
**REPORT TO AUDIT, RESOURCES AND PERFORMANCE COMMITTEE MEETING ON
THE 22 JANUARY 2016**

GIVING STRATEGY REPORT (MB)

Purpose of the report

1. This report recommends to members that the Authority adopts a Giving Strategy to grow our supporters and giving opportunities and to maximise our brand as the first National Park in Britain.

2. **Key issues**

Our Corporate Plan describes our three main roles, as a regulator, influencer and deliverer, as key to our work going forward. We will support our influencing and delivery roles through the Defra grant, but to a lesser extent than previously, and we will have a programme to secure funding from income generation, external funding, and donations to resource these roles effectively. This will ensure the investment of government funding will lever at least an equal investment from other sources. One of the potential areas of diversification and growth is from donations or giving. The development of a Giving Strategy is intended to guide the Authority's actions in this area. The Authority's strategic financial framework includes developing a fund raising programme of activities.

The long-term sustainability of the National Park depends on fostering strong relationships with a range of supporters - individuals, communities and organisations. This relationship is the basis for support and may take the form of offering valuable intellectual support, giving time and/or money for the conservation or enjoyment and understanding of the National Park.

The implementation of a Giving Strategy will require a significant investment of time and money, and the cumulative nature of giving means it may take a number of years to achieve the return on this investment although the return could be considerable in the long-term. This report provides information to inform our decision making around the investment and action required, and the return on this investment.

Our agreed performance and business plan focus for 2015/16 is to have a clear plan for the future to give ourselves strategic certainty and beyond. This report shows how we can ensure we have some key foundations in place to create a thriving organisation and support the Corporate Strategy going forward.

The Giving Strategy in this report draws on the external evidence provided by Peter Stone (see the Appendix 1) and sets out where we are starting from, what we want to achieve and our approach to getting there.

3. **Recommendations:**

3.1 The Authority adopts the Giving Strategy Programme for years 1, 2 and 3 (2016-2019).

3.2 On the basis of an expected protected Defra settlement RMT recommends an additional £58k is allocated in 2016/17 to support the strategy -making a total of £100k in the baseline subject to the Authority agreeing the full budget in February. Further costs will be considered alongside other investment needs and a review of our current three year financial plan during March- June.

3.3 The Authority agrees that the focus for our first major campaign should be the Trails, with smaller campaigns based around our other properties and corporate plan.

3.4 The Giving Strategy progress will be monitored and reviewed by the Enterprise+ Programme Board and, on a quarterly basis, by the authority's performance and financial monitoring meetings.

3.5 A report on progress with the strategy is brought back to Members to review Year 1 and to report on how Years 2 and 3 should be taken forward in Spring 2017.

4. How does this contribute to our policies and legal obligations?

The Giving work is key to our mission 'By inspiring millions of people, together we will protect and care for the national park for the enjoyment of all' and particularly the corporate objectives below:-

Shift 2. Connect people to the Place, the Park. Enabling everyone, especially those who currently don't benefit, to connect with the National Park so that they value and support the Park

2.1 Build support for the Park through a range of approaches to enable people to give time, money or valued intellectual support

Shift 4. Grow our income and our supporters. Diversifying and growing our funding, building on our valued government grant

4.1 Increase our income from giving

Increasing giving and fundraising will support the delivery of projects and programmes across the organisation which drives the delivery of all corporate objectives and management plan outcomes.

5. Background

We commissioned consultant Peter Stone to develop a Giving Strategy for the Authority. Peter's work has reported into a core team in the Authority and the Enterprise+ Programme Board. The consultant's brief was to 'help guide, shape and facilitate the Giving Strategy for the Peak District National Park Authority'. The aim of the strategy was to maximise financial giving to the PDNPA to fulfil our statutory purposes and align with the National Park Management Plan, Mission and Corporate Strategy.

We aimed to:

- Have strategic certainty about what needs to be put in place to maximise giving for the Authority.
- Know what the likely amount of giving is from each source.
- Transform the Authority's modest first steps to achieve a reliable, sustainable and growing 'giving' proportion of its income generation.
- Know what platform the Authority needs to put in place in terms of mechanisms, culture and structure to achieve this.
- Have a resourced action plan to put this in place.

