
CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: CAIRNGORMS FUND

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Purpose

1. This paper seeks the Board's agreement to moving forward with the establishment, registration and operation of a Cairngorms Fund. The Fund would be an independent entity within the National Park, providing a means of accepting financial donations from any source and also a transparent mechanism for administering and disbursing funds to projects supporting the National Park Partnership Plan.
2. As a new strategic operational arm for administration of public and private financial donations and disbursement of those finances to support projects within the National Park, the Board are requested to consider the proposal with a view to ensuring a Cairngorms Fund is fully complementary to the existing and desired future funding and delivery mechanisms. The Board is also requested to approve the long term resource implications of taking forward this initiative.

Strategic Context

3. As a potential funding mechanism to attract public and private donations to the National Park a Cairngorms Fund has the potential to provide a source of finance to support any and all of the NPPP outcomes.
4. In terms of the existing Corporate Plan for 2012-2015, this initiative does not contribute directly to any existing outcomes. This has, in part, led to the progress of the initiative being delayed in favour of investing time on priorities contributing to existing Corporate outcomes. The Corporate Plan budget projections do however highlight an ongoing trend of declining core funding and increasing gap to be bridged

in funding priority activities which requires new income sources to be actively considered, and hence the initiative has continued to be developed as time permits.

5. In previous consideration of the idea of a Cairngorms Fund in August 2012, the Board agreed the principle of setting up a then titled “Common Good Fund” with a further paper to be brought back to the Board after further consideration. The Cairngorms Fund is the working title for the entity now being used.

Recommendations

6. **The Board is requested to agree the establishment of a National Park wide Cairngorms Fund, to establish a vehicle through which individuals, organisations or groups may make funding donations in order that all donations are appropriately routed to support projects delivering NPPP outcomes and priority work packages.**
7. **A Fund will operate in decision-making terms independently of the CNPA, although with some representation on its Board and potentially with some officer support for administration, governance and financial support.**
8. **The Board are requested to nominate two members who would become Directors of the Fund on its establishment.**
9. **The Board are requested to agree that officers take forward the establishment of the Fund, with that work to be led by the Director of Corporate Services, and that officers will liaise where appropriate with the Board members nominated to act as Directors of the Fund.**

Strategic Policy Considerations

10. The Board has, in August 2012, recognised the potential merit of the development of a charitable organisation of some form to accept funding donations from various sources and to transparently account for funds received and their subsequent disbursement. This paper takes this idea forward in terms of proposed establishment of a Cairngorms Fund.
11. The key point arising in consultation with some stakeholders and partners since August 2012 has been to ensure that any charitable entity established is, as far as possible, complementary to other fundraising initiatives and does not compete with them. The potential role for the Fund is to offer an established administrative and financial infrastructure through which to route any one-off financial donations or to

use as part of a transparent financial mechanism complementing other schemes, for example any voluntary visitor contributions, without having to re-invent such structures each time for each funding scheme or initiative. The establishment of a Cairngorms Fund with charitable status is also complementary to the potential for merchandising, through which net receipts from merchandising activity could be routed for disbursement on NPPP projects. Operating as an element of infrastructure in this way would not seem to offer any form of competition with other fundraising initiatives.

12. Conversely, should the Board wish to advocate a more proactive, fundraising and marketing role for a Fund, there is more scope for perceived and actual competition with other fundraising work by partners in addition to more need for resources to support the proactive fundraising activities.
13. Other options for consideration may be to consider seeking to adapt or enhance other existing mechanisms. For example, the LEADER Local Action Group is a grant awarding body with a current focus on EU LEADER and associated funds. This Group does not currently have any legally incorporated status. The constraining considerations with options such as this would appear to be both the risk of watering down the focus and potentially effectiveness of existing groups and also public confusion about operations. There may also be a reluctance of organisations or individuals to donate, perhaps either as a consequence of lack of clarity or specific focus of roles of bodies “expanded” bodies.
14. While making an approach to third party organisations or groupings to undertake such a role remains an alternate option, there does not appear to be any clear candidates for such an approach at this point in time.

Strategic Risk Management

15. *Strategic Risk: Insufficient funding to deliver CNPA and consequently NPPP plans.*
Developing forward strategic plans to address anticipated and increasing funding reductions is an existing mitigation strategy for action on the highest priority risk agreed by the Board in its revised risk strategic risk register. The work towards establishing a Cairngorms Fund will contribute to this strategic risk mitigation.
16. There are also two further current strategic risks around potential pressure to concentrate resources around specific areas of activity:
 - a) Pressure for economic growth makes it difficult to give due regard to other NP priorities.
 - b) National infrastructure projects may be imposed on the NP and impact on other priorities.

