Interreg

The European Community Initiative Interreg III is designed to strengthen economic and social cohesion in the European Union by promoting transnational co-operation in spatial planning. The initiative currently runs from 2000 to 2006. It consists of three strands. The most relevant strand for the Leek Arm is Interreg IIIB, which is aimed at developing transnational co-operation between national, regional and local authorities and a wide range of non-governmental organisations. Under Interreg IIIB, the European Union has been split into a number of transnational programme areas, which have common problems and issues. Staffordshire falls within two of those programme areas – North West Europe and Atlantic Area.

A key issue for Interreg IIIB projects is the establishment of the transnational partnership, which would develop projects based on the priorities set out in the Interreg region programming documentation. Most of the funding available under both the North West Europe and Atlantic Area programmes has now been allocated. However a successor programme to Interreg will be implemented post-2006 (which is likely to be a new structural fund Objective 3 instrument) and the budget for this could be significantly higher than at present.

6.3.3 Life Environment

The EU Life III programme has two strands that could be relevant to the Leek Arm – Life Environment and Life Nature. Both programmes aim fund innovative projects.

Life Nature is concerned with the conservation of habitats and fauna & flora. Life Environment relates to the protection and enhancement of the environment, including water management and land use development and planning. The programme has been extended to the end of 2006.

Life is a highly competitive programme. It could be appropriate if issues are identified that require innovative approaches.

6.3.4 Agri-environment schemes

Under the emerging proposals for Common Agricultural Policy (CAP) reform for the period 2007-13, a new European Agricultural Fund for Rural Development (EAFRD) will be set up to support agricultural restructuring, diversification and environmental management (under the so-called Pillar 2 of the Common Agricultural Policy). This will be implemented through rural development plans in the member states. In future therefore more funds may become available to fund agricultural diversification, access and nature conservation measures.

6.4 Regional Sources

6.4.1 Advantage West Midlands

Most grant funding from AWM is driven through the West Midlands economic strategy – *Delivering Advantage: West Midlands Economic Strategy & Action Plan 2004-10*. Projects must help deliver this strategy, which is based on four pillars:

- Develop a diverse and dynamic business base;
- Promote a learning & skillful region;
- Create the conditions for growth;
- Regenerate communities.

Canal projects can help deliver all four of these objectives, through, for example:

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

6.5 Other Sources

6.5.1 Landfill Tax

The Landfill Tax Credit Scheme (LTCS) 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 16 kilometres of a landfill site.

Distributive Environmental Bodies active in Staffordshire include:

- Biffaward, administered by the Royal Society for Nature Conservation (RSNC). Their large grant scheme for flagship community-led regeneration projects, can make awards up to £500k.
- Staffordshire Environmental Fund, which normally makes awards of up to £100k.

6.5.2 Aggregates Levy

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 8 kilometres 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 of the Environment, Farming & Rural Affairs (Defra).

The scheme was initially implemented for a 2-year period from 2002, but it has now been announced that it will be extended to 2007.

6.5.3 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 they would have to be accessed through organisations such as the local canal trusts. Some of the larger trusts include:

- Esme Fairburn, which funds environmental schemes; and
- Pilgrim Trust, which can contribute to projects conserving historic structures.

The Waterways Trust is a national organisation established to promote public awareness and enjoyment of inland waterways. Although it administers a small grants programme, its main role in relation to the Leek Arm restoration could be as a facilitator by acting as a conduit for grants from other charitable trusts.

6.6 Next Steps

The current canal terminus at Leek offers little in the way of facilities for boaters wishing to moor up and visit the town. This feasibility study has provided the opportunity to explore a range of options for the creation of a new destination at the end of the Leek Arm of the Caldon Canal with the potential to bring vitality to the canal and to the town. Each option has been outline costed and discussed in terms of environmental impact and physical constraints and analysed in terms of potential economic benefit.

For any of the route options and locations to be considered further, more detailed site investigations will be required to fully assess the area's topography and to investigate underlying ground conditions.

A number of key organisations such as Staffordshire Moorlands District Council and Churnet Valley Railway will also need to be involved and consulted to ensure there is a link up with wider regeneration and development plans for the area. A new canal terminus teamed with Churnet Valley Railway's aspirations to reopen the railway offer an exciting opportunity to re-establish two lost transport connections to the town and increase tourism in Leek and the Churnet Valley.