This report uses the information from Peter Stone's report (see Appendix 1) and offers the Senior Management Team's steer on the focus and phasing for the development of giving opportunities for the Peak District National Park Authority.

6. **Proposals: Giving Strategy Summary:**

6.1 **Where are we now in relation to giving?**

The Authority has a long history of seeking and securing support from various sources both individuals and organisations. It has taken various approaches, with differing levels of success over the years. Currently there are mechanisms through which individuals can make donations to the Authority. These only yield relatively small amounts compared to our overall income, although it has increased over the last three years. Please see Appendix 2 Existing Giving to the Authority. Other National Park Authorities also receive small percentages of their overall budget as sponsorship and giving, the highest percentage received is c. 2% of their total budget, with most receiving 1% or less of their total budget from giving. As can be seen in Appendix 2 our existing giving has been increasing year on year and particularly through the start of small projects supported through existing resources.

We know that there is a great amount of support in the form of willingness to donate time to the National Park as we can evidence this by the number of volunteers that we currently have (400+ generating 8000+ days' a year).

The level of uncertainty in the amount of giving the authority will receive is currently high because the authority has not got a track record of investing in, or planning for, giving/fundraising.

Where do we want to be in relation to giving?

6.2 This report details the first three years of a longer term strategy which will include the baseline support needed to enable us:

To have financial certainty from our Giving Portfolio.

The Authority will establish when it will be able to give certainty to sources and values of income from giving to inform its financial planning and to carry out projects, for example conservation or outreach projects (that otherwise might not be possible), and to support corporate and external funding priorities around our assets. Certainty for financial planning purposes is not anticipated until Year 3 of this Giving Strategy.

To enable people, communities and organisations to give to the authority and to build our relationships with the supporters.

The Authority will be clear on the 'causes' for giving i.e. why people wish to give money, in what way and for what purpose and to enable the Giver to have confidence in their actions, and during the first years of the strategy the Giver will know that all their giving will be reinvested into these causes.

The National Park Authority has a huge task being responsible for conserving and enhancing and promoting enjoyment and understanding of the special qualities of 555 sq. miles of diverse upland landscapes at the heart of England. The special qualities and their upkeep, enjoyment, understanding and promotion are the basis for good causes and where people may wish to donate.

The Giving Strategy will help the Authority to understand the greatest needs in the interests of the National Park and shape creative opportunities/mechanisms for people to help support the National Park. This strategy starts to identify initial priority cases as well as suggesting how this element of the strategy could evolve. The early years approach will be ensure that all the financial giving will go directly back into the projects and the causes they are supporting.

How do we intend to get there?

6.3

Our approach aims to incrementally create certainty through phasing development and building in a strong monitoring and review approach. Following Year 1 of the strategy there will be a review and a report back to ARP in Spring 2017 to inform the next 2 years' programme. During Year 3 of the strategy we propose a more comprehensive review, given the greater understanding we will have gained, to consider our giving income for the future and predict more confidently our potential return on investment.

In order to focus our efforts, direct our resources and maximise the return we will need to have a dedicated staff resource for the full three year period to take this work forward.

The strategy makes a series of recommendations about the best way for the Authority to develop its giving activity. It is based on evidence from Peter Stone's report (in Appendix 1) of a wide range of possible giving approaches and recommends that the Authority should seek to develop a basket of interconnected giving areas simultaneously. There are some clear reasons for piloting a number of areas at once:

- The basic work of developing giving takes a number of years so it is critical that the Authority starts basic work now if it is to optimise giving returns as quickly as possible.
- Like many organisations with little history of promoting giving, the Authority cannot be certain, at this stage, which areas will perform best and it needs to gain this knowledge quickly in order to maximise on specific high achieving mechanisms.
- A number of the Giving activities are interlinked in terms of requiring the same resources e.g. recruitment of staff and the implementation of a new supporter process. Doing them simultaneously will give efficiencies and also ensure the authority is maximising the available opportunities.
- Developing our supporter base will be the bedrock for our strategy and these supporters may wish to support us in a variety of ways. The way we grow and nurture this will be crucial to our longer term success.

