

CAIRNGORMS NATIONAL PARK AUTHORITY

FOR DECISION

Title: Grant Integration and the Future of the Community
Investment Programme

Prepared by: Andrew Harper, Head of Economic and Social Development

Purpose

The purpose of this paper is to outline options for integrating grant funding mechanisms with a view to creating efficiencies for funders and simplifying processes for project applicants.

Recommendations

That the Board:

- a) Agrees the principle of pooling CNPA funding with LEADER resources and delegating authority to make funding decisions to the LEADER Local Action Group;
- b) Notes progress on the establishment of a Cairngorms Sustainability Fund; that the potential synergy in funding projects that may exist between LEADER and the Sustainability Fund will be explored as part of future development; and that the administration of the Sustainability Fund by LEADER staff will be explored as an option for the most effective and efficient delivery of this project;
- c) Agrees to the Cairngorms Community Investment Programme continuing as a small grants scheme but as part of the LEADER Programme rather than a separate Park Authority scheme.

Executive Summary

Opportunities to draw other funding in alongside LEADER resources have been explored. Scottish Enterprise Grampian are considering approving their matching funding for the LEADER programme at a scheme level and then leaving funding decisions on individual projects to the Local Action Group (LAG). The Park Authority has the opportunity to do the same. This would create administrative efficiencies but would also reduce the Authority's control over individual investment decisions. The CNPA is actively pursuing the establishment of a new Cairngorms Sustainability Fund which, if successfully secured, could also be administered alongside the LEADER Programme. As agreed by the Board previously, the Community Investment Programme has been evaluated and consideration given to whether it should operate in the future and, if so, in what form. It is proposed that it continues with minor modifications but that it becomes part of the LEADER programme rather than being a separate CNPA scheme.

GRANT INTEGRATION AND THE FUTURE OF THE COMMUNITY INVESTMENT PROGRAMME - FOR DECISION

Background

1. In November 2006, the Board considered a decision paper on 'The Future Development of CNPA Grant Mechanisms'. Two of the recommendations in that paper that were agreed by the Board were that:
 - a) As a partnership funding mechanism, it made sense for other funding sources to be drawn in alongside the LEADER programme to achieve efficiencies in grant administration and make use of the existing grant management systems and expertise of the LEADER administration staff. This would also simplify matters for grant applicants as they would be able to source more than one funding source with a single grant application;
 - b) The Community Investment Programme (CIP) – previously known as the Integrated Grants Programme – be evaluated. As part of the evaluation, consideration was to be given to whether the CIP should continue and, if it did, whether its focus would need to change and whether there were more efficient/effective ways to administer it.
2. This paper focuses upon where things have progressed to on these two issues.

Pooling of Funding with LEADER Resources

3. As was explained in the 'LEADER Programme Update' Board paper in October, the Authority and its partners are making good progress in bidding for a new LEADER Programme for the Cairngorms National Park. By the time of this Board meeting the final Strategy and Business Plan will have been submitted to the Scottish Government. The submission deadline was extended for all bids from 31 October to 14 November and, at present, it looks as though the overall decision timetable is on track.
4. In line with the direction agreed by the Board last November, opportunities to secure additional funds to be administered alongside the LEADER funding are continually being considered. It should be noted, though, that the funding landscape is relatively complex. Funders work to different geographies, have different eligibility and appraisal criteria and have differing degrees of flexibility in terms of being able to transfer or devolve control of their grant resources. Several opportunities to link other funds with LEADER have, however, been identified.
5. The Business Plan that was submitted as part of the bid gave an indicative profile of where the matching resources for the LEADER programme will come from. One of the factors that will be assessed by Scottish Government Officers will be the amount of funds that are likely to be levered in by the LEADER resources and how firm/realistic these projections are. With this in mind, Scottish Enterprise Grampian (SEG) are considering the radical step of approving their planned funding

contribution up front to be administered alongside the LEADER funds. This has yet to be confirmed but it does highlight an approach that the CNPA could potentially take.

