

PEAK DISTRICT NATIONAL PARK FOUNDATION GRANT AGREEMENT AND MOU 1 YEAR EXTENSION (SS)

1. Purpose of the report

This report seeks approval to continue the partnership with the Peak District National Park Foundation, extending the grant agreement and memorandum of understanding (MOU) between the Peak District National Park Authority and the Peak District National Park Foundation for a further year.

This will continue support for the Foundation at the same level (£58,000) for the financial year 2022/2023 covered by the existing fundraising budget in appendix 1. This made up of £45,000 of staff time in kind and £13,700 cash contribution available in a PDNPA cost centre.

We anticipate a further report in 12 months' time seeking a longer-term partnership with the Foundation for the benefit of the Park. This will allow time for development work to take place on the fundraising strategy and culture, embedding the Foundation as the fundraising vehicle to develop support for management plan outcomes and consider the resources required to do this.

Key Issues

The Peak District National Park Foundation was established by the National Park Authority and registered with the charity commission in February 2019. It supports delivery of KPI 13 (to generate £255k of sustainable gross income by 31 March 2024). The initial MOU was for 3 years and will end in March 2022.

With ever reducing core DEFRA grant in real terms, developing fundraising income via the Foundation remains a strategic priority for the Management Plan and corporate strategy and has been highlighted as an opportunity in the current work with the Business Change Manager

It is PILLAR 2 of the Commercial Strategy - Accelerate corporate support, major gifts, grants and visitor giving via The Foundation. A diagram of the fundraising strategy is included in appendix 2.

2. Recommendations

- 1. To approve a one-year extension to the grant agreement and MOU to March 2023, providing staff resources to manage and develop the charity, embedding the Foundation across the Authority to support Management Plan outcomes**
- 2. To note the fundraising strategy development and the key role of the Foundation as the brand and vehicle for delivering the strategy**
- 3. To note the progress of the Peak District National Park Foundation in its first two years**

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

The Peak District National Park Authority has had a long-term ambition to diversify and increase income for the benefit of the Park. The Authority and its partners have a good track record of securing large scale external funding bids. These have tended to be public funding secured via the DEFRA, DCLG, National Lottery, the EU etc. These funds are generally more prescriptive and reactive and are becoming ever more

competitive. There are also lots of funders the Authority can't apply to as a statutory body. The Authority is less well placed to develop regular donors, business donations and major gifts. Nationally the Landscapes Review recommended more ambition, strengthened Management Plan priorities, more money more and more enterprising. Recognising this, the Authority took the decision in 2018 to diversify and increase fundraising income for the benefit of Management Plan outcomes by establishing a charity.

Authority meeting 25th May 2018, Minute no 23/18, resolved:

1. To establish The Peak District National Park Trust as a charitable incorporated organisation (CIO) in accordance with the proposals set out in the report;
2. To approve the use of Authority resources, as set out in Appendix 3 of the report, to establish the charity and support its operation for an initial period of 3 years;
3. To appoint Members – Cllr A McCloy, Cllr C McLaren and Mr Z Hamid to a Shadow Board and delegate authority to the Director of Commercial Development and Outreach, in consultation with the Shadow Board, the Head of Law and the Head of Finance, to set up and register the charity in accordance with the proposals set out in the report;
4. To request that the charity trustees and/or appropriate Authority officers provide an annual report to the Authority and quarterly reports to the Authority's Audit Resources & Performance Committee in line with established corporate performance reporting timetable and procedures.

4. Background Information

The Foundation registered with the charity commission at the end of February 2019. The first year was spent inducting trustees, developing the website, opening a bank account, registering with HMRC for gift aid purposes, developing our online donation function and our vision, mission, objectives, business plan, fundraising strategy, policies and processes as well as designing and launching the #70kfor70 campaign.

The #70kfor70 campaign marked the National Park's 70th anniversary by raising £70,000. It ran over two financial years and raised over £140,000 which supported projects like uniforms for the Peak District Junior Rangers; moorland restoration with the Moors for the Future Partnership; conservation work with the South West Peak Landscape Partnership; Miles Without Stiles; Peak District Mosaic; Accessible Derbyshire; Ranger led Health Walks and a series of Year of Green Action community projects.