The proposals set out below recommend we concentrate our efforts on developing:

- A high profile fundraising campaign on the trails that will attract a large number of supporters and donations. Along with 3 or 4 smaller campaigns that will be focussed more tactically on other special quality and property led causes.
- Event fundraising, with a pilot event on the trails
- A supporter programme with spontaneous donations and giving
- A Visitor Pay Back Scheme

This approach supports our external funding strategy and demonstrates our commitment to new ways of securing match funding and creating a sustainable funding future for our programmes.

The Giving Strategy in more detail:

Our 'causes'.

6.4

We will be guided by the Corporate Strategy. We will review the areas as part of our corporate planning cycle so that we can ensure that resources are directed at the most needed areas and we learn from our actions. However, in the first instance the long list of causes that are being identified to receive funds from giving activity are as follows:

- Multi-user trails and heritage structures
- Stanage North Lees
- Warslow Estate
- Access work
- South West Peak Programme
- Moors for the Future Programme
- Landscape, cultural heritage restoration, habitat and species work especially linked to properties and landscape scale approaches
- Outreach programmes especially linked to properties and programmes
- Upkeep of visitor infrastructure to enable people to enjoy the National Park's special qualities

The above broad causes include a mixture of natural and built heritage as well as places where the special qualities need to be looked after and can be experienced; connecting people to the park. Our key focus in the first 3 years will be the Trails.

Giving activities.

6.5

A number of areas of potential giving activity are described in the report (Appendix 1) from Peter Stone. The activity is outlined along with a description of the actions required and the potential cost and income. These are helpfully brought together into a tabular analysis on page 3 of the report. The table shows the overall cost, and return on investment (ROI). In addition the recommended 'stretch targets' that would be set for the recruited personnel are shown to demonstrate the potential of each area. Three columns then show speed of delivery (S), relative scale of return (R) and relative cost of return (C) using RAG ratings. Finally priority (P) shows the author's recommended priority order of development where 1 is highest priority.

The Management Team has considered the table referred to above and have given thought to the activities described in more detail and used this to make choices on the details of the proposed strategy for the Authority. In recognition of the amount of resources needed to robustly underpin the development of the new capability and activity and the significance of building in monitoring, evaluation and review into the strategy a phased approach is proposed. As a result the strategy will focus around a 3 year approach.

Three Year Approach:

6.6

We are proposing a three year programme to allow us to develop, invest and learn. Further consideration of each of the main activities is considered below:

Explore the opportunities to develop committed giving through a Supporter Programme

- 6.7 We will explore the opportunities and options to develop a supporter programme, the early stages of this will include what this might look like, how we might do it and whether we do this in partnership. This will help us with the development of a 'relationship management' approach with potential and actual supporters. The term 'supporter' is a short-hand for a somebody who has a positive relationship with the National Park which can be achieved by enabling more people to enjoy the National Park, to understand the National Park, and seek opportunities to become involved and so become a supporter of the National Park.

The benefit of a supporter programme is that supporters might start with an initial one-off donation and then be willing to move to more regular donations. Resources will need to be organised around this progression activity to establish the basis of a life-long relationship with the National Park.

To enable this the development of a database of supporters and a clear programme of engagement with offers of donation opportunities through targeted campaigns needs to be included as an early activity in the Giving Strategy. The development of a database of supporters will allow the Authority to maintain a regular dialogue with all of those individuals, convert them to committed giving and encourage the deepening of their relationship with the National Park. Supporters could give one off donations, regular donations and/or back one of our specific campaigns. It will be an effective way to reach out to communities and individuals and enhance our relationships and brand. A spin off from this work should also come with some people wanting to give time rather than money for the National Park. This database will be developed in conjunction with the Moors for the Future Partnership to maximise opportunity and efficiencies.

It is expected that careful use of branding and marketing will enable the Authority to create a distinct identity for the Peak District National Park, to create a vehicle which members of the public will choose to support. Face to face contact would take place through Visitor Centres and cycle hire initially. Years 1 and 2 will include the development of marketing materials, social and other media, online through our website and staff training. In time it may be possible to have on the ground supporter recruiters through volunteers. Relationships with other projects will be developed, for example in future 'supporter volunteers' could be connected with our proposed Ambassador Project and will be a key priority for the Visitor Service Manager and part of the medium term financial plan.

