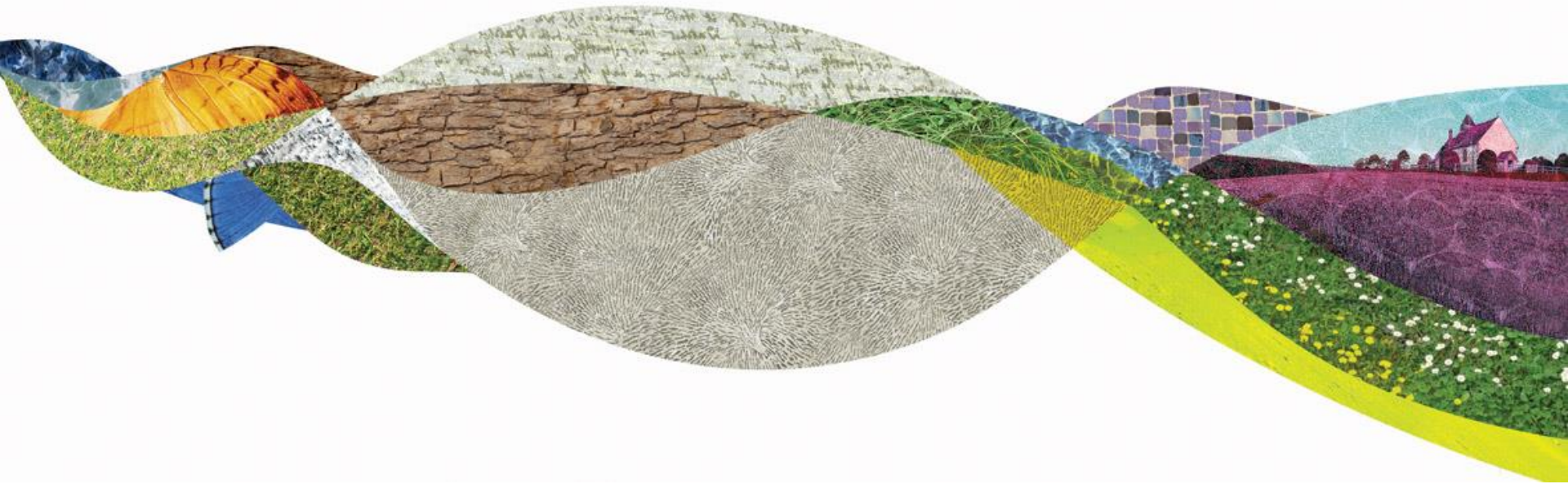


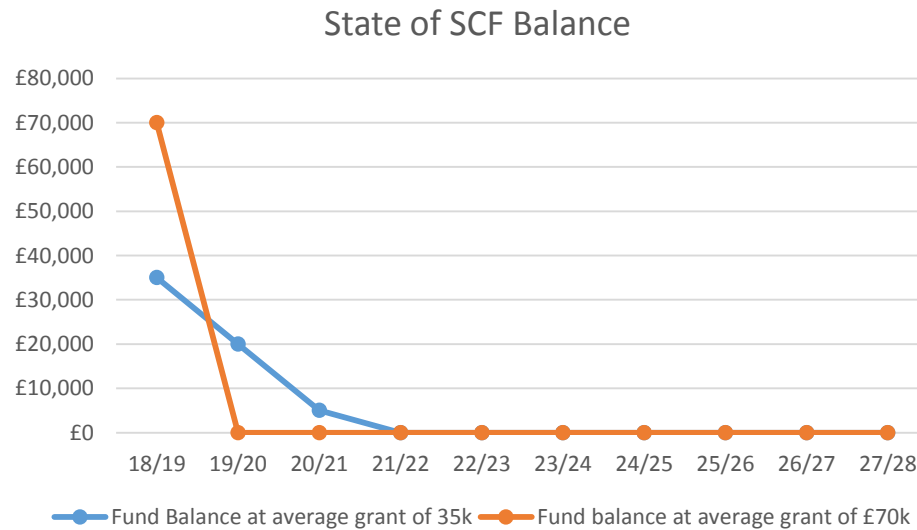
“Community Foundation” style endowment, for the South Downs National Park



Issue for consideration

SCF balance of approximately £70,000. Average annual amount awarded is £35,000, with demand for grants rising.