The Foundation has raised over £140,000 in its first two years

- £91,939 paid to projects of which £79,925 to PDNPA
- 18 Peak Partners contribute around £14,000
- 26 Regular donors contributing £1,600/month plus gift aid
- secured two major gifts (16k and £15k)
- Social media channels 3265
- OurPeak newsletter – 722
- Cumulative Foundation income to Q2 21/22 £38,498
- Average income per quarter £18,181 (based on total income to date divided by 10 qtrs)

It's important to note the Foundation is a new charity with no existing supporter base and very limited resources. It has only operated for 2 financial years and one of these has been the 2020/21 covid year. Despite this, there has been significant organisational development and fundraising with regular donor and Peak Partner income increasing in 2020/21.

A fundraising strategy needs to start with WHAT we need to deliver for the benefit of the Park, rather than the amount we want to raise. To deliver our fundraising strategy and ambition we need to develop:

- A clear strategic need for the project(s).
- An urgency that demonstrates why the work needs to take place.
- A tangible impact on the people, communities or conservation of the Peak District National Park and how the donation or grant will make a difference

Being clear on what we're securing investment for, focusses our fundraising activities to fit our strategy rather than developing projects in response to funding opportunities or donors and provides a coherent and efficient fundraising strategy for the National Park.

To inform the fundraising strategy we've identified the following Management Plan outcomes fundraising will support:

- A National Park for Everyone
- Preparing for a Future Climate
- Conservation and Nature Recovery

A shared strategy for the benefit of the National Park, is more efficient and builds on the partners strengths. The Foundation benefits from Authority and Management Plan collective expertise in conservation, biodiversity, access, engagement and project delivery. The Authority benefits from the Foundation brand, fundraising expertise, supporter base and charitable vehicle to attract funding and develop support.

Beyond 70kfor70 - What's next for the Foundation

Medium Term next 5 years

- continue to develop Foundation brand to build profile and supporter base
- Apply for funds that are not open to Authority/better suited to a charity where we can show greater project/organisational need
- Develop & deliver major gift strategy and trust and foundations plan
- Develop/promote Peak Partner scheme to increase corporate support and visitor giving
- Increase regular donors

Long Term 5-10 years

- aim to build a significant unreserved funding pot which can be bid into by Management Plan partners

A fundraising target is always speculative; it is not possible to accurately predict the giving levels of individuals or trusts and foundations, especially when there is no large pool of existing supporters. A fundraising target is also dependent on the resource put in.

Fundraising is a team effort; it is not possible for fundraisers to be successful in isolation. The Foundation's Trustees and Authority staff are key to achieving the income targets. Significant donors will want to talk to and meet senior staff and Trustees before giving. They will also want to see the work of the charity up close, hear from frontline staff (Rangers, project managers) and understand the future direction of the charity, the finances and cashflow, all of which requires a committed, joined up approach between the Foundation and the National Park Authority.

Our fundraising target is a shared target and dependent on close partnership working with the Authority as the project delivery lead and providing the required staff resource

and support services.

We're delighted with the progress to date and have big ambitions to accelerate the support for the National Park, however this requires resource to grow and manage the charity and close partnership working with the Authority. This report seeks a one year extension. Over the next 12 months we will further develop the fundraising strategy for the Park and identify the resources required to realise our shared ambitions as part of the mid-term financial plan work.

We are working to embed the Foundation in the new Management Plan and the fundraising strategy will focus on securing investment for the key projects in the new Management Plan.

5. **Proposals**

Extend the grant agreement and MOU for 1 year until 31st March 2023 to allow fundraising strategy development work to identify longer term ambition and resource for fundraising.

This would cost £58,700 covered by the fundraising development budget and would generate between £80,000 and £100,000 in 2022/23 for project delivery.

6. **Are there any corporate implications members should be concerned about?**

Financial:

Continuing the grant agreement and MOU at the current level for 12 months until 31st March 2023 would cost £58,700 covered by the fundraising development budget and would generate between £80,000 and £100,000 in 2022/23 for project delivery.

Foundation Reserves Policy and becoming cost neutral

The Foundation is cost neutral in that more funds have been raised for projects than the Authority has invested in the Foundation. To raise funds for projects in addition to covering the Authority's contribution will take significantly longer, and is a much harder ask of supporters. Funders and donors generally want to support project delivery which has a tangible impact to the conservation and accessibility of the National Park. Securing funding for the core costs which the Authority currently cover is much harder. There is a real marketing benefit to saying all funds raised support project delivery in the National Park. It also means that more money is raised to deliver projects rather than covering fundraising salaries.