In order to develop a supporter programme and database it will be necessary to ensure that the Authority has the staffing to proactively develop a relationship with supporters and the software and staff capable of managing the associated data and promotional materials (i.e. resources for promotional activity). This will involve the Authority acquiring CRM (Customer Relationship Management) software or Campaign Management System to manage such a project.

The recently launched Stand Up for Stanage sticker scheme is our nearest experience of developing a supporter scheme. This experience has shown that there is a body of natural supporters for the Peak District National Park and they are willing to contribute financially where they know their contribution is going direct to a cause.

Campaigns

- 6.8 The use of campaigns is proposed as key part of the strategy and the focus in the first instance will be on the Trails and the Trails Structures.

A key activity in the first phase will to develop a clear marketing programme for our campaign approach. In the first instance, this is likely to encompass a series of planned activities about a particular cause. Different campaigns may use different mediums (formal

promotional techniques or less formal, such as social media, web based, demonstrations, talks, and interactive techniques or even word of mouth). What is important here is that they are planned and executed to have effect rather than being a haphazard series of communications and can work in tandem with the development of a supporter programme.

To focus effort and resources it's recommended to have one high profile long term campaign (albeit this could be soft-launched in the first instance to build support). The Trails Structures seem to be the most relevant for this due to high visitor numbers, iconic structure - Millers Dale, Viaduct etc, corporate/external funding priority and the need to develop a sustainable funding future for the trails. The recent structural survey and maintenance costs provide a sound basis for costing out the financial needs of the trails structures in order to produce a campaign financial target. Others will be short term and more tactical and based around our ambitions for our landscape scale partnerships and properties South West Peak Partnership, Warslow, Moors for the Future Partnership and Stanage/North Lees.

Spontaneous/Oppportunistic Donations

6.9 The Authority currently offers several mechanisms for ad hoc donations such as collecting tins and online mechanisms etc. These do not currently generate large and the proposal is to increase in the level of donations through a variety of approaches, including the following:

- A strong initial social media approach will be adopted to complement traditional collection, this will include 'impulse buttons' on the web.
- Staff in Visitor Services and Cycle Hire Services will initially be trained in suggesting a donation.
- Visitor Centres and Cycle Hire Centres will also need higher profile donation facilities and the ability to communicate campaigns
- Higher profile donation boxes will be developed wherever it is considered safe and cost effective to do so.
- Donations will be sought on-line as part of the development of the events system where the ability to seek donations is to be incorporated (these have been budgeted under the 'Events' heading).
- Donations button on the website and Facebook page; QR codes on trails etc. Interpretation and marketing materials to provide links to giving opportunities.

Event Fundraising

6.10 Events that are organised and delivered by the Authority are an important opportunity to develop and build a relationship with potential and actual supporters. Consideration of how to do this should be built into all planning for any event the organisation is running. The Authority's focus for a new event in 2016/17 will be on the Trails, with the Trails event that will take place as a pilot in August 2016.

Attending other events can be used to assist this overall strategy. The proposal is for a team to attend events relevant to the National Park and where we can reach our potential supporters, e.g. Sheffield City Council's "Cliffhanger" event, Agricultural Shows and L'Eroica and we will develop an event marketing package to use for such events. This

includes the use of existing staff and volunteers, providing training and support for existing staff and volunteers as well as marketing materials and a budget for engagement at events (eg using a focal attractor and 'give away' initiatives).

We have also developed an event notification approach in partnership with others to encourage responsible event management for large scale events that are run by other parties in the National Park. As well as encouraging notification of an event and responsible event management there is a visitor payback element (i.e. a financial contribution/donation from either the event organiser or directly from event participants). This would give them the ability to indicate that they were supporting the Peak District National Park.

Develop a visitor payback scheme.

- 6.11 Visitor payback schemes are voluntary payments made by visitors towards conservation or the management of the places they visit. In theory there is huge potential to generate revenue from visitor pay back but in practice this is not always realised. Consideration of administrative costs, compelling focused cause based projects; competition and the propensity of holidaying visitors to make a payment are factors to be considered. Nevertheless, visitor payback can be an important tool in a destination's approach to responsible tourism. Nurture Lakeland is the most established and best known UK example. There are different ways that contributions can be collected from visitors but they often rely on intermediary businesses who become the collection point through another visitor cash transaction such as accommodation, food, travel or an attraction, through either opt in or opt out schemes.