6. Under the previous Cairngorms LEADER+ programme, the Park Authority moved some way towards linking it with some of its own programme funding. Rather than requiring applicants to submit separate applications for LEADER+ support and for CNPA support, a single application was submitted to LEADER+. Separate appraisals were then undertaken for LEADER+ funding and for CNPA support and separate mechanisms were in place to get funding approval. Where there was joint funding agreed, a single offer letter was issued covering both grants. The approach being considered by SEG is more radical, however, as it also integrates the appraisal and approval processes.
7. Such an approach would create greater administrative efficiencies for the Park Authority. It would require a level of pre-determined funding to be approved up front and administered alongside the LEADER monies. This of course would effectively delegate decision making on many CNPA grants to the Cairngorms National Park LEADER Local Action Group (LAG).
8. The only potential risk in this approach that has been identified is that of losing recognition of the Park Authority's support for community projects. However, it can be made clear in offer letters what the separate sources of funding are and a condition can be included that all of these funding sources are recognised in project publicity. Furthermore, now that the new LEADER programme is aligned with the National Park boundary, the potential for associating the Park brand with it will be explored, thus creating a greater link between the LEADER programme and the National Park than was the case under the previous programme.

Recommendation

9. **The Board agrees the principle of pooling CNPA funding with LEADER resources and delegating authority to make funding decisions to the LEADER LAG. The level of grant funding involved and any proposed safeguards would be brought to the Finance Committee for approval.**

Cairngorms National Park Sustainability Fund

10. In June the Board considered a paper on 'Tackling Climate Change/Promoting Sustainable Living and Working in the Cairngorms National Park'. One of the recommendations that was approved was for the Authority to offer financial support to effective projects through a "sustainability fund". Work on this has since been progressed by the Authority's External Funding Officer (Quentin McLaren) and its Integrated Land Management Officer (Fiona Chalmers), with an invitation pack being issued to potential corporate partners.
11. The objective of the planned fund is to support projects that:

- a) Contribute to a lower carbon economy;
 - b) Raise awareness and stimulate action for sustainable living; and
 - c) Undertake environmental improvements that focus on the adaptation of biodiversity to the effects of climate change.
12. The LEADER Strategy and Business Plan includes a focus on actions to mitigate or adapt to climate change. If the Cairngorms National Park Sustainability Fund is successfully secured, there are likely to be good opportunities to build on synergies between LEADER and Sustainability Fund grants in supporting projects.
13. The operation, particularly in terms of governance and stewardship, of Sustainability Funds has yet to be determined. There remains a significant amount of work to be done in securing partners to contribute to and work through the Fund, and to design governance and stewardship structures appropriate to the expectations of all partners. Therefore, should the Fund be successful in attracting contributors, options still have to be developed and considered as to how decisions to use these resources in funding projects will be taken. This will be considered as part of a Board paper planned for January on this work
14. In terms of the administrative support for a Sustainability Fund, staff are conscious that there are likely to be benefits in building on the knowledge and expertise of the staff team supporting LEADER and the Community Investment Programme. This may also realise efficiencies in overall operations. Therefore, in taking the development of the Sustainability Fund forward, staff will ensure that the use of the existing administrative support team and structures is explored as an option for the most effective and efficient delivery of this project.

Recommendation

15. **The Board notes progress on the establishment of a Cairngorms Sustainability Fund; that the potential synergy in funding projects that may exist between LEADER and the Sustainability Fund will be explored as part of future development; and that the administration of the Sustainability Fund by LEADER staff will be explored as an option for the most effective and efficient delivery of this project.**

Future of the Cairngorms Community Investment Programme

16. The evaluation of the Community Investment Programme (and its predecessor, the Integrated Grants Programme) showed that it had supported a wide range of projects involving communities and organisations in the natural and cultural heritage of the Cairngorms. Many of these projects enhanced particular sites through improved access or interpretation, or involved local people (and visitors) in cultural activity. Some were the first step towards a larger LEADER+ application, while others addressed a biodiversity issue, protecting or extending understanding of wildlife and landscapes.