At this rate, with £20,000 being budgeted each year, the balance will be depleted by 2021/22. Any increase in the amount awarded would bring this forward.



The Paper

3 approaches to the SCF proposed

- Option 1 (Do Nothing)
- Option 2 (Review investment in the next budget round)
- Option 3 (Partner with the Trust)

Option 3 is recommended



Discussions to date

Proposals have developed with continued input of the SCF Chair.

Approved by the Trust during their meeting on the 8 March 2018.



Option 3 – Community Foundations

SOUTH DOWNS
NATIONAL PARK

Community Foundations have a geographic remit and raise funds from donors which are then invested. The profits from these investments are distributed through an annual grants programme.

Grants programmes rarely encompass environmental or cultural heritage causes.

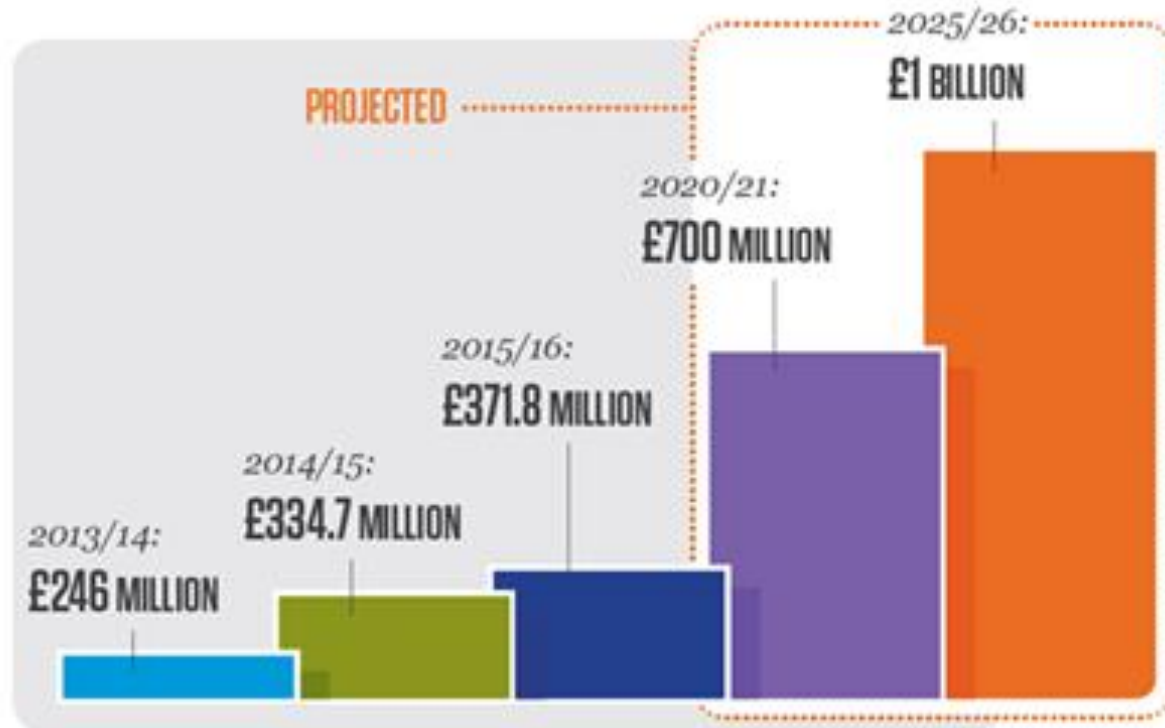
Partner with the newly formed Trust to create an endowment, similar to those run by Community Foundations. **Increasing the funds raised for grassroots community groups delivering the PMP.**

The Hampshire, Sussex and Surrey Community Foundations have each grown their endowments to £11 million in ten years



The future of philanthropy?

