



**SCRUTINY STUDY REPORT**  
of the  
**SUSTAINABLE DEVELOPMENT FUND SCHEMES**  
of the  
**BRECON BEACONS NATIONAL PARK AUTHORITY**  
and  
**PEMBROKESHIRE COAST NATIONAL PARK AUTHORITY**

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### **Purpose of Report**

- i) To present evidence to members of the contribution made by the respective Parks' Sustainable Development Fund schemes to the development of low carbon communities; and
- ii) To assist Members in considering how best to take the SDF schemes forward.

### **Introduction/Background**

The catalyst to introduce Scrutiny into the BBNPA came from Members and reflected a desire to have a mechanism at the Authority's disposal to investigate chosen areas of the Authority's operations. Following a successful joint bid with the Pembrokeshire Coast National Park Authority to the Welsh Government, funding was secured to develop Scrutiny processes into both Authorities. As part of that development process it was agreed that two pilot Scrutiny studies would be undertaken and this report relates to the first of those two studies.

### **Undertaking the study**

- a) A set of criteria was agreed by the scrutiny team and applied to all the SDF projects with significant low carbon credentials which had been supported by the respective SDF schemes during the period 2007-2010. This process identified thirty three projects which formed the core of the empirical evidence.
- b) A review of secondary evidence also began immediately, including the BRASS<sup>1</sup> (2007) report and the Land Use Consultants' (2010) report.

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<sup>1</sup> *The Centre For Business Relationships, Accountability, Sustainability and Society* undertook a study in 2007 which was commissioned by the Welsh Government to review the operational effectiveness of the SDF schemes of the three National Parks of Wales and Areas of Outstanding Natural Beauty; and Environment Wales.

- c) To develop the primary evidence, four research methods were identified. These were
- telephone interviews (17)
  - postal questionnaires (11)
  - site visits; and (3)
  - interviews set within two 'Hearings'. (2)

The numbers in parenthesis indicate how many projects were studied using the respective research methods.

Having established which research methods were to be employed and to which projects they would be applied, it was then necessary to decide how to treat the two recent major studies of SDF schemes in Wales (BRASS, 2007) and England (Land Use Consultants, 2010). The issue was, should these studies be treated as simply conventional secondary evidence, acting as useful reference points but not a great deal more, or should the scrutiny team use the BRASS report in particular as the starting point for the current study, building upon the previous study's findings to see if they still held true and whether any new issues were beginning to develop. Rather than attempting to reinvent wheels this study has taken the BRASS report as its starting point, whilst also drawing upon the 2010 report by Land Use Consultants. This consistency allows any significant differences to be seen as worthy of investigation or comment and not be a function of incompatible research designs or operation.

One of the limitations of the BRASS report, from the scrutiny study's perspective at least, is that all the statistics shown in the report are aggregations of all the SDFs across the three National Parks and AONBs. It is not possible to identify any one National Park or AONB separately. This scrutiny study, employing a very slightly adapted version of the BRASS interview and questionnaire schedule, has been able to study the SDF schemes of the BBNPA and PCNPA, both jointly and separately.

## Findings

The BRASS report (2007) was very complimentary about the achievements of the SDF schemes across all of the National Parks and the AONBs. The findings of this scrutiny study allows the detail of the SDF schemes of the BBNPA and PCNPA to be visible, with clients of the BBNPA and PCNPA reporting outstanding levels of satisfaction, as illustrated in the tables below.

### I. Effectiveness and efficiency of the SDF schemes

| Area of performance                         | BRASS - 2007 | BBNPA - 2011 | PCNPA - 2011 |
|---|--------------|--------------|--------------|
| Application process - ease of understanding | 4.2          | 4.3          | 4.5          |
| Application form - ease of completion       | 3.9          | 4.1          | 4.5          |

In the above table the scoring ranged from 1 to 5, with 1 representing 'extremely poor', to 5 representing 'excellent'. Thus, the higher the score the better.

2. Quality and effectiveness of support provided by SDF officers

| Area of performance  | BRASS - 2007 | BBNPA - 2011 | PCNPA - 2011 |
|--|--------------|--------------|--------------|
| Quality of support given in completing application form  | 4.3          | 5.0          | 5.0          |
| Quality of support given by SDF officers   | 4.4          | 5.0          | 5.0          |
| Problems caused by administrative problems (the lower the score the better - lowest possible is 1.0) | 1.7          | 1.2          | 1.6          |

In the table above the scoring ranged from 1 to 5, with 1 representing 'extremely poor', to 5 representing 'excellent'. Interpretation of the scores shown against issue 3 is explained within the table.

The perfect scores of 5.0 for both BBNPA and PCNPA are not scores of 4.8 or 4.6 rounded up to 5, but actual scores of 5.0. It is important to emphasise that these scores were achieved with 33 participating projects, so the scores are not the result of a small or skewed sample.