There are links between a visitor pay back scheme and other giving activities but a visitor pay back scheme could also operate independently through a local business network. There is scope for a trial (once a prototype scheme and brand material is developed) through a soft launch with a membership body such as Visit Peak District. The main items of cost relate to marketing materials and the staffing costs of building and continually maintaining relationships with the business distribution network.

Longer term opportunities

- 7 As we develop and learn from the above earlier stages, we will look to start to give a greater focus on developing schemes for High Net Worth Giving; Legacies/In Memoriam; and exploration of gift aid and charitable status.

Please note that this Giving Strategy does not encompass the potential for Corporate Giving. The Authority will seek to develop its existing relationships with corporate supporters and will seek to establish a number of new relationships. This is a separate activity from this Giving Strategy and will be done in line with the Corporate Sponsorship Policy and Due Diligence arrangements already agreed.

High Net Worth Giving

- 7.1 This is a potentially significant area for development but one that will take several years to yield results and takes the Authority into some very new territory and is therefore not being prioritised for action in the early phases. It is envisaged that the learning from the earlier stages will significantly inform this approach.

Legacies and In Memoriam Donations

- 7.2 The very nature of legacies and their promotion requires a long term fundraising approach but with profile of visitors who are enjoying the area it is an important area of giving to grow.

Potential Charitable Trust

- 7.3 Further development work is required to scope this potential option. This development work will include a report to members on progress and options in Year 3. Such a charitable trust could enable the Authority to undertake a number of things that it cannot currently undertake, such as apply to a wider range of charitable trusts and foundations; apply to be registered for Gift Aid to enhance the value of a range of donations into the charity; register for other giving schemes e.g. Give as you Live.

Costs

- 8 Costs (one-off and recurring) please see Appendix 5

Database – development and management

- 8.1 An Options Appraisal for a business case for the organisation to acquire and operate a full customer relationship management system or a campaign management system, that will meet the needs of a supporter programme and campaign management as well as those of the Moors for the Future Partnership, will need to be developed in the context of our Corporate Strategy and Information Management Strategy. This will need an options appraisal in Year 1 so all alternatives can be assessed.

Purchase cost for a CRM, or equivalent, application - £25k to £30k. A campaign management system will be a cheaper option and will be evaluated.

This is an estimate and the cost could vary once the system has been specified to meet the organisations' needs and the decision to purchase this will be under delegated authority following a business case in Stage 2).

Annual Support cost of application - £5k to £6k

This is vendor level support for the application and includes regular updates and maintenance of the software. Again similar to our existing applications we rely on the vendor for third line support for 'off the shelf' products.

Marketing and Communications

- 8.2 All the activities rely on well thought out and creatively designed marketing content. Investment in the core materials that can be used in a range of activities should provide both value for money and inspirational messages that can be used consistently over time. The Giving message will be an integral part of the 3 year marketing plan focused on the Corporate Strategy.

In the first instance social media represents a critical entry level approach, which has a potentially high reach with low costs. Funding may be needed to cover booster campaigns and carrying out analytical and design work but this is more affordable than other promotional activity.

Once campaigns are agreed they should become a feature in the relevant supporter activity, any event push and any normal marketing and communication activity like ParkLife – an integrated approach.

Face to face (F2F) can be a key aspect of giving strategy and because we are place based organisation with several sites, there is merit in this approach and the approach can be extended to our event attendance. We would need to invest in appropriate kit for example, trailer/shelter, portable materials etc. There is scope though to combine such investment with a commercial trading approach. If the trails are selected as our first major

campaign this also provides us with the opportunity of large F2F contact opportunities, with over 100,000 visitors to the Monsal trail and 390,000 visitors per annum at our visitor centres. An estimated investment of £15,000 for the mobile event kit to grow our supporters through direct contact in Phase 2 will help to build our supporter base and get our brand out in an appropriate manner.