SOUTH DOWNS
NATIONAL PARK



How would it work

- SDNPA use the current SCF balance (approx. £70K) to attract match funding. **This project would not start without the Trust Matching Current Funds**
- Using current Trust funds we would then establishing an endowment in the Trust of circa £200K
- To maintain the average grants level, the SDNPA would supplement the income from the endowment for the first six years (**This would not exceed the existing commitments in the medium term financial strategy.**)
- The Trust would increase the endowment through fundraising, with the fund becoming sustainable and then growing over time.
- There would be little change to the current grants process, with the Trust adopting the current grants panel, rounds **and community grass roots focus of the fund.**



Branding

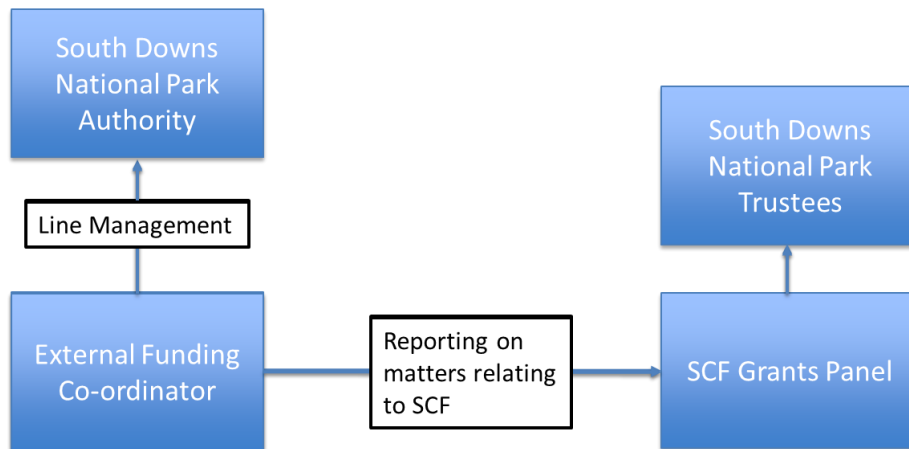
SOUTH DOWNS
NATIONAL PARK



Resourcing and reporting

This proposal would commit the SDNPA's External Fundraising Co-ordinator to continue administrating the grants programme, until the point where this could be funded by the Trust.

Represents an opportunity cost of £21,877 per annum, reflecting 50% of the current post holder (including on costs).