3. Suitability of SDF for carbon reducing projects

| Area of performance  | BRASS - 2007 | BBNPA - 2011 | PCNPA - 2011 |
|--|--------------|--------------|--------------|
| Suitability of SDF for carbon reducing projects (scoring range was 1-10 with 1 = totally unsuitable to 10= totally suitable) | n/a          | 9.0          | 9.3          |

The specific issue of the appropriateness of SDF schemes and low carbon projects was not covered in the BRASS report, but was included to address the specific focus of this scrutiny study. The above scores indicate a high level of appropriateness of the SDF scheme for low carbon projects.

4. Do the SDF schemes invest in successful innovative projects?

The BRASS (2007) report questioned whether the SDF schemes could maintain their reputations for innovation and very high levels of client satisfaction. The above tables speak to the experiences of project teams in the development of their applications. The issue of innovation and success (or otherwise) of SDF investments is best illustrated by way of external validation. The past two years have been outstanding years for projects initially funded by SDF investment of the BBNPA and PCNPA, progressing to win major UK

competitions with significant financial awards. The full list is shown in tables 4a and 4b of the report, but just three of the projects are shown in the following table.

| Name and description of project  | Purpose of SDF funding   | Subsequent success  |
|--|--|---|
| <p>The Green Valleys (TGV)<br/>The project now handles all the BBNPA's renewable energy projects.<br/>TGV operates a portfolio approach to its investments, leveraging over £1M of external funding to stimulate renewable energy, particularly micro-hydro, in the BBNP.</p>  | <p>Funding of field officer, administrative support and other infrastructural costs</p>                                  | <ul style="list-style-type: none"> <li>• Winner of NESTA competition (£300000).</li> <li>• Handling all renewable energy proposals for BBNPA</li> <li>• Total capital now in excess of £1M following the raising of private capital.</li> <li>• Showcased at a number of international conferences and attracting considerable international interest.</li> </ul>               |
| <p>Talgarth Mill<br/>Renovation of Mill to play a crucial role in regenerating a community.</p>  | <p>To create administrative and technical infrastructure</p>   | <ul style="list-style-type: none"> <li>• Winner of Big Lottery/BBC 'Village SOS' competition (£454000);</li> <li>• Successful People &amp; Places bid (£350000)</li> <li>• Raised a further £70000 from other sources</li> <li>• 1-hour, prime-time BBC 1 programme (broadcast July 2011) dedicated to the restoration of the Mill and the regeneration of Talgarth.</li> </ul> |
| <p>Llangattock Area Allotments and Llangattock Green Valleys<br/>A combination of projects, including rubbish collection to finance renewable energy initiatives; creating allotment space to facilitate food independence; and micro-hydro developments.<br/>This is a further exemplar of communities taking responsibility for their own futures. Llangattock Green Valleys has a commitment to make Llangattock energy negative by 2015.</p> | <p>To support a dynamic group of local residents to help shape their community's commitment to a sustainable future.</p> | <ul style="list-style-type: none"> <li>• Winner of British Gas 'Clean Streets' award (£100000).</li> <li>• Currently working in partnership with British Gas to secure additional EU funding.</li> <li>• Used as a beacon of what local communities can do to take control of their own low carbon futures.</li> </ul>  |

## 5. Multiplier effect

The following table shows the ratio of SDF funding to all other funding at the time of the SDF investment, i.e. the figures do not include funding achieved subsequent to the SDF

investment. Thus, the significant successes of the projects mentioned above and their associated awards post-SDF support are not included in these figures.

|       | 2008/9 | 2009/10 | 2010/11 |
|-------|--------|---------|---------|
| BBNPA | 1:4.6  | 1:2.9   | 1:6.7   |
| PCNPA | 1:4.0  | 1:1.8   | 1:1.1   |

The figures include cash matching, but also volunteer hours and other in-kind contributions. Given that the focus of this study has been upon the contribution of SDF to the development of low carbon communities, the need for local communities to be actively involved in achieving carbon reduction on an on-going, long-term basis is central to the success of these projects. In a deteriorating economic climate these are strong multiplier achievements, particularly those of the BBNPA.

### SDF Decision making processes

| Issue   | BBNPA   | PCNPA   |
|---|---|---|
| Composition of SDF Advisory Panel                       | 6 BBNPA members;<br>9 non-BBNPA members   | 5 PCNPA members;<br>8 non-PCNPA members   |
| Do all proposals go to SDF panel?                       | Chair can authorise expenditure below £1000. Discretion only exercised when urgency is imperative and decision reported at next SDF panel meeting                             | Chair can authorise expenditure below £1000. Discretion only exercised when urgency is imperative and decision reported at next SDF panel meeting |
| Form of proposal and presentation to SDF Advisory Panel | Presentation normally by written application form only, but supplemented by oral presentation on occasions. Presentations sometimes required as part of follow-up evaluation. | All applications include written applications and an oral presentation.   |
| Final approval  | Recommendation of SDF Advisory Panel submitted to National Park Authority for approval.   | Recommendations of SDF Advisory Panel submitted to Chief Executive for approval.  |

As the above table shows, both the BBNPA and the PCNPA operate SDF panels which consider all applications. The one major difference relates to sign-off. Final approval at the PCNPA rests with the chief executive, a situation which existed at the BBNPA until 2008, when a change was instituted to make the National Park Authority the final arbiter in the

process. This change was considered necessary to enhance the governance process of the SDF scheme.