Creation of alternate potential project funding mechanisms at arms-length from the CNPA yet still guided by the NPPP would also seem to contribute toward effective mitigation strategies for these risks.

Implications

17. A small amount of initial staff time will have to be invested together with some further legal support in taking proposals forward to completion, with some ongoing administrative and governance support longer term to support the operation of the Fund. Initial resources of around 0.2FTE plus up to £3,000 in costs over the course of the next 6 months are estimated. Ongoing, staff support would be marginal if the Fund was to be administered on the Fund Directors' behalf by the CNPA. Our assessment is that efficiencies made and planned in current financial administration operations will establish sufficient capacity within existing staffing structures to take on the Fund support activities.
18. Clarity of objectives and operation of the Fund will still require to be managed going forward with partners and stakeholders. Liaison with stakeholders will continue during the operational design of Funds processes and procedures.

Success Measures

19. Success of a Cairngorms Fund will primarily be measured by the amounts of income gathered and disbursed to projects each year from effectively a zero start.
20. An additional success measure will be the "gross" amount of investment in the National Park when the resources made available by the Fund are combined with any other project resources.

Next Steps

21. Should the Board agree the recommendations, the next steps will be for officers to take forward the draft operational design of the Fund, including drafting Memorandum and Articles of Association, operational procedures and seeking incorporation and charities registration of the Fund.
 22. We will continue to liaise with key stakeholders in this regard, and work with the nominated Board members in developing this operational detail.
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SUPPORTING INFORMATION

Legal Structure

23. As set out in the information made available to the Board in August 2012, the most appropriate legal structure for the Cairngorms Fund is a Scottish Charitable Incorporated Organisation (SCIO). This is a recent innovation in charity law and is regulated solely by the Office of the Scottish Charity Regulator (OSCR). Compliance is straightforward, and a Cairngorms Fund would enjoy the same rights, protections, privileges, responsibilities and liabilities that a natural person would have in law.
24. The application for incorporation as a SCIO will include the proposed constitution and is made by the two nominated Board members, who will become its first members. Applications are assessed by OSCR on three criteria: (1) that the objectives of a proposed SCIO are only for charitable purposes and the public benefit; (2) the name of the charity is not objectionable; and (3) the constitution addresses ten specific points noted in SCIO guidance, none of which are onerous.
25. The application process is straightforward, and relatively quick.

Administration and Finance

26. The internal financial/administration staff support and services which will support the management of income receipts and disbursement will be supplied, at least to begin with, by the Park Authority.
27. Additional, specialised donation management expertise can be sourced from the Charities Aid Foundation (CAF). Using CAF's expertise means that a Cairngorms Fund will have 2 income streams: (1) on-line donations and (2) all other donation streams/campaigns.
28. Online: to keep administration and costs to a minimum the most cost effective solution appears at this inception stage to engage a partner for managing online donations such as the CAF. CAF offers a comprehensive on-line service – "CAF Donate" – which would list CCT in its database of charities for CAF users to donate directly and independently of any action by CCT or CNPA. The CAF Donate service creates a free online profile and donation portal which can be accessed by donors through the CAF charity search facility, by an embedded click through "Donate Now" button on the Park Authority website, mobile devices, from social

media, such as Facebook, or through CAF Give As You Earn. The minimum on-line donation is £5.00

29. No set up costs or monthly fees are charged for online donation. Fees are charged on gross donations (at 3.6%) and on direct debits (at 2%). The CAF service includes the production of detailed reports and Gift Aid reclaims; the creation of campaign pages for specific initiatives which set fundraising targets; timelines for campaigns; and facilities for one-off credit or debit card donations.
30. All other donations: i.e. anything not donated on-line, from corporate or non-UK resident donors, non-sterling donations, or merchandising will have to be processed by the Cairngorms Fund directly.

Need for a Cairngorms Fund

31. Over the period since the Board last considered this proposal in Summer 2012, there has been some evidence of increasing need for a “charitable donations” infrastructure to be in place within the National Park:
 - a) The 2020 Vision exhibition offered an opportunity for visitors to the exhibition to make donations to the protection of the nature and landscapes of the Cairngorms.
 - b) We have had an enquiry from a private sector organisation on the potential for donations from sales of a new product line to support projects within the national park.
32. Both occasions may have benefited from a more fully fledged charitable infrastructure, with a clear identity and charitable label, to complement the activities. The development of the Cairngorms Fund will therefore put in place a charity with transparent mechanisms for receiving and disbursing such donations in the future.
33. The consideration of potential merchandising activity, to be considered elsewhere within this Board agenda, may also make use of a Cairngorms Fund in accounting for receipt and use of any proceeds of merchandising.

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