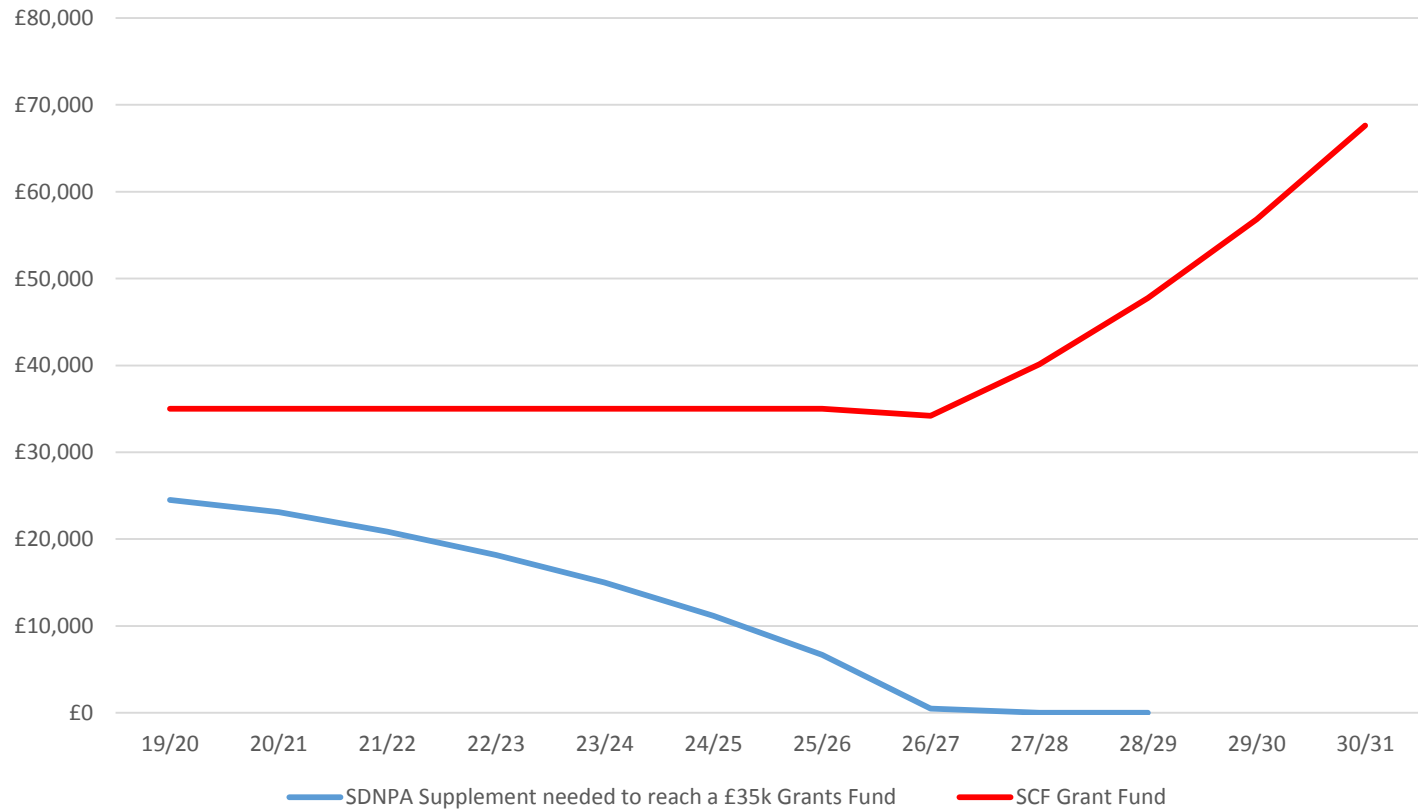
Finances

Year	Endowment Value assuming 5% interest and 20% year on year fundraising growth, minus fees	Funds Raised for Endowment	%Interest from Endowment	SDNPA Supplement needed to reach a £35k Grants Fund	SCF Grant Fund
18/19	£210,000		£10,500.00	£24,500	£35,000
19/20	£237,500	£47,500	£11,875.00	£23,125	£35,000
20/21	£282,625	£56,525	£14,131.25	£20,869	£35,000
21/22	£336,324	£67,265	£16,816.19	£18,184	£35,000
22/23	£400,225	£80,045	£20,011.26	£14,989	£35,000
23/24	£476,268	£95,254	£23,813.40	£11,187	£35,000
24/25	£566,759	£113,352	£28,337.95	£6,662	£35,000
25/26	£674,443	£134,889	£33,722.16	£485	£34,207
26/27	£802,587	£160,517	£40,129.37	£0	£40,129
27/28	£955,079	£191,016	£47,753.95	£0	£47,754
Total				£120,000	£367,090

20 year annual fund available for communities equals £271,944



Option 3 Growth and SDNPA Supplement



Pros of Option 3

- Attracting additional donations to the fund, including gift aid
- Reduced costs to the Authority
- Increasing annual grants pot post 2025
- Ability to secure a better return from the invested endowment
- Increase in exposure longer-term, for the fund, over the long term, through more projects supported
- Longer term self-sufficiency, no cost to SDNPA post 2025
- Increased goodwill for the SDNPA and the Trust

Cons of Option 3

- Sharing exposure with the Trust on any grants funded
- Diluted influence over the fund



Recommendations

1. Consider the options set out in the paper
2. Recommend to the NPA the establishment of an endowment to develop the existing Sustainable Communities Fund (option 3), subject to the agreement of the South Downs National Park Trust providing match funding (as set out in the report)
3. Delegate authority to the Chief Executive to further develop, in conjunction with the South Downs National Park Trust, the necessary agreements required to establish the endowment and bring these back to the Authority for final agreement in due course.

