

7. **SOUTH WEST PEAK LANDSCAPE PARTNERSHIP – ACCEPTANCE OF HLF STAGE TWO DELIVERY FUNDING (A55711/KSJ)**

Purpose of the report

1. The purpose of this report is to seek approval from Audit, Resources & Performance Committee to accept, in anticipation of, round two funding of £2,409,300 for the delivery phase of 'South West Peak: a Landscape at a Crossroads' (the Scheme) from the Heritage Lottery Fund (HLF).

The HLF West Midlands Regional Committee will meet on 22nd November 2016 to assess the round two bid (submitted to HLF on 21st July 2016). Approval is sought from Committee now to ensure that all procedures have been followed and are in place in the event that we receive approval from HLF.

Please note that all details of the Scheme, projects, staff and costs in this report are dependent upon approval from HLF.

Key issues

- The bid is a partnership approach led by the Peak District National Park Authority (as accountable body), with five other delivery partners (Staffordshire Wildlife Trust, Cheshire Wildlife Trust, RSPB, the Farming Life Centre, Support Staffordshire) who, with the Authority, will be responsible for the delivery of projects within the Scheme. In addition there are eight supporting partners who perform an advisory role (Natural England, Environment Agency, Historic England, Nature Peak District, Staffordshire County Council, Cheshire East Council, United Utilities, Severn Trent Water).
- If successful in the round two bid, the Authority, on behalf of the South West Peak Landscape Partnership, will appoint a Scheme Manager for the delivery phase who will oversee delivery of 18 projects shared between partners. The delivery phase is expected to run from January 2017 until December 2021.
- The Scheme will require strong partnership liaison, working closely with farmers and landowners, resident communities and visitors to engage people in conservation projects for natural and cultural heritage; land management; access improvements; education and skills training; enjoyment and awareness raising.
- A stage one development grant from the HLF Landscape Partnerships Grants Programme has already been accepted and delivered. During this development phase, the PDNPA team and external partners conducted further engagement work via visitor and resident surveys; three community roadshows; interviews with farmers; and workshops with partners and stakeholders. Alongside this, each of the 18 projects has been further developed by specific project working groups.
- The Scheme comprises 18 projects (see Appendix 1) which will be delivered across 354km² of the South West Peak. The South West Peak is a vulnerable landscape, still supporting habitats and species of international importance, whilst being managed by farmers whose livelihoods are at risk from the small scale nature of the holdings, typical in the area, and future changes to support payments. To conserve the natural and cultural heritage of this intimate mosaic landscape, at a landscape scale, will require a concerted and collaborative approach which has not been seen here before.

- The total Scheme cost is £4,116,710 of which £2,409,300 (59%) has been requested of HLF. Anticipated non-cash contributions (volunteer and in-kind) amount to £678,707, leaving a cash match requirement of £1,028,703, which is a shared responsibility across delivery partners. Of this a financial contribution of £104,979 has been committed by the Authority (see Finance section below). Corporate overhead charges for government funded bodies are no longer eligible for HLF funding and do not feature in the budget, these costs are additional and to be borne by the Authority.
- Eight new staff positions to be hosted by the Authority will be created. These are: Scheme Manager (full-time), Programme Support Officer (part-time), Communication & Interpretation Officer (part-time), Volunteer & Vocational Training Officer (full-time), Youth Engagement Officer (part-time), Farm Link Workers (part-time), Grasslands Officer (part-time) and Cultural Heritage Officer (full-time).
- The Scheme will help to deliver several of the aims outlined in the PDNP Management Plan (2012-2017) and the corporate strategy (2016 – 2019).

Recommendations

2.
 1. **That the Committee approves the proposal from the South West Peak Landscape Partnership to accept, on confirmation of approval from HLF, stage two funding for the delivery phase from the Heritage Lottery Fund Landscape Partnership Grants Programme and;**
 2. **That acceptance of the grant up to £2,409,300 and entry into a grant agreement with HLF is delegated to the Director of Conservation & Planning in consultation with Heads of Law and Finance.**
 3. **That entry into arrangements with partners is delegated to the Director of Conservation & Planning and Heads of Law and Finance in consultation with the Landscape Partnership Development Officer.**
 4. **That the recruitment of a fixed term Scheme Manager, Programme Support Officer, Communication & Interpretation Officer, Volunteer & Vocational Training Officer, Youth Engagement Officer, Farm Link Workers, Grasslands Officer and Cultural Heritage Officer is delegated to the Director of Conservation & Planning in consultation with the Head of Human Resources.**
 5. **That the Authority may, subject to compliance with procurement standing orders, enter into contracts for the delivery of the Scheme.**

How does this contribute to our policies and legal obligations?

3. This scheme will deliver against the following NPMP (2012 – 2017) outcomes: DL1, DL2, DL3, WI2, WI3, WI4, TV1, TV2, ES1 and ES3; and the following corporate outcomes: Shift 1.2, Shift 2.2, 2.3, 2.4, Shift 3.1, 3.2, 3.3 and Shift 4.4.
4. The Scheme will also contribute towards objectives in the landscape strategy for the South West Peak to: manage and enhance clough woodlands; enhance the diversity of agricultural grasslands; manage the network of tracks and footpaths to maximise opportunities to enjoy the landscape; manage intrusive features on farmland and farmsteads; and create clough woods.

