

PEAK DISTRICT NATIONAL PARK CHARITY VEHICLE - SUPPLEMENTARY QUESTIONS

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| Q1 | Why do we need a charity? |
| A1 | <p>The principle to create a charity vehicle is to support the Authority's engagement, supporter and income development ambition. The concept followed a review, undertaken as part of the creation of the Commercial and Outreach Development Plan (and directorate), of the income generation opportunities for the PDNPA and the National Park to:</p> <ul style="list-style-type: none"> • tackle the decline in the level of the Defra-awarded National Park Grant (NPG); and • enable the PDNPA to achieve its engagement objectives (and protect its regulatory and conservation objectives). • To have a charitable vehicle to respond to opportunities that are currently closed to the Authority |
| Q2 | Why does a charity have any benefit over simply using the Authority's existing fundraising routes to drum up more support from high net-worth donors, corporations, trusts, foundations and individuals? |
| A2 | <p>For some of the suggested target audiences, they can only donate to a charity. For others it is a case that they will not or, at the least, find it very difficult to understand why they should donate to a central government-funded body.</p> <p>A charity offers a clearer simpler message to donors; it removes a potential obstacle in the giving process.</p> <p>In addition a charity status would facilitate:-</p> <ul style="list-style-type: none"> • an effective vehicle to access charitable sources of income currently closed (or difficult to access) to the Authority; • enable the application of 25% Gift Aid to donations, tax relief for donors and legacy givers, maximising the efficiency of fundraising budgets (tax relief for charities is estimated to be worth £3.77bn a year, the main ones being business rates relief, Gift Aid and VAT relief, while reliefs for individuals are worth £1.47bn – source NCV0); • Increased sponsorship/partnership opportunities; • Transparency of donations, assuring supporters that the donations are going to specific causes; • Registration with the Fundraising Code of Practice to be seen to encourage and manage donations ethically; • Ability to actively target campaigns at legacy donations; • Simplicity of messaging with supporters via effective Customer Relationship Management (CRM) solution; • Registration with fundraising schemes such as Give as you Live/Earn which require a charity number; and • Potential discounts (such as CRM solutions) which require charity status |
| Q3 | Have you considered that some people may want to continue to support the Authority and not a separate Charity? |
| A3 | <p>The agreement to set up a charity would not result in the Authority ceasing activity to ask directly for support. The donation pages of the PDNPA's website would remain, as would its donation points at key assets such as car parks and visitor centres. It would be a case of widening its reach and reducing barriers to potential audiences willing to support.</p> |
| Q4 | Who has been involved so far? |
| A4 | <p>A report was taken to Authority in March 2017. Members recommended establishing a working group with member representatives to look in detail at the feasibility of a charity. As a result the Charity Working Group was set up in March 2017. It comprised</p> <ul style="list-style-type: none"> • Four Authority Members (including the Chair of ARP Committee) • PDNPA Director of Commercial Development & Outreach • PDNPA Head of Marketing & Fundraising Development • PDNPA Fundraising Development Manager • PDNPA Head of Finance/CFO |

