

Report to	<b>Policy &amp; Programme Committee</b>
Date	<b>25 May 2017</b>
By	<b>Performance and Project Manager</b>
Title of Report	<b>Annual review of Strategic Fund, the Sustainable Communities Fund and Local Project Support</b>

**Recommendation: The Committee is recommended to:**

- 1) Receive the overview of major project delivery and the year-end budget position of the Strategic Fund**
- 2) Receive the year-end position of the Sustainable Communities Fund and Local Project support**

## **1. Summary and Background**

- 1.1 This report provides the year-end progress of major projects and provides an overview of the current position of the Strategic Fund (SF), which is the budget used to support major projects. The Committee is asked to receive this information in accordance with its terms of reference which are to exercise oversight of the Strategic Fund and the Sustainable Communities Fund (SCF).
- 1.2 Major projects are defined as those which are over £50,000 as well as those which require a funding commitment of more than one year calendar year from the scheduled commencement date and involve more than one external partner. Projects meeting that definition are approved by the Policy and Programme Committee (P&P Committee). Projects where the SDNPA contributions exceed £100,000 are approved by the National Park Authority (NPA). All other projects are considered by the Operational Management Team and approved by the Chief Executive. Four new projects have been approved during the year but only two have gone into delivery.
- 1.3 The report also provides an overview of the [Sustainable Communities Fund](#) for the year. The SCF is a rolling fund established to provide grants to community and voluntary groups, social enterprise organisations and businesses for 'not for profit' projects. To ensure proper scrutiny and well informed decision making an advisory panel, chaired by an SDNPA Member, advises on bids for funding between £5,000 - £20,000; although the power to make the decision remains with the Director of Countryside and Policy Management. 13 new projects were funded during 2016-17.
- 1.4 In addition, the report provides an overview of the local projects supported by Area Teams from locally held budgets. 60 projects were funded during the year.

## **2. Major Projects**

- 2.1 There were 4 major projects with funding approved from the Strategic Fund during the year. There are 7 major projects underway in total. Two major projects were completed during the year. The table at **Appendix I** shows the current position for each of them.
- 2.2 New projects approved during the year included, £55,000 for a joint bid to the DfT Access Fund with local Highways Authorities. The funding which aimed to enable the development

of its sustainable travel and behaviour change work, which began in 2012 with the Two National Parks LSTF fund programme. The bid was originally for work across all three County Council areas, with funding approved by the SDNPA of £93,000. Following the bidding round only one County Council, East Sussex, was successful in getting funding. West Sussex was not successful in its bid and Hampshire County Council decided, in the end, not to submit a bid. Therefore the SDNPA decided to go ahead with a bid alongside East Sussex and use some of the funding to replicate that project across the rest of the SDNPA area.

- 2.3 £25,000 was approved for the Big Chalk project to allow for feasibility work into alternative funding options for delivering the project after the decision following the referendum for the UK to leave the European Union. An assumption made was that the original funding stream of EU Life Plus would no longer be available for the full life of the project.
- 2.4 £11,724 over three years was approved by P&P for the Steyning Blue Butterflies project. This is a community led project that was applying for Heritage Lottery Fund (HLF) money to support the project. At the time of writing this report, that bid was unsuccessful and the project leads are considering a revised HLF bid or seeking funding from alternative sources.
- 2.5 The other project approved during the year was £12,000 over three years for the EAFRD project
- 2.6 The table below sets out the current position of the Strategic Fund. The Annual budget has been updated to reflect the [budget](#) set in March 2017 and the future resources assumptions on the Medium Term Financial Strategy (MTFS).

	<b>Budget 2016-17</b>	<b>Budget 2017-18</b>	<b>Budget 2018-19</b>	<b>Budget 2019-20</b>	<b>Budget 2020-21</b>	<b>Budget 2021-22</b>
Annual Budget	220,000	220,000	220,000	220,000	220,000	220,000
Carried forward	388,739	183,482	282,467	418,449	579,436	762,691
<b>Total Budget</b>	<b>608,739</b>	<b>478,482</b>	<b>502,467</b>	<b>638,449</b>	<b>799,436</b>	<b>982,691</b>
Requirement for funding	425,257	196,015	84,017	59,013	36,745	0
<b>Estimated funding available</b>	<b>183,482</b>	<b>282,467</b>	<b>418,449</b>	<b>579,436</b>	<b>762,691</b>	<b>982,691</b>