### **A success story that cannot shout too loud about its success**

Whilst the SDF schemes of both the BBNPA and PCNPA utilise marketing channels to raise public awareness of their existence and disseminate their experiences via workshops and displays, marketing activity is constrained. This is because with funds fully utilised, greater marketing effort would be likely to raise applications and expectations far beyond what the SDF schemes can resource.

### **Challenges and opportunities**

Three areas represent significant opportunities, but also pose major challenges for the BBNPA and PCNPA SDF schemes. Each of these issues was also identified in the Land Use Consultants report (2010) on England's National Parks.

- a) The first concerns the potential for taking the learning and the success of the SDF out to urban communities and to socially excluded groups. The LUC report states the case as follows:

*The NPAs should build upon the inspiring examples taking place in all National Parks and consider how the SDF can be more fully used to engage with communities in urban areas who experience barriers to accessing the Parks.*

- b) The second area relates to ensuring that a National Park's SDF is recognised as an important element in achieving an Authority's duties in the areas of social and economic well-being, including being fully integrated within the National Park's Management Plan.
- c) The third is to build upon and extend partnership working, by utilising the outstanding success stories of the SDF to stimulate and nurture similar successes in partner organisations

With regard to (a) above, the BBNPA and PCNPA already have important work under way with various socially excluded and difficult-to-reach groups. However, there is considerable potential in extending this work with further contributions by the SDF teams. With regard to (b) and (c) above these are important challenges to ensure that thinking, planning and action are always 'joined-up'.

All three issues are concerned with knowledge transfer and disseminating the excellent practices of the SDF schemes that has been recognised in the two key reports of BRASS (2007) and Land Use Consultants (2010) and in this scrutiny study. Rather than innovation being at risk, the success of SDF-funded projects in winning major UK-wide awards indicates that Wales has developed a great success story in the field of a 'bottom-up, rural community-led projects to address critical social, environmental and economic problems of the modern era. The SDF schemes stimulate and invest in innovative projects that could make significant differences to sustainable futures. However, there is an important caveat which is explained in the recommendations.

## Conclusion

The authors of the BRASS report commented upon the apparent lack of awareness of the Welsh Government of the potential of the SDF scheme to aid policy implementation. This is reflected in the following extract from the BRASS report.

- *Neither scheme [SDF or Environment Wales] receives much response or feedback from the Welsh Assembly”:*
- *Neither scheme is very well integrated by the Assembly into other policies or departments*
- *Neither scheme is particularly well promoted or profiled either by themselves or by the Welsh Assembly.*

(BRASS report, 2007, p.44 )

One of the main recommendations of the BRASS report was for the Welsh Government to integrate the SDF schemes more explicitly into policies of the key ministries.

*That the Welsh Assembly Government should integrate the aims and objectives of the schemes with business support policies and programmes in the Welsh (Assembly) Government.* (BRASS report, (2007:piv),

When interviewed for the current study the representative of the BRASS research team was asked whether he would recommend a level of investment in SDF beyond the current level. His reply reflected the researcher’s caution in commenting upon a study which was four years old, but he replied,

*“If SDF schemes have continued working in the way they did ....., they might be now one of the strongest and more efficient tools the government has to promote localised development of sustainable communities.”*

The Land Use Consultants’ report (2010) into the operation of the SDF in English National Parks observed,

*“ The findings of this evaluation start to suggest that the experience gained from the SDF puts the NPAs in a good position (with additional funding) to deliver the Government’s low carbon policies at a community level within their areas”.* Words in parenthesis are in the Land Use Consultants’ report. (p.38) (text in parenthesis is in the original)

There appears to be a powerful case for the SDF, certainly in the context of the Brecon Beacons National Park Authority and the Pembrokeshire Coast National Park Authority, to be important conduits of Welsh Government investment in sustainable futures; sustainable communities in general; and low carbon communities in particular.

## **Recommendations**

***The main recommendations of this study are:***

### **For the BBNPA and PCNPA**

- a) That the BBNPA and PCNPA approve this report (NB. This will be going before Pembrokeshire Coast National Park Authority on 12 October 2011);***
- b) That the BBNPA and PCNPA approve an approach to the Welsh Government to discuss how the SDF schemes could be more influential in implementing the government's sustainability agenda.***
- c) If recommendation (b) above is approved, that Members agree a group of representatives from the scrutiny pilot group of each authority to identify specific proposals and to engage with the Welsh Government.***

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19 September 2011