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| | <ul style="list-style-type: none"> • PDNPA Head of Law/Monitoring Officer • Plus officers from each of the legal, finance and democratic services teams. |
| Q5 | Have you had input from any other sources? |
| A5 | <p>The Charity Working Group has considered the following inputs:</p> <ul style="list-style-type: none"> • South Downs National Park Authority – legal and officer evidence (written and oral); • North York Moors National Park – officer evidence (written and oral); • Dartmoor National Park Authority – member and officer evidence (written and oral); • National Parks Partnership (NPP) – non-executive and executive evidence (written and oral); • National Parks UK (NPUK) – Income Growth Working Group (written and oral); • Derbyshire Wildlife Trust, Woodland Trust, Guide Dogs, Canal & Rivers Trust, Nurture Cumbria, Yorkshire Dales Millennium Trust – desk market and competitor analysis; • Investment scenarios; • Derbyshire Council for Voluntary Service – advice on structures/set up; • Audience research by independent research agency DJS Research; • Informal market testing among existing and potential stakeholders including Friends of the Peak District, Peak Resort and Peak Park Trust; and • A skills audit of the working group members highlighted a breadth of experience in setting up, developing, working with/for charities, recruiting and supporting charity trustees. |
| Q6 | What is the proposed structure for the charity? Why? |
| A6 | <p>The proposed structural set up for the charity would be as a Charitable Incorporated Organisation (CIO). This is a relatively new form of corporate structure exclusively available to charities, it is a form of corporate charitable entity which will automatically have charitable status and is least resource intensive.</p> <p>A CIO provides:</p> <ul style="list-style-type: none"> • Single registration with the Charity Commission only and therefore the most streamlined registration and annual reporting requirements; • A legal personality which can enter into legal contracts in its own name, as likely to be required for receipt of corporate donations, and may itself enter into delivery contracts which may be required to support investment activities; • Protection for charity trustees who do not carry personal responsibility for the affairs of the charity (although they must of course act in accordance with wider legislation); and • Strong governance arrangements and operations through approved Memorandum and Articles of Association/Constitution. <p>A CIO avoids:</p> <ul style="list-style-type: none"> • Dual registration with Companies House as would be required for a charitable company with duplicate annual reporting requirements; • Dual annual return to Companies House and Charity Commission; • Direct liability of trustees where an unincorporated Trust or Association was considered; • Complex multiple partner agreements where incorporated entities have to act as intermediaries in establishing legal agreements; and • Risk of incompatibility of charitable structure with criteria/requirements of potential corporate donors. |
| Q7 | What will the Charity's purpose/objectives be? |
| A7 | <p>It is proposed that the purposes for the charity in principle should:</p> <ul style="list-style-type: none"> • Benefit local communities, visitors and the general public; • Build on and enhance the special qualities of the PDNP; • Carry out activities that are in line with and supportive of the PDNP Management Plans and PDNPA Corporate Plans; • Operate in the wider Peak District i.e. not restricted by a precise 'regulatory' boundary; |

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| | <ul style="list-style-type: none"> • Have no geographical restrictions on trading. <p>The precise wording of charitable objects will need to be developed further using Charity Commission agreed templates and input from trustees.</p> |
| Q8 | Will the Authority lose control over donations? |
| A8 | <p>The charitable objects that define the scope of the charity and the governing documents would be developed in such a way to maximise their complementarity to the Authority so that the two organisations are mutually supportive.</p> <p>The proposed charitable objects would be consistent with (but not identical to) the PDNPA Corporate Plan, the PDNP Management Plan and National Park Purposes and Duty.</p> <p>The purpose of a charity is to attract additional donations/income for the Park rather than re-direct the existing donations the Authority attracts.</p> |
| Q9 | Who will run/control the charity? |
| A9 | <p>The charity would be governed by a number of Trustees, proposed to be between seven and nine. They must act to further the aims of the charity and will have powers and duties to run it and, where appropriate, make day-to-day decisions. It is proposed that the trustees would be a mix of PDNPA Members and others as appropriate to ensure the independent nature of the charity.</p> |
| Q10 | What role will the Trustees play? |
| A10 | <p>The role of the Trustees will be as with any charitable organisation; with ultimate responsibility for governing the charity and directing how it is managed and run.</p> |
| Q11 | How will the charity distribute its funds? |
| A11 | <p>As an independent charity the distribution of funds will be a matter for decision by the Trustees, to fulfil the objects of the charity.</p> <p>The charity would be extremely likely to distribute funds via the PDNPA or other partner organisations as they will be best placed to deliver activities and projects that meet the objects of the charity.</p> |
| Q12 | This will presumably cost a lot to set up, and run. How is this being funded? |
| A12 | <p>There has been significant investment of Member and officer time to this point, but no direct costs.</p> <p>It is estimated that over the recommended initial three years of support for the charity, the PDNPA would invest c£150k of staff time (c£50/annum) and c£50k direct costs (c£16.5k/annum). This is likely to be at the top end, particularly if the Authority agrees to the proposed CIO structure which would require lower administration support levels. The direct costs would be funded from budget approved in the Giving Strategy report (March 2016).</p> |
| Q13 | What is the risk of reputational damage to the Authority should something go wrong? |
| A13 | <p>The proposed charity must be separate in law from the Authority.</p> <p>Final and reputational risks have been considered with mitigating activities against each risk. There are no high impact and high likelihood risks.</p> |
| Q14 | There are already charities in the Peak District National Park carrying out similar work. Why set up another? |
| A14 | <p>There are conservation charities focussing on specific issues and locations within the Peak District National Park, which the charity will work in partnership with as appropriate. However there is no existing charity which is Peak District National Park wide, specifically existing to develop support for projects which conserve and enhance the National Park and/or to share the special qualities and cultural heritage with a wide audience and a variety of landowners.</p> |