In line with charity industry standards, for every £1 the Foundation raises we ensure that at least 85% goes on project delivery. The Foundation's reserves policy aims to retain 15% of unrestricted income to develop the Foundation's reserves position and to work towards covering its core costs in the longer term.

There are significant economies of scale and efficiencies in having a single staff team employed by the Authority supporting a fundraising strategy for the Park. The one year extension will enable a 12 month development period to explore resources required to deliver our fundraising ambitions and the longer term operating model.

A longer-term partnership for the benefit of the Park, will give the Foundation's supporters and funders the certainty it needs to develop, grow and accelerate support and gives potential funders and donors the confidence to partner with us longer term.

Risk Management:

The risk of continuing support for the Foundation is low and is managed in a number of ways:

- Robust processes and systems for the charity to guide best practise including trustee Job Description, induction, code of conduct, conflict of interest, ethics policy, financial management policy, risk register and reporting as part of quarterly board meetings, registration with charity commission and Fundraising Regulator
- Trustee board includes 3 members nominated by PDNPA and board of trustees with skills and experience in marketing, comms, fundraising, finance and charity governance.
- Board meetings are managed by the Fundraising Development Manager with support from the Head of Engagement to support trustees to carry out their governance responsibilities
- A list of fundraising projects has been agreed with PDNPA to meet corporate strategy and management plan outcomes.
- MOU and grant agreement sets out the partnership working for the benefit of the Park
- Fundraising strategy in place with clear plan to grow support to achieve management plan impacts
- There has been a perceived risk of loss of control, which hasn't materialised. The development work and management of the Foundation is managed by PDNPA staff with strategic oversight by an experienced trustee board. Research prior to establishing the charity and during the last two years continues to highlight the barriers for a statutory public body and planning authority in developing fundraising income and the need for a charitable vehicle. In line with the fundraising strategy diagram using the Foundation as the public facing brand and vehicle to develop support is the most effective and efficient way to use the fundraising budget to maximise fundraising income for Management Plan priorities.

Given the above mitigation the risk is considered low.

There is a small risk associated with ending support for the Foundation - without the benefit of a charity number and supporter base, we would expect to see a reduction in growing fundraising income of c£18,000 per quarter and a reputational risk in withdrawing support for a growing charity.

Sustainability:

Supporting the Foundation will support fundraising for environmental sustainability and improve financial sustainability through securing income for projects which deliver Management Plan outcomes.

Equality:

Supporting the Foundation has a positive impact on equality for the Authority. It will raise funds for projects which contribute to a National Park for everyone and connect diverse communities to the National Park

Climate Change

1. How does this decision contribute to the Authority's role in climate change set out in the UK Government Vision and Circular for National Parks?

a. Educators in climate change

b. Exemplars of sustainability

The Peak District National Park Foundation fundraises for the following National Park Management Plan Outcomes:

- Preparing for a Future Climate
- Conservation on a Landscape Scale
- A National Park for Everyone

To date it has raised over £140,000 for a range of projects which are exemplars of sustainability and educators in climate change including funding for Moors for the Future Partnership's moorland restoration, supporting woodland restructuring work at Stanage North Lees estate, supporting access improvements and footpath restoration, supporting conservation and ash die back mitigation work on the Monsal Trail.

- c. Protecting the National Park
- d. Leading the way in sustainable land management
- e. Exemplars in renewable energy
- f. Working with communities

As above the Foundation is funding a range of projects which meet the above outcomes including community led projects – Hedgerow restoration in the Hope Valley, Bradwell Hydro-electric Christmas lights project and supporting sustainable land management in Stanage North Lees, and on the Monsal Trail.

2. How does this decision contribute to the Authority meeting its carbon net zero target?
The Foundation supports nature restoration for carbon sequestration
3. How does this decision contribute to the National Park meeting carbon net zero by 2050?

The Foundation supports projects which deliver nature restoration and carbon sequestration

4. Are there any other Climate Change related issues that are relevant to this decision that should be brought to the attention of Members?

Preparing for a Future Climate remains a key Management Plan priority for the Foundation to develop support for in partnership with the National Park Authority

7. Background papers (not previously published)

None

8. Appendices

Appendix 1 - Peak District National Park Foundation annual Report 2020-2021

Appendix 2 - Fundraising Strategy Diagram

Report Author, Job Title and Publication Date

Sarah Slowther, Fundraising Development Manager, 04 November 2021
sarah.slowther@peakdistrict.gov.uk
sarah@peakdistrictfoundation.org.uk