

Agenda Item 15
Report NPA17/17

Report to	South Downs National Park Authority
Date	11 July 2017
By	Head of Income Generation and Marketing
Paper	South Downs National Park Trust Grant Agreement

Recommendation: The Authority is recommended to:

- 1) Approve the South Down National Park Trust Grant Agreement as set out at Appendix I.**
- 2) Approve the payment of a grant of £40,000 to the SDNPT for 2017/18.**

1. Summary and Background

- 1.1. On the 23 June 2016 the SDNPA agreed in principle to the setting up of a charitable entity for the South Downs National Park, subject to the provision of a business case, articles of association and governance arrangements, including the appointment of Trustees.
- 1.2. On the 30 March 2017 the SDNPA agreed the approval of the South Downs National Park Trust and the provision of resources and funding, subject to a Memorandum of Understanding (MOU) and Grant Agreement, to be agreed by the Trust.
- 1.3. On the 15 June 2017, the South Downs National Park Trust agreed the MOU and Licence of the Shared Identity, proposed by the NPA, alongside the Grant Agreement set out in **Appendix I**, subject to a proposed change to the Terms respecting provisions around Claw Back.

2. Grant agreement

- 2.1. The Grant accompanies the MOU and Licence for the shared identity approved by the NPA on the 30 March.
- 2.2. The Grant Agreement is for 3 years, with the fee agreed annually by the SDNPA.
- 2.3. The proposed Grant for 2017/2018 and future years, unless revised by the SDNPA, is £40,000. This is lower than the £50,000 agreed as part of the 2017/2018 budget process. The difference (£10,000) has been allocated to the SDNPA Income Generation Team for the pursuit of activities benefiting the SDNPA.
- 2.4. The Grant Agreement requires the Trust to fundraise against the Partnership Management Plan where it is spending SDNPA funds and to provide regular reporting on its progress. It is important that such requirements are included in a Grant Agreement and not an MOU to protect the independence of the Trust.
- 2.5. Eversheds have considered the potential impacts of FOI and State Aid and included provisions, protecting the SDNPA, within the agreement.
- 2.6. Subject to the NPA's approval, funding will be transferred to the Trust's bank account on approval of their charitable status, which expected by the end of the summer.

3. Change to the Clawback Provision

- 3.1. The Current Clawback provision in Section 5 of **Appendix I**, allows the NPA to clawback “any unspent amount of that year’s Annual Grant within three months of the anniversary of the payment of the Annual Grant”.
- 3.2. Trustees noted that this could force the Trust to act in a way outside its interests, by compromising its ability to strategise over the longer term.
- 3.3. Trustees also raised concerns that it was not explicit as to whether this would relate to unspent or uncommitted funds.
- 3.4. In line with this Trustees requested that the Clause be reworded so that the Clawback resulted at the end of the three year period – not annually and related to uncommitted funds rather than unspent funds.
- 3.5. Subject to this amendment, Trustees resolved to accept the terms of the agreement. The Grant agreement at **Appendix I** reflects this change.

4. Other Implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	Annual decisions on the level of the grant in future years will be taken as part of the budget process
Does the proposal raise any Resource implications?	Yes, £40,000, as proposed by the grant (previously agreed in the 2017/18 revenue budget).
How does the proposal represent Value for Money?	In 2019 we anticipate the Trust will be raising £2.82 against the Partnership Management Plan, for every £1 invested by the SDNPA.
Are there any Social Value implications arising from the proposal?	No
Has due regard been taken of the South Downs National Park Authority’s equality duty as contained within the Equality Act 2010?	The charity will need to look after its own due diligence to the Equality Act to ensure it is compliant. They will also need to consider this within respect of trustee appointment. The MOU between the Trust and the Authority requires the trust to comply with the Equality Act through requiring best practice, through its governance, operation and fundraising.
Are there any Human Rights implications arising from the proposal?	None directly arising from this report.
Are there any Crime & Disorder implications arising from the proposal?	None directly arising from this report.
Are there any Health & Safety implications arising from the proposal?	None directly arising from this report.

<p>Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy:</p> <ol style="list-style-type: none"> 1. Living within environmental limits 2. Ensuring a strong healthy and just society 3. Achieving a sustainable economy 4. Promoting good governance 5. Using sound science responsibly 	<p>Yes, this project will help deliver against the SDNPA sustainability Strategy through 1, 2 and 4.</p>
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5. Risks Associated with the Proposed Decision

5.1. A risk has been added to the corporate strategy risk register around reputational risk, with the appropriate mitigations and controls.

Risk	Likelihood	Impact	Mitigation
The Charity does not raise the forecast income, negatively impacting our ability to deliver against the PMP.	Unlikely	Moderate	<p>Significant work has gone into understanding the viability of the Trust and we are confident that it will be able to secure investment against the PMP.</p> <p>The Grant Agreement is reviewed Annually, meaning the Authority is able to review its ROI before further investments are made.</p>
Not transferring the funds leads to missed opportunities and reduced delivery against the partnership management plan.	Possible	Major	<p>Work with Eversheds as highlighted throughout the process of establishing the Trust. Work with Trustees to seek guidance from the Charity Commission before registration.</p>
Reputational risk caused by an inappropriate fundraising activity	Unlikely	Major	<p>A draft fundraising policy will be developed by the trust. SDNPA trustees, and SDNPA officer will have input into this process</p>

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Appendices	1. Grant Agreement from the South Downs National Park Authority
SDNPA Consultees	Chief Executive; Director of Planning; Monitoring Officer; Legal Services, Head of Business Services. Head of Governance.
External Consultees	Eversheds

