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| Report to | Resources & Performance Committee |
| Date | 5 September 2012 |
| By | Director of Strategy and Partnerships |
| Title of Report | South Downs Wooded Heaths Project |
| Purpose of Report | To inform the Committee of the development of the South Downs Wooded Heath project's application to the Heritage Lottery Fund and seek approval of this. |

Recommendation: The Committee is recommended to:

- 1. approve the development of this project and subject to receiving Heritage Lottery Fund grant-aid agree to the project proceeding to Stage 2.**
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1. Introduction

- 1.1 In April 2011 the Major Partnerships Panel (MPP) supported a proposal for the South Downs National Park Authority (SDNPA) to lead the South Downs Heathland Partnership in the development and submission of a grant application to the Heritage Lottery Fund (HLF) for a project entitled 'The South Downs Wooded Heaths'.
- 1.2 Accordingly, £120,000 in funding was allocated (spread over 3 years, starting June 2011) to finance the recruitment of a Heathland Project Manager to lead on the development of this major funding bid. The Heathland Project Manager has led the Heathland Partnership in the production of a Stage One (development stage) funding bid to HLF, which was submitted on Monday 13 August 2012. The overall aim of this new project is to achieve 'bigger, better, more joined up' heaths, with greater levels of community involvement, links to the rural economy and the woodland project, and longer term sustainability via using biomass from heathland as fuel.
- 1.3 If HLF awards a grant a contract must be signed before any financial commitments are made by the Authority.

2. Background

- 2.1 The terms of reference of the Resources & Performance Committee include the giving of agreement to submission of bids for grant funding and to the application of grant funds received.
- 2.2 In April 2011 a Project Initiation Document (hereafter PID) was submitted to the Major Partnerships Panel for consideration of a project to resource the development of a major funding bid to HLF for heathland conservation in the National Park. The development phase (Stage 1) of the project, if successful in securing funding from HLF, would run from January to December 2013. The main delivery phase (Stage 2) would then run from Spring 2014 to Spring 2019 (also dependent on funding being secured from HLF). The project has strong elements in community involvement and learning about the biodiversity and cultural heritage of heathlands and associated habitats in the South Downs. This project is on the list of future Major Partnerships projects reported at the June 2012 meeting of this Committee. The bid was reported to the Major Partnerships Panel on 24 July 2012, and a paper was then taken to Strategic Management Team on 30 July 2012, where the approval to submit a Stage 1 application was given, and where the recommendation was made to submit a report to the Resources & Performance Committee on 5 September 2012.

- 2.3 An application for Stage 1 funding for £47,200 has been submitted to HLF and is due to be assessed in November 2012. HLF would require a contract to be signed by the Chief Executive. This contract must be signed before we appoint consultants or draw down any grant funding.
- 2.4 The overall grant application to HLF is for two Stages. The Stage 1 element requests a grant of £47,200 and the Stage 2 grant request is £1,948,100 (the Stage 2 grant request may change slightly as a consequence of the detailed work carried out during Stage 1. The total grant requested from HLF will not exceed £2 million as this would result in referral to the national HLF panel rather than assessment by the South East Regional Panel – which would mean less chance of success). As is usual for most grant applications, partners are expected to provide some matched funding in either cash or in kind. This application therefore includes matched funding of contributions totalling £627,400. This includes £164,530 cash which would be funded from the SDNPA's Major Partnerships budgets, £130,870 cash contributions from partners, £90,000 from landfill tax funding applications, £40,000 from Higher Level Stewardship applications, £26,750 in-kind contributions from museums and other partners, and £175,250 in volunteers' time.