- 2.7 Members should note that from 2018 -19 an allocation of £150,000 per annum until 2022-23 was set aside for the Big Chalk, potential EU Life Plus bid. The Big Chalk project is now unlikely to go ahead in the way originally envisaged. We will find out in September if an alternative EU Life plus bid is likely to go ahead. Therefore, the requirement to set aside £150,000 for 2018-19 is not likely to be required. It also likely that the amount required going forward will be different and may not be as much.
- 2.8 At the current estimated level of funding required for Big Chalk the amount of money that would be available in the Strategic Fund would be as follows: 2018-19 £418,449, 2019-20 £429,436, and in 2020-21 £462,691, and 2020-21 £532,691.
- 2.9 Members should note that not all of the money originally allocated to the Access to Cycling and Walking project will be required (see paragraph 2.2 above). Originally £93,000 was allocated, but following the application process, where some elements of the project did not go ahead the revised requirement is for £55,000.

### 3. Sustainable Communities Fund

- 3.1 The SDNPA, through the SCF, has committed £36,789 on 13 new sustainable community projects across the National Park. A list of these projects for 2016-17, their match funding and geographical spread can be found in **Appendix 2** along with a summary of the financial

position of the fund. The uncommitted SCF budget in 2016-17 was £115,614 comprising £20,000 allocated from the budget and a carry forward of £95,614 is committed and clawback of £41,000 from projects that did not complete or did not, in the end, happen from previous years. In 2016-17 £27,410 was returned to the SCF budget due to underspends and £20,000 from the Towner gallery 'Living off the Land' project which did not start.

#### 4. Local Projects

- 4.1 In addition to the above budgets there is a local project budget held and used by the four Area Teams. It is used in one of two ways, either as financial support for action by a community or land manager, or to pay for direct SDNPA interventions where this would not otherwise occur. Projects include restoration or enhancement of the landscape and its biodiversity, cultural heritage, interpretation and management and improvement of access.
- 4.2 60 projects were funded during 2016-17 at a cost of £104,764. A list of these projects, their match funding and geographical spread can be found in **Appendix 3**. Case studies showcasing these projects are produced on a regular basis and are available on the intranet for Members to view.

#### 5. P&P Committee Considerations

- 5.1 The [mid-year review of major projects and the SCF](#) was reported to the Policy & Programme Committee meeting in November 2016.

#### 6. Other Implications

Implication	Yes*/No
Will further decisions be required by another committee/full authority?	No
Does the proposal raise any Resource implications?	Annual funding for the Strategic Fund, Sustainable Communities Fund and Local Projects are approved as part of the budget setting process. Funding for the 2017-18 financial year and future years resource assumptions have been approved by the National Park Authority. The year-end project budget position and future funding resource implications have been covered within the main body of the report.  In addition, the cost of exiting officer time to support the project will be funded from existing service budgets.
How does the proposal represent Value for Money?	Implications of this report in itself do not raise an issue of value for money. However the projects that the organisation has funded are assessed for value for money when they are approved. Where appropriate, this is part of the project approval reports received by this Committee. Projects are evaluated individually for value for money when they finish. This is reported regularly to the Governance Committee.
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?	Yes – as the subject matter of the report is an update on projects and funding no specific issues arise. Consideration of equalities issues are considered as part of the development of a project.
Are there any Human Rights implications arising from the proposal?	No
Are there any Crime & Disorder	No

implications arising from the proposal?	
Are there any Health & Safety implications arising from the proposal?	No
Are there any Sustainability implications based on the 5 principles set out in the SDNPA Sustainability Strategy: 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	No – not directly although as part of the process for developing projects and when they are approved sustainability issues are included as part of the process.

## 7. Risks Associated with the Proposed Decision

- 7.1 There are no significant risks associated with the subject matter of this report. All projects funded from the Strategic Fund have their own risk registers, which are monitored regularly.

Risk	Likelihood	Impact	Mitigation
Unforeseen changes to the level of funding provided by relevant Government departments for future years	Likely	Minor	A robust monitoring and project approval system and regular reporting to this Committee on projects and the budget available
Reputational risk if we are unable to provide cash match funding for some of our larger projects	Possible	Moderate	Work to generate income for the South Downs National Park and also potentially for the SDNPA.  A robust monitoring and project approval system and regular reporting to this Committee on projects and the budget available

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#### Appendices

1. Overview of major projects
2. SCF map and budget summary
3. Area Project Map and table of projects

#### SDNPA Consultees

Chief Executive; Director of Countryside Policy and Management; Director of Planning; Chief Finance Officer; Monitoring Officer; Legal Services, Business Service Manager, Governance and Support Services Manager, Operational Management Team

#### External Consultees

None

#### Background Documents

[Mid year project update November 2016 – report to P&P](#)

Budget approval for funding allocation to Big Chalk  
EFRAD approval and then close down