Background

5. Following approval from the Authority's Resource Management Team on 6th January 2014 to submit a round one bid and appoint a Development Officer (RMT minute no 2/14); a successful bid was made to the Landscape Partnership Grants Programme of HLF for a Landscape Partnership Scheme. The purpose of the Scheme is to work together in the South West Peak to shape a better future for our communities, landscape, wildlife and heritage where trust and understanding thrive. The Authority's Audit Resources and Performance Committee gave approval to accept stage one funding from HLF on 7th November 2014. Permission to proceed with the development phase of the project was given by HLF on 26th November 2014.
6. Resource Management Team on 14th June 2016 gave approval for:
 - submission of the HLF round 2 bid;
 - funding a total of £224,000 of business costs (corporate overhead) an additional £54,000 on top of the estimated £170,000 which they approved on 9 February 2016;
 - continuing to seek additional matched funding and only if necessary underwrite the projects from the match funding reserve up to £210,000, financed by the £50,000/year baseline external funding capacity allocation agreed by the Authority;
 - the submission of bids to the Big Lottery and Esmee Fairbairn for the match funding gap [note that other funders are also being pursued].
7. A Partnership Agreement has been produced by our legal team and agreed with partners, this comprises a Delivery Agreement with those five partners leading on projects delivery, plus a Board Agreement for both delivery and supporting partners. The Delivery Agreement sets out the obligations of PDNPA as the Accountable Body and the Delivery Partners (which includes the Authority) in delivering the various projects which form part of the SWPLP Scheme. The Board Agreement sets out the remit of the Scheme Board which consists of the Accountable Body, Delivery Partners and Supporting Partners (see Appendix 2 for a summary of the principle terms of the Partnership Agreement).

Proposals

8. The proposal is for the Authority to accept the grant (if offered) of £2.4m from the HLF for 'South West Peak: a Landscape at a Crossroads' as a key delivery vehicle for our corporate directional shift 1 – the place and the park, on a landscape scale; and a contributing delivery vehicle for other corporate directional shifts.
9. It is a requirement of standing orders part 7.C-2 that approval is given to receive grants over £200,000. Therefore, if approval is not provided, this grant cannot be spent. Likewise, approval is needed to spend funds received that are over £150,000.
10. The following actions are proposed:
 1. Continue with additional funding applications and approaches to businesses/corporate sponsors in collaboration with partners with the aim of covering all the costs of running the Scheme which sit outside the HLF grant.
 2. Set up the governance mechanism.
 3. Set up the supporting infrastructure.
 4. Confirm and complete contractual arrangements with the HLF.
 5. Recruit the team and start up.

Are there any corporate implications members should be concerned about?

11. **Financial:**

The Scheme will be funded through HLF grant, other external funding grants, contributions from partners and a financial input from the Authority (not including corporate overheads) as outlined below. Please see Appendix 3 cash flow for the delivery phase.

Funding Source	Funds for delivery (secured)#	Funds for delivery (provisional or underwritten)	Funds for delivery (unsecured)
PDNPA*	£104,979	£210,000	£21,787
Environment Agency	£150,000		
Staffordshire Wildlife Trust	£9,500	£34,529	
RSPB		£18,529	
Cheshire Wildlife Trust	£55,000		
Historic England	£10,000		
United Utilities	£8,000	£500	
Natural England	£24,173	£60,692	
Farming Life Centre			£2,040
Grant recipient contributions		£210,000	
Other contributions expected~		£109,474	
HLF	£2,409,300		
Volunteer and in-kind contributions	£352,257		£326,450
Totals	£3,123,209	£643,724	£350,277

* Plus additional £224,000 of corporate overheads

Total secured partner contribution = £361,652

~ Other expected contributions include: participant contributions, farmers contributions towards apprentices, proceeds from book sales

12. HLF funding will be drawn down quarterly in arrears on the submission of quarterly reports and claims for the spending over that period.
13. The secured £104,979 of PDNPA contributory funding comprises:
- a legacy of £36,000 left to the National Park which the chief finance officer has confirmed can be allocated to the Barns and Buildings conservation project (BB);
 - £53,000 from the Warslow Estate budget towards the Barns & Buildings, Glorious Grasslands (GG) and Bigger, Better and More Connected (BBMC) projects;
 - £15,479 remaining in the Authority's apprentice budget.
14. The Authority's Resource Management Team noted on 14th June 2016 that the Landscape Partnership Development Officer and colleagues should continue to seek additional match funding and that they would, only if necessary, underwrite the projects from the match funding reserve up to the value of £210,000 (financed by the £50,000/year baseline external funding capacity allocation agreed by the Authority).
15. Under current HLF rules, corporate overheads for statutory organisations cannot be included as part of their grant. On 9th February Resource Management Team considered a request to cover the estimated business costs of £170,000, which was subsequently approved by Authority on 27th May. Once all the Authority-led project plans and budgets had been completed, additional staffing requirements were

apparent, increasing the business costs by a maximum of £54,000 over five years, therefore Resource Management Team agreed on 14th June to cover all the associated business costs (corporate overheads) estimated at £224,000 over the five years.