17. As was the case for LEADER, the administrative procedures and processes were generally thought to be effective and efficient by project applicants. The evaluation findings have been reinforced by an internal audit review that confirmed appropriate internal controls are in place for grant assessment and awards.
18. Whilst it was difficult to evaluate hard impacts, the projects undoubtedly made a positive difference and helped build goodwill with local stakeholders across the Park.
19. Part of the scope of the evaluation was to consider whether such a programme should be continued and, if so, what the best delivery option might be. Management Team members had been concerned that quite a bit of staff time was being taken up on what were essentially relatively low cost and low risk projects and the consultants were asked to assess whether the administration could be contracted out to a separate organisation or organisations covering different parts of the Park.
20. The consultants view is that the risks of outsourcing grant administration of the Community Investment Programme are too high and that the efficiency gains of administering it alongside LEADER would be lost. In addition, over the past year, input from staff beyond the LEADER administrative staff has been reduced to a more acceptable level.
21. It is therefore proposed that the Community Investment Programme be continued, covering broadly the same themes as before – Park for All, Marketing and Events, Cultural Heritage, Interpretation, Outdoor Access and Biodiversity. However, rather than running this as a separate CNPA grants scheme, it is suggested that it be subsumed as a small grants mechanism into the Cairngorms National Park LEADER programme. Again, this would bring about further administrative efficiencies and would be agreeable to the Cairngorms National Park LAG who are keen to continue with a small grants scheme.
22. This change in approach has been discussed with Scottish Natural Heritage to see whether they would be prepared to continue part funding elements of the small grants scheme. In principle they are prepared to do so and a bid for SNH funds of £55,000 per year over the next three years will be considered through their Corporate Planning process.

Recommendation

23. **The Board agrees to the Cairngorms Community Investment Programme continuing as a small grants scheme but as part of the LEADER Programme rather than a separate Park Authority scheme.**

Consultation

24. In developing this paper consultation has taken place with relevant CNPA officers, and the Management Team. The Cairngorms National Park LAG are happy with the proposals.

Policy Context

25. The proposals would ensure that future grant programmes are fully aligned with delivery of the Park Plan.

Delivering Sustainability

26. The new LEADER Strategy and Business Plan has been framed within the context of the Park Plan, thus helping to deliver on sustainability objectives. Initiatives in relation to climate change have been identified as an area for targeted support.

Delivering A Park For All

27. The new LEADER Strategy and Business Plan has been framed within the context of the Park Plan, thus helping to deliver on Park for All objectives. The LEADER programme must have a particular emphasis on women and young people but to be consistent with the Park for All priority groups this has been extended to also cover people on low incomes and people with disabilities.

Delivering Economy, Efficiency and Effectiveness

28. The bringing together of partners and funding around the LEADER Strategy and Business Plan will help deliver economy, efficiency and effectiveness, and is in line with the broad objective of simplifying public service provision for customers. The development of stronger links with partners, particularly through local Community Planning partnerships will also help.

Implications

Financial Implications

29. There are of course financial implications of the CNPA approving up front matched funding for the new LEADER programme. These will be factored into Board considerations on the new Corporate Plan. Provided that provision is made in the Corporate Plan, financial authority will be sought from the Finance Committee and the Scottish Government. As a guide, the CNPA has approved matched funding to LEADER grants at a project level of approximately £200,000 per annum over the last three financial years.

Presentational Implications

30. There are no negative presentational implications associated with approving these recommendations. Members of the Cairngorms National Park LAG would be likely to view such moves positively as they would demonstrate the Authority's commitment to working in partnership. Anything that simplifies grant funding processes and procedures will also be positively received by project applicants.

Implications for Stakeholders

31. By demonstrating the benefits of pooling grant resources, it will be easier to build a case for other funding partners to follow suit.

Next Steps

32. If the Board agree to the above recommendations, officers will:
- a) pursue the necessary changes to subsume the Community Investment Programme into the new Cairngorms National Park LEADER programme;
 - b) work up a more detailed funding proposal for consideration by the Finance Committee and the Scottish Government.

AndrewHarper

November 2007

andrewharper@cairngorms.co.uk