3. Resources

- 3.1 The sum of £120,000 to support a fixed-term Heathland Project Manager post to lead on the production of a major heathland funding bid for the Park (i.e. this new project) was supported by the Major Partnership Panel in April 2011. The application is for Stage 1 of a two stage project. The Stage 1 element has a total value of £72,630 (which would be 65% HLF funded), whilst Stage 2 has a total value of £2,550,070 (which would be 76% HLF funded) including volunteer time and other non-cash contributions. The Stage 2 projected budget at this stage includes allowances for inflation and contingency and cost certainty is developed during the Stage 1 process. The projected income and expenditure for both stages is detailed in **Appendix I**.
- 3.2 The Stage 1 expenditure would be on specialist consultancy services (e.g. habitat surveys and stakeholder engagement), whilst for Stage 2, expenditure would also include fixed-term staff to work on implementing this project (redundancy costs are included in the project budget). The balance of the Authority's match funding requirement of £14,530 for Stage 1 will be funded from the Major Partnerships Fund in 2013/14.
- 3.3 For Stage 1 the project would be managed by existing staff, as it involves appointing consultants and monitoring their work, then making the Stage 2 application. If Stage 2 funds are awarded, additional staff would be appointed from the grant funding – the application includes the costs of recruitment and redundancy. Stage 2 assumes that £150,000 of additional funding will be contributed by the SDNPA via the MPP, between 2014/15 and 2018/19.
- 3.4 The current Heathland Project Manager post runs to August 2014, which would allow the setting up of the new project before the contract expires.

4. Risk management

- 4.1 The risks to the SDNPA and the project were identified in the PID and the grant application. The ongoing financial monitoring throughout the term of the project should enable early identification of any funding issues and allow partners to take all necessary actions to minimise any impact this may have. Mitigation measures have been identified for any other risks.

5. Human Rights, Equalities, Health and Safety

- 5.1 The appointment of consultants and suppliers or services will be in compliance with the SDNPA's Contract Standing Orders to ensure that equalities issues are fairly considered.
- 5.2 The recruitment and management of project staff at Stage 2 will be in accordance with the SDNPA's Human Resources policies and will be equal and transparent.
- 5.3 All members of the community will be invited to access the community activities on a fair and equal basis, with any reasonable adjustments being made. Risk assessments for all activities will be undertaken by a competent person, with consideration of the particular needs of any participants in individual risk assessments where necessary, and risk will be mitigated where practicable.

6. External Consultees

- 6.1 None for this report.

ANDREW LEE

Director of Strategy & Partnerships

Contact Officers: Jonathan Mycock, Heathland Project Manager

Tel: 0300 303 1053

email: jonathan.mycock@southdowns.gov.uk

Appendix: I. Projected Income and Expenditure

SDNPA Consultees: Chief Executive Officer, Director of Corporate Services, Director of Planning, Director of Strategy & Partnerships Head of Operations, Chief Finance Officer, Deputy Chief Finance Officer, Monitoring Officer and Senior Solicitor.

Projected Income and Expenditure

| South Downs Wooded Heaths Project | Stage 1 | | | Stage 2 | |
|--|----------------|----------------|----------------------|-------------------|----------------------|
| | 2012/13 | 2013/14 | Total Stage 1 | 2014 -2018 | Overall Total |
| | £ | £ | £ | £ | £ |
| INCOME | | | | | |
| HLF Heritage Grant | 3930 | 43,270 | 47,200 | 1,948,100 | 1,995,300 |
| Partner contributions | 0 | 0 | 0 | 130,870 | 130,870 |
| Landfill Tax Trusts | 0 | 0 | 0 | 90,000 | 90,000 |
| Higher Level Stewardship | 0 | 0 | 0 | 40,000 | 40,000 |
| Match funding (volunteer/in-kind contributions) | 5,000 | 5,900 | 10,900 | 191,100 | 202,000 |
| Total Income | 8,930 | 49,170 | 58,100 | 2,400,070 | 2,458,170 |
| REVENUE EXPENDITURE | | | | | |
| Employees | 0 | 0 | 0 | 470,710 | 470,710 |
| Transport | 0 | 0 | 0 | 11,000 | 11,000 |
| Supplies & services | 1,050 | 60,680 | 61,730 | 1,678,260 | 1,739,990 |
| Match funding (volunteer/in-kind contributions) | 5,000 | 5,900 | 10,900 | 191,100 | 202,000 |
| CAPITAL EXPENDITURE | | | | | |
| Machinery & equipment | 0 | 0 | 0 | 199,000 | 199,000 |
| Total Expenditure | 6,050 | 66,580 | 72,630 | 2,550,070 | 2,622,700 |
| Net total - contribution from SDNPA Major Partnerships Fund | (2,880) | 17,410 | 14,530 | 150,000 | 164,530 |