16. **Risk Management:**

Scheme risks and mitigation have been identified and included in the round two bid to HLF as below.

Risk	Likelihood	Impact	Mitigation	Lead
	H/M/L	H/M/L		
Not securing sufficient cash match	M	H	Partners agree to share responsibility, expertise and resources for bidding. Key partners will underwrite shortfall.	Partnership
Farmers not fully engaging or providing access	M	H	Coordinate contact especially via Farm Link Workers; use trusted advisors where in place; develop working relationships early and work hard to maintain them.	Relevant project leads
Changes to support payments – Basic Payment and Countryside Stewardship Schemes, low coverage, low uptake	H	L	No heavy reliance on agri-environment schemes for match funding; SWP is target area for Countryside Stewardship. PDNPA continuing to influence the design of any new national support schemes following the 'Brexit' decision.	NE, PDNPA
Partners fail to deliver agreed projects/outputs/outcomes	L	L	Strong partnership exists; partnership agreement in place with clear roles and responsibilities. Board to ensure overview and support to all delivery partners. If partner drops out, look to others to substitute.	Board, PDNPA
Changes in membership of the partnership	M	M	Recognise potential for drawing in additional partners & risk of losing existing ones. Governance documents allow for adaptation to change whilst ensuring partners take responsibility for their commitments. Strong leadership provided by lead organisation.	PDNPA, Board

Difficulty recruiting the right staff	M	H	Start recruitment quickly; variety of partners offer attractive employers; longer projects more likely to attract staff; flexible recruitment terms e.g. secondments, redundancy payment.	Board, delivery partners
Changes in key staff during delivery	L	M	Phasing of staffing contracts according to roles. Partnership to work with staff to build & maintain a strong partnership able to develop sustainable funding streams when Scheme ends.	Delivery partners
Difficulty retaining staff for the duration	L	L	Consider 'completion' bonus.	Delivery partners
Poor quality of delivery by e.g. contractors	L	M	Clear, quality brief/ contract; quality control by project manager.	Scheme manager
Major disease outbreak	L	H	Follow PDNPA protocol; work with HLF if extension required.	Board, HLF
Lack of community engagement	L	M	Variety of partners well placed with existing contacts; dedicated Community Engagement Officer.	Scheme manager
Insufficient volunteers	L	M	Dedicated Community Engagement Officer; tap into existing volunteer workforce from variety of partners.	Scheme manager
Extreme weather events	M	M	Site risk assessments; back up plans for capital work/events; use resilient materials and methods for works e.g. slowing the flow.	Scheme manager, project staff
Brexit has negative effect on sources of funding	L	M	Most funding to be secured before impact of Brexit takes effect. Government commitment to Basic Payment Scheme to 2020. Countryside Stewardship funding to be honoured provided it meets strategic objectives and value for money tests, but limited reliance for this funding.	Board

Project specific risks as detailed in each project plan	M	M	Adaptive project management, forward planning and good communication are key	Project leads
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17. **Sustainability:**

All thirteen partners (plus the National Park Authority) have signed a Partnership Agreement, in anticipation of the approval of the bid, for the delivery phase and have agreed representatives to sit on the Board, demonstrating their commitment.

Legacy is a key requirement of all HLF grant applications; with landscape partnership grants a legacy period of 10 years is required, each project lead has considered this in their project plan and a detailed legacy plan will be produced well before the end of the delivery phase.

Many of the proposed projects include training for partners' staff and local communities, thereby building long-term sustainability through engaging, educating and training people.

18. **Human Resources:**

The recruitment of new staff to deliver this scheme will require support from the HR team; the team has been involved in writing job descriptions and person specifications and are aware of their anticipated involvement.

19. **Property:**

The new staff team will require office accommodation to be identified and allocated at Aldern House and/or other suitable field base. The property support team are aware of the requirement.

20. **ICT:**

The new staff team will require ICT equipment to be purchased and supported at Aldern House and/or other suitable field base. The costs of purchase have been included in the Scheme budget.

21. **Communications:**

An engagement strategy has been produced for the Scheme, including a communications plan, this will remain a live document to be updated and managed by the new Communication & Interpretation Officer and overseen by the Scheme Manager. A temporary website is in place which will be replaced by a new partnership site using the National Parks server and infrastructure, thereby providing a sustainable platform. A Facebook page and Twitter account are also in place. These plus other forms of social media will be maintained by the partnership's Communication & Interpretation Officer.

22. **Background papers** (not previously published)

Second round funding application to the Heritage Lottery Fund
Display materials

Appendices

- 1) Summary of the Scheme

- 2) Summary of the Partnership Agreement
- 3) Financial summary/cash flow for the delivery phase

Report Author, Job Title and Publication Date

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