

## NFNPA/RAPC 300/16

### NEW FOREST NATIONAL PARK AUTHORITY

### RESOURCES, AUDIT AND PERFORMANCE COMMITTEE – 6 JUNE 2016

## EXTERNAL FUNDING

**Report by:** Paul Walton, Head of Environment and Rural Economy

### 1 Summary

- 1.1 An interim report on external funding was considered by the RAPC in September 2015 (NFNPA/RAPC 272/15)
- 1.2 This paper provides an update on the approach to external funding to be taken by the National Park Authority in the light of the Defra funding settlement confirmed in January. This report
  - summarises the approach to grant funding,
  - considers the risks associated with this work (as recorded in the minutes of March 7 meeting, para 47.2)
  - introduces the steps to be taken to develop a more commercially minded approach to income generation.

### 2 Background

- 2.1 An interim report on external funding was considered by the RAPC in September 2015 (.NFNPA/RAPC 272/15). This provided a brief review of the fundraising strategy that had been in place since 2008, and highlighted some challenges and opportunities for funding in the future. Following the departure of the Corporate Partnerships Officer in December 2015, members requested an update on external funding and an indication of how the risks associated with external funding will be managed. (Meeting of 1 Feb 2016, Minute 37.2.4 refers)

### 3 External Funding for the 16/17 financial year

- 3.1 As highlighted in the third quarter review of the 15/16 Business Plan (NFNPA 281/16), there will be no dedicated staff resource to develop corporate partnerships this financial year. Established relationships with key corporate partners will be developed by individual officers whose work is most closely aligned with the partner in question. These partnerships may not result in financial contributions but there will be other benefits such as volunteer days,

“pro-bono” advice and potential sponsorship of projects. New corporate partnerships may develop as result of enquiries through the website.

#### **4 Grants and sponsorship**

- 4.1 The emphasis for this financial year will be on seeking grant funding and sponsorship for projects. The Our Past Our Future scheme is the latest successful demonstration of the NPA’s ability to draw in funding for large scale projects – worth £4m over 5 years. The Grants Officer will assist staff to develop bids in support of key areas of our work. The priority is to secure the outstanding financial contribution for the projects in the Our Past Our Future scheme but there are other areas of work that require grant funding eg Walking Festival, Pedall.
- 4.2 The status of the projects requiring grants and the potential sponsor opportunities will be regularly monitored and circulated to members quarterly (last provided in the Members Bulletin May 20). Officers are being encouraged to identify areas of work that could be supported by external funding and then work with the Grants Officer to develop those opportunities.

#### **5 Risks associated with grant funding**

- 5.1 There are risks associated with seeking grant funding such as the danger of being grant led and diverting resources from priority projects, securing funding for projects that result in adverse publicity for the Authority or failing to deliver agreed targets. A feature common to a number of grant schemes is the short timescales for applications, making effective consultation with communities and stakeholders particularly challenging. However, these risks can be addressed by careful project selection, effective planning, good project management and budgetary control. The Authority has developed significant experience and skills in these areas. Recent HLF funded projects (including the development phase of Our Past Our Future) were delivered to time and on budget. The Ethical Sponsorship and Corporate Partnership policy agreed in 2015 provides a clear framework in which such projects/agreements can be assessed and the Authority’s Standing Orders were also updated to ensure any grant application over £50,000 was seen and approved by the Resources, Audit and Performance Committee at an early stage.
- 5.2 Perhaps the greatest risk lies in the lack of certainty that a grant application will succeed and it must be recognised that significant resources may sometimes be invested in applications that are ultimately unsuccessful. Knowledge of specific grant schemes developed by the Grants Officer will lessen the likelihood of this happening but determining where best to invest resources will remain a matter of judgement.

5.3 Additional resources may come from bids to national grant programmes such as the GREAT UK Challenge Fund and the Health Lottery which are being coordinated by National Parks England.

## **6 Generating additional financial resources**

6.1 Grants are valuable in providing the funds for discrete projects. However, they are generally time limited, increasingly capital focussed and cannot be relied on to contribute to the core costs of the Authority. The same is true of the national park grant from Defra. The assurance of the Defra funding to 2019/20 does not detract from the importance of diversifying our income streams and improving our efficiency.

6.2 Working within the objectives of the Business Plan and Partnership Plan there is a need to develop a framework to guide our approach to future commercial activity. The Executive Leadership Team is developing its approach to the need for greater financial independence. The functional power of competence, granted to National Parks last year will enable us to act in a more entrepreneurial and innovative way, reflecting our purpose and duty. Opportunities will be examined in a number of areas to develop:

- income generation activities around existing services
- 'invest to save' proposals which reduce operational costs
- new products and services on a commercial basis which directly further our purposes
- new businesses, away from our existing activities, but linked to our purposes to generate profit which the organisation can reinvest in delivering our purposes.

6.3 There are many challenges in developing a more commercially minded culture within the organisation and determining the level of risk associated with particular projects that are in line with our purposes and duty. Staff will need to be encouraged and enabled to develop the skills to identify opportunities for income generation.

6.4 Discussion of reducing our reliance on the Defra grant is also taking place at a National Park wide level. In mid-May our Finance and Performance Manager met counterparts from the other English National Parks to discuss income generation and shared services as ways to reduce the grant reliance; further discussions are now scheduled over coming months.

6.5 We will continue to work with the other National Parks to develop the National Parks Partnership Limited (NPPL). Officially launched in March, NPPL has appointed a Development Director and has identified priority sectors in

access, education, volunteering, sustainable transport and environmental initiatives.

6.6 It is proposed to bring a further report on income generation to the RAPC meeting in November 2016.

**7. Recommendation:**

**It is recommended that the Committee note the report.**

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**Equality and Diversity Implications:**

There are no equality or diversity implications arising directly from this report.