Staff

- 8.3
1. A **Co-ordinator post** for this Giving Strategy will be required as a first step to get this work developed and programme managed. (£53,600 including on costs). However, in addition to a dedicated post(s) other staff could take on giving responsibilities within the scope of their jobs as part of a wider organisational development activity.
 2. Staff will be needed to support the data management associated with developing a campaign approach and a supporter programme. These would be:
 - a) A **fixed term business analyst post** – 1FTE – circa 18 months (£30-£35K + on costs)
This post would:
 - i. Determine and map out existing customer data related activities and data stores
 - ii. Determine the required processes to allow compliant use of customer data for direct marketing (including appropriate changes to any current activity within the organisation to provide a unified approach to management of customer data and the activities that use that data)
 - iii. Liaise with the wider information management service (at the appropriate time) to investigate where technology can be used to support the desired process
 - iv. Be required shortly after the recruitment of the giving coordinator post
 - b) A **'Customer data steward'** post – 0.5FTE (Approx. £15K)
This post would:
 - i. Manage the interaction of customer data between operational systems and any marketing/campaign/CRM system defined as part of 2 above.
 - ii. Be technical in that it uses database technology to match customer records from multiple sources and feed information between marketing systems and operational systems.
 - iii. Perform the data matching during data cleansing exercises (such as deceased lists, TPS/MPS cleansing etc. that would be required as part of management of marketable customer data)
 - iv. Not be required until a suitable point in the business analysis work carried out by 2 above.
 - c) Extend current Social Media and Digital Marketing Officer Post to full time from 1 April 2016 £15,000.
 - i. Currently all giving campaign and digital marketing work has been completed in extra hours funded from various budgets
 - ii. A recent decision (after 8 months of extra hours illustrating the demand) was to extend the current contract temporarily until March 31 2016.
 - iii. Without the additional hours there would be very little support from marketing and communications to delivery on campaigns (small or large).
 - d) A **campaign officer** post – size of post to be determined by complexity of

processes defined from above and number of campaigns desired
This post would not be required until the process, technology and customer data is in a fit state that it could be used for marketing purposes in a compliant way and will be reviewed when this is in place.

In addition to the above the process would need to be supported by the existing information and records manager post to provide a framework and set of policies to control how customer data is to be used, stored, managed and disposed of to remain compliant with the data protection act (particularly as a new version of this legislation is likely to come into force next year with significant alterations that must be adhered too).

There may be wider implications if other staff are to be allocated roles in our giving activity for example training and development implications, attendance at shows and events etc. and these will be key considerations as part of the wider organisational development.

- 8.4 Costs across the first three phases can be seen in Appendix 5. and the estimated return in investment detailed in Appendix 6.

9 **Performance indicators to measure the results of the strategy**

It is proposed that the following indicators are used to measure performance of the strategy and help inform changes and updates.

- Number of new donors recruited
- Number of recruited donors converted to regular giving pattern
- Total number and value of regular donors
- Total net value of donations (from all sources and from each of the main activities)
- Value of donations per campaign (against target)
- Cost of acquisition and maintenance of donations
- ROI

10 **Risk Management:**

Actively following a strategy of pursuing personal donations does carry some risks for an organisation such as a National Park Authority. The main risks are as follows:

- The long term nature of any potentially significant returns means that several years of investment will be needed before costs are recovered
- Data quality requirements will be stringent and critical to reputation as well as avoiding any penalties, rigorous processes will be needed and this will need resourcing
- The success of the approach could have unintended consequences for the partner relationships
- The success of the approach could have unintended consequences for other grant funding sources that the Authority receives now.

10 **Sustainability:**

This giving strategy is based on the three strands of sustainability i.e. looking after the special qualities of the national park, as well as how they are enjoyed by people and generating a new source of income to help secure the financial sustainability of this important work.

11 **Consultations:**

Management Team, Heads of Service for Finance, Legal, IT and Marketing & Communications.

12 **Background papers** (not previously published)

Peter Stone's report in Giving.

13 **Appendices**

Appendix 1. Peter Stone's Reports on Giving.

Appendix 2. Existing Giving to the Authority

Appendix 3. Details of the 3 Year Giving Programme

Appendix 4. Campaign and marketing cost break down

Appendix 5. Years 1, 2 and 3 Giving Programme Costs.

Appendix 6. Income forecast.

14 **Report Author, Job Title and Publication Date**

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